

City of Republic, Missouri

Basic Financial Statements  
Year Ended December 31, 2025



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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 remaining fund information of the City of Republic, Missouri, as of and for the year ended December 31, 2025, 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 remaining fund information of the City of Republic, Missouri, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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.

### ***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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2026, 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, LLC

KPM CPAs, LLC  
Springfield, Missouri  
May 14, 2026

## **Management's Discussion and Analysis**

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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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, 2025. Please read it in conjunction with the City's financial statements.

### Financial Highlights

The net position of the City's governmental activities increased by \$1,082,756 for the year as a result of current year activities. The net position of the City's business-type activities increased by \$15,307,215 for the year.

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of December 31, 2025, by \$168.7 million (net position). Of this amount \$17.0 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, increased by a net amount of \$20,781,400. In 2025, the City issued \$23,200,176 in Series 2024 special obligation (SRF) bonds. The City's net pension liability increased by \$5,642,784.

### 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.

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.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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### 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, 2025

### Government-Wide Financial Analysis

#### Net Position

The following table presents the condensed Statement of Net Position for the City as of December 31, 2025 and 2024:

|                                       | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total<br/>December 31,<br/>2025</b> | <b>Total<br/>December 31,<br/>2024</b> |
|---------------------------------------|------------------------------------|-------------------------------------|----------------------------------------|----------------------------------------|
| <b>Assets</b>                         |                                    |                                     |                                        |                                        |
| Current and other assets              | \$ 21,519,459                      | \$ 20,623,528                       | \$ 42,142,987                          | \$ 51,320,193                          |
| Capital assets                        | 75,481,215                         | 153,846,458                         | 229,327,673                            | 174,442,229                            |
|                                       | <u>97,000,674</u>                  | <u>174,469,986</u>                  | <u>271,470,660</u>                     | <u>225,762,422</u>                     |
| <b>Deferred Outflows of Resources</b> | 2,080,637                          | 569,648                             | 2,650,285                              | 2,146,513                              |
| <b>Liabilities</b>                    |                                    |                                     |                                        |                                        |
| Current liabilities                   | 4,201,243                          | 10,694,614                          | 14,895,857                             | 10,927,263                             |
| Long-term liabilities                 | 13,245,215                         | 67,448,345                          | 80,693,560                             | 59,912,160                             |
| Net pension liability                 | 6,884,611                          | 2,144,975                           | 9,029,586                              | 3,386,802                              |
|                                       | <u>24,331,069</u>                  | <u>80,287,934</u>                   | <u>104,619,003</u>                     | <u>74,226,225</u>                      |
| <b>Deferred Inflows of Resources</b>  | 117,642                            | 644,727                             | 762,369                                | 1,333,108                              |
| <b>Net Position</b>                   |                                    |                                     |                                        |                                        |
| Net investment in capital assets      | 62,434,428                         | 84,585,496                          | 147,019,924                            | 113,003,019                            |
| Restricted                            | 2,984,704                          | 1,741,121                           | 4,725,825                              | -                                      |
| Unrestricted                          | 9,213,468                          | 7,780,356                           | 16,993,824                             | 39,346,583                             |
|                                       | <u>\$ 74,632,600</u>               | <u>\$ 94,106,973</u>                | <u>\$ 168,739,573</u>                  | <u>\$ 152,349,602</u>                  |

Total net position of the City increased by \$16,389,971 for the year due to current year activity. Total liabilities for the City increased by \$30,392,778. The increase in overall liabilities is due to the issuance of \$23,200,176 in Series 2024 special obligation (SRF) bonds and an increase in net pension liability of \$5,642,784 due to the City changing pension plans to a higher benefit plan.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

### Changes in Net Position

|                                     | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total<br/>Year Ended<br/>December 31,<br/>2025</b> | <b>Total<br/>Year Ended<br/>December 31,<br/>2024</b> |
|-------------------------------------|------------------------------------|-------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| <b>Revenues and Transfers</b>       |                                    |                                     |                                                       |                                                       |
| Program Revenues                    |                                    |                                     |                                                       |                                                       |
| Charges for services                | \$ 2,819,956                       | \$ 12,037,529                       | \$ 14,857,485                                         | \$ 13,035,978                                         |
| Operating grants and contributions  | 109,456                            | -                                   | 109,456                                               | 181,224                                               |
| Capital grants and contributions    | 1,630,082                          | 12,646,170                          | 14,276,252                                            | 34,517,290                                            |
| General Revenues                    |                                    |                                     |                                                       |                                                       |
| Sales taxes                         | 15,448,173                         | -                                   | 15,448,173                                            | 15,370,664                                            |
| Ad valorem taxes                    | 2,485,034                          | -                                   | 2,485,034                                             | 2,361,675                                             |
| Motor vehicle and gas taxes         | 1,099,320                          | -                                   | 1,099,320                                             | 1,015,536                                             |
| Other taxes                         | 171,160                            | -                                   | 171,160                                               | 138,721                                               |
| Franchise fees                      | 1,008,274                          | -                                   | 1,008,274                                             | 1,036,526                                             |
| Interest                            | 724,141                            | 540,417                             | 1,264,558                                             | 1,888,165                                             |
| Other revenue                       | 369,717                            | 38,174                              | 407,891                                               | 270,306                                               |
| Transfers                           | (213,176)                          | 213,176                             | -                                                     | -                                                     |
| <b>Total Revenues and Transfers</b> | <b>25,652,137</b>                  | <b>25,475,466</b>                   | <b>51,127,603</b>                                     | <b>69,816,085</b>                                     |
| <b>Expenses</b>                     |                                    |                                     |                                                       |                                                       |
| Administrative                      | 1,511,169                          | -                                   | 1,511,169                                             | 2,523,247                                             |
| Municipal court                     | 324,335                            | -                                   | 324,335                                               | 236,129                                               |
| Facility maintenance                | 20,569                             | -                                   | 20,569                                                | -                                                     |
| Animal control                      | 554,463                            | -                                   | 554,463                                               | 403,040                                               |
| Community development               | 919,350                            | -                                   | 919,350                                               | -                                                     |
| Street                              | 4,051,795                          | -                                   | 4,051,795                                             | 4,681,101                                             |
| Police                              | 5,450,916                          | -                                   | 5,450,916                                             | 3,982,063                                             |
| Fire                                | 4,655,238                          | -                                   | 4,655,238                                             | 3,624,430                                             |
| Parks and recreation                | 6,518,592                          | -                                   | 6,518,592                                             | 4,219,656                                             |
| Interest expense and fees on debt   | 562,954                            | -                                   | 562,954                                               | 559,610                                               |
| Water                               | -                                  | 3,730,749                           | 3,730,749                                             | 3,159,303                                             |
| Wastewater                          | -                                  | 6,437,502                           | 6,437,502                                             | 7,599,290                                             |
| <b>Total Expenses</b>               | <b>24,569,381</b>                  | <b>10,168,251</b>                   | <b>34,737,632</b>                                     | <b>30,987,869</b>                                     |
| <i>Increase in Net Position</i>     | <b>\$ 1,082,756</b>                | <b>\$ 15,307,215</b>                | <b>\$ 16,389,971</b>                                  | <b>\$ 38,828,216</b>                                  |

Facility maintenance and community development programs were reported in the administrative department in 2024.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

### Governmental Activities

Governmental activities increased the net position of the City by \$1,082,756. Tax revenues for the City were \$20,211,961, which is an increase of \$288,839 from the prior year. Program revenues for the functions totaled \$4,559,494, which is a decrease of \$6,290,683 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

|                       | Total Cost<br>of Services | Net Cost<br>of Services |
|-----------------------|---------------------------|-------------------------|
| Administrative        | \$ 1,511,169              | \$ 1,508,607            |
| Municipal court       | 324,335                   | 33,306                  |
| Facility maintenance  | 20,569                    | 20,569                  |
| Animal control        | 554,463                   | 548,165                 |
| Community development | 919,350                   | 468,354                 |
| Street                | 4,051,795                 | 2,419,836               |
| Police                | 5,450,916                 | 5,352,487               |
| Fire                  | 4,655,238                 | 4,650,118               |
| Parks and recreation  | 6,518,592                 | 4,445,491               |
| Debt service          | 562,954                   | 562,954                 |
|                       | <u>\$ 24,569,381</u>      | <u>\$ 20,009,887</u>    |

### Business-Type Activities

Business-type activities increased the City's net position by \$15,307,215. The majority of the increase in net position of the business-type activities is due to federal reimbursements of the 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, 2025, were \$18,688,180, which was a net decrease of \$5,003,019 across the funds. The decrease is due to large expenditures for capital improvements throughout the year.

### General Fund Budgetary Highlights

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

- The City's original budgeted revenues and transfers in for the General Fund were \$7,764,539 and budgeted expenditures and transfers out were \$11,651,883, for the year ended December 31, 2025.
- The City's amended budgeted revenues and transfers in for the General Fund were \$7,765,539, and amended budgeted expenditures and transfers out were \$14,039,330, for the year ended December 31, 2025. Actual revenues and expenditures, including transfers, were \$8,914,787 and \$13,797,965, respectively.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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### Capital Assets and Debt Administration

#### Capital Assets

Capital assets of the governmental activities were \$75,481,215 (net of accumulated depreciation) as of December 31, 2025. This represents a \$9,178,263 net increase from the prior year. Net capital assets for business-type activities were \$153,846,458, as of December 31, 2025. This represents an increase of \$45,707,181 from the prior year. The increase in the governmental activities was mainly due to the new City Hall building construction and furnishing and the increase in the business-type activities was mainly due to the wastewater improvements project that is ongoing.

#### Debt

Total debt of the governmental activities as of December 31, 2025, was \$13,967,115, which is a net decrease of \$796,060 from the prior year. The City had additions of \$246,499 of new subscription-based information technology arrangements and retired \$1,042,559 of principal during the year.

Total debt of business-type activities as of December 31, 2025, was \$69,260,962, which is a net increase of \$21,419,321 from the prior year. The City issued \$23,200,176 in Series 2024 special obligation (SRF) bonds and retired \$1,780,855 of principal during the year.

Compensated absences increased by \$165,065 in the governmental activities and \$27,932 in the business-type activities. The main reason for the increase is due to salary adjustments.

### 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 & FY 2024, City sales tax revenue increased in FY 2025 but at a declining rate when compared to FY 2021 and FY 2022 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

During FY 2025, the City continued to invest in two major capital projects.

- Parks & Recreation - In March 2023, the City issued \$9.920 million ("Par") in tax exempt Series 2023 Special Obligation Bonds ("Series 2023 Bonds") to fund the expansion of the Rush, the City's aquatic center and to upgrade portions of JR Martin Park ("JRM Upgrade"). Par value, plus premium, less discounts and issuance costs resulted in net proceeds of \$9,998,565 to the City.
  - The Rush expansion was completed in FY 2024, but the JRM Upgrade was delayed until late FY 2025 as the City sought to solidify funding before beginning construction. Total expenditure on the JRM Upgrade in FY 2025 was \$595,390, with \$2,550,000 budgeted in FY 2026.
  - The JRM Upgrade would not be possible without the ¼ cent Parks Capital Improvement Sales Tax. As such, the City remains continually grateful for the voter approval for the renewal of that tax initiative in August

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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2022, which not only funds the annual debt service on the Series 2023 Bonds, but is an ongoing source of funding for the other capital projects planned for the Parks & Recreation Fund in the future.

- Wastewater – The City continued investing in the \$145 million Wastewater Treatment Plant Project ('WWTP') during Fiscal Year 2025 and will complete construction of during FY 2026.
  - 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").
    - 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 2025, the City depleted all cash provided by the bond offering as follows:
    - \$5.2 million on the BUILDS Facility; and
    - \$43.3 million on eligible WWTP expenditures, depleting the restricted cash generated from the Series 2022 Bonds.
  - To further aid in the funding of the WWTP Project, the City lobbied for and received total grant commitments of \$50 million:
    - \$25 million from the ARPA Program, which required a 30% match from the City and \$25 million from the State of Missouri's General Revenue Fund, which required a 50% match from the City. All \$50 million had been expended on the WWTP Project by the end 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 as of the end of FY 2025, \$23.6 million had been disbursed, leaving \$26.4 million for FY 2026.

### Fiscal Year 2026 Budget

The City of Republic provides basic municipal services to its residents such as public safety, street maintenance, water and sewer services, and parks and recreation programs. To provide these services during FY 2026, the City Council approved the FY 2026 Consolidated Budget ("Budget"), which establishes our operating and capital investment plan for the fiscal year, and which consists of an (1) Operating Budget and a (2) Capital Budget, broken out as follows.

- Operating Budget with gross operating revenues of \$38,663,755, extraordinary revenue from real estate sales of \$1,950,000, gross expenses of \$33,664,830 all resulting in an Operating Surplus of \$6,949,726.
- Capital Budget with expenditures of \$43,950,598 (65% of expenditures for the Wastewater Fund, i.e., WWTP Project), sources of \$42,544,258, all resulting in a Capital Deficit of (\$1,406,340).
- The combination of these two Budgets results in a Consolidated Net Surplus of \$5,543,386.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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- The Budget contains nineteen individual departmental budgets across eight funds (General Fund, Police Fund, Fire Fund, Street Fund, Water Fund, Wastewater Fund, Parks & Recreation Fund and Capital Improvements Sales Tax Fund).
- Additionally, the Capital Improvement Plan ("CIP") is now integrated into the City's Budget process and identifies all capital, and infrastructure needs the City foresees for the next ten years. The FY 2026 Capital Budget is the first year of the CIP.
- 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 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.

### Budgets by Fund

#### 1. General Fund

- 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, and Animal Control.
- Revenues & Expenses
  - Revenues are appropriated to each respective department as governed by ordinance, ballot, or budget statute.
  - Real Property Levy of 0.3985 per assessed \$100 for the General Fund.
  - Administration personnel costs are allocated proportionally to all funds & departments based on headcount.
- The Operating Budget shows \$7,470,257 in expenses funded by:
  - \$4,452,748 in 1 Cent Sales Tax Revenue.
  - \$1,656,298 in Property Taxes Revenue.
  - \$1,597,500 in Fees & Licenses Revenue.
  - \$46,000 in Interest Income.
  - \$31,500 in other income.
  - \$1,475,800 in extraordinary items/real estate sales.
  - Resulting in an Operating Budget Surplus of \$1,789,589.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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- The Capital Budget shows \$539,000 in expenditures, funded by:
  - \$145,000 from the CIST.
  - Resulting in a Capital Budget Deficit of (\$394,000)
- The combination of the two Budgets results in a Net Surplus of \$1,395,589.

### 2. 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.
  - 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.
- The Operating Budget contains \$4,780,515 in operating expenses for the Parks & Recreation Department (Community Programming, Park Maintenance, Republic Aquatic Center, Senior Center & Building Maintenance), and is funded by the following operating revenues:
  - Sale of services – budgeted @ \$2,219,292.
  - One (1) ¼-cent Parks Sales Taxes– budgeted @ \$1,701,187.
  - One (1) ¼-cent Greene County Sales Tax designated to Parks – budgeted @ 1,150,000.
  - Real Property Levy of 0.1074 assessed per \$100 for the Parks and Recreation Fund – budgeted @ 446,156.
  - Other revenue of \$33,000.
  - Resulting in an Operating Budget Surplus of \$139,120.
- The Capital Budget shows:
  - \$3,448,924 in capital expenditures, specifically:
    - JR Martin Park Upgrade Project of \$2,550,000.
    - Debt service of \$519,175 for Series 2023 Bonds.
    - Vehicles & other capital expenditures of \$379,749.
    - Resulting in a Capital Budget Surplus of \$0.00.
  - \$3,448,924 in funding, specifically
    - \$1,537,737 from cash.
    - \$1,071,187 from Parks’ CIST.
    - \$197,800 from Grants.
    - \$642,200 from City-wide CIST.
  - Resulting in a Capital Budget Surplus of \$0.00.
- The combination of the two Budgets results in a Net Surplus of \$139,120.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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### 3. Police Fund

- In 2021, the voters approved a  $\frac{3}{4}$  cent Public Safety Sales Tax ("PSST"), which is equally split between the Police and Fire Funds.
- FY 2026 Operating Budget shows \$4,121,083 in operating expenses, funded by operating revenues of:
  - \$1,601,429 from the PSST.
  - \$1,836,475 from the General Fund.
  - \$713,416 from Greene County's Law Enforcement Sales Tax & other taxes.
  - \$36,400 in miscellaneous revenue.
  - Resulting in an Operating Surplus of \$66,638.
- FY 2026 Capital Budget shows \$609,500 in expenditures funded entirely by the Capital Improvement Sales Tax.
- The combination of the two Budgets results in a Net Surplus of \$66,638.

### 4. Fire Fund

- In 2021, the voters approved a  $\frac{3}{4}$  cent Public Safety Sales Tax ("PSST"), which is equally split between the Police and Fire Funds.
- FY 2026 Operating Budget shows \$3,894,446 in operating expenses, funded by operating revenues of:
  - \$1,601,429 from the PSST.
  - \$2,307,378 from the General Fund.
  - \$27,000 from other taxes.
  - \$80,000 in interest revenue.
  - Resulting in an Operating Budget Surplus of \$121,361.
- FY 2026 Capital Budget shows \$2,382,514 in expenditures funded entirely by:
  - \$1,855,000 in restricted cash
  - \$535,547 in capital restricted sales tax.
  - \$470,613 in one-time real estate sale.
  - Resulting in a Capital Budget Surplus of \$478,646
- The combination of the two Budgets results in a Net Surplus of \$600,007.

### 5. 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.
- The CIST began FY 2026 with \$1,162,287 in cash.
- $\frac{1}{4}$  cent CIST Revenue is budgeted @ \$1,071,187.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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- Interest income is budgeted @ \$15,000.
- Distributions are budgeted @ \$1,864,700.
- Leaving \$383,774 in cash.

### 6. Street Fund

- Funded in part by the ½-cent Transportation Sales Tax.
- The Real Property Levy of 0.0613 per assessed \$100 for lights is additional funding for the Street Fund.
- FY 2026 Operating Budget shows \$2,848,262 in operating expenses, funded by operating revenues of:
  - \$2,142,473 from the Transportation Sales Tax.
  - \$1,181,000 from other taxes (State Motor Fuel, State Motor Sales, Railroad, Greene Co Road & Bridge).
  - \$254,737 from property taxes.
  - \$25,000 from interest revenue.
  - Resulting in an Operating Budget Surplus of \$754,947.
- FY 2026 Capital Budget shows \$3,327,024 in expenditures funded by:
  - \$2,360,118 from cash
  - \$498,906 from grants.
  - \$468,000 from the CIST.
  - Resulting in a Capital Budget Surplus of \$0.00
- The combination of the two Budgets results in a Net Surplus of \$754,947.

### 7. Water Fund

- The Water Fund is an Enterprise Fund that operates through the sale of water to the citizens of the City.
- In 2025, City Council approved a multi-year water rate adjustment covering 2025, 2026, and 2027. These adjustments were adopted to address several long-standing structural challenges within the City's Water Fund.
  - From 2014 through 2022, the City's water rates remained unchanged. During that same period, operating costs continued to rise annually, while capital investment in needed water infrastructure remained limited.
  - A new Water Fund Master Plan identified approximately \$90 million in water system improvements over the next 20 years.
  - To begin addressing these operating and capital needs, the City implemented two consecutive 7% rate increases in 2023 and 2024, followed by a larger adjustment in 2025.
  - Finally, the adopted rate structure assumed most of these capital improvements would be funded on a pay-as-you-go (cash) basis.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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- While the 2025 rate adjustments addressed long-deferred infrastructure needs, the cumulative impact on customers was significant.
  - Investing in our water infrastructure is essential to ensuring Republic continues to provide safe, dependable, and abundant water to our community.
  - However, attempting to make up for decades of limited investment within a short timeframe created significant rate shock for customers.
- Therefore, guided by the City's vision of "Doing the Right Thing at the Right Time for the Right Reason," staff revisited the assumptions behind the previously adopted rate schedule and recommended modifications to City Council. As a result, City Council approved the following actions:
  - Hold 2026 water rates at 2025 Levels.
  - Evaluate a new more equitable & sustainable rate methodology for 2027 and beyond.
  - Adjust the Ten-Year Capital Improvement Plan to focus on critical projects.
  - Utilize bond financing, as well as cash as the funding source.
- Water Rates for in-town customers for FY 2026 are approved as follows.
  - Base Rate of \$16.76 for first 1,500 gallons.
  - Surcharge of \$7.08 per 1,000 gallons for usage over base amount.
- FY 2026 Operating Budget shows \$3,352,198 in operating expenses, funded by operating revenues of:
  - \$4,395,929 from Water Fee Revenue.
  - \$358,000 from other revenue.
  - \$100,000 from interest revenue.
  - Resulting in an Operating Budget Surplus of 1,501,731.
- FY 2026 Capital Budget shows \$3,200,204 in expenditures funded by:
  - \$1,595,345 from cash.
  - \$260,000 from grants.
  - Resulting in a Capital Budget Deficit of (\$1,344,860).
- The combination of the two Budgets results in a Net Surplus of \$156,871.

### 8. Wastewater Fund

- The Wastewater Fund is an Enterprise Fund that operates through the sale of wastewater service to the citizens of the City.
- FY 2026 Operating Budget shows \$7,198,068 in operating expenses, funded by operating revenues of:
  - \$8,942,908 in Wastewater Fee revenue.
  - \$100,000 in interest revenue.
  - \$256,500 in other revenue.

# City of Republic

## Management's Discussion and Analysis

December 31, 2025

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- \$475,000 in one-time extraordinary real estate sales revenue.
- Resulting in an Operating Budget Surplus of \$2,576,340.
- FY 2026 Capital Budget shows \$28,578,732 in expenditures funded by:
  - \$7,338,798 in cash.
  - \$21,093,808 in SRF debt advances.
  - Resulting in a Capital Budget Deficit of (\$146,126).
- Combined the Operating and Capital Budgets results in a Net Surplus of \$2,430,214.
- Wastewater Rates for in-town customers for FY 2026 are approved as follows.
  - Monthly Base Charge will increase to \$36.75 for first 1,500 gallons.
  - Surcharge will increase to \$21.83 per 1,000 gallons over the base amount.

### Additional Information - Personnel

In the 2026 budget, wages and personnel benefits are budgeted at \$16,902,552, which is approximately 50% of the Operating Budget expenses. Additional highlights regarding the City's staff for 2026 include:

- The City has budgeted a 3% COLA increase, and a 2% 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.
- The City will continue to fund 100% of the employee's healthcare insurance cost and 50% of the incremental cost of dependent healthcare.
- 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. Effective 2025, the City Council approved the following enhancements to the City's retirement program:
  - Upgraded LAGERS Plan from L-3 to L-6, thus increasing the employees' pension from a 1.25% multiplier to a 2.00% multiplier.
  - Modified the 457 Plan so that the City now matches 100% of the employees' contribution up to a maximum of 4.00% employee deferral.

### Conclusion

In 2026, 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.
  - We will complete the implementation of all components of Project Genesis, a complete upgrade to our ERP, Payroll/HR, and Utility Billing software platforms to improve overall efficiency and customer interface.
  - We will deploy AMI, the completely cellular enabled meter data collection system.

## City of Republic

### Management's Discussion and Analysis

December 31, 2025

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- We will seek to continually strengthen our relationships with the community through timely communication, and we will continue to work to build trust through our dedication to process improvements.
- We remain committed to our goal of enhancing & improving the City's infrastructure and facilities. As such, we remain focused on three extremely specific needs of the City,
  - Completion of the \$145 million WWTP Project, which is 100% funded through grants and debt.
  - Validating and funding the \$90 million 20-Year Water Fund CIP.
  - Completion of the JR Martin Park Upgrade Project, which is 100% funded through the City-wide CIST, Parks' CIST and Series 2023 debt.

We are grateful to be able to serve this community and, while there will be challenges in FY 2026 and beyond, we will continue to address and sustain the needs of our growing community.

For additional information or questions, please contact:

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BFord@republicmo.com

Bob Ford, Chief Financial Officer  
Colten Harris, City Administrator

## **Basic Financial Statements**

# City of Republic

## Statement of Net Position

December 31, 2025

|                                            | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|--------------------------------------------|----------------------------|-----------------------------|-----------------------|
| <b>Assets</b>                              |                            |                             |                       |
| Current                                    |                            |                             |                       |
| Cash and cash equivalents                  | \$ 11,981,319              | \$ 14,283,962               | \$ 26,265,281         |
| Ad valorem taxes receivable, net           | 2,398,479                  | -                           | 2,398,479             |
| Sales taxes receivable                     | 2,581,992                  | -                           | 2,581,992             |
| Franchise taxes receivable                 | 180,794                    | -                           | 180,794               |
| Utilities receivable                       | -                          | 3,165,883                   | 3,165,883             |
| Leases receivable                          | -                          | 643,698                     | 643,698               |
| Other receivables                          | 151,963                    | -                           | 151,963               |
| Prepaid insurance                          | 263,592                    | 81,327                      | 344,919               |
| Noncurrent                                 |                            |                             |                       |
| Restricted cash and cash equivalents       | 3,961,320                  | 2,399,646                   | 6,360,966             |
| Restricted investments                     | -                          | 49,012                      | 49,012                |
| Capital Assets                             |                            |                             |                       |
| Non-depreciable                            | 19,693,598                 | 113,301,672                 | 132,995,270           |
| Depreciable, net                           | 55,787,617                 | 40,544,786                  | 96,332,403            |
| <b>Total Assets</b>                        | <b>97,000,674</b>          | <b>174,469,986</b>          | <b>271,470,660</b>    |
| <b>Deferred Outflows of Resources</b>      |                            |                             |                       |
| Deferred pension outflows                  | 2,080,637                  | 569,648                     | 2,650,285             |
| <b>Liabilities</b>                         |                            |                             |                       |
| Current                                    |                            |                             |                       |
| Accounts payable                           | 2,154,494                  | 5,543,556                   | 7,698,050             |
| Retainage payable                          | 59,293                     | 2,373,608                   | 2,432,901             |
| Accrued expenses                           | 209,486                    | 52,886                      | 262,372               |
| Accrued interest payable                   | 51,039                     | 123,377                     | 174,416               |
| Court bonds payable                        | 5,611                      | -                           | 5,611                 |
| Police evidence payable                    | 31,294                     | -                           | 31,294                |
| Deposits payable                           | 333                        | 658,525                     | 658,858               |
| Current portion of long-term liabilities   | 799,323                    | 1,840,946                   | 2,640,269             |
| Current portion of compensated absences    | 890,370                    | 101,716                     | 992,086               |
|                                            | 4,201,243                  | 10,694,614                  | 14,895,857            |
| Noncurrent                                 |                            |                             |                       |
| Bonds payable, net                         | 11,113,497                 | 65,057,016                  | 76,170,513            |
| Financed purchases                         | 1,872,962                  | 2,363,000                   | 4,235,962             |
| Subscriptions payable                      | 181,333                    | -                           | 181,333               |
| Compensated absences payable               | 77,423                     | 28,329                      | 105,752               |
| Net pension liability                      | 6,884,611                  | 2,144,975                   | 9,029,586             |
|                                            | 20,129,826                 | 69,593,320                  | 89,723,146            |
| <b>Total Liabilities</b>                   | <b>24,331,069</b>          | <b>80,287,934</b>           | <b>104,619,003</b>    |
| <b>Deferred Inflows of Resources</b>       |                            |                             |                       |
| Deferred pension inflows                   | 117,642                    | 20,777                      | 138,419               |
| Leases                                     | -                          | 623,950                     | 623,950               |
| <b>Total Deferred Inflows of Resources</b> | <b>117,642</b>             | <b>644,727</b>              | <b>762,369</b>        |
| <b>Net Position</b>                        |                            |                             |                       |
| Net investment in capital assets           | 62,434,428                 | 84,585,496                  | 147,019,924           |
| Restricted                                 | 2,984,704                  | 1,741,121                   | 4,725,825             |
| Unrestricted                               | 9,213,468                  | 7,780,356                   | 16,993,824            |
| <b>Total Net Position</b>                  | <b>\$ 74,632,600</b>       | <b>\$ 94,106,973</b>        | <b>\$ 168,739,573</b> |

See accompanying Notes to the Financial Statements

## City of Republic

### Statement of Activities

Year Ended December 31, 2025

| Functions/Programs                          | Program Revenues       |                            |                                          |                                        | Net (Expenses), Revenues, and Changes in Net Position |                             |                       |
|---------------------------------------------|------------------------|----------------------------|------------------------------------------|----------------------------------------|-------------------------------------------------------|-----------------------------|-----------------------|
|                                             | Expenses               | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                    |                             |                       |
|                                             |                        |                            |                                          |                                        | Governmental<br>Activities                            | Business-Type<br>Activities | Total                 |
| Governmental Activities                     |                        |                            |                                          |                                        |                                                       |                             |                       |
| Administrative                              | \$ (1,511,169)         | \$ 2,562                   | \$ -                                     | \$ -                                   | \$ (1,508,607)                                        |                             | \$ (1,508,607)        |
| Municipal court                             | (324,335)              | 291,029                    | -                                        | -                                      | (33,306)                                              |                             | (33,306)              |
| Facility maintenance                        | (20,569)               | -                          | -                                        | -                                      | (20,569)                                              |                             | (20,569)              |
| Animal control                              | (554,463)              | 6,298                      | -                                        | -                                      | (548,165)                                             |                             | (548,165)             |
| Community development                       | (919,350)              | 450,996                    | -                                        | -                                      | (468,354)                                             |                             | (468,354)             |
| Street                                      | (4,051,795)            | 1,877                      | -                                        | 1,630,082                              | (2,419,836)                                           |                             | (2,419,836)           |
| Police                                      | (5,450,916)            | 15,883                     | 82,546                                   | -                                      | (5,352,487)                                           |                             | (5,352,487)           |
| Fire                                        | (4,655,238)            | 5,120                      | -                                        | -                                      | (4,650,118)                                           |                             | (4,650,118)           |
| Parks and recreation                        | (6,518,592)            | 2,046,191                  | 26,910                                   | -                                      | (4,445,491)                                           |                             | (4,445,491)           |
| Interest and fees expense on debt           | (562,954)              | -                          | -                                        | -                                      | (562,954)                                             |                             | (562,954)             |
| <b>Total Governmental Activities</b>        | <b>(24,569,381)</b>    | <b>2,819,956</b>           | <b>109,456</b>                           | <b>1,630,082</b>                       | <b>(20,009,887)</b>                                   |                             | <b>(20,009,887)</b>   |
| Business-Type Activities                    |                        |                            |                                          |                                        |                                                       |                             |                       |
| Water                                       | (3,730,749)            | 4,430,509                  | -                                        | 140,433                                |                                                       | \$ 840,193                  | 840,193               |
| Wastewater                                  | (6,437,502)            | 7,607,020                  | -                                        | 12,505,737                             |                                                       | 13,675,255                  | 13,675,255            |
| <b>Total Business-Type Activities</b>       | <b>(10,168,251)</b>    | <b>12,037,529</b>          | <b>-</b>                                 | <b>12,646,170</b>                      |                                                       | <b>14,515,448</b>           | <b>14,515,448</b>     |
| <b>Total Primary Government</b>             | <b>\$ (34,737,632)</b> | <b>\$ 14,857,485</b>       | <b>\$ 109,456</b>                        | <b>\$ 14,276,252</b>                   | <b>(20,009,887)</b>                                   | <b>14,515,448</b>           | <b>(5,494,439)</b>    |
| General Revenues                            |                        |                            |                                          |                                        |                                                       |                             |                       |
| Sales taxes                                 |                        |                            |                                          |                                        | 15,448,173                                            | -                           | 15,448,173            |
| Ad valorem taxes                            |                        |                            |                                          |                                        | 2,485,034                                             | -                           | 2,485,034             |
| Motor vehicle and gas taxes                 |                        |                            |                                          |                                        | 1,099,320                                             | -                           | 1,099,320             |
| Other taxes                                 |                        |                            |                                          |                                        | 171,160                                               | -                           | 171,160               |
| Franchise fees                              |                        |                            |                                          |                                        | 1,008,274                                             | -                           | 1,008,274             |
| Interest                                    |                        |                            |                                          |                                        | 724,141                                               | 540,417                     | 1,264,558             |
| Other revenue                               |                        |                            |                                          |                                        | 369,717                                               | 38,174                      | 407,891               |
| Transfers                                   |                        |                            |                                          |                                        | (213,176)                                             | 213,176                     | -                     |
| <b>Total General Revenues and Transfers</b> |                        |                            |                                          |                                        | <b>21,092,643</b>                                     | <b>791,767</b>              | <b>21,884,410</b>     |
| <i>Changes in Net Position</i>              |                        |                            |                                          |                                        | <b>1,082,756</b>                                      | <b>15,307,215</b>           | <b>16,389,971</b>     |
| Net Position, Beginning of year             |                        |                            |                                          |                                        | <b>73,549,844</b>                                     | <b>78,799,758</b>           | <b>152,349,602</b>    |
| <b>Net Position, End of year</b>            |                        |                            |                                          |                                        | <b>\$ 74,632,600</b>                                  | <b>\$ 94,106,973</b>        | <b>\$ 168,739,573</b> |

See accompanying Notes to the Financial Statements

## City of Republic

### Balance Sheet – Governmental Funds

December 31, 2025

|                                      | Special Revenue Funds |                     |                     |                   |                                 |                                                        | Total<br>Governmental<br>Funds |
|--------------------------------------|-----------------------|---------------------|---------------------|-------------------|---------------------------------|--------------------------------------------------------|--------------------------------|
|                                      | General Fund          | Street Fund         | Fire Fund           | Police Fund       | Parks and<br>Recreation<br>Fund | (Nonmajor)<br>Capital<br>Improvement<br>Sales Tax Fund |                                |
| <b>Assets</b>                        |                       |                     |                     |                   |                                 |                                                        |                                |
| Cash and cash equivalents            | \$ 5,768,036          | \$ 3,175,870        | \$ 1,177,919        | \$ 115,926        | \$ 873,495                      | \$ 870,073                                             | \$ 11,981,319                  |
| Ad valorem taxes receivable, net     | 1,688,090             | 257,081             | -                   | -                 | 453,308                         | -                                                      | 2,398,479                      |
| Sales taxes receivable               | 847,426               | 408,210             | 408,047             | 305,994           | 408,210                         | 204,105                                                | 2,581,992                      |
| Franchise taxes receivable           | 180,794               | -                   | -                   | -                 | -                               | -                                                      | 180,794                        |
| Other receivables, net               | 53,348                | 98,615              | -                   | -                 | -                               | -                                                      | 151,963                        |
| Prepaid expenses                     | 80,666                | 29,733              | 52,797              | 41,004            | 59,392                          | -                                                      | 263,592                        |
| Restricted cash and cash equivalents | 5,601                 | 645,277             | 1,979,020           | 118,681           | 920,328                         | 292,413                                                | 3,961,320                      |
| <b>Total Assets</b>                  | <u>\$ 8,623,961</u>   | <u>\$ 4,614,786</u> | <u>\$ 3,617,783</u> | <u>\$ 581,605</u> | <u>\$ 2,714,733</u>             | <u>\$ 1,366,591</u>                                    | <u>\$ 21,519,459</u>           |
| <b>Liabilities</b>                   |                       |                     |                     |                   |                                 |                                                        |                                |
| Accounts payable                     | \$ 1,041,677          | \$ 81,775           | \$ 44,428           | \$ 84,893         | \$ 901,721                      | \$ -                                                   | \$ 2,154,494                   |
| Retainage payable                    | -                     | -                   | -                   | -                 | 59,293                          | -                                                      | 59,293                         |
| Accrued expenses                     | 33,287                | 31,992              | 52,204              | 47,074            | 44,929                          | -                                                      | 209,486                        |
| Court bonds payable                  | 5,601                 | -                   | -                   | 10                | -                               | -                                                      | 5,611                          |
| Police evidence payable              | -                     | -                   | -                   | 31,294            | -                               | -                                                      | 31,294                         |
| Customer deposits held               | -                     | 333                 | -                   | -                 | -                               | -                                                      | 333                            |
| <b>Total Liabilities</b>             | <u>1,080,565</u>      | <u>114,100</u>      | <u>96,632</u>       | <u>163,271</u>    | <u>1,005,943</u>                | <u>-</u>                                               | <u>2,460,511</u>               |

See accompanying Notes to the Financial Statements

## City of Republic

### Balance Sheet – Governmental Funds

December 31, 2025

|                                                                                | Special Revenue Funds |                     |                     |                   |                                 |                                                        | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|-------------------|---------------------------------|--------------------------------------------------------|--------------------------------|
|                                                                                | General Fund          | Street Fund         | Fire Fund           | Police Fund       | Parks and<br>Recreation<br>Fund | (Nonmajor)<br>Capital<br>Improvement<br>Sales Tax Fund |                                |
| <b>Deferred Inflows of Resources</b>                                           |                       |                     |                     |                   |                                 |                                                        |                                |
| Unavailable revenue                                                            | 258,337               | 42,781              | -                   | -                 | 69,650                          | -                                                      | 370,768                        |
| <b>Total Deferred Inflows of Resources</b>                                     | 258,337               | 42,781              | -                   | -                 | 69,650                          | -                                                      | 370,768                        |
| <b>Fund Balances</b>                                                           |                       |                     |                     |                   |                                 |                                                        |                                |
| Nonspendable                                                                   |                       |                     |                     |                   |                                 |                                                        |                                |
| Prepaid items                                                                  | 80,666                | 29,733              | 52,797              | 41,004            | 59,392                          | -                                                      | 263,592                        |
| Restricted for                                                                 |                       |                     |                     |                   |                                 |                                                        |                                |
| Stormwater                                                                     | -                     | 625,894             | -                   | -                 | -                               | -                                                      | 625,894                        |
| Opioid remediation                                                             | -                     | -                   | -                   | 87,377            | -                               | -                                                      | 87,377                         |
| Fire                                                                           | -                     | -                   | 1,979,020           | -                 | -                               | -                                                      | 1,979,020                      |
| Capital improvements                                                           | -                     | -                   | -                   | -                 | -                               | 292,413                                                | 292,413                        |
| Assigned to                                                                    |                       |                     |                     |                   |                                 |                                                        |                                |
| Street                                                                         | -                     | 3,802,278           | -                   | -                 | -                               | -                                                      | 3,802,278                      |
| Fire                                                                           | -                     | -                   | 1,489,334           | -                 | -                               | -                                                      | 1,489,334                      |
| Police                                                                         | -                     | -                   | -                   | 289,953           | -                               | -                                                      | 289,953                        |
| Parks and recreation                                                           | -                     | -                   | -                   | -                 | 1,579,748                       | -                                                      | 1,579,748                      |
| Capital improvements                                                           | -                     | -                   | -                   | -                 | -                               | 1,074,178                                              | 1,074,178                      |
| Unassigned                                                                     | 7,204,393             | -                   | -                   | -                 | -                               | -                                                      | 7,204,393                      |
| <b>Total Fund Balances</b>                                                     | 7,285,059             | 4,457,905           | 3,521,151           | 418,334           | 1,639,140                       | 1,366,591                                              | 18,688,180                     |
| <b>Total Liabilities, Deferred Inflows<br/>of Resources, and Fund Balances</b> | <u>\$ 8,623,961</u>   | <u>\$ 4,614,786</u> | <u>\$ 3,617,783</u> | <u>\$ 581,605</u> | <u>\$ 2,714,733</u>             | <u>\$ 1,366,591</u>                                    | <u>\$ 21,519,459</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, 2025

---

|                                                                                                                                                                                                                                                                                               |                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Fund balance - total governmental funds                                                                                                                                                                                                                                                       | \$ 18,688,180               |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:                                                                                                                                                                       |                             |
| Governmental capital assets                                                                                                                                                                                                                                                                   | 95,536,175                  |
| Less accumulated depreciation                                                                                                                                                                                                                                                                 | <u>(20,054,960)</u>         |
|                                                                                                                                                                                                                                                                                               | 75,481,215                  |
| 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                                                                                                                                                                                                                                                                         | (6,884,611)                 |
| Deferred outflows due to pensions                                                                                                                                                                                                                                                             | 2,080,637                   |
| Deferred inflows due to pensions                                                                                                                                                                                                                                                              | <u>(117,642)</u>            |
|                                                                                                                                                                                                                                                                                               | (4,921,616)                 |
| 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.                                                                                        | 370,768                     |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditures when due                                                                                                                                                                         | (51,039)                    |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds                                                                                                                                                                             | <u>(14,934,908)</u>         |
| <b>Net position of governmental activities</b>                                                                                                                                                                                                                                                | <u><u>\$ 74,632,600</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, 2025

|                                                       | Special Revenue Funds |                  |                  |                  |                                 |                                                        | Total<br>Governmental<br>Funds |
|-------------------------------------------------------|-----------------------|------------------|------------------|------------------|---------------------------------|--------------------------------------------------------|--------------------------------|
|                                                       | General Fund          | Street Fund      | Fire Fund        | Police Fund      | Parks and<br>Recreation<br>Fund | (Nonmajor)<br>Capital<br>Improvement<br>Sales Tax Fund |                                |
| <b>Revenues</b>                                       |                       |                  |                  |                  |                                 |                                                        |                                |
| Taxes                                                 | \$ 7,201,371          | \$ 3,496,782     | \$ 2,164,425     | \$ 2,326,671     | \$ 3,780,705                    | \$ 1,069,114                                           | \$ 20,039,068                  |
| Licenses and permits                                  | 445,348               | 1,730            | 243              | -                | -                               | -                                                      | 447,321                        |
| Intergovernmental revenues                            | -                     | 1,150,900        | -                | 82,545           | 26,910                          | -                                                      | 1,260,355                      |
| Charges for services                                  | 14,558                | 146              | 4,877            | 7,601            | 2,046,191                       | -                                                      | 2,073,373                      |
| Fines and forfeitures                                 | 290,979               | -                | -                | 8,283            | -                               | -                                                      | 299,262                        |
| Miscellaneous                                         | 400,892               | 202,802          | 107,119          | 16,013           | 72,041                          | 29,901                                                 | 828,768                        |
| <b>Total Revenues</b>                                 | <b>8,353,148</b>      | <b>4,852,360</b> | <b>2,276,664</b> | <b>2,441,113</b> | <b>5,925,847</b>                | <b>1,099,015</b>                                       | <b>24,948,147</b>              |
| <b>Expenditures</b>                                   |                       |                  |                  |                  |                                 |                                                        |                                |
| Current                                               |                       |                  |                  |                  |                                 |                                                        |                                |
| Administrative                                        | 1,558,045             | -                | -                | -                | -                               | -                                                      | 1,558,045                      |
| Municipal court                                       | 257,208               | -                | -                | -                | -                               | -                                                      | 257,208                        |
| Facility maintenance                                  | 20,569                | -                | -                | -                | -                               | -                                                      | 20,569                         |
| Animal control                                        | 434,047               | -                | -                | -                | -                               | -                                                      | 434,047                        |
| Community development                                 | 706,082               | -                | -                | -                | -                               | -                                                      | 706,082                        |
| Street                                                | -                     | 1,988,786        | -                | -                | -                               | -                                                      | 1,988,786                      |
| Police                                                | -                     | -                | -                | 3,993,520        | -                               | -                                                      | 3,993,520                      |
| Fire                                                  | -                     | -                | 3,465,990        | -                | -                               | -                                                      | 3,465,990                      |
| Parks and recreation                                  | -                     | -                | -                | -                | 4,922,896                       | -                                                      | 4,922,896                      |
| Capital outlay                                        | 6,530,427             | 3,556,932        | 32,617           | 245,898          | 1,359,468                       | -                                                      | 11,725,342                     |
| Debt service                                          |                       |                  |                  |                  |                                 |                                                        |                                |
| Principal, interest, and fees                         | 86,352                | 587,910          | 299,168          | -                | 637,598                         | -                                                      | 1,611,028                      |
| <b>Total Expenditures</b>                             | <b>9,592,730</b>      | <b>6,133,628</b> | <b>3,797,775</b> | <b>4,239,418</b> | <b>6,919,962</b>                | <b>-</b>                                               | <b>30,683,513</b>              |
| <i>Excess (Deficit) of Revenues Over Expenditures</i> | (1,239,582)           | (1,281,268)      | (1,521,111)      | (1,798,305)      | (994,115)                       | 1,099,015                                              | (5,735,366)                    |

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, 2025

|                                             | Special Revenue Funds |                     |                     |                   |                                 |                                                        | Total<br>Governmental<br>Funds |
|---------------------------------------------|-----------------------|---------------------|---------------------|-------------------|---------------------------------|--------------------------------------------------------|--------------------------------|
|                                             | General Fund          | Street Fund         | Fire Fund           | Police Fund       | Parks and<br>Recreation<br>Fund | (Nonmajor)<br>Capital<br>Improvement<br>Sales Tax Fund |                                |
| <b>Other Financing Sources (Uses)</b>       |                       |                     |                     |                   |                                 |                                                        |                                |
| Proceeds from issuance of debt              | 246,499               | -                   | -                   | -                 | -                               | -                                                      | 246,499                        |
| Insurance recovery                          | -                     | -                   | -                   | 13,884            | -                               | -                                                      | 13,884                         |
| Proceeds from sale of assets                | 315,140               | 370,000             | -                   | -                 | -                               | -                                                      | 685,140                        |
| Operating transfers in                      | -                     | 583,842             | 2,262,136           | 1,922,782         | -                               | -                                                      | 4,768,760                      |
| Operating transfers (out)                   | (4,205,235)           | -                   | -                   | -                 | -                               | (776,701)                                              | (4,981,936)                    |
| <b>Total Other Financing Sources (Uses)</b> | <b>(3,643,596)</b>    | <b>953,842</b>      | <b>2,262,136</b>    | <b>1,936,666</b>  | <b>-</b>                        | <b>(776,701)</b>                                       | <b>732,347</b>                 |
| <i>Net Change in Fund Balances</i>          | <i>(4,883,178)</i>    | <i>(327,426)</i>    | <i>741,025</i>      | <i>138,361</i>    | <i>(994,115)</i>                | <i>322,314</i>                                         | <i>(5,003,019)</i>             |
| Beginning Balances                          | 12,168,237            | 4,785,331           | 2,780,126           | 279,973           | 2,633,255                       | 1,044,277                                              | 23,691,199                     |
| <b>Ending Fund Balances</b>                 | <b>\$ 7,285,059</b>   | <b>\$ 4,457,905</b> | <b>\$ 3,521,151</b> | <b>\$ 418,334</b> | <b>\$ 1,639,140</b>             | <b>\$ 1,366,591</b>                                    | <b>\$ 18,688,180</b>           |

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, 2025

---

|                                                        |                |
|--------------------------------------------------------|----------------|
| Net change in fund balances - total governmental funds | \$ (5,003,019) |
|--------------------------------------------------------|----------------|

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 | 11,621,592       |
| Current year depreciation       | (2,416,078)      |
| Book value of disposed assets   | (27,251)         |
|                                 | <u>9,178,263</u> |

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.

172,893

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     | 1,034,542      |
| Accrued interest payable           | 7,315          |
| Premium on bonds                   | 8,017          |
| Proceeds from the issuance of debt | (246,499)      |
|                                    | <u>803,375</u> |

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 | (3,903,691)        |
| Change in compensated absences  | (165,065)          |
|                                 | <u>(4,068,756)</u> |

**Change in net position of governmental activities**

**\$ 1,082,756**

See accompanying Notes to the Financial Statements

# City of Republic

## Statement of Net Position – Proprietary Fund

December 31, 2025

|                                             | Enterprise Funds  |                    |                    |
|---------------------------------------------|-------------------|--------------------|--------------------|
|                                             | Water Fund        | Wastewater Fund    | Total              |
| <b>Assets</b>                               |                   |                    |                    |
| Current Assets                              |                   |                    |                    |
| Cash and cash equivalents                   | \$ 1,347,953      | \$ 12,936,009      | \$ 14,283,962      |
| Utilities receivable                        | 1,022,505         | 2,143,378          | 3,165,883          |
| Leases receivable                           | 643,698           | -                  | 643,698            |
| Prepaid insurance                           | 31,570            | 49,757             | 81,327             |
| <b>Total Current Assets</b>                 | <b>3,045,726</b>  | <b>15,129,144</b>  | <b>18,174,870</b>  |
| Restricted Assets                           |                   |                    |                    |
| Cash and cash equivalents                   | 1,049,705         | 1,349,941          | 2,399,646          |
| Investments                                 | -                 | 49,012             | 49,012             |
| <b>Total Restricted Assets</b>              | <b>1,049,705</b>  | <b>1,398,953</b>   | <b>2,448,658</b>   |
| Property, Plant and Equipment               |                   |                    |                    |
| Non-depreciable                             | -                 | 113,301,672        | 113,301,672        |
| Depreciable                                 | 18,618,336        | 42,614,947         | 61,233,283         |
| Accumulated depreciation                    | (5,479,387)       | (15,209,110)       | (20,688,497)       |
| <b>Total Property, Plant, and Equipment</b> | <b>13,138,949</b> | <b>140,707,509</b> | <b>153,846,458</b> |
| <b>Total Assets</b>                         | <b>17,234,380</b> | <b>157,235,606</b> | <b>174,469,986</b> |
| <b>Deferred Outflows of Resources</b>       |                   |                    |                    |
| Deferred pension outflows                   | 246,657           | 322,991            | 569,648            |

See accompanying Notes to the Financial Statements

# City of Republic

## Statement of Net Position – Proprietary Fund

December 31, 2025

|                                            | Enterprise Funds     |                      |                      |
|--------------------------------------------|----------------------|----------------------|----------------------|
|                                            | Water Fund           | Wastewater Fund      | Total                |
| <b>Liabilities</b>                         |                      |                      |                      |
| Current Liabilities                        |                      |                      |                      |
| Accounts payable                           | 90,842               | 5,452,714            | 5,543,556            |
| Retainage payable                          | -                    | 2,373,608            | 2,373,608            |
| Accrued expenses                           | 18,407               | 34,479               | 52,886               |
| Accrued interest payable                   | 5,448                | 117,929              | 123,377              |
| Utility deposits                           | 658,192              | -                    | 658,192              |
| Other deposits held                        | -                    | 333                  | 333                  |
| Current portion of long-term liabilities   | 252,760              | 1,588,186            | 1,840,946            |
| Current portion of compensated absences    | 48,804               | 52,912               | 101,716              |
| <b>Total Current Liabilities</b>           | <b>1,074,453</b>     | <b>9,620,161</b>     | <b>10,694,614</b>    |
| Long-Term Liabilities                      |                      |                      |                      |
| Bonds payable, net                         | 1,639,168            | 63,417,848           | 65,057,016           |
| Financed purchases                         | 1,134,240            | 1,228,760            | 2,363,000            |
| Compensated absences payable               | 13,130               | 15,199               | 28,329               |
| Net pension liability                      | 928,774              | 1,216,201            | 2,144,975            |
| <b>Total Long-Term Liabilities</b>         | <b>3,715,312</b>     | <b>65,878,008</b>    | <b>69,593,320</b>    |
| <b>Total Liabilities</b>                   | <b>4,789,765</b>     | <b>75,498,169</b>    | <b>80,287,934</b>    |
| <b>Deferred Inflows of Resources</b>       |                      |                      |                      |
| Deferred pension inflows                   | 8,996                | 11,781               | 20,777               |
| Leases                                     | 623,950              | -                    | 623,950              |
| <b>Total Deferred Inflows of Resources</b> | <b>632,946</b>       | <b>11,781</b>        | <b>644,727</b>       |
| <b>Net Position</b>                        |                      |                      |                      |
| Net investment in capital assets           | 10,112,781           | 74,472,715           | 84,585,496           |
| Restricted                                 | 391,513              | 1,349,608            | 1,741,121            |
| Unrestricted                               | 1,554,032            | 6,226,324            | 7,780,356            |
| <b>Total Net Position</b>                  | <b>\$ 12,058,326</b> | <b>\$ 82,048,647</b> | <b>\$ 94,106,973</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, 2025

|                                                          | Enterprise Funds            |                             |                             |
|----------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                          | Water Fund                  | Wastewater Fund             | Total                       |
| <b>Operating Revenues</b>                                |                             |                             |                             |
| Charges for services                                     | \$ 4,410,058                | \$ 7,597,903                | \$ 12,007,961               |
| Miscellaneous                                            | 20,451                      | 9,117                       | 29,568                      |
| <b>Total Operating Revenues</b>                          | <u>4,430,509</u>            | <u>7,607,020</u>            | <u>12,037,529</u>           |
| <b>Operating Expenses</b>                                |                             |                             |                             |
| Wages and benefits                                       | 1,843,209                   | 2,440,513                   | 4,283,722                   |
| Professional services                                    | 23,687                      | 92,174                      | 115,861                     |
| Telephone and utilities                                  | 310,863                     | 488,018                     | 798,881                     |
| Insurance                                                | 52,037                      | 87,381                      | 139,418                     |
| Supplies                                                 | 74,058                      | 109,465                     | 183,523                     |
| Travel, meetings and dues                                | 12,717                      | 12,958                      | 25,675                      |
| Repairs and maintenance                                  | 540,513                     | 487,253                     | 1,027,766                   |
| Depreciation                                             | 437,107                     | 1,040,911                   | 1,478,018                   |
| Information technology                                   | 72,357                      | 74,530                      | 146,887                     |
| Miscellaneous                                            | 242,026                     | 240,198                     | 482,224                     |
| <b>Total Operating Expenses</b>                          | <u>3,608,574</u>            | <u>5,073,401</u>            | <u>8,681,975</u>            |
| <i>Operating Income (Loss)</i>                           | 821,935                     | 2,533,619                   | 3,355,554                   |
| <b>Nonoperating Revenues (Expenses)</b>                  |                             |                             |                             |
| Interest income                                          | 47,259                      | 493,158                     | 540,417                     |
| Interest expense                                         | (122,175)                   | (1,364,101)                 | (1,486,276)                 |
| Rental income                                            | 38,174                      | -                           | 38,174                      |
| <b>Total Nonoperating Revenues (Expenses)</b>            | <u>(36,742)</u>             | <u>(870,943)</u>            | <u>(907,685)</u>            |
| <i>Income (Loss) Before Contributions and Transfers</i>  | 785,193                     | 1,662,676                   | 2,447,869                   |
| Capital contributions - state grant                      | -                           | 11,956,216                  | 11,956,216                  |
| Capital contributions - developer donated infrastructure | 140,433                     | 549,521                     | 689,954                     |
| Transfers in                                             | <u>213,176</u>              | <u>-</u>                    | <u>213,176</u>              |
| <i>Change in Net Position</i>                            | 1,138,802                   | 14,168,413                  | 15,307,215                  |
| Net Position, Beginning of year                          | <u>10,919,524</u>           | <u>67,880,234</u>           | <u>78,799,758</u>           |
| <b>Net Position, End of year</b>                         | <u><u>\$ 12,058,326</u></u> | <u><u>\$ 82,048,647</u></u> | <u><u>\$ 94,106,973</u></u> |

See accompanying Notes to the Financial Statements

# City of Republic

## Statement of Cash Flows – Proprietary Fund

Year Ended December 31, 2025

|                                                                    | Enterprise Funds    |                      |                      |
|--------------------------------------------------------------------|---------------------|----------------------|----------------------|
|                                                                    | Water Fund          | Wastewater Fund      | Total                |
| <b>Cash Flows from Operating Activities</b>                        |                     |                      |                      |
| Cash received from customers                                       | \$ 4,069,083        | \$ 7,251,970         | \$ 11,321,053        |
| Cash paid to suppliers                                             | (1,356,064)         | (4,779,235)          | (6,135,299)          |
| Cash paid to employees                                             | (1,339,948)         | (1,747,669)          | (3,087,617)          |
| <b>Net Cash Provided by Operating Activities</b>                   | <b>1,373,071</b>    | <b>725,066</b>       | <b>2,098,137</b>     |
| <b>Cash Flows from Noncapital Financing Activities</b>             |                     |                      |                      |
| Net operating transfers in (out)                                   | 213,176             | -                    | 213,176              |
| <b>Net Cash Provided by Noncapital Financing Activities</b>        | <b>213,176</b>      | <b>-</b>             | <b>213,176</b>       |
| <b>Cash Flows from Capital and Related Financing Activities</b>    |                     |                      |                      |
| Acquisition and construction of capital assets                     | (10,040)            | (40,595,121)         | (40,605,161)         |
| Proceeds from bond issue                                           | -                   | 23,200,176           | 23,200,176           |
| Capital contributions                                              | -                   | 13,440,804           | 13,440,804           |
| Payment of bond principal                                          | (39,600)            | (1,201,200)          | (1,240,800)          |
| Payment of other debt principal                                    | (193,964)           | (209,645)            | (403,609)            |
| Payment of interest expense                                        | (123,645)           | (1,506,331)          | (1,629,976)          |
| Lease receipts                                                     | 51,564              | -                    | 51,564               |
| <b>Net Cash (Used) by Capital and Related Financing Activities</b> | <b>(315,685)</b>    | <b>(6,871,317)</b>   | <b>(7,187,002)</b>   |
| <b>Cash Flows from Investing Activities</b>                        |                     |                      |                      |
| Purchase of investments                                            | -                   | (49,012)             | (49,012)             |
| Interest received on investments                                   | 47,259              | 493,158              | 540,417              |
| <b>Net Cash Provided by Investing Activities</b>                   | <b>47,259</b>       | <b>444,146</b>       | <b>491,405</b>       |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i>        | <i>1,317,821</i>    | <i>(5,702,105)</i>   | <i>(4,384,284)</i>   |
| Cash and Cash Equivalents, Beginning of year                       | 1,079,837           | 19,988,055           | 21,067,892           |
| <b>Cash and Cash Equivalents, End of year</b>                      | <b>2,397,658</b>    | <b>14,285,950</b>    | <b>16,683,608</b>    |
| Less Restricted Cash and Cash Equivalents                          | 1,049,705           | 1,349,941            | 2,399,646            |
| <b>Unrestricted Cash and Cash Equivalents</b>                      | <b>\$ 1,347,953</b> | <b>\$ 12,936,009</b> | <b>\$ 14,283,962</b> |

See accompanying Notes to the Financial Statements

# City of Republic

## Statement of Cash Flows – Proprietary Fund

Year Ended December 31, 2025

|                                                                                         | Enterprise Funds    |                   |                     |
|-----------------------------------------------------------------------------------------|---------------------|-------------------|---------------------|
|                                                                                         | Water Fund          | Wastewater Fund   | Total               |
| <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>  |                     |                   |                     |
| Operating income                                                                        | \$ 821,935          | \$ 2,533,619      | \$ 3,355,554        |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                     |                   |                     |
| Depreciation                                                                            | 437,107             | 1,040,911         | 1,478,018           |
| (Increase) decrease in                                                                  |                     |                   |                     |
| Utilities receivable                                                                    | (404,211)           | (355,383)         | (759,594)           |
| Prepaid expense                                                                         | (4,708)             | (8,551)           | (13,259)            |
| Deferred pension outflows                                                               | 18,117              | 98                | 18,215              |
| Increase (decrease) in                                                                  |                     |                   |                     |
| Accounts payable                                                                        | (23,098)            | (3,178,707)       | (3,201,805)         |
| Accrued expenses                                                                        | 7,097               | 20,985            | 28,082              |
| Utility deposits payable                                                                | 42,785              | 333               | 43,118              |
| Deferred pension inflows                                                                | (12,510)            | (14,461)          | (26,971)            |
| Net pension liability                                                                   | 480,118             | 668,729           | 1,148,847           |
| Compensated absences                                                                    | 10,439              | 17,493            | 27,932              |
| <b>Net Cash Provided by Operating Activities</b>                                        | <u>\$ 1,373,071</u> | <u>\$ 725,066</u> | <u>\$ 2,098,137</u> |
| <b>Noncash Capital Activities</b>                                                       |                     |                   |                     |
| Contributions of capital assets from developers                                         | \$ 140,433          | \$ 549,521        | \$ 689,954          |
| Acquisition of capital assets through accounts payable                                  | \$ -                | \$ 5,346,517      | \$ 5,346,517        |
| Acquisition of capital assets through retainage payable                                 | \$ -                | \$ 543,567        | \$ 543,567          |
| 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, 2025

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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, 2025

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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.

*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.

*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.

*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.

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.

### **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 three months or less 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

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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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.

Intangible right-to-use assets, such as leases and subscription-based information technology arrangements are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any payments made prior to the lease or subscription term, less lease or subscription incentives, plus ancillary charges necessary to place the lease or subscription into service. Intangible right-to-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying asset or life of the related lease or subscription.

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                 |
| Right-to-use assets        | Determined by agreement |
| Subscription assets        | Determined by agreement |

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

### 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.

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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

### Unavailable Revenue

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 liabilities in the Statement of Net Position.

### 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.

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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*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 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.

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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### **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.

### **Subscription-based Information Technology Agreements (SBITAs)**

The City subscribes to various software programs. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide and proprietary fund financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt on the statement of net position. The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancellable period of the subscription.

### **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.

# City of Republic

## Notes to the Financial Statements

December 31, 2025

### 2. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. As of December 31, 2025, the pool is comprised of deposits and certificates of deposit.

#### 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, 2025, 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.

Investments of the City, as of December 31, 2025, consist of the following:

| Investment Type    | Maturity | Rating | Not Subject<br>to Fair Value | Fair Value<br>Level 1 | Total     |
|--------------------|----------|--------|------------------------------|-----------------------|-----------|
| Money Market Funds | N/A      | AAAm   | \$ -                         | \$ 49,012             | \$ 49,012 |

# City of Republic

## Notes to the Financial Statements

December 31, 2025

### 3. Restricted Assets

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

|                                            | Restricted Cash,<br>Cash Equivalents,<br>and Investments | Restricted Net<br>Position |
|--------------------------------------------|----------------------------------------------------------|----------------------------|
| <b>General Fund</b>                        |                                                          |                            |
| Court bonds                                | \$ 5,601                                                 | \$ -                       |
|                                            | <u>5,601</u>                                             | <u>-</u>                   |
| <b>Street Fund</b>                         |                                                          |                            |
| Developer escrow                           | 19,050                                                   | -                          |
| Customer deposits held                     | 333                                                      | -                          |
| Stormwater funds                           | <u>625,894</u>                                           | <u>625,894</u>             |
|                                            | <u>645,277</u>                                           | <u>625,894</u>             |
| <b>Fire Fund</b>                           |                                                          |                            |
| Capital improvements                       | 1,913,835                                                | 1,913,835                  |
| Capital improvements through impact fees   | 37,545                                                   | 37,545                     |
| ABA grant                                  | <u>27,640</u>                                            | <u>27,640</u>              |
|                                            | <u>1,979,020</u>                                         | <u>1,979,020</u>           |
| <b>Police Fund</b>                         |                                                          |                            |
| Police evidence                            | 31,294                                                   | -                          |
| Court bonds                                | 10                                                       | -                          |
| Opioid settlement                          | <u>87,377</u>                                            | <u>87,377</u>              |
|                                            | <u>118,681</u>                                           | <u>87,377</u>              |
| <b>Parks and Recreation Fund</b>           |                                                          |                            |
| Unspent bond proceeds                      | <u>920,328</u>                                           | <u>-</u>                   |
|                                            | <u>920,328</u>                                           | <u>-</u>                   |
| <b>Nonmajor Fund</b>                       |                                                          |                            |
| Capital improvements                       | <u>292,413</u>                                           | <u>292,413</u>             |
|                                            | <u>292,413</u>                                           | <u>292,413</u>             |
| <b>Total Governmental Activities</b>       | <u>\$ 3,961,320</u>                                      | <u>\$ 2,984,704</u>        |
| <b>Water Fund</b>                          |                                                          |                            |
| Capital improvements through impact fees   | \$ 391,513                                               | \$ 391,513                 |
| Customer deposits                          | <u>658,192</u>                                           | <u>-</u>                   |
|                                            | <u>1,049,705</u>                                         | <u>391,513</u>             |
| <b>Wastewater Fund</b>                     |                                                          |                            |
| Capital improvements through impact fees   | 1,349,608                                                | 1,349,608                  |
| Other deposits held                        | 333                                                      | -                          |
| Series 2024 bond (SRF) escrow for interest | <u>49,012</u>                                            | <u>-</u>                   |
|                                            | <u>1,398,953</u>                                         | <u>1,349,608</u>           |
| <b>Total Business-type Activities</b>      | <u>\$ 2,448,658</u>                                      | <u>\$ 1,741,121</u>        |

## City of Republic

### Notes to the Financial Statements

December 31, 2025

#### 4. Accounts Receivable

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

|                                    | <b>Accounts<br/>Receivable</b> | <b>Allowance</b>  | <b>Net Accounts<br/>Receivable</b> |
|------------------------------------|--------------------------------|-------------------|------------------------------------|
| <b>Ad Valorem Taxes Receivable</b> |                                |                   |                                    |
| General Fund                       | \$ 1,688,090                   | \$ -              | \$ 1,688,090                       |
| Street Fund                        | 259,725                        | (2,644)           | 257,081                            |
| Parks and Recreation Fund          | 454,819                        | (1,511)           | 453,308                            |
|                                    | <u>\$ 2,402,634</u>            | <u>\$ (4,155)</u> | <u>\$ 2,398,479</u>                |
| <b>Other Receivable</b>            |                                |                   |                                    |
| General Fund                       | \$ 63,172                      | \$ (9,824)        | \$ 53,348                          |
| Street Fund                        | 98,615                         | -                 | 98,615                             |
|                                    | <u>\$ 161,787</u>              | <u>\$ (9,824)</u> | <u>\$ 151,963</u>                  |

# City of Republic

## Notes to the Financial Statements

December 31, 2025

### 5. Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

|                                              | Balance<br>December 31,<br>2024 | Additions           | Deletions         | Balance<br>December 31,<br>2025 |
|----------------------------------------------|---------------------------------|---------------------|-------------------|---------------------------------|
| <b>Governmental Activities</b>               |                                 |                     |                   |                                 |
| Non-depreciable Capital Assets               |                                 |                     |                   |                                 |
| Land                                         | \$ 6,935,209                    | \$ -                | \$ -              | \$ 6,935,209                    |
| Construction in progress                     | 3,357,671                       | 9,719,497           | 318,779           | 12,758,389                      |
| <b>Total Non-Depreciable Capital Assets</b>  | <u>10,292,880</u>               | <u>\$ 9,719,497</u> | <u>\$ 318,779</u> | <u>19,693,598</u>               |
| Depreciable Capital Assets                   |                                 |                     |                   |                                 |
| Building and improvements                    | 30,245,976                      | \$ -                | \$ -              | 30,245,976                      |
| Machinery and equipment                      | 3,318,836                       | 333,315             | 19,589            | 3,632,562                       |
| Vehicles                                     | 5,218,322                       | 313,446             | 175,948           | 5,355,820                       |
| Infrastructure                               | 35,034,106                      | 1,271,180           | -                 | 36,305,286                      |
| Intangible right-to-use assets               |                                 |                     |                   |                                 |
| Software                                     | -                               | 302,933             | -                 | 302,933                         |
| <b>Total Depreciable Capital Assets</b>      | <u>73,817,240</u>               | <u>\$ 2,220,874</u> | <u>\$ 195,537</u> | <u>75,842,577</u>               |
| Less Accumulated Depreciation                |                                 |                     |                   |                                 |
| Building and improvements                    | 8,414,950                       | \$ 761,549          | \$ -              | 9,176,499                       |
| Machinery and equipment                      | 1,995,182                       | 241,938             | 17,303            | 2,219,817                       |
| Vehicles                                     | 3,441,607                       | 440,463             | 150,983           | 3,731,087                       |
| Infrastructure                               | 3,955,429                       | 937,888             | -                 | 4,893,317                       |
| Intangible right-to-use assets               |                                 |                     |                   |                                 |
| Software                                     | -                               | 34,240              | -                 | 34,240                          |
| Total Accumulated Depreciation               | <u>17,807,168</u>               | <u>\$ 2,416,078</u> | <u>\$ 168,286</u> | <u>20,054,960</u>               |
| <b>Total Depreciable Capital Assets, net</b> | <u>56,010,072</u>               |                     |                   | <u>55,787,617</u>               |
| <b>Total Capital Assets -</b>                |                                 |                     |                   |                                 |
| <b>Governmental Activities, net</b>          | <u>\$ 66,302,952</u>            |                     |                   | <u>\$ 75,481,215</u>            |

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

|                        |                     |
|------------------------|---------------------|
| Administrative         | \$ 85,374           |
| Police                 | 288,525             |
| Fire                   | 308,933             |
| Court                  | 7,783               |
| Streets and stormwater | 1,081,255           |
| Parks and recreation   | 616,517             |
| Animal control         | 27,691              |
|                        | <u>\$ 2,416,078</u> |

# City of Republic

## Notes to the Financial Statements

December 31, 2025

|                                              | Balance<br>December 31,<br>2024 | Additions         | Deletions        | Balance<br>December 31,<br>2025 |
|----------------------------------------------|---------------------------------|-------------------|------------------|---------------------------------|
| <b>Business-Type Activities</b>              |                                 |                   |                  |                                 |
| <b>Water</b>                                 |                                 |                   |                  |                                 |
| Non-depreciable Capital Assets               |                                 |                   |                  |                                 |
| Construction in progress                     | \$ 90,614                       | \$ -              | \$ 90,614        | \$ -                            |
| <b>Total Non-depreciable Capital Assets</b>  | <u>90,614</u>                   | <u>\$ -</u>       | <u>\$ 90,614</u> | <u>-</u>                        |
| Depreciable Capital Assets                   |                                 |                   |                  |                                 |
| Water plant                                  | 15,357,124                      | \$ 231,047        | \$ -             | 15,588,171                      |
| Buildings and improvements                   | 2,129,182                       | -                 | -                | 2,129,182                       |
| Major moveable equipment                     | 512,456                         | 10,040            | -                | 522,496                         |
| Vehicles                                     | 392,448                         | -                 | 13,961           | 378,487                         |
| <b>Total Depreciable Capital Assets</b>      | <u>18,391,210</u>               | <u>\$ 241,087</u> | <u>\$ 13,961</u> | <u>18,618,336</u>               |
| Less Accumulated Depreciation                |                                 |                   |                  |                                 |
| Water plant                                  | 4,224,043                       | \$ 341,790        | \$ -             | 4,565,833                       |
| Buildings and improvements                   | 142,653                         | 52,568            | -                | 195,221                         |
| Major moveable equipment                     | 304,750                         | 39,470            | -                | 344,220                         |
| Vehicles                                     | 384,795                         | 3,279             | 13,961           | 374,113                         |
| <b>Total Accumulated Depreciation</b>        | <u>5,056,241</u>                | <u>\$ 437,107</u> | <u>\$ 13,961</u> | <u>5,479,387</u>                |
| <b>Total Depreciable Capital Assets, net</b> | 13,334,969                      |                   |                  | 13,138,949                      |

## City of Republic

### Notes to the Financial Statements

December 31, 2025

#### Wastewater

|                                                             |                       |                      |                  |                       |
|-------------------------------------------------------------|-----------------------|----------------------|------------------|-----------------------|
| Non-depreciable Capital Assets                              |                       |                      |                  |                       |
| Land                                                        | 270,670               | \$ -                 | \$ -             | 270,670               |
| Construction in progress                                    | 66,625,513            | 46,405,489           | -                | 113,031,002           |
| <b>Total Non-depreciable Capital Assets</b>                 | 66,896,183            | <u>\$ 46,405,489</u> | <u>\$ -</u>      | 113,301,672           |
| Depreciable Capital Assets                                  |                       |                      |                  |                       |
| Wastewater plant                                            | 37,420,187            | \$ 549,521           | \$ -             | 37,969,708            |
| Buildings and improvements                                  | 2,391,388             | -                    | -                | 2,391,388             |
| Major moveable equipment                                    | 1,157,894             | 10,040               | -                | 1,167,934             |
| Vehicles                                                    | 1,030,218             | 69,676               | 13,977           | 1,085,917             |
| <b>Total Depreciable Capital Assets</b>                     | 41,999,687            | <u>\$ 629,237</u>    | <u>\$ 13,977</u> | 42,614,947            |
| Less Accumulated Depreciation                               |                       |                      |                  |                       |
| Wastewater plant                                            | 12,953,642            | \$ 816,489           | \$ -             | 13,770,131            |
| Buildings and improvements                                  | 84,694                | 59,785               | -                | 144,479               |
| Major moveable equipment                                    | 671,107               | 86,807               | -                | 757,914               |
| Vehicles                                                    | 472,733               | 77,830               | 13,977           | 536,586               |
| <b>Total Accumulated Depreciation</b>                       | 14,182,176            | <u>\$ 1,040,911</u>  | <u>\$ 13,977</u> | 15,209,110            |
| <b>Total Depreciable Capital Assets, net</b>                | 27,817,511            |                      |                  | 27,405,837            |
| <b>Total Capital Assets - Business-Type Activities, net</b> | <u>\$ 108,139,277</u> |                      |                  | <u>\$ 153,846,458</u> |

## 6. Long-Term Debt – Governmental Activities

The long-term debt of the governmental activities at December 31, 2025, consists of the following:

#### 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, 2025

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

| Year Ending<br>December 31, | Direct Borrowing  |                  |                   |
|-----------------------------|-------------------|------------------|-------------------|
|                             | Principal         | Interest         | Total             |
| 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>\$ 362,000</u> | <u>\$ 47,677</u> | <u>\$ 409,677</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 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<br>December 31, | Direct Borrowing  |                  |                   |
|-----------------------------|-------------------|------------------|-------------------|
|                             | Principal         | Interest         | Total             |
| 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>\$ 651,252</u> | <u>\$ 54,639</u> | <u>\$ 705,891</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 as the project progresses. The first loan disbursement occurred in 2022, in the amount of the \$685,692; the second disbursement of \$2,007,533 was disbursed in 2023. The remaining balance of \$1,506,776 is anticipated to be disbursed in 2027. 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, 2025

The outstanding balance as of December 31, 2025 due to the Missouri Transportation Finance Corporation was \$1,409,334; however, the following payment schedule includes the amount of funds that still remain available to be issued of \$1,506,776:

| Year Ending<br>December 31, | Direct Borrowing    |                   |                     |
|-----------------------------|---------------------|-------------------|---------------------|
|                             | Principal           | Interest          | Total               |
| 2026                        | \$ 414,891          | \$ 19,731         | \$ 434,622          |
| 2027                        | 416,481             | 18,141            | 434,622             |
| 2028                        | 405,435             | 29,187            | 434,622             |
| 2029                        | 411,112             | 23,510            | 434,622             |
| 2030                        | 416,867             | 17,755            | 434,622             |
| 2031                        | 422,703             | 11,919            | 434,622             |
| 2032                        | 428,621             | 6,001             | 434,622             |
|                             | <u>\$ 2,916,110</u> | <u>\$ 126,244</u> | <u>\$ 3,042,354</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. See details at Note 7.

### 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, 2025, are as follows:

| Year Ending<br>December 31, | Principal           | Interest            | Total                |
|-----------------------------|---------------------|---------------------|----------------------|
|                             |                     |                     |                      |
| 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                        | 235,000             | 393,075             | 628,075              |
| 2031-2035                   | 1,820,000           | 1,778,475           | 3,598,475            |
| 2036-2040                   | 3,210,000           | 1,239,525           | 4,449,525            |
| 2041-2044                   | 3,725,000           | 342,563             | 4,067,563            |
|                             | <u>\$ 9,575,000</u> | <u>\$ 5,398,238</u> | <u>\$ 14,973,238</u> |

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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, 2025:

|                                      | Balance<br>December 31,<br>2024 | Additions         | Retirements         | Balance<br>December 31,<br>2025 | Amounts<br>Due Within<br>One Year |
|--------------------------------------|---------------------------------|-------------------|---------------------|---------------------------------|-----------------------------------|
| Direct Borrowings                    |                                 |                   |                     |                                 |                                   |
| 2006 MAMU                            | \$ 410,000                      | \$ -              | \$ 48,000           | \$ 362,000                      | \$ 48,000                         |
| 2007 Certificates of Participation   | 736,010                         | -                 | 84,758              | 651,252                         | 86,734                            |
| Aerial Fire Truck                    | 129,341                         | -                 | 129,341             | -                               | -                                 |
| Equipment                            | 5,805                           | -                 | 5,805               | -                               | -                                 |
| 2022 MTFC Loan                       | 1,829,973                       | -                 | 420,638             | 1,409,335                       | 414,891                           |
|                                      | <u>3,111,129</u>                | <u>-</u>          | <u>688,542</u>      | <u>2,422,587</u>                | <u>549,625</u>                    |
| Bonds                                |                                 |                   |                     |                                 |                                   |
| Series 2017 Special Obligation       |                                 |                   |                     |                                 |                                   |
| Refunding Bonds                      | 200,000                         | -                 | 200,000             | -                               | -                                 |
| Series 2022 Special Obligation Bonds | 1,733,768                       | -                 | 79,200              | 1,654,568                       | 82,500                            |
| Series 2023 Special Obligation Bonds | 9,640,000                       | -                 | 65,000              | 9,575,000                       | 100,000                           |
| Premium on Bonds                     | 78,278                          | -                 | 8,017               | 70,261                          | 3,832                             |
|                                      | <u>11,652,046</u>               | <u>-</u>          | <u>352,217</u>      | <u>11,299,829</u>               | <u>186,332</u>                    |
| Subscriptions payable                | -                               | 246,499           | 1,800               | 244,699                         | 63,366                            |
|                                      | <u>\$14,763,175</u>             | <u>\$ 246,499</u> | <u>\$ 1,042,559</u> | <u>\$13,967,115</u>             | <u>\$ 799,323</u>                 |

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

The long-term debt of the business-type activities as of December 31, 2025 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, 2025

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

| Year Ending<br>December 31, | Direct Borrowing    |                   |                     |
|-----------------------------|---------------------|-------------------|---------------------|
|                             | Principal           | Interest          | Total               |
| 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>\$ 2,775,000</u> | <u>\$ 350,618</u> | <u>\$ 3,125,618</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.

Total annual debt service requirements for these bonds at December 31, 2025, are as follows, which includes balances outstanding in the governmental activities and business-type activities of \$1,654,568 and \$39,990,432, respectively :

| Year Ending<br>December 31, |                      |                      |                      |
|-----------------------------|----------------------|----------------------|----------------------|
|                             | Principal            | Interest             | Total                |
| 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                        | 1,610,000            | 1,266,200            | 2,876,200            |
| 2031-2035                   | 9,105,000            | 5,288,500            | 14,393,500           |
| 2036-2040                   | 9,710,000            | 3,356,000            | 13,066,000           |
| 2041-2045                   | 10,650,000           | 1,537,750            | 12,187,750           |
| 2046-2047                   | 4,730,000            | 142,950              | 4,872,950            |
|                             | <u>\$ 41,645,000</u> | <u>\$ 17,263,800</u> | <u>\$ 58,908,800</u> |

### 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

# City of Republic

## Notes to the Financial Statements

December 31, 2025

take any proceedings allowed by law to enforce payment or proceed as if they were the trustees of a trust. As of December 31, 2025, the City has issued \$23,584,676. The remaining \$26,415,324 balance remains available and is expected to be fully issued by December 31, 2026.

The following is a schedule of future payments assuming issuance of bonds in full:

| Year Ending<br>December 31, | Direct Borrowing     |                     |                      |
|-----------------------------|----------------------|---------------------|----------------------|
|                             | Principal            | Interest            | Total                |
| 2026                        | \$ -                 | \$ 630,000          | \$ 630,000           |
| 2027                        | 1,465,000            | 625,407             | 2,090,407            |
| 2028                        | 1,493,000            | 606,860             | 2,099,860            |
| 2029                        | 1,522,000            | 587,960             | 2,109,960            |
| 2030                        | 1,551,000            | 568,688             | 2,119,688            |
| 2031-2035                   | 8,214,000            | 2,541,244           | 10,755,244           |
| 2036-2040                   | 9,032,000            | 2,000,962           | 11,032,962           |
| 2041-2045                   | 9,933,000            | 1,406,872           | 11,339,872           |
| 2046-2050                   | 10,924,000           | 753,493             | 11,677,493           |
| 2051-2053                   | 5,866,000            | 111,573             | 5,977,573            |
|                             | <u>\$ 50,000,000</u> | <u>\$ 9,833,059</u> | <u>\$ 59,833,059</u> |

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, 2025:

|                                | Balance<br>December 31,<br>2024 | Additions            | Retirements         | Balance<br>December 31,<br>2025 | Amounts<br>Due Within<br>One Year |
|--------------------------------|---------------------------------|----------------------|---------------------|---------------------------------|-----------------------------------|
| <b>Water Fund</b>              |                                 |                      |                     |                                 |                                   |
| Direct Borrowings              |                                 |                      |                     |                                 |                                   |
| 2006 MAMU                      | \$ 1,520,160                    | \$ -                 | \$ 188,160          | \$ 1,332,000                    | \$ 197,760                        |
| Equipment                      | 5,804                           | -                    | 5,804               | -                               | -                                 |
|                                | <u>1,525,964</u>                | <u>-</u>             | <u>193,964</u>      | <u>1,332,000</u>                | <u>197,760</u>                    |
| Series 2022 Special Obligation | 1,733,768                       | -                    | 39,600              | 1,694,168                       | 55,000                            |
| Total Water Fund               | <u>3,259,732</u>                | <u>-</u>             | <u>233,564</u>      | <u>3,026,168</u>                | <u>252,760</u>                    |
| <b>Wastewater Fund</b>         |                                 |                      |                     |                                 |                                   |
| Direct Borrowings              |                                 |                      |                     |                                 |                                   |
| Series 2024 Special Obligation | 384,500                         | 23,200,176           | -                   | 23,584,676                      | -                                 |
| 2006 MAMU                      | 1,646,840                       | -                    | 203,840             | 1,443,000                       | 214,240                           |
| Equipment                      | 5,805                           | -                    | 5,805               | -                               | -                                 |
|                                | <u>2,037,145</u>                | <u>23,200,176</u>    | <u>209,645</u>      | <u>25,027,676</u>               | <u>214,240</u>                    |
| Series 2022 Special Obligation | 39,497,464                      | -                    | 1,201,200           | 38,296,264                      | 1,237,500                         |
| Premium on Series 2022 Bond    | 3,047,300                       | -                    | 136,446             | 2,910,854                       | 136,446                           |
|                                | <u>42,544,764</u>               | <u>-</u>             | <u>1,337,646</u>    | <u>41,207,118</u>               | <u>1,373,946</u>                  |
| Total Wastewater Fund          | <u>44,581,909</u>               | <u>23,200,176</u>    | <u>1,547,291</u>    | <u>66,234,794</u>               | <u>1,588,186</u>                  |
|                                | <u>\$ 47,841,641</u>            | <u>\$ 23,200,176</u> | <u>\$ 1,780,855</u> | <u>\$ 69,260,962</u>            | <u>\$ 1,840,946</u>               |

# City of Republic

## Notes to the Financial Statements

December 31, 2025

### 8. Compensated Absences

The following is a summary of the changes in compensated absences for the year ended December 31, 2025:

|                          | Balance<br>December 31,<br>2024 | Additions         | Retirements | Balance<br>December 31,<br>2025 | Amounts<br>Due Within<br>One Year |
|--------------------------|---------------------------------|-------------------|-------------|---------------------------------|-----------------------------------|
| Governmental activities  | \$ 802,728                      | \$ 165,065        | \$ -        | \$ 967,793                      | \$ 890,370                        |
| Business-type activities |                                 |                   |             |                                 |                                   |
| Water Fund               | 51,495                          | 10,439            | -           | 61,934                          | 48,804                            |
| Wastewater Fund          | 50,618                          | 17,493            | -           | 68,111                          | 52,912                            |
|                          | <u>102,113</u>                  | <u>27,932</u>     | <u>-</u>    | <u>130,045</u>                  | <u>101,716</u>                    |
|                          | <u>\$ 904,841</u>               | <u>\$ 192,997</u> | <u>\$ -</u> | <u>\$ 1,097,838</u>             | <u>\$ 992,086</u>                 |

The change in compensated absences is reported as a net addition or retirement.

### 9. 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:

|                                                 | 2025                  |
|-------------------------------------------------|-----------------------|
| <b>Assessed Valuation</b>                       |                       |
| Real estate                                     | \$ 426,884,950        |
| Personal property                               | 74,456,736            |
| <b>Total</b>                                    | <u>\$ 501,341,686</u> |
| <b>Tax Rate Per \$100 of Assessed Valuation</b> |                       |
| General revenue                                 | \$ .3985              |
| Street lights                                   | .0613                 |
| Parks and recreation                            | .1074                 |
|                                                 | <u>\$ .5672</u>       |

The legal debt margin at December 31, 2025, was computed as follows:

|                                  | General Obligation Bonds |                      |                       |
|----------------------------------|--------------------------|----------------------|-----------------------|
|                                  | Ordinary (1)             | Additional (2)       | Total                 |
| Constitutional Debt Limit        | \$ 50,134,169            | \$ 50,134,169        | \$ 100,268,338        |
| General Obligation Bonds Payable | -                        | -                    | -                     |
| <b>Legal Debt Margin</b>         | <u>\$ 50,134,169</u>     | <u>\$ 50,134,169</u> | <u>\$ 100,268,338</u> |

(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

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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.

### 10. 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 4% 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, 2025, employer contributions were \$317,210 and employee contributions were \$486,492.

### 11. 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 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.

#### 2025 Valuation

|                      |                |
|----------------------|----------------|
| Benefit multiplier   | 2.00% for life |
| Final average salary | 3 years        |
| Member contributions | 0%             |

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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, 2025, the following employees were covered by the benefit terms:

|                                                                | <b>General<br/>Division</b> | <b>Police<br/>Division</b> | <b>Fire<br/>Division</b> | <b>Total</b> |
|----------------------------------------------------------------|-----------------------------|----------------------------|--------------------------|--------------|
| Inactive members or beneficiaries currently receiving benefits | 44                          | 6                          | 7                        | 57           |
| Inactive members entitled to but not yet receiving benefits    | 36                          | 18                         | 15                       | 69           |
| Active members                                                 | 93                          | 28                         | 27                       | 148          |
|                                                                | <u>173</u>                  | <u>52</u>                  | <u>49</u>                | <u>274</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 21.0% for General, 24.6% for Police, and 23.9% for Fire of annual covered payroll.

*Net Pension Liability.* The City's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2025.

*Actuarial Assumptions.* The total pension liability in the February 28, 2025, 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<br>2.75% to 6.55% including inflation for the Police Division<br>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 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 28, 2025, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 29, 2020.

## City of Republic

### Notes to the Financial Statements

December 31, 2025

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<br/>Allocation</b> | <b>Weighted Average<br/>Long-Term Expected<br/>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, 2025

### Changes in the Net Pension Liability

|                                                    | Increase (Decrease)     |                            |                       |
|----------------------------------------------------|-------------------------|----------------------------|-----------------------|
|                                                    | Total Pension Liability | Plan Fiduciary Net Pension | Net Pension Liability |
|                                                    | (a)                     | (b)                        | (a) - (b)             |
| <b>General Division</b>                            |                         |                            |                       |
| Balance at beginning of year                       | \$ 10,420,035           | \$ 8,185,562               | \$ 2,234,473          |
| Changes for the year                               |                         |                            |                       |
| Service cost                                       | 422,153                 | -                          | 422,153               |
| Interest                                           | 731,013                 | -                          | 731,013               |
| Changes of benefit terms                           | 3,599,417               | -                          | 3,599,417             |
| Difference between expected and actual experiences | (226)                   | -                          | (226)                 |
| Contributions - employer                           | -                       | 995,411                    | (995,411)             |
| Net investment income                              | -                       | 539,249                    | (539,249)             |
| Benefits paid, including refunds                   | (375,343)               | (375,343)                  | -                     |
| Administrative expenses                            | -                       | (19,514)                   | 19,514                |
| Other (net transfer)                               | -                       | 41,367                     | (41,367)              |
| <i>Net Changes</i>                                 | <u>4,377,014</u>        | <u>1,181,170</u>           | <u>3,195,844</u>      |
| Balance at end of year                             | 14,797,049              | 9,366,732                  | 5,430,317             |
| <b>Police Division</b>                             |                         |                            |                       |
| Balance at beginning of year                       | 2,905,817               | 2,132,930                  | 772,887               |
| Changes for the year                               |                         |                            |                       |
| Service cost                                       | 131,307                 | -                          | 131,307               |
| Interest                                           | 206,190                 | -                          | 206,190               |
| Changes of benefits terms                          | 1,366,310               | -                          | 1,366,310             |
| Difference between expected and actual experiences | 131,416                 | -                          | 131,416               |
| Contributions - employer                           | -                       | 343,729                    | (343,729)             |
| Net investment income                              | -                       | 141,638                    | (141,638)             |
| Benefits paid, including refunds                   | (50,436)                | (50,436)                   | -                     |
| Administrative expenses                            | -                       | (5,416)                    | 5,416                 |
| Other (net transfer)                               | -                       | 13,596                     | (13,596)              |
| <i>Net Changes</i>                                 | <u>1,784,787</u>        | <u>443,111</u>             | <u>1,341,676</u>      |
| Balance at end of year                             | 4,690,604               | 2,576,041                  | 2,114,563             |

# City of Republic

## Notes to the Financial Statements

December 31, 2025

|                                                    | 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                       | 2,733,812            | 2,354,370            | 379,442             |
| Changes for the year                               |                      |                      |                     |
| Service cost                                       | 147,219              | -                    | 147,219             |
| Interest                                           | 192,914              | -                    | 192,914             |
| Changes of benefit terms                           | 1,237,463            | -                    | 1,237,463           |
| Difference between expected and actual experiences | 185,939              | -                    | 185,939             |
| Contributions - employer                           | -                    | 287,976              | (287,976)           |
| Contributions - employee                           | -                    | 168,584              | (168,584)           |
| Net investment income                              | -                    | 169,725              | (169,725)           |
| Benefits paid, including refunds                   | (102,246)            | (102,246)            | -                   |
| Administrative expenses                            | -                    | (5,038)              | 5,038               |
| Other (net transfer)                               | -                    | 37,024               | (37,024)            |
| <i>Net Changes</i>                                 | 1,661,289            | 556,025              | 1,105,264           |
| Balance at end of year                             | 4,395,101            | 2,910,395            | 1,484,706           |
| <b>Total Plan Balances at end of year</b>          | <b>\$ 23,882,754</b> | <b>\$ 14,853,168</b> | <b>\$ 9,029,586</b> |

# City of Republic

## Notes to the Financial Statements

December 31, 2025

*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<br>6.00% | Current Single<br>Discount Rate<br>Assumption<br>7.00% | 1% Increase<br>8.00% |
|------------------------------------|----------------------|--------------------------------------------------------|----------------------|
| <b>General Division</b>            |                      |                                                        |                      |
| Total Pension Liability            | \$ 17,283,023        | \$ 14,797,049                                          | \$ 12,776,961        |
| Plan Fiduciary Net Position        | 9,366,732            | 9,366,732                                              | 9,366,732            |
| Net Pension Liability              | 7,916,291            | 5,430,317                                              | 3,410,229            |
| <b>Police Division</b>             |                      |                                                        |                      |
| Total Pension Liability            | 5,584,319            | 4,690,604                                              | 3,973,166            |
| Plan Fiduciary Net Position        | 2,576,041            | 2,576,041                                              | 2,576,041            |
| Net Pension Liability              | 3,008,278            | 2,114,563                                              | 1,397,125            |
| <b>Fire Division</b>               |                      |                                                        |                      |
| Total Pension Liability            | 5,165,734            | 4,395,101                                              | 3,776,212            |
| Plan Fiduciary Net Position        | 2,910,395            | 2,910,395                                              | 2,910,395            |
| Net Pension Liability              | 2,255,339            | 1,484,706                                              | 865,817              |
| <b>Total Net Pension Liability</b> | <b>\$ 13,179,908</b> | <b>\$ 9,029,586</b>                                    | <b>\$ 5,673,171</b>  |

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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

For the year ended December 31, 2025, the City recognized a pension expense of \$4,246,271 in the General Division, \$1,600,822 in the Police Division, and \$1,243,910 in the Fire Division. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

|                                                   | Deferred<br>Outflows of<br>Resources | Deferred<br>(Inflows) of<br>Resources | Net Deferred<br>Outflows (Inflows)<br>of Resources |
|---------------------------------------------------|--------------------------------------|---------------------------------------|----------------------------------------------------|
| <b>General Division</b>                           |                                      |                                       |                                                    |
| Differences in experiences                        | \$ 517,738                           | \$ (26,371)                           | \$ 491,367                                         |
| Differences in assumptions                        | -                                    | (26,229)                              | (26,229)                                           |
| Excess (deficit) investment returns               | 313,386                              | -                                     | 313,386                                            |
| Contributions subsequent to the measurement date* | 611,024                              | -                                     | 611,024                                            |
|                                                   | <u>1,442,148</u>                     | <u>(52,600)</u>                       | <u>1,389,548</u>                                   |
| <b>Police Division</b>                            |                                      |                                       |                                                    |
| Differences in experiences                        | 249,622                              | (18,797)                              | 230,825                                            |
| Differences in assumptions                        | 1,210                                | -                                     | 1,210                                              |
| Excess (deficit) investment returns               | 82,731                               | -                                     | 82,731                                             |
| Contributions subsequent to the measurement date* | 210,353                              | -                                     | 210,353                                            |
|                                                   | <u>543,916</u>                       | <u>(18,797)</u>                       | <u>525,119</u>                                     |
| <b>Fire Division</b>                              |                                      |                                       |                                                    |
| Differences in experiences                        | 395,298                              | (63,394)                              | 331,904                                            |
| Differences in assumptions                        | 6,334                                | (3,628)                               | 2,706                                              |
| Excess (deficit) investment returns               | 82,287                               | -                                     | 82,287                                             |
| Contributions subsequent to the measurement date* | 180,302                              | -                                     | 180,302                                            |
|                                                   | <u>664,221</u>                       | <u>(67,022)</u>                       | <u>597,199</u>                                     |
| <b>Total</b>                                      | <u>\$ 2,650,285</u>                  | <u>\$ (138,419)</u>                   | <u>\$ 2,511,866</u>                                |
| Governmental Activities                           | \$ 2,080,637                         | \$ (117,642)                          | \$ 1,962,995                                       |
| Business-Type Activities                          | 569,648                              | (20,777)                              | 548,871                                            |
|                                                   | <u>\$ 2,650,285</u>                  | <u>\$ (138,419)</u>                   | <u>\$ 2,511,866</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, 2026.

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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

| Year Ending<br>June 30, | General                                            | Police                                             | Fire                                               | Total                                              |
|-------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
|                         | Net Deferred<br>Outflows (Inflows)<br>of Resources | Net Deferred<br>Outflows (Inflows)<br>of Resources | Net Deferred<br>Outflows (Inflows)<br>of Resources | Net Deferred<br>Outflows (Inflows)<br>of Resources |
| 2026                    | \$ 307,502                                         | \$ 110,614                                         | \$ 102,075                                         | \$ 520,191                                         |
| 2027                    | 240,765                                            | 85,641                                             | 78,411                                             | 404,817                                            |
| 2028                    | 168,831                                            | 62,681                                             | 60,214                                             | 291,726                                            |
| 2029                    | 51,359                                             | 38,004                                             | 53,634                                             | 142,997                                            |
| 2030                    | 10,077                                             | 17,826                                             | 55,965                                             | 83,868                                             |
| Thereafter              | (10)                                               | -                                                  | 66,598                                             | 66,588                                             |
| Total                   | <u>\$ 778,524</u>                                  | <u>\$ 314,766</u>                                  | <u>\$ 416,897</u>                                  | <u>\$ 1,510,187</u>                                |

### Payable to the Pension Plan

At December 31, 2025, the City had \$159,838 in contributions payable to the pension plan required for the year ended December 31, 2025.

## 12. 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, 2025, the City recognized \$38,174 in lease revenue.

## 13. 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.

## 14. 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, 2025, 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.

## 15. Interfund Transfers

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 to finance various programs accounted for

# City of Republic

## Notes to the Financial Statements

December 31, 2025

in other funds in accordance with budgetary authorizations. Transfers between funds of the City for the year ended December 31, 2025, were as follows:

|                             | <b>Operating<br/>Transfers In</b> | <b>Operating<br/>Transfers Out</b> |
|-----------------------------|-----------------------------------|------------------------------------|
| General Fund                | \$ -                              | \$ 4,205,235                       |
| Street Fund                 | 583,842                           | -                                  |
| Fire Fund                   | 2,262,136                         | -                                  |
| Police Fund                 | 1,922,782                         | -                                  |
| Nonmajor Governmental Funds | -                                 | 776,701                            |
| Water Fund                  | 213,176                           | -                                  |
|                             | <u>\$ 4,981,936</u>               | <u>\$ 4,981,936</u>                |

### 16. Tax Abatements

As of December 31, 2025, 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, 2025 the total amount abated through the City's Enhanced Enterprise Zones Program was \$156,855.

### 17. Commitments

At December 31, 2025, the City had the following commitments:

| <b>Project</b>                 | <b>Contract Amount</b> | <b>Amount Remaining</b> |
|--------------------------------|------------------------|-------------------------|
| New city hall building project | \$ 5,445,000           | \$ 58,483               |
| JR Martin Park project         | \$ 2,794,253           | \$ 1,554,432            |
| Wastewater project             | \$ 102,580,600         | \$ 21,831,420           |
| Highway MM project             | \$ 933,494             | \$ 301,303              |
| Highway ZZ project             | \$ 351,555             | \$ 313,785              |

### 18. Subsequent Events

Subsequent to December 31, 2025, the City entered into a contract for the installation of advanced metering infrastructure in an amount not to exceed \$600,000.

# City of Republic

## Notes to the Financial Statements

December 31, 2025

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On March 25, 2026, the City secured a \$2,000,000 line of credit to fund short term cash flow for water improvements as a special limited obligation payable solely from water fund revenues. As of the date of these financial statements, the City has not made any draws on this line of credit.

Subsequent to December 31, 2025 and through the date of this report, the City has issued an additional \$13,615,273 in Series 2024 Special Obligation Bonds (State of Missouri - Direct Loan Program). The total balance as of this date is \$37,199,949 of the amount not to exceed \$50,000,000, leaving \$12,800,051 available to be issued.

## Required Supplementary Information

## City of Republic

### Schedule of Changes in Net Position Liability and Related Ratios

Year Ended December 31, 2025

| <b>Missouri Local Government Employees Retirement System (LAGERS)</b>      |                             |                             |                             |                             |                             |                             |                             |                            |                            |                            |
|----------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                            | <b>2025</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>Total Pension Liability</b>                                             |                             |                             |                             |                             |                             |                             |                             |                            |                            |                            |
| Service Cost                                                               | \$ 700,679                  | \$ 638,113                  | \$ 525,575                  | \$ 437,395                  | \$ 420,061                  | \$ 425,565                  | \$ 409,689                  | \$ 402,300                 | \$ 389,419                 | \$ 354,360                 |
| Interest on the Total Pension Liability                                    | 1,130,117                   | 1,011,802                   | 885,175                     | 797,906                     | 773,244                     | 734,452                     | 622,751                     | 560,802                    | 515,897                    | 440,338                    |
| Changes of Benefit Terms                                                   | 6,203,190                   | -                           | -                           | -                           | -                           | -                           | 240,005                     | -                          | -                          | -                          |
| Difference between expected and actual experience                          | 317,129                     | 489,361                     | 772,113                     | 365,317                     | (16,449)                    | (344,870)                   | 511,093                     | 205,087                    | 12,913                     | 139,457                    |
| Changes of Assumptions                                                     | -                           | -                           | -                           | -                           | (119,987)                   | -                           | -                           | -                          | (46,438)                   | 309,808                    |
| Benefit Payments                                                           | (528,025)                   | (433,196)                   | (425,366)                   | (370,135)                   | (295,523)                   | (259,849)                   | (241,731)                   | (390,372)                  | (208,873)                  | (151,552)                  |
| <i>Net Change in Total Pension Liability</i>                               | <i>7,823,090</i>            | <i>1,706,080</i>            | <i>1,757,497</i>            | <i>1,230,483</i>            | <i>761,346</i>              | <i>555,298</i>              | <i>1,541,807</i>            | <i>777,817</i>             | <i>662,918</i>             | <i>1,092,411</i>           |
| Total Pension Liability, Beginning                                         | <u>16,059,664</u>           | <u>14,353,584</u>           | <u>12,596,087</u>           | <u>11,365,604</u>           | <u>10,604,258</u>           | <u>10,048,960</u>           | <u>8,507,153</u>            | <u>7,729,336</u>           | <u>7,066,418</u>           | <u>5,974,007</u>           |
| <b>Total Pension Liability, Ending</b>                                     | <b><u>\$ 23,882,754</u></b> | <b><u>\$ 16,059,664</u></b> | <b><u>\$ 14,353,584</u></b> | <b><u>\$ 12,596,087</u></b> | <b><u>\$ 11,365,604</u></b> | <b><u>\$ 10,604,258</u></b> | <b><u>\$ 10,048,960</u></b> | <b><u>\$ 8,507,153</u></b> | <b><u>\$ 7,729,336</u></b> | <b><u>\$ 7,066,418</u></b> |
| <b>Plan Fiduciary Net Position</b>                                         |                             |                             |                             |                             |                             |                             |                             |                            |                            |                            |
| Contributions - employer                                                   | \$ 1,627,116                | \$ 1,166,296                | \$ 1,074,832                | \$ 876,412                  | \$ 742,549                  | \$ 725,511                  | \$ 580,248                  | \$ 442,199                 | \$ 421,098                 | \$ 378,325                 |
| Contributions - employee                                                   | 168,584                     | -                           | -                           | -                           | 26                          | -                           | 124,450                     | 185,356                    | 187,765                    | 179,855                    |
| Net Investment Income                                                      | 850,612                     | 610,080                     | 377,700                     | 11,795                      | 2,147,426                   | 94,547                      | 398,106                     | 632,274                    | 500,611                    | 18,844                     |
| Benefit Payments                                                           | (528,025)                   | (433,196)                   | (425,366)                   | (370,135)                   | (295,523)                   | (259,849)                   | (241,731)                   | (390,372)                  | (208,873)                  | (151,552)                  |
| Pension Plan Administrative Expense                                        | (29,968)                    | (31,438)                    | (33,499)                    | (22,657)                    | (17,576)                    | (22,194)                    | (19,331)                    | (12,809)                   | (12,308)                   | (11,867)                   |
| Other (Net Transfer)                                                       | 91,987                      | (8,345)                     | 28,417                      | (58,889)                    | 25,104                      | 20,943                      | 4,070                       | 221,637                    | (66,888)                   | (74,047)                   |
| <i>Net Change in Plan Fiduciary Net Position</i>                           | <i>2,180,306</i>            | <i>1,303,397</i>            | <i>1,022,084</i>            | <i>436,526</i>              | <i>2,602,006</i>            | <i>558,958</i>              | <i>845,812</i>              | <i>1,078,285</i>           | <i>821,405</i>             | <i>339,558</i>             |
| Plan Fiduciary Net Position, Beginning                                     | <u>12,672,862</u>           | <u>11,369,465</u>           | <u>10,347,381</u>           | <u>9,910,855</u>            | <u>7,308,849</u>            | <u>6,749,891</u>            | <u>5,904,079</u>            | <u>4,825,794</u>           | <u>4,004,389</u>           | <u>3,664,831</u>           |
| <b>Plan Fiduciary Net Position, Ending</b>                                 | <b><u>14,853,168</u></b>    | <b><u>12,672,862</u></b>    | <b><u>11,369,465</u></b>    | <b><u>10,347,381</u></b>    | <b><u>9,910,855</u></b>     | <b><u>7,308,849</u></b>     | <b><u>6,749,891</u></b>     | <b><u>5,904,079</u></b>    | <b><u>4,825,794</u></b>    | <b><u>4,004,389</u></b>    |
| <b>Employer Net Pension Liability</b>                                      | <b><u>\$ 9,029,586</u></b>  | <b><u>\$ 3,386,802</u></b>  | <b><u>\$ 2,984,119</u></b>  | <b><u>\$ 2,248,706</u></b>  | <b><u>\$ 1,454,749</u></b>  | <b><u>\$ 3,295,409</u></b>  | <b><u>\$ 3,299,069</u></b>  | <b><u>\$ 2,603,074</u></b> | <b><u>\$ 2,903,542</u></b> | <b><u>\$ 3,062,029</u></b> |
| Plan fiduciary net position as a percentage of the total pension liability | 62.19%                      | 78.91%                      | 79.21%                      | 82.15%                      | 87.20%                      | 68.92%                      | 67.17%                      | 69.40%                     | 56.67%                     | 56.67%                     |
| Covered payroll                                                            | \$ 9,031,453                | \$ 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               |
| Employer's net pension liability as a percentage of covered payroll        | 99.98%                      | 37.94%                      | 38.13%                      | 36.82%                      | 27.58%                      | 62.47%                      | 61.84%                      | 56.98%                     | 61.53%                     | 70.77%                     |

## City of Republic

### Schedule of Contributions

Year Ended December 31, 2025

|                                                                      | <b>Missouri Local Government Employees Retirement System (LAGERS)</b> |                  |                  |                |                |                |                |                |                  |                  |
|----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
|                                                                      | <b>2025</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>      |
| Actuarially determined contribution                                  | \$ 2,047,221                                                          | \$ 1,163,969     | \$ 1,137,104     | \$ 982,685     | \$ 752,329     | \$ 768,133     | \$ 703,488     | \$ 467,478     | \$ 454,354       | \$ 399,756       |
| Contributions in relation to the actuarially determined contribution | <u>2,047,221</u>                                                      | <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>   |
| Contribution deficiency (excess)                                     | <u>\$ -</u>                                                           | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 995</u>  | <u>\$ 1</u>    | <u>\$ -</u>    | <u>\$ 14,125</u> | <u>\$ 14,221</u> |
| Covered payroll                                                      | \$ 9,309,945                                                          | \$ 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     |
| Contributions as a percentage of covered payroll                     | 21.99%                                                                | 12.68%           | 13.19%           | 13.61%         | 13.50%         | 13.76%         | 13.39%         | 9.61%          | 9.47%            | 8.47%            |

See accompanying Notes to the Schedule of Contributions

# City of Republic

## Notes to the Schedule of Contributions

Year Ended December 31, 2025

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**Valuation Date:** February 28, 2025

**Notes:** The roll-forward of total pension liability from February 28, 2025, to June 30, 2025, 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, 2025

|                             | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>    | <b>Variance<br/>with Final<br/>Budget</b> |
|-----------------------------|----------------------------|-------------------------|------------------|-------------------------------------------|
| <b>Revenues</b>             |                            |                         |                  |                                           |
| Taxes                       |                            |                         |                  |                                           |
| Ad valorem taxes            | \$ 1,467,441               | \$ 1,467,441            | \$ 1,639,911     | \$ 172,470                                |
| Railroad and utility taxes  | 30,000                     | 30,000                  | 32,515           | 2,515                                     |
| City sales tax              | 4,404,748                  | 4,404,748               | 4,450,205        | 45,457                                    |
| Franchise tax               | 850,000                    | 850,000                 | 1,008,274        | 158,274                                   |
| Financial institution tax   | 5,800                      | 5,800                   | 84               | (5,716)                                   |
| Surtax                      | 75,000                     | 75,000                  | 70,382           | (4,618)                                   |
| Payment in lieu of tax      | 100                        | 100                     | -                | (100)                                     |
|                             | <u>6,833,089</u>           | <u>6,833,089</u>        | <u>7,201,371</u> | <u>368,282</u>                            |
| Licenses and Permits        |                            |                         |                  |                                           |
| Occupational licenses       | 100,000                    | 100,000                 | 98,280           | (1,720)                                   |
| Permits                     | 255,000                    | 255,000                 | 347,068          | 92,068                                    |
|                             | <u>355,000</u>             | <u>355,000</u>          | <u>445,348</u>   | <u>90,348</u>                             |
| Charges for services        | 55,200                     | 55,200                  | 14,558           | (40,642)                                  |
| Court fines and forfeitures | 212,750                    | 212,750                 | 290,979          | 78,229                                    |
| Miscellaneous               |                            |                         |                  |                                           |
| Interest                    | 308,000                    | 309,000                 | 368,290          | 59,290                                    |
| Donations                   | 500                        | 500                     | 2,712            | 2,212                                     |
| Other                       | -                          | -                       | 29,890           | 29,890                                    |
|                             | <u>308,500</u>             | <u>309,500</u>          | <u>400,892</u>   | <u>91,392</u>                             |
| <b>Total Revenues</b>       | <u>7,764,539</u>           | <u>7,765,539</u>        | <u>8,353,148</u> | <u>587,609</u>                            |

See accompanying Notes to the Budgetary Comparison Schedules

# City of Republic

## Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2025

|                                                               | <b>Original<br/>Budget</b>     | <b>Final<br/>Budget</b>        | <b>Actual</b>                  | <b>Variance<br/>with Final<br/>Budget</b> |
|---------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------------------|
| <b>Expenditures</b>                                           |                                |                                |                                |                                           |
| Current                                                       |                                |                                |                                |                                           |
| Administrative                                                | 1,448,838                      | 1,838,758                      | 1,558,045                      | 280,713                                   |
| Municipal court                                               | 254,685                        | 233,385                        | 257,208                        | (23,823)                                  |
| Facility maintenance                                          | 12,680                         | 12,680                         | 20,569                         | (7,889)                                   |
| Animal control                                                | 411,825                        | 422,702                        | 434,047                        | (11,345)                                  |
| Community development                                         | 917,988                        | 845,672                        | 706,082                        | 139,590                                   |
| Capital outlay                                                | 4,526,500                      | 6,606,766                      | 6,530,427                      | 76,339                                    |
| Debt service                                                  | 86,352                         | 86,352                         | 86,352                         | -                                         |
| <b>Total Expenditures</b>                                     | <u>7,658,868</u>               | <u>10,046,315</u>              | <u>9,592,730</u>               | <u>453,585</u>                            |
| <br><i>Excess (Deficit) of Revenues Over<br/>Expenditures</i> | <br>105,671                    | <br>(2,280,776)                | <br>(1,239,582)                | <br>1,041,194                             |
| <br><b>Other Financing Sources (Uses)</b>                     |                                |                                |                                |                                           |
| Proceeds from issuance of debt                                | -                              | -                              | 246,499                        | 246,499                                   |
| Proceeds from sale of assets                                  | -                              | -                              | 315,140                        | 315,140                                   |
| Operating transfers (out)                                     | <u>(3,993,015)</u>             | <u>(3,993,015)</u>             | <u>(4,205,235)</u>             | <u>(212,220)</u>                          |
| <b>Total Other Financing Sources (Uses)</b>                   | <u>(3,993,015)</u>             | <u>(3,993,015)</u>             | <u>(3,643,596)</u>             | <u>349,419</u>                            |
| <br><i>Net Change in Fund Balance</i>                         | <br>(3,887,344)                | <br>(6,273,791)                | <br>(4,883,178)                | <br>1,390,613                             |
| <br>Beginning Fund Balance                                    | <br><u>12,168,237</u>          | <br><u>12,168,237</u>          | <br><u>12,168,237</u>          | <br><u>-</u>                              |
| <br><b>Ending Fund Balance</b>                                | <br><u><u>\$ 8,280,893</u></u> | <br><u><u>\$ 5,894,446</u></u> | <br><u><u>\$ 7,285,059</u></u> | <br><u><u>\$ 1,390,613</u></u>            |

See accompanying Notes to the Budgetary Comparison Schedules

# City of Republic

## Budgetary Comparison Schedule – Street Fund

Year Ended December 31, 2025

|                                                       | Original<br>Budget  | Final<br>Budget     | Actual              | Variance<br>with Final<br>Budget |
|-------------------------------------------------------|---------------------|---------------------|---------------------|----------------------------------|
| <b>Revenues</b>                                       |                     |                     |                     |                                  |
| Taxes                                                 |                     |                     |                     |                                  |
| Ad valorem taxes                                      | \$ 225,898          | \$ 225,898          | \$ 242,490          | \$ 16,592                        |
| Sales taxes                                           | 2,142,473           | 2,142,473           | 2,138,229           | (4,244)                          |
| Motor vehicle taxes                                   | 961,000             | 961,000             | 1,099,320           | 138,320                          |
| Railroad and utility                                  | 5,000               | 5,000               | 5,005               | 5                                |
| Surtax                                                | -                   | -                   | 11,738              | 11,738                           |
|                                                       | <u>3,334,371</u>    | <u>3,334,371</u>    | <u>3,496,782</u>    | <u>162,411</u>                   |
| Licenses and permits                                  | 7,000               | 7,000               | 1,730               | (5,270)                          |
| Intergovernmental                                     | 1,463,357           | 1,463,357           | 1,150,900           | (312,457)                        |
| Charges for services                                  | 7,500               | 7,500               | 146                 | (7,354)                          |
| Miscellaneous                                         |                     |                     |                     |                                  |
| Interest                                              | 101,000             | 101,000             | 146,344             | 45,344                           |
| Other                                                 | 341,000             | 1,000               | 56,458              | 55,458                           |
|                                                       | <u>442,000</u>      | <u>102,000</u>      | <u>202,802</u>      | <u>100,802</u>                   |
| <b>Total Revenues</b>                                 | <u>5,254,228</u>    | <u>4,914,228</u>    | <u>4,852,360</u>    | <u>(61,868)</u>                  |
| <b>Expenditures</b>                                   |                     |                     |                     |                                  |
| Current                                               |                     |                     |                     |                                  |
| Street                                                | 2,099,193           | 2,002,419           | 1,988,786           | 13,633                           |
| Capital outlay                                        | 5,519,887           | 4,430,013           | 3,556,932           | 873,081                          |
| Debt service                                          |                     |                     |                     |                                  |
| Principal, interest, and fees                         | 141,279             | 587,537             | 587,910             | (373)                            |
| <b>Total Expenditures</b>                             | <u>7,760,359</u>    | <u>7,019,969</u>    | <u>6,133,628</u>    | <u>886,341</u>                   |
| <i>Excess (Deficit) of Revenues Over Expenditures</i> | (2,506,131)         | (2,105,741)         | (1,281,268)         | 824,473                          |
| <b>Other Financing Sources (Uses)</b>                 |                     |                     |                     |                                  |
| Proceeds from sale of assets                          | -                   | -                   | 370,000             | 370,000                          |
| Operating transfers in                                | 845,630             | 845,630             | 583,842             | (261,788)                        |
| <b>Total Other Financing Sources (Uses)</b>           | <u>845,630</u>      | <u>845,630</u>      | <u>953,842</u>      | <u>108,212</u>                   |
| <i>Net Change in Fund Balance</i>                     | (1,660,501)         | (1,260,111)         | (327,426)           | 932,685                          |
| Beginning Fund Balance                                | <u>4,785,331</u>    | <u>4,785,331</u>    | <u>4,785,331</u>    | -                                |
| <b>Ending Fund Balance</b>                            | <u>\$ 3,124,830</u> | <u>\$ 3,525,220</u> | <u>\$ 4,457,905</u> | <u>\$ 932,685</u>                |

See accompanying Notes to the Budgetary Comparison Schedules

# City of Republic

## Budgetary Comparison Schedule – Fire Fund

Year Ended December 31, 2025

|                                             | Original<br>Budget | Final<br>Budget  | Actual              | Variance<br>with Final<br>Budget |
|---------------------------------------------|--------------------|------------------|---------------------|----------------------------------|
| <b>Revenues</b>                             |                    |                  |                     |                                  |
| Taxes                                       | \$ 2,163,975       | \$ 1,628,429     | \$ 2,164,425        | \$ 535,996                       |
| Licenses and permits                        | -                  | -                | 243                 | 243                              |
| Charges for services                        | -                  | -                | 4,877               | 4,877                            |
| Miscellaneous                               | 50,000             | 30,000           | 107,119             | 77,119                           |
| <b>Total Revenues</b>                       | <u>2,213,975</u>   | <u>1,658,429</u> | <u>2,276,664</u>    | <u>618,235</u>                   |
| <b>Expenditures</b>                         |                    |                  |                     |                                  |
| Current                                     |                    |                  |                     |                                  |
| Fire                                        | 3,583,527          | 3,535,980        | 3,465,990           | 69,990                           |
| Capital outlay                              | 70,000             | -                | 32,617              | (32,617)                         |
| Debt service                                |                    |                  |                     |                                  |
| Principal, interest, and fees               | 300,169            | 300,169          | 299,168             | 1,001                            |
| <b>Total Expenditures</b>                   | <u>3,953,696</u>   | <u>3,836,149</u> | <u>3,797,775</u>    | <u>38,374</u>                    |
| <i>Excess of Revenues Over Expenditures</i> | (1,739,721)        | (2,177,720)      | (1,521,111)         | 656,609                          |
| <b>Other Financing Sources (Uses)</b>       |                    |                  |                     |                                  |
| Operating transfers in                      | 2,262,136          | 2,262,136        | 2,262,136           | -                                |
| Operating transfers (out)                   | (2,165)            | (2,165)          | -                   | 2,165                            |
| <b>Total Other Financing Sources (Uses)</b> | <u>2,259,971</u>   | <u>2,259,971</u> | <u>2,262,136</u>    | <u>2,165</u>                     |
| <i>Net Change in Fund Balance</i>           | 520,250            | 82,251           | 741,025             | 658,774                          |
| Beginning Fund Balance                      | -                  | -                | 2,780,126           | -                                |
| <b>Ending Fund Balance</b>                  | <u>\$ 520,250</u>  | <u>\$ 82,251</u> | <u>\$ 3,521,151</u> | <u>\$ 658,774</u>                |

See accompanying Notes to the Budgetary Comparison Schedules

# City of Republic

## Budgetary Comparison Schedule – Police Fund

Year Ended December 31, 2025

|                                                       | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>with Final<br>Budget |
|-------------------------------------------------------|--------------------|-------------------|-------------------|----------------------------------|
| <b>Revenues</b>                                       |                    |                   |                   |                                  |
| Taxes                                                 | \$ 2,307,936       | \$ 2,307,936      | \$ 2,326,671      | \$ 18,735                        |
| Intergovernmental revenue                             | 10,000             | 52,000            | 82,545            | 30,545                           |
| Charges for services                                  | -                  | 3,500             | 7,601             | 4,101                            |
| Fines and forfeitures                                 | 15,500             | -                 | 8,283             | 8,283                            |
| Miscellaneous                                         | 8,000              | 2,000             | 16,013            | 14,013                           |
| <b>Total Revenues</b>                                 | <u>2,341,436</u>   | <u>2,365,436</u>  | <u>2,441,113</u>  | <u>75,677</u>                    |
| <b>Expenditures</b>                                   |                    |                   |                   |                                  |
| Current                                               |                    |                   |                   |                                  |
| Police                                                | 4,046,717          | 4,016,302         | 3,993,520         | 22,782                           |
| Capital Outlay                                        | 255,000            | 271,000           | 245,898           | 25,102                           |
| <b>Total Expenditures</b>                             | <u>4,301,717</u>   | <u>4,287,302</u>  | <u>4,239,418</u>  | <u>47,884</u>                    |
| <i>Excess (Deficit) of Revenues Over Expenditures</i> | (1,960,281)        | (1,921,866)       | (1,798,305)       | 123,561                          |
| <b>Other Financing Sources (Uses)</b>                 |                    |                   |                   |                                  |
| Insurance recovery                                    | -                  | -                 | 13,884            | 13,884                           |
| Operating transfers in                                | 1,951,751          | 1,951,751         | 1,922,782         | (28,969)                         |
| Operating transfers (out)                             | (6,787)            | (6,787)           | -                 | 6,787                            |
| <b>Total Other Financing Sources (Uses)</b>           | <u>1,944,964</u>   | <u>1,944,964</u>  | <u>1,936,666</u>  | <u>(8,298)</u>                   |
| <i>Net Change in Fund Balance</i>                     | (15,317)           | 23,098            | 138,361           | 115,263                          |
| Beginning Fund Balance                                | <u>279,973</u>     | <u>279,973</u>    | <u>279,973</u>    | <u>-</u>                         |
| <b>Ending Fund Balance</b>                            | <u>\$ 264,656</u>  | <u>\$ 303,071</u> | <u>\$ 418,334</u> | <u>\$ 115,263</u>                |

See accompanying Notes to the Budgetary Comparison Schedules

# City of Republic

## Budgetary Comparison Schedule – Parks and Recreation Fund

Year Ended December 31, 2025

|                                                       | Original<br>Budget  | Final<br>Budget   | Actual              | Variance<br>with Final<br>Budget |
|-------------------------------------------------------|---------------------|-------------------|---------------------|----------------------------------|
| <b>Revenues</b>                                       |                     |                   |                     |                                  |
| Taxes                                                 |                     |                   |                     |                                  |
| Ad valorem taxes                                      | \$ 395,256          | \$ 395,256        | \$ 429,741          | \$ 34,485                        |
| Sales taxes                                           | 3,241,599           | 3,241,598         | 3,299,529           | 57,931                           |
| Railroad and utility                                  | 8,000               | 8,000             | 8,761               | 761                              |
| Surtax                                                | -                   | -                 | 42,674              | 42,674                           |
|                                                       | <u>3,644,855</u>    | <u>3,644,854</u>  | <u>3,780,705</u>    | <u>135,851</u>                   |
| Intergovernmental Revenue                             |                     |                   |                     |                                  |
| State grants                                          | -                   | -                 | 26,910              | 26,910                           |
| Charges for Services                                  |                     |                   |                     |                                  |
| Rental income                                         | 342,000             | 300,855           | 320,528             | 19,673                           |
| Programs                                              | 300,337             | 300,337           | 298,948             | (1,389)                          |
| Special events                                        | 145,960             | 145,960           | 123,268             | (22,692)                         |
| Concessions                                           | 370,000             | 370,000           | 320,912             | (49,088)                         |
| Admissions                                            | 1,097,500           | 910,817           | 982,535             | 71,718                           |
|                                                       | <u>2,255,797</u>    | <u>2,027,969</u>  | <u>2,046,191</u>    | <u>18,222</u>                    |
| Miscellaneous                                         |                     |                   |                     |                                  |
| Interest                                              | 87,000              | 57,000            | 71,445              | 14,445                           |
| Other                                                 | 1,625               | 1,625             | 596                 | (1,029)                          |
|                                                       | <u>88,625</u>       | <u>58,625</u>     | <u>72,041</u>       | <u>13,416</u>                    |
| <b>Total Revenues</b>                                 | <u>5,989,277</u>    | <u>5,731,448</u>  | <u>5,925,847</u>    | <u>194,399</u>                   |
| <b>Expenditures</b>                                   |                     |                   |                     |                                  |
| Current                                               |                     |                   |                     |                                  |
| Parks and recreation                                  | 5,039,940           | 5,102,881         | 4,922,896           | 179,985                          |
| Capital outlay                                        | 1,300,000           | 2,375,815         | 1,359,468           | 1,016,347                        |
| Debt Service                                          |                     |                   |                     |                                  |
| Principal, interest, and fees                         | 636,660             | 636,660           | 637,598             | (938)                            |
| <b>Total Expenditures</b>                             | <u>6,976,600</u>    | <u>8,115,356</u>  | <u>6,919,962</u>    | <u>1,195,394</u>                 |
| <i>Excess (Deficit) of Revenues Over Expenditures</i> | (987,323)           | (2,383,908)       | (994,115)           | 1,389,793                        |
| <b>Other Financing Sources (Uses)</b>                 |                     |                   |                     |                                  |
| Operating transfer (out)                              | (65,469)            | (65,469)          | -                   | 65,469                           |
| <i>Net Change in Fund Balance</i>                     | (1,052,792)         | (2,449,377)       | (994,115)           | 1,455,262                        |
| Beginning Fund Balance                                | 2,633,255           | 2,633,255         | 2,633,255           | -                                |
| <b>Ending Fund Balance</b>                            | <u>\$ 1,580,463</u> | <u>\$ 183,878</u> | <u>\$ 1,639,140</u> | <u>\$ 1,455,262</u>              |

See accompanying Notes to the Budgetary Comparison Schedules

# City of Republic

## Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2025

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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 are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year as approved by City Council.

## **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 remaining fund information of the City of Republic, Missouri, as of and for the year ended December 31, 2025, 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 May 14, 2026.

**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, LLC

KPM CPAs, LLC  
Springfield, Missouri  
May 14, 2026