

CITY OF LAMAR, MISSOURI

BASIC FINANCIAL STATEMENTS
WITH REQUIRED SUPPLEMENTARY
INFORMATION AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
City of Lamar, Missouri

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the City of Lamar, Missouri, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Lamar, Missouri's basic financial statements as listed in the table of contents.

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, and the aggregate remaining fund information of the City of Lamar, Missouri, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lamar, Missouri and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lamar, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lamar, Missouri's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of pension plan contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 operational, economic, or historical context. We have applied certain limited procedures to the required

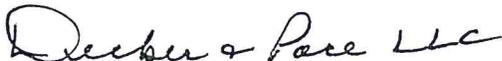
supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lamar, Missouri's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2025, on our consideration of the City of Lamar, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City of Lamar, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Lamar, Missouri's internal control over financial reporting and compliance.


Decker & Pace, LLC
Springfield, Missouri
November 10, 2025



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LAMAR, MO 64759
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Lamar's financial performance provides an overview of the City's financial activities for the year ended June 30, 2025. Please read it in conjunction with the City's financial statements, which begin on page 12.

Financial Highlights and Significant Events

- The City's net position was \$ 58,989,522 at the close of fiscal year ending June 30, 2025. Of this amount, \$ 21,884,345 was unrestricted net position and may be used to meet the government's ongoing obligation to its citizens and creditors. Unrestricted net position increased \$ 1,683,522 from the prior year.
- Change in net position of governmental activities increased \$ 1491,735 to a year ending balance of \$ 18,692,817. Change in the net position of the proprietary funds, which includes electric, water and wastewater systems showed an increase of \$ 4,070,508 to a year-end balance of \$ 40,296,705.
- The City's total long-term debt decreased \$ 318,301.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Lamar's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Lamar's finances, in a manner like private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the City. There are two government-wide statements, the statement of net position and the statement of activities, which are described as follows:

The Statement of Net Position presents information on all the City's net assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Lamar that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, judiciary, public safety, transportation, culture, and recreation. The business-type activities include the waterworks, wastewater, sanitation, and electric systems.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law, while others are established to help control and manage money for a particular purpose. The City's two kinds of funds are as follows:

- Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the accrual method of accounting, which measures cash when earned and expenditures incurred. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent soon to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

The City of Lamar adopts an annual budget for its governmental funds and a comparison of actual to budget has been provided to demonstrate compliance with the authorized budget. The Statement of Revenues, Expenditures and Changes in Fund Balance on a Budgetary Basis can be found on page 47.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balance) can be found on pages 14 and 17 of this report.

- Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows. The basic proprietary fund financial statements (Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows) can be found on pages 18-20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-46 of this report.

Required Supplemental Information

In addition to the basic financial statements the required supplementary information can be found on pages 47-49 of this report.

Supplemental Information

In addition to the basic financial statements, the supplementary information can be found on pages 50-51 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The City's governmental activities net assets exceeded liabilities by \$ 18.7 million on June 30, 2025. This was an increase of \$ 1,491,735 from the prior year.

The City's business-type activities net position exceeded liabilities by \$ 40.3 million on June 30, 2025. This increase was due to growth in the proprietary funds by \$ 4,070,508 of which was from normal operations.

**City of Lamar
Net Position**

As of June 30, 2025, net position changed as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current Assets	\$ 8,005,861	\$ 7,200,839	\$ 16,666,160	\$ 16,532,201
Capital Assets	11,506,957	10,665,262	25,700,875	22,982,297
Total Assets	<u>19,512,818</u>	<u>17,866,101</u>	<u>42,367,035</u>	<u>39,514,498</u>
Total deferred outflows of resources	<u>439,354</u>	<u>233,115</u>	<u>323,165</u>	<u>137,953</u>
Current Liabilities	438,384	214,039	1,023,186	1,721,793
Long-term Debt	<u>730,277</u>	<u>541,472</u>	<u>1,331,999</u>	<u>1,623,528</u>
Total Liabilities	<u>1,168,661</u>	<u>755,511</u>	<u>2,355,185</u>	<u>3,345,321</u>
Total deferred inflows of resources	<u>90,694</u>	<u>142,623</u>	<u>38,310</u>	<u>80,933</u>
Net Position:				
Net investment in capital assets	11,506,957	10,665,262	25,592,745	22,555,866
Restricted	-	-	5,475	5,328
Unrestricted	<u>7,185,860</u>	<u>6,535,820</u>	<u>14,698,485</u>	<u>13,665,003</u>
Total net position	<u>\$ 18,692,817</u>	<u>\$ 17,201,082</u>	<u>\$ 40,296,705</u>	<u>\$ 36,226,197</u>

By far, the largest portion of the City of Lamar's net position (59.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Lamar uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Lamar's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Lamar's net position (.01%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 21,884,345 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

The City of Lamar's overall net position increased \$ 5,562,243 from the prior fiscal year. The reason for this overall increase is discussed in the following sections for governmental activities and business-type activities.

City of Lamar				
Changes in Net Position				
	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
Revenues:				
Program Revenues:				
Charges for services	\$ 265,663	\$ 286,253	\$ 10,967,634	\$ 10,938,238
Operating grants and contributions	155,638	257,890	-	-
Capital grants and contributions	566,232	380,027	1,772,555	517,567
General Revenues:				
Taxes	4,250,546	4,240,487	-	-
Interest	166,841	126,019	824,205	858,857
Other	79,725	71,747	28,317	28,270
Total Revenue	<u>5,484,645</u>	<u>5,362,423</u>	<u>13,592,711</u>	<u>12,342,932</u>
Expenses:				
Administration	254,997	356,575	-	-
Public Safety	1,644,139	1,660,259	-	-
Building inspection	74,215	70,287	-	-
Auditorium & Mem. Hall	197,342	166,371	-	-
Airport	293,287	283,663	-	-
Taxi service	195,807	175,710	-	-
Parks and recreation	479,513	475,269	-	-
Streets	1,013,742	942,211	-	-
Interest on long term debt	-	-	-	-
Water	-	-	1,024,712	1,039,520
Sewer	-	-	799,370	639,980
Electric	-	-	7,550,219	7,395,992
Total Expense	<u>4,153,042</u>	<u>4,130,345</u>	<u>9,374,301</u>	<u>9,075,492</u>
Increases before transfers	1,331,603	1,232,078	4,218,410	3,267,440
Transfers	151,964	463,926	(151,964)	(463,926)
Sale of assets	8,168	-	4,062	-
Increase in Net Position	1,491,735	1,696,004	4,070,508	2,803,514
Net Position, beginning	<u>17,201,052</u>	<u>15,505,048</u>	<u>36,226,197</u>	<u>33,422,683</u>
Net Position, ending	<u>\$ 18,692,787</u>	<u>\$ 17,201,052</u>	<u>\$ 40,296,705</u>	<u>\$ 36,226,197</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$ 1491,735

Business-type Activities. Business-type activities showed improvement in operating income due to a rate increase in both water and sewer funds while operating expenses stayed relatively consistent and in addition the City did not experience a fuel surcharge for electricity purchased.

Governmental Funds

The focus of the City of Lamar's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Some significant items are presented below for comparison and analysis:

	Percent of Total	2025	2024	Change	
				Amount	%
Revenues					
Property taxes	11.59%	\$ 636,055	\$ 627,012	\$ 9,043	1.44%
Franchise taxes (cable/gas)	2.34%	128,394	148,434	(20,040)	-13.50%
Royalty gate fee	10.24%	562,374	573,473	(11,099)	-1.94%
Sales taxes	46.99%	2,580,024	2,662,882	(82,858)	-3.11%
Missouri motor fuel taxes	4.40%	241,612	224,267	17,345	7.73%
Township	1.96%	107,774	100,852	6,922	6.86%
Licenses & permits	0.91%	50,197	42,420	7,777	18.33%
Charges for services	2.09%	114,902	162,372	(47,470)	-29.24%
Fines & forfeits	0.18%	10,124	13,689	(3,565)	-26.04%
Grants	11.72%	643,440	470,545	172,895	36.74%
Donations	1.43%	78,430	66,519	11,911	17.91%
Rents	1.05%	57,921	30,852	27,069	87.74%
Miscellaneous	5.08%	279,085	222,090	56,995	25.66%
Total	100.00%	5,490,332	5,345,407	144,925	2.71%
Expenditures:					
General government	6.07%	308,555	324,771	(16,216)	-4.99%
Public safety	30.00%	1,525,014	1,575,457	(50,443)	-3.20%
Building inspection	1.46%	74,075	70,147	3,928	5.60%
Streets	13.60%	691,478	627,690	63,788	10.16%
Auditorium & Mem. Hall	2.94%	149,347	117,459	31,888	27.15%
Parks	8.26%	420,112	417,716	2,396	0.57%
Taxi service	3.32%	169,009	157,813	11,196	7.09%
Airport	0.76%	38,703	40,592	(1,889)	-4.65%
Capital outlay	33.59%	1,707,475	823,072	884,403	107.45%
Total	100.00%	5,083,768	4,154,717	929,051	22.36%

Most notable change was in grant funding which increased \$ 172,895 with other revenues experience offsetting increases and decreases. Capital expenditures increase \$ 884,403 due to grant receipts.

Business-type Activities

In reviewing the current to the past year on the waterworks, wastewater, and electric fund, we noted the following:

	2025	2024	Change	
			Amount	%
Waterworks and Wastewater Funds				
Revenue	\$ 2,012,389	\$ 1,976,784	\$ 35,605	1.80%
Expense net of Depreciation and interfund	1,373,164	1,263,780	109,384	8.66%
Operating Income	188,267	452,381	(264,114)	-58.38%
Electric Fund				
Revenue	8,983,562	9,005,724	(22,162)	-0.25%
Expense net of Depreciation and interfund	2,759,151	2,819,384	(60,233)	-2.14%
Cost of power purchased	4,146,109	3,953,562	192,547	4.87%
Operating Income	1,441,400	2,297,492	(856,092)	-37.26%

Revenues in Business-Type Activities showed an decrease in operating net income of \$ 278,299. Charges for services in the current fiscal year increased \$192,547 due to an increase in demand rate in the prior fiscal year for commercial and industrial.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Budget and actual comparison is provided in the Budgetary Comparison Schedule-General Fund. This schedule shows the original/final budget, actual amounts, and the variances between actual and final budget amounts. The only change to the budget was for the increase in capital expenditures totaling \$975,907.

CAPITAL AND DEBT ADMINISTRATION

Capital Assets-Net of depreciation.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land & Buildings	\$ 3,932,528	\$ 3,260,416	\$ 21,340,797	\$ 21,238,802	\$ 25,273,325	\$ 24,499,218
Improvements	2,766,904	3,031,070			2,766,904	3,031,070
Street	2,886,104	3,054,598			2,886,104	3,054,598
Vehicles/Equip.	1,562,955	1,279,497	1,470,162	1,178,491	3,033,117	2,457,988
Construction						
-in-Progress	358,466	39,681	2,889,916	565,004	3,248,382	604,685
	<u>\$ 11,506,957</u>	<u>\$ 10,665,262</u>	<u>\$ 25,700,875</u>	<u>\$ 22,982,297</u>	<u>\$ 37,207,832</u>	<u>\$ 33,647,559</u>

Additional information on the City's capital assets can be found in Note D of the notes to the financial statements of this report.

Debt

At year-end, the City had \$ 108,130 in outstanding lease obligations as compared to the prior year of \$ 426,431.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Lease Obligations	\$ -	\$ -	\$ 108,130	\$ 426,431	\$ 108,130	\$ 426,431

Additional information on the City’s long-term debt can be found in Note E of the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City anticipates revenues and expenditures for the 2025-2024 fiscal year. However, we are seeing a downward trend in the collection of sales tax revenue. The City Council is proposing a new sales tax pending voter approval in the next year to build and operate a community swimming pool. There are several planned maintenance expenditures including improvements to the electrical system and finalization of replacing all city water meters. City management is recommending to the council a study and review of current utility rates and any changes that may need to be made to support the operations of the utilities. The City does expect to finish construction of well #5 and waterline improvement project. An upgrade to the police department building is also scheduled to be finished in the coming year with an estimated total cost of \$ 500,000.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk, 132 W. 10th Street, Lamar, Missouri 64759.

Felicia Costley,
City Clerk

CITY OF LAMAR, MISSOURI
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,901,235	\$ 11,647,144	\$ 18,548,379
Investments	-	1,785,426	1,785,426
Restricted assets-construction cash	-	5,475	5,475
Accounts receivable,			
Utilities-net	-	1,174,485	1,174,485
Taxes-net	716,317	-	716,317
Intergovernmental	41,257	-	41,257
Grants	23,310	1,309,062	1,332,372
Other	110,088	-	110,088
Interest	-	5,756	5,756
Prepaid items	187,080	96,374	283,454
Materials and supply inventory	26,574	642,438	669,012
Capital assets:			
Land	1,501,122	182,763	1,683,885
Construction in progress	358,466	2,889,916	3,248,382
Other capital assets, net of accumulated depreciation	9,647,369	22,628,196	32,275,565
	19,512,818	42,367,035	61,879,853
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow of resources - pension related	439,354	323,165	762,519
LIABILITIES			
Accounts payable	364,471	798,404	1,162,875
Accrued payroll taxes and benefits	73,913	116,652	190,565
Amount due within one year	-	108,130	108,130
Noncurrent liabilities:			
Customer deposits	100	450,873	450,973
Compensated absences	62,366	67,130	129,496
Pension liability	667,811	813,996	1,481,807
Total Liabilities	1,168,661	2,355,185	3,523,846
DEFERRED INFLOW OF RESOURCES			
Deferred inflow of resources - pension related	90,694	38,310	129,004
NET POSITION			
Net investment in capital assets	11,506,957	25,592,745	37,099,702
Restricted for:			
Construction project	-	5,475	5,475
Unrestricted	7,185,860	14,698,485	21,884,345
Total Net Position	\$ 18,692,817	\$ 40,296,705	\$ 58,989,522

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

CITY OF LAMAR, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
General government	\$ 254,997	\$ 45,642	\$ -	\$ -	\$ (209,355)	\$ -	\$ (209,355)
Public safety:							
Police and court	1,299,327	25,008	13,500	-	(1,260,819)	-	(1,260,819)
Fire	344,812	41,162	2,000	-	(301,650)	-	(301,650)
Building inspections	74,215	19,996	-	-	(54,219)	-	(54,219)
Streets	1,013,742	9,107	-	27,799	(976,836)	-	(976,836)
Auditorium and Memorial Hall	197,342	12,052	-	-	(185,290)	-	(185,290)
Airport	293,287	39,675	-	538,433	284,821	-	284,821
Park and recreation	479,513	57,176	-	-	(422,337)	-	(422,337)
Taxi service	195,807	15,845	140,138	-	(39,824)	-	(39,824)
Total governmental activities	4,153,042	265,663	155,638	566,232	(3,165,509)	-	(3,165,509)
Business-type activities:							
Water	1,024,712	1,124,639	-	1,772,555	-	1,872,482	1,872,482
Sewer	799,370	883,367	-	-	-	83,997	83,997
Electric	7,550,219	8,959,628	-	-	-	1,409,409	1,409,409
Total business-type activities	9,374,301	10,967,634	-	1,772,555	-	3,365,888	3,365,888
Total Government	\$ 13,527,343	\$ 11,233,297	\$ 155,638	\$ 2,338,787	\$ (3,165,509)	\$ 3,365,888	\$ 200,379
General Revenues and transfers							
General revenues:							
Property taxes for general purposes					407,085	-	407,085
Property taxes for Memorial Hall					111,642	-	111,642
Property taxes for Park					111,642	-	111,642
Franchise taxes					128,394	-	128,394
Royalty gate fee					562,374	-	562,374
Sales & Use taxes					2,580,023	-	2,580,023
Intergovernmental-							
Missouri Motor Fuel Tax					241,612	-	241,612
Township					107,774	-	107,774
Gain on sale of capital assets					8,168	4,062	12,230
Interest					166,841	824,205	991,046
Miscellaneous					79,725	28,317	108,042
Transfers					151,964	(151,964)	-
Total general revenues and transfers					4,657,244	704,620	5,361,864
Change in net position					1,491,735	4,070,508	5,562,243
Net position beginning					17,201,082	36,226,197	53,427,279
Net position ending					\$ 18,692,817	\$ 40,296,705	\$ 58,989,522

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

CITY OF LAMAR, MISSOURI
BALANCE SHEET-
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	General Fund	Capital Improvement Sales Tax	Total Nonmajor Funds	Total Governmental Funds
Cash and cash equivalents	\$ 3,041,674	\$ 1,052,099	\$ 2,807,462	\$ 6,901,235
Accounts receivable-				
Royalty gate fee	156,220	-	-	156,220
Property taxes-net	42,604	-	22,764	65,368
Sales and franchise taxes	252,019	70,530	172,181	494,730
Motor fuel taxes	41,257	-	-	41,257
Grants	-	-	23,310	23,310
Sanitation	110,088	-	-	110,088
Supplies inventory	26,574	-	-	26,574
Prepaid items	136,058	-	51,022	187,080
 Total Assets	 3,806,494	 1,122,629	 3,076,739	 8,005,862
 LIABILITIES				
Accounts payable	118,955	221,008	245,516	585,479
Accrued wages, taxes and benefits	53,516	-	20,497	74,013
 Total Liabilities	 172,471	 221,008	 266,013	 659,492
 DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	35,567	-	18,806	54,373
 FUND BALANCES				
Fund Balances -				
Nonspendable-				
Supplies inventory	26,574	-	-	26,574
Prepaid items	136,058	-	51,022	187,080
Restricted-				
Memorial Hall	-	-	792,934	792,934
Transportation	-	-	1,382,737	1,382,737
Capital improvement	-	901,621	-	901,621
Taxi	-	-	38,716	38,716
Park	-	-	747,519	747,519
Unassigned	3,435,824	-	-	3,435,824
 Total Fund Balances	 \$ 3,598,456	 \$ 901,621	 \$ 3,012,928	 \$ 7,513,005

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

CITY OF LAMAR, MISSOURI
 RECONCILIATION OF THE GOVERNMENT FUNDS
 BALANCE SHEET TO THE GOVERNMENT-WIDE
 STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances-Governmental Funds		\$ 7,513,005
<p>Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.</p>		
Non-Depreciable assets	1,859,588	
Depreciable assets	9,647,369	
		11,506,957
<p>Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.</p>		
		54,372
<p>Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These amounts consist of:</p>		
Net pension liability	(667,811)	
Deferred outflows - pension related	439,354	
Deferred inflows - pension related	(90,694)	
		(319,151)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.</p>		
<p>Long-term liabilities at year-end consist of:</p>		
Compensated absences payable		(62,366)
		(62,366)
Net position of governmental activities		\$ 18,692,817

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

CITY OF LAMAR, MISSOURI
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

REVENUES	General Fund	Capital Improvement Sales Tax	Total Nonmajor Funds	Total Governmental Funds
Taxes:				
Property taxes	\$ 407,085	\$ -	\$ 228,970	\$ 636,055
Franchise taxes	128,394	-	-	128,394
Royalty gate fee	562,374	-	-	562,374
Sales tax	874,834	437,418	900,841	2,213,093
Use tax	296,347	-	70,584	366,931
Intergovernmental:				
Missouri motor fuel taxes	241,612	-	-	241,612
Township	107,774	-	-	107,774
Licenses & permits	35,000	-	15,197	50,197
Charges for services	-	-	35,104	35,104
-Park programs	-	-	7,507	7,507
-Thiebaud auditorium	-	-	-	-
-Membership fees	18,250	-	-	18,250
-Memorial hall	-	-	4,545	4,545
-Airport fees	4,000	-	-	4,000
-Cab fees	-	-	15,845	15,845
-Billing services	29,651	-	-	29,651
Fines & forfeitures	10,124	-	-	10,124
Grants	581,732	-	61,708	643,440
Donations	-	-	78,430	78,430
Rents	51,046	-	6,875	57,921
Merchandise sales	32,519	-	-	32,519
Interest	166,841	-	-	166,841
Miscellaneous	64,968	-	14,757	79,725
Total Revenues	<u>3,612,551</u>	<u>437,418</u>	<u>1,440,363</u>	<u>5,490,332</u>
EXPENDITURES				
Current:				
General government	308,555	-	-	308,555
Public safety:				
Police	1,210,330	-	-	1,210,330
Fire	314,684	-	-	314,684
Streets	691,478	-	-	691,478
Building inspector	74,075	-	-	74,075
Auditorium and Memorial Hall	-	-	149,347	149,347
Airport	38,703	-	-	38,703
Parks	-	-	420,112	420,112
Taxi service	-	-	169,009	169,009
Capital outlay	975,907	273,468	458,100	1,707,475
Total Expenditures	<u>3,613,732</u>	<u>273,468</u>	<u>1,196,568</u>	<u>5,083,768</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(1,181)</u>	<u>163,950</u>	<u>243,795</u>	<u>406,564</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	5,376	-	22,462	27,838
Transfer (out)	-	(317,001)	-	(317,001)
Transfer-Fee in Lieu of	468,965	-	-	468,965
Total Other Sources (Uses)	<u>474,341</u>	<u>(317,001)</u>	<u>22,462</u>	<u>179,802</u>
NET CHANGE IN FUND BALANCES	473,160	(153,051)	266,257	586,366
FUND BALANCES - BEGINNING	<u>3,125,296</u>	<u>1,054,672</u>	<u>2,746,671</u>	<u>6,926,639</u>
FUND BALANCES - ENDING	<u>\$ 3,598,456</u>	<u>\$ 901,621</u>	<u>\$ 3,012,928</u>	<u>\$ 7,513,005</u>

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

CITY OF LAMAR, MISSOURI
RECONCILIATION OF STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances--total governmental funds	\$	586,366
<p style="margin-left: 20px;">Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p>		
<p style="margin-left: 20px;">Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital expenditures		1,707,475
Less: Current year depreciation		(846,110)
<p style="margin-left: 20px;">Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported regardless of when financial resources are available. This is the net adjustment to property tax revenue in converting to the full accrual basis.</p>		
		(5,688)
<p style="margin-left: 20px;">In the statement of activities, the gain on disposition of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balance by the cost of the assets disposed of (\$156,747), net of related accumulated depreciation of \$137,077</p>		
		(19,670)
<p style="margin-left: 20px;">Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences		7,140
Change in LAGERS net pension obligation		62,222
		69,362
Change in net position of governmental activities	\$	1,491,735

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

CITY OF LAMAR, MISSOURI
STATEMENT OF NET POSITION-
PROPRIETARY FUNDS
JUNE 30, 2025

<u>ASSETS</u>	<u>Electric System</u>	<u>Waterworks and Wastewater System</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 10,582,163	\$ 1,064,981	\$ 11,647,144
Investments	1,785,426	-	1,785,426
Utility accounts receivable-net of allowance	916,401	258,084	1,174,485
Interest	5,756	-	5,756
Material and supplies inventory	373,811	268,627	642,438
Prepaid items	65,194	31,180	96,374
Grant receivable	-	1,309,062	1,309,062
Total Current Assets	<u>13,728,751</u>	<u>2,931,934</u>	<u>16,660,685</u>
Noncurrent assets:			
Restricted assets: Cash and cash equivalents			
Construction	5,475	-	5,475
Capital assets:			
Land	104,909	77,854	182,763
Construction in progress	452,076	2,437,840	2,889,916
Property, plant and equipment (Net of accumulated depreciation)	<u>14,278,839</u>	<u>8,349,357</u>	<u>22,628,196</u>
Total Noncurrent Assets	<u>14,841,299</u>	<u>10,865,051</u>	<u>25,706,350</u>
Total Assets	<u>28,570,050</u>	<u>13,796,985</u>	<u>42,367,035</u>
Deferred Outflow of Resources			
Deferred outflow of resources - pension related	<u>168,509</u>	<u>154,656</u>	<u>323,165</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	765,868	32,536	798,404
Accrued wages, taxes and benefits	91,865	24,787	116,652
Debt due within one year:			
Capital lease obligation	<u>108,130</u>	<u>-</u>	<u>108,130</u>
Total Current Liabilities	<u>965,863</u>	<u>57,323</u>	<u>1,023,186</u>
Noncurrent liabilities:			
Compensated absences	47,363	19,767	67,130
Customer deposits	334,917	115,956	450,873
Pension liability	424,444	389,552	813,996
Total Noncurrent Liabilities	<u>806,724</u>	<u>525,275</u>	<u>1,331,999</u>
Total Liabilities	<u>1,772,587</u>	<u>582,598</u>	<u>2,355,185</u>
Deferred Inflow of Resources			
Deferred inflow of resources - pension related	<u>19,976</u>	<u>18,334</u>	<u>38,310</u>
<u>NET POSITION</u>			
Net investment in capital assets	14,727,694	10,865,051	25,592,745
Restricted for construction project	5,475	-	5,475
Unrestricted	<u>12,212,827</u>	<u>2,485,658</u>	<u>14,698,485</u>
Total Net Position	<u>\$ 26,945,996</u>	<u>\$ 13,350,709</u>	<u>\$ 40,296,705</u>

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

CITY OF LAMAR, MISSOURI
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES:	Electric System	Waterworks and Wastewater System	Total
Charges for services	\$ 8,959,628	\$ 2,008,006	\$ 10,967,634
Miscellaneous income	23,934	4,383	28,317
Total Operating Revenues	8,983,562	2,012,389	10,995,951
OPERATING EXPENSES:			
Bad debts	8,455	3,830	12,285
Chemicals	-	29,280	29,280
Credit card fees	28,564	-	28,564
Depreciation	636,902	450,958	1,087,860
Dues and licenses	6,691	1,999	8,690
Electricity purchased	4,146,109	-	4,146,109
Employee insurance	103,982	103,122	207,104
Employee retirement	92,071	53,811	145,882
Gate fees	221,218	-	221,218
Insurance	67,029	32,103	99,132
Landfill gas operation and maintenance	624,850	-	624,850
Miscellaneous	5,898	7,410	13,308
Office supplies	24,303	11,659	35,962
Payroll taxes	41,716	38,874	80,590
Professional fees	138,915	121,733	260,648
Repairs & maintenance	702,664	257,221	959,885
Salaries	596,093	546,441	1,142,534
Supplies	12,080	16,595	28,675
Travel and training	14,293	6,875	21,168
Utilities	23,260	105,596	128,856
Vehicle expense	47,069	36,615	83,684
Total Operating Expenses	7,542,162	1,824,122	9,366,284
OPERATING INCOME	1,441,400	188,267	1,629,667
NON-OPERATING REVENUES (EXPENSES):			
Interest income-checking and savings	695,867	128,338	824,205
Interest expense and agent fees	(8,017)	-	(8,017)
Gain on sale of assets	310	3,752	4,062
Total Non-operating Revenues (Expenses)	688,160	132,090	820,250
INCOME BEFORE TRANSFERS AND GRANTS	2,129,560	320,357	2,449,917
TRANSFERS AND GRANTS			
Transfer In	-	317,001	317,001
Transfer (out) Fee in lieu of Grants	(468,965)	-	(468,965)
Total Transfers and Grants	(468,965)	1,772,555	1,772,555
CHANGE IN NET POSITION	1,660,595	2,409,913	4,070,508
TOTAL NET POSITION - BEGINNING	25,285,401	10,940,796	36,226,197
TOTAL NET POSITION - ENDING	\$ 26,945,996	\$ 13,350,709	\$ 40,296,705

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

CITY OF LAMAR, MISSOURI

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	Electric System	Waterworks and Wastewater System	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 9,008,562	\$ 1,995,752	\$ 11,004,314
Payments to suppliers	(6,653,373)	(925,516)	(7,578,889)
Payments to employees	(585,928)	(546,441)	(1,132,369)
Miscellaneous income	23,934	4,383	28,317
Net Cash Provided by Operating Activities	<u>1,793,195</u>	<u>528,178</u>	<u>2,321,373</u>
CASH FLOWS FROM NONCAPITAL ACTIVITIES:			
Transfer (out) Fee in lieu of	(468,965)	-	(468,965)
Net Cash (Used for) Noncapital Activities	<u>(468,965)</u>	<u>-</u>	<u>(468,965)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments for capital acquisitions	(1,016,719)	(2,442,726)	(3,459,445)
Proceeds from sale of assets	310	3,752	4,062
Principal Repayments	(318,302)	-	(318,302)
Interest paid	(8,017)	-	(8,017)
Net Cash (Used for) Provided by Capital and Related Financing Activities	<u>(1,342,728)</u>	<u>(2,438,974)</u>	<u>(3,781,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(83,668)	-	(83,668)
Interest earned	697,138	128,338	825,476
Net Cash Provided by Investing Activities	<u>613,470</u>	<u>128,338</u>	<u>741,808</u>
NET CASH INCREASE (DECREASE) FOR THE YEAR	594,972	(1,782,458)	(1,187,486)
CASH AT BEGINNING OF YEAR	<u>9,992,666</u>	<u>2,847,439</u>	<u>12,840,105</u>
CASH AT END OF YEAR	<u>\$ 10,587,638</u>	<u>\$ 1,064,981</u>	<u>\$ 11,652,619</u>
SUMMARY OF CASH			
Cash and cash equivalents	\$ 10,582,163	\$ 1,064,981	\$ 11,647,144
Restricted assets-Cash	5,475	-	5,475
	<u>\$ 10,587,638</u>	<u>\$ 1,064,981</u>	<u>\$ 11,652,619</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 1,441,400	\$ 188,267	\$ 1,629,667
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation expense	636,902	450,958	1,087,860
(Increase) Decrease in accounts receivable	60,696	(6,796)	53,900
(Increase) Decrease in inventories	(6,320)	(10,139)	(16,459)
(Increase) Decrease in prepaid items	1,747	835	2,582
Increase (Decrease) in accounts payable	(306,218)	(39,757)	(345,975)
Increase (Decrease) in accrued liabilities	598	2,133	2,731
Increase (Decrease) in pension related	(34,013)	(61,908)	(95,921)
Increase in customer deposits	(11,762)	1,952	(9,810)
Increase (Decrease) in compensated absences	10,165	2,633	12,798
Net Cash Provided by Operating Activities	<u>\$ 1,793,195</u>	<u>\$ 528,178</u>	<u>\$ 2,321,373</u>

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lamar, Missouri, (the City) were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (U.S. GAAP). The following summary of the more significant policies of the City is presented to assist the reader in interpreting these financial statements and should be viewed as an integral part of this report.

THE REPORTING ENTITY

Entity status for financial reporting purposes is governed by Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for the establishment of GAAP in governmental entities. The financial statements of the City present the financial activities of the City and any component units. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund but distinguish between the City's governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements. Separate financial statements are provided for governmental funds and proprietary funds. Separate columns are presented for each major governmental fund and for each major enterprise fund. Non-major funds are aggregated and presented in a single column labeled "Nonmajor Governmental Funds."

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types: Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted for through governmental funds. The following are the City's major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvement Sales Tax Fund – Established to account for ½ cent sales tax revenue used for capital improvements for the City of Lamar.

Proprietary Fund Types: Proprietary funds are used to account for the City's ongoing activities that are similar to those often found in the private sector. The following are the City's major proprietary funds:

Waterworks and Wastewater System Fund – Established to account for the construction and operations of the City's Waterworks and Wastewater systems.

Electrical System Fund – Established to account for construction and operations of the City's electric system.

Non-Major Governmental Funds:

Special Revenue Funds-Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City has four special revenue funds including:

Memorial Hall Fund – Established to account for property tax revenue used to operate and maintain Memorial Hall.

Park Fund – Established to account for property tax revenue used to operate and maintain City parks.

Transportation Sales Tax Fund – Established to account for ½ cent sales tax revenue used to operate and maintain City streets.

Taxi Fund – Established to account for taxi fees and grant revenue used to operate and maintain City taxi system.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recognized at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales tax, intergovernmental taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Waterworks, Wastewater, and Electric function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation, the principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements.

Cash balances from the majority of funds recorded as restricted accounts are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pools are managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts, and therefore all balances representing participants' equity in the investment pools are classified as cash equivalents for purposes of these statements. For investments which are held separately from the pools, those which are highly liquid (including restricted assets) with an original or remaining maturity of 90 days or less when purchased are considered to be cash equivalents.

Statement of Cash Flows

For the purpose of the statement of cash flows, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Missouri State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments consist of \$ 1,785,426 certificates of deposits with a maturity of greater than 90 days stated at cost which equals fair value.

Due to and due from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

All receivables were stated at gross because the amounts were collected within the following 60 days except for electric, waterworks and wastewater utilities receivable which had allowances of \$ 2,934 electric, \$ 2,925 for the waterworks and wastewater system and \$ 1,966 for sanitation.

Inventories

Inventories consist of consumable supplies and are stated at cost, using the first-in/first-out (FIFO) method. Year-end adjustments are made to the recorded non-spendable fund balance and to the inventory account based on the physical inventory available at year end.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted assets

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amount of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. The bond reserve account is to be used only to pay bonds at maturity or interest as it becomes due and to the extent other funds are not available for this purpose.

Certain General Fund monies are classified as restricted assets on the Statement of Net Position and Balance Sheet because their use is limited by covenants of the capital lease agreement. The reserve account is to be used solely for the purpose of making lease payments on the applicable due dates when and to the extent other funds are not available for this purpose. The lease payment account is used only for the payment of the principal and interest on the lease obligation.

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	7-40 years
Site improvements	7-55 years
Streets	20-40 years
Furniture and equipment	7-20 years
Vehicles	5-10 years

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the City has two items that meet the definition of deferred outflows of resources. One is the deferred charge on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources/Unavailable Revenue

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. In the Governmental Funds the item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The Business-type Activities and Proprietary Funds report unearned revenue which is grant funds received but have not been spent in accordance with grant policies. Expected to be expended in the next fiscal year.

In the General Fund, Memorial Hall and Park Fund property taxes expected to be collected in excess of 60 days is shown as a Deferred Inflow of Resources. These amounts are not considered part of the budget for the next fiscal year and therefore represent a reconciling item between Governmental Activities and Governmental Funds.

At this time, the City has one item that meets the definition of deferred inflows of resources. It is the amount related to pension inflows as per GASB 68.

Vacation and sick leave

City employees are entitled to certain compensated absences based on their length of employment. All vacation pay is paid within the current year and does not accumulate.

Sick leave policy allows employees up to 10 days per year. When not used, sick leave may accumulate up to 60 days. Upon retirement, employees will be paid for up to 60 days of accumulated unused sick leave at their current rate of pay. The retiring employee must be at least 59 ½ years old or have 20 years of service with the City to be eligible.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported net of the applicable bond premium or discount. Bond issuance costs are covered during the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances-Governmental Funds

As of June 30, 2025, fund balances of the governmental funds are classified as follows:

Non-spendable-This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted-This classification includes amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed-This classification includes amounts that can be used only for specific purposes determined by a formal action by the City Council. Such formal action may be in the form of an ordinance and may only be modified or rescinded by a subsequent formal action.

Assigned-This classification includes amounts that are intended by the City to be used for a specific purpose but are neither restricted nor committed. Assignments may be made only by the government body or official.

Unassigned- All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report a positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances-Governmental Funds - continued

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assigned actions.

The City has no formal minimum fund balance policies or any formal stabilization arrangements in place.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Proprietary Fund Types-Business Type Activities

The following schedule shows the breakdown of reserves for capital improvements:

<u>Fund</u>	
Electric System	<u>\$ 5,475</u>

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Valuation for 2024 was \$ 61,119,627 with the levy set at \$ 1.035 broken down \$.6750 for General purposes, \$.1800 each for Memorial Hall and Parks and Recreation.

Revenue Recognition - Sales Tax authorizations

Sales tax authorizations consist of a one-cent general sale recorded in the General Fund (\$874,834), a one-half cent transportation sales tax to be used for street purposes in the Transportation Sales Tax Fund (\$ 437,428), and a one-half cent capital improvement sales tax to be used for capital improvements for the City in the Capital Improvement Sales Tax Fund (\$ 437,418). A one-half cent Park/Storm water sales tax was implemented April 1, 2019. It is allocated 95% (\$ 441,542) for Park and 5% (\$ 21,871) for Storm Water.

Fee in Lieu of Taxes

The Electric Fund makes an annual payment in lieu of taxes to the General Fund, which is based on a percentage of sales of utilities. That payment is reflected as a transfer on the statement of revenues, expenses, and changes in net position.

Revenue Recognition – Franchise taxes

The City includes under franchise taxes (\$128,394) amounts received from telephone companies, gas companies, and land fill royalty gate fee for fiscal year end.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City is required by Missouri State Law RSMo 105.485 to prepare a budget each year based on estimates of revenues and expected expenditures which include at a minimum a budget message, budget summary, schedule with prior year comparison of estimated revenue and expenditures, schedule of bonded debt obligations and budget approval letter. The accompanying statement of revenues, expenditures, and changes in fund balance-budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year for both the original budget and the final budget which is reflective of any amendments throughout the fiscal year. The legal level of budgetary control is at the total fund level.

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) for all governmental funds.

Excess of expenditures over appropriations

For the year ending June 30, 2025, expenditures were within the appropriations for the General Fund.

Compliance with Bond Reserves

The City was in compliance with required bonded debt reserves for the year.

Legal Debt Margin

The City's assessed value supports a general obligation bond limit of \$ 6,111,963. The City did not have any general obligation bonds outstanding as of June 30, 2025.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

DETAILED NOTES ON ALL FUNDS

NOTE B – DEPOSITS AND INVESTMENTS

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of June 30, 2025, the City's bank balances including certificate of deposits were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does have a written investment policy covering credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy is to limit the length of investments to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities before maturity.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City policy is to invest in only those instruments approved by the State of Missouri which have minimal risk.

Custodial Credit Risk is the risk that in the event of a broker/agent failure, securities that are uninsured and not registered in the name of the City and are held by either the counterparty to the transaction or the counterparty's trust department or agent but not in the government's name will not be returned to the City. The City does have a written investment policy on custodial credit risk in which all investments are either insured or registered in the City's name and held by the City's agent.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE C – RESTRICTED ASSETS

For June 30, 2025, restricted cash accounts were as follows:

	Actual Cash
Electric System	
Construction project	\$ 5,475

NOTE D – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,501,122	\$ -	\$ -	\$ 1,501,122
Construction in Progress	\$ 39,681	\$ 860,876	\$ 542,091	\$ 358,466
Capital assets, being depreciated:				
Buildings	\$ 3,848,603	\$ 768,188	\$ -	\$ 4,616,791
Improvements	8,181,803	3,917	-	8,185,720
Streets	7,577,872	46,797	-	7,624,669
Vehicles/Equipment	5,766,845	569,788	156,747	6,179,886
Total capital assets being depreciated	25,375,123	1,388,690	156,747	26,607,066
Less: Accumulated depreciation for:				
Buildings	2,089,309	96,076	-	2,185,385
Improvements	5,150,733	268,083	-	5,418,816
Streets	4,523,274	215,291	-	4,738,565
Vehicles/Equipment	4,487,348	266,660	137,077	4,616,931
Total accumulated depreciation	16,250,664	846,110	137,077	16,959,697
Total capital assets being depreciated, net	\$ 9,124,459	\$ 542,580	\$ 19,670	\$ 9,647,369
Governmental activities capital assets, net	\$ 10,665,262	\$ 1,403,456	\$ 561,761	\$ 11,506,957

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Depreciation expenses were charged to functions of the government as follows:

Governmental activities:

General government	\$ 27,950
Police and court	82,380
Fire	24,600
Building inspector	140
Streets	322,264
Auditorium and Memorial Hall	47,994
Airport	254,584
Parks	38,970
Swimming pool and Lake	12,920
Youth	7,509
Taxi	26,799
	<u> </u>
	<u>\$ 846,110</u>

Business Type Activities:

	<u>WATERWORKS AND WASTEWATER SYSTEM FUND</u>			
	Beginning			Ending
	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 77,854	\$ -	\$ -	\$ 77,854
Construction in progress	\$ 153,864	\$2,283,976	\$ -	\$ 2,437,840
Capital assets being depreciated:				
Buildings	\$ 117,400	\$ -	\$ -	\$ 117,400
Plant	16,278,806	136,571	-	16,415,377
Vehicles/Equipment	2,032,303	339,181	17,871	2,353,613
Total capital assets being depreciated	<u>18,428,509</u>	<u>475,752</u>	<u>17,871</u>	<u>18,886,390</u>
Less accumulated depreciation for:				
Buildings	34,570	6,656	-	41,226
Plant	8,589,195	317,023	-	8,906,218
Vehicles/Equipment	1,480,181	127,279	17,871	1,589,589
Total accumulated depreciation	<u>10,103,946</u>	<u>450,958</u>	<u>17,871</u>	<u>10,537,033</u>
Total capital assets being depreciated, net	<u>\$ 8,324,563</u>			<u>\$ 8,349,357</u>
Business-type activities capital assets, net	<u>\$ 8,402,417</u>			<u>\$ 10,865,051</u>

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE E – CAPITAL ASSETS AND DEPRECIATION (Continued)

Depreciation expenses were charged to functions of the government as follows:

Waterworks and Wastewater System Funds	
Waterworks	\$ 211,560
Wastewater	<u>239,398</u>
	<u>\$ 450,958</u>

Business Type Activities:

	ELECTRIC FUND			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 104,909	\$ -	\$ -	\$ 104,909
Construction in progress	<u>\$ 411,140</u>	<u>\$ 40,936</u>	<u>\$ -</u>	<u>\$ 452,076</u>
Capital assets being depreciated:				
Buildings	\$ 547,650	\$ 29,991	\$ -	\$ 577,641
Plant	20,556,686	758,210	-	21,314,896
Vehicles/Equipment	2,496,247	217,572	18,794	2,695,025
Total capital assets being depreciated	<u>23,600,583</u>	<u>1,005,773</u>	<u>18,794</u>	<u>24,587,562</u>
Less accumulated depreciation for:				
Buildings	216,275	13,063	-	229,338
Plant	7,604,462	486,036	-	8,090,498
Vehicles/Equipment	1,869,878	137,803	18,794	1,988,887
Total accumulated depreciation	<u>9,690,615</u>	<u>636,902</u>	<u>18,794</u>	<u>10,308,723</u>
Total capital assets being depreciated, net	<u>\$ 13,909,968</u>			<u>\$ 14,278,839</u>
Business-type activities capital assets, net	<u>\$ 14,014,877</u>			<u>\$ 14,835,824</u>

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE E – LONG-TERM DEBT

The bond ordinances require that the City establish rates and charges for its Electric, Waterworks, Wastewater, and Sanitation services, such that the revenues derived from the Electric, Waterworks, Wastewater, and Sanitation system are sufficient to provide for the payment of principal and interest on the revenue bonds and for the operation and maintenance of the Electric, Waterworks Wastewater, and Sanitation system.

Business-type activities

The following is a summary of debt transactions of the City for the year ended June 30, 2025, as it relates to the business type activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount due Within one Year</u>
Lease Obligations	\$ 426,431	\$ -	\$ 318,301	\$ 108,130	\$ 108,130
Compensated absences	\$ 54,332	* \$ 12,798	\$ -	\$ 67,130	\$ -

* The change in the compensated absences liability is presented as a net change.

The Proprietary Funds long-term debt as of June 30, 2025, follows:

Electric System Fund

\$ 2,600,000, 2017 Series, Electric System Certificate of Participation due in monthly of payments of principal and interest of \$ 27,193.20 with an interest rate of 2.85%. Debt issue was used for construction of methane gas power plant. Final payment is November 15, 2022.

Total Electric Fund and Business-Type Activity \$ 108,130

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

The annual requirements to amortize bonded debt as of June 30, 2024, follows:

Year Ending June 30,	Principal	Interest	Total
2026	108,130	643	108,773
	\$ 108,130	\$ 643	\$ 108,773

Governmental activities

The following is a summary of debt transactions of the City for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due Within one Year
Compensated absences	\$ 69,507		* \$ 7,141	\$ 62,366	\$ -

*The change in the compensated absences liability is presented as a net change.

NOTE F – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City. In the past three years, the City had no losses that exceeded commercial insurance coverage.

NOTE G – GRANTS

Intergovernmental awards received by the City are subject to audit and adjustment by the grantor agencies. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agencies. No disallowed costs have resulted from this audit and management believes that further examination will not result in any disallowed costs.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE H – DEFINED BENEFIT PENSION PLAN

The City of Lamar participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the State of Missouri.

The retirement system covers all full-time City employees.

Plan description

The City of Lamar’s defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City of Lamar participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with 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. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

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 benefits vest after 5 years of credited service. Employees who retire at 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 the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2024 Valuation</u>
Benefit Multiplier:	1.50%
Final Average Salary:	5 years
Member Contributions:	0%

Benefit terms provide for annual post retirement 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.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE H – DEFINED BENEFIT PENSION PLAN (Continued)

Employees covered by benefit terms

On June 30, 2025, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	37
Active employees	65
Total	143

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 0% of their gross pay to the pension plan. Employers' contribution rates are 23.6 % General, 13.5% Fire and 15.2% Police of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2024.

Actuarial assumptions

The total pension liability in the February 29, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00% net of investment expense

Mortality rates were based on the healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2021. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE H – DEFINED BENEFIT PENSION PLAN (Continued)

The actuarial assumptions used in the February 29, 2024, valuation were based on the results of a 5-year experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	48.00%	4.81%
Fixed Income	28.50%	1.72%
Real Assets	23.50%	3.42%

Discount rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE H – DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 7/1/2024	\$ 8,274,706	\$ (7,120,759)	\$ 1,153,947
Changes for the year:			
Service Cost	200,576	-	200,576
Interest	572,643	-	572,643
Difference between expected and actual experience	460,594	-	460,594
Changes in assumptions	-		
Contribution - employer	-	(481,708)	(481,708)
Net investment income	-	(375,288)	(375,288)
Benefit payments, including refunds	(391,998)	391,998	-
Administrative expense	-	16,722	16,722
Other changes	-	(65,679)	(65,679)
Net changes	841,815	(513,955)	327,860
Balances at 6/30/2025	\$ 9,116,521	\$ (7,634,714)	\$ 1,481,807

Sensitivity of the net pension liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.00% or one percentage point higher 8.00% than the current rate.

	Current Single Discount Rate		
	1% Decrease 6.00%	Assumption 7.00%	1% Increase 8.00%
Net Pension Liability (Assets) (NPL)	\$ 2,812,838	\$ 1,481,807	\$ 388,781

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the employer recognized pension Income of \$ 158,143. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE H – DEFINED BENEFIT PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 528,368	\$ (92,968)
Differences in assumptions	-	(36,036)
Excess(deficit) in investment returns	234,151	-
Total	\$ 762,519	\$ (129,004)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
2025	\$ 41,516
2026	308,317
2027	191,232
2028	88,001
2029	4,183
Thereafter	266
	\$ 633,515

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE I – INTERFUND TRANSFERS

Interfund transfers as follows were used for operations as set forth in the approved budget:

Operating transfers:	To	From
Electric system fund - fee in lieu of tax	\$ -	\$ 468,965
General fund - fee in lieu of tax	468,965	-
	\$ 468,965	\$ 468,965

Interfund transfer as follows were used for capital acquisitions as set forth in the approval budget:

Capital transfers:	To	From
Capital Improvements Sales Tax Fund	\$ -	\$ 317,001
Waterworks & Sewerage System Fund	317,001	-
	\$ 317,001	\$ 317,001

NOTE J – LANDFILL GAS

The City captures methane gas produced by the landfill and bills it out \$ 15.00 per megawatt hours up to an increase to \$ 25.00 per megawatt. The amount earned is then applied to energy purchased by the City for its Electric Department.

NOTE K – COMMITMENTS ON POWER PURCHASE

The City is a member of the Missouri Joint Municipal Electric Utility Commission (MJMEUC). Lamar Municipal Utilities City Council represents the City with respect to MJMEUC matters. MJMEUC manages a power pool known as Mid-Missouri Municipal Power Energy Pool (“MMMPEP”), of which the City is a member. All MMMPEP members (including the City) have an agreement (the “MMMPEP Agreement”) with MJMEUC for the purchase of electric capacity and energy and transmission from MJMEUC. The MMMPEP Agreement requires MJMEUC to supply the full energy requirements of the City under the terms of a long-term agreement expiring May 31, 2028.

MMMPEP operations are governed by a committee (“Pool Committee”) consisting of one representative from each MMMPEP member and is comprised of 13 members as of June 30, 2025. The Pool Committee is charged with determining policy within the scope of the agreement; including setting rates for all services provided by MJMEUC to MMMPEP members. These rates must include recovery of all MJMEUC’s costs incurred in connection with acquiring, providing, arranging, or financing the provision of full requirements service to MMMPEP members. These rates include capacity and energy charges MJMEUC incurs under supply and transmission agreements and MJMEUC’s related administrative costs.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE K – COMMITMENTS ON POWER PURCHASE (CONTINUED)

The rates are established so as to charge each MMMPEP member its proportionate share of all costs associated with MJMEUC's performance under the MMMPEP Agreement. Charges based on such rates are assessed and billed monthly.

MJMEUC billed the MMMPEP members, based upon their pro-rata share and an estimated monthly usage, a total of \$ 4,304,330 to fund working capital for MMMPEP activities. This amount is expected to be refunded to the members at the conclusion of the contract term upon final settlement of all charges.

To meet the power and energy requirements of the City and the other MMMPEP members, MJMEUC presently obtains power and energy from the following resources: (i) power purchased under long-term firm energy contracts, unit-contingent energy contracts and interruptible contracts; and (ii) spot market purchases. The City purchases its full energy requirements from MJMEUC pursuant to the MMMPEP Agreement but does not have any ownership interest in MJMEUC's resources.

In the event a MMMPEP member would cancel or default on the MMMPEP Agreement without first assigning its rights and interest to a new member accepted by MJMEUC, the member would remain responsible for the unavoidable costs owed by MJMEUC under supply and transmission service agreements, including its share of all remaining fixed costs and its share of must-take or minimum-take energy (MTE). If possible, MJMEUC would utilize or sell the member's MTE in exchange for providing the member a credit or offset equal to the fair value of the MTE up to the amount of the member's obligation. As a result, the member would have a financial obligation after cancellation or default in the event that the fair value of the MTE is less than the member's allocated share of MJMEUC's unavoidable costs with respect to the resource obligations at the time of cancellation or default. Since the amount of the cancelling or defaulting member's obligation would depend on MJMEUC's unavoidable costs after cancellation or default and the fair value of the MTE at such times in the future, the amount of the obligation is not reasonably determinable. Currently, Lamar Municipal Utilities has no plans or intentions to begin cancellation proceedings or expects to default on its obligation.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L – FUTURE ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

The City adopted the following statements during the year ended June 30, 2025:

GASB Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB, Statement No. 62.*, Issued June 2022, This Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The effective date of this requirement is for fiscal years ending after June 15, 2023. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences*, Issued June 2022. This statement is to better meet the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences. The effective date of this requirement is for fiscal years ending after December 15, 2023. Earlier application is encouraged.

GASB Statement No. 102, *Certain Risk Disclosures*, Issued December 2023. This statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The effective date of this requirement is for fiscal years ending after June 15, 2024. Earlier application is encouraged.

The City did not have any changes to report for the year ending June 30, 2025, upon adopting GASB 102. The City noted in footnote Q the changes due to adoption of 100 and 101.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L – FUTURE ACCOUNTING PRONOUNCEMENTS (CONTINUED)

GASB Statement No. 103, *Financial Reporting Model Improvements*, Issued April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The effective date of this requirement is for fiscal years ending after June 15, 2025. Earlier application is encouraged.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, Issued September 2024. The objective of this Statement is to provide users of government financial with essential information about certain types of capital assets. The effective date of this requirement is for fiscal years ending after June 15, 2025. Earlier application is encouraged.

NOTE M- SUBSEQUENT EVENTS

Management has evaluated events and transactions for subsequent events disclosures occurring after June 30, 2025, through November 10, 2025, the date of the financial statements were available to be issued and there are no material events requiring recognition of disclosure.

CITY OF LAMAR, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
MAJOR GOVERNMENTAL FUND-UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2025

REVENUES	General Fund			Variance With Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Taxes:				
Property taxes	\$ 390,000	\$ 390,000	\$ 407,085	\$ 17,085
Franchise taxes	120,000	120,000	128,394	8,394
Royalty gate fee	540,000	540,000	562,374	22,374
Sales taxes	1,154,000	1,154,000	1,171,181	17,181
Intergovernmental:				
Missouri motor fuel taxes	220,000	220,000	241,612	21,612
Township	100,000	100,000	107,774	7,774
Licenses & permits	23,400	23,400	35,000	11,600
Charges for services-	98,000	98,000	51,901	(46,099)
Fines & forfeitures	15,000	15,000	10,124	(4,876)
Interest	120,000	120,000	166,841	46,841
Grants	-	-	581,732	581,732
Rents	36,000	36,000	51,046	15,046
Merchandise sales	-	-	32,519	32,519
Miscellaneous	32,200	32,200	64,968	32,768
Total Revenues	<u>2,848,600</u>	<u>2,848,600</u>	<u>3,612,551</u>	<u>763,951</u>
EXPENDITURES				
Current:				
General government	513,600	513,600	308,555	205,045
Public safety:				
Police	1,420,500	1,420,500	1,210,330	210,170
Fire	324,061	324,061	314,684	9,377
Streets	703,000	703,000	691,478	11,522
Building inspector	77,040	77,040	74,075	2,965
Airport	52,660	52,660	38,703	13,957
Capital outlay	297,488	975,907	975,907	-
Total Expenditures	<u>3,388,349</u>	<u>4,066,768</u>	<u>3,613,732</u>	<u>453,036</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(539,749)	(1,218,168)	(1,181)	1,216,987
OTHER SOURCES				
Sale of assets	-	-	5,376	5,376
Transfer In (out) - capital	70,000	70,000	-	(70,000)
Transfer In (out) - Operating	30,000	30,000	-	(30,000)
Transfer in-Fee in Lieu of	443,663	443,663	468,965	25,302
NET CHANGE IN FUND BALANCE	<u>\$ 3,914</u>	<u>\$ (674,505)</u>	473,160	<u>\$ 1,147,665</u>
FUND BALANCES - BEGINNING			<u>3,125,296</u>	
FUND BALANCES - ENDING			<u>\$ 3,598,456</u>	

CITY OF LAMAR, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION-UNAUDITED
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2015	\$ 335,026	\$ 335,026	-	\$ 1,747,677	19.17%
2016	334,086	334,085	1	1,793,690	18.63%
2017	326,098	326,098	-	1,882,025	17.33%
2018	355,904	353,152	2,752	1,962,566	17.99%
2019	340,215	340,215	-	1,858,385	18.31%
2020	375,296	375,296	-	2,009,988	18.67%
2021	415,128	406,542	8,586	2,064,014	19.70%
2022	412,040	412,040	-	2,076,167	19.85%
2023	404,960	404,960	-	2,062,269	19.64%
2024	503,394	481,708	21,686	2,351,305	20.49%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 29, 2024

Notes: The roll-forward of total pension liability from February 29, 2024 to June 30, 2024 reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding.
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 5 to 19 years
Asset Valuation Method	5-Year smoothed market: 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other information: None

CITY OF LAMAR, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30.

	2024	2023	2022	2021	2020	2019
Total Pension Liability						
Service costs	\$ 200,576	\$ 177,252	\$ 178,693	\$ 179,843	\$ 168,189	\$ 162,152
Interest on Total Pension Liability	572,643	534,510	504,956	529,589	505,085	485,276
Difference between expected and actual experience	460,594	198,151	91,596	(277,722)	26,049	(44,472)
Changes in Assumptions	-	-	-	(164,893)	(24,388)	-
Benefit payments, including refunds	(391,998)	(361,758)	(343,229)	(370,755)	(315,559)	(349,206)
Net change in total pension liability	841,815	548,155	432,016	(103,938)	359,376	253,750
Total Pension Liability-beginning	8,274,706	7,726,551	7,294,535	7,398,473	7,039,097	6,785,347
Total Pension Liability-ending	\$ 9,116,521	\$ 8,274,706	\$ 7,726,551	\$ 7,294,535	\$ 7,398,473	\$ 7,039,097
Plan Fiduciary Net Position						
Contributions - employer	\$ (481,708)	\$ (404,959)	\$ (412,323)	\$ 406,262	\$ (375,317)	\$ (340,214)
Net investment income	(375,288)	(241,133)	(7,116)	1,415,756	(73,774)	(327,985)
Benefits payments, including refunds	391,998	361,758	343,229	(370,755)	315,559	349,206
Pension Plan Administrative Expense	16,722	18,573	12,930	(11,921)	15,196	12,923
Other (Net Transfer)	(65,679)	76,892	(50,658)	(255,171)	13,915	127,247
Net change in plan fiduciary net position	(513,955)	(188,869)	(113,938)	1,184,171	(104,421)	(178,823)
Plan Fiduciary Net Position-beginning	(7,120,759)	(6,931,890)	(6,817,952)	5,633,781	(5,529,360)	(5,350,537)
Plan Fiduciary Net Position-ending	\$ (7,634,714)	\$ (7,120,759)	\$ (6,931,890)	\$ 6,817,952	\$ (5,633,781)	\$ (5,529,360)
Net Pension Liability/(Asset)	\$ 1,481,807	\$ 1,153,947	\$ 794,661	\$ 14,112,487	\$ 1,764,692	\$ 1,509,737
Plan fiduciary net position as a percentage of the total pension liability	83.75%	86.05%	89.72%	-93.47%	76.15%	78.55%
Covered-employee payroll	\$ 1,758,688	\$ 2,078,162	\$ 1,907,617	\$ 2,086,482	\$ 1,998,928	\$ 1,857,017
Net Pension liability as a percentage of covered employee payroll	84.26%	55.53%	41.66%	676.38%	88.28%	81.30%

The schedule is intended to cover ten years. The City implemented GASB No. 67 in fiscal year 2014. Information for years prior to fiscal year 2014 is therefore unavailable.

CITY OF LAMAR, MISSOURI
 COMBINING BALANCE SHEET -
 NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Memorial Hall	Park	Transportation Sales Tax	Taxi	Total
ASSETS					
Cash and cash equivalents	\$ 804,251	\$ 664,151	\$ 1,317,548	\$ 21,512	\$ 2,807,462
Accounts receivable-					
Property taxes-net	11,382	11,382	-	-	22,764
Sales tax	-	101,651	70,530	-	172,181
Grant	-	-	-	23,310	23,310
Prepaid items	2,835	42,518	-	5,669	51,022
TOTAL ASSETS	818,468	819,702	1,388,078	50,491	3,076,739
LIABILITIES					
Accounts payable	11,663	6,676	5,341	828	24,508
Accrued wages and benefits	1,633	13,586	-	5,278	20,497
Total Liabilities	13,296	20,262	5,341	6,106	45,005
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	9,403	9,403	-	-	18,806
FUND BALANCES					
Nonspendable	2,835	42,518	-	5,669	51,022
Restricted	792,934	747,519	1,382,737	38,716	2,961,906
Total Fund Balances	\$ 795,769	\$ 790,037	\$ 1,382,737	\$ 44,385	\$ 3,012,928

CITY OF LAMAR, MISSOURI
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES -
 NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	REVENUES;		EXPENSES		Total
	Memorial Hall	Park Fund	Transportation Sales Tax	Taxi	
Taxes:					
Property taxes	\$ 114,485	\$ 114,485	\$ -	\$ -	\$ 228,970
Sales tax	-	463,413	437,428	-	900,841
Use tax	-	70,584	-	-	70,584
Charges for services	4,545	57,808	-	-	62,353
Rent	-	6,875	-	-	6,875
Cab fees	-	-	-	15,845	15,845
Donations	-	-	-	78,430	78,430
Sale of assets	-	762	-	21,700	22,462
Grants	-	-	-	61,708	61,708
Miscellaneous	-	14,757	-	-	14,757
Total Revenues	119,030	728,684	437,428	177,683	1,462,825
EXPENDITURES:					
Current:					
Operation	75,086	494,373	-	169,009	738,468
Capital outlay	16,901	190,040	251,159	-	458,100
Total Expenditures	91,987	684,413	251,159	169,009	1,196,568
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES					
	27,043	44,271	186,269	8,674	266,257
NET CHANGE IN FUND BALANCE					
	27,043	44,271	186,269	8,674	266,257
FUND BALANCES - BEGINNING					
	768,726	745,766	1,196,468	35,711	2,746,671
FUND BALANCES - ENDING					
	\$ 795,769	\$ 790,037	\$ 1,382,737	\$ 44,385	\$ 3,012,928

**INDEPENDENT AUDITOR'S 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***

To the City Council
City of Lamar, Missouri

We 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 statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the City of Lamar, Missouri, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Lamar, Missouri's basic financial statements, and have issued our report thereon dated November 10, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Lamar, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Lamar, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Lamar, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Lamar, Missouri's financial statements are free from material misstatement, we 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our 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 our testing of 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 communication is not suitable for any other purpose.


Decker & Pace, LLC

Springfield, Missouri
November 10, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Lamar, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Lamar, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Lamar, Missouri's major federal programs for the year ended June 30, 2025. City of Lamar, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Lamar, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Lamar, Missouri and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Lamar, Missouri's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Lamar, Missouri's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Lamar, Missouri's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Lamar, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Lamar, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Lamar, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Lamar, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Decker & Pace, LLC

Springfield, Missouri

November 10, 2025

CITY OF LAMAR, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Account Listing Number</u>	<u>Pass-Through Entity Name</u>	<u>Agency or Pass-Through Number</u>	<u>Passed-through to Subrecipients</u>	<u>Federal Expenditures</u>
<i>Other Programs (Treated individually for major program determination)</i>					
Department of Transportation					
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs					
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	Missouri Department of Transportation			<u>538,433</u>
Total Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs				0	538,433
Highway Planning and Construction					
Highway Planning and Construction	20.205	Missouri Department of Transportation	TAP-9900(793)		<u>27,799</u>
Total Highway Planning and Construction				0	<u>27,799</u>
Formula Grants for Rural Areas and Tribal Transit Program					
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Missouri Department of Transportation	TM184001LA1		<u>61,707</u>
Total Formula Grants for Rural Areas and Tribal Transit Program				0	<u>61,707</u>
<i>Total Department of Transportation</i>					
					627,939
Department of the Treasury					
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS					
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	State of Missouri Department of Public Safety	#SLFRP4542-CIIEG20		147,425
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Missouri Department of Natural Resources	5B6714D1511A		<u>1,772,555</u>
Total CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS				0	<u>1,919,980</u>
<i>Total Department of the Treasury</i>					
					<u>1,919,980</u>
<i>Total Other Programs (Treated individually for major program determination)</i>					
					2,547,919
<i>Total Expenditures of Federal Awards</i>					
				<u>\$ 0</u>	<u>\$ 2,547,919</u>

The accompanying notes are an integral part of this schedule

CITY OF LAMAR, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal activity of the City of Lamar, Missouri, under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Lamar, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of City of Lamar, Missouri.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

City of Lamar, Missouri, has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF LAMAR, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported
- Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported

Type of auditor's report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ✓ no

The programs tested as major programs were:
 ALN: 21.027 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes ✓ no

B. FINANCIAL STATEMENTS FINDINGS-

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS-

None

CITY OF LAMAR, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

<u>Reference Number</u>	<u>Finding</u>	<u>Questioned Costs</u>
N/A	The City of Lamar, Missouri had no federal grants in the prior year that had any findings to correct or report.	