

COMMUNICATION OF AUDIT RESULTS
VILLAGE OF CENTERTOWN

May 31, 2024



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December 3, 2024

To the Board of Trustees of the
Village of Centertown
Centertown, Missouri:

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund, of the Village of Centertown (the "Village") for the year ended May 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 28, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Village's financial statements was:

Management's estimate of the amount of revenues in the budgeting process is based on prior year actual amounts and the current year assessed valuation and levy. We evaluated the methods, assumptions, and data used to develop the revenue budget amount in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the useful lives of property, building, and equipment. These estimates are based on prior experience with assets of similar type. We evaluated the methods, assumptions, and data used to develop the useful lives of property, building, and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of FDIC and pledged collateral in Note 2 to the financial statements. Missouri state statutes require this to be done and the disclosure of the restatement of beginning Net Position and Fund Balance in Note 12.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

	Impact of Net Position
To Reverse Prior Year Accounts Payable	\$ 45,145
To Reverse Prior Year Accounts Receivable	(5,344)
To Record Improperly Excluded Capital Assets	20,278
To Reclassify Transfers Expense	(13,189)
Total Increase in Net Position	<u>\$ 46,890</u>

Below summarizes the uncorrected misstatement of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatement or the matters underlying it could potentially cause future period financial statements to be materially misstated, even though, in our judgement, such uncorrected misstatement is immaterial to the financial statements under audit.

	Impact on Beginning Net Position
Pass on Prior Period Adjustment to Recognize Capital Assets and Expenses that Should have been Recognized in 2023.	<u>\$ (3,349)</u>

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the Management Representation Letter dated December 3, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were not engaged to report on the budgetary comparison information, which accompany the financial statements but is not Required Supplementary Information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Very truly yours,

*Graves and Associates,
CPAs, LLC*

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri