

**VILLAGE OF RICHTON PARK, ILLINOIS**

**SINGLE AUDIT**

Year Ended April 30, 2023

VILLAGE OF RICHTON PARK, ILLINOIS

SINGLE AUDIT  
Year Ended April 30, 2023

CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	1
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule Of Expenditures of Federal Awards Required by the Uniform Guidance .....	3
Schedule of Expenditures of Federal Awards .....	6
Notes to Schedule of Expenditures of Federal Awards .....	7
Schedule of Findings and Questioned Costs .....	8
Prior Year Findings and Questioned Costs .....	11

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Honorable President and  
Members of the Board of Trustees  
Village of Richton Park, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Richton Park, Illinois (the Village) as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 28, 2024.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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 such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

---

(Continued)

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

## Village's Responses to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Crowe LLP*

Crowe LLP

Oak Brook, Illinois  
March 28, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable President and  
Members of the Board of Trustees  
Village of Richton Park, Illinois

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Village of Richton Park, Illinois' (the Village) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended April 30, 2023. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended April 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Village's federal programs.

---

(Continued)

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

---

(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated March 28, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Crowe LLP*

Crowe LLP

Oak Brook, Illinois  
March 28, 2024

Village of Richton Park, Illinois

**Schedule of Expenditures of Federal Awards  
Year Ended April 30, 2023**

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>			
<b>Passed through Cook County, Illinois</b>			
CDBG Disaster Recovery Grants - Pub L. No. 113-2 Cluster	14.269	2013-DR-IN-R4-09	\$ 332,797
CDBG - Entitlement Grants Cluster	14.218	Not Provided	161,653
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			494,450
<b>U.S. DEPARTMENT OF THE TREASURY:</b>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	363,382
TOTAL U.S. DEPARTMENT OF THE TREASURY			363,382
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<b>Passed through Illinois Department of Transportation:</b>			
Highway Planning and Construction Cluster	20.205	Not Provided	374,234
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			374,234
<b>TOTAL FEDERAL AWARDS</b>			<b><u>\$ 1,232,066</u></b>

See Notes to Schedule of Expenditures of Federal Awards.



VILLAGE OF RICHTON PARK, ILLINOIS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended April 30, 2023

---

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

General:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Village of Richton Park, Illinois ("Village"). The Village's reporting entity is defined in Note 1 to the Village's financial statements.

Basis of Accounting:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the Village's financial statements; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements under the circumstances. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Basis of Presentation:

The accompanying Schedule includes the federal award activity of the Village under programs of the federal government for the year ended April 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Village.

Cost Principles:

The Village followed the cost principles as established by the Uniform Guidance. The Village has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Subrecipients:

Of the federal expenditures presented in the schedule, the Village did not provide any federal awards to subrecipients.

Non-Cash Assistance:

The Village had no non-cash assistance during the year.

Federal Insurance:

The Village had no Federal insurance in force during the year.

VILLAGE OF RICHTON PARK, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended April 30, 2023

---

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

*Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?

Yes  No

Significant deficiency(ies) identified?

Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal Control over major programs:

Material weakness(es) identified?

Yes  No

Significant deficiency(ies) identified?

Yes  None Reported

Type of auditor's report issued on compliance for major programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

Identification of major programs:

AL Number(s)  
14.269  
21.027

Name of Federal Program or Cluster  
CDBG Disaster Recovery Grants – Pub. L. No. 113-2 Cluster  
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

---

(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended April 30, 2023

---

**Section II - Financial Statement Findings**

**Finding 2023-001: Material Audit Adjustments**

Criteria: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles (GAAP).

Condition: Material audit adjustments were proposed to (1) recognize accounts payable, (2) present the correct governmental funds as major, and (3) revise the balance of net position classified as net investment in capital assets.

Effects or Potential Effects: Before adjustment, (1) accounts payable was understated, (2) one major fund was aggregated with nonmajor governmental funds, and (3) net investment in capital assets was understated.

Cause: (1) The identification of invoices that should be included in accounts payable is a manual process that requires coordination with the Public Works Department. Certain invoices were improperly excluded in error. (2) The major funds determination was completed before journal entries were posted that changed the determination. (3) The net investment in capital assets calculation included expenditures instead of liabilities for one project.

Auditor's Recommendation: We recommend (1) that the Village continue to improve its accounts payable identification process, (2) that the major funds determination be reassessed after all journal entries have been posted, and (3) that the net investment in capital assets calculation include capital-related liabilities instead of capital-related expenditures.

View of responsible officials and planned corrective actions: The Village agrees with the recommendation. At the end of the fiscal year, a reconciliation will be performed to ensure that accounts payable and net investment in capital assets are correctly recognized and the correct major funds are identified. Our accounting consulting firm (RSM) will be supporting the Village to achieve this objective.

**Finding 2023-002: Untimely Bank Reconciliation**

Criteria: Management is responsible for establishing and maintaining internal controls. Timely bank reconciliation is an integral part of an entity's system of internal controls.

Condition: Management prepared and approved the April 2023 bank reconciliations in September and October 2023.

Effects or Potential Effects: Without timely bank statement reconciliation, material misstatements could go undetected and not be corrected timely.

Cause: There has been recent turnover in the Finance Department.

Auditor's Recommendation: We recommend that the Village reconcile monthly bank statements within 30 days of the end of the month.

View of responsible officials and planned corrective actions: The Village agrees with the recommendation. Going forward, bank statements will be reconciled timely.

---

(Continued)

VILLAGE OF RICHTON PARK, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended April 30, 2023

---

**Section III - Federal Award Findings**

There were no findings for the year ended April 30, 2023.

VILLAGE OF RICHTON PARK, ILLINOIS  
PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
Year Ended April 30, 2023

---

<b>Finding Number</b>	<b>Condition</b>	<b>Current Status</b>
2022-001	Individuals within the Finance Department are enterprise administrators within the BS&A general ledger application. That role gives them permission to create users, assign permissions to users, and view everything.	Not repeated
2022-002	Capital assets were not properly reconciled. The capital asset subledger does not reconcile to the balances reported in the annual financial report, primarily due to differences in accumulated depreciation.	Not repeated
2022-003	Material audit adjustments were proposed in order to present the Village's receivables and related revenue, unearned revenue, and deferred inflows of resources in accordance with GAAP.	Not repeated