

City of Leeton, Missouri

Basic Financial Statements
Year Ended December 31, 2024



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Honorable Mayor and Board of Aldermen
City of Leeton
Leeton, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Leeton, Missouri, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the City of Leeton, Missouri, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Leeton, Missouri, and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Basis of Accounting

As described in Note 1 of the financial statements, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, which includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of the City of Leeton, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Leeton, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 23, 2025

Government-Wide Financial Statements

City of Leeton

Statement of Net Position – Modified Cash Basis

December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents - unrestricted	\$ 17,430	\$ 134,875	\$ 152,305
Investments - unrestricted	151,759	128,181	279,940
Cash and cash equivalents - restricted	57,221	49,794	107,015
Investments - restricted	94,000	-	94,000
Total Assets	\$ 320,410	\$ 312,850	\$ 633,260
Net Position			
Restricted			
Non-expendable	\$ 94,000	\$ -	\$ 94,000
Expendable	57,221	49,794	107,015
Unrestricted	169,189	263,056	432,245
Total Net Position	\$ 320,410	\$ 312,850	\$ 633,260

See accompanying Notes to the Financial Statements.

City of Leeton

Statement of Activities – Modified Cash Basis

Year Ended December 31, 2024

Functions/Programs	Disbursements	Program Receipts			Net (Disbursements), Receipts, and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Administrative	\$ (128,761)	\$ 1,995	\$ -	\$ -	\$ (126,766)	\$ -	\$ (126,766)
Police	(104,153)	14,689	-	-	(89,464)	-	(89,464)
Street	(108,829)	-	-	-	(108,829)	-	(108,829)
Parks and recreation	(16,014)	-	-	-	(16,014)	-	(16,014)
Cemetery	(20,898)	2,830	2,801	-	(15,267)	-	(15,267)
Total Governmental Activities	(378,655)	19,514	2,801	-	(356,340)	-	(356,340)
Business-Type Activities							
Water department	(245,363)	90,544	-	-	-	(154,819)	(154,819)
Sewer department	(236,728)	141,434	-	32,109	-	(63,185)	(63,185)
Total Business-Type Activities	(482,091)	231,978	-	32,109	-	(218,004)	(218,004)
Total Government	\$ (860,746)	\$ 251,492	\$ 2,801	\$ 32,109	(356,340)	(218,004)	(574,344)
General Receipts							
Ad volorem taxes					39,969	-	39,969
Sales taxes					219,228	-	219,228
Franchise taxes					35,095	-	35,095
Motor vehicle sales taxes and fees					28,596	-	28,596
Interest					12,473	15,588	28,061
Other receipts					11,754	-	11,754
Transfers					(101,753)	101,753	-
Total General Receipts and Transfers					245,362	117,341	362,703
Special Item							
Bond proceeds					-	32,109	32,109
Changes in Net Position					(110,978)	(68,554)	(179,532)
Net Position, Beginning of Year					431,388	381,404	812,792
Net Position, End of Year					\$ 320,410	\$ 312,850	\$ 633,260

See accompanying Notes to the Financial Statements.

Fund Financial Statements

City of Leeton

Statement of Assets and Fund Balances – Governmental Funds – Modified Cash Basis

December 31, 2024

	Special Revenue Funds				Total Governmental Funds
	General Fund	Park Fund	Cemetery Fund	ARPA Fund	
Assets					
Cash and cash equivalents - unrestricted	\$ 17,430	\$ -	\$ -	\$ -	\$ 17,430
Investments - unrestricted	151,759	-	-	-	151,759
Cash and cash equivalents - restricted	8,828	43,662	-	4,731	57,221
Investments - restricted	-	-	94,000	-	94,000
Total Assets	<u>\$ 178,017</u>	<u>\$ 43,662</u>	<u>\$ 94,000</u>	<u>\$ 4,731</u>	<u>\$ 320,410</u>
Fund Balance					
Nonspendable					
Cemetery perpetual care	\$ -	\$ -	\$ 94,000	\$ -	\$ 94,000
Restricted for					
Capital improvements	8,828	-	-	-	8,828
Parks and recreation	-	43,662	-	-	43,662
American Rescue Plan Act	-	-	-	4,731	4,731
Unassigned	169,189	-	-	-	169,189
Total Fund Balance	<u>\$ 178,017</u>	<u>\$ 43,662</u>	<u>\$ 94,000</u>	<u>\$ 4,731</u>	<u>\$ 320,410</u>

See accompanying Notes to the Financial Statements.

City of Leeton

Statement of Receipts, Disbursements, and Changes in Fund Balance – Governmental Funds – Modified Cash Basis
Year Ended December 31, 2024

	<u>Special Revenue Funds</u>				
	<u>General Fund</u>	<u>Park Fund</u>	<u>Cemetery Fund</u>	<u>ARPA Fund</u>	<u>Total Governmental Funds</u>
Receipts					
Taxes	\$ 301,799	\$ 21,089	\$ -	\$ -	\$ 322,888
Licenses and permits	1,995	-	-	-	1,995
Charges for service	-	-	2,830	-	2,830
Intergovernmental receipts	11,110	-	-	-	11,110
Fines and forfeitures	3,579	-	-	-	3,579
Miscellaneous	21,506	10	5,512	-	27,028
Total Receipts	<u>339,989</u>	<u>21,099</u>	<u>8,342</u>	<u>-</u>	<u>369,430</u>
Disbursements					
Administrative	125,851	-	-	2,910	128,761
Police	104,153	-	-	-	104,153
Street	108,829	-	-	-	108,829
Parks and recreation	-	16,014	-	-	16,014
Cemetery	-	-	20,898	-	20,898
Total Disbursements	<u>338,833</u>	<u>16,014</u>	<u>20,898</u>	<u>2,910</u>	<u>378,655</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	1,156	5,085	(12,556)	(2,910)	(9,225)
Other Financing Sources (Uses)					
Operating transfers in (out)	<u>(6,570)</u>	<u>-</u>	<u>6,570</u>	<u>(101,753)</u>	<u>(101,753)</u>
<i>Net Change in Fund Balances</i>	(5,414)	5,085	(5,986)	(104,663)	(110,978)
Fund Balance, Beginning of Year	183,431	38,577	99,986	109,394	431,388
Fund Balance, End of Year	<u><u>\$ 178,017</u></u>	<u><u>\$ 43,662</u></u>	<u><u>\$ 94,000</u></u>	<u><u>\$ 4,731</u></u>	<u><u>\$ 320,410</u></u>

See accompanying Notes to the Financial Statements.

City of Leeton

Statement of Net Position – Proprietary Funds – Modified Cash Basis

December 31, 2024

	Enterprise Funds		Total
	Water Fund	Sewer Fund	
Assets			
Cash and cash equivalents - unrestricted	\$ 42,149	\$ 92,726	\$ 134,875
Investments - unrestricted	-	128,181	128,181
Cash and cash equivalents - restricted	13,680	36,114	49,794
Total Assets	<u>\$ 55,829</u>	<u>\$ 257,021</u>	<u>\$ 312,850</u>
Net Position			
Restricted	\$ 13,680	\$ 36,114	\$ 49,794
Unrestricted	42,149	220,907	263,056
Total Net Position	<u>\$ 55,829</u>	<u>\$ 257,021</u>	<u>\$ 312,850</u>

See accompanying Notes to the Financial Statements.

City of Leeton

Statement of Receipts, Disbursements, and Changes in Net Position – Proprietary Funds – Modified Cash Basis

Year Ended December 31, 2024

	Enterprise Funds		Total
	Water Fund	Sewer Fund	
Operating Receipts			
Charges for services	\$ 88,802	\$ 140,434	\$ 229,236
Miscellaneous	1,742	1,000	2,742
Total Operating Receipts	<u>90,544</u>	<u>141,434</u>	<u>231,978</u>
Operating Disbursements			
Salaries and employee benefits	58,861	41,377	100,238
Telephone and utilities	6,956	10,592	17,548
Repairs and maintenance	72,515	29,574	102,089
Professional fees	7,054	6,179	13,233
Water purchase	9,875	-	9,875
Supplies	1,326	2,695	4,021
Insurance	3,792	1,175	4,967
Travel, training and dues	4,220	3,640	7,860
Miscellaneous	1,212	55	1,267
Total Operating Disbursements	<u>165,811</u>	<u>95,287</u>	<u>261,098</u>
<i>Operating Income (Loss)</i>	(75,267)	46,147	(29,120)
Nonoperating Receipts (Disbursements)			
Interest receipts	3,970	11,618	15,588
Bond proceeds	-	32,109	32,109
Principal, interest, and fees expense	-	(77,069)	(77,069)
Capital outlay	(79,552)	(64,372)	(143,924)
Total Nonoperating Receipts (Disbursements)	<u>(75,582)</u>	<u>(97,714)</u>	<u>(173,296)</u>
<i>Income (Loss) Before Contributions and Transfers</i>	(150,849)	(51,567)	(202,416)
Capital Contributions - Federal Source	-	32,109	32,109
Operating Transfers In (Out)	<u>151,753</u>	<u>(50,000)</u>	<u>101,753</u>
<i>Changes in Net Position</i>	904	(69,458)	(68,554)
Net Position, Beginning of Year	54,925	326,479	381,404
Net Position, End of Year	<u>\$ 55,829</u>	<u>\$ 257,021</u>	<u>\$ 312,850</u>

See accompanying Notes to the Financial Statements.

City of Leeton

Statement of Cash Flows – Proprietary Funds – Modified Cash Basis

Year Ended December 31, 2024

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 90,544	\$ 141,434	\$ 231,978
Cash paid to suppliers	(106,950)	(53,910)	(160,860)
Cash paid to employees	(58,861)	(41,377)	(100,238)
Net Cash Provided (Used) by Operating Activities	(75,267)	46,147	(29,120)
Cash Flows from Noncapital Financing Activities			
Operating transfers in (out)	151,753	(50,000)	101,753
Net Cash Provided (Used) from Noncapital Financing Activities	151,753	(50,000)	101,753
Cash Flows from Capital and Related Financing Activities			
Capital grants	-	32,109	32,109
Bond proceeds	-	32,109	32,109
Principal, interest and fees on bonds	-	(77,069)	(77,069)
Purchase of capital outlay	(79,552)	(64,372)	(143,924)
Net Cash Provided (Used) by Capital and Related Financing Activities	(79,552)	(77,223)	(156,775)
Cash Flows from Investing Activities			
Maturity (purchase) of investments	-	(5,052)	(5,052)
Interest received	3,970	11,618	15,588
Net Cash Provided by Investing Activities	3,970	6,566	10,536
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<i>904</i>	<i>(74,510)</i>	<i>(73,606)</i>
Cash and Cash Equivalents, Beginning of year	54,925	203,350	258,275
Cash and Cash Equivalents, End of year	55,829	128,840	184,669
Less Restricted Cash and Cash Equivalents	13,680	36,114	49,794
Unrestricted Cash and Cash Equivalents	\$ 42,149	\$ 92,726	\$ 134,875
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (75,267)	\$ 46,147	\$ (29,120)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ (75,267)	\$ 46,147	\$ (29,120)

See accompanying Notes to the Financial Statements.

City of Leeton

Notes to the Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies

The City of Leeton, Missouri, (the City) operates under a Mayor - Board of Aldermen form of government and provides the following services: public safety, streets, public improvements, park, planning, and general administrative services. Other services include water and sewer operations.

The accounting policies of the City conform to the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Financial Reporting Entity

The City is organized under the laws of the State of Missouri and is a primary government governed by an elected four-member board. The City is not financially accountable for any other organization, nor is it a component unit of any other primary governmental entity.

Basis of Presentation

The basic financial statements include both the government-wide (the Statement of Net Position and Statement of Activities) and fund financial statements.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities, which are financed through taxes and intergovernmental receipts, are reported separately from business-type activities, which rely on fees and charges for services for support.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, fund balance, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. All funds of the City are considered major funds.

The City reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

Park Fund: The Park Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for parks and recreation.

Cemetery Fund: The Cemetery Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for cemetery upkeep and maintenance.

ARPA Fund: The ARPA Fund is used to account for the proceeds of American Rescue Plan Act grant funds that are restricted, committed, or assigned for expenditures meeting grant award requirements.

City of Leeton

Notes to the Financial Statements

December 31, 2024

The City reports the following major proprietary funds:

Enterprise Funds: Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Enterprise Funds of the City are the Water Fund and Sewer Fund.

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. This basis recognizes assets, net position/fund balance, receipts, and disbursements when they result from cash transactions. The modification to the cash basis of accounting relates to the presentation of investments. This is a basis of accounting other than accounting principles generally accepted in the United States of America; and as a result, these financial statements may not be suitable for another purpose.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenditures and liabilities) *are not recorded* in these financial statements.

If the City used the basis of accounting recognized as generally accepted, the fund financial statements for the governmental funds would use the modified accrual basis of accounting. All government-wide and proprietary fund financial statements would be presented on the accrual basis of accounting.

Pooled Cash and Cash Equivalents

The City pools resources of its various funds in order to facilitate cost management. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements. For purposes of the statement of cash flows, the City considers all accounts subject to withdrawal by check or on demand to be cash equivalents.

Long-Term Debt

Long-term debt arising from cash transactions is not reported in the government-wide financial statements or the fund financial statements, which is consistent with the modified cash basis of accounting. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements.

Capital Outlay

Property and equipment are recorded as disbursements at the time the goods received are paid for and received.

City of Leeton

Notes to the Financial Statements

December 31, 2024

Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable Fund Balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted Fund Balance: This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Aldermen – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment.

Assigned Fund Balance: This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in two components as follows:

Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions for enabling legislation.

Unrestricted: This consists of net position that does not meet the definition of restricted.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted net position.

Program Receipts

In the Statement of Activities, receipts that are derived directly from each activity or from parties outside the City's taxpayers, we reported as program receipts. These include 1) charges for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts, even if restricted for a specific purpose.

City of Leeton

Notes to the Financial Statements

December 31, 2024

Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds are those that result from providing services and producing and delivering goods and services. All other receipts and disbursements are considered nonoperating.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

Compensated Absences

Vacation, sick, and compensatory time are considered disbursement in the year paid. Such vacation and compensatory amounts unused that are vested in the employee are payable upon termination at the employee's rate of pay.

Investments

Investments in non-negotiable certificates of deposit are carried at cost.

2. Cash & Cash Equivalents

State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2024, all bank balances on deposit are entirely insured or collateralized.

3. Investments

Investments of the City as of December 31, 2024, consist of the following:

Investment Type	Maturity	Amount
Certificates of Deposit	3/21/2025 - 10/31/2025	\$ 373,940

Certificates of Deposit

Certificates of deposit are classified as investments, but are considered deposits for custodial risk determination. State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2024, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

The City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

City of Leeton

Notes to the Financial Statements

December 31, 2024

4. Restricted Assets

Cash and cash equivalents, investments, fund balance, and net position have been restricted in the following funds:

	Restricted Cash and Investments	Restricted Fund Balance/ Net Position
Governmental Funds		
<i>General Fund</i>		
Capital Improvement Sales Tax	\$ 8,828	\$ 8,828
<i>Cemetery Fund</i>		
Nonspendable		
Cemetery perpetual care	\$ 94,000	\$ 94,000
<i>Park Fund</i>		
Parks and recreation	\$ 43,662	\$ 43,662
<i>ARPA Fund</i>		
Grant proceeds	\$ 4,731	\$ 4,731
	Restricted Cash and Cash Equivalents	Restricted Net Position
Enterprise Funds		
<i>Water Fund</i>		
Customer water deposits	\$ 13,680	\$ 13,680
<i>Sewer Fund</i>		
Series 2022 SRF Bond Principal and Interest Accounts	\$ 32,764	\$ 32,764
Series 2022 Depreciation & Replacement	3,350	3,350
	\$ 36,114	\$ 36,114

5. Long-Term Debt – Business-Type Activities

Series 2022 Combined Waterworks and Sewerage System Revenue Bonds

On September 21, 2022, the City entered into an agreement authorizing the issuance of not to exceed \$1,319,000 in Series 2022 Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) for the purpose of extending and improving the City's combined waterworks and sewerage system. The bonds bear interest at 1.23% with principal and interest payments due semi-annually on July 1 and January 1 each year. The bonds also require a semi-annual administrative fee of 0.50% of the outstanding principal balance of the bonds as of the business day preceding each principal payment due. If the City defaults on the payment of principal or interest on any of the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the City, by the registered owner of any bond then outstanding, the City shall pay to DNR the penalties assessed by DNR in accordance with the regulations. During the years ended December 31, 2022, 2023, and 2024, the City issued \$134,297, \$1,013,651, and \$32,109 of the bonds, respectively.

City of Leeton

Notes to the Financial Statements

December 31, 2024

The annual debt service requirements to amortize principal on the bonds outstanding at December 31, 2024, are listed in the following table:

Year Ending December 31,	Direct Placement			
	Principal	Interest	Administrative Fee	Total
2025	\$ 52,057	\$ 13,647	\$ 5,548	\$ 71,252
2026	53,000	13,004	5,286	71,290
2027	54,000	12,349	5,020	71,369
2028	54,800	11,682	4,749	71,231
2029	55,800	11,005	4,473	71,278
2030-2034	293,400	44,455	18,072	355,927
2035-2039	319,200	25,709	10,450	355,359
2040-2043	240,200	5,958	2,422	248,580
	<u>\$ 1,122,457</u>	<u>\$ 137,809</u>	<u>\$ 56,020</u>	<u>\$ 1,316,286</u>

A summary of the changes in Long-Term Debt – Business-Type Activities for the year ended December 31, 2024, is as follows:

	Balance December 31, 2023	New Obligations	Retirements	Balance December 31, 2024	Amounts Due Within One Year
Direct Placement					
Series 2022 Revenue Bonds	<u>\$ 1,147,948</u>	<u>\$ 32,109</u>	<u>\$ 57,600</u>	<u>\$ 1,122,457</u>	<u>\$ 52,057</u>

6. Compensated Absences

The following table is a summary of the changes in compensated absences for the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Retirements	Balance December 31, 2024
Governmental Activities	<u>\$ 3,914</u>	<u>\$ 6,308</u>	<u>\$ -</u>	<u>\$ 10,222</u>
Business-Type Activities	<u>\$ 993</u>	<u>\$ 804</u>	<u>\$ -</u>	<u>\$ 1,797</u>

*The changes in the compensated absences balances are presented as net changes.

City of Leeton

Notes to the Financial Statements

December 31, 2024

7. Pledged Revenues

The City has pledged future sewer customer revenues to repay the Series 2022 Combined Waterworks and Sewerage System Revenue Bonds issued to extend and improve the City's combined waterworks and sewerage system. The bonds are payable solely from sewer net revenues and are payable through fiscal year 2043. Net revenues are revenues of the system, less expenses of the system. The total principal and interest remaining to be paid on the bonds is \$1,260,266. Principal and interest paid for the current year and total net revenues were \$70,304 and \$46,147, respectively.

8. Assessed Valuation, Tax Levy, & Legal Debt Margin

The assessed valuation of the tangible property and the tax levies per \$100 assessed valuation of that property were as follows:

	2024
Assessed Valuation	
Real estate	\$ 3,189,917
Personal property	1,274,683
	<u>\$ 4,464,600</u>
Tax Rates Per \$100 of Assessed Valuation	
General Fund	<u>\$.8880</u>

The legal debt margin at December 31, 2024, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional debt limit	\$ 446,460	\$ 446,460	\$ 892,920
General Obligation Bonds payable	-	-	-
Legal Debt Margin	<u>\$ 446,460</u>	<u>\$ 446,460</u>	<u>\$ 892,920</u>

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights of way, constructing, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

City of Leeton

Notes to the Financial Statements

December 31, 2024

9. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2024, significant amounts of grantor disbursements have not been audited by grantor governments, but the City believes that disallowed disbursements, if any, based on subsequent audits, will not have a material effect on any of the individual funds or the overall financial position of the City.

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

11. Interfund Transfers

Transfers between funds of the City for the year ended December 31, 2024, were as follows:

	Transfers in (out)
General Fund	\$ (6,570)
Cemetery Fund	6,570
ARPA Fund	(101,753)
Water Fund	151,753
Sewer Fund	(50,000)
	<u>\$ -</u>

Transfers are made to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, (2) use unrestricted receipts in the Enterprise Funds and General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) reimburse various funds for amounts owed from the other funds.

12. Commitments

At December 31, 2024, the City was committed to the following:

- All Clear Plumbing & Sewer in the amount of \$129,780 for services related to the lead line inventory project. A portion of this project will be paid for using grant funding.
- Empire Electric Services & Technologies, LLC in the amount of \$246,430 for construction related to the water system improvements project. A portion of this project will be paid for using grant funding.

Other Information

City of Leeton

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Taxes				
General sales tax	\$ 50,000	\$ 47,608	\$ 47,608	\$ -
Capital improvement sales tax	25,000	23,805	23,805	-
Use tax	30,000	82,413	82,413	-
Law enforcement sales tax	42,500	44,313	44,313	-
Motor vehicle taxes	26,500	28,596	28,596	-
Property taxes	35,400	39,969	39,969	-
Franchise taxes	38,000	35,095	35,095	-
	<u>247,400</u>	<u>301,799</u>	<u>301,799</u>	<u>-</u>
Licenses and Permits				
Merchant licenses	-	920	920	-
Building permits	15	35	35	-
Animal licenses	1,400	1,040	1,040	-
	<u>1,415</u>	<u>1,995</u>	<u>1,995</u>	<u>-</u>
Intergovernmental receipts				
School resource officer	3,000	11,110	11,110	-
Fines and forfeitures				
Court fines	4,000	3,579	3,579	-
Miscellaneous				
Interest	10,000	9,762	9,762	-
Other receipts	3,320	11,744	11,744	-
	<u>13,320</u>	<u>21,506</u>	<u>21,506</u>	<u>-</u>
Total Receipts	<u>269,135</u>	<u>339,989</u>	<u>339,989</u>	<u>-</u>
Disbursements				
Administrative	115,796	125,851	125,851	-
Police	67,273	104,153	104,153	-
Street	76,400	108,829	108,829	-
Total Disbursements	<u>259,469</u>	<u>338,833</u>	<u>338,833</u>	<u>-</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	<u>9,666</u>	<u>1,156</u>	<u>1,156</u>	<u>-</u>
Other Financing Sources (Uses)				
Operating transfers in (out)	-	(6,570)	(6,570)	-
<i>Net Change in Fund Balance</i>	<u>9,666</u>	<u>(5,414)</u>	<u>(5,414)</u>	<u>-</u>
Fund Balance, Beginning of Year	183,431	183,431	183,431	-
Fund Balance, End of Year	<u><u>\$ 193,097</u></u>	<u><u>\$ 178,017</u></u>	<u><u>\$ 178,017</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Budgetary Comparison Schedules.

City of Leeton

Budgetary Comparison Schedule – Park Fund – Modified Cash Basis

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Sales taxes	\$ 22,000	\$ 21,089	\$ 21,089	\$ -
Miscellaneous revenue	-	10	10	-
Total Receipts	<u>22,000</u>	<u>21,099</u>	<u>21,099</u>	<u>-</u>
Disbursements				
Parks and recreation	<u>12,945</u>	<u>16,014</u>	<u>16,014</u>	<u>-</u>
Total Disbursements	<u>12,945</u>	<u>16,014</u>	<u>16,014</u>	<u>-</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	9,055	5,085	5,085	-
Fund Balance, Beginning of Year	<u>38,577</u>	<u>38,577</u>	<u>38,577</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 47,632</u></u>	<u><u>\$ 43,662</u></u>	<u><u>\$ 43,662</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Budgetary Comparison Schedules.

City of Leeton

Budgetary Comparison Schedule – Cemetery Fund – Modified Cash Basis

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Charges for services	\$ 1,000	\$ 2,830	\$ 2,830	\$ -
Miscellaneous				
Donations	1,500	2,801	2,801	-
Interest	-	2,711	2,711	-
	<u>1,500</u>	<u>5,512</u>	<u>5,512</u>	<u>-</u>
Total Receipts	<u>2,500</u>	<u>8,342</u>	<u>8,342</u>	<u>-</u>
Disbursements				
Cemetery	<u>30,013</u>	<u>20,898</u>	<u>20,898</u>	<u>-</u>
Total Disbursements	<u>30,013</u>	<u>20,898</u>	<u>20,898</u>	<u>-</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(27,513)	(12,556)	(12,556)	-
Other Financing Sources (Uses)				
Operating transfers in (out)	<u>-</u>	<u>6,570</u>	<u>6,570</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(27,513)	(5,986)	(5,986)	-
Fund Balance, Beginning of Year	<u>99,986</u>	<u>99,986</u>	<u>99,986</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 72,473</u></u>	<u><u>\$ 94,000</u></u>	<u><u>\$ 94,000</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Budgetary Comparison Schedules.

City of Leeton

Budgetary Comparison Schedule – ARPA Fund – Modified Cash Basis

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Intergovernmental receipts	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	-	-
Disbursements				
Administration	-	2,910	2,910	-
Total Disbursements	-	2,910	2,910	-
<i>Excess (Deficit) of Receipts Over Disbursements</i>	-	(2,910)	(2,910)	-
Other Financing Sources (Uses)				
Operating transfers in (out)	-	(101,753)	(101,753)	-
<i>Net Change in Fund Balance</i>	-	(104,663)	(104,663)	-
Fund Balance, Beginning of Year	109,394	109,394	109,394	-
Fund Balance, End of Year	<u>\$ 109,394</u>	<u>\$ 4,731</u>	<u>\$ 4,731</u>	<u>\$ -</u>

See accompanying Notes to the Budgetary Comparison Schedules.

City of Leeton

Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2024

Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the Budgetary Comparison Schedule:

1. Prior to January, the City Clerk submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed disbursement plans and the proposed means of financing them.
2. One public hearing is conducted by the City in December to obtain taxpayers' comments on the proposed budget.
3. Prior to January 1, the Board of Aldermen adopts a budget for the City.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with the modified cash basis. Budgeted amounts may be amended during the year by the Board of Aldermen.

Other Reporting Requirements



**Independent Auditors' 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***

Honorable Mayor and Board of Aldermen
City of Leeton
Leeton, Missouri

We have audited, in accordance with 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, and each major fund of the City of Leeton, Missouri, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Leeton, Missouri's basic financial statements, and have issued our report thereon dated June 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Leeton, Missouri'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 City of Leeton, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Leeton, Missouri'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 are required to be reported under *Government Auditing Standards*.

City of Leeton, Missouri's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 23, 2025

City of Leeton

Schedule of Findings and Responses

Year Ended December 31, 2024

Material Weakness

2024-001 *Segregation of Duties*

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: 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.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties and the City does not have the resources to hire additional accounting personnel.



Honorable Mayor and Board of Aldermen
City of Leeton
Leeton, Missouri

In planning and performing our audit of the basic financial statements of the governmental activities, business-type activities and each major fund of the City of Leeton, Missouri, for the year ended December 31, 2024, we considered the City's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the 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*, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

In addition to the material weaknesses discussed in the 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*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters:

1. Cybersecurity

Cybersecurity threats are increasing and government entities of all sizes are at risk for a breach of their information systems. With this increase in risk, entities should be continually evaluating risk and taking steps necessary to ensure the security of information systems. Steps include identifying critical information systems, training employees to properly identify threats received in emails or by other means, and adopting internal communication methods other than email.

It is important that entities develop a recovery plan outlining procedures that personnel should follow once a cybersecurity breach is discovered. Additionally, entities should be aware of any insurance in place to help protect them from liabilities that can occur as the result of a breach.

We Recommend:

The City continue to evaluate its cybersecurity risks and take the necessary steps to reduce the risk of cybersecurity threats to their information systems. This evaluation should be performed frequently as technology and information systems are continually changing.

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2. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards that may affect the City in future years.

GASB Statement No. 102 – *Certain Risk Disclosures* – requires governments to disclose information about certain risks they face due to concentrations and constraints in their revenues and expenditures/expenses. This statement is effective for the City's fiscal year ending December 31, 2025.

GASB Statement No. 103 – *Financial Reporting Model Improvements* – changes and improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Improvements and notable changes are made to the unusual or infrequent items, presentation of proprietary fund statements, presentation of major component units, and budgetary comparison information. This statement is effective for the City's fiscal year ending December 31, 2026.

We Recommend:

Management review the above accounting standards prior to their effective date to determine best practices needed for successful implementation.

3. Water and Sewer Fund Cash Balances

Cash balances of the Water Fund and the Sewer Fund have decreased significantly over the past several years. During 2024, we noted that the Water Fund had an operating loss of \$75,267, and an overall gain after nonoperating revenues, expenses, and transfers of \$904. \$101,753 was transferred from the ARPA Fund for grant spending and \$50,000 was transferred from the Sewer Fund for operations during 2024. The Water Fund had overall losses of \$24,391 and \$37,802 in 2023 and 2022, respectively. Cash balances of the Water Fund have decreased from \$117,118 at December 31, 2021, to \$55,829 at December 31, 2024. While the Sewer Fund had operating income of \$46,147 in 2024, it had an overall loss of \$69,458 after nonoperating revenues, expenses, and transfers, including capital outlay and debt service.

We Recommend:

The City evaluate its water and sewer service rates in order to set these at sufficient levels to cover operations and to increase cash balances. We encourage the City to monitor water and sewer operating revenues, expenses to ensure that the funds are self-sustaining.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the City's administrative personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional studies of these matters, or to assist you in implementing these recommendations.

We appreciate this opportunity to serve as the City of Leeton, Missouri's independent auditors and the courtesies and assistance extended to us by the City's employees.

This information is intended solely for the use of the Honorable Mayor and Board of Aldermen and management of the City of Leeton, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 23, 2025



Honorable Mayor and Board of Aldermen
City of Leeton
Leeton, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Leeton, Missouri, for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government 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 January 23, 2025. 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 City of Leeton, Missouri, 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 the year ended December 31, 2024. We noted no transactions entered into by the City 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.

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 and Uncorrected 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:

- Fund Equity
- Accrual to cash conversions

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 auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

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Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 23, 2025.

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 governmental unit's financial statements or a determination of the type of auditors' 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 each year prior to retention as the governmental unit'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 other information which accompanies the financial statements. 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 Aldermen and management of the City of Leeton, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "KPM CPAs, PC". The signature is written in a cursive, slightly slanted style.

KPM CPAs, PC
Springfield, Missouri
June 23, 2025