

City of Oronogo, Missouri

Basic Financial Statements
Year Ended June 30, 2024

KPM
CPAS & ADVISORS

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the City of Oronogo, Missouri, as of and for the year ended June 30, 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 Oronogo, Missouri, as of June 30, 2024, and the respective changes in the modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Oronogo 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

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. 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 opinions are not modified with respect to this 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. Management is also responsible 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 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, 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.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 14, 2024

Government-Wide Financial Statements

City of Oronogo

Statement of Net Position – Modified Cash Basis

June 30, 2024

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents - unrestricted	\$ 192,654	\$ 451,308	\$ 643,962
Investments - unrestricted	1,556,261	-	1,556,261
Cash and cash equivalents - restricted	606,941	255,106	862,047
Total Assets	<u>\$ 2,355,856</u>	<u>\$ 706,414</u>	<u>\$ 3,062,270</u>
Net Position			
Restricted	\$ 606,941	\$ 255,106	\$ 862,047
Unrestricted	1,748,915	451,308	2,200,223
Total Net Position	<u>\$ 2,355,856</u>	<u>\$ 706,414</u>	<u>\$ 3,062,270</u>

See accompanying Notes to the Financial Statements.

Fund Financial Statements

City of Oronogo

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

June 30, 2024

	Special Revenue Funds				Total Governmental Funds
	General Fund	Street Fund	Stormwater Fund	American Rescue Plan Act Fund	
Assets					
Cash and cash equivalents - unrestricted	\$ 192,654	\$ -	\$ -	\$ -	\$ 192,654
Investments - unrestricted	1,556,261	-	-	-	1,556,261
Cash and cash equivalents - restricted	9,127	27,108	109,781	460,925	606,941
Total Assets	\$ 1,758,042	\$ 27,108	\$ 109,781	\$ 460,925	\$ 2,355,856
Fund Balance					
Restricted for					
Law enforcement training	\$ 7,303	\$ -	\$ -	\$ -	\$ 7,303
Judicial education	1,824	-	-	-	1,824
Stormwater sales tax	-	-	109,781	-	109,781
Streets	-	27,108	-	-	27,108
Grant funds	-	-	-	460,925	460,925
Unassigned	1,748,915	-	-	-	1,748,915
Total Fund Balances	\$ 1,758,042	\$ 27,108	\$ 109,781	\$ 460,925	\$ 2,355,856

See accompanying Notes to the Financial Statements.

City of Oronogo

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis Year Ended June 30, 2024

	Special Revenue Funds				Total Governmental Funds
	General Fund	Street Fund	Stormwater Fund	American Rescue Plan Act Fund	
Receipts					
Taxes	\$ 486,278	\$ 201,243	\$ 61,093	\$ -	\$ 748,614
Licenses and permits	37,949	-	-	-	37,949
Intergovernmental receipts	36,994	-	-	-	36,994
Charges for services	229,217	-	-	-	229,217
Fines and forfeitures	115,752	-	-	-	115,752
Miscellaneous	125,575	12,274	1,557	13,414	152,820
Total Receipts	1,031,765	213,517	62,650	13,414	1,321,346
Disbursements					
Current					
Administrative	417,491	-	-	-	417,491
Police	471,962	-	-	-	471,962
Municipal court	64,586	-	-	-	64,586
Streets	-	445,862	-	-	445,862
Stormwater	-	-	4,675	12,625	17,300
Park	-	-	19,226	-	19,226
Debt service					
Principal and interest	6,804	-	-	-	6,804
Total Disbursements	960,843	445,862	23,901	12,625	1,443,231
<i>Excess (Deficit) of Receipts over Disbursements</i>	70,922	(232,345)	38,749	789	(121,885)
Other Financing Sources (Uses)					
Transfers in (out)	158,123	(1,382)	-	-	156,741
<i>Net Change in Fund Balances</i>	229,045	(233,727)	38,749	789	34,856
Fund Balance, July 1	1,528,997	260,835	71,032	460,136	2,321,000
Fund Balance, June 30	\$ 1,758,042	\$ 27,108	\$ 109,781	\$ 460,925	\$ 2,355,856

See accompanying Notes to the Financial Statements.

City of Oronogo

Statement of Net Position – Proprietary Funds – Modified Cash Basis

June 30, 2024

	Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total
Assets			
Cash and cash equivalents - unrestricted	\$ 451,308	\$ -	\$ 451,308
Cash and cash equivalents - restricted	255,106	-	255,106
Total Assets	<u>\$ 706,414</u>	<u>\$ -</u>	<u>\$ 706,414</u>
Net Position			
Restricted	\$ 255,106	\$ -	\$ 255,106
Unrestricted	451,308	-	451,308
Total Net Position	<u>\$ 706,414</u>	<u>\$ -</u>	<u>\$ 706,414</u>

See accompanying Notes to the Financial Statements.

City of Oronogo

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

Year Ended June 30, 2024

	Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total
Operating Receipts			
Charges for services	\$ 1,037,741	\$ 8,515	\$ 1,046,256
Other	5,930	-	5,930
Total Operating Receipts	<u>1,043,671</u>	<u>8,515</u>	<u>1,052,186</u>
Operating Disbursements			
Wages and benefits	315,185	-	315,185
Professional services	31,254	555	31,809
Utilities	68,641	-	68,641
Insurance	28,935	-	28,935
Supplies	17,392	-	17,392
Travel, meetings, and dues	2,794	-	2,794
Vehicle expense	9,845	-	9,845
Repairs and maintenance	116,920	-	116,920
Payment in lieu of taxes	64,350	-	64,350
Sewer plant	71,694	-	71,694
Natural gas	-	1,192	1,192
Miscellaneous	9,099	37,025	46,124
Total Operating Disbursements	<u>736,109</u>	<u>38,772</u>	<u>774,881</u>
<i>Operating Income (Loss)</i>	307,562	(30,257)	277,305
Nonoperating Receipts (Disbursements)			
Interest receipts	18,382	-	18,382
Capital outlay	(1,024,451)	-	(1,024,451)
Debt service			
Principal	(504,404)	-	(504,404)
Interest	(168,177)	-	(168,177)
Fees	(950)	-	(950)
Total Nonoperating Receipts (Disbursements)	<u>(1,679,600)</u>	<u>-</u>	<u>(1,679,600)</u>
<i>Net (Loss) Before Transfers</i>	(1,372,038)	(30,257)	(1,402,295)
Transfers in (out)	<u>2,179</u>	<u>(158,920)</u>	<u>(156,741)</u>
<i>Net (Loss)</i>	(1,369,859)	(189,177)	(1,559,036)
Net Position, July 1	2,076,273	189,177	2,265,450
Net Position, June 30	<u>\$ 706,414</u>	<u>\$ -</u>	<u>\$ 706,414</u>

See accompanying Notes to the Financial Statements.

City of Oronogo

Statement of Cash Flows – Proprietary Funds – Modified Cash Basis

Year Ended June 30, 2024

	Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 1,043,671	\$ 8,515	\$ 1,052,186
Cash (paid) to suppliers	(420,924)	(38,772)	(459,696)
Cash (paid) to employees	(315,185)	-	(315,185)
Net Cash Provided (Used) by Operating Activities	307,562	(30,257)	277,305
Cash Flows from Noncapital Financing Activities			
Transfers (to) from other funds	2,179	(158,920)	(156,741)
Net Cash Provided (Used) by Noncapital Financing Activities	2,179	(158,920)	(156,741)
Cash Flows from Capital and Related Financing Activities			
Payment of bond principal	(504,404)	-	(504,404)
Payment of interest expense	(168,177)	-	(168,177)
Payment of fees	(950)	-	(950)
Purchase of capital outlay	(1,024,451)	-	(1,024,451)
Net Cash (Used) by Capital and Related Financing Activities	(1,697,982)	-	(1,697,982)
Cash Flows from Investing Activities			
Interest received	18,382	-	18,382
Net Cash Provided by Investing Activities	18,382	-	18,382
<i>Net (Decrease) In Cash and Cash Equivalents</i>	(1,369,859)	(189,177)	(1,559,036)
Cash and Cash Equivalents, Beginning of year	2,076,273	189,177	2,265,450
Cash and Cash Equivalents, End of year	706,414	-	706,414
Less Restricted Cash and Cash Equivalents	255,106	-	255,106
Unrestricted Cash and Cash Equivalents	\$ 451,308	\$ -	\$ 451,308
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ 307,562	\$ (30,257)	\$ 277,305
Net Cash Provided (Used) by Operating Activities	\$ 307,562	\$ (30,257)	\$ 277,305

See accompanying Notes to the Financial Statements.

City of Oronogo

Notes to the Financial Statements

June 30, 2024

1. Summary of Significant Accounting Policies

The City of Oronogo, Missouri, (the City) operates as a fourth class city under an elected Mayor - Board of Aldermen form of government and provides the following services: public safety, streets, parks and recreation, planning and development, and general administrative services. Other services include water, sewer, and trash 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 five-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 the Statement of Activities) and fund financial statements.

Government-Wide Financial Statements

The Statement of Net Position and the 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 mostly through taxes and intergovernmental receipts, are reported separately from business-type activities, which rely mostly 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. The funds of the City are as follows:

Governmental Fund Types

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds.

Street Fund: The Street Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for City streets.

Stormwater Fund: The Stormwater Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for stormwater improvements.

American Rescue Plan Act Fund: The American Rescue Plan Act (ARPA) Fund accounts for the resources of federal grant revenue whose use is restricted for COVID-19 expenditures or the negative economic impacts of COVID-19.

City of Oronogo

Notes to the Financial Statements

June 30, 2024

Proprietary Fund Types

Water and Sewer Fund: The Water and Sewer Fund accounts for the activities and capital improvements of the City's water and sewer operations.

Natural Gas Fund: The Natural Gas Fund accounts for the activities and capital improvements of the City's natural gas operations.

Basis of Accounting

The government-wide Statement of Assets and Net Position and Statement of Activities, as well as the fund financial statements, are presented using the 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 relates to the presentation of investments. This basis 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 expenditures/expenses (such as accounts payable and expenditures/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 in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting and the proprietary fund would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting and would include capital assets and long-term debt.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all investments with an original maturity of three months or less to be cash equivalents.

Investments

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

Vacation and Sick Leave

Use of accumulated vacation and sick leave by employees in future years is not expected to have a material impact on City disbursements in any one year.

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.

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. Debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements.

City of Oronogo

Notes to the Financial Statements

June 30, 2024

Capital Outlay

Capital assets are property and equipment purchases and are recorded as disbursements at the time the goods are paid for and received.

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, equity is displayed in two components as follows:

Restricted net position: Consists of the net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position: Consists of the financial position that does not meet the definition of “restricted.”

When a disbursement is made for purposes for which both restricted and unrestricted net position (equity) are available, the City first applies restricted net position.

City of Oronogo

Notes to the Financial Statements

June 30, 2024

Program Receipts

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

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.

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 June 30, 2024, all bank balances on deposit are entirely insured or collateralized.

3. Investments

Investments of the City as of June 30, 2024 consist of the following:

<u>Investment Type</u>	<u>Maturity</u>	<u>Total</u>
Certificates of Deposit	7/19/24	<u>\$ 1,556,261</u>

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 collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2024, all Certificates of Deposit are entirely insured by the Federal Deposit Insurance Corporation or collateralized.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City's certificates of deposit are entirely insured or collateralized by a trust department of a bank that does not hold the collateralized deposits.

Interest Rate Risk

The City does not have a policy which addresses interest rate risk.

City of Oronogo

Notes to the Financial Statements

June 30, 2024

4. Restricted Assets

Cash and cash equivalents, fund balance, and net position have been restricted as follows:

	Restricted Cash and Cash Equivalents	Restricted Fund Balance/ Net Position
General Fund		
Law enforcement training	\$ 7,303	\$ 7,303
Judicial education	1,824	1,824
	<u>\$ 9,127</u>	<u>\$ 9,127</u>
Street Fund		
Streets	<u>\$ 27,108</u>	<u>\$ 27,108</u>
Stormwater Fund		
Stormwater sales tax	<u>\$ 109,781</u>	<u>\$ 109,781</u>
American Rescue Plan Act Fund		
Grant funds	<u>\$ 460,925</u>	<u>\$ 460,925</u>
Water and Sewer Fund		
2016 A and B debt service reserve	\$ 114,612	\$ 114,612
2023E debt service reserve	10,008	10,008
2023E replacement and extension	26,400	26,400
Customer utility deposits	104,086	104,086
	<u>\$ 255,106</u>	<u>\$ 255,106</u>

City of Oronogo

Notes to the Financial Statements

June 30, 2024

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

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due December 31. The county collects the property taxes and remits them to the City.

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

	2023
Assessed Valuation	
Real estate	\$ 24,472,866
Personal property	7,965,228
Total	\$ 32,438,094
	2023
Tax Rates Per \$100 of Assessed Valuation	
General Fund	\$.2596
Street Fund	.1239
Total	\$.3835

The legal debt margin at June 30, 2024, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	\$ 3,243,809	\$ 3,243,809	\$ 6,487,618
General Obligation Bonds Payable	-	-	-
Legal Debt Margin	\$ 3,243,809	\$ 3,243,809	\$ 6,487,618

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.

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 Oronogo

Notes to the Financial Statements

June 30, 2024

6. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at June 30, 2024, consists of a financed purchase agreement and compensated absences.

In November 2021, the city entered into a direct borrowing financed purchase agreement with Southwest Missouri Bank to purchase a Police Interceptor. The agreement requires annual principal and interest payments through July 2025, including interest at 3.7%.

The City’s financed purchase agreement provides for the cancellation of the agreement at the City’s option on the renewal date each year, per state statute, however, the City does not foresee exercising its option to cancel. Therefore, this financed purchase is accounted for as a noncancelable financed purchase.

The following is a schedule of the future minimum payments under the financed purchase agreement (assuming noncancellation):

Year Ended June 30,	Direct Borrowing		
	Principal	Interest	Total
2025	\$ 6,320	\$ 484	\$ 6,804
2026	6,558	246	6,804
	<u>\$ 12,878</u>	<u>\$ 730</u>	<u>\$ 13,608</u>

The following table is a summary of the changes in the long-term liabilities of the governmental activities:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Amounts Due Within One Year
Direct Borrowing					
2022 Ford Police Interceptor	\$ 18,971	\$ -	\$ 6,093	\$ 12,878	\$ 6,320
Compensated Absences	15,079	-	71	15,008	-
Total	<u>\$ 34,050</u>	<u>\$ -</u>	<u>\$ 6,164</u>	<u>\$ 27,886</u>	<u>\$ 6,320</u>

City of Oronogo

Notes to the Financial Statements

June 30, 2024

7. Long-Term Liabilities – Business-Type Activities

Long-term liabilities for business-type activities at June 30, 2024, consists of the 2016A Combined Waterworks and Sewerage Refunding Revenue Bonds, 2016B Combined Waterworks and Sewerage Revenue Bonds, 2023E Combined Waterworks and Sewerage System Revenue Bonds, one financed purchase agreement and compensated absences.

Revenue Bonds

On August 18, 2016, the City issued \$1,640,000 in Combined Waterworks and Sewerage Refunding Revenue Bonds for the purpose of refinancing the City's 2005C Combined Waterworks and Sewerage Revenue Bonds. The bonds bear interest at the varying rate of 1.00% to 3.60%. Principal payments are due December 1 and interest payments are due June 1 and December 1 of each year. If the City defaults in the payment of principal or interest on 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, then at any time thereafter and while such default continues, the registered owners of 25% in principal amounts of the bonds outstanding may, by written notice to the City, declare the principal of all bonds then outstanding to be due and payable immediately. Annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2024, are as follows:

Year Ending June 30,	Direct Placement		
	Principal	Interest	Total
2025	\$ 60,000	\$ 39,115	\$ 99,115
2026	60,000	38,335	98,335
2027	65,000	37,525	102,525
2028	65,000	35,805	100,805
2029	65,000	33,888	98,888
2030-2034	370,000	137,551	507,551
2035-2039	440,000	73,055	513,055
2040	100,000	5,310	105,310
	<u>\$ 1,225,000</u>	<u>\$ 400,584</u>	<u>\$ 1,625,584</u>

On August 18, 2016, the City issued \$425,000 in Combined Waterworks and Sewerage Revenue Bonds for the purpose of constructing, furnishing and equipping improvements to the City's combined waterworks and sewerage system. The bonds bear interest at the varying rate of 2.10% to 3.70%. Principal payments are due December 1 and interest payments are due June 1 and December 1 of each year. If the City defaults in the payment of principal or interest on 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, then at any time thereafter and while such default continues, the registered owners of 25% in principal amounts of the bonds outstanding may, by written notice to the City, declare the principal of all bonds then outstanding to be due and payable immediately.

City of Oronogo

Notes to the Financial Statements

June 30, 2024

Annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Direct Placement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 10,000	\$ 11,725	\$ 21,725
2026	10,000	11,425	21,425
2027	10,000	11,125	21,125
2028	10,000	10,825	20,825
2029	15,000	10,435	25,435
2030-2034	70,000	45,875	115,875
2035-2039	80,000	32,425	112,425
2040-2041	135,000	6,938	141,938
	<u>\$ 340,000</u>	<u>\$ 140,773</u>	<u>\$ 480,773</u>

On June 20, 2023, the City issued \$2,000,000 in Combined Waterworks and Sewerage Revenue Bonds for the purpose of constructing, furnishing and equipping improvements to the City's combined waterworks and sewerage system. The bonds bear interest at the rate of 3.50%. Principal and interest payments are due June 20 of each year. If the City defaults on the payment of principal or interest on 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, then at any time thereafter and while such default continues, the registered owners of the bonds outstanding may, by written notice to the City, declare the principal of all bonds then outstanding to be due and payable immediately. Annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Direct Placement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 31,050	\$ 68,950	\$ 100,000
2026	32,137	67,863	100,000
2027	33,262	66,738	100,000
2028	34,426	65,574	100,000
2029	35,631	64,369	100,000
2030-2034	197,755	302,245	500,000
2035-2039	234,871	265,129	500,000
2040-2044	278,954	221,046	500,000
2045-2049	331,308	168,692	500,000
2050-2054	393,491	106,509	500,000
2055-2058	366,624	32,665	399,289
	<u>\$ 1,969,509</u>	<u>\$ 1,429,780</u>	<u>\$ 3,399,289</u>

City of Oronogo

Notes to the Financial Statements

June 30, 2024

Financed Purchase Agreements

On September 30, 2020, the City entered into a cancellable financed purchase agreement with NBH Bank for a sewer project in the amount of \$1,560,500. The financed purchase agreement requires annual payments of \$106,982 which includes interest at 3.3%. In the event of default, the Lender may declare all payments and other amounts payable.

Although the financed purchase agreement provides for cancellation of the agreement at the City's option at the renewed date, the City does not foresee exercising its option to cancel. The following is a schedule of future minimum payments under the financed purchase (assuming noncancellation):

<u>Year Ending June 30,</u>	Direct Borrowing		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 71,167	\$ 35,815	\$ 106,982
2026	76,875	30,107	106,982
2027	79,433	27,549	106,982
2028	82,076	24,906	106,982
2029	84,806	22,176	106,982
2030-2034	468,283	66,627	534,910
2035-2036	139,928	4,379	144,307
	<u>\$ 1,002,568</u>	<u>\$ 211,559</u>	<u>\$ 1,214,127</u>

The following table is a summary of the changes in the long-term liabilities of the business-type activities:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Direct Placement					
2016A Refunding Revenue Bonds	\$ 1,280,000	\$ -	\$ 55,000	\$ 1,225,000	\$ 60,000
2016B Revenue Bonds	350,000	-	10,000	340,000	10,000
2023E Revenue Bonds	2,000,000	-	30,491	1,969,509	31,050
Direct Borrowing					
2020 Financed Purchase	1,411,481	-	408,913	1,002,568	71,167
Compensated Absences	6,404	2,617	-	9,021	-
	<u>\$ 5,047,885</u>	<u>\$ 2,617</u>	<u>\$ 504,404</u>	<u>\$ 4,546,098</u>	<u>\$ 172,217</u>

City of Oronogo

Notes to the Financial Statements

June 30, 2024

8. 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.

9. Claims & Adjustments

The City participates in a number of 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 regulation, the City may be required to reimburse the grantor government. As of June 30, 2024, 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 government funds or the overall financial position of the City.

10. Pledged Receipts

The City has pledged future water and sewer customer receipts to repay the Series 2016A, 2016B and 2023E Combined Waterworks and Sewerage System Revenue Bonds issued to improve and expand the water and sewer system. The bonds are payable solely from water and sewer customer net receipts and are payable through 2058. Net receipts are receipts of the system less disbursements of the system. The total principal and interest remaining to be paid on the bonds is \$5,505,646. Principal and interest paid for the current year and total customer net receipts were \$217,588 and \$307,562, respectively.

11. Intermunicipal Agreements

Wastewater Treatment Facilities and Treatment

The Center Creek Wastewater Treatment Board provides wastewater treatment services to the citizens of Webb City, Cartersville, and Oronogo, Missouri. In accordance with Missouri law, the Utility is operated by a Board of Directors. Bonded debt must be authorized by a resolution of the Board of Directors and approved by a vote of the citizens. The Center Creek Wastewater Treatment Board is a jointly governed organization between the cities of Webb City, Cartersville, and Oronogo, Missouri, and authorized by an enactment of the Missouri General Assembly.

The Board is a component entity of the City of Webb City, Missouri, because the City of Webb City appoints a voting majority, or five of ten members of the Board, which is comprised of:

- The Mayors of Webb City, Cartersville, and Oronogo.
- Four citizens of Webb City, appointed by the Mayor and confirmed by the City Council.
- Two citizens of Cartersville, appointed by the Mayor and confirmed by the City Council.
- One citizen of Oronogo, appointed by the Mayor and confirmed by the City Council.

City of Oronogo

Notes to the Financial Statements

June 30, 2024

The purpose of the Board is to provide responsibility for the operation, maintenance, and replacement of jointly constructed wastewater facilities, which include a wastewater facility, interceptor sewers, pumping facilities, and force main. In accordance with the inter-municipal agreement, ownership and responsibility for operation, maintenance and replacement costs are allocated to each city based on flow consumption of the previous year. These percentages are as follows:

City of Webb City	82.91%
City of Cartersville	9.61%
City of Oronogo	7.48%

The Center Creek Wastewater Treatment Board issued separate financial statements that may be obtained by calling (417) 673-4651.

12. Interfund Transfers

Transfers between funds of the City for the year ended June 30, 2024, were as follows:

	<u>Transfers In (Out)</u>
General Fund	\$ 158,123
Street Fund	(1,382)
Gas Fund	(158,920)
Water and Sewer Fund	2,179
	<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.

13. Commitments

As of June 30, 2024, the City was committed to Omnigo for future payments for the right to use various police software packages in the amount of \$16,389.

Other Information

City of Oronogo

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Receipts				
Taxes				
Ad valorem taxes	\$ 118,000	\$ 118,000	\$ 126,016	\$ 8,016
Sales taxes	165,000	165,000	149,229	(15,771)
Franchise taxes	150,500	150,500	146,683	(3,817)
Payment in lieu of taxes	66,281	66,281	64,350	(1,931)
	<u>499,781</u>	<u>499,781</u>	<u>486,278</u>	<u>(13,503)</u>
Licenses and Permits				
Merchants licenses	6,000	6,000	6,550	550
Animal license	250	250	513	263
Building permits	30,000	30,000	30,811	811
Garage sale permits	50	50	75	25
	<u>36,300</u>	<u>36,300</u>	<u>37,949</u>	<u>1,649</u>
Intergovernmental Receipts				
Grants	50,457	50,457	36,994	(13,463)
Charges for Services				
Trash	160,000	185,000	187,364	2,364
Board fees	-	-	98	98
Planning and zoning	45,000	45,000	41,755	(3,245)
	<u>205,000</u>	<u>230,000</u>	<u>229,217</u>	<u>(783)</u>
Fines and Forfeitures				
City court fines	130,000	130,000	115,752	(14,248)
Miscellaneous				
Rentals	5,400	5,400	6,600	1,200
Donations	100	100	772	672
Interest	3,200	3,200	73,878	70,678
Other receipts	12,075	12,075	44,325	32,250
	<u>20,775</u>	<u>20,775</u>	<u>125,575</u>	<u>104,800</u>
Total Receipts	<u>942,313</u>	<u>967,313</u>	<u>1,031,765</u>	<u>64,452</u>

City of Oronogo

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Disbursements				
Current				
Administrative	387,162	411,773	417,491	(5,718)
Police	487,768	487,768	471,962	15,806
Municipal court	73,082	73,082	64,586	8,496
Debt service				
Principal and interest	-	-	6,804	(6,804)
Total Disbursements	948,012	972,623	960,843	11,780
 <i>Excess (Deficit) of Receipts over Disbursements</i>	(5,699)	(5,310)	70,922	76,232
 Other Financing Sources				
Transfers in	-	157,968	158,123	155
 <i>Net Change in Fund Balances</i>	(5,699)	152,658	229,045	76,387
 Fund Balance, July 1	1,528,997	1,528,997	1,528,997	-
Fund Balance, June 30	\$ 1,523,298	\$ 1,681,655	\$ 1,758,042	\$ 76,387

See accompanying Notes to the Budgetary Comparison Schedules.

City of Oronogo

Budgetary Comparison Schedule – Street Fund – Modified Cash Basis

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Receipts				
Taxes				
Sales taxes	\$ 67,000	\$ 67,000	\$ 61,093	\$ (5,907)
Ad valorem taxes	7,000	7,000	7,414	414
Motor vehicle taxes	117,000	117,000	132,736	15,736
	191,000	191,000	201,243	10,243
Miscellaneous				
Interest	2,500	7,000	7,169	169
Other receipts	-	-	5,105	5,105
	2,500	7,000	12,274	5,274
Total Receipts	193,500	198,000	213,517	15,517
Disbursements				
Current				
Streets	347,535	458,340	445,862	12,478
Total Disbursements	347,535	458,340	445,862	12,478
<i>Excess (Deficit) of Receipts over Disbursements</i>	(154,035)	(260,340)	(232,345)	27,995
Other Financing (Uses)				
Transfers (out)	(665)	(495)	(1,382)	(887)
<i>Net Change in Fund Balances</i>	(154,700)	(260,835)	(233,727)	27,108
Fund Balance, July 1	260,835	260,835	260,835	-
Fund Balance, June 30	\$ 106,135	\$ -	\$ 27,108	\$ 27,108

See accompanying Notes to the Budgetary Comparison Schedules.

City of Oronogo

Budgetary Comparison Schedule – Stormwater Fund – Modified Cash Basis

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Receipts				
Taxes				
Sales taxes	\$ 65,000	\$ 65,000	\$ 61,093	\$ (3,907)
Miscellaneous				
Interest	4,100	4,100	1,489	(2,611)
Other	-	-	68	68
	4,100	4,100	1,557	(2,543)
Total Receipts	69,100	69,100	62,650	(6,450)
Disbursements				
Current				
Stormwater	26,000	26,000	4,675	21,325
Park	43,100	43,100	19,226	23,874
Total Disbursements	69,100	69,100	23,901	45,199
<i>Excess (Deficits) of Receipts over Disbursements</i>	-	-	38,749	38,749
Fund Balance, July 1	71,032	71,032	71,032	-
Fund Balance, June 30	\$ 71,032	\$ 71,032	\$ 109,781	\$ 38,749

See accompanying Notes to the Budgetary Comparison Schedules.

City of Oronogo

Budgetary Comparison Schedule – American Rescue Plan Act Fund – Modified Cash Basis

Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Receipts				
Interest	\$ -	\$ 12,265	\$ 13,414	\$ 1,149
Total Receipts	<u>-</u>	<u>12,265</u>	<u>13,414</u>	<u>1,149</u>
Disbursements				
Current				
Stormwater	-	12,625	12,625	-
Total Disbursements	<u>-</u>	<u>12,625</u>	<u>12,625</u>	<u>-</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	-	(360)	789	1,149
Fund Balance, July 1	460,136	460,136	460,136	-
Fund Balance, June 30	<u>\$ 460,136</u>	<u>\$ 459,776</u>	<u>\$ 460,925</u>	<u>\$ 1,149</u>

See accompanying Notes to the Budgetary Comparison Schedules.

City of Oronogo

Notes to the Budgetary Comparison Schedules

Year Ended June 30, 2024

Budgets and Budgetary Accounting

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

1. Prior to July, the City Clerk submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed disbursement plans and the proposed means of financing them.
2. One public hearing is conducted by the Board of Aldermen in late May or early June to obtain taxpayers' comments on the proposed budget.
3. Prior to July 1, the City adopts a budget.
4. The budget for the City is adopted on the modified cash basis. Budgeted amounts may be amended during the year by the City.



Honorable Mayor and Board of Aldermen
City of Oronogo
Oronogo, 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 Oronogo, Missouri, as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We believe that the following deficiency constitutes a material weakness.

Segregation of Duties

The City does not have an adequate segregation of duties within the various accounting functions. The basic premise behind the segregation of duties is that no one employee should have access to all phases of a transaction, to help prevent errors and irregularities. This weakness is found in the majority of smaller entities.

We Recommend:

The City take any steps economically feasible to segregate incompatible duties to help protect the City's assets. However, due to the nature of this weakness, further steps may not be practical.

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

1. New Accounting Pronouncements

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

GASB Statement No. 101 – *Compensated Absences* – updates the definition of what compensated absences consist of and amends certain previously required disclosures. The City will need to review this new standard to determine which types of leave and earnings meet the definition of a compensated absence and implement necessary software or calculation sheets for accurate reporting. The City should review and amend, if necessary, its policy for the calculation of compensated absences. This statement is effective for the fiscal year ending June 30, 2025.

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 June 30, 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 fiscal year ending June 30, 2026.

We Recommend:

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

2. 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 treats 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 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.

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

Respectfully submitted,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 14, 2024



To the Honorable Mayor and Board of Aldermen
City of Oronogo
Oronogo, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Oronogo, Missouri, for the year ended June 30, 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 communicated such information in our letter to you dated April 15, 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 City of Oronogo, 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 June 30, 2024. We noted no transactions entered into by the governmental unit 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.

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 misstatement detected as a result of audit procedures were corrected by management:

- Equity
- Bond transactions

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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.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 14, 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 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 budgetary comparison schedules which accompany 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 Honorable Mayor and Board of Aldermen and management of the City of Oronogo, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 14, 2024