# CITY OF THAYER, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

**CITY OF THAYER, KANSAS**
For the Year Ended
December 31, 2023
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**JARRED, GILMORE & PHILLIPS, PA**
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Thayer, Kansas

***Adverse and Unmodified Opinions***
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Thayer, Kansas, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Thayer as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

*Unmodified Opinion on Regulatory Basis of Accounting*
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Thayer as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Basis for Adverse and Unmodified Opinions***
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, 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 adverse and unmodified audit opinions.

*Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles*
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of Thayer on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Responsibilities of Management for the Financial Statement***
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 statement.

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 statement, 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 statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and summary of regulatory basis receipts and expenditures-agency funds-regulatory basis (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information 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 statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Thayer, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated April 14, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 22, 2024
Chanute, Kansas

# CITY OF THAYER, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

| Funds | Beginning Unencumbered Cash Balances | Receipts | Expenditures | Ending Unencumbered Cash Balances | Encumbrances and Accounts Payable | Cash Balance December 31, 2023 |
|---|---|---|---|---|---|---|
| General | $ 144,374.07 | $ 171,302.07 | $ 238,925.79 | $ 76,750.35 | $ 4,634.86 | $ 81,385.21 |
| Special Purpose Funds: | | | | | | |
| Employee Benefits | 71,023.88 | 28,468.39 | 14,083.57 | 85,408.70 | - | 85,408.70 |
| Library | 5,085.08 | 15,775.68 | 15,901.15 | 4,959.61 | - | 4,959.61 |
| Museum | 1,498.45 | 5,259.21 | 5,381.05 | 1,376.61 | - | 1,376.61 |
| Special Liability | 17,573.60 | 31,964.00 | 38,133.64 | 11,403.96 | - | 11,403.96 |
| Special Parks and Recreation | 3,920.72 | 2,427.18 | 6,347.90 | - | - | - |
| Consolidated Streets | 249,908.98 | 84,714.08 | 17,161.65 | 317,461.41 | 57.86 | 317,519.27 |
| Equipment Reserve | 50,000.00 | - | - | 50,000.00 | - | 50,000.00 |
| Business Funds: | | | | | | |
| Water Utility | 11,493.88 | 217,449.05 | 194,397.00 | 34,545.93 | 23,227.85 | 57,773.78 |
| Sewer Utility | 44,682.47 | 76,324.35 | 44,544.28 | 76,462.54 | 843.93 | 77,306.47 |
| Solid Waste Utility | 18,513.81 | 49,147.43 | 41,121.49 | 26,539.75 | - | 26,539.75 |
| Total Reporting Entity (Excluding Agency Funds) | $ 618,074.94 | $ 682,831.44 | $ 615,997.52 | $ 684,908.86 | $ 28,764.50 | $ 713,673.36 |

| | |
|---|---|
| Composition of Cash: | |
| Cash on Hand | $ 50.04 |
| Checking Accounts | |
| General | 625,754.71 |
| Certificates of Deposit | 87,868.61 |
| Total Cash | 713,673.36 |
| Agency Funds Schedule 3 | - |
| Total Reporting Entity (Excluding Agency Funds) | $ 713,673.36 |

The notes to the financial statement are an integral part of this statement.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Thayer, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

Financial Reporting Entity
The City of Thayer, Kansas, is a municipal corporation governed by an elected five-member council. This financial statement presents the City of Thayer.

*Related Municipal Entities*: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

The City of Thayer - Public Library - The City of Thayer, Kansas, Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library Board and significantly influences the Library's operations. Separately internal financial statements are available at the Library.

The City of Thayer - Public Museum - The City of Thayer, Kansas, Museum Board operates the City's public museum. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Museum Board and significantly influences the Museum's operations. Separately internal financial statements are available at the Museum.

Regulatory Basis Fund Types
A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Thayer, Kansas, for the year of 2023:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Regulatory Basis Fund Types (Continued)

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Presentation – Regulatory Basis of Accounting

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the city treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a regulatory receipt source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The county treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the county treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for regulatory receipt recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Pension Plan
Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

Budgetary Information
Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did not hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

- Equipment Reserve Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the City was in apparent compliance with Kansas cash basis and budget laws.

The City was in apparent violation of K.S.A. 12-1608 which requires the treasurer of third class cities to publish the annual statement showing the total amount received into each fund and the total amount expended from each fund and the cash balances of each fund at the beginning and close of each year. Such annual statement shall show the amount of outstanding registered warrants, temporary notes, bonds and all other obligations and liabilities of the City. The annual statement was not published within the 30 day requirement.

## 3. DEPOSITS AND INVESTMENTS

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main branch or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits*. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2023.

At year-end, the City's carrying amount of deposits was $713,623.32 and the bank balance was $726,016.08 The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000.00 was covered by FDIC insurance and $476,016.08 as collateralized with securities held by the pledging financial institution's agents in the City's name.

## 4. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

*Plan description.* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2016. Effective January 1, 2016, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $6,656.33 for the year ended December 31, 2023.

Net Pension Liability

At December 31, 2023, The City's proportionate share of the collective net pension liability reported by KPERS was $72,881.00 The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

## 5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Death and Disability Other Post-Employment Benefits*

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

**5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS** (Continued)

*Compensated Absences:*
Regular employees earn and accumulate vacation leave as follows:

One to Seven Years of Employment – 10 days
Seven to Fifteen Years of Employment – 15 days
Fifteen or more Years of Employment – 20 days

Vacation days must be used during the service year earned.

Regular employees earn and accumulate sick leave from the beginning of employment at the rate of twelve days per year. Part-Time employees earn and accumulate sick leave from the beginning of employment at the rate of six days per year. Any unused sick leave at date of termination is lost.

The City accrues a liability for compensated absences which meet the following criteria:

1. The City's obligation relating to employees rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and, is material.

In accordance with the above criteria, the City has estimated a liability for annual leave which has been earned, but not taken, by City at December 31, 2023 to be $355.53. The City has not estimated a liability for sick leave earned, but not taken, by City employees, as the amounts cannot be reasonably estimated.

**6. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

**7. OTHER COMMITMENTS AND CONCENTRATIONS**

In November 2003, the City entered into a forty year purchase agreement with Public Wholesale Water Supply District #23 for the purchase of water. The City has agreed to purchase 2 million gallons of water per month at a set rate.

During the year ended December 31, 2023, the City purchased 100% of the water sold from Public Wholesale Water Supply District #23.

**8. SUBSEQUENT EVENTS**

The City evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition in the financial statements. The City did finance the purchase of a new pumper truck through Bank of Commerce for $25,000.00 and have already paid for the equipment out of the General Fund but will receive the lease proceeds in 2024 from the bank.

# SUPPLEMENTARY INFORMATION

**Schedule 1**

**CITY OF THAYER, KANSAS**
Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2023

| Funds | Total Certified Budget for Comparison | Expenditures Charged to Current Year Budget | Variance - Over (Under) |
|---|---|---|---|
| General | $ 477,660.00 | $ 238,925.79 | $ (238,734.21) |
| Special Purpose Funds: | | | |
| Employee Benefits | 101,333.00 | 14,083.57 | (87,249.43) |
| Library | 18,927.00 | 15,901.15 | (3,025.85) |
| Museum | 6,312.00 | 5,381.05 | (930.95) |
| Special Liability | 45,155.00 | 38,133.64 | (7,021.36) |
| Special Parks and Recreation | 7,808.00 | 6,347.90 | (1,460.10) |
| Consolidated Streets | 332,656.00 | 17,161.65 | (315,494.35) |
| Business Funds: | | | |
| Water Utility | 194,397.00 | 194,397.00 | - |
| Sewer Utility | 77,272.00 | 44,544.28 | (32,727.72) |
| Solid Waste Utility | 68,501.00 | 41,121.49 | (27,379.51) |

**CITY OF THAYER, KANSAS**
**GENERAL FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipts | | | | |
| Ad Valorem Property Tax | $ 24,283.72 | $ 21,083.67 | $ 22,679.00 | $ (1,595.33) |
| Delinquent Tax | 326.62 | 1,253.01 | 661.00 | 592.01 |
| Motor Vehicle Tax | 12,754.34 | 13,189.44 | 13,282.00 | (92.56) |
| Recreational Vehicle Tax | 154.46 | 246.47 | 134.00 | 112.47 |
| 16/20M Tax | 143.56 | 108.43 | 157.00 | (48.57) |
| Commercial Vehicle Tax | 110.95 | 119.30 | 113.00 | 6.30 |
| Watercraft Tax | - | - | 22.00 | (22.00) |
| Sales Tax | 45,361.68 | 50,448.89 | 44,682.00 | 5,766.89 |
| Alcohol Liquor Tax | 2,591.66 | 2,427.19 | 3,305.00 | (877.81) |
| Franchise Tax | 31,912.41 | 29,604.85 | 26,864.00 | 2,740.85 |
| Licenses and Permits | | | | |
| Other Licenses and Permits | 1,708.50 | 1,796.00 | 590.00 | 1,206.00 |
| Fines, Forfeitures, and Penalties | 42,280.00 | 18,992.01 | 40,354.00 | (21,361.99) |
| Use of Money and Property | | | | |
| Interest | 1,194.53 | 3,391.75 | - | 3,391.75 |
| Rental Income | 2,200.00 | 2,000.00 | 2,950.00 | (950.00) |
| Sale of Assets | 3,040.00 | - | - | - |
| Charges for Services | | | | |
| Fire Contracts | 13,275.00 | 11,775.00 | 11,775.00 | - |
| Other Receipts | | | | |
| Reimubrsed Expense | - | 13,148.63 | - | 13,148.63 |
| Miscellaneous | 3,838.66 | 1,717.43 | - | 1,717.43 |
| Total Receipts | 185,176.09 | 171,302.07 | $ 167,568.00 | $ 3,734.07 |

**CITY OF THAYER, KANSAS**
**GENERAL FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Expenditures | | | | |
| General Government | | | | |
| Personal Services | $ 30,735.71 | $ 33,376.39 | $ 31,731.00 | $ 1,645.39 |
| Contractual Services | 76,327.05 | 54,419.41 | 35,000.00 | 19,419.41 |
| Commodities | 14,838.70 | 20,704.22 | 15,000.00 | 5,704.22 |
| Capital Outlay | 69,608.50 | - | 30,000.00 | (30,000.00) |
| Police | | | | |
| Contractual Services | 19,261.70 | 24,049.05 | 23,000.00 | 1,049.05 |
| Fire | | | | |
| Personal Services | - | 2,637.44 | - | 2,637.44 |
| Contractual Services | 16,605.32 | 5,771.99 | 11,000.00 | (5,228.01) |
| Commodities | 4,404.20 | 10,947.15 | 2,000.00 | 8,947.15 |
| Capital Outlay | - | 63,493.14 | - | 63,493.14 |
| Parks and Recreation | | | | |
| Contractual Services | - | 8,098.62 | 5,000.00 | 3,098.62 |
| Streets | | | | |
| Capital Outlay | - | - | 253,315.00 | (253,315.00) |
| Water Utility | | | | |
| Personal Services | - | - | 15,000.00 | (15,000.00) |
| Contractual Services | - | - | 10,000.00 | (10,000.00) |
| Commodities | - | 15,428.38 | 5,000.00 | 10,428.38 |
| Capital Outlay | - | - | 25,000.00 | (25,000.00) |
| Demolition | | | | |
| Contractual Services | - | - | 10,000.00 | (10,000.00) |
| Debt Service | | | | |
| Lease Purchase | 57,589.27 | - | 6,614.00 | (6,614.00) |
| Operating Transfer to | | | | |
| Equipment Reserve Fund | 50,000.00 | - | - | - |
| Total Expenditures | 339,370.45 | 238,925.79 | $ 477,660.00 | $ (238,734.21) |
| Receipts Over (Under) Expenditures | (154,194.36) | (67,623.72) | | |
| Unencumbered Cash, Beginning | 298,568.43 | 144,374.07 | | |
| Unencumbered Cash, Ending | $ 144,374.07 | $ 76,750.35 | | |

**CITY OF THAYER, KANSAS**
**EMPLOYEE BENEFITS FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipts | | | | |
| Ad Valorem Property Tax | $ 16,673.10 | $ 18,128.47 | $ 14,508.00 | $ 3,620.47 |
| Delinquent Tax | 226.50 | 960.87 | 423.00 | 537.87 |
| Motor Vehicle Tax | 8,829.85 | 9,052.92 | 9,113.00 | (60.08) |
| Recreational Vehicle Tax | 106.92 | 169.17 | 92.00 | 77.17 |
| Commercial Vehicle Tax | 76.81 | 81.88 | 107.00 | (25.12) |
| Watercraft Tax | - | - | 15.00 | (15.00) |
| 16/20M Tax | 106.89 | 75.08 | 77.00 | (1.92) |
| Total Receipts | 26,020.07 | 28,468.39 | $ 24,335.00 | $ 4,133.39 |
| Expenditures | | | | |
| Employee Benefits | | | | |
| Personal Services | 13,923.89 | 14,083.57 | $ 101,333.00 | $ (87,249.43) |
| Total Expenditures | 13,923.89 | 14,083.57 | $ 101,333.00 | $ (87,249.43) |
| Receipts Over (Under) Expenditures | 12,096.18 | 14,384.82 | | |
| Unencumbered Cash, Beginning | 58,927.70 | 71,023.88 | | |
| Unencumbered Cash, Ending | $ 71,023.88 | $ 85,408.70 | | |

**CITY OF THAYER, KANSAS**
**LIBRARY FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipts | | | | |
| Ad Valorem Property Tax | $ 9,248.96 | $ 10,053.67 | $ 10,820.00 | $ (766.33) |
| Delinquent Tax | 125.63 | 519.24 | 315.00 | 204.24 |
| Motor Vehicle Tax | 4,898.10 | 5,021.88 | 5,055.00 | (33.12) |
| Recreational Vehicle Tax | 59.33 | 93.81 | 51.00 | 42.81 |
| Commercial Vehicle Tax | 42.62 | 45.42 | 43.00 | 2.42 |
| Watercraft Tax | - | - | 8.00 | (8.00) |
| 16/20M Tax | 59.29 | 41.66 | 59.00 | (17.34) |
| Total Receipts | 14,433.93 | 15,775.68 | $ 16,351.00 | $ (575.32) |
| Expenditures | | | | |
| Culture and Recreation | | | | |
| Appropriation to Library Board | 12,240.54 | 15,901.15 | $ 18,927.00 | $ (3,025.85) |
| Total Expenditures | 12,240.54 | 15,901.15 | $ 18,927.00 | $ (3,025.85) |
| Receipts Over (Under) Expenditures | 2,193.39 | (125.47) | | |
| Unencumbered Cash, Beginning | 2,891.69 | 5,085.08 | | |
| Unencumbered Cash, Ending | $ 5,085.08 | $ 4,959.61 | | |

**CITY OF THAYER, KANSAS**
**MUSEUM FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipts | | | | |
| Ad Valorem Property Tax | $ 3,084.00 | $ 3,351.24 | $ 3,606.00 | $ (254.76) |
| Delinquent Tax | 41.89 | 173.11 | 105.00 | 68.11 |
| Motor Vehicle Tax | 1,633.28 | 1,674.51 | 1,685.00 | (10.49) |
| Recreational Vehicle Tax | 19.78 | 31.30 | 17.00 | 14.30 |
| Commercial Vehicle Tax | 14.21 | 15.15 | 14.00 | 1.15 |
| Watercraft Tax | - | - | 3.00 | (3.00) |
| 16/20M Tax | 19.77 | 13.90 | 20.00 | (6.10) |
| Total Receipts | 4,812.93 | 5,259.21 | $ 5,450.00 | $ (190.79) |
| Expenditures | | | | |
| Culture and Recreation | | | | |
| Contractual | - | 1,881.55 | $ - | $ 1,881.55 |
| Appropriation to Museum Board | 4,281.58 | 3,499.50 | 6,312.00 | (2,812.50) |
| Total Expenditures | 4,281.58 | 5,381.05 | $ 6,312.00 | $ (930.95) |
| Receipts Over (Under) Expenditures | 531.35 | (121.84) | | |
| Unencumbered Cash, Beginning | 967.10 | 1,498.45 | | |
| Unencumbered Cash, Ending | $ 1,498.45 | $ 1,376.61 | | |

**CITY OF THAYER, KANSAS**
**SPECIAL LIABILITY FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipts | | | | |
| Ad Valorem Property Tax | $ 18,733.88 | $ 20,368.75 | $ 26,920.00 | $ (6,551.25) |
| Delinquent Tax | 254.53 | 1,057.00 | 784.00 | 273.00 |
| Motor Vehicle Tax | 9,922.83 | 10,171.82 | 10,239.00 | (67.18) |
| Recreational Vehicle Tax | 120.18 | 190.06 | 103.00 | 87.06 |
| Commercial Vehicle Tax | 86.33 | 92.01 | 87.00 | 5.01 |
| Watercraft Tax | - | - | 17.00 | (17.00) |
| 16/20M Tax | 120.11 | 84.36 | 120.00 | (35.64) |
| Other Receipts | | | | |
| Insurance Dividend | 5,910.01 | - | - | - |
| Total Receipts | 35,147.87 | 31,964.00 | $ 38,270.00 | $ (6,306.00) |
| Expenditures | | | | |
| Risk Management | | | | |
| Contractual Services | 41,024.15 | 38,133.64 | $ 45,155.00 | $ (7,021.36) |
| Total Expenditures | 41,024.15 | 38,133.64 | $ 45,155.00 | $ (7,021.36) |
| Receipts Over (Under) Expenditures | (5,876.28) | (6,169.64) | | |
| Unencumbered Cash, Beginning | 23,449.88 | 17,573.60 | | |
| Unencumbered Cash, Ending | $ 17,573.60 | $ 11,403.96 | | |

**CITY OF THAYER, KANSAS**
**SPECIAL PARKS AND RECREATION FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Intergovernmental | | | | |
| Alcohol Liquor Tax | $ 2,591.64 | $ 2,427.18 | $ 3,305.00 | $ (877.82) |
| Total Receipts | 2,591.64 | 2,427.18 | $ 3,305.00 | $ (877.82) |
| Expenditures | | | | |
| Culture and Recreation | | | | |
| Contractual Services | 793.82 | 6,347.90 | $ 7,808.00 | $ (1,460.10) |
| Total Expenditures | 793.82 | 6,347.90 | $ 7,808.00 | $ (1,460.10) |
| Receipts Over (Under) Expenditures | 1,797.82 | (3,920.72) | | |
| Unencumbered Cash, Beginning | 2,122.90 | 3,920.72 | | |
| Unencumbered Cash, Ending | $ 3,920.72 | $ - | | |

**CITY OF THAYER, KANSAS**
**CONSOLIDATED STREETS FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Intergovernmental | | | | |
| State Highway Payment | $ 12,134.17 | $ 11,668.52 | $ 13,070.00 | $ (1,401.48) |
| Sales Tax | 65,983.20 | 73,045.56 | 65,189.00 | 7,856.56 |
| Total Receipts | 78,117.37 | 84,714.08 | $ 78,259.00 | $ 6,455.08 |
| Expenditures | | | | |
| Street Maintenance | | | | |
| Personal Services | 3,460.00 | 1,310.00 | $ 11,508.00 | $ (10,198.00) |
| Contractual Services | 15,395.98 | 15,318.37 | 20,000.00 | (4,681.63) |
| Commodities | - | 533.28 | 6,000.00 | (5,466.72) |
| Capital Outlay | 14,000.00 | - | 295,148.00 | (295,148.00) |
| Total Expenditures | 32,855.98 | 17,161.65 | $ 332,656.00 | $ (315,494.35) |
| Receipts Over (Under) Expenditures | 45,261.39 | 67,552.43 | | |
| Unencumbered Cash, Beginning | 204,647.59 | 249,908.98 | | |
| Unencumbered Cash, Ending | $ 249,908.98 | $ 317,461.41 | | |

**CITY OF THAYER, KANSAS**
**EQUIPMENT RESERVE FUND**
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | Prior Year Actual | Current Year Actual |
|---|---|---|
| Receipts | | |
| Operating Transfer from General Fund | $ 50,000.00 | $ - |
| Total Receipts | 50,000.00 | - |
| Expenditures | | |
| General Government | | |
| Capital Outlay | - | - |
| Total Expenditures | - | - |
| Receipts Over (Under) Expenditures | 50,000.00 | - |
| Unencumbered Cash, Beginning | - | 50,000.00 |
| Unencumbered Cash, Ending | $ 50,000.00 | $ 50,000.00 |

**CITY OF THAYER, KANSAS**
**AMERICAN RESCUE PLAN ACT FUND**
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | Prior Year Actual | Current Year Actual |
|---|---|---|
| Receipts | | |
| Intergovernmental | | |
| ARPA Grant Proceeds | $ 35,863.15 | $ - |
| Total Receipts | 35,863.15 | - |
| Expenditures | | |
| General Government | | |
| Contractual Services | - | - |
| Total Expenditures | - | - |
| Receipts Over (Under) Expenditures | 35,863.15 | - |
| Unencumbered Cash, Beginning | (35,863.15) | - |
| Unencumbered Cash, Ending | $ - | $ - |

**CITY OF THAYER, KANSAS**
**WATER UTILITY FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Charges for Services | | | | |
| Water Sales | $ 183,924.75 | $ 208,102.33 | $ 172,920.00 | $ 35,182.33 |
| Penalties | 3,021.41 | 4,306.56 | 3,344.00 | 962.56 |
| Other Fees | 4,281.98 | 2,360.80 | 3,480.00 | (1,119.20) |
| Life Flight | 2,643.54 | 2,679.36 | 2,652.00 | 27.36 |
| Total Receipts | 193,871.68 | 217,449.05 | $ 182,396.00 | $ 35,053.05 |
| Expenditures | | | | |
| Production and Distribution | | | | |
| Personal Services | 30,735.71 | 36,723.85 | $ 30,660.00 | $ 6,063.85 |
| Contractual Services | 19,801.16 | 24,648.63 | 21,169.00 | 3,479.63 |
| Commodities | 135,471.96 | 133,024.52 | 129,734.00 | 3,290.52 |
| Capital Outlay | - | - | 12,834.00 | (12,834.00) |
| Total Expenditures | 186,008.83 | 194,397.00 | $ 194,397.00 | $ - |
| Receipts Over (Under) Expenditures | 7,862.85 | 23,052.05 | | |
| Unencumbered Cash, Beginning | 3,631.03 | 11,493.88 | | |
| Unencumbered Cash, Ending | $ 11,493.88 | $ 34,545.93 | | |

**CITY OF THAYER, KANSAS**
**SEWER UTILITY FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Charges for Services | | | | |
| Sewer Charges | $ 72,963.33 | $ 76,324.35 | $ 47,510.00 | $ 28,814.35 |
| Total Receipts | 72,963.33 | 76,324.35 | $ 47,510.00 | $ 28,814.35 |
| Expenditures | | | | |
| Treatment and Distribution | | | | |
| Personal Services | 30,789.92 | 36,613.08 | $ 22,516.00 | $ 14,097.08 |
| Contractual Services | 11,986.11 | 7,394.12 | 10,000.00 | (2,605.88) |
| Commodities | 49.77 | 537.08 | 2,000.00 | (1,462.92) |
| Capital Outlay | - | - | 42,756.00 | (42,756.00) |
| Total Expenditures | 42,825.80 | 44,544.28 | $ 77,272.00 | $ (32,727.72) |
| Receipts Over (Under) Expenditures | 30,137.53 | 31,780.07 | | |
| Unencumbered Cash, Beginning | 14,544.94 | 44,682.47 | | |
| Unencumbered Cash, Ending | $ 44,682.47 | $ 76,462.54 | | |

**CITY OF THAYER, KANSAS**
**SOLID WASTE UTILITY FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Charges for Services | | | | |
| Trash Charges | $ 44,880.13 | $ 48,106.24 | $ 46,258.00 | $ 1,848.24 |
| Late Fees | 803.54 | 1,041.19 | 863.00 | 178.19 |
| Total Receipts | 45,683.67 | 49,147.43 | $ 47,121.00 | $ 2,026.43 |
| Expenditures | | | | |
| Treatment and Distribution | | | | |
| Contractual Services | 41,766.36 | 41,121.49 | $ 68,501.00 | $ (27,379.51) |
| Total Expenditures | 41,766.36 | 41,121.49 | $ 68,501.00 | $ (27,379.51) |
| Receipts Over (Under) Expenditures | 3,917.31 | 8,025.94 | | |
| Unencumbered Cash, Beginning | 14,596.50 | 18,513.81 | | |
| Unencumbered Cash, Ending | $ 18,513.81 | $ 26,539.75 | | |

**Schedule 3**

**CITY OF THAYER, KANSAS**
**AGENCY FUNDS**
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

| Fund | Beginning Cash Balance | Receipts | Disbursements | Ending Cash Balance |
|---|---|---|---|---|
| Wildlife and Parks Fees | $ 995.37 | $ 1,545.00 | $ 2,540.37 | $ - |
| | $ 995.37 | $ 1,545.00 | $ 2,540.37 | $ - |

Jarred Gilmore Phillips

The Honorable Mayor and City Council
City of Thayer, Kansas

In planning and performing our audit of the financial statement of City of Thayer, Kansas as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered City of Thayer, Kansas' system of 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 statement, but not for the purpose of expressing an opinion on the effectiveness of City of Thayer, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Thayer, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

Preparation of Financial Statement

In prior years, the auditor was considered the compensating control for preparation of the City's financial statement, including footnotes. However, professional standards do not allow the auditor to be a compensating internal control for the City. The new standard states the client must be able to accept responsibility and be able to identify a material misstatement when handed the financial statement, including footnotes. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the City staff does not have the ability to process and prepare the required financial statement, including footnotes. While we recognize that this condition is not unusual for a city your size, it is important that you be aware of this condition for financial reporting purposes. Management and the Council should continually be aware of the financial reporting of the City and changes in reporting requirements.

Segregation of Duties

An internal control structure is, quite simply, the procedures and policies in effect which ensure that the City's financial activity is properly recorded, processed, summarized, and reported in the financial statement. A weakness in the control structure occurs when one person is responsible for all of the accounting activities such as performing billings, receipting cash, making deposits, reconciling the bank accounts, and having access to all books and records of the City. Due to small staff size, it is not possible for reviews of daily work to take place, potentially resulting in errors in financial records and reports.

Publication of Financial Statements

K.S.A. 12-1608 requires that third class cities publish their annual financial statements within 30 days after year-end. The City of Thayer's annual financial statements were not published within that time frame.

Bank Reconciliations

During our fieldwork, it was noted bank statements were not properly reconciled to the appropriate general ledger accounts. Not reconciling the bank accounts on a monthly basis means errors or other problems might not be recognized and resolved on a timely basis. This deficiency in the design and operation of the internal controls in this area could adversely affect the recording, processing, summarization, and reporting of financial data if actual cash bank balances are not reconciled to the cash balances in the general ledger at the end of each month and therefore, is considered to be a material weakness. We would like to point out the timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and cash disbursements.

This communication is intended solely for the information and use of management, the Mayor, City Council, and others within the City of Thayer, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 22, 2024
Chanute, Kansas