TB & Co.

TROUTT, BEEMAN & CO., P.C. CERTIFIED PUBLIC ACCOUNTANTS

October 29, 2014

To the Honorable Mayor
And Members of the
City Council
City of Butler, Missouri

We have audited the financial statements of the City of Butler, Missouri as of and for the year ended March 31, 2014, and have issued our report thereon dated October 29, 2014. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 5, 2014, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Butler, Missouri, solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting in a separate letter to you dated October 29, 2014.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

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Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Butler, Missouri, is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2014. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There are no significant estimates.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures. The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule shows all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Butler's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 29, 2014.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the City of Butler, Missouri, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Butler, Missouri's auditors.

This report is intended solely for the information and use of the City Council, and management of the City of Butler, Missouri, and is not intended to be and should not be used by anyone other than these specified parties.

Troutt, Beeman & Co., P.C.

TROUTT, BEEMAN & CO., P.C.
Harrisonville, Missouri

Client: *5124 - CITY OF BUTLER, MISSOURI*
Engagement: *2014 - CITY OF BUTLER, MISSOURI*
Period Ending: *3/31/2014*
Trial Balance: *TB - Working Trial Balance*
Workpaper: *AJE - Adjusting Journal Entry Report*
Fund Level: *All*
Index: *All*

Account	Description	W/P Ref	Debit	Credit
Fund: 10	**General Fund**			
Adjusting Journal Entries JE # 202		S-04		
To record sales tax AR				
10-1150	TAXES RECEIVABLE		20,124.00	
10-4006-400	SALES TAX			20,124.00
Total			20,124.00	20,124.00
Adjusting Journal Entries JE # 204		D-2		
To record prepaid computer services				
10-1290	PREPAID EXPENSE		3,206.00	
10-6290-400	COMPUTER SERVICES			3,206.00
Total			3,206.00	3,206.00
Adjusting Journal Entries JE # 207		N		
To reclass interest				
10-6838-850	PRINCIPAL PAID		7,653.00	
10-6839-850	INTEREST		2,312.00	
10-6720-850	EQUIPMENT			9,965.00
Total			9,965.00	9,965.00
Adjusting Journal Entries JE # 209		N		
To reclass energize loan payments				
10-6835-400	DNR ENERGY LOAN		1,839.00	
10-6835-400	DNR ENERGY LOAN		5,700.00	
10-6835-400	DNR ENERGY LOAN		8,018.00	
10-6835-405	MO DNR ENERGIZE LOAN PAYMENTS		1,290.00	
10-6835-405	MO DNR ENERGIZE LOAN PAYMENTS		1,290.00	
10-6835-405	MO DNR ENERGIZE LOAN PAYMENTS		3,870.00	
10-6835-400	DNR ENERGY LOAN			1,935.00
10-6835-400	DNR ENERGY LOAN			1,935.00
10-9870	transfer			10,119.00
10-9870	transfer			8,018.00
Total			22,007.00	22,007.00
Adjusting Journal Entries JE # 211		GL		
To reclass loan proceeds				
10-4730-400	LOAN PROCEEDS		3,251.00	
10-9870	transfer			3,251.00
Total			3,251.00	3,251.00
Adjusting Journal Entries JE # 212		S-6		
To adjust franchise tax AR				
10-1160	FRANCHISE RECEIVABLE		6,676.00	
10-4008-400	FRANCHISE TAX			6,676.00
Total			6,676.00	6,676.00
Adjusting Journal Entries JE # 213		R		
To adjust fund balance to actual				
10-6500-400	MISCELLANEOUS EXPENSE		1,430.00	
10-3310	FUND BALANCE			1,430.00
Total			1,430.00	1,430.00
Adjusting Journal Entries JE # 216		S-09		
To adjust CY fine A/R				
10-1165	COURT FINES RECEIVABLE		4,082.00	
10-4852-400	POLICE FINES			4,082.00
Total			4,082.00	4,082.00
Adjusting Journal Entries JE # 217		L-3		
To adjust compensated absences				
10-2320	ACCRUED VACATION PAY		561.00	
10-6120-670	SALARIES		878.00	
10-6120-700	SALARIES		1,456.00	
10-6120-730	SALARIES		375.00	
10-6120-800	SALARIES		726.00	
10-6120-850	SALARIES		7,278.00	
10-6120-860	SALARIES		725.00	
10-6120-400	SALARIES			11,999.00
Total			11,999.00	11,999.00
Adjusting Journal Entries JE # 218		L-1		

To adjust accrued payroll				
10-6120-670	SALARIES		155.00	
10-6120-730	SALARIES		96.00	
10-6120-800	SALARIES		2,167.00	
10-6120-850	SALARIES		2,364.00	
10-6120-860	SALARIES		138.00	
10-2300	WAGES PAYABLE			4,048.00
10-6120-400	SALARIES			721.00
10-6120-700	SALARIES			151.00
Total			4,920.00	4,920.00
Adjusting Journal Entries JE # 220		N		
To reclass interest expense				
10-6839-851	INTEREST ON DNR LOAN		367.00	
10-6835-400	DNR ENERGY LOAN			367.00
Total			367.00	367.00
Adjusting Journal Entries JE # 221		S		
To adjust property tax AR				
10-1140	PROPERTY TAX RECEIVABLE		12,782.00	
10-4010-400	PROPERTY TAX, GENERAL		392.00	
10-2420	DEFERRED REVENUE			13,174.00
Total			13,174.00	13,174.00
Adjusting Journal Entries JE # 223		A-08		
To record check that should have been voided as another one was issued as a replacement				
10-1020	GENERAL OPERATING CASH		6,059.00	
10-6340-400	GASOLINE/FUEL/OIL			117.00
10-6340-670	GASOLINE/FUEL/OIL			49.00
10-6340-700	GASOLINE/FUEL/OIL			2,158.00
10-6340-730	GASOLINE/FUEL/OIL			64.00
10-6340-800	GASOLINE/FUEL/OIL			360.00
10-6340-850	GASOLINE/FUEL/OIL			3,311.00
Total			6,059.00	6,059.00
Adjusting Journal Entries JE # 224		A-08		
To reverse entry made for payroll taxes				
10-2101	BANK ADJUSTMENTS-HOLDING		16,572.00	
10-1020	GENERAL OPERATING CASH			16,572.00
Total			16,572.00	16,572.00
Adjusting Journal Entries JE # 225		A-08 and A-09		
To record grant funds received not recorded				
10-1020	GENERAL OPERATING CASH		15,427.00	
10-4735-400	AIRPORT GRANT			15,427.00
Total			15,427.00	15,427.00
Adjusting Journal Entries JE # 226		T		
To write off interfund transfer				
10-2400	DUE TO OTHER FUNDS		295,001.00	
10-9870	transfer			295,001.00
Total			295,001.00	295,001.00
Adjusting Journal Entries JE # 228		C		
To record inventory adjustment				
10-6350-700	BUILDING/GROUNDS REP/MAINT		5,325.00	
10-1210	INVENTORY			5,325.00
Total			5,325.00	5,325.00
Fund: 10	Adjusting Journal Entries		439,585.00	439,585.00
Fund: 10	Total All Journal Entries		439,585.00	439,585.00
Fund: 20	Utility Fund			
Adjusting Journal Entries JE # 201		A-06		
To record SRF Activity				
20-1932	BOND RESERVE-CLEAN WATER		34,928.00	
20-1936	CLEAN WATER BOND		7,500.00	
20-1941	DEBT SERVICE FUND-DRINK WATER		11,250.00	
20-2590	CLEAN WATER BONDS PAYABLE		146,000.00	
20-2595	DRINK WATER BONDS PAYABLE		256,000.00	
20-2597	REVOLVING CAP - DRINK WATER		93,588.00	
20-4730-400	LOAN PROCEEDS		209,399.00	
20-5675-400	SRF INTEREST INCOME		99,259.00	
20-6822-400	2001 DRINKING WATER SRF-IN		58,216.00	
20-6824-400	2001 CLEAN WATER SRF-INT		63,751.00	
20-1930	CIP ESCROW-CLEAN WATER			209,404.00
20-1934	INTEREST FUND-CLEAN WATER			2,275.00
20-1942	BOND RESERVES-DRINKING WATER			93,588.00
20-1944	INTEREST FUND-DRINK WATER			2,202.00
20-2592	REVOLVING CAP - CLEAN WATER			34,928.00

20-5675-400	SRF INTEREST INCOME			6,813.00
20-5675-400	SRF INTEREST INCOME			43,349.00
20-5675-400	SRF INTEREST INCOME			6.00
20-5675-400	SRF INTEREST INCOME			3,682.00
20-5675-400	SRF INTEREST INCOME			56,354.00
20-5675-400	SRF INTEREST INCOME			146,253.00
20-6812-400	2001 DRINKING WATER SRF-PR			242,485.00
20-6814-400	2001 CLEAN WATER SRF-PRIN			138,552.00
Total			979,891.00	979,891.00

Adjusting Journal Entries JE # 203 — B-04
To adjust the unbilled revenue balance to the actual amount based on the 4/28/14 billing that was for the 3/15-4/15 period.

20-1111	UNBILLED REVENUE ALL UTILITY		48,229.00	
20-5300-650	SANITATION CHARGES		7.00	
20-5000-500	ELECTRIC SALES			136.00
20-5007-500	PURCHASED POWER ADJUSTMENT			39,585.00
20-5100-550	WATER SALES			103.00
20-5300-650	SANITATION CHARGES			8,412.00
Total			48,236.00	48,236.00

Adjusting Journal Entries JE # 204 — D-2
To record prepaid computer services

20-1290	PREPAID EXPENSES		2,136.00	
20-6290-400	COMPUTER SERVICES			2,136.00
Total			2,136.00	2,136.00

Adjusting Journal Entries JE # 205 — N
To move debt principal payments

20-2530	MAMU LEASE PAYABLE		102,586.00	
20-6870-400	MAMU LEASE/UTILITY IMP			102,586.00
Total			102,586.00	102,586.00

Adjusting Journal Entries JE # 206 — N
To record prior year debt and cash account

20-1028	METCALF BANK #680056765		925,563.00	
20-2598	MPUA LEASE			925,563.00
Total			925,563.00	925,563.00

Adjusting Journal Entries JE # 207 — N
To reclass Interest

20-2598	MPUA LEASE		88,011.00	
20-6834-400	INTEREST EXP-MAMU FEES		26,583.00	
20-6770-600	PLANT IMPROVEMENTS			83,654.00
20-6845-400	MAMU LEASE WWTP/SYS IMP			30,940.00
Total			114,594.00	114,594.00

Adjusting Journal Entries JE # 209 — N
To reclass energize loan payments

20-9870	transfer		10,119.00	
20-6835-400	DNR ENERGY LOAN			10,119.00
Total			10,119.00	10,119.00

Adjusting Journal Entries JE # 210 — GL Review
To reclassify construction draws

20-4730-400	LOAN PROCEEDS		170,750.00	
20-4730-400	LOAN PROCEEDS		161,242.00	
20-4730-400	LOAN PROCEEDS		130,565.00	
20-4730-400	LOAN PROCEEDS		19,256.00	
20-4730-400	LOAN PROCEEDS		9,569.00	
20-4730-400	LOAN PROCEEDS		46,560.00	
20-4730-400	LOAN PROCEEDS		28,740.00	
20-4730-400	LOAN PROCEEDS		51,011.00	
20-1028	METCALF BANK #680056765			617,693.00
Total			617,693.00	617,693.00

Adjusting Journal Entries JE # 211 — GL
To reclass loan proceeds

20-9870	transfer		3,251.00	
20-1028	METCALF BANK #680056765			3,251.00
Total			3,251.00	3,251.00

Adjusting Journal Entries JE # 213 — R
To adjust fund balance to actual

20-6500-400	MISCELLANEOUS EXPENSE		2,948.00	
20-3310	FUND BALANCE			2,948.00
Total			2,948.00	2,948.00

Adjusting Journal Entries JE # 214 — E-05
To record amortization

20-2591	CLEAN WATER PREM ON BONDS		57,424.00	
20-2596	DRINK WATER PREM ON BONDS		100,262.00	

20-1920	COSTS OF ISSUANCE-CLEAN WATER			26,637.00
20-1925	COSTS OF ISSUANCE-DRINK WATER			41,326.00
20-1926	COST OF ISSUANCE MPUA LEASE			18,190.00
20-3310	FUND BALANCE			71,533.00
Total			157,686.00	157,686.00

Adjusting Journal Entries JE # 215 U-04
To record CY electricty payable

20-6380-500	ELECTRICITY PURCHASED		322,945.00	
20-2100	ACCOUNTS PAYABLE			322,945.00
Total			322,945.00	322,945.00

Adjusting Journal Entries JE # 217 L-3
To adjust compensated absences

20-2320	ACCRUED VACATION PAY		755.00	
20-6120-500	SALARIES		472.00	
20-6120-570	SALARIES		271.00	
20-6120-600	SALARIES		1,463.00	
20-6120-400	SALARIES			1,416.00
20-6120-520	SALARIES			1,076.00
20-6120-550	SALARIES			469.00
Total			2,961.00	2,961.00

Adjusting Journal Entries JE # 218 L-1
To adjust accrued payroll

20-6120-400	SALARIES		154.00	
20-6120-500	SALARIES		170.00	
20-6120-520	SALARIES		482.00	
20-6120-550	SALARIES		375.00	
20-6120-570	SALARIES		297.00	
20-6120-600	SALARIES		201.00	
20-6120-620	SALARIES		96.00	
20-2300	WAGES PAYABLE			1,775.00
Total			1,775.00	1,775.00

Adjusting Journal Entries JE # 219 N-03
To adjust accrued interest

20-2330	ACCRUED INTEREST PAYABLE		5,000.00	
20-6822-400	2001 DRINKING WATER SRF-IN			5,000.00
Total			5,000.00	5,000.00

Adjusting Journal Entries JE # 223 A-08
To record check that should have been voided as another one was issued as a replacement

20-1020	UTILITY OPERATING CASH		1,946.00	
20-6340-400	GASOLINE/FUEL/OIL			78.00
20-6340-520	GASOLINE/FUEL/OIL			516.00
20-6340-570	GASOLINE/FUEL/OIL			833.00
20-6340-600	GASOLINE/FUEL/OIL			77.00
20-6340-620	GASOLINE/FUEL/OIL			410.00
20-6340-670	GASOLINE/FUEL/OIL			32.00
Total			1,946.00	1,946.00

Adjusting Journal Entries JE # 226 T
To write off interfund transfer

20-9870	transfer		295,001.00	
20-1195	DUE FROM OTHER FUNDS			295,001.00
Total			295,001.00	295,001.00

Adjusting Journal Entries JE # 227 B
To adjust pole attachment receivable beginning balance to actual and remove credit balance in auditor adjustment account

20-1107	AR AUDITOR ADJUSTMENT		10,974.00	
20-1106	ACCTS REC-POLE ATTACHMENT			10,974.00
Total			10,974.00	10,974.00

Adjusting Journal Entries JE # 228 C
To record inventory adjustment

20-6350-500	BUILDING/GROUNDS REP/MAINT		37,276.00	
20-1210	INVENTORY			37,276.00
Total			37,276.00	37,276.00

Adjusting Journal Entries JE # 229 B-16
To adjust pole attachment AR and revenues for amount recorded that applies to 2014.

20-5996-400	POLE ATTACHMENT FEE		11,921.00	
20-1106	ACCTS REC-POLE ATTACHMENT			11,921.00
Total			11,921.00	11,921.00

Adjusting Journal Entries JE # 230 K-01.1
To adjust sales tax payable to actual

20-2120	SALES TAX		13,943.00	
20-2105	AUDITOR ACCTS PAY ACCRUAL			13,775.00
20-5995-400	MISCELLANEOUS INCOME			168.00

Total			13,943.00	13,943.00
Adjusting Journal Entries JE # 231 To adjust accounts payable to actual		K-01.1		
20-2100	ACCOUNTS PAYABLE		10,810.00	
20-6500-400	MISCELLANEOUS EXPENSE			10,810.00
Total			10,810.00	10,810.00
Adjusting Journal Entries JE # 233 To record capital assets		E		
20-1301	FURNITURE AND EQUIPMENT		59,791.00	
20-1302	HEAVY EQUIPMENT		82,700.00	
20-1303	INFRASTRUCTURE		1,043,389.00	
20-1305	VEHICLES		52,500.00	
20-1510	CONSTRUCTION IN PROGRESS			127,731.00
20-6720-520	EQUIPMENT			52,500.00
20-6720-550	EQUIPMENT			59,791.00
20-6730-570	BUILDINGS/BUILDING IMPROVEMENT			5,278.00
20-6760-520	LINE/SYSTEM IMPROVEMENTS			193,201.00
20-6760-620	LINE/SYSTEM IMPROVEMENTS			185,517.00
20-6770-500	PLANT IMPROVEMENTS			82,700.00
20-6770-600	PLANT IMPROVEMENTS			531,662.00
Total			1,238,380.00	1,238,380.00
Adjusting Journal Entries JE # 234 To record depreciation		E		
20-6980-520	DEPRECIATION EXPENSE		630,965.00	
20-1490	RESERVE FOR DEPRECIATION			630,965.00
Total			630,965.00	630,965.00
Fund: 20	Adjusting Journal Entries		5,548,600.00	5,548,600.00
Fund: 20	Total All Journal Entries		5,548,600.00	5,548,600.00
Fund: 30	**Transportation Fund**			
Adjusting Journal Entries JE # 202 To record sales tax AR		S-04		
30-1150	TAXES RECEIVABLE		10,061.00	
30-4002-400	TRANSPORTATION SALES TAX			10,061.00
Total			10,061.00	10,061.00
Adjusting Journal Entries JE # 217 To adjust compensated absences		L-3		
30-6120-750	SALARIES		428.00	
30-2320	ACCRUED VACATION PAY			428.00
Total			428.00	428.00
Adjusting Journal Entries JE # 218 To adjust accrued payroll		L-1		
30-6120-750	SALARIES		235.00	
30-2300	WAGES PAYABLE			235.00
Total			235.00	235.00
Adjusting Journal Entries JE # 223 To record check that should have been voided as another one was issued as a replacement		A-08		
30-1020	TRANSPORTATION OPERATING CASH		721.00	
30-6340-750	GASOLINE/FUEL/OIL			721.00
Total			721.00	721.00
Fund: 30	Adjusting Journal Entries		11,445.00	11,445.00
Fund: 30	Total All Journal Entries		11,445.00	11,445.00
Fund: 40	**Parks & Storm Water Fund**			
Adjusting Journal Entries JE # 202 To record sales tax AR		S-04		
40-1150	TAXES RECEIVABLE		10,061.00	
40-4004-400	PARKS & STORM WATER SALES			10,061.00
Total			10,061.00	10,061.00
Fund: 40	Adjusting Journal Entries		10,061.00	10,061.00
Fund: 40	Total All Journal Entries		10,061.00	10,061.00
Fund: 50	**Airport Fund**			
Adjusting Journal Entries JE # 223 To record check that should have been voided as another one was issued as a replacement		A-08		
50-1020	AIRPORT OPERATING CASH		275.00	
50-6340-880	GASOLINE/FUEL/OIL			275.00
Total			275.00	275.00

Butler, the first community west of St. Louis to install electric lights

City of Butler, Missouri

A Municipally Owned Light and Water System

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Butler, MO 64730-0420
Don Malan, Mayor

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October 29, 2014

Troutt, Beeman & Co., P.C.
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Harrisonville, MO 64701

This representation letter is provided in connection with your audit of the financial statements of the City of Butler, Missouri as of March 31, 2014 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City of Butler, Missouri in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 29, 2014

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 5, 2014, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.

- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (FASB Accounting Standards Codification™ (ASC) 450, *Contingencies*), and we have not consulted a lawyer concerning litigation, claims, or assessments.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned and unassigned fund balance are properly classified and, if applicable, approved.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.

- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to the required supplementary information accompanying the financial statements:
  - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
  - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
  - The methods of measurement or presentation have not changed from those used in the prior period.
  - We have disclosed to you any significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and we believe the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.

With respect to the supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We have disclosed to you any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and we believe the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;

  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City of Butler, Missouri has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City of Butler, Missouri is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.

- Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62

- The City of Butler, Missouri has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

Provisions for uncollectible receivables have been properly identified and recorded.

We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.

We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

Signed: Casey Koehn

Title: Interim City Administrator