



March 17, 2023

Mr. Wayne Little, Village Clerk  
Village of Loch Lloyd, Missouri  
140 E. Loch Lloyd Parkway  
Village of Loch Lloyd, Missouri 64012

Dear Wayne:

We have enclosed ten bound copies and one unbound copy of the financial statements, together with our Independent Auditor's Report, for the Village of Loch Lloyd, Missouri, for the year ended June 30, 2022. We have also enclosed five copies of our Report to Management and our Communication with Those Charged with Governance.

It is a pleasure to be of continued service to the Village.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike', with a horizontal line underneath.

Michael E. Groszek, CPA  
TROUTT, BEEMAN & CO., P.C.

MEG/akd

Enclosures

**VILLAGE OF LOCH LLOYD, MISSOURI**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**TOGETHER WITH**  
**INDEPENDENT AUDITORS' REPORT**

**VILLAGE OF LOCH LLOYD, MISSOURI**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Village of Loch Lloyd, Missouri

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities of the Village of Loch Lloyd, Missouri, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Loch Lloyd, Missouri's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Village of Loch Lloyd, Missouri, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village of Loch Lloyd, 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.

#### *Responsibilities of Management for the Financial Statements*

The Village of Loch Lloyd, Missouri's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 Village of Loch Lloyd, Missouri'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.

### ***Auditor's Responsibility 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 auditor's 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 GAAS 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 GAAS, 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 Village of Loch Lloyd, Missouri'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 Village of Loch Lloyd, Missouri'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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Loch Lloyd, Missouri's basic financial statements. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund – Modified Cash Basis is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund – Modified Cash Basis is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund – Modified Cash Basis is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Troutt, Beeman & Co., P.C.*

Harrisonville, Missouri

March 17, 2023

**VILLAGE OF LOCH LLOYD, MISSOURI**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	ADJUSTMENTS	STATEMENT OF NET POSITION
<b>ASSETS:</b>			
Cash	\$ 387,504	\$ -	\$ 387,504
Accounts receivable	21,688	-	21,688
Prepays	2,530	-	2,530
Capital assets, net of accumulated depreciation	-	101,436	101,436
Total assets	\$ 411,722	\$ 101,436	\$ 513,158
<b>LIABILITIES,</b>			
Accounts payable	\$ 9,028	\$ -	\$ 9,028
<b>Fund balances:</b>			
Nonspendable,			
Prepays	2,530	(2,530)	-
Restricted,			
Capital projects	290,027	(290,027)	-
Unassigned	110,137	(110,137)	-
Total fund balances	402,694	(402,694)	-
Total liabilities and fund balances	\$ 411,722		
<b>Net Position:</b>			
Net investment in capital assets		101,436	101,436
Restricted,			
Capital projects		290,027	290,027
Unrestricted		112,667	112,667
Total net position		\$ 504,130	\$ 504,130
<b>Reconciliation to the Statement of Net Position:</b>			
Total fund balance, governmental fund			\$ 402,694
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.			101,436
Total net position			\$ 504,130

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF LOCH LLOYD, MISSOURI**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	ADJUSTMENTS	STATEMENT OF ACTIVITIES
<b>EXPENDITURES/EXPENSES:</b>			
Contract labor	\$ 4,313	\$ -	\$ 4,313
Emergency planning	934	-	934
Election expense	943	-	943
Plan review	86,182	-	86,182
Printing	148	-	148
Insurance	3,525	-	3,525
Office	345	-	345
Dues	910	-	910
Professional fees	10,680	-	10,680
Emergency Satellite Radio Service	1,866	-	1,866
Miscellaneous	13,181	-	13,181
Capital outlay	8,756	(8,676)	80
Depreciation	-	10,870	10,870
	<u>131,783</u>	<u>2,194</u>	<u>133,977</u>
<b>REVENUES:</b>			
Intergovernmental	26,374	-	26,374
Building permits	165,363	-	165,363
Fireworks permit	4,000	-	4,000
Interest	8	-	8
	<u>195,745</u>	<u>-</u>	<u>195,745</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	63,962	(2,194)	61,768
<b>FUND BALANCE, July 1, 2021</b>	<u>338,732</u>	<u>103,630</u>	<u>442,362</u>
<b>FUND BALANCE, June 30, 2022</b>	<u>\$ 402,694</u>	<u>\$ 101,436</u>	<u>\$ 504,130</u>

Reconciliation to the Statement of Activities:

Net change in governmental fund balance	\$ 63,962
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Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. This is the amount by which depreciation exceeded capital outlays which are over the capitalization threshold in the current period:

Depreciation expense, net	<u>(2,194)</u>
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Change in Net Position of Governmental Activities	<u>\$ 61,768</u>
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The accompanying notes are an integral part of the financial statements.

# VILLAGE OF LOCH LLOYD, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization: The Village of Loch Lloyd, Missouri (the Village), located in northwestern Cass County, Missouri, was incorporated on September 3, 2003. The Village operates under an elected, five member, Board of Trustees.

The Village is considered a governmental unit for financial reporting purposes. The Village applies all relevant Government Accounting Standards Board (GASB) pronouncements. The Village does not have any component units as defined by the criteria set forth in generally accepted accounting principles.

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. These accounts are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The Village records all of its activity in one governmental fund, the General Fund.

Modified Accrual Accounting: The governmental fund financial statements of the Village are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available") and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid) are not recorded in these financial statements. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The Village considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

Accounts Receivable: Accounts receivable at June 30, 2022, consist of intergovernmental revenues receivable and other miscellaneous receivables. The Village deems all accounts receivable collectible at June 30, 2022, and therefore, no allowance for doubtful accounts is necessary.

Fund Equity - Government-Wide Statements: Equity is classified as net position and displayed in three components:

1. Net investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

# VILLAGE OF LOCH LLOYD, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

#### Fund Equity - Government-Wide Statements (Continued):

2. Restricted net position: Consists of net position restricted by Village legislation for capital improvements.
3. Unrestricted net position: All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

It is the Village's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Governmental Fund Balances: In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The classifications of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned. Nonspendable and Restricted fund balances represent the restricted classifications and Committed, Assigned, and Unassigned represent the unrestricted classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*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 or ordinances of the Board of Trustees-the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**VILLAGE OF LOCH LLOYD, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Governmental Fund Balances (Continued):

*Assigned fund balance* - This classification reflects the amounts constrained by the Village’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Trustees and the Village Clerk have the authority to assign amounts to be used for specific purposes. Assigned fund balance include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as non-spendable 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.

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order, as needed.

Budgets: Budgets for the Village’s General Fund are prepared and adopted on the cash basis (budget basis). Any revisions that alter the total expenditures of the General Fund must be approved by the Board of Trustees. The fund level constitutes the Village’s legal level of budgetary control. Reported budgeting amounts are originally adopted or amended by Trustee resolution. Annual operating budgets are adopted for the General Fund. Appropriations lapse at fiscal year-end, but may be re-appropriated in the following fiscal year.

The actual results of operations are presented in comparison to the budgets on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund – Modified Cash Basis. The actual results are presented in accordance with the cash basis (budget basis) of accounting and adjustments are shown for accrual amounts to reconcile to the modified cash basis used for governmental fund types.

Capital Assets: Capital assets are reported at historical cost. Capital assets are defined as assets with a cost of \$500 or more and an expected useful life in excess of more of more than one year. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided using the straight-line method over estimated useful lives as follows:

Infrastructure	40 years
Buildings	30 years
Warning sirens	20 years
Equipment	5-10 years

## VILLAGE OF LOCH LLOYD, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### 2. DEPOSITS:

At June 30, 2022, cash balances were comprised of demand deposits and time and savings deposits. As required by law, the depository banks are to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance or obtain surety bonds to equal the amount on deposit at all times. The Village's deposits at June 30, 2022, had bank balances of \$390,842 and a carrying value of \$387,504.

#### Custodial Credit Risk:

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Village will not be able to recover the value of the investments, collateral securities, or deposits that are in the possession of the counterparty. The Village requires that deposits be covered by adequate pledged collateral. At June 30, 2022, the bank balance was fully insured.

**VILLAGE OF LOCH LLOYD, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

3. PROPERTY AND EQUIPMENT:

Capital asset activity for the year ended June 30, 2022:

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2022</u>
Governmental activities:				
Capital assets being depreciated:				
Warning siren	\$ 23,123	\$ 8,676	\$ -	\$ 31,799
Equipment	139,951		-	139,951
Infrastructure	<u>37,476</u>	<u>-</u>	<u>-</u>	<u>37,476</u>
Total being depreciated	<u>200,550</u>	<u>8,676</u>	<u>-</u>	<u>209,226</u>
Less accumulated depreciation for:				
Warning siren	15,415	1,156	-	16,571
Equipment	74,988	8,777	-	83,765
Infrastructure	<u>6,517</u>	<u>937</u>	<u>-</u>	<u>7,454</u>
Total accumulated depreciation	<u>96,920</u>	<u>10,870</u>	<u>-</u>	<u>107,790</u>
Capital assets being depreciated, net	<u>\$ 103,630</u>	<u>\$ (2,194)</u>	<u>\$ -</u>	<u>\$ 101,436</u>
Governmental capital assets, net	<u>\$ 103,630</u>	<u>\$ (2,194)</u>	<u>\$ -</u>	<u>\$ 101,436</u>

Depreciation expense was charged as follows in the Statement of Activities:

Governmental activities,	
General government	<u>\$ 10,870</u>

**VILLAGE OF LOCH LLOYD, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

4. INTERGOVERNMENTAL REVENUE:

Intergovernmental revenue during the year ended June 30, 2022, consisted of the following:

Missouri Department of Revenue:

Motor Vehicle Sales Tax	\$ 5,934
Motor Vehicle Fuel Tax	17,598
Motor Vehicle Fees	<u>2,842</u>
	<u>\$26,374</u>

5. RISK MANAGEMENT:

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Village carries commercial insurance. There have been no significant losses in the past fiscal year.

6. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

For the year ended December 31, 2022, in violation with Missouri state statutes and the Village's budgetary process, the Village had actual expenditures in excess of budget in the General Fund of \$19,707.

7. EVALUATION OF SUBSEQUENT EVENTS:

The Village has evaluated subsequent events through March 17, 2023, the date on which the financial statements were available to be issued.

VILLAGE OF LOCH LLOYD, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE--BUDGET AND ACTUAL--GENERAL FUND--MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Actual Over (Under) Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 23,650	\$ 23,650	\$ 26,374	\$ 2,724
Building permits	135,000	135,000	165,363	30,363
Fireworks permit	4,000	4,000	4,000	-
Interest	-	-	8	8
	<u>162,650</u>	<u>162,650</u>	<u>195,745</u>	<u>33,095</u>
<b>EXPENDITURES:</b>				
Contract labor	11,500	11,500	4,313	(7,187)
Emergency planning	1,200	1,200	934	(266)
Election expense	600	600	943	343
Plan review	67,000	67,000	86,182	19,182
Printing	600	600	148	(452)
Insurance	3,500	3,500	3,525	25
Office	506	506	345	(161)
Dues	-	-	910	910
Professional fees	12,500	12,500	10,680	(1,820)
Emergency Satellite Radio Service	4,550	4,550	1,866	(2,684)
Miscellaneous	6,340	6,340	13,181	6,841
Capital outlay	<u>3,780</u>	<u>3,780</u>	<u>8,756</u>	<u>4,976</u>
	<u>112,076</u>	<u>112,076</u>	<u>131,783</u>	<u>19,707</u>
Revenues over expenditures	<u>\$ 50,574</u>	<u>\$ 50,574</u>	63,962	<u>\$ 13,388</u>
FUND BALANCE, July 1, 2021			<u>338,732</u>	
FUND BALANCE, June 30, 2022			<u>\$ 402,694</u>	

**VILLAGE OF LOCH LLOYD, MISSOURI**

**COMMUNICATION OF SIGNIFICANT DEFICIENCIES**



March 17, 2023

To the Board of Trustees  
Village of Loch Lloyd, Missouri

In planning and performing our audit of the basic financial statements of the Village of Loch Lloyd, Missouri (the Village), as of and for year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Village'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

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, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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.

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Village's internal control to be a significant deficiency:

Dual Signature Checks: Upon our review of expenses, we noted several checks written in May, 2022, that had only one authorized signature. The Village's policy is to require dual signatures on all checks.

We recommend that Village review all checks prior to issuance to ensure that dual signatures has been completed.

Supporting Documentation: During our testing, we noted that documentation for permit revenue was difficult for the client to locate. While a majority of the selections were ultimately located and provided for our testing, there were still permits that could not be located or identified. This was due to the Village's inability to determine which permit matched the deposit.

We recommend that the Village provide all information to the accountant to record permit revenue and that the documentation for the deposit and permit are filed together for retention of accounting information purposes.

Financial Statement Preparation: Current auditing standards require us to inform you that the Village does not have personnel with certified expertise to prepare financial statements and related footnote disclosures in accordance with generally accepted accounting principles.

We understand that management does not find it cost effective to hire personnel on a full-time basis with this expertise.

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

*Troutt, Beeman & Co., P.C.*  
Harrisonville, Missouri  
March 17, 2023

**VILLAGE OF LOCH LLOYD, MISSOURI**

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**



March 17, 2023

To the Board of Trustees  
Village of Loch Lloyd, Missouri

We have audited the financial statements of the Village of Loch Lloyd, Missouri, as of and for the year ended June 30, 2022, and have issued our report thereon dated March 17, 2023. 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 August 18, 2022, our responsibility, as described by professional standards, is to form and express opinions 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 Village of Loch Lloyd, 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 noted during our audit in a separate letter to you dated March 17, 2023.

## **Planned Scope and Timing of the Audit**

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

## **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 Village of Loch Lloyd, Missouri, is included in Note 1 to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year June 30, 2022. 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 were no significant sensitive accounting estimates made by management in the current year.

### *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 significant sensitive disclosures affecting the Village of Loch Lloyd, Missouri's financial statements.

## **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. All identified misstatements were corrected by management.

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 summarizes the material misstatements that we identified as a result of our audit procedures and 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 Village of Loch Lloyd, Missouri'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 March 17, 2023.

## **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 Village, 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 Village's auditors.

This report is intended solely for the information and use of the Board of Trustees, and management of the Village of Loch Lloyd, 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: **VILLAGE OF LOCH LLOYD, MISSOURI**  
Engagement: **VILLAGE OF LOCH LLOYD, MISSOURI**  
Period Ending: **6/30/2022**  
Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 201</b>		<b>R</b>		
To correct Net Assets				
1110	Retained Earnings		44,508.00	
1350	Prepaid Expenses		2,211.00	
1700	Accumulated Depreciation		3,260.00	
6240	Miscellaneous		138.00	
6240	Miscellaneous		351.00	
6240	Miscellaneous		1,075.00	
3000	Opening Bal Equity			51,541.00
9999	Rounding			2.00
<b>Total</b>			<b><u>51,543.00</u></b>	<b><u>51,543.00</u></b>
<b>Adjusting Journal Entries JE # 202</b>		<b>B-02</b>		
To correct the Fireworks AR & AP as balances were paid after year-end and receipts from 3rd party were also received at YE.				
2000	Accounts Payable		11,280.00	
6175	Fireworks Expense		8,460.00	
1200	Accounts Receivable			8,460.00
6175	Fireworks Expense			11,280.00
<b>Total</b>			<b><u>19,740.00</u></b>	<b><u>19,740.00</u></b>
<b>Adjusting Journal Entries JE # 203</b>		<b>E-01</b>		
To record dep expense and account for additions that were recorded as expense.				
1501	Warning Siren		5,669.00	
6150	DEPRECIATION EXPENSE		10,870.00	
1700	Accumulated Depreciation			10,870.00
6167	Emergency Preparedness Project			5,669.00
<b>Total</b>			<b><u>16,539.00</u></b>	<b><u>16,539.00</u></b>
<b>Adjusting Journal Entries JE # 204</b>		<b>K-01</b>		
To move maintenance expense paid prior to YE to prepaid for 07/2022 - 06/2023 - sirens.				
1350	Prepaid Expenses		888.00	
2000	Accounts Payable			888.00
<b>Total</b>			<b><u>888.00</u></b>	<b><u>888.00</u></b>
<b>Adjusting Journal Entries JE # 205</b>		<b>B-02</b>		
To record AR improperly excluded at YE. (Permits 2219, 2220, 2223 for \$4411, \$2484, and \$4990, respectively).				
1200	Accounts Receivable		11,885.00	
4000	Building Permits			11,885.00
<b>Total</b>			<b><u>11,885.00</u></b>	<b><u>11,885.00</u></b>

Client: **VILLAGE OF LOCH LLOYD, MISSOURI**  
 Engagement: **VILLAGE OF LOCH LLOYD, MISSOURI**  
 Period Ending: **6/30/2022**  
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 206</b>		<b>U-03</b>		
To record receivable related to check 2053 that was cashed by unauthorized individual. Per Wayne, this will be reimbursed in FY				
1200	Accounts Receivable		7,387.00	
6050	Plan Review			7,387.00
<b>Total</b>			<b><u>7,387.00</u></b>	<b><u>7,387.00</u></b>

VILLAGE OF LOCH LLOYD, MISSOURI  
140 EAST LOCH LLOYD PARKWAY  
VILLAGE OF LOCH LLOYD, MISSOURI 64012

March 17, 2023

Troutt, Beeman & Co., P.C.  
1212 Locust  
Harrisonville, Missouri 64701

This representation letter is provided in connection with your audit of the financial statements of the Village of Loch Lloyd, Missouri as of June 30, 2022 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations, of the various opinion units of Village of Loch Lloyd, Missouri in conformity with accounting principles generally accepted for governments 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 such that, in the light of surrounding circumstances, 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.

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 March 17, 2023.

### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated August 18, 2022, 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.
- 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 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*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, 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.
- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- 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.
- Special items and extraordinary items 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 regard to the preparation of the financial statements and related notes performed by you, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, including monitoring ongoing activities.

### **Information Provided**

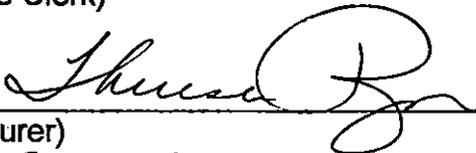
- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information 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 provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any allegations of 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 Village of Loch Lloyd, 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 Village of Loch Lloyd, 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.
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Village of Loch Lloyd, 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.



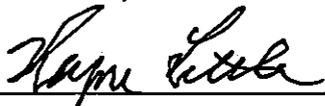
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(Village Clerk)



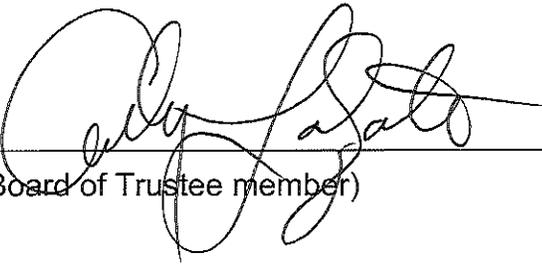
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(Treasurer)



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(Board of Trustee member)



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(Board of Trustee member)