

City of Rogersville, Missouri

Basic Financial Statements
Year Ended June 30, 2024



Table of Contents

Independent Auditors' Report	3
Management's Discussion and Analysis	7
Basic Financial Statements	
Statement of Net Position.....	13
Statement of Activities.....	14
Balance Sheet – Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Position – Proprietary Fund	19
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund.....	20
Statement of Cash Flows – Proprietary Fund	21
Notes to the Financial Statements.....	23
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios	48
Schedule of Contributions.....	49
Notes to the Schedule of Contributions	50
Budgetary Comparison Schedule – General Fund	51
Budgetary Comparison Schedule – Stormwater & Park Fund	52
Notes to the Budgetary Comparison Schedules	53
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 <i>Government Auditing Standards</i>	55
Schedule of Findings and Responses	57



Honorable Mayor and Board of Aldermen
City of Rogersville
Rogersville, 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, and each major fund of the City of Rogersville, Missouri, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Rogersville, Missouri, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 schedules, 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 December 9, 2024, on our consideration of the City of Rogersville, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Rogersville, Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "KPM CPAs, PC". The letters are cursive and slightly slanted to the right.

KPM CPAs, PC
Springfield, Missouri
December 9, 2024

Management's Discussion and Analysis

City of Rogersville

Management's Discussion and Analysis

June 30, 2024

The Management's Discussion and Analysis of the City of Rogersville's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the City's financial statements.

Financial Highlights

The net position of the City's governmental activities increased by \$224,123 or 6% for the year. The net position of the City's business-type activities increased by \$572,606 or 7% for the year.

The assets of the City exceeded its liabilities as of June 30, 2024, by \$13 million (net position). Of this amount \$1,274,659 was unrestricted and may be used to meet future obligations of the City.

Total long-term liabilities of the City increased by \$208,271 during the year.

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 and liabilities 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 and deferred outflows and liabilities and deferred inflows – 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 sewer services are provided here.

City of Rogersville

Management's Discussion and Analysis

June 30, 2024

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 Board of Aldermen 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 statement.

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 enterprise funds. Enterprise 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 Rogersville

Management's Discussion and Analysis

June 30, 2024

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of June 30, 2024 and 2023:

	Governmental Activities	Business-Type Activities	Total June 30, 2024	Total June 30, 2023
Assets				
Current and other assets	\$ 1,642,201	\$ 2,725,699	\$ 4,367,900	\$ 4,428,385
Capital assets	5,553,551	10,214,530	15,768,081	14,886,329
Total Assets	7,195,752	12,940,229	20,135,981	19,314,714
Deferred Outflow of Resources				
Deferred pension outflows	102,164	27,488	129,652	69,291
Liabilities				
Other liabilities	605,585	493,958	1,099,543	1,212,369
Long-term liabilities outstanding	2,536,970	3,526,985	6,063,955	5,855,684
Total Liabilities	3,142,555	4,020,943	7,163,498	7,068,053
Deferred Inflow of Resources				
Deferred pension inflows	28,424	26,856	55,280	65,826
Net Position				
Net investment in capital assets	3,659,789	6,803,694	10,463,483	9,151,577
Restricted	491,856	816,857	1,308,713	1,481,930
Unrestricted	(24,708)	1,299,367	1,274,659	1,616,619
Total Net Position	\$ 4,126,937	\$ 8,919,918	\$ 13,046,855	\$ 12,250,126

Total net position of the City increased by \$796,729 for the year due to current year activities. Total liabilities for the City have increased by \$95,445. Restricted net position of the City totaled \$1,308,713 as of June 30, 2024.

City of Rogersville

Management's Discussion and Analysis

June 30, 2024

Changes in Net Position

	Governmental Activities	Business-Type Activities	Total Year Ended June 30, 2024	Total Year Ended June 30, 2023
Revenues				
Program Revenues				
Charges for services	\$ 393,284	\$ 1,975,808	\$ 2,369,092	\$ 2,111,796
Operating grants and contributions	53,174	-	53,174	205,574
Capital grants and contributions	115,156	637,239	752,395	446,421
General Revenues				
Property taxes	587,220	-	587,220	475,267
Sales taxes	1,090,839	311,679	1,402,518	1,433,258
Motor vehicle taxes	203,081	-	203,081	177,969
Franchise taxes	186,135	-	186,135	190,395
Other taxes	76,040	-	76,040	59,300
Interest	38,271	53,473	91,744	43,826
Other revenue	119,032	24,283	143,315	57,354
Transfers	10,200	(10,200)	-	-
Total Revenues	<u>2,872,432</u>	<u>2,992,282</u>	<u>5,864,714</u>	<u>5,201,160</u>
Expenses				
Administration	308,266	-	308,266	275,202
Police	1,272,628	-	1,272,628	855,334
Court	87,152	-	87,152	60,268
Street	482,633	-	482,633	454,902
Building inspection	105,578	-	105,578	81,814
Stormwater and parks	333,972	-	333,972	157,459
Debt service	58,080	-	58,080	74,817
Water and sewer	-	2,419,676	2,419,676	1,941,060
Total Expenses	<u>2,648,309</u>	<u>2,419,676</u>	<u>5,067,985</u>	<u>3,900,856</u>
<i>Changes in Net Position</i>	<u>\$ 224,123</u>	<u>\$ 572,606</u>	<u>\$ 796,729</u>	<u>\$ 1,300,304</u>

City of Rogersville

Management's Discussion and Analysis

June 30, 2024

Governmental Activities

Governmental activities increased the net position of the City by \$224,123. Tax revenues for the City were \$2,143,315, which represents 75% of the funding of these activities. Program revenues for the functions totaled \$561,614 or 20% of the funding. The following table shows the cost of the City's programs as well as each programs' 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 Rogersville's Governmental Activities

	Total Cost of Services	Net Cost of Services
Administration	\$ 308,266	\$ 125,158
Police	1,272,628	1,090,833
Court	87,152	87,152
Street	482,633	482,633
Building inspection	105,578	105,578
Stormwater and parks	333,972	137,261
Debt service	58,080	58,080
	<u>\$ 2,648,309</u>	<u>\$ 2,086,695</u>

Business-Type Activities

Business-type activities increased the City's net position by \$572,606.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of June 30, 2024, were \$1,248,628. The General Fund decreased by \$162,347. The Stormwater & Park Fund decreased by \$192,668. The Debt Service Fund increased by \$106,059.

General Fund Budgetary Highlights

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

The original revenue budget of \$1,759,033 was amended to actual revenues of \$1,955,621.

The original expenditures budget of \$1,777,589 was amended to actual expenditures of \$2,036,043.

Capital Assets and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$5,553,551 (net of accumulated depreciation) as of June 30, 2024. This represents a \$639,311 increase from the prior year. Capital assets for business-type activities were \$10,214,530 as of June 30, 2024. This represents an increase of \$242,441 from the prior year.

City of Rogersville

Management's Discussion and Analysis

June 30, 2024

Debt

Total debt of the governmental activities as of June 30, 2024, was \$1,893,762, which is down \$229,901 from the prior year, primarily due to principal payments on debt.

Total debt of the business-type activities as of June 30, 2024, was \$3,410,836, which is down \$200,253 from the prior year, primarily due to principal payments on debt.

Economic Factors and Next Year's Budget

Certain items may impact the City's budget for the year ending June 30, 2025.

With the rezoning of Jamestown in a prior year to R1, developers continue to add new homes to the area. In addition to Jamestown, developments are proceeding in Dishman Villa, Theran Place and Morelock Development. These developments will add over two hundred new homes to the City of Rogersville. The new homes will continue to increase the property tax revenues of the City.

600 residential lots are in the submittal process (preliminary, final plat process or phases of those developments). This includes Morelock Development, Jamestown, Dishman Villas, and Theran Place. Additional properties that we have been notified of but not yet in the submittal phase have not been added to this number.

The City has experienced over four hundred new residences built in Rogersville in the past five years.

The City, along with a grant from the State of Missouri, is currently in the process of completing a Splash Park project. The project will be completed in the 2025 fiscal year at a total cost of \$480,000, with funds totaling \$115,156 being received from the State.

The intersection at Highway 60 and Highway 125 was upgraded by a joint effort between the City, Missouri Department of Transportation, and Greene County. The Northeast outer road has been completed and is in operation. With the new Highway 60 overpass, the City anticipates many new business developments on all sides of the new highway improvement.

The City completed an engagement with an outside company that assesses water and sewer rates. This was to ensure that the City charges appropriate rates to maintain the water and sewer systems. The City adjusted rates accordingly and will continue to monitor revenues to ensure adequate funding is available for maintaining and upgrading the City's water and sewer system.

Contacting the City's Financial Management

For additional information or questions, please contact:

Chad Bybee, City Administrator

Glenda Stegner, City Clerk

City of Rogersville

211 E. Center St.

Rogersville, MO 65742

(417) 753-2884

City of Rogersville

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents - unrestricted	\$ 502,128	\$ 1,444,140	\$ 1,946,268
Taxes receivable	220,880	52,556	273,436
Ad valorem taxes receivable, net	8,499	-	8,499
Utilities receivable	-	180,866	180,866
Court fines receivable, net	10,883	-	10,883
Intergovernmental receivable	66,458	-	66,458
Prepaid expenses	87,137	42,700	129,837
Total Current Assets	895,985	1,720,262	2,616,247
Restricted Assets			
Restricted cash and cash equivalents	746,216	762,499	1,508,715
Restricted investments	-	242,938	242,938
Total Restricted Assets	746,216	1,005,437	1,751,653
Property, Plant and Equipment			
Capital Assets			
Non-depreciable	587,383	137,215	724,598
Depreciable, net	4,966,168	10,077,315	15,043,483
Total Property, Plant and Equipment	5,553,551	10,214,530	15,768,081
Total Assets	7,195,752	12,940,229	20,135,981
Deferred Outflows of Resources			
Deferred pension outflows	102,164	27,488	129,652
Liabilities			
Current Liabilities			
Accounts payable	357,391	79,600	436,991
Accrued expenses	34,850	22,167	57,017
Court bonds payable	1,332	-	1,332
Deposits payable	-	188,580	188,580
Accrued interest payable	18,250	2,111	20,361
Current portion of long-term debt	193,762	201,500	395,262
Total Current Liabilities	605,585	493,958	1,099,543
Long-Term Liabilities			
General obligation bonds payable	1,700,000	-	1,700,000
Revenue bonds payable	-	2,730,669	2,730,669
Financed purchases payable	-	312,000	312,000
Loan payable	-	166,667	166,667
Net pension liability	786,452	302,070	1,088,522
Compensated absences	50,518	15,579	66,097
Total Long-Term Liabilities	2,536,970	3,526,985	6,063,955
Total Liabilities	3,142,555	4,020,943	7,163,498
Deferred Inflow of Resources			
Deferred pension inflows	28,424	26,856	55,280
Net Position			
Net investment in capital assets	3,659,789	6,803,694	10,463,483
Restricted	491,856	816,857	1,308,713
Unrestricted	(24,708)	1,299,367	1,274,659
Total Net Position	\$ 4,126,937	\$ 8,919,918	\$ 13,046,855

See accompanying Notes to the Financial Statements.

City of Rogersville

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues, and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities							
Administration	\$ (308,266)	\$ 182,108	\$ 1,000	\$ -	\$ (125,158)	\$ -	\$ (125,158)
Police	(1,272,628)	130,221	51,574	-	(1,090,833)	-	(1,090,833)
Court	(87,152)	-	-	-	(87,152)	-	(87,152)
Street	(482,633)	-	-	-	(482,633)	-	(482,633)
Building inspection	(105,578)	-	-	-	(105,578)	-	(105,578)
Stormwater and parks	(333,972)	80,955	600	115,156	(137,261)	-	(137,261)
Debt service	(58,080)	-	-	-	(58,080)	-	(58,080)
Total Governmental Activities	(2,648,309)	393,284	53,174	115,156	(2,086,695)	-	(2,086,695)
Business-Type Activities							
Water and sewer	(2,419,676)	1,975,808	-	637,239	-	193,371	193,371
Total Business-Type Activities	(2,419,676)	1,975,808	-	637,239	-	193,371	193,371
Total Government	\$ (5,067,985)	\$ 2,369,092	\$ 53,174	\$ 752,395	(2,086,695)	193,371	(1,893,324)
General Revenues and Transfers							
Property taxes					587,220	-	587,220
Sales taxes					1,090,839	311,679	1,402,518
Motor vehicle taxes					203,081	-	203,081
Franchise taxes					186,135	-	186,135
Other taxes					76,040	-	76,040
Interest					38,271	53,473	91,744
Other revenue					119,032	24,283	143,315
Transfers					10,200	(10,200)	-
Total General Revenues and Transfers					2,310,818	379,235	2,690,053
Changes in Net Position					224,123	572,606	796,729
Net Position, Beginning of year					3,902,814	8,347,312	12,250,126
Net Position, End of year					\$ 4,126,937	\$ 8,919,918	\$ 13,046,855

See accompanying Notes to the Financial Statements.

City of Rogersville

Balance Sheet – Governmental Funds

June 30, 2024

	General Fund	Special Revenue Fund Stormwater & Park Fund	Debt Service Fund	Total Governmental Funds
Assets				
Cash and cash equivalents - unrestricted	\$ 502,128	\$ -	\$ -	\$ 502,128
Taxes receivable	191,009	29,871	-	220,880
Ad valorem taxes receivable, net	2,729	-	5,770	8,499
Court fines receivable, net	10,883	-	-	10,883
Intergovernmental receivable	5,442	61,016	-	66,458
Prepaid expenses	66,129	21,008	-	87,137
Restricted cash and cash equivalents	74,375	394,286	277,555	746,216
Total Assets	<u>\$ 852,695</u>	<u>\$ 506,181</u>	<u>\$ 283,325</u>	<u>\$ 1,642,201</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 86,892	\$ 270,499	\$ -	\$ 357,391
Accrued expenses	28,707	6,143	-	34,850
Court bonds payable	1,332	-	-	1,332
Total Liabilities	<u>116,931</u>	<u>276,642</u>	<u>-</u>	<u>393,573</u>
Fund Balances				
Nonspendable				
Prepaid items	66,129	21,008	-	87,137
Restricted for				
Debt service	-	-	283,325	283,325
Stormwater and parks	-	208,531	-	208,531
Assigned to				
Capital improvements	34,599	-	-	34,599
Unassigned	635,036	-	-	635,036
Total Fund Balances	<u>735,764</u>	<u>229,539</u>	<u>283,325</u>	<u>1,248,628</u>
Total Liabilities and Fund Balances	<u>\$ 852,695</u>	<u>\$ 506,181</u>	<u>\$ 283,325</u>	<u>\$ 1,642,201</u>

See accompanying Notes to the Financial Statements.

City of Rogersville

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

June 30, 2024

Fund balance - total governmental funds	\$ 1,248,628
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	7,233,114
Less accumulated depreciation	<u>(1,679,563)</u>
	5,553,551
The net pension liability and related deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension liability	(786,452)
Deferred outflows due to pension	102,164
Deferred inflows due to pensions	<u>(28,424)</u>
	(712,712)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(18,250)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(1,944,280)</u>
Net Position of Governmental Activities	<u><u>\$ 4,126,937</u></u>

See accompanying Notes to the Financial Statements.

City of Rogersville

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

Year Ended June 30, 2024

	General Fund	Special Revenue Fund Stormwater & Park Fund	Debt Service Fund	Total Governmental Funds
Revenues				
Taxes	\$ 1,565,076	\$ 196,657	\$ 381,582	\$ 2,143,315
Licenses and permits	168,889	-	-	168,889
Intergovernmental revenue	52,574	115,156	-	167,730
Charges for services	-	81,556	-	81,556
Fines and forfeitures	130,221	-	-	130,221
Miscellaneous	38,861	122,438	9,222	170,521
Total Revenue	<u>1,955,621</u>	<u>515,807</u>	<u>390,804</u>	<u>2,862,232</u>
Expenditures				
Current				
Administration	242,741	-	-	242,741
Police	956,467	-	-	956,467
Court	70,777	-	-	70,777
Street	339,299	-	-	339,299
Building inspection	84,500	-	-	84,500
Stormwater and parks	-	300,251	-	300,251
Capital outlay	342,259	500,349	-	842,608
Debt service				
Principal, interest and fees	-	-	284,745	284,745
Total Expenditures	<u>2,036,043</u>	<u>800,600</u>	<u>284,745</u>	<u>3,121,388</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(80,422)	(284,793)	106,059	(259,156)
Other Financing Sources (Uses)				
Operating transfers in (out)	<u>(81,925)</u>	<u>92,125</u>	<u>-</u>	<u>10,200</u>
<i>Net Change in Fund Balances</i>	(162,347)	(192,668)	106,059	(248,956)
Fund Balance, July 1	898,111	422,207	177,266	1,497,584
Fund Balance, June 30	<u><u>\$ 735,764</u></u>	<u><u>\$ 229,539</u></u>	<u><u>\$ 283,325</u></u>	<u><u>\$ 1,248,628</u></u>

See accompanying Notes to the Financial Statements.

City of Rogersville

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

Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ (248,956)
--	--------------

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.

Capital assets	842,608
Depreciation	(203,297)
	<u>639,311</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Change in pension related costs	(390,265)
Change in compensated absences	(7,533)
	<u>(397,798)</u>

The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal of 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 expenditure is reported when due. The following is the detail of the net effect of these differences:

Repayment of principal on bonds and leases	229,901
Change in accrued interest payable	1,665
	<u>231,566</u>
Change in Net Position of Governmental Activities	<u><u>\$ 224,123</u></u>

See accompanying Notes to the Financial Statements.

City of Rogersville

Statement of Net Position – Proprietary Fund

June 30, 2024

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 1,444,140
Utilities receivable	180,866
Taxes receivable	52,556
Prepaid expenses	42,700
Total Current Assets	<u>1,720,262</u>
Restricted Assets	
Cash and cash equivalents	762,499
Investments	242,938
Total Restricted Assets	<u>1,005,437</u>
Property, Plant and Equipment	
Nondepreciable	137,215
Depreciable, net	10,077,315
Total Property, Plant, and Equipment	<u>10,214,530</u>
Total Assets	<u>12,940,229</u>
Deferred Outflow of Resources	
Deferred pension outflows	27,488
Liabilities	
Current Liabilities	
Accounts payable	79,600
Accrued expenses	22,167
Deposits payable	188,580
Accrued interest payable	2,111
Current portion of long-term debt	201,500
Total Current Liabilities	<u>493,958</u>
Long-Term Liabilities	
Revenue bonds payable	2,730,669
Financed purchases payable	312,000
Loan payable	166,667
Net pension liability	302,070
Compensated absences payable	15,579
Total Long-Term Liabilities	<u>3,526,985</u>
Total Liabilities	<u>4,020,943</u>
Deferred Inflow of Resources	
Deferred pension inflows	26,856
Net Position	
Net investment in capital assets	6,803,694
Restricted	816,857
Unrestricted	1,299,367
Total Net Position	<u><u>\$ 8,919,918</u></u>

See accompanying Notes to the financial statements.

City of Rogersville

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

Year Ended June 30, 2024

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Operating Revenues	
Charges for services	
Water	\$ 874,849
Sewer	828,001
Sanitation	272,958
Total Operating Revenues	<u>1,975,808</u>
Operating Expenses	
Wages and benefits	695,379
Professional services	131,772
Utilities	120,121
Insurance	40,045
Operating supplies	289,057
Office supplies	27,513
Travel, meetings, and dues	11,792
Vehicle expense	36,345
Repairs and maintenance	242,142
Sanitation	239,648
Depreciation	423,262
Other	62,475
Total Operating Expenses	<u>2,319,551</u>
<i>Operating Income (Loss)</i>	(343,743)
Nonoperating Revenues (Expenses)	
Interest income	53,473
Capital improvement sales tax	311,679
Other revenue	24,283
Interest expense	(97,335)
Debt service fees	(2,790)
Total Nonoperating Revenues (Expenses)	<u>289,310</u>
<i>Income (Loss) Before Contributions and Transfers</i>	(54,433)
Capital Contributions - State Sources	637,239
Operating Transfers (Out)	<u>(10,200)</u>
<i>Change in Net Position</i>	572,606
Net Position, July 1	8,347,312
Net Position, June 30	<u><u>\$ 8,919,918</u></u>

See accompanying Notes to the financial statements.

City of Rogersville

Statement of Cash Flows – Proprietary Fund

Year Ended June 30, 2024

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Cash Flows from Operating Activities	
Cash received from customers	\$ 2,005,905
Cash paid to suppliers	(1,558,648)
Cash paid to employees	(569,153)
Net Cash (Used) by Operating Activities	<u>(121,896)</u>
Cash Flows from Noncapital Financing Activities	
Transfers (to) other funds	(10,200)
Proceeds from other nonoperating activities	24,283
Net Cash Provided by Noncapital Financing Activities	<u>14,083</u>
Cash Flows from Capital and Related Financing Activities	
Payment of bond principal	(116,303)
Payment of financed purchases principal	(33,950)
Payment of loan principal	(50,000)
Payment of interest expense	(97,567)
Payment of debt service fees	(2,790)
Capital contributions	637,239
Capital improvement sales tax proceeds	319,565
Purchase of capital assets	(665,703)
Net Cash (Used) by Capital and Related Financing Activities	<u>(9,509)</u>
Cash Flows from Investing Activities	
Interest received on investments	53,473
Purchase of investments	(8,808)
Net Cash Provided by Investing Activities	<u>44,665</u>
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(72,657)
Cash and Cash Equivalents, Beginning of year	<u>2,279,296</u>
Cash and Cash Equivalents, End of year	2,206,639
Less Restricted Cash and Cash Equivalents	762,499
Unrestricted Cash and Cash Equivalents	<u><u>\$ 1,444,140</u></u>

See accompanying Notes to the Financial Statements.

City of Rogersville

Statement of Cash Flows – Proprietary Fund

Year Ended June 30, 2024

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (loss)	\$ (343,743)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities	
Depreciation	423,262
(Increase) decrease in	
Utilities receivable	13,076
Prepaid expenses	(3,489)
Deferred pension outflows	(19,851)
Increase (decrease) in	
Accounts payable	(354,249)
Accrued expenses	(1,594)
Deposits payable	17,021
Net pension liability	152,799
Deferred pension inflows	(6,624)
Compensated absences	1,496
Net Cash (Used) by Operating Activities	<u><u>\$ (121,896)</u></u>

See accompanying Notes to the Financial Statements.

City of Rogersville

Notes to the Financial Statements

June 30, 2024

1. Summary of Significant Accounting Policies

The City of Rogersville, Missouri (the City) operates under a Mayor/Board of Aldermen form of government and provides a range of municipal services, including general government administration, public safety, parks, economic development, street maintenance, and waterworks and sewerage 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 financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not financially accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is a primary government, which is governed by an elected board. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above 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 the entity described in the following paragraph meets the above criteria and therefore, has been included as a component unit in the City's basic financial statements.

Component Unit

The Public Funding Corporation of the City of Rogersville is a not-for-profit corporation organized for the purpose of establishing, promoting, acquiring, developing, constructing, owning, operating, maintaining and leasing facilities in which the City has a beneficial interest, which is desirable for the provision of public facilities or services. The Public Funding Corporation is governed by a three-member board appointed by the City. Although the City is not legally responsible for the debt of the Public Funding Corporation, the corporation's sole source of revenue is from lease payments from the City. The debt in the Public Funding Corporation was paid off during the prior year and the Public Funding Corporation ceased operations and transferred its assets and net position to the City in the current year.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the component unit have been included in the financial reporting entity as a blended component unit.

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.

City of Rogersville

Notes to the Financial Statements

June 30, 2024

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.

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 not accounted for in other funds.

Stormwater & Park Fund: The Stormwater & Park Fund accounts for resources restricted, committed or assigned for City stormwater and parks.

Debt Service Fund: The Debt Service Fund of the City is used to account for resources restricted, committed or assigned for, and the payment of long-term debt on the general obligation bond's principal, interest, and related costs.

City of Rogersville

Notes to the Financial Statements

June 30, 2024

The City reports the following major proprietary fund:

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

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 \$2,500 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital 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.

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure, such as streets and storm sewers, have been capitalized. Additionally, the City elected not to go back 20 years and record estimated cost of streets less depreciation but began recording and depreciating its infrastructure assets in 2004. 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:

Buildings	30-50 years
Furniture and equipment	5-15 years
Vehicles	5-10 years
Water and sewer plant	30-50 years
Infrastructure	20-40 years

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all accounts subject to withdrawal by check or on demand to be cash equivalents. All other deposits and certificates of deposit are considered to be investments.

Compensated Absences

Employees earn vacation time based on the number of years' service to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are recorded as a liability in the Statement of Net Position.

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.

City of Rogersville

Notes to the Financial Statements

June 30, 2024

Revenue Recognition – Property Taxes

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.

Net Position

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

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

Restricted: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted: Consists of net position that does not meet the determination 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 amounts.

Fund Balance Classification

In the fund financial statements, governmental funds report 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: This consists of fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's Board of Aldermen.

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.

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.

City of Rogersville

Notes to the Financial Statements

June 30, 2024

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 revenue and expenses are considered nonoperating.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has one item that qualifies for reporting in this category, deferred pension outflows relating to the retirement plan on the Statement of Net Position. This amount is recognized as an outflow of resources in the period that the amount becomes available.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, deferred pension inflows relating to the retirement plan. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Pensions

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

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.

2. Cash & Cash Equivalents

State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2024, all bank balances on deposit are entirely insured or collateralized.

City of Rogersville

Notes to the Financial Statements

June 30, 2024

3. Investments

The City's investments as of June 30, 2024, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	6/28/25	<u>\$ 242,938</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require 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. As of June 30, 2024, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

The City does not have a policy on interest rate risk.

4. Restricted Assets

Governmental Activities

Cash and cash equivalents, fund balance and net position have been restricted in the following funds:

	<u>Restricted Cash and Cash Equivalents</u>	<u>Restricted Fund Balance and Net Position</u>
General Fund		
Court Bonds	\$ 1,332	\$ -
Logan Estates CID	73,043	-
	<u>\$ 74,375</u>	<u>\$ -</u>
Stormwater & Park Fund		
Stormwater and Parks	<u>\$ 394,286</u>	<u>\$ 208,531</u>
Debt Service Fund		
Debt Service	<u>\$ 277,555</u>	<u>\$ 283,325</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

Business-Type Activities

The 2010C Taxable Combined Waterworks and Sewerage System Revenue Bonds (Build America Bonds), the 2010D Combined Waterworks and Sewerage System Revenue Bonds, and the 2012 Combined Waterworks and Sewerage System Revenue Bonds established amounts required to be deposited in certain sinking and reserve funds. All required deposits have been made. These special reserves are reported in the accompanying Statement of Net Position as restricted cash and investments and restricted net position. Restricted cash and investments also include cash restricted for customer deposits and capital improvement sales tax. These restrictions are as follows:

	Restricted Cash and Investments	Restricted Net Position
Water and Sewer Fund		
2010C and 2010D Revenue Bonds		
Debt Service Reserve Fund	\$ 191,760	\$ 191,760
Replacement and Extension Fund	447,109	447,109
2012 Revenue Bonds		
Debt Service Reserve Fund	20,000	20,000
Principal and Interest Funds	19,311	19,311
Capital Improvement Sales Tax	138,677	138,677
Customer Utility Deposits	188,580	-
	<u>\$ 1,005,437</u>	<u>\$ 816,857</u>

5. Accounts Receivable

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

	Gross Receivable	Allowance	Net Receivable
Ad Valorem Taxes Receivable			
General Fund	\$ 3,929	\$ (1,200)	\$ 2,729
Debt Service Fund	7,061	(1,291)	5,770
	<u>\$ 10,990</u>	<u>\$ (2,491)</u>	<u>\$ 8,499</u>
Court Fines Receivable			
General Fund	\$ 22,509	\$ (11,626)	\$ 10,883
Utilities Receivable			
Water and Sewer Fund	<u>\$ 180,866</u>	<u>\$ -</u>	<u>\$ 180,866</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

6. Long-Term Debt – Business-Type Activities

The business-type activities long-term debt at June 30, 2024, consists of the following:

2010C Taxable Combined Waterworks and Sewerage System Revenue Bonds

In October 2010, the City entered into an agreement with the United States Department of Agriculture to issue \$2,918,300 in Taxable Combined Waterworks and Sewerage System Revenue Bonds, Series C (Build America Bonds) for the purpose of extending and improving the combined waterworks and sewerage system. The bonds bear interest at 4.25%. Principal and interest payments in the amount of \$13,843 are due monthly. The City will receive an interest subsidy from the U.S. Treasury annually to offset 35% of the cost of interest payments. The City is required to file specific forms with the IRS each year in order to receive the subsidy. If the City defaults in the payment of principal or interest on any of the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the City, by the registered owner of any bond then outstanding, then at any time thereafter and while such default continues, the registered owners of 25% in principal amount of the bonds outstanding may, by written notice to the City declare the principal of all bonds then outstanding to be due and payable immediately.

The annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2024, are as follows:

Year Ending June 30,	Direct Placement			
	Principal	Interest	Interest Subsidy	Total
2025	\$ 74,063	\$ 92,053	\$ (32,219)	\$ 133,897
2026	77,273	88,843	(31,095)	135,021
2027	80,622	85,494	(29,923)	136,193
2028	84,116	82,000	(28,700)	137,416
2029	87,761	78,355	(27,424)	138,692
2030	91,565	74,551	(26,093)	140,023
2031	95,533	70,583	(24,704)	141,412
2032	99,673	66,443	(23,255)	142,861
2033	103,993	62,123	(21,743)	144,373
2034	108,500	57,616	(20,166)	145,950
2035	113,202	52,914	(18,520)	147,596
2036	118,108	48,008	(16,803)	149,313
2037	123,226	42,890	(15,012)	151,104
2038	128,566	37,550	(13,143)	152,973
2039	134,138	31,978	(11,192)	154,924
2040	139,951	26,165	(9,158)	156,958
2041	146,017	20,099	(7,035)	159,081
2042	152,345	13,771	(4,820)	161,296
2043	158,947	7,169	(2,509)	163,607
2044	82,090	2,184	(764)	83,510
	<u>\$ 2,199,689</u>	<u>\$ 1,040,789</u>	<u>\$ (364,278)</u>	<u>\$ 2,876,200</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

2010D Combined Waterworks and Sewerage System Revenue Bonds

In October 2010, the City entered into an agreement with the United States Department of Agriculture to issue by direct placement, \$448,700 in Combined Waterworks and Sewerage System Revenue Bonds, Series D, for the purpose of extending and improving the combined waterworks and sewerage system. The bonds bear interest at 4.25%. Principal and interest payments in the amount of \$2,129 are due monthly. If the City defaults in the payment of principal or interest on any of the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the City, by the registered owner of any bond then outstanding, then at any time thereafter and while such default continues, the registered owners of 25% in principal amount of the bonds outstanding may, by written notice to the City declare the principal of all bonds then outstanding to be due and payable immediately.

The annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2024, are as follows:

Year Ending June 30,	Direct Placement		
	Principal	Interest	Total
2025	\$ 11,398	\$ 14,150	\$ 25,548
2026	11,892	13,656	25,548
2027	12,407	13,141	25,548
2028	12,945	12,603	25,548
2029	13,506	12,042	25,548
2030	14,091	11,457	25,548
2031	14,702	10,846	25,548
2032	15,339	10,209	25,548
2033	16,004	9,544	25,548
2034	16,697	8,851	25,548
2035	17,421	8,127	25,548
2036	18,176	7,372	25,548
2037	18,963	6,585	25,548
2038	19,785	5,763	25,548
2039	20,643	4,905	25,548
2040	21,537	4,011	25,548
2041	22,471	3,077	25,548
2042	23,444	2,104	25,548
2043	24,460	1,088	25,548
2044	12,260	322	12,582
	<u>\$ 338,141</u>	<u>\$ 159,853</u>	<u>\$ 497,994</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

2012 Combined Waterworks and Sewerage System Revenue Bonds

During the year ended June 30, 2013, the City issued \$603,342, out of a maximum of \$682,000, in direct placement Combined Waterworks and Sewerage System Revenue Bonds (Direct Loan Program) for the purpose of extending and improving the combined waterworks and sewerage system. During the year ended June 30, 2014, the City issued an additional \$50,558. The bonds bear interest at 1.35% with principal and interest payments due July 1 and January 1 of each year. The bonds also require a semi-annual administrative fee of .25% of the outstanding principal balance of the bonds as of the business day preceding each principal payment date. The bonds may be called at any time for redemption under various provisions outlined in the bond ordinance. In the event of default, DNR would pursue any available remedies at law or equity by suit, action, mandamus or other proceeding to enforce and compel the payment of principal and interest on the bonds and all other amounts due under the Ordinance and other loan documents, and/or the performance of the duties and obligations of the City under the loan documents which may include, but is not limited to, the payment of damages, penalties, interest fees and expenses.

The annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2024, are as follows:

Year Ending June 30,	Direct Placement			
	Principal	Interest	Administrative Fee	Total
2025	\$ 34,400	\$ 4,105	\$ 1,520	\$ 40,025
2026	34,400	3,641	1,349	39,390
2027	36,400	3,170	1,174	40,744
2028	36,400	2,678	992	40,070
2029	37,300	2,187	810	40,297
2030	38,200	1,677	621	40,498
2031	38,200	1,162	430	39,792
2032	39,200	646	240	40,086
2033	18,200	124	46	18,370
	<u>\$ 312,700</u>	<u>\$ 19,390</u>	<u>\$ 7,182</u>	<u>\$ 339,272</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

Rural Economic Development Loan

On September 21, 2018, the City entered into a Rural Economic Development Loan agreement (direct borrowing) with Webster Electric Cooperative ("Cooperative") in the amount of \$500,000 for wastewater improvements with 0% interest. The City must obtain and maintain an irrevocable letter of credit from a lending institution in the amount of the loan outstanding for which the Cooperative may draw upon in the event of any default by the City. Upon the occurrence of an event of default, the Cooperative may declare all or any portion of the indebtedness be immediately due and payable and may proceed to enforce its rights under the agreement. The City shall make monthly payments of \$4,167 through 2029.

The annual debt service requirements to amortize the principal on the loan outstanding at June 30, 2024, are as follows:

Year Ending June 30,	Direct Borrowing Principal
2025	\$ 50,000
2026	50,000
2027	50,000
2028	50,000
2029	16,667
	<u>\$ 216,667</u>

Financed Purchase - 2008 MAMU

In June 2009, the City entered into an agreement with the Missouri Association of Municipal Utilities in the amount of \$787,000 to finance a new water tower. The agreement calls for varying monthly principal and interest payments through 2035 with interest at 3.0%.

Financed Purchase – Dump Truck

In July 2015, the City entered into an agreement to finance the purchase of a dump truck in the amount of \$135,651. 67% was recorded as long-term debt within the business-type activities and 33% was recorded as long-term debt within the governmental activities. The agreement requires quarterly payments of \$3,851 with interest at 2.68% through April 2025.

The agreements above are direct borrowing debt issuances. If the City defaults in the principal or interest on the agreements as they become due, the lender may declare all of the indebtedness to be immediately due and payable or take possession of the equipment purchased with the proceeds.

City of Rogersville

Notes to the Financial Statements

June 30, 2024

The following is a schedule of the future minimum payments under the agreements (assuming noncancellation):

Year Ending June 30,	Direct Borrowing		
	2008 MAMU	Dump Truck	Total
2025	\$ 38,612	\$ 7,741	46,353
2026	37,848	-	37,848
2027	36,744	-	36,744
2028	41,604	-	41,604
2029	45,989	-	45,989
2030	44,352	-	44,352
2031	42,696	-	42,696
2032	41,049	-	41,049
2033	39,378	-	39,378
2034	37,728	-	37,728
2035	18,244	-	18,244
Total Minimum Payments	424,244	7,741	431,985
Less Amount Representing Interest	(88,244)	(102)	(88,346)
Principal Balance, June 30, 2024	\$ 336,000	\$ 7,639	\$ 343,639

A summary of the changes in long-term debt – business-type activities for the year ended June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Amounts Due Within One Year
Revenue Bonds Payable					
Direct Placement					
Series 2010C	\$ 2,270,668	\$ -	\$ 70,979	\$ 2,199,689	\$ 74,063
Series 2010D	349,065	-	10,924	338,141	11,398
Series 2012	347,100	-	34,400	312,700	34,400
	<u>2,966,833</u>	<u>-</u>	<u>116,303</u>	<u>2,850,530</u>	<u>119,861</u>
Financed Purchases Payable					
Direct Borrowing					
2008 MAMU	360,000	-	24,000	336,000	24,000
Dump truck	17,589	-	9,950	7,639	7,639
	<u>377,589</u>	<u>-</u>	<u>33,950</u>	<u>343,639</u>	<u>31,639</u>
Direct Borrowing					
Rural Economic Development Loan	266,667	-	50,000	216,667	50,000
Compensated Absences Payable	14,083	1,496	-	15,579	-
	<u>\$ 3,625,172</u>	<u>\$ 1,496</u>	<u>\$ 200,253</u>	<u>\$ 3,426,415</u>	<u>\$ 201,500</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

7. Long-Term Debt – Governmental Activities

Long-term debt for governmental activities at June 30, 2024, consists of the following:

2022 General Obligation Refunding Bonds

In April 2022, the City issued \$1,310,000 in General Obligation Refunding Bonds for the purpose of refunding the remaining outstanding principal of the Series 2014 General Obligation Bonds in the amount of \$1,310,000 which were issued for the purpose of acquiring rights-of-way, constructing, extending and improving the streets and avenues in the City including but not limited to railroad crossings and storm water improvements. The bonds bear interest at 2.22% with principal payments due March 1 and interest payments due September 1 and March 1 of each year. The bonds may be called for redemption under the provisions outlined in the bond ordinance.

The annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 130,000	\$ 18,870	\$ 148,870
2026	135,000	15,984	150,984
2027	140,000	12,987	152,987
2028	145,000	9,879	154,879
2029	150,000	6,660	156,660
2030	150,000	3,330	153,330
	<u>\$ 850,000</u>	<u>\$ 67,710</u>	<u>\$ 917,710</u>

2022B General Obligation Bonds

In May 2022, the City issued \$1,040,000 in General Obligation Bonds for the purpose of acquiring rights-of-way, constructing, extending and improving the streets and avenues in the City including but not limited to railroad crossings and storm water improvements. The bonds bear interest at 3.45% with principal and interest payments due March 1 of each year. The bonds may be called for redemption under the provisions outlined in the bond ordinance.

The annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 60,000	\$ 35,880	\$ 95,880
2026	60,000	33,810	93,810
2027	60,000	31,740	91,740
2028	60,000	29,670	89,670
2029	60,000	27,600	87,600
2030	65,000	25,530	90,530
2031	215,000	23,288	238,288
2032	225,000	15,870	240,870
2033	235,000	8,107	243,107
	<u>\$ 1,040,000</u>	<u>\$ 231,495</u>	<u>\$ 1,271,495</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

Financed Purchase – Dump Truck

In July 2015, the City entered into an agreement to finance the purchase of a dump truck in the amount of \$135,651. 33% was recorded as long-term debt within the governmental activities and 67% was recorded as long-term debt within the business-type activities. The agreement requires quarterly payments of \$3,851 with interest at 2.68% through April 2025.

The agreement is a direct borrowing debt issuance. If the City defaults on the principal or interest as it become due, the lender may declare all of the indebtedness to be immediately due and payable or take possession of the equipment purchased with the proceeds.

The following is a schedule of the future minimum payments under the agreement (assuming noncancellation):

<u>Year Ending June 30,</u>	<u>Direct Borrowing Dump Truck</u>
<u>2025</u>	\$ 3,813
Less Amount Representing Interest	(51)
Principal Balance, June 30, 2024	<u>\$ 3,762</u>

A summary of the changes in the long-term debt-governmental activities for the year ended June 30, 2024, is as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
G.O. Bonds					
Series 2022 Refunding	\$ 1,075,000	\$ -	\$ 225,000	\$ 850,000	\$ 130,000
Series 2022B	1,040,000	-	-	1,040,000	60,000
	<u>2,115,000</u>	<u>-</u>	<u>225,000</u>	<u>1,890,000</u>	<u>190,000</u>
Financed Purchases Payable					
Direct Borrowing					
Dump truck	8,663	-	4,901	3,762	3,762
Compensated Absences Payable	42,985	7,533	-	50,518	-
	<u>\$ 2,166,648</u>	<u>\$ 7,533</u>	<u>\$ 229,901</u>	<u>\$ 1,944,280</u>	<u>\$ 193,762</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

8. 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 June 30, 2024, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

9. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities				
Non-depreciable capital assets				
Land	\$ 54,259	\$ -	\$ -	\$ 54,259
Construction in progress	39,540	493,584	-	533,124
Total Non-depreciable Capital Assets	<u>93,799</u>	<u>\$ 493,584</u>	<u>\$ -</u>	<u>587,383</u>
Depreciable capital assets				
Buildings and improvements	778,412	\$ 6,765	\$ -	785,177
Infrastructure	4,718,393	224,227	-	4,942,620
Equipment	463,425	-	-	463,425
Vehicles	417,482	118,032	81,005	454,509
Total Depreciable Capital Assets	<u>6,377,712</u>	<u>\$ 349,024</u>	<u>\$ 81,005</u>	<u>6,645,731</u>
Less accumulated depreciation	<u>1,557,271</u>	<u>\$ 203,297</u>	<u>\$ 81,005</u>	<u>1,679,563</u>
Total Depreciable Capital Assets, Net	<u>4,820,441</u>			<u>4,966,168</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 4,914,240</u>			<u>\$ 5,553,551</u>

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

Administration	\$ 35,982
Police and court	26,773
Street	132,267
Park	8,275
	<u>\$ 203,297</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Business-Type Activities				
Non-depreciable capital assets				
Land	\$ 137,215	\$ -	\$ -	\$ 137,215
Construction in progress	354,108	352,463	706,571	-
Total Non-depreciable Capital Assets	<u>491,323</u>	<u>\$ 352,463</u>	<u>\$ 706,571</u>	<u>137,215</u>
Depreciable capital assets				
Water and sewer system	15,412,403	\$ 953,092	\$ -	16,365,495
Buildings and improvements	401,107	-	-	401,107
Equipment	364,878	14,862	-	379,740
Vehicles	152,570	51,857	-	204,427
Total Depreciable Capital Assets	<u>16,330,958</u>	<u>\$ 1,019,811</u>	<u>\$ -</u>	<u>17,350,769</u>
Less accumulated depreciation	6,850,192	\$ 423,262	\$ -	7,273,454
Total Depreciable Capital Assets, Net	<u>9,480,766</u>			<u>10,077,315</u>
Total Business-type Activities				
Capital Assets, Net	<u>\$ 9,972,089</u>			<u>\$ 10,214,530</u>

10. Employee Pension Plan

General Information about the Pension Plan

Plan Description. The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

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) 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 receive a reduced allowance.

	2024 Valuation
Benefit Multiplier	1.5% for life
Final Average Salary	3 years
Member Contributions	4%

City of Rogersville

Notes to the Financial Statements

June 30, 2024

Benefit terms provide for annual post-retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

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

	General	Police
Inactive employees or beneficiaries currently receiving benefits	1	1
Inactive employees entitled to but not yet receiving benefits	3	7
Active employees	15	10
	<u>19</u>	<u>18</u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 12.0% for General and 15.0% for Police of annual covered payroll.

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

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

Inflation	2.75% wage inflation, 2.25% price inflation
Salary increase	2.75% to 6.75% including wage inflation for the general division 2.75% to 6.55% including wage inflation for the police division
Investment rate of return	7.00% net of investment 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 used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

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

City of Rogersville

Notes to the Financial Statements

June 30, 2024

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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
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% for General and Police, respectively. 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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
General Division			
Balances at Beginning of Year	\$ 623,975	\$ 380,505	\$ 243,470
Changes for the year			
Service cost	44,763	-	44,763
Interest	45,169	-	45,169
Changes of benefit terms	271,637	-	271,637
Difference between expected and actual experiences	33,254	-	33,254
Benefit payments	(1,426)	(1,426)	-
Contributions - employer	-	72,459	(72,459)
Contributions - employee	-	28,515	(28,515)
Net investment income	-	21,685	(21,685)
Administrative expenses	-	(2,408)	2,408
Other (net transfer)	-	3,180	(3,180)
<i>Net Changes</i>	<u>393,397</u>	<u>122,005</u>	<u>271,392</u>
Balance at End of Year	1,017,372	502,510	514,862

City of Rogersville

Notes to the Financial Statements

June 30, 2024

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Police Division			
Balances at Beginning of Year	567,607	310,051	257,556
Changes for the year			
Service cost	32,791	-	32,791
Interest	40,800	-	40,800
Changes of benefit terms	317,651	-	317,651
Difference between expected and actual experiences	32,788	-	32,788
Benefit payments	(1,762)	(1,762)	-
Contributions - employer	-	70,058	(70,058)
Contributions - employee	-	22,527	(22,527)
Net investment income	-	17,691	(17,691)
Administrative expenses	-	(1,605)	1,605
Other (net transfer)	-	(745)	745
<i>Net Changes</i>	422,268	106,164	316,104
Balance at End of Year	989,875	416,215	573,660
Total Plan Balances at End of Year	<u>\$ 2,007,247</u>	<u>\$ 918,725</u>	<u>\$ 1,088,522</u>

The Net Pension Liability has been allocated as follows:

	Net Pension Liability
Governmental Activities	\$ 786,452
Business-Type Activities	302,070
	<u>\$ 1,088,522</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the employer, calculated using the discount rate of 7.00% , as well as what the employer's net pension liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
General Division			
Total Pension Liability	\$ 1,213,349	\$ 1,017,372	\$ 859,485
Fiduciary Net Position	502,510	502,510	502,510
Net Pension Liability	710,839	514,862	356,975
Police Division			
Total Pension Liability	1,191,244	989,875	828,506
Fiduciary Net Position	416,215	416,215	416,215
Net Pension Liability	775,029	573,660	412,291
Total Net Pension Liability	<u>\$ 1,485,868</u>	<u>\$ 1,088,522</u>	<u>\$ 769,266</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

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

For the year ended June 30, 2024, the employer recognized pension expense of \$300,622 in the general division and \$358,484 in the police division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
General Division			
Difference between expected and actual experience	\$ 29,675	\$ (33,432)	\$ (3,757)
Assumption changes	2,283	(12,342)	(10,059)
Net difference between projected and actual earnings on pension plan investments	14,894	-	14,894
	<u>46,852</u>	<u>(45,774)</u>	<u>1,078</u>
Police Division			
Difference between expected and actual experience	68,114	(9,506)	58,608
Differences in assumptions	2,592	-	2,592
Net difference between projected and actual earnings on pension plan investments	12,094	-	12,094
	<u>82,800</u>	<u>(9,506)</u>	<u>73,294</u>
	<u>\$ 129,652</u>	<u>\$ (55,280)</u>	<u>\$ 74,372</u>

Deferred outflows and inflows have been allocated as follows:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Governmental Activities	\$ 102,164	\$ (28,424)	\$ 73,740
Business-Type Activities	27,488	(26,856)	632
	<u>\$ 129,652</u>	<u>\$ (55,280)</u>	<u>\$ 74,372</u>

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

	General	Police	Total
Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
2025	\$ (3,043)	\$ 11,036	\$ 7,993
2026	3,461	16,064	19,525
2027	(325)	13,083	12,758
2028	(2,691)	11,247	8,556
2029	(2,241)	10,249	8,008
Thereafter	5,917	11,615	17,532
	<u>\$ 1,078</u>	<u>\$ 73,294</u>	<u>\$ 74,372</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

Payable to the Pension Plan

At June 30, 2024, the City had no outstanding contributions reported as payable to the pension plan.

11. Assessed Valuation & Legal Debt Margin

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

	2023
Assessed Valuation	
Real estate	\$ 57,815,166
Personal property	14,131,934
	<u>\$ 71,947,100</u>
Tax Rates Per \$100 of Assessed Valuation	
General Fund	\$.2997
Debt Service Fund	.5386
	<u>\$.8383</u>

The legal debt margin at June 30, 2024, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	\$ 7,194,710	\$ 7,194,710	\$ 14,389,420
General Obligation Bonds Payable	(1,890,000)	-	(1,890,000)
Amount Available in Debt Service Fund	283,325	-	283,325
Legal Debt Margin	<u>\$ 5,588,035</u>	<u>\$ 7,194,710</u>	<u>\$ 12,782,745</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 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.

12. Risk Management

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

City of Rogersville

Notes to the Financial Statements

June 30, 2024

13. Pledged Revenues

The City has pledged future capital improvement sales tax revenues and water and sewer customer revenues to repay the 2010C, 2010D and 2012 Combined Waterworks and Sewerage System Revenue Bonds issued to improve and expand the water and sewer system. The bonds are payable from sales tax revenues and water and sewer customer net revenues and are payable through 2044. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal and interest remaining to be paid on the bonds less interest subsidies is \$3,706,284. Principal and interest paid for the current year and total customer net revenues were \$230,634 and \$79,519, respectively. Capital improvement sales tax revenues were \$311,679 for the year and interest subsidies paid \$31,589 of the interest expense.

14. Interfund Transfers

Transfers between funds of the City for the year ended June 30, 2024, were as follows:

	Transfers In (Out)
General Fund	\$ (81,925)
Stormwater & Park Fund	92,125
Water and Sewer Fund	(10,200)
	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the Enterprise Funds and General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

15. Commitments

At June 30, 2024, the City had the following commitments:

- Dewitt and Associates, Inc. for the splashpad project in the amount of \$39,011.
- Towe Construction Company Inc. for the Dempsey Drive and Maplewood Street stormwater project in the amount of \$364,365.

16. Subsequent Events

- On September 5, 2024, the City approved to defease \$170,000 of the Series 2022B General Obligation Bonds due on March 1, 2033. The City will deposit \$175,000 into an irrevocable trust account to pay the principal and accrued interest on March 1, 2027.
- On September 5, 2024, the City approved an agreement with John Deere Financial to finance the purchase of a backhoe in the amount of \$171,400 with interest at 5.25%.

City of Rogersville

Notes to the Financial Statements

June 30, 2024

17. Transfer of Operations

In the prior year, the debt of the Public Funding Corporation was paid off, therefore in the current year, the Public Funding Corporation ceased operations and transferred its assets and net position to the City.

18. Condensed Combining Information

Condensed combining information for the City and Public Funding Corporation as of and for the year ended June 30, 2024, is as follows:

	Condensed Statement of Net Position			
	Water and Sewer Fund	Public Funding Corporation	Eliminations	Combined
Assets				
Current Assets	\$ 1,720,262	\$ -	\$ -	\$ 1,720,262
Other Assets	1,005,437	-	-	1,005,437
Capital Assets	10,214,530	-	-	10,214,530
Total Assets	<u>12,940,229</u>	<u>-</u>	<u>-</u>	<u>12,940,229</u>
Deferred Outflow of Resources	27,488	-	-	27,488
Liabilities				
Current Liabilities	493,958	-	-	493,958
Noncurrent liabilities	3,526,985	-	-	3,526,985
Total Liabilities	<u>4,020,943</u>	<u>-</u>	<u>-</u>	<u>4,020,943</u>
Deferred Inflow of Resources	<u>26,856</u>	<u>-</u>	<u>-</u>	<u>26,856</u>
Net Position				
Net investment in capital assets	6,803,694	-	-	6,803,694
Restricted	816,857	-	-	816,857
Unrestricted	1,299,367	-	-	1,299,367
Total Net Position	<u>\$ 8,919,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,919,918</u>

City of Rogersville

Notes to the Financial Statements

June 30, 2024

	Condensed Statement of Revenues, Expenses and Changes in Net Position			
	Water and Sewer Fund	Public Funding Corporation	Eliminations	Combined
Operating Revenues				
Operating income	\$ 1,975,808	\$ -	\$ -	\$ 1,975,808
Operating Expenses				
Depreciation expense	423,262	-	-	423,262
Other operating expenses	1,896,289	-	-	1,896,289
Total Operating Expenses	<u>2,319,551</u>	<u>-</u>	<u>-</u>	<u>2,319,551</u>
<i>Operating (Loss)</i>	(343,743)	-	-	(343,743)
Nonoperating Revenues (Expenses)				
Nonoperating revenues (expenses)	386,645	-	-	386,645
Interest on debt related to capital assets	(97,335)	-	-	(97,335)
Total Nonoperating Revenues (Expenses)	<u>289,310</u>	<u>-</u>	<u>-</u>	<u>289,310</u>
<i>(Loss) Before Contributions and Transfers</i>	(54,433)	-	-	(54,433)
Capital Contributions - State Sources	637,239	-	-	637,239
Operating Transfers (Out)	(10,200)	-	-	(10,200)
<i>Net Income Before Transfer of Operations</i>	572,606	-	-	572,606
Transfer of Operations In (Out)	113,156	(113,156)	-	-
<i>Changes in Net Position</i>	685,762	(113,156)	-	572,606
Net Position, July 1	8,234,156	113,156	-	8,347,312
Net Position, June 30	<u>\$ 8,919,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,919,918</u>

	Condensed Statement of Cash Flows			
	Water and Sewer Fund	Public Funding Corporation	Eliminations	Combined
Net Cash (Used) by Operating Activities	\$ (121,896)	\$ -	\$ -	\$ (121,896)
Net Cash Provided by Noncapital Financing Activities	14,083	-	-	14,083
Net Cash (Used) by Capital and Related Financing Activities	(9,509)	-	-	(9,509)
Net Cash Provided by Investing Activities	44,665	-	-	44,665
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(72,657)	-	-	(72,657)
Cash and Cash Equivalents, Beginning of year	2,279,296	-	-	2,279,296
Cash and Cash Equivalents, End of year	<u>2,206,639</u>	<u>-</u>	<u>-</u>	<u>2,206,639</u>
Less Restricted Cash and Cash Equivalents	762,499	-	-	762,499
Unrestricted Cash and Cash Equivalents	<u>\$ 1,444,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,444,140</u>

Required Supplementary Information

City of Rogersville

Schedule of Changes in Net Pension Liability and Related Ratios Year Ended June 30, 2024

Missouri Local Government Employees Retirement System (LAGERS)							
	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Total Pension Liability							
Service cost	\$ 77,554	\$ 70,946	\$ 62,000	\$ 52,020	\$ 50,799	\$ 51,045	\$ 16,907
Interest on the total pension liability	85,969	74,397	65,123	59,945	54,047	47,659	594
Changes of benefit terms	589,288	-	-	-	-	-	642,408
Difference between expected and actual experience	66,042	22,078	8,693	(4,300)	(21,370)	(8,462)	(17,501)
Changes of Assumptions	-	-	-	(23,126)	-	4,251	-
Benefit payments	(3,188)	(7,436)	(8,006)	3,044	(1,165)	(3,008)	-
<i>Net Change in Total Pension Liability</i>	815,665	159,985	127,810	87,583	82,311	91,485	642,408
Total Pension Liability, Beginning	1,191,582	1,031,597	903,787	816,204	733,893	642,408	-
Total Pension Liability, Ending	2,007,247	1,191,582	1,031,597	903,787	816,204	733,893	642,408
Plan Fiduciary Net Position							
Contributions - employer	142,517	82,145	81,226	65,682	59,370	58,712	54,424
Contributions - employee	51,042	44,255	40,777	34,692	30,187	31,857	29,560
Pension plan net investment income	39,376	21,686	973	80,478	3,162	7,738	3,849
Benefit payments	(3,188)	(7,436)	(8,006)	(1,356)	(1,165)	(3,008)	-
Pension plan administrative expense	(4,013)	(4,265)	(2,764)	(2,675)	(3,096)	(2,659)	(1,708)
Other (net transfer)	2,435	186	(1,032)	(2,868)	(1,541)	(1,720)	4,896
<i>Net Change in Plan Fiduciary Net Position</i>	228,169	136,571	111,174	173,953	86,917	90,920	91,021
Plan Fiduciary Net Position, Beginning	690,556	553,985	442,811	268,858	181,941	91,021	-
Plan Fiduciary Net Position, Ending	918,725	690,556	553,985	442,811	268,858	181,941	91,021
Net Pension Liability	<u>\$ 1,088,522</u>	<u>\$ 501,026</u>	<u>\$ 477,612</u>	<u>\$ 460,976</u>	<u>\$ 547,346</u>	<u>\$ 551,952</u>	<u>\$ 551,387</u>
Plan fiduciary net position as a percentage of the total pension liability	45.77%	57.95%	53.70%	49.00%	32.94%	24.79%	14.17%
Covered payroll	\$ 1,254,590	\$ 1,049,633	\$ 1,021,197	\$ 857,559	\$ 705,332	\$ 766,833	\$ 731,277
Net pension liability as a percentage of covered payroll	86.76%	47.73%	46.77%	53.75%	77.60%	71.98%	75.40%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Rogersville

Schedule of Contributions

Year Ended June 30, 2024

Year Ending June 30,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2018	\$ 54,424	\$ 54,424	\$ -	\$ 739,021	7.36%
2019	58,711	58,711	-	796,435	7.37%
2020	59,370	59,370	-	754,676	7.87%
2021	65,683	65,683	-	867,321	7.57%
2022	81,227	81,227	-	1,019,404	7.97%
2023	82,145	82,145	-	1,106,359	7.42%
2024	142,518	142,518	-	1,276,040	11.17%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See accompanying Notes to the Required Schedule.

City of Rogersville

Notes to the Schedule of Contributions

Year Ended June 30, 2024

Valuation Date: February 29, 2024

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period, or (ii) 15 years.

Remaining Amortization Period: Multiple bases from 9 to 23 years for the General and Police divisions

Asset Valuation Method: 5-Year smoothed market; 20% corridor

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation for general and 2.75% to 6.55% including wage inflation for police.

Investment Rate of Return: 7.00%, net of investment expenses

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition

Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other Information: None

City of Rogersville

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes				
Property taxes	\$ 209,000	\$ 214,026	\$ 214,026	\$ -
Sales taxes	945,000	935,035	935,035	-
Franchise taxes	160,000	186,135	186,135	-
Motor vehicle taxes	152,000	203,081	203,081	-
Other taxes	20,000	26,799	26,799	-
	<u>1,486,000</u>	<u>1,565,076</u>	<u>1,565,076</u>	<u>-</u>
Licenses and Permits				
Building permits	115,700	153,666	153,666	-
Merchants licenses	9,000	15,223	15,223	-
	<u>124,700</u>	<u>168,889</u>	<u>168,889</u>	<u>-</u>
Intergovernmental Revenues				
Grants	30,000	52,574	52,574	-
Fines and Forfeitures				
City court fines	90,000	130,221	130,221	-
Miscellaneous				
Rentals	12,333	13,219	13,219	-
Interest	9,000	13,658	13,658	-
Other revenue	7,000	11,984	11,984	-
	<u>28,333</u>	<u>38,861</u>	<u>38,861</u>	<u>-</u>
Total Revenues	<u>1,759,033</u>	<u>1,955,621</u>	<u>1,955,621</u>	<u>-</u>
Expenditures				
Current				
Administration	206,667	257,241	257,241	-
Police	954,524	1,059,999	1,059,999	-
Court	64,637	70,777	70,777	-
Street	469,632	563,526	563,526	-
Building inspection	82,129	84,500	84,500	-
Total Expenditures	<u>1,777,589</u>	<u>2,036,043</u>	<u>2,036,043</u>	<u>-</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(18,556)	(80,422)	(80,422)	-
Other Financing Sources (Uses)				
Operating transfers in (out)	(81,925)	(81,925)	(81,925)	-
<i>Net Change in Fund Balance</i>	(100,481)	(162,347)	(162,347)	-
Fund Balance, July 1	898,111	898,111	898,111	-
Fund Balance, June 30	<u>\$ 797,630</u>	<u>\$ 735,764</u>	<u>\$ 735,764</u>	<u>\$ -</u>

See accompanying Notes to the Budgetary Comparison Schedules.

City of Rogersville

Budgetary Comparison Schedule – Stormwater & Park Fund

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes				
Sales taxes	\$ 160,000	\$ 155,805	\$ 155,805	\$ -
Other taxes	22,000	40,852	40,852	-
	<u>182,000</u>	<u>196,657</u>	<u>196,657</u>	<u>-</u>
Intergovernmental Revenues				
Grants	92,125	115,156	115,156	-
Charges for Services				
Adult and youth programs	44,000	51,976	51,976	-
Concessions	7,100	9,282	9,282	-
Advertising and sponsorships	2,500	3,100	3,100	-
Other	13,500	17,198	17,198	-
	<u>67,100</u>	<u>81,556</u>	<u>81,556</u>	<u>-</u>
Miscellaneous				
Interest	500	15,389	15,389	-
Other	500	107,049	107,049	-
	<u>1,000</u>	<u>122,438</u>	<u>122,438</u>	<u>-</u>
Total Revenues	<u>342,225</u>	<u>515,807</u>	<u>515,807</u>	<u>-</u>
Expenditures				
Current				
Stormwater and parks	577,119	800,600	800,600	-
Total Expenditures	<u>577,119</u>	<u>800,600</u>	<u>800,600</u>	<u>-</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(234,894)	(284,793)	(284,793)	-
Other Financing Sources (Uses)				
Operating transfers in (out)	92,125	92,125	92,125	-
<i>Net Change in Fund Balance</i>	(142,769)	(192,668)	(192,668)	-
Fund Balance, July 1	422,207	422,207	422,207	-
Fund Balance, June 30	<u>\$ 279,438</u>	<u>\$ 229,539</u>	<u>\$ 229,539</u>	<u>\$ -</u>

See accompanying Notes to the Budgetary Comparison Schedules.

City of Rogersville

Notes to the Budgetary Comparison Schedules

Year Ended June 30, 2024

Budgets and Budgetary Accounting

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

1. Prior to July, Administration submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 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 Board of Aldermen in late May or early June to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to July 1, ordinances are passed by the Board, which provide for legally adopted budgets for all funds of the City.
4. Formal budgetary integration is employed as a management control device for all funds of the City.
5. The City records capitalized expenditures as capital outlay on the GAAP basis fund statements, however for budget purposes, they are included in the associated department's expenditures. These differences have no bearing on the fund balance since the overall total expenditures are the same.
6. Budgeted amounts may be amended during the year by the Board of Aldermen on approved budget adjustment forms.

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 Board of Aldermen
City of Rogersville
Rogersville, 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, and each major fund of the City of Rogersville, Missouri, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Rogersville, Missouri's basic financial statements, and have issued our report thereon, dated December 9, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Rogersville, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Rogersville, 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 that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rogersville, 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*.

City of Rogersville, Missouri's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City of Rogersville, Missouri'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 City of Rogersville, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 9, 2024

City of Rogersville

Schedule of Findings and Responses

Year Ended June 30, 2024

Material Weakness

2024-001 *Segregation of Duties*

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The City is aware of the findings related to segregation of duties and has evaluated the cost/benefit of implementing additional procedures to address this issue. The City believes that at this time, adding staff or implementing additional procedures is not cost justified, nor would it meaningfully improve this finding. The City continues to monitor and evaluate the efficiency and effectiveness of existing procedures.