

November 17, 2025

To the Board of Trustees  
Village of Essex

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Essex (Village) as of and for the year ended April 30, 2025, in accordance with the modified cash basis of accounting, we considered the Village of Essex'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 of Essex's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Essex's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiency in internal control to be a material weakness:

Financial Reporting

Certain accounts including the General Fund checking account, accrued payroll, various revenue accounts and depreciation expense had not properly been adjusted. Material adjustments were needed to adjust the account balances as of, and for the year ended April 30, 2025. These adjustments have been proposed to Village management and have been both approved and posted to the Village's accounts.

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. We consider the following deficiency in internal control to be a significant deficiency:

**Bank Reconciliations**

The Village's cash reconciliations as of April 30, 2025, did not reconcile to the trial balance as of April 30, 2025. The differences were due to not completing a reconciliation for August 2024 and certain entries made to QuickBooks after the April cash reconciliation was complete. We recommend the Village review bank reconciliations each month to ensure accurate financial reporting.

During our audit, we also became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency:

**Inadequate Segregation of Duties**

Due to a limited number of employees, the Village Treasurer is the only individual that accesses the Village's accounting records. Therefore, the Village does not have adequate segregation of duties for internal control purposes. The cost of additional staff may outweigh the benefits of an improved internal control structure. However, we do recommend that another Board member review bank reconciliations on a monthly basis.

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

Very truly yours,

*Borschnack, Pelletier & co.*

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