

MANAGEMENT LETTER

VILLAGE OF CENTERTOWN

May 31, 2024

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

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Centertown (the “Village”) as of and for the year ended May 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Village’s system of 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 opinion 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.

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 a certain deficiency in internal control that we consider to be a significant deficiency.

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 did not identify any deficiencies in internal control that we consider to be material weaknesses.

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:

## SIGNIFICANT DEFICIENCY

### Segregation of Duties (Resubmitted)

As in many smaller to medium-sized organizations, it is difficult to obtain proper segregation of duties due to the limited number of employees. Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. The Village has mitigating controls in place, but it is not possible to have segregation in all areas. Due to the limited number of employees, the Village might not prevent, or detect and correct, misstatements on a timely basis in the normal performance of duties. We recognize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties. However, professional standards require that we bring this lack of segregation of duties to your attention. We recommend management continue to review these processes accordingly to optimize the functionality of internal controls.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with Village personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations.

We wish to thank management and staff for their support and assistance during our audit.

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

Graves and Associates,  
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC  
Jefferson City, Missouri

December 3, 2024