

CITY OF THAYER

THAYER, MISSOURI

FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORTS AND SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2021

Deidiker, Alvarado & Associates LLC
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CITY OF THAYER, MISSOURI

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DEIDIKER, ALVARADO & ASSOCIATES LLC

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Independent Auditor's Report

Mayor and Board of Aldermen
City of Thayer, Missouri

Report on the Financial Statements

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 Thayer, Missouri as of and for the year ended June 30, 2021, which collectively comprise the City's basic financial statements, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and compliance with certain provisions of laws, regulation, and significant provisions of loans or grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. These considerations are made in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinions on the effectiveness of the entity's internal control or its compliance with laws, regulations, or significant provisions of loans and

grants. Accordingly, we express no such opinions. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Thayer, Missouri as of June 30, 2021, and the results of its operation, thereof for the year then ended in conformity with the modified cash basis of accounting described in Note 1.

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 opinion is not modified with respect to this matter.

Report on Other Legal and Regulatory Requirements

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 23, 2025, on our consideration of the City of Thayer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Audit Standards* and should be considered in assessing the results of our audit.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Thayer, Missouri's basic financial statements taken as a whole. The budgetary comparisons on pages 21 through 25 are presented for the purpose of additional analysis and are not required parts of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Sincerely,

Deidiker, Alvarado & Associates

West Plains, Missouri
September 23, 2025

CITY OF THAYER, MISSOURI

Statement of Net Position
(Modified Cash Basis)
As of June 30, 2021

	Governmental <u>Activities</u>	Primary Government Business-type <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets			
Cash	\$1,016,608	\$762,958	\$1,779,566
Other Current Assets	\$25,519	\$0	\$25,519
Total Current Assets	\$1,042,127	\$762,958	\$1,805,085
Property, Plant and Equipment, Net	\$2,552,574	\$4,985,093	\$7,537,667
TOTAL ASSETS	\$3,594,701	\$5,748,051	\$9,342,752
<u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable	\$29,986	\$72,583	\$102,569
Retirement fund payable	\$5,858	\$3,193	\$9,051
Insurance withholding payable	\$6,028	\$38,077	\$44,105
Deposits payable	\$0	\$117,225	\$117,225
Current Portion of Long Term Debt	\$0	\$157,500	\$157,500
Current Portion of Capital Lease	\$0	\$49,433	\$49,433
Total Current Liabilities	\$41,872	\$438,011	\$479,883
Long Term Debt	\$0	\$1,099,065	\$1,099,065
Long Term Capital Lease	\$0	\$195,021	\$195,021
Total Liabilities	\$41,872	\$1,732,097	\$1,773,969
<u>NET POSITION</u>			
Restricted	\$225,487	\$117,225	\$342,712
Unrestricted	\$774,768	\$134,928	\$909,696
Capital Assets Net of Debt	\$2,552,574	\$3,763,801	\$6,316,375
Total Net Position	<u>\$3,552,829</u>	<u>\$4,015,954</u>	<u>\$7,568,783</u>

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Statement of Activities (Modified Cash Basis) Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expenditures) Revenue and Changes in Net Assets		<u>Total</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	Primary Government Business- Type Activities	
Governmental Activities:						
Salaries	\$675,191			(\$675,191)		(\$675,191)
General Government	\$298,912	\$109,619	\$9,356	(\$179,937)		(\$179,937)
Public Safety	\$269,932			(\$269,932)		(\$269,932)
Public Works	\$159,818			(\$159,818)		(\$159,818)
Total Governmental Activities	\$1,403,853	\$109,619	\$9,356	(\$1,284,878)		(\$1,284,878)
Business-Type Activities:						
Electric	\$1,919,827	\$1,696,324			(\$223,503)	(\$223,503)
Water & Sewer	\$959,354	\$853,842	\$162,881		\$57,369	\$57,369
Total Business-Type Activities	\$2,879,181	\$2,550,166	\$162,881		(\$166,134)	(\$166,134)
Total Primary Government	\$4,283,034	\$2,659,785	\$172,237			(\$1,451,012)
		General Revenues:				
		Taxes				
		Property Taxes, levied for general purposes		\$79,043		\$79,043
		General Sales Tax		\$911,638		\$911,638
		Transportation Tax		\$94,060		\$94,060
		Connection Fees			\$4,712	\$4,712
		Fines, Licenses and Permits		\$23,242		\$23,242
		Interest Income		\$9,695	\$342	\$10,037
		Miscellaneous		\$159,741	\$273,324	\$433,065
		Services Provided to Other Funds		\$218,738		\$218,738
		Total General Revenues		\$1,496,157	\$278,378	\$1,774,535
		Change in Net Position		\$211,279	\$112,244	\$323,523
		Transfers		(\$40,649)	\$40,649	\$0
		Net Position—Beginning of Year		\$3,382,199	\$3,863,061	\$7,245,260
		Net Position—End of Year		\$3,552,829	\$4,015,954	\$7,568,783

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Balance Sheet
Governmental Funds
(Modified Cash Basis)
June 30, 2021

	Governmental Fund Types		
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$789,199	\$227,409	\$1,016,608
Due From Proprietary Funds	\$0	\$0	\$0
Prepaid Withholdings	<u>\$25,519</u>	<u>\$0</u>	<u>\$25,519</u>
Total Assets	<u>\$814,718</u>	<u>\$227,409</u>	<u>\$1,042,127</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Vouchers Payable	\$30,116	\$0	\$30,116
Retirement Fund Payable	\$5,184	\$544	\$5,728
Insurance Withholdings Payable	\$4,650	\$1,378	\$6,028
Total Liabilities	\$39,950	\$1,922	\$41,872
Fund Balances			
Restricted		\$225,487	\$225,487
Undesignated	\$774,768		\$774,768
Total Fund Balances	\$774,768	\$225,487	\$1,000,255
Total Liabilities and Fund Balances	<u>\$814,718</u>	<u>\$227,409</u>	<u>\$1,042,127</u>

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Reconciliation of the Balance Sheet to the Statement of Net Position

Governmental Funds
(Modified Cash Basis)

June 30, 2021

Total Fund Balance		\$1,000,255
Amounts reported for government activities in the statement of net position are different because:		
Capital assets are used in government activities are not current financial resources, and therefore, are not reported in the government funds		
Government Capital Assets	\$6,714,446	
Less Accumulated Depreciation	\$4,161,872	\$2,552,574
Long-Term Liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the government funds.		\$0
Total Net Position – Government Activities		<u>\$3,552,829</u>

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Statement of Revenues, Expenditures and Changes in Fund Balance
Government Funds
(Modified Cash Basis)
Year Ended June 30, 2021

	Governmental Fund Types		
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<u>REVENUES</u>			
Taxes	\$990,681	\$94,060	\$1,084,741
Grant Funds	\$9,356	\$0	\$9,356
Licenses and Permits	\$8,206	\$0	\$8,206
Charges for Services	\$109,619	\$0	\$109,619
Fines	\$2,046	\$12,990	\$15,036
Interest	\$9,695	\$0	\$9,695
Miscellaneous	\$159,741	\$0	\$159,741
Services to Other Funds	\$218,738	\$0	\$218,738
Total Revenues	\$1,508,082	\$107,050	\$1,615,132
<u>EXPENDITURES</u>			
Payroll Expenses	\$542,725	\$66,144	\$608,869
Payroll Taxes	\$41,652	\$5,031	\$46,683
Retirement Costs	\$16,994	\$2,646	\$19,640
Insurance	\$157,406	\$29,262	\$186,668
General Government	\$69,200		\$69,200
Court Costs	\$2,980		\$2,980
Police and Emergency Response	\$269,932		\$269,932
Airport	\$487		\$487
Cemetery	\$48,852		\$48,852
Parks	\$50,462		\$50,462
Streets		\$56,594	\$56,594
Total Expenditures	\$1,200,690	\$159,677	\$1,360,367
Revenues Over (Under) Expenditures	\$307,392	(\$52,627)	\$254,765
Transfers	(\$120,093)	\$79,444	(\$40,649)
Fund Balance, Beginning of Year	\$587,469	\$198,670	\$786,139
Fund Balance, End of Year	\$774,768	\$225,487	\$1,000,255

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Reconciliation of Revenues and Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
(Modified Cash Basis)
June 30, 2021

Total Changes in Fund Balance		\$254,765
Amounts reported for government activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expenses.		
Capital Assets Outlays	\$0	
Depreciation Expense	\$43,486	\$43,486
The payment of principle of long-term debt consumes the current financial resources of government funds.		\$0
Change in Net Position – Government Activities		<u>\$211,279</u>

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Statement of Net Position

Proprietary Funds
(Modified Cash Basis)

June 30, 2021

	Proprietary Fund Types		
	<u>Electric</u>	<u>Water & Sewer</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$128,266	\$634,692	\$762,958
Due From Governmental Funds	\$0	\$0	\$0
Other Current Assets	\$0	\$0	\$0
Capital Assets Net of Depreciation	\$280,200	\$4,704,893	\$4,985,093
 Total Assets	 \$408,466	 \$5,339,585	 \$5,748,051
<u>LIABILITIES</u>			
Liabilities			
Sales Taxes Payable	\$70,304	\$0	\$70,304
Insurance Withholdings Payable	\$35,844	\$2,233	\$38,077
Retirement Fund Payable	\$1,370	\$1,823	\$3,193
Accounts Payable	\$0	\$2,278	\$2,278
Deposits Payable	\$91,047	\$26,177	\$117,224
Current Year Loans Payable	\$0	\$157,500	\$157,500
Current Year Lease Payable	\$24,717	\$24,717	\$49,434
 Long Term Debt	 \$0	 \$1,099,065	 \$1,099,065
Long Term Lease	\$97,511	\$97,511	\$195,022
Total Liabilities	\$320,793	\$1,411,304	\$1,732,097
 Net Position			
Capital Assets Net of Debt	\$157,973	\$3,605,828	\$3,763,801
Restricted	\$91,047	\$26,178	\$117,225
Unrestricted	(\$161,347)	\$296,275	\$134,928
 Total Net Position	 <u>\$87,673</u>	 <u>\$3,928,281</u>	 <u>\$4,015,954</u>

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
(Modified Cash Basis)
Year Ended June 30, 2021

	<u>Electric</u>	<u>Proprietary Funds Water & Sewer</u>	<u>Total</u>
<u>REVENUES</u>			
Charges for Services	\$1,696,323	\$573,308	\$2,269,631
Charges for Services Trash Collection	\$0	\$280,534	\$280,534
Grant Funds	\$0	\$162,880	\$162,880
Taxes	\$0	\$270,659	\$270,659
Interest Income	\$0	\$343	\$343
Connection Fees	\$4,712	\$0	\$4,712
Other Revenues	<u>\$239</u>	<u>\$2,426</u>	<u>\$2,665</u>
Total Revenues	\$1,701,274	\$1,290,150	\$2,991,424
<u>EXPENSES</u>			
Payroll Expense	\$117,105	\$169,710	\$286,815
Payroll Taxes	\$8,693	\$12,795	\$21,488
Insurance	\$88,810	\$60,593	\$149,403
Retirement	\$4,121	\$6,788	\$10,909
Electric Power	\$1,421,256	\$0	\$1,421,256
Trash Collection Expenses	\$0	\$268,839	\$268,839
Professional Services	\$737	\$4,102	\$4,839
Supplies	\$0	\$7,754	\$7,754
Repairs and Maintenance	\$10,761	\$25,968	\$36,729
Training and Travel	\$5,012	\$151	\$5,163
Utilities	\$6,964	\$40,682	\$47,646
Office and Administration	\$10,939	\$5,324	\$16,263
Fuel	\$1,707	\$5,517	\$7,224
Interest and Fees	\$0	\$135,569	\$135,569
Depreciation	\$14,517	\$112,090	\$126,607
Service Revenues to General Fund	\$182,638	\$0	\$182,638
Other Expenses	<u>\$46,567</u>	<u>\$103,471</u>	<u>\$150,038</u>
Total Expenses	\$1,919,827	\$959,353	\$2,879,180
Income (Loss) Before Transfers	(\$218,553)	\$330,797	\$112,244
Transfers	\$92,960	(\$52,311)	\$40,649
Change in Net Position	(\$125,593)	\$278,486	\$152,893
Total Net Position – Beginning of Year	\$213,266	\$3,649,795	\$3,863,061
Total Net Position – End of Year	\$87,673	\$3,928,281	\$4,015,954

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Notes to the Financial Statements

(Modified Cash Basis)

June 30, 2021

NOTE 1 – Reporting Entity and Significant Accounting Policies

1a. Financial Reporting Entity

The City of Thayer, Missouri is a fourth-class city. The City operates under a Mayor-Aldermen form of government and provides the following services: Public safety (police), highway and streets, electric, water and sewer, public improvements, planning and zoning, and general administrative services.

The financial statements of the City consist only of the funds of the City. The City has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The City does not maintain fiduciary funds for any other government unit; therefore, neither fiduciary funds nor component units that are fiduciary in nature are included in the government-wide financial statements

1b. Government-Wide and Fund Financial Accounting

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the City. The effect of the inter-fund activities has been removed from these statements. Government activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on historical data for statement of activities purposes. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The City's policy is to recognize all revenues from normal operations as operating revenues, with special situation revenues such as gain on sale of assets or insurance proceeds as non-operating revenues.

The City maintains fund accounting in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information to the City at a more detailed level. Separate financial statements are provided for governmental funds. The focus

of governmental fund financial statements is on major funds. Each major fund is presented in a single column.

1c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when received and expenses are recorded when paid, except for inter-fund receivables and payables and payroll and sales tax liabilities. Grants and similar items are recognized as revenue as soon as cash is received.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are received. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. However, interest and principal on general long-term debt is recognized when due, or when payments are due early in the fiscal year.

A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The City maintains the following fund types:

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

Special Revenue Fund – The Special Revenue Fund accounts for revenues derived for specific taxes or other earmarked revenue sources.

Proprietary Funds – The Electric Fund and Water and Sewer Fund are used to account for the operations of the utilities of the City. Proprietary Funds are used to account for operations which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Cash is defined as funds maintained in operations checking accounts and cash equivalents are certificates of deposits or other investment instruments.

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental, business-like are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements, proprietary fund statements. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

financial statements.

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

1d. Capital Assets

The City maintains a policy to capitalize expenditures in excess of \$5,000 for items with a useful life of over one year. Useful life is determined based on historical information for similar items. For the Proprietary Fund depreciation is charged as an expense against operations. Property, Plant, and Equipment and the Accumulated Depreciation are shown in the Proprietary Fund Balance Sheet. Depreciation has been provided over the estimated useful life using the straight-line method of depreciation for structures. Property, Plant, and Equipment includes: Buildings 25 years, Vehicles 7 years, and Water and Sewer Works 50 years

Proprietary Fund	Beginning Balance	2021 Additions	2021 Deletions	Ending Balance
Capital Assets				
Electric Buildings	\$625,714			\$625,714
Electric Vehicles	176,000			176,000
Electric Lease	233,306			233,306
Sewer System	4,828,122			4,828,122
Water System	1,230,408			1,230,408
Water/Sewer Vehicles	149,200			149,200
Water/Sewer Equipment	698,770		\	698,770
Total	\$7,941,520			\$7,941,520
Accumulated Depreciation				
Electric Buildings	\$517,638	\$5,184	\$0	\$522,822
Electric Vehicles	176,000	0	0	176,000
Electric Lease	46,665	9,333	0	55,998
Sewer System	895,431	93,052	0	988,483
Water System	456,525	10,027	0	466,552
Water/Sewer Vehicles	149,200	0	0	149,200
Water/Sewer Equipment	588,361	8,010	0	596,372
Total	\$2,829,820	\$126,607	0	\$2,956,427
Book Value Proprietary Fund	\$5,111,700			\$4,895,093
Governmental Funds				
Land	\$2,372,700	\$0	\$0	\$2,372,700
Buildings & Improvements	1,902,608	0	0	1,902,608
Vehicles	738,901	0	0	738,901
Equipment	1,453,002	0	0	1,453,002
Street Buildings	74,007	0	0	74,007
Infrastructure	36,263	0	0	36,263
Street Vehicles	51,400	0	0	51,400
Street Equipment	85,564	0	0	85,564
Total	\$6,714,445			\$6,714,445

Accumulated Depreciation

Land	\$0	\$0	\$0	\$0
Buildings & Improvements	1,777,273	17,150	0	1,794,423
Vehicles	663,639	22,913	0	686,552
Equipment	1,453,002	0	0	1,453,002
Street Buildings	73,002	1,005	0	74,007
Infrastructure	14,505	2,418	0	16,922
Street Vehicles	51,400	0	0	51,400
Street Equipment	85,564	0	0	85,564
Total	4,118,385	43,486	0	4,161,871
Book Value Governmental Fund	\$2,596,060			\$2,552,574

1e. Transfers

Annually the City makes discretionary transfers between the Proprietary Funds and the Government Funds. Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund. Elimination of interfund activity has been made for governmental activities in the government-wide financial statements. During fiscal year 2020 the City made the following transfers between funds:

	Transfers-in	Transfers-out
General Fund		\$120,093
Special Revenue	\$79,444	
Electric Fund	\$92,960	
Water/Sewer		\$52,311
Total	\$172,404	\$172,404

1f. Fund Balance

In the fund financial statements, governmental funds report up to five components of fund balance from most restricted in nature to least restricted: nonspendable; restricted; committed; assigned and unassigned. These classifications are defined as follows:

Nonspendable – consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained in tact.

Restricted – consists of amounts when constraints are placed on their use either by (1) external groups such as creditors, grantors, contributors, or law or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Committed – consists of amounts which can only be used for specified purposes pursuant to constraints imposed by formal action (ordinance) by the Board of Trustees, which is the highest level of decision making authority. These committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified amount by use of the same formal action that it employed to previously commit the funds.

Assigned – consists of amounts which are constrained by city management’s intent for these to be used for specific purpose but are neither formally restricted by external sources nor committed by Board of Trustee action.

Unassigned – consists of the residual fund balance that does not meet the requirements for the nonspendable, restricted, committed or assigned classifications. The General Fund is the only funds

that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds are reported as unassigned.

1g. Net Position

Net position represents the difference between assets and liabilities. Net position in the government-wide financial statements is displayed in three components as follows:

Net investment in capital assets – this consists of capital assets, net of accumulated depreciation less the outstanding balance of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvements of these assets. Net investment in capital assets excludes unspent bond proceeds.

Restricted – this consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation; and

Unrestricted – this consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When restricted or unrestricted resources are available for use, it is generally the city’s policy to use restricted first then unrestricted resources as they are needed.

1h. Use of Estimates

The preparation of financial statements on the modified cash basis of accounting requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

1i. Budgets and Budgetary Accounting

The Board of Aldermen follows these procedures in estimating the budgetary data reflected in the financial statements:

- 1) The City Clerk and budget committee submit to the City Council a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years. The budget is prepared on the cash basis of accounting, which excludes any receivables, payables, or other liabilities. The financial statements are prepared on the modified cash basis of accounting and include some receivables, payables, and other liabilities.
- 2) Public hearings are conducted to obtain taxpayer comment.
- 3) The budget is legally enacted by vote of the City Council prior to July 1.
- 4) The City Clerk presents periodic reports to the City Council explaining any variance from the approved budget.
- 5) Appropriations, if any, lapse at the end of each fiscal year.

- 6) The City Council may authorize supplemental appropriations during the year. No supplemental appropriations were made during the fiscal year ended June 30, 2019.

1j. Inventories

The City does not maintain inventories. All supplies are purchased and used as needed.

1k. Investments

The City has established a policy to make investments only in accordance with Section 95.530 of Missouri State Statutes. The City has not established policy regarding credit quality, custodial credit risk, concentration of credit risk, interest rate risk.

1l. Compensated Absences

The City has a written policy for compensated absences such as vacation, sick, or compensatory leave. No accrual has been provided on these modified cash basis statements.

NOTE 2 – Cash and Investments

Cash as of June 30, 2021, consisted of the following:

Checking Accounts and Petty Cash	\$1,779,566
Certificates of Deposit	\$0
Total	\$1,779,566

As required by law, the depository bank is to pledge securities, in addition to Federal Deposit Insurance Corporation (FDIC) insurance, at least equal to the amount on deposit at all times. As of June 30, 2021, the outstanding funds maintained were protected by FDIC insurance and additional collateral pledged by the banks.

NOTE 3 – Accounts Receivable/Payable

The City maintains its accounting system on the modified cash basis which has not been modified to show accounts receivable. The City's accounts payable have been disaggregated as follows:

Governmental Funds

General Funds – Payables to vendors	\$29,986
General Funds – Unpaid employee contributions to retirement accounts	\$5,185
General Funds – Unpaid employee contributions for insurance premiums	\$4,650
Special Revenue Funds – Unpaid employee contributions to retirement accounts	\$673
Special Revenue Funds – Unpaid employee contributions for insurance premiums	<u>\$1,378</u>
Total Governmental Accounts Payable	<u>\$41,872</u>

Proprietary Funds

Electric Fund – Sales taxes payable	\$70,304
Electric Fund – Unpaid employee contributions to retirement accounts	\$1,371
Electric Fund – Unpaid employee contributions for insurance premiums	\$35,844
Electric Fund – Payables to vendors	\$0
Water & Sewer Fund – Unpaid employee contributions to retirement accounts	\$1,822

Water & Sewer Fund – Unpaid employee contributions for insurance premiums	\$2,233
Water & Sewer Fund – Payables to vendors	\$2,279
Total Proprietary Funds Accounts Payable	<u>\$113,853</u>

NOTE 4 – Long-Term Liabilities

In 2001, the City issued Series 2000 Bonds for Water Pollution Control. Payments are due semi-annually through 2021. These Series 2000 Bonds include interest at varying rates from 4.35% to 5.5%, with the interest rate in effect as of June 30, 2019, at 5.0%.

The City also entered into a loan with the State of Missouri for making improvements to the water and sewer system. Payments are due annually through 2025. This loan does not accrue interest.

The City obtained an EPA Loan to improve the City's water system in fiscal year 2011. Payments are due semi-annually through 2030. The interest rate for this loan is 1.48%.

	<u>Balance July 1,</u> <u>2020</u>	<u>Payments</u>	<u>Balance June 30,</u> <u>2021</u>
Business-type activities			
Series 2000 Bonds	\$72,500	\$30,000	\$42,500
State Loan	\$80,665	\$17,500	\$63,165
EPA Loan	<u>\$1,258,500</u>	<u>\$107,600</u>	<u>\$1,150,900</u>
Total	<u>\$1,411,665</u>	<u>\$155,100</u>	<u>\$1,256,565</u>

The annual requirements to amortize all bonded debt and notes payable as of June 30, 2020, are as follows:

	<u>Series 2000</u> <u>Bonds</u>	<u>State Loan</u>	<u>EPA Loan</u>	<u>Total</u>
2022	\$30,000	\$17,500	\$110,000	\$157,500
2023	\$12,500	\$17,500	\$112,400	\$142,400
2024	\$0	\$17,500	\$115,000	\$132,500
2025	\$0	\$10,665	\$117,600	\$128,265
2026	\$0	\$0	\$120,300	\$120,300
2027-2031	<u>\$0</u>	<u>\$0</u>	<u>\$575,600</u>	<u>\$575,600</u>
Total Payments	\$42,500	\$63,165	\$1,150,900	\$1,256,565

NOTE 5 – Capital Leases

The City obtained a capitalized lease during the late part of fiscal year 2016. The capital lease activities began in fiscal year 2017. The lease balance as of July 1, 2016 was \$466,613, with a lease period of 10 years with an effective interest rate of 3.25%. The annual requirements to amortize the lease agreement as of June 30, 2020, are as follows:

	<u>Lease Principal</u>
2022	\$49,433
2023	\$49,790
2024	\$48,335
2025	\$46,859
2026	\$50,038
Total	\$244,445

The City maintains a policy to not utilize non-capitalized leases therefore no leased activities existed as of June 30, 2021.

The following is a summary of bond transactions for the year ended June 30, 2021.

Title VII Chapter 95 of the Missouri State Statutes, limits the outstanding amount of authorized general obligation bonds of a city to 5 percent of the assessed valuation of the city. The legal debt margin (excluding state assessed railroad and utility) of the City at June 30, 2021 was:

Statute debt limit	\$878,887
General Obligation Bonds Payable June 30, 2020	\$0
Total (Does not include railroad & utility assessment)	\$878,887

NOTE 6 – Short Term Debt

The City does not use anticipation notes, lines of credit and similar loans as short term debt.

NOTE 7 – Employee Benefits-Pension Plans

A. Plan Description

The City of Thayer participates in the Missouri Local Government Employees Retirement System (LAGERS) an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMO 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly.

The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven people. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefit vest after 5 years of creditable service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon (Benefit Multiplier of 2% and Final Average Salary of 3 years). Employees may retire with an early retirement benefit with a minimum of 5 years of creditable service and after attaining age 55 (50 for police and fire) and reduced allowance.

Benefit terms provide for annual postretirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees covered by benefit terms at June 30, 2021, were:

	<u>General</u>	<u>Police Officers</u>	<u>Total</u>
Retirees and beneficiaries	9	7	16
Inactive, Nonretired Members	5	2	7
Active members	16	6	22
Total	30	15	45
Covered Payroll	\$509,683	\$222,506	\$732,189

C. Contributions

City of Thayer's full time employees contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate. The current rates for 2021 are 5.7% (general) and 3.4% (police) of the annual payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by State Statute.

D. Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefit vest after 5 years of creditable service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon (Benefit Multiplier of 2% and Final Average Salary of 3 years). Employees may retire with an early retirement benefit with a minimum of 5 years of creditable service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

Benefit terms provide for annual postretirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

E. Pension Expense

For the year ended June 30, 2021, the City recognized pension expense of \$30,549 related to LAGERS.

NOTE 8 – Property Taxes and Sales Taxes

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

	<u>2021</u>
Real Estate	\$13,271,375
Personal Property	<u>\$4,306,369</u>
Total	\$17,577,744

The city assesses real estate and personal property taxes of 0.4636 per \$100 of assessed valuations of City residents.

The City currently collects a 8.225% sales tax. The City also receives gasoline taxes and vehicle sales taxes from the state of Missouri, which are used for the maintenance of streets.

NOTE 9 – Risk Management

The City is exposed to various risks of loss related to torts, theft of or destruction of assets, errors or omissions, injuries to employees, employees' health and life and natural disasters. The City manages these various risks of loss through purchases of insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years. The City has access to legal assistance through City Attorneys.

As of June 30, 2021, the City had no outstanding significant violations of finance related legal or contractual provisions.

NOTE 10 – Fines and Court Costs Revenues

The City collected \$15,036 in fines and court costs for traffic violations during the year which represented 1.0% of the total yearly general fund operating revenues.

NOTE 12 - Subsequent Events

Subsequent events have been evaluated through September 23, 2025, which is the audit report date and the date the financial statements became available.

CITY OF THAYER, MISSOURI
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual (Budgetary Basis) – General Fund
(Cash Basis)
Year Ended June 30, 2021

	Original and Final <u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<u>REVENUES</u>			
Taxes	\$826,000	\$990,681	\$164,681
Grant Funds	\$8,500	\$9,356	\$856
Licenses and Permits	\$6,555	\$8,206	\$1,651
Charges for Services	\$22,975	\$109,619	\$86,644
Fines	\$4,050	\$2,046	(\$2,004)
Interest	\$2,900	\$9,695	\$6,795
Miscellaneous	\$79,965	\$159,741	\$79,776
Services Provided to Other Funds	\$332,000	\$218,738	(\$113,262)
Total Revenues	\$1,282,945	\$1,508,082	\$225,137
<u>EXPENDITURES</u>			
Payroll Expenses	\$559,354	\$542,725	(\$16,629)
Payroll Taxes	\$43,841	\$41,652	(\$2,189)
Retirement Costs	\$19,470	\$16,994	(\$2,476)
Insurance	\$153,700	\$157,406	\$3,706
General Government	\$65,331	\$69,200	\$3,869
Court Costs	\$5,250	\$2,980	(\$2,270)
Police and Emergency Response	\$303,905	\$269,932	(\$33,973)
Pool Expenses	\$0	\$0	\$0
Airport	\$595	\$487	(\$108)
Cemetery	\$11,625	\$48,852	\$37,227
Parks	\$46,257	\$50,462	\$4,205
Total Expenditures	\$1,209,328	\$1,200,690	(\$8,638)
Revenues Over (Under) Expenditures	\$73,617	\$307,392	\$233,775

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual (Budgetary Basis) – Special Funds
(Cash Basis)
Year Ended June 30, 2021

	Original and Final <u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<u>REVENUES</u>			
Taxes	\$81,000	\$94,060	\$13,060
Grant Funds	\$0	\$0	\$0
Fines	\$0	\$12,990	\$12,990
Interest	\$0	\$0	\$0
Miscellaneous	\$89,500	\$0	(\$89,500)
Total Revenues	\$170,500	\$107,050	(\$63,450)
<u>EXPENDITURES</u>			
Payroll Expenses	\$82,610	\$66,144	(\$16,466)
Payroll Taxes	\$6,276	\$5,031	(\$1,245)
Retirement Costs	\$3,094	\$2,646	(\$448)
Insurance	\$41,648	\$29,262	(\$12,386)
Streets	\$148,500	\$56,594	(\$91,906)
Total Expenditures	\$282,128	\$159,677	(\$122,451)
Revenues Over (Under) Expenditures	(\$111,628)	(\$52,627)	\$59,001

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Statement of Revenues, Expenditures and Changes in Net Position
Budget to Actual (Budgetary Basis) – Electric Fund
(Cash Basis)
Year Ended June 30, 2021

	Original and Final <u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<u>REVENUES</u>			
Charges for Services	\$1,753,175	\$1,696,323	(\$56,852)
Grant Funds		\$0	\$0
Utility Deposits		\$0	\$0
Connection Fees	\$2,000	\$4,712	\$2,712
Other Revenues	\$43,500	\$239	(\$43,261)
Total Revenues	\$1,798,675	\$1,701,274	(\$97,401)
<u>EXPENSES</u>			
Payroll Expense	\$125,000	\$117,105	(\$7,895)
Payroll Taxes	\$12,355	\$8,693	(\$3,662)
Insurance	\$88,240	\$88,810	\$570
Retirement	\$7,752	\$4,121	(\$3,631)
Electric Power	\$1,365,000	\$1,421,256	\$56,256
Professional Services	\$1,000	\$737	(\$263)
Repairs and Maintenance	\$10,500	\$10,761	\$261
Training and Travel	\$4,800	\$5,012	\$212
Utilities	\$8,300	\$6,964	(\$1,336)
Office and Administration	\$15,400	\$10,939	(\$4,461)
Fuel	\$2,500	\$1,707	(\$793)
Interest and Fees	\$0	\$0	\$0
Other Expenses	\$120,528	\$229,205	\$108,677
Total Expenses	\$1,761,375	\$1,905,310	\$143,935
Revenue Over (Under) Expenses	\$37,300	(\$204,036)	(\$241,336)

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI

Statement of Revenues, Expenditures and Changes in Net Position
Budget to Actual (Budgetary Basis) - Water & Sewer Funds
(Cash Basis)
Year Ended June 30, 2021

	Original and Final <u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<u>REVENUES</u>			
Charges for Services	\$415,175	\$573,308	\$158,133
Charges for Services Trash Collection	\$276,650	\$280,534	\$3,884
Grants	\$1,000,000	\$162,880	(\$837,120)
Taxes	\$210,000	\$270,659	\$60,659
Interest	\$325	\$343	\$18
Other Revenues	\$15,050	\$2,426	(\$12,624)
Total Revenues	\$1,917,200	\$1,290,150	(\$627,050)
<u>EXPENSES</u>			
Payroll Expense	\$117,410	\$169,710	\$52,300
Payroll Taxes	\$8,953	\$12,795	\$3,842
Insurance	\$45,313	\$60,593	\$15,280
Retirement	\$4,916	\$6,788	\$1,872
Trash Collection Expenses	\$276,000	\$268,839	(\$7,161)
Professional Services	\$5,100	\$4,102	(\$998)
Supplies	\$6,300	\$7,754	\$1,454
Repairs and Maintenance	\$16,758	\$25,968	\$9,210
Training and Travel	\$1,950	\$151	(\$1,799)
Utilities	\$44,000	\$40,682	(\$3,318)
Office and Administration	\$6,000	\$5,324	(\$676)
Fuel	\$4,200	\$5,517	\$1,317
Interest and Fees	\$32,400	\$135,569	\$103,169
Other Expenses	\$348,920	\$103,471	(\$245,449)
Total Expenses	\$918,220	\$847,263	(\$70,957)
Income (Loss) Before Transfers	\$998,980	\$442,887	(\$556,093)

The accompanying notes are an integral part of these financial statements

CITY OF THAYER, MISSOURI
Notes to Budgetary Comparison Schedule

Year Ended June 30, 2021

Basis of Accounting

The budget is prepared on the cash basis of accounting and does not provide for depreciation expenses as reported in proprietary funds in the basic financial statements. Revenues and expenditures are reported when they result from cash transactions.

DEIDIKER, ALVARADO & ASSOCIATES LLC

Certified Public Accountants

P.O. Box 528
West Plains, MO 65775
417 255-1128
FAX 417 255-2568

Report on Compliance and Internal Controls Over Financial Reporting Based On an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*

Mayor and City Council
City of Thayer, Missouri

We have audited the modified cash basis financial statements of the City of Thayer, Missouri, as of and for the year ended June 30, 2021, and have issued our report thereon dated September 23, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We found no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards*. Providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Internal Controls Over Financial Reporting

In planning and performing our audit of the financial statements of the City of Thayer, Missouri, as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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.

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 combination of significant deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control 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 in charged with governance of the City of Thayer, Missouri.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies or material weakness. We identified no material internal control weakness; however, one significant weakness was presented in the management letter provided to the City of Thayer.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Deidiker, Alvarado & Associates

West Plains, Missouri
September 23, 2025