

**VILLAGE OF CAMBRIA, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended April 30, 2024**

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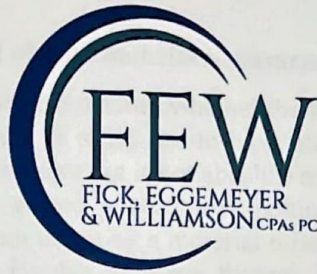
**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance 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.



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Village of Cambria  
Cambria, Illinois

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, and each major fund of the Village of Cambria, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, and each major fund of the Village of Cambria, Illinois, as of April 30, 2024, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Cambria, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance 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.



## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Cambria, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Cambria, Illinois' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules of assessed valuation but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



F.E.W. CPAs  
Columbia, Illinois  
July 26, 2024



VILLAGE OF CAMBRIA, ILLINOIS  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
APRIL 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 168,317	\$ 676,253	\$ 844,570
Internal balances	-	107,035	107,035
Restricted assets			
Cash and cash equivalents	1,155,894	85,734	1,241,628
Total current assets	<u>1,324,211</u>	<u>869,022</u>	<u>2,193,233</u>
Noncurrent assets			
Capital assets, net of depreciation	215,713	745,238	960,951
Total noncurrent assets	<u>215,713</u>	<u>745,238</u>	<u>960,951</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,539,924</u>	<u>\$ 1,614,260</u>	<u>\$ 3,154,184</u>
<b>LIABILITIES</b>			
Current liabilities			
Internal balances	\$ 107,035	\$ -	\$ 107,035
Current portion of long-term debt	-	42,275	42,275
Total current liabilities	<u>107,035</u>	<u>42,275</u>	<u>149,310</u>
Noncurrent liabilities			
Bonds payable	-	199,000	199,000
Notes payable	-	85,997	85,997
Total noncurrent liabilities	<u>-</u>	<u>284,997</u>	<u>284,997</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 107,035</u>	<u>\$ 327,272</u>	<u>\$ 434,307</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 215,713	\$ 417,966	\$ 633,679
Restricted			
Motor fuel tax fund	379,728	-	379,728
Tax increment financing fund	737,166	-	737,166
Tax increment financing fund 2	30,000	-	30,000
Water fund	-	85,734	85,734
Unrestricted	70,282	783,288	853,570
<b>TOTAL NET POSITION</b>	<u>\$ 1,432,889</u>	<u>\$ 1,286,988</u>	<u>\$ 2,719,877</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMBRIA, ILLINOIS  
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
 FOR THE YEAR ENDED APRIL 30, 2024

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Business-type Activities	
					Governmental Activities	Business-type Activities
Total						
Primary government:						
Governmental activities:						
General government	\$ 572,655	\$ 22,406	\$ -	\$ -	\$ (550,249)	\$ -
Public safety	266,782	-	-	-	(266,782)	-
Culture and recreation	47,932	-	-	-	(47,932)	-
Highways and streets	127,344	-	-	-	(127,344)	-
Total governmental activities	1,014,713	22,406	-	-	(992,307)	-
Business-type activities:						
Water	328,069	358,058	-	-	-	29,989
Sewer	196,021	175,489	-	-	-	(20,532)
Garbage	140,688	118,805	-	-	-	(21,883)
Total business-type activities	664,778	652,352	-	-	(12,426)	(12,426)
Total	\$ 1,679,491	\$ 674,758	\$ -	\$ -	(992,307)	(12,426)
						(1,004,733)
General revenues:						
Property tax				713,682	-	713,682
Telecommunications tax				7,202	-	7,202
Utility tax				74,288	-	74,288
Cannabis tax				2,336	-	2,336
Income tax				246,390	-	246,390
Local use tax				57,488	-	57,488
Replacement tax				3,456	-	3,456
Sales tax				95,856	-	95,856
Motor fuel tax				68,253	-	68,253
Rent				2,898	-	2,898
Interest income				26,608	7,232	33,840
Miscellaneous				30,018	42,770	72,788
Total general revenues				1,328,475	50,002	1,378,477
Changes in net position				336,168	37,576	373,744
Net position - beginning				1,096,721	1,249,412	2,346,133
Net position - ending				\$ 1,432,889	\$ 1,286,988	\$ 2,719,877

The notes to the financial statements are an integral part of this statement.



VILLAGE OF CAMBRIA, ILLINOIS  
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
 MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
 APRIL 30, 2024

	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	Tax Increment Financing Fund 2	Housing Grant Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 168,317	\$ -	\$ -	\$ -	\$ -	\$ 168,317
Restricted assets						
Cash and cash equivalents	-	379,728	737,166	39,000	-	1,155,894
Total assets	<u>\$ 168,317</u>	<u>\$ 379,728</u>	<u>\$ 737,166</u>	<u>\$ 39,000</u>	<u>\$ -</u>	<u>\$ 1,324,211</u>
<b>LIABILITIES</b>						
Internal balances	\$ 98,035	\$ -	\$ -	\$ 9,000	\$ -	\$ 107,035
Total liabilities	<u>98,035</u>	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>107,035</u>
<b>FUND BALANCES</b>						
Restricted	-	379,728	737,166	30,000	-	1,146,894
Unassigned	70,282	-	-	-	-	70,282
Total fund balances (deficits)	<u>70,282</u>	<u>379,728</u>	<u>737,166</u>	<u>30,000</u>	<u>-</u>	<u>1,217,176</u>
Total liabilities and fund balances	<u>\$ 168,317</u>	<u>\$ 379,728</u>	<u>\$ 737,166</u>	<u>\$ 39,000</u>	<u>\$ -</u>	<u>\$ 1,324,211</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMBRIA, ILLINOIS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS,  
 LIABILITIES AND FUND BALANCES - MODIFIED CASH BASIS TO THE STATEMENT  
 OF NET POSITION - MODIFIED CASH BASIS  
 APRIL 30, 2024

	Governmental Funds	Total	
Total fund balance - governmental funds	\$ 1,217,176	\$ 1,217,176	
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$1,965,881, and the accumulated depreciation is \$1,750,168.		215,713	
Net position of governmental activities		<u>\$ 1,432,889</u>	

The notes to the financial statements are an integral part of this statement.



VILLAGE OF CAMBRIA, ILLINOIS  
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN  
 FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED APRIL 30, 2024

Revenues:	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	Tax Increment Financing Fund 2	Housing Grant Fund	Total Governmental Funds
<b>Taxes:</b>						
Property	\$ 77,282	\$ -	\$ 636,400	\$ -	\$ -	\$ 713,682
Telecommunications	7,202	-	-	-	-	7,202
Utility	74,288	-	-	-	-	74,288
<b>Intergovernmental</b>						
Cannabis tax	2,336	-	-	-	-	2,336
Income tax	246,390	-	-	-	-	246,390
Local use tax	57,488	-	-	-	-	57,488
Replacement tax	3,456	-	-	-	-	3,456
Sales tax	95,856	-	-	-	-	95,856
Motor fuel tax	5,041	63,212	-	-	-	68,253
Charges for services	1,969	-	-	-	-	1,969
Licenses, permits, and fines	20,437	-	-	-	-	20,437
Rent	2,898	-	-	-	-	2,898
Interest income	6,157	20,451	-	-	-	26,608
Miscellaneous	18	-	-	30,000	-	30,018
<b>Total revenues</b>	<b>600,818</b>	<b>83,663</b>	<b>636,400</b>	<b>30,000</b>	<b>-</b>	<b>1,350,881</b>
<b>Expenditures:</b>						
<b>Current</b>						
General government	199,501	-	367,175	-	-	566,676
Public safety	251,837	-	-	-	-	251,837
Culture and recreation	45,206	-	-	-	-	45,206
Highways and streets	115,009	6,736	-	-	-	121,745
Capital outlay	33,237	-	35,000	-	-	68,237
<b>Total expenditures</b>	<b>644,790</b>	<b>6,736</b>	<b>402,175</b>	<b>-</b>	<b>-</b>	<b>1,053,701</b>
Excess (deficiency) of revenue over expenditures	(43,972)	76,927	234,225	30,000	-	297,180
<b>Other financing sources (uses):</b>						
Transfers	(6,262)	-	-	-	6,262	-
Excess (deficiency) of revenue over expenditures and other sources (uses):	(50,234)	76,927	234,225	30,000	6,262	297,180
Fund balance (deficit) - beginning	120,516	302,801	502,941	-	(6,262)	919,996
Fund balance (deficit) - ending	<u>\$ 70,282</u>	<u>\$ 379,728</u>	<u>\$ 737,166</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 1,217,176</u>

VILLAGE OF CAMBRIA, ILLINOIS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES RECEIVED,  
 EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
 FOR THE YEAR ENDED APRIL 30, 2024

Net change in fund balances - total governmental funds \$ 297,180

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	68,237	
Depreciation expense	<u>(29,249)</u>	<u>38,988</u>

Change in net position of governmental activities \$ 336,168



VILLAGE OF CAMBRIA, ILLINOIS  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
APRIL 30, 2024

	Water Fund	Sewer Fund	Garbage Fund	Total
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 653,101	\$ 10,923	\$ 12,229	\$ 676,253
Internal balances	-	212,007	74,491	286,498
Restricted assets:				
Cash and cash equivalents	85,734	-	-	85,734
Total current assets	<u>738,835</u>	<u>222,930</u>	<u>86,720</u>	<u>1,048,485</u>
Noncurrent assets				
Capital assets, net of depreciation	260,158	485,080	-	745,238
Total noncurrent assets	<u>260,158</u>	<u>485,080</u>	<u>-</u>	<u>745,238</u>
Total assets	<u>\$ 998,993</u>	<u>\$ 708,010</u>	<u>\$ 86,720</u>	<u>\$ 1,793,723</u>
<b>LIABILITIES</b>				
Current liabilities				
Internal balances	\$ 179,463	\$ -	\$ -	\$ 179,463
Current portion of long-term debt	15,000	27,275	-	42,275
Total current liabilities	<u>194,463</u>	<u>27,275</u>	<u>-</u>	<u>221,738</u>
Noncurrent liabilities				
Bonds payable	199,000	-	-	199,000
Notes payable	-	85,997	-	85,997
Total noncurrent liabilities	<u>199,000</u>	<u>85,997</u>	<u>-</u>	<u>284,997</u>
Total liabilities	<u>\$ 393,463</u>	<u>\$ 113,272</u>	<u>\$ -</u>	<u>\$ 506,735</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 46,158	\$ 371,808	\$ -	\$ 417,966
Restricted	85,734	-	-	85,734
Unrestricted	473,638	222,930	86,720	783,288
Total net position	<u>\$ 605,530</u>	<u>\$ 594,738</u>	<u>\$ 86,720</u>	<u>\$ 1,286,988</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMBRIA, ILLINOIS  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND  
CHANGES IN NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED APRIL 30, 2024

	Water Fund	Sewer Fund	Garbage Fund	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 358,058	\$ 175,489	\$ 118,805	\$ 652,352
Miscellaneous	27,546	11,197	4,027	42,770
<b>Total operating revenues</b>	<b>385,604</b>	<b>186,686</b>	<b>122,832</b>	<b>695,122</b>
<b>OPERATING EXPENSES:</b>				
Salaries and related expenses	100,141	79,803	-	179,944
Purchased services	82,370	-	140,688	223,058
Insurance	42,017	37,414	-	79,431
Supplies and materials	20,163	14,458	-	34,621
Repairs and maintenance	12,227	13,343	-	25,570
Professional fees	4,078	7,919	-	11,997
Utilities	11,074	5,071	-	16,145
Office expense	9,849	3,275	-	13,124
Vehicle expense	7,957	50	-	8,007
Training	245	90	-	335
Uniform expense	3,396	3,320	-	6,716
Dues & fees	388	2,500	-	2,888
Depreciation	21,328	25,377	-	46,705
Miscellaneous	2,041	69	-	2,110
<b>Total operating expenses</b>	<b>317,274</b>	<b>192,689</b>	<b>140,688</b>	<b>650,651</b>
<b>Operating income</b>	<b>68,330</b>	<b>(6,003)</b>	<b>(17,856)</b>	<b>44,471</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest income	7,036	196	-	7,232
Interest expense	(10,795)	(3,332)	-	(14,127)
<b>Total non-operating revenues (expenses)</b>	<b>(3,759)</b>	<b>(3,136)</b>	<b>-</b>	<b>(6,895)</b>
<b>Changes in net position</b>	<b>64,571</b>	<b>(9,139)</b>	<b>(17,856)</b>	<b>37,576</b>
<b>Net position - beginning</b>	<b>540,959</b>	<b>603,877</b>	<b>104,576</b>	<b>1,249,412</b>
<b>Net position - ending</b>	<b>\$ 605,530</b>	<b>\$ 594,738</b>	<b>\$ 86,720</b>	<b>\$ 1,286,988</b>

The notes to the financial statements are an integral part of this statement.



VILLAGE OF CAMBRIA, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED APRIL 30, 2024

	Water Fund	Sewer Fund	Garbage Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 369,165	\$ 200,067	\$ 132,284	\$ 701,516
Payments to suppliers	(195,805)	(87,509)	(140,688)	(424,002)
Payments to employees	(100,141)	(79,803)	-	(179,944)
<b>TOTAL OPERATING ACTIVITIES</b>	<b>73,219</b>	<b>32,755</b>	<b>(8,404)</b>	<b>97,570</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Payments of principal	(15,000)	(26,602)	-	(41,602)
Payments of interest	(10,795)	(3,332)	-	(14,127)
<b>TOTAL CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(25,795)</b>	<b>(29,934)</b>	<b>-</b>	<b>(55,729)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income	7,036	196	-	7,232
<b>TOTAL INVESTING ACTIVITIES</b>	<b>7,036</b>	<b>196</b>	<b>-</b>	<b>7,232</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
None	-	-	-	-
<b>TOTAL NON-CAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents	54,460	3,017	(8,404)	49,073
Cash and cash equivalents, beginning	684,375	7,906	20,633	712,914
Cash and cash equivalents, ending	<u>\$ 738,835</u>	<u>\$ 10,923</u>	<u>\$ 12,229</u>	<u>\$ 761,987</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income	\$ 68,330	\$ (6,003)	\$ (17,856)	\$ 44,471
Depreciation	21,328	25,377	-	46,705
(Increase) decrease in internal balances	(16,439)	13,381	9,452	6,394
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 73,219</b>	<b>\$ 32,755</b>	<b>\$ (8,404)</b>	<b>\$ 97,570</b>

The notes to the financial statements are an integral part of this statement.



VILLAGE OF CAMBRIA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Village of Cambria (the Village) conform to the modified cash basis of accounting as described below. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Village are described below.

Reporting Entity

The Village Board of Trustees is the primary governing authority for the Village. The Village has developed criteria to determine whether outside agencies with activities that benefit the Village should be included within its financial reporting entity. The criteria for including other organizations within the Village's financial statements, as set forth in GASB No. 14, is based on financial accountability.

The Village is financially accountable for an organization if it appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Village because the Village approved their budget, the issuance of debt or the levying of taxes. The Village has no component units.

Government-Wide and Fund Financial Statements

The statement of net position - modified cash basis and the statement of activities - modified cash basis display information about the primary government (the Village). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities - modified cash basis presents a comparison between direct expenses and program revenues for the different business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Village's funds. Separate statements for each fund category-*governmental* and *proprietary* are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column.



VILLAGE OF CAMBRIA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principle activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. The Village maintains no fiduciary funds.

The Village has elected to report all funds as major funds and maintains the following governmental funds:

*General Fund*

This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Tax Increment Financing Fund*

The Tax Increment Financing Fund is used to account for the real estate taxes received from entities within the Tax Increment Finance District and the rebates paid to these entities per individual agreements.

*Tax Increment Financing Fund 2*

The Tax Increment Financing Fund is used to account for the real estate taxes received from entities within the Tax Increment Finance District and the rebates paid to these entities per individual agreements.

*Motor Fuel Tax Fund*

The Motor Fuel Tax Fund is used to account for motor fuel taxes received from the State of Illinois and is restricted to expenditures for specified purposes.

*Housing Grant Fund*

The Housing Grant Fund is used to account for grant funds received from the State of Illinois and restricted for specified purposes according to the grant.

The Village reports the following proprietary funds:

*Sewer Fund*

Accounts for the activities of the public trust in providing sewer services to the public.

*Water Fund*

Accounts for the activities of the public trust in providing water services to the public.

*Garbage Fund*

Accounts for the activities of the public trust in providing garbage collection services to the public.

VILLAGE OF CAMBRIA, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 APRIL 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Modified cash basis of accounting refers to when revenues are received and expenses are disbursed, which is how they are reported on the financial statements.

Both the government-wide financial statements and the fund financial statements are presented on a modified cash basis of accounting. The modifications to the cash basis include internal balances, capital assets, notes payable, and bonds payable.

Revenues are recognized and recorded when cash is received and expenditures are recognized and recorded when cash is disbursed. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund. This differs from the generally accepted accounting principles applicable to government entities of reporting using the economic resources measurement focus and the accrual basis of accounting for governmental fund financial statements.

Cash and Cash Equivalents

The Village considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash deposits are reported at carrying amount.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The Village accounts for infrastructure within the guidelines promulgated by GASB 34. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset's life, are not capitalized. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$2,500 for governmental and \$500 for proprietary funds is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

<u>Description</u>	<u>Years</u>
Building	27.5
Land Improvements	20
Utility System	40
Vehicles and equipment	5-10

Restricted Assets

The Proprietary Funds, based on certain bond covenants, are required to establish and maintain prescribed amounts or resources that can be used only to service outstanding debts. The Water Fund is required to maintain these accounts.



VILLAGE OF CAMBRIA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

Property Taxes

The Village's property tax is levied each year on all taxable real property located in the Village and the 2023 property tax levy was passed by the Board of Trustees in November 2023. Property taxes attach as an enforceable lien on property as of January 1 and are payable in installments. The Village received significant distributions of tax receipts during August and October of 2023. Property tax collections reflected in the Village's financial statements for the year ended April 30, 2024, represent taxes received for the 2022 tax levy.

Use of Estimates

The preparation of basic financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the Village requires management to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a Governmental Fund. In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the following types of fund balances are presented in the Governmental Funds Balance Sheet:

Restricted - the portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following fund balances are restricted by Village ordinance, taxing authority or grant agreements: Tax Increment Financing and Motor Fuel Tax.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following comprise the unassigned fund balances: General and Housing Grant.

The Village uses restricted amounts first when both restricted and unassigned fund balances are available unless there are legal contracts that prohibit doing this.

Internal and Interfund Balances

In the process of aggregating the financial information for the government-wide Statement of Net Position, amounts, if any, reported as interfund balances in the fund financial statements are eliminated.



VILLAGE OF CAMBRIA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire capital assets. Net position is reported as restricted when they are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted. It is the Village's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters, and workers compensation. The Village purchases commercial insurance coverage for such risks. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**NOTE 2 - PENSION PLAN**

The Village does not participate in the Illinois Retirement Municipal Retirement Fund, nor does it have a separate pension plan for retirees.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

Deposits

At year-end, the carrying amount of the Village's deposits totaled \$2,086,198 and bank balances totaled \$2,116,868.

Custodial Risk

Custodial credit risk is the risk that in the event of a bank failure the Village's deposits may not be returned to it. Of the bank balances, \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC), \$1,258,917 was covered by pledged collateral, which was held in the Village's name, and \$607,951 was deposited with Illinois Funds.

Illinois Funds

The Village participates in the Illinois Funds external investment pool, which is available to Custodians of Public Funds, as defined by the Illinois Municipal Code (30 ILCS 235/1). The pool is not registered with the SEC. It is the policy of the Treasurer of the State of Illinois to invest funds by local governments in the Money Market Fund within Illinois Funds in a manner which will provide the highest investment return using authorized instruments, while meeting the daily cash flow demands of participants and conforming to all state statutes governing the investment of public funds. It is the policy of Illinois Funds to operate in a manner consistent with SEC Rule 2a7. The fair value of the position in the pool is the same value as the pool shares.



VILLAGE OF CAMBRIA, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 APRIL 30, 2024

**NOTE 4 - LONG-TERM DEBT**

Changes in Long-Term Debt:

	May 1, 2023			April 30, 2024	
	Balance	Increases	Decreases	Balance	Amount Due Within One Year
Business-type activities					
1994A Water Bonds	\$ 154,000	\$ -	\$ 10,000	\$ 144,000	\$ 10,000
1994B Water Bonds	75,000	-	5,000	70,000	5,000
IEPA Loan	139,874	-	26,602	113,272	27,275
Total	<u>\$ 368,874</u>	<u>\$ -</u>	<u>\$ 41,602</u>	<u>\$ 327,272</u>	<u>\$ 42,275</u>

Waterworks Improvement Revenue Bonds Series 1994A

On June 1, 1994, the Village issued a series of Waterworks Improvement Revenue Bonds in the amount of \$274,000. The purpose of the bond proceeds was to finance improvements to the existing waterworks system. The bonds will be paid in full by May 1, 2034. Interest is due semi-annually on May 1 and November 1 of each year and principal is due annually on May 1 each year. The bonds bear interest at a rate of 5.00%.

The following is the remaining payment schedule for the Series 1994A bonds:

Year Ending	Principal	Interest	Total Payment
April 30			
2025	\$ 10,000	\$ 7,200	\$ 17,200
2026	10,000	6,700	16,700
2027	10,000	6,200	16,200
2028	12,000	5,700	17,700
2029	12,000	5,100	17,100
2030-2034	72,000	15,800	87,800
2035	18,000	900	18,900
Total	<u>\$ 144,000</u>	<u>\$ 47,600</u>	<u>\$ 191,600</u>

Waterworks Improvement Revenue Bonds Series 1994B

On September 1, 1994, the Village issued a series of Waterworks Improvement Revenue Bonds in the amount of \$141,000. The purpose of the bond proceeds was to finance improvements to the existing waterworks system. The bonds will be paid in full by May 1, 2034. Interest is due semi-annually on May 1 and November 1 of each year and principal is due annually on May 1 each year, with interest computed at an annual rate of 5.25%.



VILLAGE OF CAMBRIA, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 APRIL 30, 2024

**NOTE 4 - LONG-TERM DEBT (cont)**

The following is the remaining payment schedule for the Series 1994B bonds:

Year Ending April 30	Principal	Interest	Total Payment
2025	\$ 5,000	\$ 3,623	\$ 8,623
2026	6,000	3,360	9,360
2027	6,000	3,045	9,045
2028	6,000	2,730	8,730
2029	7,000	2,415	9,415
2030-2034	40,000	6,408	46,408
Total	<u>\$ 70,000</u>	<u>\$ 21,581</u>	<u>\$ 91,581</u>

Note Payable - Illinois Environmental Protection Agency

In 2008, the Village executed a loan agreement with the Illinois Environmental Protection Agency whereby the Village obtained a loan in the amount of \$457,547 with the proceeds used for the wastewater treatment facility upgrade construction project. The loan is due on February 1, 2028, with semi-annual installments, beginning February 1, 2009, and interest computed at an annual rate of 2.50%. The principal and interest payments required for the fiscal year ended April 30 are as follows:

Year Ending April 30	Principal	Interest	Total Payment
2025	\$ 27,275	\$ 2,659	\$ 29,934
2026	27,961	1,973	29,934
2027	28,665	1,269	29,934
2028	29,371	550	29,921
Total	<u>\$ 113,272</u>	<u>\$ 6,451</u>	<u>\$ 119,723</u>

**NOTE 5 - LEGAL DEBT MARGIN**

Assessed valuation - 2022 payable in 2023	\$ 9,523,420
Legal debt limit - 8.625% of assessed valuation	821,395
Amount of debt applicable to debt limit	-
Legal debt margin	<u>821,395</u>

VILLAGE OF CAMBRIA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2024

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the governmental activities fiscal year ended April 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities				
Capital assets being depreciated				
Buildings	\$1,045,124	\$ 7,300	\$ -	\$1,052,424
Land Improvements	85,133	-	-	85,133
Equipment	359,029	25,937	(60,000)	324,966
Vehicles	596,235	35,000	(127,877)	503,358
Total capital assets being depreciated	<u>2,085,521</u>	<u>68,237</u>	<u>(187,877)</u>	<u>1,965,881</u>
Less accumulated depreciation for				
Buildings	923,794	11,003	-	934,797
Land Improvements	61,257	1,257	-	62,514
Equipment	348,789	4,911	(60,000)	293,700
Vehicles	574,956	12,078	(127,877)	459,157
Total accumulated depreciation	<u>1,908,796</u>	<u>29,249</u>	<u>(187,877)</u>	<u>1,750,168</u>
Total net capital assets being depreciated	<u>176,725</u>	<u>38,988</u>	<u>-</u>	<u>215,713</u>
Governmental activities capital assets, net	<u>\$ 176,725</u>	<u>\$ 38,988</u>	<u>\$ -</u>	<u>\$ 215,713</u>

Depreciation expense was charged to functions as follows in the Statement of Activities:

<b>Governmental activities</b>	
General government	\$ 5,979
Culture and recreation	2,726
Public safety	14,945
Highways and streets	5,599
Total Governmental-type activities	<u>\$ 29,249</u>



VILLAGE OF CAMBRIA, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2024

**NOTE 6 - CAPITAL ASSETS (cont)**

Capital asset activity for business-type activities for the fiscal year ended April 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities				
Land	\$ 36,841	\$ -	\$ -	\$ 36,841
Construction in progress	100,000	-	-	100,000
Total capital assets not being depreciated	<u>136,841</u>	<u>-</u>	<u>-</u>	<u>136,841</u>
Capital assets being depreciated				
Equipment	105,073	-	-	105,073
Infrastructure	2,156,265	-	-	2,156,265
Total capital assets being depreciated	<u>2,261,338</u>	<u>-</u>	<u>-</u>	<u>2,261,338</u>
Less accumulated depreciation for				
Equipment	102,000	1,860	-	103,860
Infrastructure	1,504,236	44,845	-	1,549,081
Total accumulated depreciation	<u>1,606,236</u>	<u>46,705</u>	<u>-</u>	<u>1,652,941</u>
Total net capital assets being depreciated	<u>655,102</u>	<u>(46,705)</u>	<u>-</u>	<u>608,397</u>
Business-type activities capital assets, net	<u>\$ 791,943</u>	<u>\$ (46,705)</u>	<u>\$ -</u>	<u>\$ 745,238</u>

Depreciation expense was charged to functions as follows in the Statement of Activities:

<b>Business-type activities</b>	
Water	\$ 21,328
Sewer	25,377
Total Business-type activities	<u>\$ 46,705</u>

VILLAGE OF CAMBRIA, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 APRIL 30, 2024

**NOTE 7 - RESTRICTED ASSETS - PROPRIETARY FUNDS**

The Water Fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources that can be only to service outstanding debt and capital improvements. At April 30, 2024, the Village was in compliance with these restrictions set forth on resources and the Village had \$85,734 set aside for these requirements.

**NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of April 30, 2024 is as follows:

Receivable Fund	Payable Fund	
Garbage	Water	\$ 74,491
Sewer	Water	104,972
Sewer	General	98,035
Sewer	Tax Increment Financing 2	9,000
	Total	\$ 286,498

The interfund balances relate to revenue and costs incurred for operating activities. The balances are expected to be repaid within one year.

**NOTE 9 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 26, 2024, the date which the financial statements were available for issue, and no reportable events were noted.



OTHER INFORMATION

VILLAGE OF CAMBRIA, ILLINOIS  
 SCHEDULE OF ASSESSED VALUATION - TAX RATES  
 TAXES EXTENDED AND COLLECTED FOR 2020, 2021 AND 2022  
 GENERAL GOVERNMENT

	Tax Year		
	2020	2021	2022
<b>ASSESSED VALUATION:</b>	\$ 9,199,518	\$ 9,253,422	\$ 9,523,420
<b>TAX RATES PER \$100 OF ASSESSED VALUATION:</b>			
Corporate	0.28588	0.29502	0.28666
Fire Protection	0.08152	0.08645	0.08400
Police Protection	0.08152	0.08645	0.08400
Audit	0.07609	0.08105	0.08400
Tort and Immunity	0.17935	0.17831	0.17850
Street and Bridge	0.08740	0.08707	0.08976
Emergency Services	0.02717	0.02701	0.02625
Prior year adjustment	0.00000	0.00302	0.00114
	<u>0.81893</u>	<u>0.84438</u>	<u>0.83431</u>
<b>TAXES EXTENDED:</b>			
Corporate	\$ 26,300	\$ 27,299	\$ 26,526
Fire Protection	7,499	8,000	7,773
Police Protection	7,499	8,000	7,773
Audit	7,000	7,500	7,773
Tort and Immunity	16,499	16,500	16,517
Street and Bridge	8,040	8,057	8,306
Emergency Services	2,500	2,499	2,429
Prior year adjustment	-	279	105
	<u>\$ 75,338</u>	<u>\$ 78,134</u>	<u>\$ 77,202</u>
<b>TAXES COLLECTED:</b>	\$ 74,208	\$ 75,827	\$ 77,282
<b>% COLLECTED ON THOSE EXTENDED:</b>	<u>98.50%</u>	<u>97.05%</u>	<u>100.10%</u>



VILLAGE OF CAMBRIA, ILLINOIS  
 SCHEDULE OF ASSESSED VALUATION - TAX RATES  
 TAXES EXTENDED AND COLLECTED FOR 2020, 2021 AND 2022  
 TAX INCREMENT FINANCE DISTRICT

**ASSESSED VALUATION:**

	Tax Year		
	2020	2021	2022
	\$ 5,621,681	\$ 7,037,110	\$ 8,066,067

**TAX RATES PER ASSESSED VALUATION:**

	7.80202	7.77479	9.03553
	<u>7.80202</u>	<u>7.77479</u>	<u>9.03553</u>

TIF District

**TAXES EXTENDED:**

	\$ 438,605	\$ 547,121	\$ 635,840
	<u>\$ 438,605</u>	<u>\$ 547,121</u>	<u>\$ 635,840</u>

TIF District

**TAXES COLLECTED:**

	\$ 437,602	\$ 547,276	\$ 636,401
	<u>99.77%</u>	<u>100.03%</u>	<u>100.09%</u>

**% COLLECTED ON THOSE EXTENDED:**

## Village of Cambria – 2024 Audit Notes

- Page 1 & 2 show unmodified opinion – Best opinion that can be achieved.
- Page 3 Statement of Net Position – Combines government & business type funds – shows cash, internal fund balances, capital assets & debt. Village cash was around \$2.1 Million at April 30, 2024 which is about \$350K from prior year.
- Page 4 shows the net income was \$373,744 (for profit presentation). Bottom right corner, change in net position – for government wide financials.
- Page 5 is a balance sheet for just the government funds. Cash balances & internal balances for just Government Funds.
- Page 7 is detail of all of your governmental funds in income statement format. Near bottom right, \$297,180 excess of revenue over expenditures in our Government Funds. So, \$297,180 is actual cash in VS. cash out in fiscal 2024 for government funds.
- Page 9 – 11 is the activity of the Water, Sewer & Trash funds (Village Utility Funds)
  - Page 9 - Cash up about \$49K over prior year in these business funds & Debt has decreased.
  - Page 10 – Income statement for utility funds – 3 lines up from bottom right shows net income of \$37,576.
  - Page 11 – Cash flow statement for our utility funds - shows how the cash increased about \$49K in these funds.
- Page 12-21 is the notes to the financials – which show Village specific items like services provided, accounting policies etc
- Page 16 Note 3 – custodial risk. Bank accounts are covered w/ FDIC or pledged collateral. Illinois Funds are an investment pool so not insured against loss of value.
- Page 17 & 18– Debt schedule, 17 at top show principal decreases of all debt. Pg. 17 bottom & pg. 18 shows principal and interest, so actual cash needed for debt over next several years. Bonds & IEPA loans will not be paid off for several years
- Page 19 & 20 - capital asset schedules, capital assets are purchases over \$2,500 for gov't funds & \$500 for utility fund for items expected to last more than 1 year. Dump truck, spreader & police equipment were added.
- Pages 22 & 23 - assessed valuation schedules and taxes extended & collected for the village & the TIF District –
- Illinois AFR is not available yet to submit on IL comptroller site, but will be uploaded as soon as the site has it available to fill out & board approves the audit.





**Village of Cambria**  
**P.O. Box 218**  
**Cambria, IL 62915**  
**618-985-6082**  
**FAX # 618-985-8338**

July 26, 2024

F.E.W. CPAs  
205 S. Main St.  
Columbia, IL 62236

This representation letter is provided in connection with your audit of the financial statements of the Village of Cambria, Illinois, which comprise the respective financial position of the governmental activities and each major fund as of April 30, 2024, and the respective changes in financial position and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with the modified cash basis of accounting, which is an other comprehensive basis of accounting (OCBOA).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of July 26, 2024 the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 28, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with OCBOA and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with OCBOA and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with OCBOA.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with OCBOA.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with OCBOA.
- 10) Guarantees, whether written or oral, under which the Village is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Village from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 1) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 1) 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.
- 2) We have no knowledge of any fraud or suspected fraud that affects the Dis Village trict 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.
- 3) We have no knowledge of any allegations of fraud or suspected fraud affecting the Village's financial statements communicated by employees, former employees, regulators, or others.
- 4) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 5) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 6) We have disclosed to you the names of the Village's related parties and all the related party relationships and transactions, including any side agreements.

#### **Government-specific**


- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.



- 22) The Village has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements, related notes, and AFR. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, and AFR.
- 27) The Village has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Village has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements include all fiduciary activities required by , as amended.
- 31) The financial statements properly classify all funds and activities in accordance with , as amended.
- 32) All funds that meet the quantitative criteria in and for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

- 40) We have appropriately disclosed the Village's 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 is available and have determined that net position is properly recognized under the policy.
- 41) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 42) We have reviewed and approved your proposed journal entries, if applicable.

Signature: \_\_\_\_\_

Signature:  \_\_\_\_\_

Title: \_\_\_\_\_

Title: President \_\_\_\_\_