

CITY OF BRAYMER, MISSOURI
BASIC FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Board of Aldermen
City of Braymer, Missouri

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the City of Braymer, Missouri, (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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; this includes 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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 risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

INDEPENDENT AUDITORS' REPORT – CONTINUED

Accordingly, I express no such opinion. 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.

As discussed in Note 1, these financial statements have been prepared on the cash basis of accounting modified for long-term capital asset depreciation and long-term obligations and are not intended to be presented in conformity with the accounting principles generally accepted in the United States of America.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, except of the departure outlined in the preceding paragraph, the financial statements referred to above do present fairly, in all material aspects, the respective financial position of the governmental activities, business-type activities and each major fund of the City of Braymer, Missouri as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management Discussion & Analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic or historical context. The City has omitted the Management Discussion & Analysis as of and for the period ended June 30, 2024. Therefore, I was unable to perform audit procedures and therefore express no opinion on it. This does not affect the opinions on the basic financial statements. I have applied certain limited procedures to the budgetary comparison information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT – CONTINUED

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated November 8, 2024, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of my 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 *Government Auditing Standards* in considering the City of Braymer, Missouri's internal control over financial reporting and compliance.

Kenney D. Hales, CPA

Kenney D. Hales, CPA
Liberty, Missouri
November 8, 2024

CITY OF BRAYMER, MISSOURI
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 266,124	\$ 649,278	\$ 915,402
Restricted cash	-	295,632	295,632
Certificates of deposit	15,400	-	15,400
Capital assets - net	-	751,096	751,096
Total assets	<u>281,524</u>	<u>1,696,006</u>	<u>1,977,530</u>
LIABILITIES			
Customer deposits	-	11,352	11,352
Capital lease payable	-	285,325	285,325
Loan payable	-	195,256	195,256
Bond payable	-	368,000	368,000
Total liabilities	<u>-</u>	<u>859,933</u>	<u>859,933</u>
NET POSITION			
Invested in capital assets, net of related debt	-	270,515	270,515
Restricted			
Debt Service	-	43,448	43,448
Capital projects	-	240,832	240,832
Unrestricted	281,524	281,278	562,802
Total net position	<u>\$ 281,524</u>	<u>\$ 836,073</u>	<u>\$ 1,117,597</u>

The accompanying notes are an integral part of these financial statements

CITY OF BRAYMER, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Charges for Services & Fines	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government						
Governmental activities:						
General government	\$ 157,260	\$ 2,950	\$ 13,781	\$ (140,529)	\$ -	\$ (140,529)
Trash	44,909	45,334	-	425	-	425
Street	55,809	1,588	-	(54,221)	-	(54,221)
Parks	7,959	8,136	-	177	-	177
Total governmental activities	<u>265,937</u>	<u>58,008</u>	<u>13,781</u>	<u>(194,148)</u>	<u>-</u>	<u>(194,148)</u>
Business-type activities:						
Water	330,193	395,765	23,782	-	89,354	89,354
Sewer	131,213	146,326	-	-	15,113	15,113
Total business-type activities	<u>461,406</u>	<u>542,091</u>	<u>23,782</u>	<u>-</u>	<u>104,467</u>	<u>104,467</u>
Total primary government	<u>727,343</u>	<u>600,099</u>	<u>37,563</u>	<u>(194,148)</u>	<u>104,467</u>	<u>(89,681)</u>
Taxes:						
Real estate and personal property				59,474	-	59,474
Franchise				51,148	-	51,148
Sales				82,034	-	82,034
Motor vehicle				30,304	-	30,304
Sur tax				1,526	-	1,526
Railroad				4,180	-	4,180
Unrestricted investment earnings				277	8,718	8,995
Transfer between business-type activities and governmental activities				66,189	(66,189)	-
Total general revenues				<u>295,132</u>	<u>(57,471)</u>	<u>237,661</u>
Change in net position				100,984	46,996	147,980
Net position - beginning				180,540	789,077	969,617
Net position - ending				<u>\$ 281,524</u>	<u>\$ 836,073</u>	<u>\$ 1,117,597</u>

The accompanying notes are an integral part of these financial statements

CITY OF BRAYMER, MISSOURI
COMBINED STATEMENT OF ASSETS AND FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 81,763	\$ 184,361	\$ 266,124
Certificate of deposit	<u>-</u>	<u>15,400</u>	<u>15,400</u>
Total assets	<u>81,763</u>	<u>199,761</u>	<u>281,524</u>
FUND BALANCES			
Fund balances:			
Unassigned	<u>81,763</u>	<u>199,761</u>	<u>281,524</u>
Total fund balances	<u>\$ 81,763</u>	<u>\$ 199,761</u>	<u>\$ 281,524</u>
Net assets of governmental activities			<u>\$ 281,524</u>

The accompanying notes are in integral part of these financial statements

CITY OF BRAYMER, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Real estate and personal property taxes	\$ 59,474	\$ -	\$ 59,474
Franchise fees	51,148	-	51,148
Sales taxes	20,701	61,333	82,034
Motor vehicle taxes	-	30,304	30,304
Sur tax	1,526	-	1,526
Intergovernmental	2,950	9,724	12,674
Interest	-	277	277
Trash	-	45,334	45,334
Total revenues	<u>139,979</u>	<u>146,972</u>	<u>286,951</u>
Expenditures:			
General government	143,479	-	143,479
Trash	-	44,909	44,909
Street	-	55,809	55,809
Parks	-	7,959	7,959
Total expenditures	<u>143,479</u>	<u>108,677</u>	<u>252,156</u>
Excess (deficiency) of revenues over expenditures	<u>(3,500)</u>	<u>38,295</u>	<u>34,795</u>
Other Financing Sources (Uses)			
Transfers in	3,500	62,689	66,189
Transfers out	-	-	-
Total other financing sources (uses)	<u>3,500</u>	<u>62,689</u>	<u>66,189</u>
Net change in fund balances	-	100,984	100,984
Fund balances - beginning	<u>81,763</u>	<u>98,777</u>	<u>180,540</u>
Fund balances - ending	<u><u>\$ 81,763</u></u>	<u><u>\$ 199,761</u></u>	<u><u>\$ 281,524</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF BRAYMER, MISSOURI
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
JUNE 30, 2024

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 274,616	\$ 374,662	\$ 649,278
Restricted cash	54,800	240,832	295,632
Capital assets - net	<u>563,322</u>	<u>187,774</u>	<u>751,096</u>
Total assets	<u>892,738</u>	<u>803,268</u>	<u>1,696,006</u>
LIABILITIES			
Meter deposits	6,450	4,902	11,352
Capital lease payable	285,325	-	285,325
Note payable	195,256	-	195,256
Bond payable	<u>-</u>	<u>368,000</u>	<u>368,000</u>
Total liabilities	<u>487,031</u>	<u>372,902</u>	<u>859,933</u>
NET POSITION			
Invested in capital assets, net of related debt	368,066	187,774	555,840
Restricted			
Debt service	43,448	-	43,448
Unrestricted	<u>(5,807)</u>	<u>430,366</u>	<u>424,559</u>
Total net position	<u>\$ 405,707</u>	<u>\$ 430,366</u>	<u>\$ 836,073</u>

The accompanying notes are an integral part of these financial statements

CITY OF BRAYMER, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Revenues:			
Water	\$ 395,765	\$ -	\$ 395,765
Sewer	-	146,326	146,326
Total revenues	<u>395,765</u>	<u>146,326</u>	<u>542,091</u>
Expenses:			
Payroll and payroll taxes	101,704	61,092	162,796
Insurance	29,290	18,489	47,779
Utilities	19,437	2,907	22,344
Chemicals	31,662	858	32,520
Water services	7,982	2,425	10,407
Laboratory	-	1,735	1,735
Permits, dues and fees	2,856	74	2,930
Office supplies	2,715	737	3,452
Transportation	4,214	876	5,090
Maintenance and repairs	33,605	15,652	49,257
Lease	31,800	-	31,800
Supplies	5,209	5,273	10,482
Professional fees	750	750	1,500
Miscellaneous	3,430	6,526	9,956
Depreciation	26,634	8,411	35,045
Total expenses	<u>301,288</u>	<u>125,805</u>	<u>427,093</u>
Excess (deficiency) of revenue over expenses	94,477	20,521	114,998
Nonoperating revenues (expenses)			
Interest income	675	8,043	8,718
Interest expense	(28,905)	(5,408)	(34,313)
Transfers	(5,234)	(60,955)	(66,189)
Project reimbursements	23,782	-	23,782
Total nonoperating revenues (expenses)	<u>(9,682)</u>	<u>(58,320)</u>	<u>(68,002)</u>
Change in net assets	84,795	(37,799)	46,996
Fund balances - beginning	<u>270,912</u>	<u>518,165</u>	<u>789,077</u>
Fund balances - ending	<u><u>\$ 355,707</u></u>	<u><u>\$ 480,366</u></u>	<u><u>\$ 836,073</u></u>

The accompanying notes are an integral part of these financial statements

**CITY OF BRAYMER, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 395,765	\$ 146,326	542,091
Cash payments:			
Payroll and payroll taxes	(101,704)	(61,092)	(162,796)
Maintenance	(23,873)	(15,652)	(39,525)
Utilities	(19,437)	(2,907)	(22,344)
Insurance	(14,290)	(18,489)	(32,779)
Operations	(14,644)	(5,018)	(19,662)
Net cash provided by operating activities	<u>221,817</u>	<u>43,168</u>	<u>264,985</u>
Cash flows from investing activities			
Principal payments on note payable	(19,370)	-	(19,370)
Interest paid	(28,905)	(5,408)	(34,313)
Project reimbursements	23,782	-	23,782
Transfers	(41,169)	(25,020)	(66,189)
Interest earned on investments	675	8,043	8,718
Net cash provided by (used in) investing activities	<u>(64,987)</u>	<u>(22,385)</u>	<u>(87,372)</u>
Net increase in cash and cash equivalents	156,830	20,783	177,613
Cash - beginning	117,786	353,879	471,665
Cash - ending	<u>\$ 274,616</u>	<u>\$ 374,662</u>	<u>\$ 649,278</u>

The accompanying notes are an integral part of these financial statements

CITY OF BRAYMER, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

1. Summary of Significant Accounting Policies

The City of Braymer, Missouri, was incorporated as a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri. The City is eastern Caldwell County. The City government consists of a mayor and board of aldermen. The City provides services to its residents in the areas of general government, public safety, trash, water, sewer, street, and park services.

The following is a summary of the City's more significant accounting policies.

A. Basic Financial Statements – Government-Wide Statements

In evaluating the City's financial reporting entity, management has considered all potential component units. The accompanying basic financial statements present the City and the component units over which the City is financially accountable. Financial accountability is based primarily on operational or financial relationships with City. Currently, the City does not have any component units.

The City's basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize the City's primary activities as either governmental or business type. The City's public safety (police and fire), court and general administrative services are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

The Statement of Net Assets and Statement of Activities display information about the City as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

B. Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported by major fund in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following funds are used by the City:

CITY OF BRAYMER, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Summary of Significant Accounting Policies - continued

Governmental Funds

The focus of the government funds' measurement is upon determination of financial position and changes in financial position rather than upon net income. The following is a description of the governmental funds of the City:

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

Street Fund – The Street Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for City streets.

Park Fund - The Park Fund is used to account for the monies designated for maintenance of the City's park.

Court Fund - The Court Fund is used to account for the operations of the municipal court.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Water Fund – The Water Fund are used to account for operations of the City's water operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges.

Sewer Fund – The Sewer Fund are used to account for operations of the City's sewer operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges.

C. Basis of Accounting

The City prepares its government-wide financial statements on the modified cash basis of accounting which recognizes all long-term capital assets and long-term debt obligations. The City's policy is to prepare its fund financial statements on the cash basis of accounting. Under the cash basis of accounting, inflows are recognized when received rather than earned, and outflows of assets are recognized when cash is disbursed rather than when the obligation is incurred.

CITY OF BRAYMER, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Summary of Significant Accounting Policies - continued

Amounts reported as program revenue in the government-wide financial statements include: (1) charges to customers or applicants for goods received, services rendered or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues include all taxes.

Significant revenues include property taxes, franchise taxes, grants, state road taxes, and certain state and federal grants and entitlements. Expenditures are recorded in all governmental funds when the related liability is both measurable and incurred except for general obligation debt principal and interest which are reported as expenditures in the year due.

D. Cash Balances

Deposits – Missouri Statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2024, the carrying amount of the City's demand deposits and letters of credit was \$1,111,034. All of the bank balances were covered by federal depository insurance. Any remainder would be covered by pledges of various securities by the bank and held in safekeeping subject to a joint custody receipt issued by the custodial financial institution which is not the pledging institution.

Investments – The City may purchase any investment allowed by the State Treasurer. These include 1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or 2) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of the U.S. Government agencies or instrumentality's of any maturity, as provided by law. At June 30, 2024, the City had \$15,400 subject to the above criteria.

CITY OF BRAYMER, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Summary of Significant Accounting Policies - continued

E. Property, Plant and Equipment

Government-wide

All property, plant and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated property, plant and equipment are valued at their estimated fair value on the date donated. Depreciation has been provided over the estimated useful lives using the straight-line method with zero expected salvage value. The estimated useful life of the waterworks system is 50 years.

GASBS No. 34 requires the City to report and depreciate infrastructure assets effective with the beginning of the prior year. Infrastructure assets include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets. Neither their historical cost nor related depreciation has been reported in the financial statements. The City has elected not to report any infrastructure assets acquired or constructed prior to June 30, 2003 in the basic financial statements.

F. Use of Estimates

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

2. Restricted Cash and Restricted Investments

Restricted cash is made up of checking accounts of the City. Restricted cash and restricted investments at June 30, 2024 are as follows:

Water and Sewer Fund

Customer meter deposits	\$ 11,352
Sewer project	240,832
Debt service	<u>43,448</u>
Total	<u>\$ 295,632</u>

CITY OF BRAYMER, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

3. Capital Assets

The following is a summary of the capital assets of the Water and Sewer Funds at June 30, 2024:

	Beginning Balance	Additions	Disposals	Ending Balance
Waterworks system	\$ 987,418	\$ 109,168	\$ -	\$ 1,096,586
Less accumulated depreciation	<u>(310,445)</u>	<u>(35,045)</u>	<u>-</u>	<u>(345,490)</u>
Net capital assets	<u>\$ 676,973</u>	<u>\$ 74,123</u>	<u>\$ -</u>	<u>\$ 751,096</u>

4. Long-Term Debt

In 2006, the City financed the \$300,000 of Waterworks Revenue Bonds, Series A, for the purpose of providing monies for the waterworks system improvements. The loan was for a face amount of \$300,000 and bears an interest rate of 4.25% per annum and monthly payments of \$1,423 through the maturity date of October 1, 2040.

The future annual requirements to pay interest and fully amortize the outstanding principal balance as of June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 8,778	\$ 8,298	\$ 17,076
2026	9,151	7,925	17,076
2027	9,540	7,536	17,076
2028	9,945	7,131	17,076
2029	10,368	6,708	17,076
2030	10,808	6,268	17,076
2031	11,268	5,808	17,076
2032	11,747	5,329	17,076
2033	12,246	4,830	17,076
2034	12,766	4,310	17,076
2035	13,309	3,767	17,076
2036	13,874	3,202	17,076
2037	14,464	2,612	17,076
2038	15,079	1,997	17,076
2039	15,720	1,356	17,076
2040	<u>16,193</u>	<u>883</u>	<u>17,076</u>
Total	<u>\$ 195,256</u>	<u>\$ 77,960</u>	<u>\$ 273,216</u>

CITY OF BRAYMER, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

4. Long-Term Debt – continued

In 2018, the City entered into an equipment lease purchase agreement with Pony Express Bank for \$339,500. The monies were used to design and build both the pump station and disinfection facility to the waterworks system. An interest rate of 5.9% applies for each monthly payment of \$2,650 through March 1, 2038.

The future annual requirements to pay interest and fully amortize the outstanding principal balance as of June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 13,982	\$ 17,214	\$ 31,196
2026	14,807	16,389	31,196
2027	15,680	15,516	31,196
2028	16,605	14,591	31,196
2029	17,585	13,611	31,196
2030	18,622	12,574	31,196
2031	19,721	11,475	31,196
2032	20,885	10,311	31,196
2033	22,117	9,079	31,196
2034	23,422	7,774	31,196
2035	24,804	6,392	31,196
2036	26,267	4,929	31,196
2037	27,817	3,379	31,196
2038	29,458	1,738	31,196
	<u>\$ 291,772</u>	<u>\$ 144,972</u>	<u>\$ 436,744</u>

CITY OF BRAYMER, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

4. Long-Term Debt – continued

In 2024, the City financed the \$368,000 of Combined Waterworks and Sewerage System Revenue Bonds, Series 2024, for the purpose of providing monies for the waterworks and sewerage system improvements. The loan was for a face amount of \$368,000 and bears an interest rate of 4.49% per annum and monthly payments of \$1,176 through the maturity date of February 1, 2044.

The future annual requirements to pay interest and fully amortize the outstanding principal balance as of June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 11,565	\$ 16,667	\$ 28,232
2026	12,145	16,087	28,232
2027	12,704	15,528	28,232
2028	13,289	14,943	28,232
2029	13,860	14,372	28,232
2030	14,539	13,693	28,232
2031	15,208	13,024	28,232
2032	15,908	12,324	28,232
2033	16,608	11,624	28,232
2034	17,405	10,827	28,232
2035-2039	99,786	41,374	141,160
2040-2044	<u>124,983</u>	<u>16,177</u>	<u>141,160</u>
Total	<u>\$ 368,000</u>	<u>\$ 196,640</u>	<u>\$ 564,640</u>

5. Property Taxes

Property taxes are attached by an enforceable lien on property as of January 1 each year. Taxes are levied by November 1 and are payable by December 31. All unpaid taxes become delinquent January 1 of the following year.

The assessed valuation of the tangible property in June 2023 for purposes of local taxation for taxation for calendar year 2022 was:

Real estate	\$ 4,257,745
Personal property	<u>2,412,536</u>
Total assessed value	<u>\$ 6,670,281</u>

The tax rate per \$100 of assessed valuation of tangible taxable property for the calendar year 2023 for purposes of local taxation was as follows:

General revenue	<u>0.8469</u>
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CITY OF BRAYMER, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

6. Municipal Fine Revenue

Pursuant to the State of Missouri Statute 479.359, municipalities are prohibited from receiving more than twenty percent of its revenues from fines and court costs for traffic violations, including amended charges from any traffic violation occurring within the city limits. For the year ended June 30, 2024, the percentage of revenue received from traffic fines and court costs was less than 1% of the total general revenues of the City or \$950.

7. Retirement Plan

The Health Department participates in 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 LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. LAGERS is qualified under the Internal Revenue Code Section 401a, and it is tax exempt.

LAGERS issues a publicly available financial report that includes basic financial statements and required supplementary information. That report may be obtained by writing to LAGERS, PO Box 1665, Jefferson City, Missouri, 65102 or by calling 1-800-447-4334.

8. Intergovernmental Revenues

The City receives revenue from various federal and state intergovernmental sources, either as grants or as a distribution of various types of revenues. The following include revenues received from the state for motor fuel taxes.

Intergovernmental revenues:

Gasoline tax	\$ 21,000
Motor vehicle sales tax	6,048
Motor vehicle fee increase	<u>3,256</u>
Total	<u>\$ 30,304</u>

9. Contingencies and Risk Management

The City has no material litigation pending. The City purchases casualty, fidelity bonds, and various types of liability coverage from commercial insurance companies in order to reduce its exposure to various types of potential losses. Most of these policies carry a co-insurance or a deductible clause.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BRAYMER, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund			All Other Governmental Funds		
	Original & Final Budget	Actual	Variances Favorable (Unfavorable)	Original & Final Budget	Actual	Variances Favorable (Unfavorable)
Revenues:						
Taxes	\$ 50,000	\$ 59,474	\$ 9,474	\$ 85,000	\$ 91,637	\$ 6,637
Intergovernmental	2,500	2,950	450	7,500	9,724	2,224
Charges for services	2,000	2,155	155	40,000	45,334	5,334
Interest	50	277	227	-	-	-
Franchise fees	40,000	51,148	11,148	-	-	-
Miscellaneous	-	-	-	500	1,312	812
 Total revenues	 \$ 94,550	 \$ 116,004	 \$ 21,454	 \$ 133,000	 \$ 148,007	 \$ 15,007
 Expenditures:						
General government	\$ 165,000	\$ 143,479	\$ 21,521	\$ -	\$ -	\$ -
Trash	-	-	-	45,000	44,909	91
Streets	-	-	-	60,000	55,809	4,191
Parks	-	-	-	8,000	7,959	41
 Total expenditures	 165,000	 143,479	 21,521	 113,000	 108,677	 4,323
 Change in fund balance	 \$ (70,450)	 \$ (27,475)	 \$ 42,975	 \$ 20,000	 \$ 39,330	 \$ 19,330

CITY OF BRAYMER, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

Budget and Actual

The City annually adopts a budget at the beginning of each year. Budgets are adopted on the cash basis which is not consistent with generally accepted accounting principles. However, there is no significant difference between the cash basis “budget” amounts presented in the financial statements.

A budget amount is not approved for depreciation, and capital expenditures are budgeted as expenditures in the general fund.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and
Members of the Board of Aldermen
City of Braymer, Missouri

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the governmental activities, the business-type activities, and each major fund, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Braymer, Missouri's basic financial statements, and have issued my report thereon dated November 8, 2024.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City of Braymer, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Braymer, Missouri's internal control. Accordingly, I do not express an opinion on the effectiveness of the City of Braymer, Missouri'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 deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Braymer, Missouri's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Kenney D. Hales, CPA

Kenney D. Hales, CPA
Liberty, Missouri
November 8, 2024