

**City of Republic, Missouri**

Basic Financial Statements

Year Ended December 31, 2024

## Table of Contents

<b>Independent Auditors' Report</b> .....	4
<b>Management's Discussion and Analysis</b> .....	8
<b>Basic Financial Statements</b>	
Statement of Net Position .....	20
Statement of Activities .....	21
Balance Sheet – Governmental Funds .....	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	28
Statement of Net Position – Proprietary Fund .....	29
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund .....	31
Statement of Cash Flows – Proprietary Fund .....	32
Notes to the Financial Statements .....	34
<b>Required Supplementary Information</b>	
Schedule of Changes in Net Pension Liability and Related Ratios .....	64
Schedule of Contributions .....	65
Notes to the Schedule of Contributions .....	66
Budgetary Comparison Schedule – General Fund .....	67
Budgetary Comparison Schedule – Street Fund .....	69
Budgetary Comparison Schedule – Fire Fund .....	71
Budgetary Comparison Schedule – Police Fund .....	72
Budgetary Comparison Schedule – Parks and Recreation Fund .....	73
Notes to the Budgetary Comparison Schedules .....	74

**Supplementary Information**

Combining Balance Sheet – Nonmajor Governmental Funds ..... 76

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balance – Nonmajor Governmental Funds ..... 77

**Other Reporting Requirements**

Independent Auditors’ Report on Internal Control over Financial Reporting  
and on Compliance and other Matters Based on and Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards* ..... 79

Independent Auditors' Report on Compliance for each Major Program  
and on Internal Control over Compliance Required by the Uniform Guidance ..... 81

Schedule of Expenditures of Federal Awards..... 84

Notes to the Schedule of Expenditures of Federal Awards ..... 85

Schedule of Findings and Questioned Costs ..... 86

Summary Schedule of Prior Audit Findings ..... 88

## Independent Auditors' Report

Honorable Mayor and City Council  
City of Republic  
Republic, Missouri

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Republic, Missouri, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the City of Republic, Missouri, as of December 31, 2024, 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 the 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Republic 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.

#### ***Emphasis of Matters***

As described in Note 1 to the financial statements, in 2024, the City adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. The City restated net position retrospectively for this change in accounting principle, as described in Note 17. Additionally, as described in Note 17 to the financial statements, the City restated fund balances and net position as a result of a change in the reporting entity and a correction. Our opinions are not modified with respect to these matters.

#### ***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'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.

### ***Auditors' 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 auditors' 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'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'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, and pension information 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's basic financial statements. The accompanying combining nonmajor fund financial statements and 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*, are 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 combining nonmajor fund financial statements and 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 June 13, 2025, on our consideration of the City of Republic, 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'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 the City of Republic, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC  
Springfield, Missouri  
June 13, 2025

## Management's Discussion and Analysis

## City of Republic

### Management's Discussion and Analysis

December 31, 2024

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The Management's Discussion and Analysis of the City of Republic's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the City's financial statements.

### Financial Highlights

The net position of the City's governmental activities increased by \$11,603,746 for the year as a result of current year activities. The net position of the City's business-type activities increased by \$27,224,470 for the year.

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of December 31, 2024, by \$152.3 million (net position). Of this amount \$39.3 million was unrestricted and may be used to meet future obligations of the City.

Long-term liabilities of the City, not including net pension liabilities, decreased by a net amount of \$2,278,677. In 2024, the City issued \$384,500 in Series 2024 special obligation bonds. The main reason for the decrease was due to the payment of principal on outstanding obligations. The City's net pension liability increased by \$402,683.

During the year ended December 31, 2024, the City adopted GASB Statement No. 101 – *Compensated Absences*. Beginning net position has been restated to reflect the application of the new pronouncement. The tables in the MD&A have been updated for the restatement activity.

### Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

### Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in it. The City's net position – the difference between assets, net deferred outflows/inflows of resources, and liabilities – is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.



## City of Republic

### Management's Discussion and Analysis

December 31, 2024

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In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

*Governmental Activities:* Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.

*Business-Type Activities:* The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and wastewater services are provided here.

### Fund Financial Statements

The fund financial statements provide detailed information about the City's funds and not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

*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 an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. 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 the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in reconciliations following the fund financial statements.

*Proprietary Funds:* When the City charges customers for the services it provides – whether to outside customers or to other units of the City – 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.

### Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## City of Republic

### Management's Discussion and Analysis

December 31, 2024

## Government-Wide Financial Analysis

### Net Position

The following table presents the condensed Statement of Net Position for the City as of December 31, 2024 and 2023:

	Governmental Activities	Business-Type Activities	Total December 31, 2024	Total December 31, 2023
<b>Assets</b>				
Current and other assets	\$ 25,160,759	\$ 26,159,434	\$ 51,320,193	\$ 74,225,835
Capital assets	66,302,952	108,139,277	174,442,229	115,337,357
	<u>91,463,711</u>	<u>134,298,711</u>	<u>225,762,422</u>	<u>189,563,192</u>
 <b>Deferred Outflows of Resources</b>	 1,558,650	 587,863	 2,146,513	 1,851,966
 <b>Liabilities</b>				
Current liabilities	3,026,175	7,901,088	10,927,263	10,274,279
Long-term liabilities	13,869,767	46,042,393	59,912,160	63,135,855
Net pension liability	2,390,674	996,128	3,386,802	2,984,119
	<u>19,286,616</u>	<u>54,939,609</u>	<u>74,226,225</u>	<u>76,394,253</u>
 <b>Deferred Inflows of Resources</b>	 185,901	 1,147,207	 1,333,108	 1,499,519
 <b>Net Position</b>				
Net investment in capital assets	52,796,986	60,206,033	113,003,019	81,356,696
Restricted	-	-	-	-
Unrestricted	20,752,858	18,593,725	39,346,583	32,164,690
	<u>\$ 73,549,844</u>	<u>\$ 78,799,758</u>	<u>\$ 152,349,602</u>	<u>\$ 113,521,386</u>

Total net position of the City increased by \$38,828,216 for the year due to current year activity. Total liabilities for the City decreased by \$2,168,028.

## City of Republic

## Management's Discussion and Analysis

December 31, 2024

## Changes in Net Position

	Governmental Activities	Business-Type Activities	Total Year Ended December 31, 2024	Total Year Ended December 31, 2023
<b>Revenues and Transfers</b>				
Program Revenues				
Charges for services	\$ 3,091,623	\$ 9,944,355	\$ 13,035,978	\$ 11,201,506
Operating grants and contributions	181,224	-	181,224	14,834,465
Capital grants and contributions	7,577,330	26,939,960	34,517,290	14,207,233
General Revenues				
Sales taxes	15,370,664	-	15,370,664	14,960,224
Ad valorem taxes	2,361,675	-	2,361,675	1,990,775
Motor vehicle and gas taxes	1,015,536	-	1,015,536	956,989
Other taxes	138,721	-	138,721	98,892
Franchise fees	1,036,526	-	1,036,526	1,008,391
Interest	888,728	999,437	1,888,165	1,831,057
Other revenue	155,745	114,561	270,306	1,158,471
Transfers	15,250	(15,250)	-	-
<b>Total Revenues and Transfers</b>	<b>31,833,022</b>	<b>37,983,063</b>	<b>69,816,085</b>	<b>62,248,003</b>
<b>Expenses</b>				
Administrative	1,314,951	-	1,314,951	2,050,887
Information technology	417,987	-	417,987	780,432
Human resources	196,211	-	196,211	360,526
Municipal court	236,129	-	236,129	205,737
Economic development	594,098	-	594,098	774,384
Police	3,972,741	-	3,972,741	3,253,645
Fire	3,624,430	-	3,624,430	2,796,859
Emergency management	9,322	-	9,322	14,417
Animal control	403,040	-	403,040	310,470
Street	4,681,101	-	4,681,101	3,270,911
Stormwater	-	-	-	56,272
Parks and recreation	4,219,656	-	4,219,656	3,363,932
Debt service	559,610	-	559,610	574,504
Water	-	3,159,303	3,159,303	3,361,621
Wastewater	-	7,599,290	7,599,290	5,523,519
<b>Total Expenses</b>	<b>20,229,276</b>	<b>10,758,593</b>	<b>30,987,869</b>	<b>26,698,116</b>
<i>Increase in Net Position</i>	<b>\$ 11,603,746</b>	<b>\$ 27,224,470</b>	<b>\$ 38,828,216</b>	<b>\$ 35,549,887</b>

## Governmental Activities

Governmental activities increased the net position of the City by \$11,603,746. Tax revenues for the City were \$19,923,122, which is an increase of \$907,851 from the prior year. Program revenues for the functions totaled \$10,850,177, which is a

## City of Republic

### Management's Discussion and Analysis

December 31, 2024

decrease of \$509,721 from the prior year. The following table shows the cost of the City's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

#### Net Cost of the City of Republic's Governmental Activities

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Administrative	\$ 1,314,951	\$ 1,302,215
Information technology	417,987	417,987
Human resources	196,211	196,211
Municipal court	236,129	(58,805)
Community development	594,098	(13,795)
Police	3,972,741	3,905,187
Fire	3,624,430	3,571,192
Emergency management	9,322	9,322
Animal control	403,040	396,289
Street	4,681,101	(2,918,652)
Parks and recreation	4,219,656	2,012,338
Debt service	559,610	559,610
	<u>\$ 20,229,276</u>	<u>\$ 9,379,099</u>

#### Business-Type Activities

Business-type activities increased the City's net position by \$27,224,470. The majority of the increase in net position of the business-type activities is due to the federal reimbursements of wastewater treatment plant project costs.

#### Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of December 31, 2024, were \$23,691,199, which was a net decrease of \$2,067,429 across the funds. The increase is due to conservative budgeting.

#### General Fund Budgetary Highlights

Differences between the original, the final amended budget, and the actual results are summarized as follows:

- The City's General Fund budget was amended in December 2024.
- The City's original budgeted revenues and transfers in for the General Fund were \$7,562,604 and budgeted expenditures and transfers out were \$8,713,130, for the year ended December 31, 2024.
- The City's amended budgeted revenues and transfers in for the General Fund were \$9,789,140, and amended budgeted expenditures and transfers out were \$8,999,778, for the year ended December 31, 2024. Actual revenues and expenditures, including transfers, were \$8,509,195 and \$7,683,850, respectively.

## City of Republic

### Management's Discussion and Analysis

December 31, 2024

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## Capital Assets and Debt Administration

### Capital Assets

Capital assets of the governmental activities were \$66,302,952 (net of accumulated depreciation) as of December 31, 2024. This represents a \$12,337,683 net increase from the prior year. Net capital assets for business-type activities were \$108,139,277, as of December 31, 2024. This represents an increase of \$46,767,189 from the prior year. The increases are mainly due to infrastructure upgrades and a new facility being constructed.

### Debt

Total debt of the governmental activities as of December 31, 2024, was \$15,565,903, which is a net decrease of \$1,092,584 from the prior year. The decrease is mainly due to retirements of principal on outstanding debt during the year.

Total debt of business-type activities as of December 31, 2024, was \$47,943,754, which is a net decrease of \$1,426,527 from the prior year. Retirements of principal and amortization of premiums totaled \$1,761,346 during the year.

## Economic Factors and Next Year's Budget

### Economic Factors

The City of Republic (the "City") is located a few miles from the City of Springfield, the third-largest city in Missouri. As such, Springfield's demographics, economic statistics, and strong workforce continued to positively impact the City of Republic. As with FY 2023, City sales tax revenue increased in FY 2024 but at a declining rate when compared to prior years as the COVID stimulus programs, which resulted in incremental cash generation, along with pent-up product demand, which drove retail sales coming out of the Pandemic, were primarily depleted during 2021 and 2022.

### Capital Investment & Financial Results

During FY 2024, the City continued to invest in two major capital projects.

- Parks & Recreation – The expansion of the pool ("The Rush") and the upgrade to portions of JR Martin Park. To fund this project, in March 2023, the City issued \$9.920 million ("Par") in tax exempt Series 2023 Special Obligation Bonds ("Series 2023 Bonds"). Par value, plus premium, less discounts and issuance costs resulted in net proceeds of \$9,998,565 to the City.
  - By FY 2024 year-end, the City spent \$7,998,852 on eligible expenditures, depleting that portion of the Series 2023 Bonds set aside for the upgrade to the Rush.
  - The City remains continually grateful for the voter approval for the renewal of Parks Capital Improvement Sales Tax initiative in August 2022, which helps to fund ongoing capital products and provides cash to meet the annual debt service on the Series 2023 Bonds.
  - The JR Martin Park upgrade was put on hold during FY 2024 as we continue to modify the upgrade plan to meet the funding available. The modified JR Martin Park upgrade project will be reevaluated in FY 2025.
- Wastewater – The City continued investment in the \$140 million Wastewater Treatment Plant Project ("WWTP") during Fiscal Year 2024.
  - As a reminder, to partially fund the WWTP, the City issued \$45,445,000 in tax exempt Series 2022 Special Obligation Bonds ("Series 2022 Bonds").

## City of Republic

### Management's Discussion and Analysis

December 31, 2024

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- The Series 2022 Bonds, issued at a Premium of \$3,422,527 less an Underwriters Discount of \$363,560 yielded \$48,503,967 in cash to the City.
- The Series 2022 Bonds were issued to primarily fund the WWTP Project, and secondarily, to build the new BUILDS facility that houses the Water, Wastewater, Streets and Community Development Departments.
- In anticipation of the incremental cash required to pay the annual debt service on the Series 2022 Bonds, Wastewater rates were increased in 2022 and will increase annually to fund the debt service for the Series 2022 Bonds and future debt required to fund the WWTP Project.
- From the time of issuance of the Series 2022 Bonds in Feb 2022 through year end FY 2024, the City spent:
  - \$5.2 million on the BUILDS Facility; and
  - \$43.4 million on eligible WWTP expenditures, depleting the restricted cash generated from the Series 2022 Bonds.
- To further aid in the funding, the City lobbied for and received grant commitments of:
  - \$25 million from the ARPA Program, administered thru the Missouri Department of Natural Resources ("DNR"). This grant required a 30% match from the City. By the year end 2024, DNR had reimbursed the City \$22.4 million of the total grant.
  - \$25 million from the State of Missouri's General Revenue fund. This grant required a 50% match from the City. As of FY 2024 year-end, none of these grant funds were reimbursed but are expected to be totally reimbursed during the first half of FY 2025.
  - To complete the funding for the WWTP Project, the City secured \$50 million in State Revolving Fund ("SRF") low-interest rate debt. This facility closed early summer 2024 and disbursements are expected to begin late summer or early fall of FY 2025.

From an operating perspective, the City of Republic ended FY 2024 better than Budget.

- Revenue- better than Budget.
  - City sales taxes ended the year \$193,154 better than Budget.
  - Property & other taxes ended the year \$167,179 worse than Budget.
  - Interest income ended the year \$280,155 better than Budget due to:
    - Higher interest rates
    - Slower spending rate tied to Capital Expenditures, primarily on the Wastewater Treatment Plant Project.
- Expenditures - Expenses & Capital Expenditures – better than Budget.
  - Compensation expenses ended the year better than the Budget due to unfilled budgeted jobs.
  - Operating expenses ended the year worse than the Budget.
  - Capital Expenditures ended the year better than the Budget due to timing, primarily on the WWTP Project.
- The City ended FY 2024 with \$40.7 million in total cash.

## City of Republic

### Management's Discussion and Analysis

December 31, 2024

- \$18.2 million | Unrestricted
  - \$9.7 Million – General Fund.
  - \$8.5 million – spread over remaining funds/departments.
- \$22.5 million | Restricted or Assigned
  - \$11.6 million – Wastewater Project – Wastewater Fund.
  - \$1.3 million – JR Martin Project – Parks & Recreation Fund.
  - \$9.6 million – Remaining Funds.

#### Fiscal Year 2025 Budget

In the FY 2025 Budget, The City has budgeted additional investment in the Wastewater Fund, both the new WWTP Project and related infrastructure, Water Fund infrastructure, Parks & Recreation Fund, and continued growth in public safety funding. Sales tax growth, which was effectively flat in FY 2024 when compared to FY 2023, is budgeted at a slight 1% increase in FY 2025 over FY 2024.

The 2025 Consolidated Budget ("Budget"), approved by City Council, consists of an (1) Operating Budget and a (2) Capital Budget, which are broken out as follows.

- Operating Budget with gross revenues of \$36,116,298, gross expenses of \$31,621,318 resulting in an Operating Surplus of \$4,494,980.
- Capital Budget with expenditures of \$53,394,203 (75% of expenditures for WWTP Project) funded as follows:
  - \$25,570,216 - from existing cash; and
  - \$2,166,817 - from Capital Improvement Sales Tax Fund or Fire Sales Tax Fund as appropriate; and
  - \$26,753,357 - from Grants or Reimbursements from the State of Missouri, administered through Missouri Department of Natural Resources or Missouri Department of Transportation.
- The combination of these two Budgets results in a Consolidated Net Surplus of \$4,520,537.
- This Budget establishes our operating and capital investment plan for Fiscal Year (FY) 2024. The City of Republic provides basic municipal services such as public safety, street maintenance, water and sewer services, and parks and recreation programs.

The City prepared two (2) parallel documents: the Budget and the 2025-2029 Five-Year Capital Improvement Program (CIP).

- The Budget contains nineteen individual departmental budgets across eight (8) funds (General Fund, Police Fund, Fire Fund, Street Fund, Water Fund, Wastewater Fund, Parks & Recreation Fund and Capital Improvements Sales Tax Fund).
  - This Budget includes a separate Operating Budget and Capital Budget for each of the individual departmental budgets.
  - The CIP identifies all capital, and infrastructure needs the City foresees for the next five (5) years, including improvements to the American's Disabilities Act (ADA) of 1990.

## City of Republic

### Management's Discussion and Analysis

December 31, 2024

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The City must follow governmental accounting standards. These standards require the City to separate different activities into corresponding funds and departments so that the funding sources and uses are kept separate and reported in a particular manner. Financial planning is essential for sound fiscal management and stewardship of resources. At the forefront of any decision is the transparency, accuracy, and accountability of City funds. It is imperative for City Council and City staff to have well-founded internal controls and accuracy before approving a budget. The budget, as proposed, provides directions to the City as to resources available for planned expenditures while allowing for unanticipated expenditures.

In accordance with the Missouri State Statute Section 67.010, the budget is to be balanced, and the total proposed expenditures are not to exceed the estimated revenues and any unencumbered fund balance, less any deficit estimated for the beginning of the budget year. Each budget will outline a multi-year presentation of planned and actual resources to allow for the comparative analysis of the financial conditions of the City, as required.

The Operating Budget is comprised of the following Funds, with highlights below:

- General Fund
  - Administration – is a consolidation of the following departments - City Administration, City Clerk, Legal, Finance, Data Analytics, Information Technologies, Human Resources, Public Information Office, Community Development (BUILDS), Municipal Court, Building Maintenance, and Animal Control.
  - Revenues & Expenses
    - Revenues are appropriated to each respective department as governed by ordinance, ballot, or budget statute.
    - Real Property Levy of 0.4305 per assessed \$100 for the General Fund.
    - Administration personnel costs are allocated proportionally to all funds & departments based on headcount.
- Parks and Recreation Fund
  - In March of 2023, the City issued \$9.9 million in Series 2023 Special Obligation Bonds to fund the Aquatic Center expansion & the JR Martin Park upgrades & improvements. These funds were split 80/20 between the Aquatic Center and JR Martin Park.
    - All funds allocated to the Aquatic Center were depleted by the end of 2024. The upgraded facility, now known as the “Rush,” opened to the public in May 2024. Aquatics revenue for the 2024 season included:
      - \$846,105 in admissions; and
      - \$322,276 in other revenue, primarily concession.
  - The Operating Budget contains the revenues & expenses for the Parks & Recreation Department (community programming, park maintenance, Republic Aquatic Center, Senior Center).
    - Funded by sales of services; and
    - Two (2) ¼-cent Parks Sales Taxes (one for Operations, one for Capital Improvements); and
    - One (1) ¼-cent Greene County Sales Tax designated to Parks; and



## City of Republic

### Management's Discussion and Analysis

December 31, 2024

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- Real Property Levy of 0.1160 assessed per \$100 for the Parks and Recreation Fund.
- Police Fund
  - In 2021, the voters approved a  $\frac{3}{4}$  cent Public Safety Sales Tax ("PSST"). The PSST is equally split between the Police and Fire Funds. For FY 2025, the Police portion of the PSST is \$1,601,429.
  - For 2025, the total Operating Budget for the Police Fund is \$4,053,504, funded by:
    - \$1,601,429 from the PSST,
    - \$1,721,751 from the General Fund,
    - \$706,507 from Greene County's Law Enforcement Sales Tax.
- Fire Fund
  - In 2021, the voters approved a  $\frac{3}{4}$  cent Public Safety Sales Tax ("PSST"). The PSST is equally split between the Police and Fire Funds. For FY 2025, the Fire portion of the PSST is \$1,601,429.
  - For 2025, the total Operating Budget for the Fire Fund is \$3,885,361, funded by:
    - One-eighth cent Fire Sales Tax Revenue is restricted to capital investment only. The Fire Fund has been saving the Fire Sales Tax Funds for a firetruck purchase planned for 2026.
    - 1,601,429 from the Public Safety Sales Tax (50% of  $\frac{3}{4}$  cent PSST)
    - \$2,262,136 from the General Fund.
- Capital Improvement Sales Tax Fund
  - Voters approved the reallocation of the  $\frac{1}{4}$ -cent Stormwater Sales Tax to a general Capital Improvement Sales Tax (CIST), which took effect October 2017.
  - Voters were presented with a list of projects to be funded by the CIST. To ensure transparency, the projects are updated on the City website.
  - The list of completed projects funded through the CIST is also made available on the City website.
- Street Fund
  - Funded in part by the  $\frac{1}{2}$ -cent Transportation Sales Tax.
  - The Real Property Levy of 0.0663 per assessed \$100 for lights is additional funding for the Street Fund.
- Water Fund
  - The Water Fund is an Enterprise Fund that operates through the sale of water to the citizens of the City.
- Wastewater Fund
  - Likewise, the Wastewater Fund is an Enterprise Fund that operates through the sale of wastewater service to the citizens of the City.

### Water & Wastewater Rates

2025 brings rate increases for both water and wastewater rates. Highlights of those increases are listed below:

## City of Republic

### Management's Discussion and Analysis

December 31, 2024

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- Water
  - Inside City Limits
    - Monthly Base Charge will increase from \$8.66 to \$16.76 for 1,500 gallons.
    - Surcharge will increase from \$4.08 to \$7.08 per 1,000 gallons.
- Wastewater
  - Inside City Limits
    - Monthly Base Charge will increase from \$26.85 to \$28.19 for 1,500 gallons.
    - Surcharge will increase from \$15.95 to \$16.75 per 1,000 gallons.

### Capital Expenditures

Capital expenditures, both maintenance and major projects, are budgeted at \$53,394,203 for 2025. These capital expenditures are broken down into the following major projects.

- Wastewater Project = \$40.5 MM
- Administrative Bld = \$4.5 MM
- Schuyler Creek Trail = \$1.6 MM
- Commercial Avenue = \$1.0 MM
- JR Martin Park = \$1.3 MM
- Other = \$4.5 MM

These 2025 Capital Budget projects comprise the first year of the Five-Year Capital Improvement Plan, which outlines future City needs pertaining to projects and capital equipment. When resources are tight, capital spending is often prioritized and/or deferred if possible. Capital improvements have long-term effects on City operations, as well as impacting both current and future Capital Budgets.

### Personnel

The City Administration considers the employees to be the most valuable assets of the organization, and the City continues to invest in our people. In return, it also warrants evaluation of performance, value, and accountability.

In the 2025 budget, wages and personnel benefits are budgeted at \$16,419,468, which is approximately 59% of the Operating Budget expenses. Additional highlights regarding the City's staff for 2025 include the following:

- In 2025, the City budgeted a 2% COLA increase, and a 3% Merit increase for all staff to maintain a competitive advantage in relation to surrounding entities and compensate employees for the rising costs associated with inflation.
- In 2025, the City will continue to fund 100% of the employee's healthcare insurance cost. In addition, effective January 1, 2024, the City now funds 50% of the incremental cost of dependent healthcare which has historically been borne 100% by the employee.

## City of Republic

### Management's Discussion and Analysis

December 31, 2024

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The City participates in the Missouri Local Government Employees Retirement System (LAGERS), which is a defined benefit pension plan providing retirement, disability and death benefits to members and beneficiaries.

- In 2019, the City assumed the employee's contribution rate of 4% and the employees no longer are required to contribute.
- Effective 2025, the City Council approved an upgrade in the City's LAGERS program from the L-3 to the L-6, increasing the employees' pension from a 1.25% multiplier to a 2.00% multiplier.

Effective 2025, simultaneously with the City's increased contribution to LAGERS, the City adjusted its contribution to the ICMA 457 Deferred Compensation Plan. The City now matches 100% of the employee's contribution up to a maximum contribution of 4% (of employee deferred compensation).

### Conclusion

In 2025, our mission will continue to be "aggressively progressive through processes, relationships and trust."

- We will constantly evaluate our processes to ensure timely service and response through exceptional customer service. In 2025, we will implement a complete upgrade to our ERP, Payroll/HR, and Utility Billing software platforms to improve overall efficiency and customer interface.
- We will consistently strengthen our relationships with the community through timely communication and updates, and we will continue to build trust through our dedication to process improvements. We will see ways to improve our local economy, which will help improve the quality of life for our citizens.
- We remain committed to our goal of enhancing & improving the City's infrastructure and facilities. As such, we remain focused on two extremely specific needs of the City,
  - While the WWTP Project is 100% funded through grants and debt, we will continue to seek additional grant funding to replace part of the debt committed to the project to reduce the debt service obligation to the City.
  - Upgrades and enhancements to our Parks & Recreation system. We are grateful to be able to serve this community and, while there are challenges, we will continue to address and sustain the needs of our growing community.

For additional information or questions, please contact:

City of Republic  
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 Republic, MO 65738  
 (417) 732-3100  
 BFord@republicmo.com

Bob Ford, Chief Financial Officer  
 Lisa Addington, Chief of Staff and Acting City Administrator

## City of Republic

## Statement of Net Position

December 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents - unrestricted	\$ 15,797,500	\$ 3,669,599	\$ 19,467,099
Ad valorem taxes receivable, net	2,192,003	-	2,192,003
Sales taxes receivable	2,337,955	-	2,337,955
Utilities receivable	-	2,406,289	2,406,289
Intergovernmental receivable	287,764	1,484,588	1,772,352
Leases receivable	-	1,132,597	1,132,597
Other receivables	484,883	-	484,883
Prepaid insurance	245,520	68,068	313,588
Noncurrent			
Cash and cash equivalents - restricted	3,815,134	17,398,293	21,213,427
Capital Assets			
Non-depreciable	10,292,880	66,986,797	77,279,677
Depreciable, net	56,010,072	41,152,480	97,162,552
<b>Total Assets</b>	<u>91,463,711</u>	<u>134,298,711</u>	<u>225,762,422</u>
<b>Deferred Outflows of Resources</b>			
Deferred pension outflows	1,558,650	587,863	2,146,513
<b>Liabilities</b>			
Current			
Accounts payable	1,033,799	5,228,885	6,262,684
Accrued expenses	209,341	24,804	234,145
Accrued interest payable	58,354	130,631	188,985
Court bonds payable	5,611	-	5,611
Police evidence payable	22,934	-	22,934
Deposits payable	-	615,407	615,407
Current portion of long-term liabilities	1,696,136	1,901,361	3,597,497
	<u>3,026,175</u>	<u>7,901,088</u>	<u>10,927,263</u>
Noncurrent			
Bonds payable, net	11,317,861	42,874,886	54,192,747
Financed purchases	2,487,857	3,159,500	5,647,357
Compensated absences payable	64,049	8,007	72,056
Net pension liability	2,390,674	996,128	3,386,802
	<u>16,260,441</u>	<u>47,038,521</u>	<u>63,298,962</u>
<b>Total Liabilities</b>	<u>19,286,616</u>	<u>54,939,609</u>	<u>74,226,225</u>
<b>Deferred Inflows of Resources</b>			
Deferred pension inflows	185,901	47,748	233,649
Leases	-	1,099,459	1,099,459
<b>Total Deferred Inflows of Resources</b>	<u>185,901</u>	<u>1,147,207</u>	<u>1,333,108</u>
<b>Net Position</b>			
Net investment in capital assets	52,796,986	60,206,033	113,003,019
Unrestricted	20,752,858	18,593,725	39,346,583
<b>Total Net Position</b>	<u>\$ 73,549,844</u>	<u>\$ 78,799,758</u>	<u>\$ 152,349,602</u>

See accompanying Notes to the Financial Statements

## City of Republic

## Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Net (Expenses), Revenues, and Changes in Net						
	Expenses	Program Revenues			Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
Administrative	\$ (1,314,951)	\$ 3,398	\$ 9,338	\$ -	\$ (1,302,215)	\$ -	\$ (1,302,215)
Information technology	(417,987)	-	-	-	(417,987)	-	(417,987)
Human resources	(196,211)	-	-	-	(196,211)	-	(196,211)
Municipal court	(236,129)	294,934	-	-	58,805	-	58,805
Community development	(594,098)	607,893	-	-	13,795	-	13,795
Police	(3,972,741)	17,304	50,250	-	(3,905,187)	-	(3,905,187)
Fire	(3,624,430)	9,833	43,405	-	(3,571,192)	-	(3,571,192)
Emergency management	(9,322)	-	-	-	(9,322)	-	(9,322)
Animal control	(403,040)	5,628	1,123	-	(396,289)	-	(396,289)
Street	(4,681,101)	22,423	-	7,577,330	2,918,652	-	2,918,652
Parks and recreation	(4,219,656)	2,130,210	77,108	-	(2,012,338)	-	(2,012,338)
Debt service	(559,610)	-	-	-	(559,610)	-	(559,610)
<b>Total Governmental Activities</b>	<b>(20,229,276)</b>	<b>3,091,623</b>	<b>181,224</b>	<b>7,577,330</b>	<b>(9,379,099)</b>	<b>-</b>	<b>(9,379,099)</b>

See accompanying Notes to the Financial Statements

## City of Republic

## Statement of Activities

Year Ended December 31, 2024

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Business-Type Activities							
Water	(3,159,303)	3,066,126	-	1,919,952	-	1,826,775	1,826,775
Wastewater	(7,599,290)	6,878,229	-	25,020,008	-	24,298,947	24,298,947
<b>Total Business-Type Activities</b>	<b>(10,758,593)</b>	<b>9,944,355</b>	<b>-</b>	<b>26,939,960</b>	<b>-</b>	<b>26,125,722</b>	<b>26,125,722</b>
<b>Total Primary Government</b>	<b>\$ (30,987,869)</b>	<b>\$13,035,978</b>	<b>\$ 181,224</b>	<b>\$34,517,290</b>	<b>(9,379,099)</b>	<b>26,125,722</b>	<b>16,746,623</b>
General Revenues, Gains (Losses), and Transfers							
Sales taxes					15,370,664	-	15,370,664
Ad valorem taxes					2,361,675	-	2,361,675
Motor vehicle and gas taxes					1,015,536	-	1,015,536
Other taxes					138,721	-	138,721
Franchise fees					1,036,526	-	1,036,526
Interest					888,728	999,437	1,888,165
Other revenue					155,745	65,054	220,799
Gain on disposal of assets					-	49,507	49,507
Transfers					15,250	(15,250)	-
<b>Total General Revenues, Gains (Losses), and Transfers</b>					<b>20,982,845</b>	<b>1,098,748</b>	<b>22,081,593</b>
<i>Changes in Net Position</i>					<b>11,603,746</b>	<b>27,224,470</b>	<b>38,828,216</b>
Net Position, Beginning of year, as previously reported					63,634,454	51,627,367	115,261,821
Correction					(1,500,000)	-	(1,500,000)
Change in accounting principle					(188,356)	(52,079)	(240,435)
Net Position, Beginning of year, as restated					<b>61,946,098</b>	<b>51,575,288</b>	<b>113,521,386</b>
<b>Net Position, End of year</b>					<b>\$ 73,549,844</b>	<b>\$ 78,799,758</b>	<b>\$ 152,349,602</b>

See accompanying Notes to the Financial Statements

## City of Republic

## Balance Sheet – Governmental Funds

December 31, 2024

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	Fire Fund	Police Fund	Parks and Recreation Fund		
<b>Assets</b>							
Cash and cash equivalents - unrestricted	\$ 9,721,385	\$ 2,544,430	\$ 2,041,929	\$ (4,846)	\$ 635,403	\$ 859,199	\$ 15,797,500
Ad valorem taxes receivable, net	1,540,099	235,823	-	-	416,081	-	2,192,003
Sales taxes receivable	769,884	370,157	367,610	275,070	370,156	185,078	2,337,955
Other receivables	375,148	109,676	59	-	-	-	484,883
Intergovernmental receivable	-	287,764	-	-	-	-	287,764
Prepaid insurance	70,871	28,243	53,374	41,644	51,388	-	245,520
Cash and cash equivalents - restricted	1,750	2,079,549	363,328	71,601	1,298,906	-	3,815,134
<b>Total Assets</b>	<u>\$ 12,479,137</u>	<u>\$ 5,655,642</u>	<u>\$ 2,826,300</u>	<u>\$ 383,469</u>	<u>\$ 2,771,934</u>	<u>\$ 1,044,277</u>	<u>\$ 25,160,759</u>
<b>Liabilities</b>							
Accounts payable	\$ 110,057	\$ 812,829	\$ 11,635	\$ 39,866	\$ 59,412	\$ -	\$ 1,033,799
Accrued expenses	56,215	36,092	34,539	40,686	41,809	-	209,341
Court bonds payable	5,601	-	-	10	-	-	5,611
Police evidence payable	-	-	-	22,934	-	-	22,934
<b>Total Liabilities</b>	<u>171,873</u>	<u>848,921</u>	<u>46,174</u>	<u>103,496</u>	<u>101,221</u>	<u>-</u>	<u>1,271,685</u>

See accompanying Notes to the Financial Statements

## City of Republic

## Balance Sheet – Governmental Funds

December 31, 2024

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	Fire Fund	Police Fund	Parks and Recreation Fund		
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	139,027	21,390	-	-	37,458	-	197,875
<b>Total Deferred Inflows of Resources</b>	139,027	21,390	-	-	37,458	-	197,875
<b>Fund Balances</b>							
Nonspendable							
Prepaid items	70,871	28,243	53,374	41,644	51,388	-	245,520
Assigned to							
Street	-	4,757,088	-	-	-	-	4,757,088
Fire	-	-	2,726,752	-	-	-	2,726,752
Police	-	-	-	238,329	-	-	238,329
Parks and recreation	-	-	-	-	2,581,867	-	2,581,867
Capital improvements	-	-	-	-	-	1,044,277	1,044,277
Unassigned	12,097,366	-	-	-	-	-	12,097,366
<b>Total Fund Balances</b>	12,168,237	4,785,331	2,780,126	279,973	2,633,255	1,044,277	23,691,199
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 12,479,137</u>	<u>\$ 5,655,642</u>	<u>\$ 2,826,300</u>	<u>\$ 383,469</u>	<u>\$ 2,771,934</u>	<u>\$ 1,044,277</u>	<u>\$ 25,160,759</u>

See accompanying Notes to the Financial Statements



## City of Republic

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2024

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Fund balance - total governmental funds	\$ 23,691,199
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	84,110,120
Less accumulated depreciation	<u>(17,807,168)</u>
	66,302,952
The net pension liability and deferred costs are not available to pay for current period expenditures and, therefore, not reported in the funds. The following is the detail of the net effect of these differences in the treatment of the net pension liability and related deferred items:	
Net pension liability	(2,390,674)
Deferred outflows due to pensions	1,558,650
Deferred inflows due to pensions	<u>(185,901)</u>
	(1,017,925)
Deferred revenues collected in subsequent years are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds' balance sheet.	197,875
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditures when due	(58,354)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(15,565,903)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 73,549,844</u></u>

See accompanying Notes to the Financial Statements

## City of Republic

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended December 31, 2024

	Special Revenue Funds						Total Governmental Funds
	General Fund	Street Fund	Fire Fund	Police Fund	Parks and Recreation Fund	Nonmajor Governmental Funds	
<b>Revenues</b>							
Taxes	\$ 7,010,790	\$ 3,425,163	\$ 2,176,391	\$ 2,321,733	\$ 3,714,148	\$ 1,077,022	\$ 19,725,247
Licenses and permits	578,148	11,965	-	-	-	-	590,113
Intergovernmental revenues	9,338	912,619	43,405	9,328	76,535	-	1,051,225
Charges for services	35,135	10,458	9,834	-	2,130,210	-	2,185,637
Fines and forfeitures	294,934	-	-	17,304	-	-	312,238
Miscellaneous	549,106	281,679	72,730	65,302	130,535	18,859	1,118,211
<b>Total Revenues</b>	<u>8,477,451</u>	<u>4,641,884</u>	<u>2,302,360</u>	<u>2,413,667</u>	<u>6,051,428</u>	<u>1,095,881</u>	<u>24,982,671</u>
<b>Expenditures</b>							
Current							
Administrative	978,517	-	-	-	-	-	978,517
Information technology	419,189	-	-	-	-	-	419,189
Human resources	196,211	-	-	-	-	-	196,211
Municipal court	233,779	-	-	-	-	-	233,779
Community development	600,700	-	-	-	-	-	600,700
Police	-	-	-	3,589,154	-	-	3,589,154
Fire	-	-	3,320,920	-	-	-	3,320,920
Animal control	381,813	-	-	-	-	-	381,813
Street	-	2,058,462	-	-	-	-	2,058,462
Parks and recreation	-	-	-	-	4,840,309	-	4,840,309
Capital outlay	188,536	3,466,491	23,011	394,342	4,736,432	-	8,808,812
Debt service							
Principal and interest	-	582,079	258,824	-	853,745	-	1,694,648
<b>Total Expenditures</b>	<u>2,998,745</u>	<u>6,107,032</u>	<u>3,602,755</u>	<u>3,983,496</u>	<u>10,430,486</u>	<u>-</u>	<u>27,122,514</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	5,478,706	(1,465,148)	(1,300,395)	(1,569,829)	(4,379,058)	1,095,881	(2,139,843)

See accompanying Notes to the Financial Statements

## City of Republic

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended December 31, 2024

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	Fire Fund	Police Fund	Parks and Recreation Fund		
<b>Other Financing Sources (Uses)</b>							
Insurance recoveries	25,464	-	-	-	-	-	25,464
Sale of assets	-	31,700	-	-	-	-	31,700
Operating transfers in	6,280	133,742	3,086,295	1,645,342	239,851	-	5,111,510
Operating transfers (out)	(4,685,105)	(7,625)	(16,067)	(60,530)	-	(326,933)	(5,096,260)
<b>Total Other Financing Sources (Uses)</b>	<u>(4,653,361)</u>	<u>157,817</u>	<u>3,070,228</u>	<u>1,584,812</u>	<u>239,851</u>	<u>(326,933)</u>	<u>72,414</u>
<i>Net Change in Fund Balances</i>	825,345	(1,307,331)	1,769,833	14,983	(4,139,207)	768,948	(2,067,429)
Beginning Balances, as previously reported	11,872,873	6,124,759	-	-	6,772,462	1,588,534	26,358,628
Change in reporting entity	(529,981)	567,903	1,010,293	264,990	-	(1,313,205)	-
Correction	-	(600,000)	-	-	-	-	(600,000)
Beginning Balances, as restated	<u>11,342,892</u>	<u>6,092,662</u>	<u>1,010,293</u>	<u>264,990</u>	<u>6,772,462</u>	<u>275,329</u>	<u>25,758,628</u>
<b>Ending Balances</b>	<u>\$ 12,168,237</u>	<u>\$ 4,785,331</u>	<u>\$ 2,780,126</u>	<u>\$ 279,973</u>	<u>\$ 2,633,255</u>	<u>\$ 1,044,277</u>	<u>\$ 23,691,199</u>

See accompanying Notes to the Financial Statements

## City of Republic

### Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2024

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Net change in fund balances - total governmental funds	\$ (2,067,429)
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Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives on a straight line basis and reported as depreciation expense. The following is the net effect of these differences:

Expenditures for capital assets	14,539,216
Current year depreciation	(2,002,295)
(Loss) on disposal of capital assets	(199,238)
	12,337,683

Governmental funds defer revenues that do not provide current financial resources.

However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.

114,080

The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal on long-term debt is a use of current financial resources of governmental funds. In the Statement of Activities, interest is accrued on outstanding debt whereas, in the governmental funds, an interest expenditures is reported when due. The following is the detail of the net effect of theses differences:

Repayment of principal on debt	1,122,763
Accrued interest payable	(4,110)
Premium on bonds	16,385
	1,135,038

Some expenditures reported in the governmental funds represent the use of current financial resources and were recognized in the Statement of Activities when incurred.

Change in pension related costs	130,938
Change in compensated absences	(46,564)
	84,374

**Change in net position of governmental activities**

\$ 11,603,746

See accompanying Notes to the Financial Statements

## City of Republic

## Statement of Net Position – Proprietary Fund

December 31, 2024

	Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 374,991	\$ 3,294,608	\$ 3,669,599
Utilities receivable	618,294	1,787,995	2,406,289
Intergovernmental receivable	-	1,484,588	1,484,588
Leases receivable	1,132,597	-	1,132,597
Prepaid insurance	26,862	41,206	68,068
<b>Total Current Assets</b>	<b>2,152,744</b>	<b>6,608,397</b>	<b>8,761,141</b>
Restricted Assets			
Cash and cash equivalents	704,846	16,693,447	17,398,293
Property, Plant and Equipment			
Non-depreciable	90,614	66,896,183	66,986,797
Depreciable	18,391,210	41,999,687	60,390,897
Accumulated depreciation	(5,056,241)	(14,182,176)	(19,238,417)
<b>Total Property, Plant, and Equipment</b>	<b>13,425,583</b>	<b>94,713,694</b>	<b>108,139,277</b>
<b>Total Assets</b>	<b>16,283,173</b>	<b>118,015,538</b>	<b>134,298,711</b>
<b>Deferred Outflows of Resources</b>			
Deferred pension outflows	264,774	323,089	587,863

See accompanying Notes to the Financial Statements

## City of Republic

## Statement of Net Position – Proprietary Fund

December 31, 2024

	Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	113,940	5,114,945	5,228,885
Accrued expenses	11,310	13,494	24,804
Accrued interest payable	6,918	123,713	130,631
Utility deposits	615,407	-	615,407
Current portion of long-term liabilities	294,157	1,607,204	1,901,361
<b>Total Current Liabilities</b>	<b>1,041,732</b>	<b>6,859,356</b>	<b>7,901,088</b>
Long-Term Liabilities			
Bonds payable, net	1,680,968	41,193,918	42,874,886
Financed purchases	1,332,000	1,827,500	3,159,500
Compensated absences payable	4,102	3,905	8,007
Net pension liability	448,656	547,472	996,128
<b>Total Long-Term Liabilities</b>	<b>3,465,726</b>	<b>43,572,795</b>	<b>47,038,521</b>
<b>Total Liabilities</b>	<b>4,507,458</b>	<b>50,432,151</b>	<b>54,939,609</b>
<b>Deferred Inflows of Resources</b>			
Deferred pension inflows	21,506	26,242	47,748
Leases	1,099,459	-	1,099,459
<b>Total Deferred Inflows of Resources</b>	<b>1,120,965</b>	<b>26,242</b>	<b>1,147,207</b>
<b>Net Position</b>			
Net investment in capital assets	10,118,458	50,087,575	60,206,033
Unrestricted	801,066	17,792,659	18,593,725
<b>Total Net Position</b>	<b>\$ 10,919,524</b>	<b>\$ 67,880,234</b>	<b>\$ 78,799,758</b>

See accompanying Notes to the Financial Statements

## City of Republic

## Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund

Year Ended December 31, 2024

	Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<b>Operating Revenues</b>			
Charges for services	\$ 2,622,261	\$ 6,804,104	\$ 9,426,365
Miscellaneous	443,865	74,125	517,990
<b>Total Operating Revenues</b>	<b>3,066,126</b>	<b>6,878,229</b>	<b>9,944,355</b>
<b>Operating Expenses</b>			
Wages and benefits	1,396,548	1,676,640	3,073,188
Professional services	6,091	335,283	341,374
Telephone and utilities	290,734	434,580	725,314
Insurance	77,109	86,150	163,259
Supplies	140,461	129,270	269,731
Travel, meetings and dues	18,058	24,005	42,063
Repairs and maintenance	607,886	1,892,029	2,499,915
Depreciation	401,261	991,463	1,392,724
Information technology	10,554	24,866	35,420
Miscellaneous	125,535	125,718	251,253
<b>Total Operating Expenses</b>	<b>3,074,237</b>	<b>5,720,004</b>	<b>8,794,241</b>
<i>Operating Income (Loss)</i>	<i>(8,111)</i>	<i>1,158,225</i>	<i>1,150,114</i>
<b>Nonoperating Revenues (Expenses)</b>			
Interest income	36,567	962,870	999,437
Interest expense	(85,066)	(1,879,286)	(1,964,352)
Gain on disposal of capital assets	49,507	-	49,507
Rental income	65,054	-	65,054
<b>Total Nonoperating Revenues (Expenses)</b>	<b>66,062</b>	<b>(916,416)</b>	<b>(850,354)</b>
<i>Income (Loss) Before Contributions and Transfers</i>	<i>57,951</i>	<i>241,809</i>	<i>299,760</i>
Capital contributions - federal grant	-	23,228,125	23,228,125
Capital contributions - developer donated infrastructure	1,919,952	1,791,883	3,711,835
Operating transfers (out)	(7,625)	(7,625)	(15,250)
<i>Change in Net Position</i>	<i>1,970,278</i>	<i>25,254,192</i>	<i>27,224,470</i>
Beginning Net Position, as previously reported	8,975,024	42,652,343	51,627,367
Change in accounting principle	(25,778)	(26,301)	(52,079)
Beginning Net Position, as restated	8,949,246	42,626,042	51,575,288
<b>Net Position, December 31</b>	<b>\$ 10,919,524</b>	<b>\$ 67,880,234</b>	<b>\$ 78,799,758</b>

See accompanying Notes to the Financial Statements

## City of Republic

## Statement of Cash Flows – Proprietary Fund

Year Ended December 31, 2024

	Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 3,173,794	\$ 6,672,412	\$ 9,846,206
Cash paid to suppliers	(1,137,030)	(2,998,233)	(4,135,263)
Cash paid to employees	(1,404,517)	(1,689,056)	(3,093,573)
<b>Net Cash Provided by Operating Activities</b>	632,247	1,985,123	2,617,370
<b>Cash Flows from Noncapital Financing Activities</b>			
Net operating transfers in (out)	(7,625)	(7,625)	(15,250)
Nonoperating revenues	(5,937)	-	(5,937)
<b>Net Cash (Used) by Noncapital Financing Activities</b>	(13,562)	(7,625)	(21,187)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(335,072)	(44,189,650)	(44,524,722)
Proceeds from disposal of capital assets	160,401	-	160,401
Proceeds from bond issue	-	384,500	384,500
Capital contributions	-	36,559,196	36,559,196
Payment of bond principal	(50,600)	(1,163,800)	(1,214,400)
Payment of other debt principal	(197,730)	(212,770)	(410,500)
Payment of interest expense	(85,447)	(2,019,855)	(2,105,302)
Lease receipts	77,397	-	77,397
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	(431,051)	(10,642,379)	(11,073,430)
<b>Cash Flows from Investing Activities</b>			
Interest received on investments	20,317	962,870	983,187
<b>Net Cash Provided by Investing Activities</b>	20,317	962,870	983,187
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	207,951	(7,702,011)	(7,494,060)
Cash and Cash Equivalents, Beginning of year	871,886	27,690,066	28,561,952
<b>Cash and Cash Equivalents, End of year</b>	1,079,837	19,988,055	21,067,892
Less Restricted Cash and Cash Equivalents	704,846	16,693,447	17,398,293
<b>Unrestricted Cash and Cash Equivalents</b>	<u>\$ 374,991</u>	<u>\$ 3,294,608</u>	<u>\$ 3,669,599</u>

See accompanying Notes to the Financial Statements



## City of Republic

## Statement of Cash Flows – Proprietary Fund

Year Ended December 31, 2024

	Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating income (loss)	\$ (8,111)	\$ 1,158,225	\$ 1,150,114
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	401,261	991,463	1,392,724
(Increase) decrease in			
Utilities receivable	(22,614)	(205,817)	(228,431)
Intergovernmental receivable	88,697	-	88,697
Prepaid expense	5,162	(14,360)	(9,198)
Deferred pension outflows	(118,713)	(102,714)	(221,427)
Increase (decrease) in			
Accounts payable	86,843	21,315	108,158
Accrued expenses	(17,278)	(2,973)	(20,251)
Utility deposits payable	41,585	-	41,585
Deferred pension inflows	1,816	(3,467)	(1,651)
Net pension liability	197,779	168,953	366,732
Compensated absences	(24,180)	(25,502)	(49,682)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 632,247</u>	<u>\$ 1,985,123</u>	<u>\$ 2,617,370</u>
<b>Noncash Capital Activities</b>			
Contributions of capital assets from developers	\$ 1,919,952	\$ 1,791,883	\$ 3,711,835
Amortization of bond premiums	\$ -	\$ 136,446	\$ 136,446

See accompanying Notes to the Financial Statements

# City of Republic

## Notes to the Financial Statements

December 31, 2024

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### 1. Summary of Significant Accounting Policies

The City of Republic, Missouri, (the City) was incorporated in 1871, under the provisions of the State of Missouri. The City operates under a Mayor-City Council form of government. The City provides the following services as authorized by its charter: public safety (police and fire), streets, culture-recreation, public improvements, planning, and general administrative services. Other services include water and wastewater operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

#### Financial Reporting Entity

The City is organized under the laws of the State of Missouri and is a primary government, which is governed by an elected City Council. As required by accounting principles generally accepted in the United States of America, the City has evaluated the criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that no other outside entity meets the above criteria and therefore, no other entity has been included as a component unit in the financial statements. In addition, the City is not aware of any entity for which the City would be considered as a component unit of that entity.

#### Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

##### *Government-Wide Financial Statements*

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### *Fund Financial Statements*

Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

## City of Republic

### Notes to the Financial Statements

December 31, 2024

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Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

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

*Street Fund:* The Street Fund is a special revenue fund used to account for resources that are restricted, committed, or assigned for street maintenance, improvements and indebtedness.

*Parks and Recreation Fund:* The Parks and Recreation Fund is a special revenue fund that used to account for resources that are restricted, committed, or assigned for the operations of the City parks and recreation programs.

*Police Fund:* The Police Fund is a special revenue fund that is used to account for resources that are restricted, committed, or assigned for operations of the City's public service operations.

*Fire Fund:* The Fire Fund is a special revenue fund that is used to account for resources that are restricted, committed, or assigned for operations of the City's fire service operations.

The City reports the following major proprietary funds:

*Water Fund:* The Water Fund accounts for the activities and capital improvements of the City's water operations.

*Wastewater Fund:* The Wastewater Fund accounts for the activities and capital improvements of the City's wastewater operations.

### Adoption of New Accounting Standards

During the year ending December 31, 2024, the City adopted the following accounting standards:

GASB Statement No. 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*. This statement prescribes the accounting for each type of accounting change and error correction. Additionally, this statement makes changes to how these changes and corrections are presented in the financial statements and disclosures.

GASB Statement No. 101, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures.

City of Republic

Notes to the Financial Statements

December 31, 2024

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. For purposes of the statement of cash flows, cash equivalents include short-term investments with an original maturity of less than three months at the time of purchase.

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Distribution systems	20-50 years
Buildings and improvements	40 years
Infrastructure	20-40 years
Machinery and equipment	5-10 years
Vehicles	5 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

Fair Value

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

- Level 1: Inputs using quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs using significant other observable inputs including quoted prices for similar assets or liabilities
- Level 3: Inputs are significant unobservable inputs

City of Republic

Notes to the Financial Statements

December 31, 2024

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

The City reports the following deferred outflows and inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Unavailable revenue (not collected within the period of availability) - Reported only at the modified accrual level		✓
Deferred pension costs or cost reductions	✓	✓
Leases		✓

Deferred Taxes

Revenues from property tax receivables not expected to be collected in time to pay current operating expenses are deferred as unavailable revenue until received in the governmental funds. These deferred taxes are expected to be collected over several years.

Revenue Recognition – Property Taxes

Real estate property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

Compensated Absences

Employees earn vacation time based on the number of years’ service to the City and sick leave at a standard rate per full month of service. Outstanding vacation leave is payable upon termination of employment. Upon separation from the City’s service, an employee is not entitled to receive payment for any accrued and unused sick leave. Compensated absences are recorded as a liability in the Statement of Net Position.

Bond Premiums

Bond premiums are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are netted with bond principal liabilities.

## City of Republic

### Notes to the Financial Statements

December 31, 2024

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#### Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

*Net Investment in Capital Assets:* This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted:* This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

*Unrestricted:* This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted net position.

#### Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

*Nonspendable fund balance:* This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

*Restricted fund balance:* This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance:* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the City Council – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Council removes the specified use by taking the same type of action imposing the commitment.

*Assigned fund balance:* This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and

## City of Republic

### Notes to the Financial Statements

December 31, 2024

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liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. All other revenues and expenses are considered nonoperating.

#### Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

#### Leases

The City is a lessor for several leases of equipment on the City's water tower. The City recognizes a lease receivable and deferred inflows of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

#### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the Missouri Local Government Employees Retirement System (LAGERS) pension and pension expense, information about the fiduciary net position of 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.

## 2. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. As of December 31, 2024, the pool is comprised of deposits and certificates of deposit.

# City of Republic

## Notes to the Financial Statements

December 31, 2024

### Interest Rate Risk

Interest rate risk is the risk that the fair value of the City’s investments will decrease as a result of changes in interest rates. The City’s investment policy limits investments so that maturities are concurrent with the cash requirements for ongoing operations and laddered to the extent possible to avoid selling prior to maturity.

### Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of bank failure, the City’s deposits may not be returned to it. Protection of the City’s deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution. The City’s policy requires all deposits placed in financial institutions be in accordance with state statutes, which requires that the City’s deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. The City’s certificates of deposit are considered deposits for custodial risk determination. As of December 31, 2024, all balances on deposit were entirely insured or collateralized.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All trades, where applicable, will be executed by delivery vs. payment to ensure that fixed income securities are deposited in eligible financial institutions prior to the release of funds. All fixed income securities are perfected in the name, or for the account of the City, and are held by a third-party custodian as evidenced by safekeeping receipts.

### Credit Risk

Credit risk is the risk that the City will not recover its investment due to the ability of the counterparty to fulfill their obligation. The City minimizes credit risk by limiting its investments to certificates of deposit, repurchase agreements, obligations of the U.S. Treasury and U.S. agencies, and obligations of state and local government entities.

## 3. Accounts Receivable

Accounts receivable are presented net of an allowance for doubtful accounts as follows:

	Accounts Receivable	Allowance	Net Accounts Receivable
<b>Ad Valorem Taxes Receivable</b>			
General Fund	\$ 1,549,923	\$ (9,824)	\$ 1,540,099
Street Fund	238,467	(2,644)	235,823
Parks and Recreation Fund	417,592	(1,511)	416,081
	<u>\$ 2,205,982</u>	<u>\$ (13,979)</u>	<u>\$ 2,192,003</u>



## City of Republic

### Notes to the Financial Statements

December 31, 2024

#### 4. Restricted Assets

Cash and cash equivalents and fund balance/net position have been restricted as follows:

	Restricted Cash and Cash Equivalents	Restricted Net Position
<b>General Fund</b>		
Operating reserves	\$ 1,750	\$ -
<b>Street Fund</b>		
STP match funds	1,886,684	-
Developer escrow	19,050	-
Stormwater funds	173,815	-
	<u>2,079,549</u>	<u>-</u>
<b>Fire Fund</b>		
Fire equipment reserves	151,088	-
Impact fees	7,926	-
Fire sales tax	178,027	-
ABA grant	26,287	-
	<u>363,328</u>	<u>-</u>
<b>Police Fund</b>		
Police evidence	22,934	-
Opioid settlement	48,667	-
	<u>71,601</u>	<u>-</u>
<b>Parks and Recreation Fund</b>		
Unspent bond proceeds	1,257,209	-
Capital replacement reserves	41,697	-
	<u>1,298,906</u>	<u>-</u>
<b>Total Governmental Activities</b>	<u><u>\$ 3,815,134</u></u>	<u><u>\$ -</u></u>
<b>Water Fund</b>		
Capital replacement	\$ 39,735	\$ -
Impact fees	49,704	-
Customer deposits	615,407	-
	<u>704,846</u>	<u>-</u>
<b>Wastewater Fund</b>		
Capital replacement	225,309	-
Impact fees	360,443	-
Project reimbursements	16,105,192	-
Series 2024 bond (SRF) escrow for interest	2,503	-
	<u>16,693,447</u>	<u>-</u>
<b>Total Business-type Activities</b>	<u><u>\$ 17,398,293</u></u>	<u><u>\$ -</u></u>

## City of Republic

## Notes to the Financial Statements

December 31, 2024

**5. Capital Assets**

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
<b>Governmental Activities</b>				
Non-depreciable Capital Assets				
Land	\$ 6,822,615	\$ 112,594	\$ -	\$ 6,935,209
Construction in progress	5,914,960	6,890,282	9,447,571	3,357,671
<b>Total Non-Depreciable Capital Assets</b>	12,737,575	<u>\$ 7,002,876</u>	<u>\$ 9,447,571</u>	10,292,880
Depreciable Capital Assets				
Building and improvements	21,114,774	\$ 9,447,571	\$ 316,369	30,245,976
Machinery and equipment	2,865,128	529,449	75,741	3,318,836
Vehicles	5,045,181	258,385	85,244	5,218,322
Infrastructure	28,285,600	6,748,506	-	35,034,106
<b>Total Depreciable Capital Assets</b>	57,310,683	<u>\$ 16,983,911</u>	<u>\$ 477,354</u>	73,817,240
Less Accumulated Depreciation				
Building and improvements	8,014,012	\$ 572,031	\$ 171,093	8,414,950
Machinery and equipment	1,821,337	195,624	21,779	1,995,182
Vehicles	3,124,684	402,167	85,244	3,441,607
Infrastructure	3,122,956	832,473	-	3,955,429
Total Accumulated Depreciation	16,082,989	<u>\$ 2,002,295</u>	<u>\$ 278,116</u>	17,807,168
<b>Total Depreciable Capital Assets, net</b>	41,227,694			56,010,072
<b>Total Capital Assets - Governmental Activities, net</b>	<u>\$ 53,965,269</u>			<u>\$ 66,302,952</u>

## City of Republic

## Notes to the Financial Statements

December 31, 2024

Depreciation expense for governmental activities was charged to functions as follows:

Administrative	\$ 35,990
Police	240,781
Fire	316,194
Court	7,783
Streets and Stormwater	931,399
Planning	4,621
Parks	428,514
Emergency Management	9,322
Animal Control	27,691
	<u>\$ 2,002,295</u>

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
<b>Business-Type Activities</b>				
<b>Water</b>				
Non-depreciable Capital Assets				
Construction in progress	\$ 193,196	\$ 207,672	\$ 310,254	\$ 90,614
<b>Total Non-depreciable Capital Assets</b>	193,196	<u>\$ 207,672</u>	<u>\$ 310,254</u>	90,614
Depreciable Capital Assets				
Water plant	13,126,918	\$ 2,230,206	\$ -	15,357,124
Buildings and improvements	2,129,182	-	-	2,129,182
Major moveable equipment	540,307	127,400	155,251	512,456
Vehicles	410,929	-	18,481	392,448
<b>Total Depreciable Capital Assets</b>	16,207,336	<u>\$ 2,357,606</u>	<u>\$ 173,732</u>	18,391,210
Less Accumulated Depreciation				
Water plant	3,920,682	\$ 303,361	\$ -	4,224,043
Buildings and improvements	90,085	52,568	-	142,653
Major moveable equipment	307,815	41,292	44,357	304,750
Vehicles	399,236	4,040	18,481	384,795
<b>Total Accumulated Depreciation</b>	4,717,818	<u>\$ 401,261</u>	<u>\$ 62,838</u>	5,056,241
<b>Total Depreciable Capital Assets, net</b>	11,489,518			13,334,969

## City of Republic

## Notes to the Financial Statements

December 31, 2024

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
<b>Wastewater</b>				
Non-depreciable Capital Assets				
Land	270,670	\$ -	\$ -	270,670
Construction in progress	23,072,903	43,552,610	-	66,625,513
<b>Total Non-depreciable Capital Assets</b>	23,343,573	<u>\$ 43,552,610</u>	<u>\$ -</u>	66,896,183
Depreciable Capital Assets				
Wastewater plant	35,628,304	\$ 1,791,883	\$ -	37,420,187
Buildings and improvements	2,391,388	-	-	2,391,388
Major moveable equipment	1,039,894	153,987	-	1,193,881
Vehicles	512,916	517,303	35,988	994,231
<b>Total Depreciable Capital Assets</b>	39,572,502	<u>\$ 2,463,173</u>	<u>\$ 35,988</u>	41,999,687
Less Accumulated Depreciation				
Wastewater plant	12,166,987	\$ 786,655	\$ -	12,953,642
Buildings and improvements	24,910	59,784	-	84,694
Major moveable equipment	574,064	97,043	-	671,107
Vehicles	460,740	47,981	35,988	472,733
<b>Total Accumulated Depreciation</b>	13,226,701	<u>\$ 991,463</u>	<u>\$ 35,988</u>	14,182,176
<b>Total Depreciable Capital Assets, net</b>	26,345,801			27,817,511
<b>Total Capital Assets - Business-Type Activities, net</b>	<u>\$ 61,372,088</u>			<u>\$ 108,139,277</u>

## 6. Long-Term Debt – Governmental Activities

The long-term debt of the governmental activities at December 31, 2024, consists of the following:

### Capital Financed Purchase – 2006 MAMU

In February 2007, the City entered into a financing agreement with Missouri Association of Municipal Utilities to finance the construction of the addition and renovation of Fire Station No. 1 and the acquisition of related furnishings and equipment in the amount of \$992,000. The agreement requires various monthly payments with interest at 4.0%. In the event of default, the lender may terminate the agreement, retake possession of the property, lease or sublease the property with the City remaining liable for the remaining payments, declare all payments immediately due and payable for the remainder of the current fiscal year, or take whatever action at law or in equity deemed necessary.

# City of Republic

## Notes to the Financial Statements

December 31, 2024

The following is a schedule of future minimum payments under this agreement:

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2025	\$ 48,000	\$ 15,520	\$ 63,520
2026	48,000	13,600	61,600
2027	56,000	11,587	67,587
2028	60,000	9,220	69,220
2029	60,000	6,820	66,820
2030	60,000	4,420	64,420
2031	66,000	1,970	67,970
2032	12,000	60	12,060
	<u>\$ 410,000</u>	<u>\$ 63,197</u>	<u>\$ 473,197</u>

### Series 2007 Certificates of Participation

In March 2007, the City issued \$1,800,000 in Certificates of Participation for the purpose of acquiring, constructing, furnishing, and equipping Fire Station No. 2. The Certificates of Participation bear interest at 3.25% with monthly payments of \$9,201 due on the first of each month. In the event of default, the lender may terminate the agreement, retake possession of the property, lease or sublease the property with the City remaining liable for the remaining lease payments, or take whatever action at law or in equity deemed necessary.

The following is a schedule of future minimum payments under this agreement:

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2025	\$ 84,758	\$ 16,083	\$ 100,841
2026	86,734	14,107	100,841
2027	88,756	12,085	100,841
2028	90,796	10,046	100,842
2029	92,942	7,900	100,842
2030	95,108	5,733	100,841
2031	97,326	3,516	100,842
2032	99,590	1,252	100,842
	<u>\$ 736,010</u>	<u>\$ 70,722</u>	<u>\$ 806,732</u>

### Financed Purchase – Aerial Fire Truck

In June 2017, the City entered into an agreement to finance the purchase of a 2017 Rosenbauer Firetruck in the amount of \$713,000. The agreement requires semi-annual payments of \$44,128 with interest at 2.29%. In the event of default, the lender may declare all payments immediately due and payable, retake possession of the property, lease or sublease the property with the City remaining liable for the remaining payments, or take whatever action at law or in equity deemed necessary.

# City of Republic

## Notes to the Financial Statements

December 31, 2024

The following is a schedule of future minimum payments under the lease agreement:

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2025	\$ 85,294	\$ 2,962	\$ 88,256
2026	44,047	41	44,088
	<u>\$ 129,341</u>	<u>\$ 3,003</u>	<u>\$ 132,344</u>

### Financed Purchase – Equipment

In April 2021, the City entered into an agreement to finance the purchase of a 2016 Komatsu Dozer and a 2018 Komatsu Excavator in the amount of \$203,630. The debt was recorded as long-term debt within both the governmental activities and the business-type activities based on the activity that was to utilize the equipment. The usage was estimated to be 33.33% for governmental activities and 66.67% for business-type activities. The agreement requires monthly payments of \$4,367 with interest at 1.4%. In the event of default, the lender may declare all payments immediately due and payable, retake possession of the property, lease or sublease the property with the City remaining liable for the remaining payments, or take whatever action at law or in equity deemed necessary.

The following is a schedule of future minimum payments under the agreement:

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2025	<u>\$ 17,414</u>	<u>\$ 52</u>	<u>\$ 17,466</u>
Governmental Activities	\$ 5,805		
Business-Type Activities	11,609		
	<u>\$ 17,414</u>		

### Direct Loan Agreement – 2022 MTFC Loan

On June 1, 2022, the City entered into a direct loan agreement and promissory note with the Missouri Transportation Finance Corporation (MTFC) for the purpose of a cost share program with the Missouri Highways and Transportation Commission. The loan shall be specifically used for the widening of Route MM to four lanes plus a center turn lane from Route 360 to Interstate 44. The total amount of the direct loan is \$4,200,000, however, the proceeds are to be issued to the City in four disbursements with the first loan disbursement occurring in June 2022, in the amount of the \$685,692. The second disbursement of \$2,007,533 was provided to the City in calendar year 2023. The third and fourth disbursements of \$1,506,775, in total, will scheduled to be issued to the City in 2024, however, the City did not make the drawdowns, therefore this balance remains unissued and available as of December 31, 2024. The loan bears interest at 1.4% and principal and interest payments are due annually on April 15 of each year.

## City of Republic

## Notes to the Financial Statements

December 31, 2024

The balance as of December 31, 2024 was \$1,829,973, which includes the first two disbursements to the City plus repayments made by the City. The following is a schedule of future payments under the agreement assuming that all the City draws down all available funds:

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2025	\$ 399,415	\$ 46,843	\$ 446,258
2026	405,007	41,251	446,258
2027	410,677	35,581	446,258
2028	416,427	29,832	446,259
2029	422,257	24,002	446,259
2030	426,168	18,090	444,258
2031	434,162	12,096	446,258
2032	429,812	9,017	438,829
	<u>\$ 3,343,925</u>	<u>\$ 216,712</u>	<u>\$ 3,560,637</u>

**Series 2017 Special Obligation Refunding Bonds**

On October 19, 2017, the City issued \$4,080,000 in Special Obligation Refunding Bonds for the purpose of refunding the Series 2010 and a portion of the Series 2011 Special Obligation Bonds. 97.68% of the Special Obligation Bonds was recorded as long-term debt within the governmental activities and 2.32% was recorded as long-term debt within the business-type activities. The principal amount recorded within the business-type activities has matured as of December 31, 2022. The bonds bear interest ranging from 2.0% to 3.0% with principal payments due May 1 and interest payments due November 1 and May 1 each year. The bond purchase agreement calls for all bonds to be purchased by a sole purchaser who will then offer them for sale to the public. The bonds may not be called for redemption under the provisions outlined in the bond ordinance. In the event of default, Bond Owners of not less than 10% may take such actions as may be necessary, such as seeking mandamus or specific performance, to cause the City to comply with its obligations under the agreement.

The annual debt service requirements for these bonds at December 31, 2024, are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	<u>\$ 200,000</u>	<u>\$ 3,000</u>	<u>\$ 203,000</u>

**Series 2022 Special Obligation Bonds**

On February 16, 2022, the City issued \$45,445,000 in Series 2022 Special Obligation Bonds for the purpose of construction of a new public works facility, for approximately \$4,965,000 and improvements to the City's sewerage system for approximately \$40,480,000. The amount attributable to the public works facility is recorded in the governmental activities and the amount for the sewerage system improvements is recorded in the enterprise funds and business-type activities. The bonds bear interest ranging from 3.00% to 4.00%, with principal payments due May 1 and interest payments due May 1 and November 1 each year. The City has not pledged its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal and interest.

# City of Republic

## Notes to the Financial Statements

December 31, 2024

The annual debt service requirements for these bonds at December 31, 2024, are as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 1,320,000	\$ 1,558,400	\$ 2,878,400
2026	1,375,000	1,504,500	2,879,500
2027	1,430,000	1,448,400	2,878,400
2028	1,485,000	1,390,100	2,875,100
2029	1,550,000	1,329,400	2,879,400
2030-2034	8,745,000	5,645,500	14,390,500
2035-2039	9,760,000	3,745,400	13,505,400
2040-2044	10,310,000	1,881,750	12,191,750
2045-2047	6,990,000	318,750	7,308,750
	<u>\$ 42,965,000</u>	<u>\$ 18,822,200</u>	<u>\$ 61,787,200</u>
Governmental Activities	\$ 1,733,768		
Business-Type Activities	41,231,232		
	<u>\$ 42,965,000</u>		

### Series 2023 Special Obligation Bonds

On March 23, 2023, the City issued \$9,920,000 in Series 2023 Special Obligation Bonds for the purpose of providing funds for the cost of capital improvements to the City's parks and recreational facilities, including but not limited to the expansion of the aquatic center and the construction of a new community event space. The bonds bear interest ranging from 4.00% to 5.00%, with principal payments due May 1 and interest payments due May 1 and November 1 each year. The City has not pledged its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal and interest.

The annual debt service requirements for these bonds at December 31, 2024, are as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 65,000	\$ 422,475	\$ 487,475
2026	100,000	419,175	519,175
2027	125,000	414,675	539,675
2028	160,000	408,975	568,975
2029	200,000	401,775	601,775
2030-2034	1,595,000	1,846,775	3,441,775
2035-2039	2,895,000	1,379,238	4,274,238
2040-2044	4,500,000	527,625	5,027,625
	<u>\$ 9,640,000</u>	<u>\$ 5,820,713</u>	<u>\$ 15,460,713</u>



## City of Republic

### Notes to the Financial Statements

December 31, 2024

The following table is a summary of the changes in the long-term debt obligations of the Governmental Activities for the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Retirements	Balance December 31, 2024	Amounts Due Within One Year
Direct Borrowings					
2006 MAMU	\$ 458,000	\$ -	\$ 48,000	\$ 410,000	\$ 48,000
2007 Certificates of Participation	818,787	-	82,777	736,010	84,758
Aerial Fire Truck	213,120	-	83,779	129,341	85,294
Equipment	23,055	-	17,250	5,805	5,805
2022 MTFC Loan	2,255,330	-	425,357	1,829,973	399,415
	<u>3,768,292</u>	<u>-</u>	<u>657,163</u>	<u>3,111,129</u>	<u>623,272</u>
Bonds					
Series 2017 Special Obligation					
Refunding Bonds	335,000	-	135,000	200,000	200,000
Series 2022 Special Obligation Bonds	1,784,368	-	50,600	1,733,768	52,800
Series 2023 Special Obligation Bonds	9,920,000	-	280,000	9,640,000	65,000
Premium on Bonds	94,663	-	16,385	78,278	16,385
	<u>12,134,031</u>	<u>-</u>	<u>481,985</u>	<u>11,652,046</u>	<u>334,185</u>
Compensated Absences	756,164	46,564	-	802,728	738,679
	<u>\$16,658,487</u>	<u>\$ 46,564</u>	<u>\$ 1,139,148</u>	<u>\$15,565,903</u>	<u>\$ 1,696,136</u>

## 7. Long-Term Debt – Business-Type Activities

The long-term debt of the business-type activities as of December 31, 2024 is as follows:

### Financed Purchase – 2006 MAMU

In December 2006, the City entered into an agreement with Missouri Association of Municipal Utilities to finance the extension of the water and sanitary sewer system lines and the construction of a new well and elevated water storage tank in the amount of \$7,865,000. The agreement requires various monthly payments with interest at 3.975%. In the event of default, the lender may terminate the agreement, retake possession of the property, lease or sublease the property with the City remaining liable for the remaining payments, declare all payments immediately due and payable for the remainder of the current fiscal year, or take whatever action at law or in equity deemed necessary.

## City of Republic

### Notes to the Financial Statements

December 31, 2024

The following is a schedule of future minimum payments under the agreement:

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2025	\$ 392,000	\$ 118,800	\$ 510,800
2026	412,000	102,853	514,853
2027	430,000	86,158	516,158
2028	450,000	68,698	518,698
2029	472,000	50,426	522,426
2030	494,000	31,273	525,273
2031	517,000	11,210	528,210
	<u>\$ 3,167,000</u>	<u>\$ 469,418</u>	<u>\$ 3,636,418</u>

#### Financed Purchase – Equipment

See Note 6.

#### Series 2022 Special Obligation Bonds

See Note 6.

#### Series 2024 Special Obligation Bonds (State of Missouri – Direct Loan Program)

On June 1, 2024, the City issued Series 2024 Special Obligation Bonds (State of Missouri - Direct Loan Program), in the amount not to exceed \$50,000,000. The bonds were issued in order to provide funding to finance improvements to the wastewater treatment facilities. The bonds require semi-annual payments of principal and interest on January 1 and July 1 of each year, with interest at 1.26% of the outstanding balance. In the event of default, the City would be required to pay penalties assessed by the State of Missouri Department of Natural Resources in accordance with Regulations and may take any proceedings allowed by law to enforce payment or proceed as if they were the trustees of a trust. As of December 31, 2024, the City has issued \$384,500, the remaining \$49,615,500 remains available.

The following is a schedule of future minimum payments due on the outstanding balance:

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2025	\$ -	\$ 4,845	\$ 4,845
2026	-	4,845	4,845
2027	384,500	4,845	389,345
	<u>\$ 384,500</u>	<u>\$ 14,535</u>	<u>\$ 399,035</u>

## City of Republic

### Notes to the Financial Statements

December 31, 2024

The following table is a summary of the changes in the long-term debt of the Business-Type Activities for the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Retirements	Balance December 31, 2024	Amounts Due Within One Year
<b>Water Fund</b>					
Direct Borrowings					
2006 MAMU	\$ 1,700,640	\$ -	\$ 180,480	\$ 1,520,160	\$ 188,160
Equipment	23,054	-	17,250	5,804	5,804
	<u>1,723,694</u>	<u>-</u>	<u>197,730</u>	<u>1,525,964</u>	<u>193,964</u>
Bonds					
Series 2022 Special Obligation	1,784,368	-	50,600	1,733,768	52,800
Compensated Absences	75,674	-	24,179	51,495	47,393
	<u>3,583,736</u>	<u>-</u>	<u>272,509</u>	<u>3,311,227</u>	<u>294,157</u>
<b>Wastewater Fund</b>					
Direct Borrowings					
Series 2024 Special Obligation	-	384,500	-	384,500	-
2006 MAMU	1,842,360	-	195,520	1,646,840	203,840
Equipment	23,055	-	17,250	5,805	5,805
	<u>1,865,415</u>	<u>384,500</u>	<u>212,770</u>	<u>2,037,145</u>	<u>209,645</u>
Bonds					
Series 2022 Special Obligation	40,661,264	-	1,163,800	39,497,464	1,214,400
Premium on Series 2022 Bond	3,183,746	-	136,446	3,047,300	136,446
	<u>43,845,010</u>	<u>-</u>	<u>1,300,246</u>	<u>42,544,764</u>	<u>1,350,846</u>
Compensated Absences	76,120	-	25,502	50,618	46,713
	<u>45,786,545</u>	<u>384,500</u>	<u>1,538,518</u>	<u>44,632,527</u>	<u>1,607,204</u>
	<u><u>\$ 49,370,281</u></u>	<u><u>\$ 384,500</u></u>	<u><u>\$ 1,811,027</u></u>	<u><u>\$ 47,943,754</u></u>	<u><u>\$ 1,901,361</u></u>

## 8. Assessed Valuation, Tax Levy, & Legal Debt Margin

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

	<u>2024</u>
<b>Assessed Valuation</b>	
Real estate	\$ 351,685,900
Personal property	69,644,754
<b>Total</b>	<u><u>\$ 421,330,654</u></u>
<b>Tax Rate Per \$100 of Assessed Valuation</b>	
General Fund	\$ .4268
Park Fund	.1150
Street Fund	.0657
	<u><u>\$ .6075</u></u>

# City of Republic

## Notes to the Financial Statements

December 31, 2024

The legal debt margin at December 31, 2024, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	\$ 42,133,065	\$ 42,133,065	\$ 84,266,130
General Obligation Bonds Payable	-	-	-
<b>Legal Debt Margin</b>	<b>\$ 42,133,065</b>	<b>\$ 42,133,065</b>	<b>\$ 84,266,130</b>

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may incur an indebtedness for any purposes authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights-of-way, construction, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

## 9. Defined Contribution Pension Plan

The City provides benefits to employees through a defined contribution plan established under section 457 of the Internal Revenue Code. This defined contribution plan is administered by MissionSquare Retirement, and benefits depend solely on amounts contributed to the Plan, plus investment earnings. The City contributes 9% per payroll for all employees starting six months after full-time status date, which are then retroactively paid back to the full-time date. Employees are eligible to participate from the date of hire. Employer and employee contributions are fully vested immediately.

During the year ended December 31, 2024, employer contributions were \$871,787 and employee contributions were \$115,400.

## 10. Employee Pension Plan

### General Information about the Pension Plan

*Plan Description.* The City’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City 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](http://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

# City of Republic

## Notes to the Financial Statements

December 31, 2024

after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon 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.

2024 Valuation	
Benefit multiplier	1.25% for life
Final average salary	3 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.

*Employees Covered by Benefit Terms.* At June 30, 2024, the following employees were covered by the benefit terms:

	General Division	Police Division	Fire Division	Total
Inactive members or beneficiaries currently receiving benefits	40	6	6	52
Inactive members entitled to but not yet receiving benefits	34	20	14	68
Active members	97	26	27	150
	<u>171</u>	<u>52</u>	<u>47</u>	<u>270</u>

*Contributions.* The City 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 City contribute 0% of gross pay to the pension plan. The City’s contribution rates are 12.0% for General, 14.1% for Police, and 12.8% for Fire of annual covered payroll.

*Net Pension Liability.* The City’s net pension liability was measured as of June 30, 2024, 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 inflation for the General Division
	2.75% to 6.55% including inflation for the Police Division
	2.75% to 7.15% including inflation for the Fire Division
Investment rate of return	7.00% net of investment and administrative expenses

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

## City of Republic

### Notes to the Financial Statements

December 31, 2024

males and females. The pre-retirement mortality tables 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

The actuarial assumptions used in the February 29, 2024, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 29, 2020.

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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Weighted Average Long-Term Expected Real Rate of Return</b>
Alpha	5.00%	2.37%
Equity	39.00%	5.37%
Fixed Income	23.00%	1.47%
Real Assets	33.00%	3.45%
Strategic Assets	7.00%	3.46%
Cash/Leverage	-7.00%	-0.26%

*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 Republic

## Notes to the Financial Statements

December 31, 2024

## Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) - (b)
<b>General Division</b>			
Balance at beginning of year	\$ 9,421,622	\$ 7,360,056	\$ 2,061,566
Changes for the year			
Service cost	398,152	-	398,152
Interest	662,421	-	662,421
Difference between expected and actual experiences	251,499	-	251,499
Contributions - employer	-	752,441	(752,441)
Net investment income	-	397,864	(397,864)
Benefits paid, including refunds	(313,659)	(313,659)	-
Administrative expenses	-	(20,602)	20,602
Other (net transfer)	-	9,462	(9,462)
<i>Net Changes</i>	<u>998,413</u>	<u>825,506</u>	<u>172,907</u>
Balance at end of year	10,420,035	8,185,562	2,234,473
<b>Police Division</b>			
Balance at beginning of year	2,585,083	1,914,775	670,308
Changes for the year			
Service cost	116,187	-	116,187
Interest	182,422	-	182,422
Difference between expected and actual experiences	95,708	-	95,708
Contributions - employer	-	220,717	(220,717)
Net investment income	-	100,060	(100,060)
Benefits paid, including refunds	(73,583)	(73,583)	-
Administrative expenses	-	(5,485)	5,485
Other (net transfer)	-	(23,554)	23,554
<i>Net Changes</i>	<u>320,734</u>	<u>218,155</u>	<u>102,579</u>
Balance at end of year	2,905,817	2,132,930	772,887

# City of Republic

## Notes to the Financial Statements

December 31, 2024

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (Asset)	Net Pension	Liability (Asset)
	(a)	(b)	(a) - (b)
<b>Fire Division</b>			
Balance at beginning of year	2,346,879	2,094,634	252,245
Changes for the year			
Service cost	123,774	-	123,774
Interest	166,959	-	166,959
Difference between expected and actual experiences	142,154	-	142,154
Contributions - employer	-	193,138	(193,138)
Net investment income	-	112,156	(112,156)
Benefits paid, including refunds	(45,954)	(45,954)	-
Administrative expenses	-	(5,351)	5,351
Other (net transfer)	-	5,747	(5,747)
<i>Net Changes</i>	386,933	259,736	127,197
Balance at end of year	2,733,812	2,354,370	379,442
<b>Total Plan Balances at end of year</b>	<b>\$ 16,059,664</b>	<b>\$ 12,672,862</b>	<b>\$ 3,386,802</b>



City of Republic

Notes to the Financial Statements

December 31, 2024

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following present the Net Pension Liability of the City, calculated using the discount rate of 7.00%, as well as what the City’s Net Pension Liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
<b>General Division</b>			
Total Pension Liability	\$ 12,137,888	\$ 10,420,035	\$ 9,023,694
Plan Fiduciary Net Position	8,185,562	8,185,562	8,185,562
Net Pension Liability	3,952,326	2,234,473	838,132
<b>Police Division</b>			
Total Pension Liability	3,457,027	2,905,817	2,465,092
Plan Fiduciary Net Position	2,132,930	2,132,930	2,132,930
Net Pension Liability	1,324,097	772,887	332,162
<b>Fire Division</b>			
Total Pension Liability	3,211,946	2,733,812	2,350,941
Plan Fiduciary Net Position	2,354,370	2,354,370	2,354,370
Net Pension Liability	857,576	379,442	(3,429)
<b>Total Net Pension Liability</b>	<b>\$ 6,133,999</b>	<b>\$ 3,386,802</b>	<b>\$ 1,166,865</b>

## City of Republic

## Notes to the Financial Statements

December 31, 2024

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

For the year ended December 31, 2024, the City recognized a pension expense of \$745,160 in the General Division, \$257,307 in the Police Division, and \$174,643 in the Fire Division. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
<b>General Division</b>			
Differences in experiences	\$ 721,993	\$ (62,362)	\$ 659,631
Differences in assumptions	-	(44,745)	(44,745)
Excess (deficit) investment returns	218,654	-	218,654
Contributions subsequent to the measurement date*	378,023	-	378,023
	<u>1,318,670</u>	<u>(107,107)</u>	<u>1,211,563</u>
<b>Police Division</b>			
Differences in experiences	201,340	(36,939)	164,401
Differences in assumptions	2,375	-	2,375
Excess (deficit) investment returns	63,407	-	63,407
Contributions subsequent to the measurement date*	110,499	-	110,499
	<u>377,621</u>	<u>(36,939)</u>	<u>340,682</u>
<b>Fire Division</b>			
Differences in experiences	283,179	(85,058)	198,121
Differences in assumptions	8,706	(4,545)	4,161
Excess (deficit) investment returns	65,285	-	65,285
Contributions subsequent to the measurement date*	93,052	-	93,052
	<u>450,222</u>	<u>(89,603)</u>	<u>360,619</u>
<b>Total</b>	<u>\$ 2,146,513</u>	<u>\$ (233,649)</u>	<u>\$ 1,912,864</u>
Governmental Activities	\$ 1,558,650	\$ (185,901)	\$ 1,372,749
Business-Type Activities	587,863	(47,748)	540,115
	<u>\$ 2,146,513</u>	<u>\$ (233,649)</u>	<u>\$ 1,912,864</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized in the Net Pension Liability in the year ending December 31, 2025.

## City of Republic

### Notes to the Financial Statements

December 31, 2024

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

Year Ending June 30,	General	Police	Fire	Total
	Net Deferred Outflows (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
2025	\$ 99,488	\$ 38,547	\$ 20,686	\$ 158,721
2026	296,372	84,288	77,779	458,439
2027	229,635	59,315	54,115	343,065
2028	157,701	36,355	35,918	229,974
2029	40,231	11,678	29,340	81,249
Thereafter	10,113	-	49,729	59,842
Total	<u>\$ 833,540</u>	<u>\$ 230,183</u>	<u>\$ 267,567</u>	<u>\$ 1,331,290</u>

#### Payable to the Pension Plan

At December 31, 2024, the City had no contributions payable to the pension plan required for the year ended December 31, 2024.

#### 11. Leases

The City leases tower space on the water tower to third parties, as a lessor. Payments are fixed and payable monthly. During the year ended December 31, 2024, the City recognized \$65,054 in lease revenue.

#### 12. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

#### 13. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of December 31, 2024, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

#### 14. Interfund Transfers

Operating transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the Enterprise Funds and

City of Republic

Notes to the Financial Statements

December 31, 2024

General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers between funds of the City for the year ended December 31, 2024, were as follows:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ 6,280	\$ 4,685,105
Street Fund	133,742	7,625
Parks and Recreation Fund	239,851	-
Police Fund	1,645,342	60,530
Fire Fund	3,086,295	16,067
Nonmajor Governmental Funds	-	326,933
Water Fund	-	7,625
Wastewater Fund	-	7,625
	<u>\$ 5,111,510</u>	<u>\$ 5,111,510</u>

15. Tax Abatements

As of December 31, 2024, the City provides tax abatements through The Enhanced Enterprise Zones Program. The Enhanced Enterprise Zones Program is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., in order for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. The City of Republic, Missouri voted for the qualifying business to include manufacturing, warehousing/distributions and supply chain, wholesale trade, processing wholesale material for wholesale trade, professional services, and any other business enterprise that creates and maintains 15 or more full time jobs, defined as 35 hours per week or more, excluding retail, eating and drinking establishments, and gaming operations. New or expanded business facilities must have \$100,000 in new investment. Replacement business facilities must have \$1,000,000 in new investment. Both types of business facilities must also offer health insurance to full time employees in Missouri, of which at least 50% is paid by the employer. During the year ended December 31, 2024 the total amount abated through the City's Enhanced Enterprise Zones Program was \$142,321.

# City of Republic

## Notes to the Financial Statements

December 31, 2024

### 16. Commitments

At December 31, 2024, the City had the following commitments:

Vendor	Project	Amount
Burns & McDonnell	Wastewater treatment facility expansion project	\$ 67,821,818
Burns & McDonnell	Wastewater treatment facility blending project	\$ 49,688
Burns & McDonnell	Elevated water tank and well project	\$ 847,000
Burns & McDonnell	Lower Brookline linear improvement project	\$ 49,100
Burns & McDonnell	McElhaney lift station and forcemain project	\$ 209,687
Crossland Construction	New city hall building project	\$ 5,200,000
JD Wallace Contracting	Shuyler Creek trail extention	\$ 1,345,392
Olsson Engineering	Highway MM project	\$ 357,667
Sapp Design Architects	JR Martin Park project	\$ 40,557

### 17. Restatement

Certain balances in the Statements of Net Position and Balance Sheets have been restated as follows:

#### Change in Reporting Entity

The City reorganized some of its operations by adding the Police and Fire Funds, which have historically been recorded and reported in the General and Fire Sales Tax Funds; and moved the activities of the Stormwater Improvement Fund to the Street Fund.

#### Correction

During 2022, the City and Greene County entered into a cooperative agreement whereby the County was to pay the City \$1,500,000 for a specific project over a period of five years as the project progressed. In 2024, it was determined that the project would not occur, however, in years 2022 and 2023, a total of \$600,000 was received and recognized as earned, and the remaining \$900,000 was reported as receivable.

#### Change in Accounting Principle

Beginning balances have been restated to reflect the adoption of new accounting guidance, GASB Statement No. 101, *Compensated Absences*.

# City of Republic

## Notes to the Financial Statements

December 31, 2024

Restatements of beginning balances are as follows:

Reporting Units Affected by Restatements of Beginning Balances					
	Funds				Stormwater Improvement Fund
	General Fund	Street Fund	Police Fund	Fire Fund	
December 31, 2023, as previously reported	\$ 11,872,873	\$ 6,124,759	\$ -	\$ -	\$ 567,903
Change in Reporting Entity					
Cash	-	567,903	-	657,000	(567,903)
Receivables	(529,981)	-	264,990	353,293	
Correction					
Cash	-	(600,000)	-	-	-
Intergovernmental receivable	-	(900,000)	-	-	-
Deferred inflow of resources	-	900,000	-	-	-
December 31, 2023, as restated	<u>\$ 11,342,892</u>	<u>\$ 6,092,662</u>	<u>\$ 264,990</u>	<u>\$ 1,010,293</u>	<u>\$ -</u>

  

Reporting Units Affected by Restatements of Beginning Balances					
	Funds			Government-Wide	
	Fire Sales Tax Fund	Water Fund	Wastewater Fund	Governmental Activities	Business-type Activities
December 31, 2023, as previously reported	\$ 745,302	\$ 8,975,024	\$ 42,652,343	\$ 63,634,454	\$ 51,627,367
Change in Reporting Entity					
Cash	(657,000)	-	-	-	-
Receivables	(88,302)	-	-	-	-
Correction					
Cash	-	-	-	(600,000)	-
Intergovernmental receivable	-	-	-	(900,000)	-
Change in Accounting Principle					
Compensated absences	-	(25,778)	(26,301)	(188,356)	(52,079)
December 31, 2023, as restated	<u>\$ -</u>	<u>\$ 8,949,246</u>	<u>\$ 42,626,042</u>	<u>\$ 61,946,098</u>	<u>\$ 51,575,288</u>

## Required Supplementary Information

## City of Republic

Schedule of Changes in Net Position Liability and Related Ratios  
Year Ended December 31, 2024

## Missouri Local Government Employees Retirement System (LAGERS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service Cost	\$ 638,113	\$ 525,575	\$ 437,395	\$ 420,061	\$ 425,565	\$ 409,689	\$ 402,300	\$ 389,419	\$ 354,360	\$ 301,679
Interest on the Total Pension Liability	1,011,802	885,175	797,906	773,244	734,452	622,751	560,802	515,897	440,338	341,126
Changes of Benefit Terms	-	-	-	-	-	240,005	-	-	-	873,448
Difference between expected and actual experience	489,361	772,113	365,317	(16,449)	(344,870)	511,093	205,087	12,913	139,457	(17,410)
Changes of Assumptions	-	-	-	(119,987)	-	-	-	(46,438)	309,808	-
Benefit Payments	(433,196)	(425,366)	(370,135)	(295,523)	(259,849)	(241,731)	(390,372)	(208,873)	(151,552)	(160,817)
<i>Net Change in Total Pension Liability</i>	1,706,080	1,757,497	1,230,483	761,346	555,298	1,541,807	777,817	662,918	1,092,411	1,338,026
Total Pension Liability, Beginning	14,353,584	12,596,087	11,365,604	10,604,258	10,048,960	8,507,153	7,729,336	7,066,418	5,974,007	4,635,981
<b>Total Pension Liability, Ending</b>	<b>\$ 16,059,664</b>	<b>\$ 14,353,584</b>	<b>\$ 12,596,087</b>	<b>\$ 11,365,604</b>	<b>\$ 10,604,258</b>	<b>\$ 10,048,960</b>	<b>\$ 8,507,153</b>	<b>\$ 7,729,336</b>	<b>\$ 7,066,418</b>	<b>\$ 5,974,007</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 1,166,296	\$ 1,074,832	\$ 876,412	\$ 742,549	\$ 725,511	\$ 580,248	\$ 442,199	\$ 421,098	\$ 378,325	\$ 348,612
Contributions - employee	-	-	-	26	-	124,450	185,356	187,765	179,855	180,245
Net Investment Income	610,080	377,700	11,795	2,147,426	94,547	398,106	632,274	500,611	18,844	74,200
Benefit Payments	(433,196)	(425,366)	(370,135)	(295,523)	(259,849)	(241,731)	(390,372)	(208,873)	(151,552)	(160,817)
Pension Plan Administrative Expense	(31,438)	(33,499)	(22,657)	(17,576)	(22,194)	(19,331)	(12,809)	(12,308)	(11,867)	(12,770)
Other (Net Transfer)	(8,345)	28,417	(58,889)	25,104	20,943	4,070	221,637	(66,888)	(74,047)	(25,775)
<i>Net Change in Plan Fiduciary Net Position</i>	1,303,397	1,022,084	436,526	2,602,006	558,958	845,812	1,078,285	821,405	339,558	403,695
Plan Fiduciary Net Position, Beginning	11,369,465	10,347,381	9,910,855	7,308,849	6,749,891	5,904,079	4,825,794	4,004,389	3,664,831	3,261,136
<b>Plan Fiduciary Net Position, Ending</b>	<b>12,672,862</b>	<b>11,369,465</b>	<b>10,347,381</b>	<b>9,910,855</b>	<b>7,308,849</b>	<b>6,749,891</b>	<b>5,904,079</b>	<b>4,825,794</b>	<b>4,004,389</b>	<b>3,664,831</b>
<b>Employer Net Pension Liability</b>	<b>\$ 3,386,802</b>	<b>\$ 2,984,119</b>	<b>\$ 2,248,706</b>	<b>\$ 1,454,749</b>	<b>\$ 3,295,409</b>	<b>\$ 3,299,069</b>	<b>\$ 2,603,074</b>	<b>\$ 2,903,542</b>	<b>\$ 3,062,029</b>	<b>\$ 2,309,176</b>
Plan fiduciary net position as a percentage of the total pension liability	78.91%	79.21%	82.15%	87.20%	68.92%	67.17%	69.40%	56.67%	56.67%	61.35%
Covered payroll	\$ 8,926,494	\$ 7,825,446	\$ 6,107,681	\$ 5,274,968	\$ 5,274,968	\$ 5,334,667	\$ 4,568,579	\$ 4,718,669	\$ 4,326,663	\$ 4,011,930
Employer's net pension liability as a percentage of covered payroll	37.94%	38.13%	36.82%	27.58%	62.47%	61.84%	56.98%	61.53%	70.77%	57.56%



## City of Republic

## Schedule of Contributions

Year Ended December 31, 2024

	<b>Missouri Local Government Employees Retirement System (LAGERS)</b>									
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 1,163,969	\$ 1,137,104	\$ 982,685	\$ 752,329	\$ 768,133	\$ 703,488	\$ 467,478	\$ 454,354	\$ 399,756	\$ 367,770
Contributions in relation to the actuarially determined contribution	<u>1,163,969</u>	<u>1,137,104</u>	<u>982,685</u>	<u>752,329</u>	<u>767,138</u>	<u>703,487</u>	<u>467,478</u>	<u>440,229</u>	<u>385,535</u>	<u>367,771</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 995</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 14,125</u>	<u>\$ 14,221</u>	<u>\$ (1)</u>
Covered payroll	\$ 9,182,109	\$ 8,618,846	\$ 7,221,381	\$ 5,574,781	\$ 5,576,497	\$ 5,255,119	\$ 4,865,670	\$ 4,650,980	\$ 4,553,397	\$ 4,394,159
Contributions as a percentage of covered payroll	12.68%	13.19%	13.61%	13.50%	13.76%	13.39%	9.61%	9.47%	8.47%	8.37%

See accompanying Notes to the Schedule of Contributions

## City of Republic

### Notes to the Schedule of Contributions

Year Ended December 31, 2024

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**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 6 to 20 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 inflation for the General Division

2.75% to 6.55% including inflation for the Police Division

2.75% to 7.15% for the Fire Division

*Investment Rate of Return:* 7.00%, net of investment and administrative 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 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 Republic

## Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes	\$ 1,348,122	\$ 1,348,122	\$ 1,523,638	\$ 175,516
Railroad and utility taxes	25,000	25,000	32,487	7,487
City sales tax	4,242,325	4,242,325	4,352,291	109,966
Franchise tax	810,000	810,000	1,036,526	226,526
Financial institution tax	5,800	5,800	2,878	(2,922)
Surtax	70,000	70,000	62,880	(7,120)
Payment in lieu of tax	100	100	90	(10)
	<u>6,501,347</u>	<u>6,501,347</u>	<u>7,010,790</u>	<u>509,443</u>
Licenses and Permits				
Occupational licenses	100,000	100,000	94,559	(5,441)
Permits	345,000	345,000	483,589	138,589
	<u>445,000</u>	<u>445,000</u>	<u>578,148</u>	<u>133,148</u>
Intergovernmental Revenues				
Federal and state grants	-	-	9,338	9,338
Charges for Services				
Other charges for services	37,500	37,500	35,135	(2,365)
Fines and Forfeitures				
City court fines	262,750	262,750	294,934	32,184
Miscellaneous				
Interest	297,507	367,735	445,227	77,492
Donations	5,000	5,000	1,123	(3,877)
Other	13,500	13,500	102,756	89,256
	<u>316,007</u>	<u>386,235</u>	<u>549,106</u>	<u>162,871</u>
<b>Total Revenues</b>	<u>7,562,604</u>	<u>7,632,832</u>	<u>8,477,451</u>	<u>844,619</u>

See accompanying Notes to the Budgetary Comparison Schedules

## City of Republic

## Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Expenditures</b>				
Current				
Administrative	2,031,890	2,412,925	978,517	1,434,408
Information technology	818,935	807,014	419,189	387,825
Human resources	623,938	568,609	196,211	372,398
Municipal court	216,879	239,555	233,779	5,776
Community development	659,230	596,855	600,700	(3,845)
Animal control	330,859	337,071	381,813	(44,742)
Capital outlay	265,000	270,750	188,536	82,214
<b>Total Expenditures</b>	<u>4,946,731</u>	<u>5,232,779</u>	<u>2,998,745</u>	<u>2,234,034</u>
 <i>Excess (Deficit) of Revenues Over Expenditures</i>	 2,615,873	 2,400,053	 5,478,706	 3,078,653
 <b>Other Financing Sources (Uses)</b>				
Insurance recoveries	-	-	25,464	25,464
Operating transfers in	-	2,156,308	6,280	(2,150,028)
Operating transfers (out)	<u>(3,766,999)</u>	<u>(3,766,999)</u>	<u>(4,685,105)</u>	<u>(918,106)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(3,766,999)</u>	<u>(1,610,691)</u>	<u>(4,653,361)</u>	<u>(3,042,670)</u>
 <i>Net Change in Fund Balance</i>	 (1,151,126)	 789,362	 825,345	 35,983
 Beginning Fund Balance, as previously reported	 11,872,873	 11,872,873	 11,872,873	 -
Change in reporting entity	<u>(529,981)</u>	<u>(529,981)</u>	<u>(529,981)</u>	<u>-</u>
Beginning Fund Balance, as restated	11,342,892	11,342,892	11,342,892	-
 <b>Ending Fund Balance</b>	 <u><u>\$ 10,191,766</u></u>	 <u><u>\$ 12,132,254</u></u>	 <u><u>\$ 12,168,237</u></u>	 <u><u>\$ 35,983</u></u>

See accompanying Notes to the Budgetary Comparison Schedules

## City of Republic

## Budgetary Comparison Schedule – Street Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes	\$ 207,573	\$ 207,573	\$ 240,899	\$ 33,326
Sales taxes	2,121,260	2,121,260	2,154,044	32,784
Motor vehicle taxes	940,552	940,552	1,015,536	74,984
Railroad and utility	4,000	4,000	5,002	1,002
Surtax	11,000	11,000	9,682	(1,318)
	<u>3,284,385</u>	<u>3,284,385</u>	<u>3,425,163</u>	<u>140,778</u>
Permits				
Street signs	-	-	497	497
Right of way permits	5,000	5,000	11,468	6,468
	<u>5,000</u>	<u>5,000</u>	<u>11,965</u>	<u>6,965</u>
Charges for Services				
Construction inspection fees	7,500	7,500	10,458	2,958
Intergovernmental Revenues				
Grants	-	200,000	718,890	518,890
County reimbursements	175,000	175,000	193,729	18,729
	<u>175,000</u>	<u>375,000</u>	<u>912,619</u>	<u>537,619</u>
Miscellaneous				
Interest	68,500	189,765	222,320	32,555
Other	1,961,000	761,000	59,359	(701,641)
	<u>2,029,500</u>	<u>950,765</u>	<u>281,679</u>	<u>(669,086)</u>
<b>Total Revenues</b>	<u>5,501,385</u>	<u>4,622,650</u>	<u>4,641,884</u>	<u>16,276</u>

See accompanying Notes to the Budgetary Comparison Schedules

## City of Republic

## Budgetary Comparison Schedule – Street Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures</b>				
Current				
Street	2,135,488	2,005,595	2,058,462	(52,867)
Capital outlay	4,870,000	2,744,750	3,466,491	(721,741)
Debt service				
Principal and interest	643,119	643,119	582,079	61,040
<b>Total Expenditures</b>	<u>7,648,607</u>	<u>5,393,464</u>	<u>6,107,032</u>	<u>(713,568)</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(2,147,222)	(770,814)	(1,465,148)	(697,292)
<b>Other Financing Sources (Uses)</b>				
Sale of assets	-	-	31,700	31,700
Operating transfers in	400,000	100,000	133,742	33,742
Operating transfers (out)	(5,000)	(5,000)	(7,625)	(2,625)
<b>Total Other Financing Sources (Uses)</b>	<u>395,000</u>	<u>95,000</u>	<u>157,817</u>	<u>62,817</u>
<i>Net Change in Fund Balance</i>	(1,752,222)	(675,814)	(1,307,331)	(634,475)
Beginning Fund Balance, as previously reported	6,124,759	6,124,759	6,124,759	-
Change in reporting entity	567,903	567,903	567,903	-
Correction	(600,000)	(600,000)	(600,000)	-
Beginning Fund Balance, as restated	<u>6,092,662</u>	<u>6,092,662</u>	<u>6,092,662</u>	<u>-</u>
<b>Ending Fund Balance</b>	<u>\$ 4,340,440</u>	<u>\$ 5,416,848</u>	<u>\$ 4,785,331</u>	<u>\$ (634,475)</u>

See accompanying Notes to the Budgetary Comparison Schedules

## City of Republic

## Budgetary Comparison Schedule – Fire Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 2,142,735	\$ 2,142,735	\$ 2,176,391	\$ 33,656
Intergovernmental revenue	-	-	43,405	43,405
Charges for services	-	-	9,834	9,834
Miscellaneous	38,000	63,800	72,730	8,930
<b>Total Revenues</b>	<u>2,180,735</u>	<u>2,206,535</u>	<u>2,302,360</u>	<u>95,825</u>
<b>Expenditures</b>				
Current				
Fire	3,659,777	3,270,391	3,320,920	(50,529)
Capital Outlay	142,000	142,000	23,011	118,989
Debt Service				
Principal and interest	259,719	259,719	258,824	895
<b>Total Expenditures</b>	<u>4,061,496</u>	<u>3,672,110</u>	<u>3,602,755</u>	<u>69,355</u>
<i>Excess of Revenues Over Expenditures</i>	(1,880,761)	(1,465,575)	(1,300,395)	165,180
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	2,359,780	2,217,780	3,086,295	868,515
Operating transfers (out)	(158,067)	(16,067)	(16,067)	-
<b>Total Other Financing Sources (Uses)</b>	<u>2,201,713</u>	<u>2,201,713</u>	<u>3,070,228</u>	<u>868,515</u>
<i>Net Change in Fund Balance</i>	320,952	736,138	1,769,833	1,033,695
Beginning Fund Balance, as previously reported	-	-	-	-
Change in reporting entity	1,010,293	1,010,293	1,010,293	-
Beginning Fund Balance, as restated	<u>1,010,293</u>	<u>1,010,293</u>	<u>1,010,293</u>	<u>-</u>
<b>Ending Fund Balance</b>	<u>\$ 1,331,245</u>	<u>\$ 1,746,431</u>	<u>\$ 2,780,126</u>	<u>\$ 1,033,695</u>

See accompanying Notes to the Budgetary Comparison Schedules

## City of Republic

## Budgetary Comparison Schedule – Police Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 2,389,230	\$ 2,389,230	\$ 2,321,733	\$ (67,497)
Intergovernmental revenue	10,000	10,000	9,328	(672)
Fines and forfeitures	-	-	17,304	17,304
Miscellaneous	12,500	4,000	65,302	61,302
<b>Total Revenues</b>	<u>2,411,730</u>	<u>2,403,230</u>	<u>2,413,667</u>	<u>10,437</u>
<b>Expenditures</b>				
Current				
Police	3,763,209	3,671,555	3,589,154	82,401
Capital Outlay	336,000	348,000	394,342	(46,342)
<b>Total Expenditures</b>	<u>4,099,209</u>	<u>4,019,555</u>	<u>3,983,496</u>	<u>36,059</u>
<i>Excess of Revenues Over Expenditures</i>	(1,687,479)	(1,616,325)	(1,569,829)	46,496
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	1,636,645	1,636,645	1,645,342	8,697
Operating transfers (out)	(60,530)	(60,530)	(60,530)	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,576,115</u>	<u>1,576,115</u>	<u>1,584,812</u>	<u>8,697</u>
<i>Net Change in Fund Balance</i>	(111,364)	(40,210)	14,983	55,193
Beginning Fund Balance, as previously reported	-	-	-	-
Change in reporting entity	264,990	264,990	264,990	-
Beginning Fund Balance, as restated	<u>264,990</u>	<u>264,990</u>	<u>264,990</u>	<u>-</u>
<b>Ending Fund Balance</b>	<u>\$ 153,626</u>	<u>\$ 224,780</u>	<u>\$ 279,973</u>	<u>\$ 55,193</u>

See accompanying Notes to the Budgetary Comparison Schedules



## City of Republic

## Budgetary Comparison Schedule – Parks and Recreation Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes	\$ 363,332	\$ 363,332	\$ 399,263	\$ 35,931
Sales taxes	3,220,387	3,220,387	3,289,183	68,796
Railroad and utility	7,000	7,000	8,755	1,755
Surtax	20,000	20,000	16,947	(3,053)
	<u>3,610,719</u>	<u>3,610,719</u>	<u>3,714,148</u>	<u>103,429</u>
Intergovernmental Receipts				
State grants	75,535	75,535	76,535	1,000
Charges for Services				
Rental income	308,500	330,500	335,204	4,704
Adult and youth programs	298,100	315,200	299,864	(15,336)
Aquatics center	28,000	28,000	13,662	(14,338)
Special events	144,000	144,000	99,622	(44,378)
Concession	275,000	325,000	346,857	21,857
Admissions	767,500	1,028,180	1,035,001	6,821
	<u>1,821,100</u>	<u>2,170,880</u>	<u>2,130,210</u>	<u>(40,670)</u>
Miscellaneous				
Interest	78,080	133,080	118,934	(14,146)
Other	7,500	7,500	11,601	4,101
	<u>85,580</u>	<u>140,580</u>	<u>130,535</u>	<u>(10,045)</u>
<b>Total Revenues</b>	<u>5,592,934</u>	<u>5,997,714</u>	<u>6,051,428</u>	<u>53,714</u>
<b>Expenditures</b>				
Current				
Parks and recreation	4,657,337	4,896,439	4,840,309	56,130
Capital outlay	7,351,899	5,750,001	4,736,432	1,013,569
Debt Service				
Principal and interest	830,884	830,885	853,745	(22,860)
<b>Total Expenditures</b>	<u>12,840,120</u>	<u>11,477,325</u>	<u>10,430,486</u>	<u>1,046,839</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	<u>(7,247,186)</u>	<u>(5,479,611)</u>	<u>(4,379,058)</u>	<u>1,100,553</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfer in	245,673	245,673	239,851	(5,822)
<b>Total Other Financing Sources (Uses)</b>	<u>245,673</u>	<u>245,673</u>	<u>239,851</u>	<u>(5,822)</u>
<i>Net Change in Fund Balance</i>	<u>(7,001,513)</u>	<u>(5,233,938)</u>	<u>(4,139,207)</u>	<u>1,094,731</u>
Beginning Fund Balance	6,772,462	6,772,462	6,772,462	-
<b>Ending Fund Balance</b>	<u>\$ (229,051)</u>	<u>\$ 1,538,524</u>	<u>\$ 2,633,255</u>	<u>\$ 1,094,731</u>

See accompanying Notes to the Budgetary Comparison Schedules

## City of Republic

Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2024

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### **Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January, Administration submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the City Council in late November or early December to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to January 1, ordinances are passed by the Council, which provide for legally adopted budgets for all funds of the City.
4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council.
5. Formal budgetary integration is employed as a management control device for all funds of the City.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by the City Council on approved budget adjustment forms.

## Supplementary Information

## City of Republic

## Combining Balance Sheet – Nonmajor Governmental Funds

Year Ended December 31, 2024

	Special Revenue Funds			Total Nonmajor Funds
	Stormwater Improvement Fund	Fire Sales Tax Fund	Capital Improvement Sales Tax Fund	
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 859,199	\$ 859,199
Sales taxes receivable	-	-	185,078	185,078
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,044,277</u>	<u>\$ 1,044,277</u>
<b>Liabilities and Fund Balances</b>				
Liabilities	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Assigned to				
Capital improvements	-	-	1,044,277	1,044,277
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>1,044,277</u>	<u>1,044,277</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,044,277</u>	<u>\$ 1,044,277</u>

## City of Republic

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds

Year Ended December 31, 2024

	Special Revenue Funds			Total Nonmajor Funds
	Stormwater Improvement Fund	Fire Sales Tax Fund	Capital Improvement Sales Tax Fund	
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 1,077,022	\$ 1,077,022
Miscellaneous	-	-	18,859	18,859
<b>Total Revenues</b>	-	-	1,095,881	1,095,881
<b>Expenditures</b>				
Current				
<b>Total Expenditures</b>	-	-	-	-
<i>Excess (Deficit) of Revenues Over Expenditures</i>	-	-	1,095,881	1,095,881
<b>Other Financing Sources (Uses)</b>				
Operating transfers (out)	-	-	(326,933)	(326,933)
<b>Total Other Financing Sources (Uses)</b>	-	-	(326,933)	(326,933)
<i>Net Change in Fund Balances</i>	-	-	768,948	768,948
Beginning Fund Balance, as previously reported	567,903	745,302	275,329	1,588,534
Change in reporting entity	(567,903)	(745,302)	-	(1,313,205)
Beginning Fund Balance, as restated	-	-	275,329	275,329
<b>Ending Fund Balance</b>	\$ -	\$ -	\$ 1,044,277	\$ 1,044,277

## Other Reporting Requirements

**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Honorable Mayor and City Council  
City of Republic  
Republic, Missouri

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Republic, Missouri, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Republic, Missouri's basic financial statements, and have issued our report thereon, dated June 13, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Republic, Missouri's internal control over financial reporting (internal control) as a basis of 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 the City of Republic, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting 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 the City of Republic, 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.

KPM CPAs, PC  
Springfield, Missouri  
June 13, 2025



## **Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Honorable Mayor and City Council  
City of Republic  
Republic, Missouri

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Republic, 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 the City of Republic, Missouri's major federal programs for the year ended December 31, 2024. The City of Republic, Missouri's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Republic, 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 December 31, 2024.

#### ***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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Republic, 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 the City'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 the City's federal programs.

### ***Auditors' 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 the City of Republic, 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 substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Republic, 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 the City of Republic, 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 the City of Republic, 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 the City'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 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 Auditors' 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.

KPM CPAs, PC  
Springfield, Missouri  
June 13, 2025

## City of Republic

## Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Justice</b>				
Direct				
Bulletproof Vest Partnership Program	16.607	N/A	\$ -	\$ 1,329
<b>Total U.S. Department of Justice</b>			-	1,329
<b>U.S. Department of Labor</b>				
City of Springfield, Missouri				
COVID-19 Registered Apprenticeship	17.285	FOA-ETA-22-06	-	26,000
<b>Total U.S. Department of Labor</b>			-	26,000
<b>U.S. Department of Transportation</b>				
Missouri Department of Transportation				
Highway Planning and Construction	20.205	STBG-6900(813)	-	531,234
Alcohol Open Container Requirements	20.607	24-154-AL-063	-	3,381
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	24-PT-02-059	-	3,381
<i>Total Highway Safety Cluster</i>			-	3,381
<b>Total U.S. Department of Transportation</b>			-	537,996
<b>U.S. Department of Treasury</b>				
Missouri Department of Natural Resources				
COVID-19 Coronavirus State and Local Fiscal				
Recovery Funds	21.027	E5B3F40BFA16	-	10,184,341
<b>Total U.S. Department of Treasury</b>			-	10,184,341
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 10,749,666

N/A - Not Applicable

See accompanying Notes to the Schedule of Expenditures of Federal Awards

## City of Republic

### Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

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#### 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Republic, Missouri, under programs of the federal government for the year ended December 31, 2024. 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 the City of Republic, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Republic, Missouri.

#### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### 3. Indirect Cost Rate

The City of Republic, Missouri, has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

#### 4. Coronavirus State and Local Fiscal Recovery Funds

Included in the Schedule for the year ended December 31, 2024, is \$462,294 of federal expenditures under the Coronavirus State and Local Fiscal Recovery Funds, ALN 21.027, pass-through grantor number E5B3F40BFA16, that were paid in a previous fiscal year. The expenditures were identified and approved in the current fiscal year as federal expenditures and have been reported in the current fiscal year Schedule in accordance with reporting requirements.

## City of Republic

## Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

## Section I: Summary of Auditors' Results

<b>Financial Statements</b>		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified
Internal Control over Financial Reporting:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Noncompliance material to financial statements noted?		No
<b>Federal Awards</b>		
Internal control over major federal programs:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Type of auditors' report issued on compliance for major federal program:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		No
Identification of major federal programs:		
<b>Assistance Listing Number(s)</b> 21.027	<b>Name of Federal Program or Cluster</b> COVID 19 – 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?		No

City of Republic

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

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**Section II: Financial Statement Findings**

None

**Section III: Federal Award Findings and Questioned Costs**

None

## City of Republic

### Summary Schedule of Prior Audit Findings

Year Ended December 31, 2024

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There were no prior year audit findings.



Honorable Mayor and City Council  
City of Republic  
Republic, Missouri

In planning and performing our audit of the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Republic, Missouri, for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City'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 effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

We became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and recommendations regarding these matters.

**1. Cybersecurity and Internal Controls**

Cyberattacks continue to be a problem for governments around the globe and these attacks are evolving in sophistication. We urge the City to be diligent in its efforts in awareness of the latest fraud schemes and to review, monitor, and implement changes to its internal controls on an ongoing basis to thwart off attacks. Additionally, we urge the City to continue to promote employee awareness of fraud schemes and encourage open dialogue with management relating to mitigating efforts.

**2. Account Coding**

During the prior year it was noted that revenues and expenses were changed a to being reported on more of a "project" classification rather than a natural classification, which is a classification that is required by GASB.

*We Commend:*

The City for recording revenues by revenue source classification; governmental expenditures be recorded by function classification; and proprietary expenses recorded by natural or object classification.

**3. Budgetary Compliance**

During the current year, the City was not in compliance with budgetary statutes, Chapter 67 RSMo due to expenditures exceeding budgeted amounts in the Street Fund. Budgetary statute prohibits expenditures exceeding authorized and approved budgeted amounts.

*We Recommend:*

The City review budgets to ensure that actual expenditures do not exceed budgeted authorizations.

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standards may be applicable to the City. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the “Standards & Guidance” tab.

**GASB Statement No. 102 – *Certain Risk Disclosures***

This standard requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. This standard is effective for the City’s fiscal year beginning January 1, 2025.

**GASB Statement No. 103 – *Financial Reporting Model Improvements***

This standard changes and improves key components of the financial reporting model. Improvements and notable changes are made to management’s discussion and analysis, unusual or infrequent items, presentation of proprietary fund statements, presentation of and information about major component units, and budgetary comparison information. This standard is effective for the City’s fiscal year beginning January 1, 2026.

**GASB Statement No. 104 – *Disclosure of Certain Capital Assets***

This standard establishes requirements for certain types of capital assets to be disclosed separately for purposes of note disclosures. This new standard also establishes requirements for capital assets held for sale and requires additional disclosure for those capital assets. This standard is effective for the City’s fiscal year beginning January 1, 2026.

The GASB is working on several comprehensive projects that will likely have substantial impacts to government entities and will result in significant changes to government financial statements in the future. Information about completed, ongoing, or projected projects, visit [www.gasb.org](http://www.gasb.org) and click on the “Projects” tab. The most impactful of the projects that are worth watching are as follows:

The *Revenue and Expense Recognition* project aims to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. Currently, the GASB is redeliberating the preliminary views proposals. The final pronouncement is projected to be released in the fourth quarter of 2025.

*Subsequent Events – Reexamination of Statement 56* aims to improve the accounting and financial reporting for subsequent events. The exposure draft was issued in November 2024 and written comments concluded February 21, 2025. The final pronouncement is expected to occur in the fourth quarter of 2025.

Other topics that the GASB is researching are cybersecurity risk disclosures, GAAP structure, and note disclosures relating to the new revenue and expense recognition project.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the City's administrative personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional studies of this matter or to assist you in implementing the recommendation.

We appreciate this opportunity to serve as the City of Republic's independent auditors and the courtesies and assistance extended to us by the City's employees.

Respectfully submitted,

KPM CPAs, PC  
Springfield, Missouri  
June 13, 2025

Honorable Mayor and City Council  
City of Republic  
Republic, Missouri

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Republic, Missouri, for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 12, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Republic, Missouri, are described in Note 1 to the financial statements. During the current year, the City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*. The application of existing policies was not changed during the current year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the City's governmental activities financial statements was management's estimate of the allowance for doubtful accounts, which was based on historical property tax revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following areas identified for adjustments relating to the year-end accruals as a result of audit procedures were corrected by management:

- Long-term debt activity
- Capital asset activity
- Accounts receivable
- Accounts and retainage payable
- Net pension liability and pension activity

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 13, 2025.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the Management's Discussion and Analysis, pension information, and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary

information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Restriction on Use**

This information is intended solely for the information and use of the City Council and management of the City of Republic, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

KPM CPAs, PC  
Springfield, Missouri  
June 13, 2025