

DRAFT

**VILLAGE OF PALMYRA
PALMYRA, WISCONSIN
REQUIRED AUDIT COMMUNICATIONS
TO THE VILLAGE BOARD**

Year Ended December 31, 2025

**Johnson Block & Company, Inc.
Certified Public Accountants
9701 Brader Way, Suite 202
Middleton, Wisconsin 53562
(608) 274-2002**

VILLAGE OF PALMYRA
PALMYRA, WISCONSIN
Year Ended December 31, 2025

Index

	<u>Page</u>
Audit Matters Requiring Communication to the Governing Body	1 – 3
Communication of Material Weaknesses	4 – 5
Management Letter	6
Explanation of Adjusting Journal Entries and Passed Journal Entries	7
Additional Comments	8
Concluding Remarks	9

APPENDIX

Adjusting Journal Entries

Potential (Passed) Journal Entries

Management Representation Letter

**AUDIT MATTERS REQUIRING COMMUNICATION
TO THE GOVERNING BODY**

To the Village Board and Management
Village of Palmyra
Palmyra, Wisconsin

We have audited the financial statements of the Village of Palmyra as of and for the year ended December 31, 2025, and have issued our report thereon dated **DATE XX**, 2026. Professional standards require that we advise you off the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 15, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, 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 of Palmyra 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 material weaknesses over financial reporting and other matters noted during our audit in separate letters to you dated **DATE XX**, 2026.

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, and our firm has complied with all relevant ethical requirements regarding independence.

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 of Palmyra is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Village of Palmyra changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 102, Certain Risk Disclosures during the year ended December 31, 2025. 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.

The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimates of the pension liability (asset) and deferred outflows and inflows of resources are based on various factors. These estimates were computed by the pension plan administrator.

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

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 schedule 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.

Uncorrected and Corrected Misstatements (Continued)

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. The material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management and are attached in the appendix.

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 of Palmyra'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 **DATE XX**, 2026.

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 of Palmyra, 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 of Palmyra's auditors.

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

Sincerely,

Johnson Block & Company, Inc.
DATE XX, 2026

COMMUNICATION OF MATERIAL WEAKNESSES

To the Village Board and Management
Village of Palmyra
Palmyra, Wisconsin

In planning and performing our audit of the basic financial statements of the Village of Palmyra as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Village of Palmyra's internal control over financial reporting (internal control) as a basis for designing our auditing 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 of Palmyra's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Palmyra's internal control over financial reporting.

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 significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Village of Palmyra'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 probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events 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 the Village of Palmyra's internal control to be material weaknesses:

#2025-001 – Material Audit Adjustments

Proper financial closing and year-end reconciliation procedures should be in place to identify and adjust the financial records to ensure the financial statements are fairly stated. During our audit procedures we proposed various audit adjustments that, if not made, we feel would have resulted in the financial statements being materially misstated.

Specifically, we identified the following that were the basis of our determination of reporting a material weakness:

- Proper reporting of Water and Sewer utility capital assets, including depreciation.
- Recording debt transactions against existing liabilities.
- Reconciliation of 2024 and 2025 tax rolls.

We recommend the Village review the various year-end processes and transactions necessary to close the financial records and establish written procedures to be followed.

#2025-002 – Correction of Errors in Previously Audited Financial Statements

Material error corrections in the prior year's audited financial statements were identified during the current year audit process, which resulted in the need to restate beginning net position and fund balance as of January 1, 2025, in accordance with Governmental Accounting Standards Board (GASB) standards.

Specifically, a certain public works building was not appropriately allocated between funds in prior years. As a result, restatement of beginning Capital Projects and Stormwater fund balances and Water Utility, Governmental Activities, and Business-Type Activities net position was required.

While these are isolated instances, identifying and correcting such items in a timely manner helps maintain the accuracy of financial reporting.

#2025-003 – Lack of Segregation of Duties

The Village, like many others, has a small office staff that precludes a proper segregation of functions to assure adequate internal controls and mitigate a material misstatement being made to the financial statements. Failure to properly segregate duties may allow for errors or irregularities to occur and not be deterred in a timely manner by employees in the normal course of performing their assigned functions.

We recommend that management and the Board continue to take an active part in monitoring matters related to the Village's operations and to eliminate the concentration of duties as much as possible.

The purpose of this communication, which an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Johnson Block & Company, Inc.

DATE XX, 2026

MANAGEMENT LETTER

To the Village Board and Management
Village of Palmyra
Palmyra, Wisconsin

In planning and performing our audit of the financial statements of the Village of Palmyra for the year ended December 31, 2025, we considered the Village's internal control in order to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of other 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 **DATE XX**, 2026, on the financial statements of the Village of Palmyra.

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. In particular, we would like to note the considerable assistance and cooperation provided to us by the Village's staff throughout the audit process.

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.
DATE XX, 2026

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 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. These three systems are responsible for recording and summarizing the vast majority of your financial transactions.

Beyond the three 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. Please see the attached journal entries in the appendix.

The proposed entries were accepted by the Village of Palmyra's management. All of these changes are reflected properly in your audited financial statements. A copy of the adjusting entries has been provided to your staff and they have been posted to your 2025 general ledger.

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 your Village.

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. There were multiple passed potential adjustments that were not posted as audit adjustments. See a summary of the passed adjustment in the appendix.

ADDITIONAL COMMENTS

Fund Balance Policy

The Village does not have a formal policy for establishing the purpose and amounts of fund balances that are set aside for specific future uses. We continue to recommend that a fund balance policy be established and that includes the following:

- Decision-making level required to approve a commitment or assignment of fund balance.
- The purposes to which fund balance can be committed or assigned.
- Order in which fund balance will be used when restricted, committed, assigned or unassigned balances are available.
- The minimum dollar level that will be maintained in unrestricted or unassigned fund balance.

Fund Deficits

As of December 31, 2025, the Village had deficit fund balances in the following funds:

Fire Department - \$(602,628)

Recreation - \$(29,224)

The deficits are the result of using prior year fund balance to pay for current year costs.

While using fund balance to pay for expenditures in the short-term typically is not problematic, using large amounts of fund balance that does not get replenished by current year revenues can restrict the Village's spending and services going forward. Due to the limited fund balance as of December 31, 2025, we would recommend that the Village identify areas where expenditures could be reduced or new revenue sources could be brought in to help replenish fund balance.

Additionally, we recommend that these funds be reviewed to determine if they will be self-supporting in future years. If they are not anticipated to be self-sustaining, then we would recommend that the Village move and record the activity in the General Fund.

Balances in Excess of Insurance Limits

Our audit revealed that the Village's deposits with various financial institutions exceeded available Federal Deposit Insurance Corporation ("FDIC") insurance limits. We recommend continued consideration be given to obtaining deposit collateral or additional insurance from the affected financial institutions. We are aware that year-end cash balances can fluctuate significantly with the collection of tax payments.

Additionally, during our audit, we noted that the Village maintains investments with a brokerage institution where accounts balances exceeded Securities Investor Protection Corporation ("SIPC") insurance limits as of year-end. Due to the significant size of the Village's investment portfolio holdings, we recommend the continued monitoring of the investment balances and potentially diversifying custodial relationships or holding types when investment balances become significant.

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 Palmyra 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. They are made solely in the interest of establishing sound internal control practices required by changing professional standards. The Village'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.

DRAFT

APPENDIX

DRAFT

Client:
Engagement:
Period Ending:
Trial Balance:
Workpaper:

PALMYRAVILL - Village of Palmyra
Village of Palmyra 2025
12/31/2025
TB
3700.01 - Adjusting Journal Entries Report - 2

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1001			
To adjust GASB 87 water tower leases balances to actual			
610-00-13600-000-000	GASB 87 LEASE RECV. CURRENT	2,713.56	
610-00-28000-000-000	GASB 87 DEFERRED INFLOWS RESC.	62,507.28	
610-00-46450-472-000	RENT (WATER TOWER)	1,029.19	
610-00-13500-000-000	GASB 87 LEASE REV. LONG-TERM		42,310.37
610-00-13700-000-000	GASB 87 LEASE RECV INTEREST		159.84
610-00-48100-420-000	GASB 87 Lease Interest Revenue		23,779.82
Total		66,250.03	66,250.03
Adjusting Journal Entries JE # 1002			
To reconcile 2024 tax roll			
100-00-24310-000-000	STATE & COUNTY TAXES PAYABLE	137,708.92	
100-00-24500-000-000	DUE TO SP. DIST.-LAKE DIST.	5,890.13	
100-00-24600-000-000	SCHOOL TAXES PAYABLE	291,058.80	
100-00-24610-000-000	VTAE DISTRICT TAXES PAYABLE	12,205.02	
100-00-26110-000-000	ADVANCE TAX COLLECTIONS	2,288,042.74	
100-00-51420-300-000	CLERK MISC. EXPENSES	912.13	
150-00-26100-000-000	DEFERRED TAX ROLL REVENUES	420,052.00	
210-00-26100-000-000	DEFERRED TAX ROLL REVENUES	114,055.82	
220-00-26100-000-000	DEFERRED TAX ROLL REVENUES	26,663.48	
300-00-26100-000-000	DEFERRED TAX ROLL REVENUES	112,350.00	
350-00-26100-000-000	DEFERRED TAX ROLL REVENUES	6,435.00	
800-00-26100-000-000	DEFERRED TAX ROLL REVENUES	252,613.02	
100-00-12100-000-000	TAXES RECEIVABLE		83,170.47
100-00-12100-999-999	FIDUCIARY TAXES RECEIVABLE		1,720,245.58
100-00-26100-000-000	DEFERRED TAX ROLL REVENUES		932,401.71
150-00-12100-000-000	TAXES RECEIVABLE		420,052.00
210-00-12100-000-000	TAXES RECEIVABLE		114,055.82
220-00-12100-000-000	TAXES RECEIVABLE		26,663.48
300-00-12100-000-000	TAXES RECEIVABLE		112,350.00
350-00-12100-000-000	TAXES RECEIVABLE		6,435.00
800-00-12100-000-000	TAXES RECEIVABLE		252,613.00
Total		3,667,987.06	3,667,987.06

Client:
Engagement:
Period Ending:
Trial Balance:
Workpaper:

PALMYRAVILL - Village of Palmyra
Village of Palmyra 2025
12/31/2025
TB
3700.01 - Adjusting Journal Entries Report - 2

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1003			
To record 2025 tax roll			
100-00-11101-000-000	2013 POOLED CASH	614,386.26	
100-00-12100-000-000	TAXES RECEIVABLE	515,188.74	
100-00-12100-999-999	FIDUCIARY TAXES RECEIVABLE	1,818,673.45	
150-00-12100-000-000	TAXES RECEIVABLE	444,339.00	
210-00-12100-000-000	TAXES RECEIVABLE	60,347.28	
220-00-12100-000-000	TAXES RECEIVABLE	115,869.89	
300-00-12100-000-000	TAXES RECEIVABLE	117,968.00	
350-00-12100-000-000	TAXES RECEIVABLE	6,435.00	
800-00-12100-000-000	TAXES RECEIVABLE	392,382.00	
100-00-24310-000-000	STATE & COUNTY TAXES PAYABLE		555,447.97
100-00-24500-000-000	DUE TO SP. DIST.-LAKE DIST.		26,930.43
100-00-24600-000-000	SCHOOL TAXES PAYABLE		1,188,012.15
100-00-24610-000-000	VTAE DISTRICT TAXES PAYABLE		48,282.90
100-00-26100-000-000	DEFERRED TAX ROLL REVENUES		515,188.74
100-00-26110-000-000	ADVANCE TAX COLLECTIONS		614,386.26
150-00-26100-000-000	DEFERRED TAX ROLL REVENUES		444,339.00
210-00-26100-000-000	DEFERRED TAX ROLL REVENUES		60,347.28
220-00-26100-000-000	DEFERRED TAX ROLL REVENUES		115,869.89
300-00-26100-000-000	DEFERRED TAX ROLL REVENUES		117,968.00
350-00-26100-000-000	DEFERRED TAX ROLL REVENUES		6,435.00
800-00-26100-000-000	DEFERRED TAX ROLL REVENUES		392,382.00
Total		4,085,589.62	4,085,589.62
Adjusting Journal Entries JE # 1004			
To tie out beginning fund balance with prior year audit report			
100-00-34300-000-000	GENERAL FUND BALANCE	1,272.99	
100-00-34300-000-000	GENERAL FUND BALANCE	3,960.63	
300-00-11101-000-000	2013 POOLED CASH	1,272.99	
620-00-13100-142-000	CUSTOMER ACCOUNTS RECEIV.SEWER	13,335.34	
100-00-11101-000-000	2013 POOLED CASH		1,272.99
100-00-59800-000-000	MISCELLANEOUS EXP.		3,960.63
300-00-34300-000-000	FUND BALANCE		1,272.99
620-00-33900-216-000	RETAINED EARNINGS		13,335.34
Total		19,841.95	19,841.95
Adjusting Journal Entries JE # 1005			
To move water and sewer principal payments against liabilities			
610-00-21400-223-000	2021 G.O. PROMISSORY NOTES	25,000.00	
620-00-21400-223-000	2021 G.O. PROMISSORY NOTES	10,000.00	
620-00-21400-225-000	CLEAN WATER FUND	151,288.38	
610-00-58200-427-000	PRINCIPAL ON DEBT		25,000.00
620-00-58200-427-000	PRINCIPAL ON LONG TERM DEBT		161,288.38
Total		186,288.38	186,288.38

DRAFT

Client: **PALMYRAVILL - Village of Palmyra**
Engagement: **Village of Palmyra 2025**
Period Ending: **12/31/2025**
Trial Balance: **TB**
Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1006			
To adjust water and sewer accrued interest			
610-00-21600-237-000	INTEREST ACCRUED-WATER	150.00	
620-00-21600-237-000	INTEREST ACCRUED-SEWER	646.48	
610-00-58200-430-000	INTEREST ON DEBT TO MUNIC.		150.00
620-00-58200-430-000	INTEREST ON DEBT TO MUNICIPAL		646.48
Total		796.48	796.48
Adjusting Journal Entries JE # 1007			
To recognize facade loan payments as revenue			
700-00-26000-000-000	DEFERRED REVENUES BUGHMAN	2,800.00	
700-00-26100-000-000	DEFERRED REVENUES MARTIN	5,654.16	
700-00-26200-000-000	DEFERRED SPECIAL ASSESSMENTS	2,800.08	
700-00-49100-000-000	REPAYMENTS OF FACADE LOANS		11,254.24
Total		11,254.24	11,254.24
Adjusting Journal Entries JE # 1008			
To reverse prior year Standard Process sewer AR			
620-00-46410-635-200	SURCHARGES/PENALTIES	497.64	
620-00-46410-635-300	INCOME-SAMPLING & MONITORING	12,837.70	
620-00-13100-142-000	CUSTOMER ACCOUNTS RECEIV.SEWER		13,335.34
Total		13,335.34	13,335.34
Adjusting Journal Entries JE # 1009			
To record restatement for public works building and related activity. Was originally coded to water fund in prior years but should have been allocated between water, stormwater, and capital.			
400-00-34300-000-000	FUND BALANCE-RETAINED EARNINGS	81,501.50	
500-00-34300-000-000	FUND BALANCE	81,501.50	
610-00-11101-131-000	2013 POOLED CASH	163,003.00	
610-00-18200-100-000	ACCM. DEPRECIATION	19,665.00	
400-00-11101-131-000	2013 POOLED CASH		81,501.50
500-00-11101-000-000	2013 POOLED CASH		81,501.50
610-00-18200-321-000	STRUCTURES/IMPROVEMENTS		163,003.00
610-00-33900-216-000	RETAINED EARNINGS		19,665.00
Total		345,671.00	345,671.00
Adjusting Journal Entries JE # 1010			
To book December garbage and recycling back to AP.			
100-00-53620-000-000	GARBAGE COLLECTION	6,940.00	
100-00-53630-000-000	RECYCLING	3,761.48	
100-00-21100-000-000	ACCOUNTS (VOUCHERS) PAYABLE		10,701.48
Total		10,701.48	10,701.48
Adjusting Journal Entries JE # 1011			
To record computer equipment in 2026 instead of 2025.			
610-00-21100-232-000	ACCOUNTS (VOUCHERS) PAYABLE	10,125.00	
610-00-18200-391-000	COMPUTER EQUIPMENT		10,125.00
Total		10,125.00	10,125.00

Client: **PALMYRAVILL - Village of Palmyra**
Engagement: **Village of Palmyra 2025**
Period Ending: **12/31/2025**
Trial Balance: **TB**
Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1012			
To book the 2025 portion of legal services back to AP.			
100-00-51300-000-000	LEGAL COUNSEL	4,790.60	
100-00-51400-000-000	LEGAL COUNSEL-COURT	2,440.50	
220-00-51000-000-000	OUTSIDE SERVICES	2,826.10	
100-00-21100-000-000	ACCOUNTS (VOUCHERS) PAYABLE		7,231.10
220-00-21100-000-000	ACCOUNTS (VOUCHERS) PAYABLE		2,826.10
Total		10,057.20	10,057.20
Adjusting Journal Entries JE # 1013			
To move equipment from other assets to expenses.			
400-00-53700-940-000	EQUIPMENT MAINTENANCE	3,029.00	
400-00-18200-379-000	MISC. EQUIPMENT		3,029.00
Total		3,029.00	3,029.00
Adjusting Journal Entries JE # 1014			
To accrue water tax equiavlent liability.			
610-00-53700-408-100	WATER UTILITY TAXES TO GF	52,407.00	
610-00-21600-236-000	ACCRUED TAXES PAYABLE		52,407.00
Total		52,407.00	52,407.00
Adjusting Journal Entries JE # 1015			
To reverse client's Workhorse entry to allocate portion of Act 12 Personal Property Aid to TID #4			
210-00-11100-000-000	TID #3 CHECKING	6,060.61	
220-00-44000-000-000	PERSONAL PROPERTY AID PAYMENT	6,060.61	
210-00-44000-000-000	PERSONAL PROPERTY AID PAYMENT		6,060.61
220-00-11101-000-000	2013 POOLED CASH TID #4		6,060.61
Total		12,121.22	12,121.22
Adjusting Journal Entries JE # 1016			
To move sewer expenses out of capital.			
620-00-53610-827-000	OTHER OPER SUPPLIES & EQUIP.	3,100.00	
620-00-18200-373-000	TRANSPORT. EQUIP.		3,100.00
Total		3,100.00	3,100.00
Adjusting Journal Entries JE # 1017			
To adjust Fund 800 allowance estimate			
800-00-13500-000-000	EMS BILLINGS-ALLOWANCE FOR	1,810.63	
800-00-42213-000-000	EMS INCOME		1,810.63
Total		1,810.63	1,810.63

Client: **PALMYRAVILL - Village of Palmyra**
Engagement: **Village of Palmyra 2025**
Period Ending: **12/31/2025**
Trial Balance: **TB**
Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1018			
To adjust water and sewer compensated absences liability to actual			
610-00-53700-600-000	OPERATION LABOR	850.11	
610-00-53700-640-000	OPERATION LABOR	850.11	
610-00-53700-901-000	OPERATION LABOR/METERS	382.66	
620-00-53610-820-000	SUPERVISION & LABOR	2,530.82	
620-00-53610-842-000	METER READING	325.84	
610-00-21100-232-500	ACCOUNTS PAYABLE-WAGES		1,889.00
610-00-53700-902-000	ACCTING & COLLECTION LABOR		96.94
610-00-53700-920-000	ADM & GENERAL SALARIES		96.94
620-00-21100-232-500	ACCOUNTS PAYABLE-WAGES SEWER		2,662.77
620-00-53610-850-000	ADMIN. & GENERAL SALARIES		193.89
Total		4,939.54	4,939.54
Adjusting Journal Entries JE # 1019			
To move sludge blanket analyzer capitalized in 2024 to sewer fund and run activity through the current year			
610-00-11101-131-000	2013 POOLED CASH	6,645.00	
610-00-18200-100-000	ACCM. DEPRECIATION	385.00	
620-00-18200-379-000	MISC. EQUIPMENT	6,645.00	
620-00-53610-403-000	DEPRECIATION EXPENSE	385.00	
610-00-18200-379-000	MISC. EQUIPMENT		6,645.00
610-00-53700-403-000	DEPRECIATION EXPENSE		385.00
620-00-11101-131-000	2013 POOLED CASH		6,645.00
620-00-18200-100-000	ACCM. DEPRECIATION		385.00
Total		14,060.00	14,060.00
Adjusting Journal Entries JE # 1020			
To move balance out of capital and into expenses.			
610-00-53700-923-000	OUTSIDE SERVICE EMPLOYED	1,003.91	
610-00-18200-321-000	STRUCTURES/IMPROVEMENTS		1,003.91
Total		1,003.91	1,003.91
Adjusting Journal Entries JE # 1021			
To move balances in PFAS expense account to CWIP.			
610-00-18200-395-000	CONST. WORK IN PROGRESS	21,190.89	
610-00-53700-934-000	PFAS		21,190.89
Total		21,190.89	21,190.89
Adjusting Journal Entries JE # 1022			
To record water capital retirements.			
610-00-18200-100-000	ACCM. DEPRECIATION	2,180.00	
610-00-18200-346-000	METERS		2,180.00
Total		2,180.00	2,180.00

DRAFT

Client: **PALMYRAVILL - Village of Palmyra**
Engagement: **Village of Palmyra 2025**
Period Ending: **12/31/2025**
Trial Balance: **TB**
Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1023			
To record water CWIP.			
610-00-18200-395-000	CONST. WORK IN PROGRESS	378,385.46	
610-00-53700-923-000	OUTSIDE SERVICE EMPLOYED		12,741.13
610-00-53700-934-000	PFAS		365,644.33
Total		378,385.46	378,385.46
Adjusting Journal Entries JE # 1024			
To true up CWIP beginnning balance			
610-00-18200-395-000	CONST. WORK IN PROGRESS	18,472.92	
610-00-53700-934-000	PFAS		18,472.92
Total		18,472.92	18,472.92
Adjusting Journal Entries JE # 1025			
To record water fund depreciation expense			
610-00-53700-403-000	DEPRECIATION EXPENSE	110,505.89	
610-00-53700-426-000	OTHER INCOME DEDUCTIONS	11,674.10	
610-00-18200-100-000	ACCM. DEPRECIATION		110,505.89
610-00-18200-200-000	ACCUM DEPREC-CONTR PLANT		11,674.10
Total		122,179.99	122,179.99
Adjusting Journal Entries JE # 1026			
To record joint meter allocation.			
610-00-11101-131-000	2013 POOLED CASH	12,989.00	
620-00-53610-403-000	DEPRECIATION EXPENSE	7,381.00	
620-00-53610-842-000	METER READING	5,608.00	
610-00-46450-474-000	OTHER REVENUE		5,608.00
610-00-53700-403-000	DEPRECIATION EXPENSE		7,381.00
620-00-11101-131-000	2013 POOLED CASH		12,989.00
Total		25,978.00	25,978.00
Adjusting Journal Entries JE # 1027			
To adjust water and sewer GASB 68 pension balances			
610-00-14000-000-000	NET PENSION ASSET/LIABILITY	154.00	
610-00-27000-000-000	DEFERRED INFLOWS RELATED WRS	12,706.00	
610-00-53700-855-000	WRS PENSION RELATED EXP/REV	1,540.00	
620-00-14000-000-000	NET PENSION ASSET/LIABILITY	122.00	
620-00-27000-000-000	DEFERRED INFLOWS RELATED WRS	16,100.00	
620-00-53610-855-000	WRS PENSION RELATED EXP/REV	1,822.00	
610-00-17000-000-000	DEFERRED OUTFLOW RELATED 2 WRS		14,400.00
620-00-17000-000-000	DEFERRED OUTFLOW RELATED 2 WRS		18,044.00
Total		32,444.00	32,444.00
Adjusting Journal Entries JE # 1028			
To record sewer fund depreciation expense.			
620-00-53610-403-000	DEPRECIATION EXPENSE	293,823.05	
620-00-18200-100-000	ACCM. DEPRECIATION		293,823.05
Total		293,823.05	293,823.05

DRAFT

Client: **PALMYRAVILL - Village of Palmyra**
Engagement: **Village of Palmyra 2025**
Period Ending: **12/31/2025**
Trial Balance: **TB**
Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1029			
To clear out general fund AP beginning balance related to 2023 entry			
100-00-21100-000-000	ACCOUNTS (VOUCHERS) PAYABLE	10,818.60	
100-00-46900-000-000	MISCELLANEOUS		10,818.60
Total		10,818.60	10,818.60
Adjusting Journal Entries JE # 1030			
To remove the Fund 500 A/P balance as client noted they improperly booked back to 2025.			
500-00-21100-000-000	ACCOUNTS (VOUCHERS) PAYABLE	1,272.77	
500-00-64000-000-000	CONSTRUCTION		1,272.77
Total		1,272.77	1,272.77

Client: PALMYRAVILL - Village of Palmyra
Engagement: Village of Palmyra 2025
Period Ending: 12/31/2025
Trial Balance: TB
Workpaper: 3700.05 - Proposed Journal Entries Report

Account	Description	Debit	Credit
Proposed Journal Entries			
Proposed Journal Entries JE # 4001			
To record interest income on the library CD's			
300-00-11410-000-000	RENOVATION MM 67393	4.02	
300-00-11420-000-000	MEMORIAL & GIFT CD 24922	176.51	
300-00-11430-000-000	CERTIFICATE OF DEP. 24935	317.83	
300-00-11440-000-000	CERTIFICATE OF DEP. 24945	268.87	
300-00-11450-000-000	CERTIFICATE OF DEP. 3309336	8,154.36	
300-00-11400-000-000	MEMORIAL & GIFT CHECKING		2,540.78
300-00-48100-000-000	LIBRARY INTEREST INCOME		6,380.81
Total		8,921.59	8,921.59
Proposed Journal Entries JE # 4002			
To adjust WRS benefit payable to actual based on total December 2025 contribution to be paid in January 2026 (would be allocated across retirement expenditure accounts and not only coded to Police)			
100-00-52100-120-000	POLICE DEPARTMENT FRINGES FT	3,284.43	
100-00-21515-000-000	PENSION/RETIREMENT		3,284.43
Total		3,284.43	3,284.43
Proposed Journal Entries JE # 4003			
To record unbilled accrual (would be split between revenue classifications if recorded)			
610-00-13100-142-000	CUSTOMER ACCOUNTS RECEIV.WTR	5,612.85	
620-00-13100-142-000	CUSTOMER ACCOUNTS RECEIV.SEWER	20,453.14	
610-00-46450-461-725	RESIDENTIAL SALES		5,612.85
620-00-46410-612-825	SEWER RES REVENUE		20,453.14
Total		26,065.99	26,065.99
Total Proposed Journal Entries		38,272.01	38,272.01
Total All Journal Entries		38,272.01	38,272.01

DO NOT RECORD THIS IN WORKHORSE.