

CITY OF LAMAR, MISSOURI

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

FOR THE YEAR ENDED
JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Lamar, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lamar, 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 Lamar, Missouri's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lamar, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lamar, Missouri and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of pension plan contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the combining of nonmajor funds but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.


Decker & DeGood, PC

Springfield, Missouri

October 29, 2024



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LAMAR, MO 64759
Phone: 417-682-5554
Fax: 417-682-3288

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Lamar's financial performance provides an overview of the City's financial activities for the year ended June 30, 2024. Please read it in conjunction with the City's financial statements, which begin on page 12.

Financial Highlights and Significant Events

- The City's net position was \$ 53,427,279 at the close of fiscal year ending June 30, 2024. Of this amount, \$ 20,200,823 was unrestricted net position and may be used to meet the government's ongoing obligation to its citizens and creditors. Unrestricted net position increased \$ 4,499,548 from the prior year.
- Change in net position of governmental activities increased \$ 1,696,034 to a year ending balance of \$ 17,201,082. Change in the net position of the proprietary funds, which includes electric, water and wastewater systems showed an increase of \$ 2,803,514 to a year-end balance of \$ 36,226,197.
- The City's total long-term debt decreased \$ 309,369.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

The City of Lamar adopts an annual budget for its governmental funds and a comparison of actual to budget has been provided to demonstrate compliance with the authorized budget. The Statement of Revenues, Expenditures and Changes in Fund Balance on a Budgetary Basis can be found on page 48.

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-47 of this report.

Required Supplemental Information

In addition to the basic financial statements the required supplementary information can be found on pages 48-50 of this report.

Supplemental Information

In addition to the basic financial statements, the supplementary information can be found on pages 51-52 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The City's governmental activities net assets exceeded liabilities by \$ 17.2 million on June 30, 2024. This was an increase of \$ 1,696,034 from the prior year.

The City's business-type activities net position exceeded liabilities by \$ 36.2 million on June 30, 2024. This increase was due to growth in the proprietary funds by \$ 2,803,514 of which was from normal operations.

**City of Lamar
Net Position**

As of June 30, 2024, net position changed as follows:

| | Governmental Activities | | Business-type Activities | |
|---|--------------------------------|----------------------|---------------------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Current Assets | \$ 7,200,839 | \$ 5,470,439 | \$ 16,532,201 | \$ 13,969,024 |
| Capital Assets | 10,665,262 | 10,645,772 | 22,982,297 | 22,787,620 |
| Total Assets | <u>17,866,101</u> | <u>16,116,211</u> | <u>39,514,498</u> | <u>36,756,644</u> |
| Total deferred outflows of resources | <u>233,115</u> | <u>101,644</u> | <u>137,953</u> | <u>5,656</u> |
| Current Liabilities | 214,039 | 155,397 | 1,721,793 | 1,430,586 |
| Long-term Debt | 541,472 | 304,101 | 1,623,528 | 1,753,540 |
| Total Liabilities | <u>755,511</u> | <u>459,498</u> | <u>3,345,321</u> | <u>3,184,126</u> |
| Total deferred inflows of resources | <u>142,623</u> | <u>253,309</u> | <u>80,933</u> | <u>155,491</u> |
| Net Position: | | | | |
| Net investment in capital assets | 10,665,262 | 10,645,772 | 22,555,866 | 22,051,820 |
| Restricted | - | - | 5,328 | 5,362 |
| Unrestricted | <u>6,535,820</u> | <u>4,859,276</u> | <u>13,665,003</u> | <u>11,365,501</u> |
| Total net position | <u>\$ 17,201,082</u> | <u>\$ 15,505,048</u> | <u>\$ 36,226,197</u> | <u>\$ 33,422,683</u> |

By far, the largest portion of the City of Lamar's net position (66.0%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Lamar uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Lamar's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Lamar's net position (.01%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 13,665,003 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

The City of Lamar's overall net position increased \$ 4,499,548 from the prior fiscal year. The reason for this overall increase is discussed in the following sections for governmental activities and business-type activities.

| City of Lamar | | | | |
|------------------------------------|--------------------------------|-----------------------------|---------------------------------|-----------------------------|
| Changes in Net Position | | | | |
| | Governmental Activities | | Business-type Activities | |
| | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for services | \$ 286,253 | \$ 231,030 | \$ 10,938,238 | \$ 11,243,339 |
| Operating grants and contributions | 257,890 | 262,462 | - | |
| Capital grants and contributions | 380,027 | 97,209 | 517,567 | 474,695 |
| General Revenues: | | | | |
| Taxes | 4,240,487 | 3,876,103 | - | |
| Interest | 126,049 | - | 858,857 | 528,132 |
| Other | 71,747 | 48,695 | 28,270 | 224,416 |
| Total Revenue | <u>5,362,453</u> | <u>4,515,499</u> | <u>12,342,932</u> | <u>12,470,582</u> |
| Expenses: | | | | |
| Administration | 356,575 | 371,604 | - | - |
| Public Safety | 1,660,259 | 1,327,269 | - | - |
| Building inspection | 70,287 | 66,214 | - | - |
| Auditorium & Mem. Hall | 166,371 | 158,372 | - | - |
| Airport | 283,663 | 293,901 | - | - |
| Taxi service | 175,710 | 149,929 | - | - |
| Parks and recreation | 475,269 | 371,775 | - | - |
| Streets | 942,211 | 868,404 | - | - |
| Interest on long term debt | - | 1,148 | - | - |
| Water | - | - | 1,039,520 | 1,098,959 |
| Sewer | - | - | 639,980 | 549,480 |
| Electric | - | - | 7,395,992 | 6,806,934 |
| Sanitation | - | - | - | (90,045) |
| Total Expense | <u>4,130,345</u> | <u>3,608,616</u> | <u>9,075,492</u> | <u>8,365,328</u> |
| Increases before transfers | 1,232,108 | 906,883 | 3,267,440 | 4,105,254 |
| Transfers | <u>463,926</u> | <u>711,622</u> | <u>(463,926)</u> | <u>(711,622)</u> |
| Increase in Net Position | 1,696,034 | 1,618,505 | 2,803,514 | 3,393,632 |
| Net Position, beginning | <u>15,505,048</u> | <u>13,886,543</u> | <u>33,422,683</u> | <u>30,029,051</u> |
| Net Position, ending | <u><u>\$ 17,201,082</u></u> | <u><u>\$ 15,505,048</u></u> | <u><u>\$ 36,226,197</u></u> | <u><u>\$ 33,422,683</u></u> |

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$ 1,696,034.

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

Governmental Funds

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

Some significant items are presented below for comparison and analysis:

| | Percent of | | | Change | |
|-----------------------------|----------------|------------------|------------------|----------------|---------------|
| | Total | 2024 | 2023 | Amount | % |
| Revenues | | | | | |
| Property taxes | 11.73% | \$ 627,012 | \$ 597,715 | \$ 29,297 | 4.90% |
| Franchise taxes (cable/gas) | 2.78% | 148,434 | 152,747 | (4,313) | -2.82% |
| Royalty gate fee | 10.73% | 573,473 | 500,125 | 73,348 | 14.67% |
| Sales taxes | 49.82% | 2,662,882 | 2,373,436 | 289,446 | 12.20% |
| Missouri motor fuel taxes | 4.20% | 224,267 | 219,656 | 4,611 | 2.10% |
| Township | 1.89% | 100,852 | 100,541 | 311 | 0.31% |
| Licenses & permits | 0.79% | 42,420 | 39,484 | 2,936 | 7.44% |
| Charges for services | 3.04% | 162,372 | 108,411 | 53,961 | 49.77% |
| Fines & forfeits | 0.26% | 13,689 | 14,530 | (841) | -5.79% |
| Grants | 8.80% | 470,545 | 87,452 | 383,093 | 438.06% |
| Donations | 1.24% | 66,519 | 87,678 | (21,159) | -24.13% |
| Rents | 0.58% | 30,852 | 33,696 | (2,844) | -8.44% |
| Miscellaneous | 4.15% | 222,090 | 79,486 | 142,604 | 179.41% |
| Total | 100.00% | 5,345,407 | 4,394,957 | 950,450 | 21.63% |
| Expenditures: | | | | | |
| General government | 7.82% | 324,771 | 341,913 | (17,142) | -5.01% |
| Public safety | 37.92% | 1,575,457 | 1,415,963 | 159,494 | 11.26% |
| Building inspection | 1.69% | 70,147 | 68,046 | 2,101 | 3.09% |
| Streets | 15.11% | 627,690 | 560,102 | 67,588 | 12.07% |
| Auditorium & Mem. Hall | 2.83% | 117,459 | 111,327 | 6,132 | 5.51% |
| Parks | 10.05% | 417,716 | 321,063 | 96,653 | 30.10% |
| Taxi service | 3.80% | 157,813 | 142,601 | 15,212 | 10.67% |
| Airport | 0.98% | 40,592 | 24,448 | 16,144 | 66.03% |
| Capital outlay | 19.81% | 823,072 | 829,630 | (6,558) | -0.79% |
| Debt service | 0.00% | - | 54,047 | (54,047) | - |
| Total | 100.00% | 4,154,717 | 3,869,140 | 285,577 | 7.38% |

Most notable change was the three sales tax issues experience an 12.20% increase thus totaling the \$ 289,446 overall increase along with an increase in grant funding of \$ 383,093.

Business-type Activities

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

| | 2024 | 2023 | Change | |
|---|--------------|--------------|-----------|--------|
| | | | Amount | % |
| Waterworks and Wastewater Funds | | | | |
| Revenue | \$ 1,976,784 | \$ 1,967,649 | \$ 9,135 | 0.46% |
| Expense net of Depreciation and interfund | 1,263,780 | 1,280,533 | (16,753) | -1.31% |
| Operating Income | 452,381 | 284,854 | 167,527 | 58.81% |
| Electric Fund | | | | |
| Revenue | 9,005,724 | 9,288,213 | (282,489) | -3.04% |
| Expense net of Depreciation and interfund | 2,819,384 | 2,140,858 | 678,526 | 31.69% |
| Cost of power purchased | 3,953,562 | 4,006,205 | (52,643) | -1.31% |
| Operating Income | 2,297,492 | 2,547,044 | (249,552) | -9.80% |

Revenues in the Business-Type Activities showed an increase in operating net income of \$ 2,945,150. Charges for services decreased \$ 273,354 due to a decrease in demand rate for commercial and industrial.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget and actual comparison is provided in the Budgetary Comparison Schedule-General Fund. This schedule shows the original/final budget, actual amounts, and the variances between actual and final budget amounts. A net change of \$ 12,448 in the fund balance for the General Fund was budgeted; however, the fund realized a surplus of \$ 738,618 primarily due to \$ 299,969 higher than expected tax revenues and \$ 126,049 more in interest income than planned. Also, the General Fund operating expense were \$ 279,589 less than expected expenditures.

CAPITAL AND DEBT ADMINISTRATION

Capital Assets-Net of depreciation.

| | Governmental Activities | | Business-Type Activities | | Totals | |
|------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land & Buildings | \$ 3,260,416 | \$ 3,132,221 | \$ 21,238,802 | \$ 21,573,254 | \$ 24,499,218 | \$ 24,705,475 |
| Improvements | 3,031,070 | 3,279,177 | - | - | 3,031,070 | 3,279,177 |
| Street | 3,054,598 | 3,055,347 | - | - | 3,054,598 | 3,055,347 |
| Vehicles/Equip. | 1,279,497 | 1,179,027 | 1,178,491 | 1,158,687 | 2,457,988 | 2,337,714 |
| Construction -in-Progress | 39,681 | - | 565,004 | 55,679 | 604,685 | 55,679 |
| | <u>\$ 10,665,262</u> | <u>\$ 10,645,772</u> | <u>\$ 22,982,297</u> | <u>\$ 22,787,620</u> | <u>\$ 33,647,559</u> | <u>\$ 33,433,392</u> |

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

Debt

At year-end, the City had \$ 735,800 in outstanding notes as compared to the prior year of \$ 1,388,777.

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------|----------------------------|-------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Lease Obligations | \$ - | \$ - | \$ 426,431 | \$ 735,800 | \$ 426,431 | \$ 735,800 |
| Notes Payable | - | - | - | - | - | - |
| TOTALS | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 426,431</u> | <u>\$ 735,800</u> | <u>\$ 426,431</u> | <u>\$ 735,800</u> |

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City anticipates revenues and expenditures for the 2024-2025 fiscal year to remain constant with no planned changes in rates or operational expenses. Capital outlay expenditures for the upcoming year expect the City's water department to begin the construction and completion of a second drinking water well #5. A second drinking water well is required for redundancy and backup supply. The expected cost of the well is to be \$1,202,825. Cast iron water lines around the City square will be replaced with an expected cost of \$1,148,495. Grant funds will be utilized for the well and water line replacement projects. Plans for further capital expenditures include continued acquisition and installation of automatic read water meters, replacing old cast iron water lines, upgrading the electrical system and improvements of the wastewater collection system.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

Felicia Costley,
City Clerk/Finance Officer, Human Resources

CITY OF LAMAR, MISSOURI
STATEMENT OF NET POSITION
JUNE 30, 2024

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 6,046,053 | \$ 12,834,777 | \$ 18,880,830 |
| Investments | - | 1,701,758 | 1,701,758 |
| Accounts receivable, | | | |
| Utilities-net | - | 1,228,385 | 1,228,385 |
| Taxes-net | 760,125 | - | 760,125 |
| Intergovernmental | 40,019 | - | 40,019 |
| Grants | 10,779 | - | 10,779 |
| Other | 113,684 | - | 113,684 |
| Interest | - | 7,027 | 7,027 |
| Prepaid items | 192,094 | 128,947 | 321,041 |
| Materials and supply inventory | 38,085 | 625,979 | 664,064 |
| Restricted assets-cash and cash equivalents | | | |
| Non-pooled cash in bank | - | 5,328 | 5,328 |
| Capital assets: | | | |
| Land | 1,501,122 | 182,763 | 1,683,885 |
| Construction in progress | 39,681 | 565,004 | 604,685 |
| Other capital assets, net of accumulated depreciation | 9,124,459 | 22,234,530 | 31,358,989 |
| Total Assets | 17,866,101 | 39,514,498 | 57,380,599 |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred outflow of resources - pension related | 233,115 | 137,953 | 371,068 |
| LIABILITIES | | | |
| Accounts payable | 146,065 | 1,144,379 | 1,290,444 |
| Accrued payroll taxes and benefits | 67,974 | 113,921 | 181,895 |
| Unearned revenue - ARPA | - | 463,493 | 463,493 |
| Amount due within one year | - | 318,301 | 318,301 |
| Noncurrent liabilities: | | | |
| Capital Lease Obligations | - | 108,130 | 108,130 |
| Customer deposits | 100 | 460,683 | 460,783 |
| Compensated absences | 69,507 | 54,332 | 123,839 |
| Pension liability | 471,865 | 682,082 | 1,153,947 |
| Total Liabilities | 755,511 | 3,345,321 | 4,100,832 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred inflow of resources - pension related | 142,623 | 80,933 | 223,556 |
| NET POSITION | | | |
| Net investment in capital assets | 10,665,262 | 22,555,866 | 33,221,128 |
| Restricted for: | | | |
| Construction project | - | 5,328 | 5,328 |
| Unrestricted | 6,535,820 | 13,665,003 | 20,200,823 |
| Total Net Position | \$ 17,201,082 | \$ 36,226,197 | \$ 53,427,279 |

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

CITY OF LAMAR, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|--------------------------------------|----------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 356,575 | \$ 46,319 | \$ 3,541 | \$ - | (306,715) | \$ - | \$ (306,715) |
| Public safety: | | | | | | | |
| Police and court | 1,340,516 | 30,376 | 3,563 | - | (1,306,577) | - | (1,306,577) |
| Fire | 319,743 | 49,612 | 5,600 | - | (264,531) | - | (264,531) |
| Building inspections | 70,287 | 9,893 | - | - | (60,394) | - | (60,394) |
| Streets | 942,211 | 22,512 | 100,852 | - | (818,847) | - | (818,847) |
| Auditorium and Memorial Hall | 166,371 | 15,316 | - | - | (151,055) | - | (151,055) |
| Airport | 283,663 | 21,575 | - | 242,686 | (19,402) | - | (19,402) |
| Park and recreation | 475,269 | 50,270 | - | - | (424,999) | - | (424,999) |
| Taxi service | 175,710 | 40,380 | 144,334 | 137,341 | 146,345 | - | 146,345 |
| Total governmental activities | 4,130,345 | 286,253 | 257,890 | 380,027 | (3,206,175) | - | (3,206,175) |
| Business-type activities: | | | | | | | |
| Water | 1,039,520 | 1,280,915 | - | 517,567 | - | 758,962 | 758,962 |
| Sewer | 639,980 | 657,716 | - | - | - | 17,736 | 17,736 |
| Electric | 7,395,992 | 8,999,607 | - | - | - | 1,603,615 | 1,603,615 |
| Total business-type activities | 9,075,492 | 10,938,238 | - | 517,567 | - | 2,380,313 | 2,380,313 |
| Total Government | \$ 13,205,837 | \$ 11,224,491 | \$ 257,890 | \$ 897,594 | (3,206,175) | 2,380,313 | (825,862) |
| General Revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes for general purposes | | | | | 405,707 | - | 405,707 |
| Property taxes for Memorial Hall | | | | | 112,862 | - | 112,862 |
| Property taxes for Park | | | | | 112,862 | - | 112,862 |
| Franchise taxes | | | | | 148,434 | - | 148,434 |
| Royalty gate fee | | | | | 573,473 | - | 573,473 |
| Sales taxes | | | | | 2,662,882 | - | 2,662,882 |
| Missouri motor fuel taxes | | | | | 224,267 | - | 224,267 |
| Gain on sale of capital assets | | | | | 12,628 | - | 12,628 |
| Interest | | | | | 126,049 | 858,857 | 984,906 |
| Miscellaneous | | | | | 59,119 | 28,270 | 87,389 |
| Transfers | | | | | 463,926 | (463,926) | - |
| Total general revenues and transfers | | | | | 4,902,209 | 423,201 | 5,325,410 |
| Change in net position | | | | | 1,696,034 | 2,803,514 | 4,499,548 |
| Net position beginning | | | | | 15,505,048 | 33,422,683 | 48,927,731 |
| Net position ending | | | | | \$ 17,201,082 | \$ 36,226,197 | \$ 53,427,279 |

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

CITY OF LAMAR, MISSOURI

BALANCE SHEET-
GOVERNMENTAL FUNDS

JUNE 30, 2024

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------|-----------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 2,510,109 | \$ 3,535,944 | \$ 6,046,053 |
| Accounts receivable- | | | |
| Royalty gate fee | 150,950 | - | 150,950 |
| Property taxes-net | 44,158 | 23,758 | 67,916 |
| Sales and franchise taxes | 277,111 | 264,149 | 541,260 |
| Motor fuel taxes | 40,019 | - | 40,019 |
| Grants | - | 10,779 | 10,779 |
| Other | 113,684 | - | 113,684 |
| Supplies inventory | 38,085 | - | 38,085 |
| Prepaid items | 139,704 | 52,389 | 192,093 |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | 3,313,820 | 3,887,019 | 7,200,839 |
| | <hr/> | <hr/> | <hr/> |
| LIABILITIES | | | |
| Accounts payable | 100,318 | 45,746 | 146,064 |
| Accrued wages, taxes and benefits | 49,075 | 18,999 | 68,074 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities | 149,393 | 64,745 | 214,138 |
| | <hr/> | <hr/> | <hr/> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable property tax revenue | 39,131 | 20,930 | 60,061 |
| | <hr/> | <hr/> | <hr/> |
| FUND BALANCES | | | |
| Fund Balances - | | | |
| Nonspendable | 177,789 | 52,389 | 230,178 |
| Restricted- | | | |
| Memorial Hall | - | 3,022,402 | 3,022,402 |
| Transportation | - | - | - |
| Capital improvement | - | - | - |
| Taxi | - | - | - |
| Unassigned | 2,947,507 | 726,553 | 3,674,060 |
| | <hr/> | <hr/> | <hr/> |
| Total Fund Balances | \$ 3,125,296 | \$ 3,801,344 | \$ 6,926,640 |
| | <hr/> | <hr/> | <hr/> |

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

CITY OF LAMAR, MISSOURI
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2024

| | | |
|---|-----------|---------------|
| Total Fund Balances-Governmental Funds | | \$ 6,926,640 |
| <p>Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.</p> | | |
| Non-Depreciable assets | 1,540,803 | |
| Depreciable assets | 9,124,459 | |
| | | 10,665,262 |
| <p>Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.</p> | | |
| | | 60,060 |
| <p>Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These amounts consist of:</p> | | |
| Net pension liability | (471,865) | |
| Deferred outflows - pension related | 233,115 | |
| Deferred inflows - pension related | (142,623) | |
| | | (381,373) |
| <p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.</p> | | |
| <p>Long-term liabilities at year-end consist of:</p> | | |
| Compensated absences payable | | (69,507) |
| | | \$ 17,201,082 |
| Net position of governmental activities | | |

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

CITY OF LAMAR, MISSOURI
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

| REVENUES | General Fund | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------------|--------------------------------|
| Taxes: | | | |
| Property taxes | \$ 401,288 | \$ 225,724 | \$ 627,012 |
| Franchise taxes | 148,434 | - | 148,434 |
| Royalty gate fee | 573,473 | - | 573,473 |
| Sales taxes | 1,140,774 | 1,522,108 | 2,662,882 |
| Intergovernmental: | | | |
| Missouri motor fuel taxes | 224,267 | - | 224,267 |
| Township | 100,852 | - | 100,852 |
| Licenses & permits | 26,631 | 15,789 | 42,420 |
| Charges for services | | | |
| -Park programs | - | 30,000 | 30,000 |
| -Thiebaud auditorium | - | 11,736 | 11,736 |
| -Membership fees | 35,710 | - | 35,710 |
| -Memorial hall | - | 3,580 | 3,580 |
| -Airport fees | 10,575 | - | 10,575 |
| -Cab fees | - | 40,380 | 40,380 |
| -Billing services | 30,391 | - | 30,391 |
| Fines & forfeitures | 13,689 | - | 13,689 |
| Grants | 255,390 | 215,155 | 470,545 |
| Donations | - | 66,519 | 66,519 |
| Rents | 26,371 | 4,481 | 30,852 |
| Merchandise sales | 36,922 | - | 36,922 |
| Interest | 126,049 | - | 126,049 |
| Miscellaneous | 53,838 | 5,281 | 59,119 |
| Total Revenues | <u>3,204,654</u> | <u>2,140,753</u> | <u>5,345,407</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 324,771 | - | 324,771 |
| Public safety: | | | |
| Police | 1,276,563 | - | 1,276,563 |
| Fire | 298,894 | - | 298,894 |
| Streets | 627,690 | - | 627,690 |
| Building inspector | 70,147 | - | 70,147 |
| Auditorium and Memorial Hall | - | 117,459 | 117,459 |
| Airport | 40,592 | - | 40,592 |
| Parks | - | 417,716 | 417,716 |
| Taxi service | - | 157,813 | 157,813 |
| Capital outlay | 291,485 | 531,587 | 823,072 |
| Total Expenditures | <u>2,930,142</u> | <u>1,224,575</u> | <u>4,154,717</u> |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | <u>274,512</u> | <u>916,178</u> | <u>1,190,690</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Sale of assets | 12,628 | - | 12,628 |
| Transfer in | - | - | - |
| Transfer (out) | - | - | - |
| Transfer-Fee in Lieu of | 463,926 | - | 463,926 |
| Total Other Sources (Uses) | <u>476,554</u> | <u>-</u> | <u>476,554</u> |
| NET CHANGE IN FUND BALANCES | 751,066 | 916,178 | 1,667,244 |
| FUND BALANCES - BEGINNING | <u>2,374,230</u> | <u>2,885,166</u> | <u>5,259,396</u> |
| FUND BALANCES - ENDING | <u>\$ 3,125,296</u> | <u>\$ 3,801,344</u> | <u>\$ 6,926,640</u> |

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

CITY OF LAMAR, MISSOURI
RECONCILIATION OF STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances--total governmental funds \$ 1,667,244

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 those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|---------------------------------|-----------|
| Capital expenditures | 823,072 |
| Less: Current year depreciation | (803,582) |

Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported regardless of when financial resources are available. This is the net adjustment to property tax revenue in converting to the full accrual basis.

4,415

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

| | |
|-------------------------------|---------|
| Compensated absences | (3,720) |
| Net change in pension expense | 8,605 |

Change in net position of governmental activities

\$ 1,696,034

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

CITY OF LAMAR, MISSOURI

STATEMENT OF NET POSITION-
PROPRIETARY FUNDS

JUNE 30, 2024

| <u>ASSETS</u> | Electric System | Waterworks and Wastewater System | Total |
|--|----------------------|-------------------------------------|----------------------|
| Current assets: | | | |
| Cash and cash equivalents | \$ 9,987,338 | \$ 2,847,439 | \$ 12,834,777 |
| Investments | 1,701,758 | - | 1,701,758 |
| Utility accounts receivable-net of allowance | 977,097 | 251,288 | 1,228,385 |
| Interest | 7,027 | - | 7,027 |
| Material and supplies inventory | 367,491 | 258,488 | 625,979 |
| Prepaid items | 96,932 | 32,015 | 128,947 |
| Total Current Assets | <u>13,137,643</u> | <u>3,389,230</u> | <u>16,526,873</u> |
| Noncurrent assets: | | | |
| Restricted assets: Cash and cash equivalents | | | |
| Construction | 5,328 | - | 5,328 |
| Capital assets: | | | |
| Land | 104,909 | 77,854 | 182,763 |
| Construction in progress | 411,140 | 153,864 | 565,004 |
| Property, plant and equipment (Net of accumulated depreciation) | 13,909,966 | 8,324,564 | 22,234,530 |
| Total Noncurrent Assets | <u>14,431,343</u> | <u>8,556,282</u> | <u>22,987,625</u> |
| Total Assets | <u>27,568,986</u> | <u>11,945,512</u> | <u>39,514,498</u> |
| Deferred Outflow of Resources | | | |
| Deferred outflow of resources - pension related | 68,401 | 69,552 | 137,953 |
| <u>LIABILITIES</u> | | | |
| Current liabilities: | | | |
| Accounts payable | 1,072,086 | 72,293 | 1,144,379 |
| Accrued wages, taxes and benefits | 91,267 | 22,654 | 113,921 |
| Unearned revenue - ARPA | - | 463,493 | 463,493 |
| Debt due within one year: | | | |
| Capital lease obligation | 318,301 | - | 318,301 |
| Total Current Liabilities | <u>1,481,654</u> | <u>558,440</u> | <u>2,040,094</u> |
| Noncurrent liabilities: | | | |
| Capital lease obligation | 108,130 | - | 108,130 |
| Compensated absences | 37,198 | 17,134 | 54,332 |
| Customer deposits | 346,679 | 114,004 | 460,683 |
| Pension liability | 338,196 | 343,886 | 682,082 |
| Total Noncurrent Liabilities | <u>830,203</u> | <u>475,024</u> | <u>1,305,227</u> |
| Total Liabilities | <u>2,311,857</u> | <u>1,033,464</u> | <u>3,345,321</u> |
| Deferred Inflow of Resources | | | |
| Deferred inflow of resources - pension related | 40,129 | 40,804 | 80,933 |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | 13,999,584 | 8,556,282 | 22,555,866 |
| Restricted for construction project | 5,328 | - | 5,328 |
| Unrestricted | 11,280,489 | 2,384,514 | 13,665,003 |
| Total Net Position | <u>\$ 25,285,401</u> | <u>\$ 10,940,796</u> | <u>\$ 36,226,197</u> |

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

CITY OF LAMAR, MISSOURI
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

| OPERATING REVENUES: | Electric System | Waterworks and Wastewater System | Total |
|---|----------------------|-------------------------------------|----------------------|
| Charges for services | \$ 8,999,607 | \$ 1,938,631 | \$ 10,938,238 |
| Miscellaneous income | 6,117 | 22,153 | 28,270 |
| Total Operating Revenues | <u>9,005,724</u> | <u>1,960,784</u> | <u>10,966,508</u> |
| | | | |
| OPERATING EXPENSES: | | | |
| Bad debts | 7,365 | 3,585 | 10,950 |
| Chemicals | - | 22,342 | 22,342 |
| Credit card fees | 15,953 | - | 15,953 |
| Depreciation | 606,096 | 414,720 | 1,020,816 |
| Dues and licenses | 9,629 | 1,907 | 11,536 |
| Electricity purchased | 3,953,562 | - | 3,953,562 |
| Employee insurance | 103,766 | 100,795 | 204,561 |
| Employee retirement | 61,377 | 79,961 | 141,338 |
| Gate fees | 202,726 | - | 202,726 |
| Insurance | 59,227 | 28,372 | 87,599 |
| Landfill gas operation and maintenance | 1,144,749 | - | 1,144,749 |
| Miscellaneous | 3,584 | 16,310 | 19,894 |
| Office supplies | 12,439 | 10,357 | 22,796 |
| Payroll taxes | 41,467 | 38,437 | 79,904 |
| Professional fees | 138,997 | 120,140 | 259,137 |
| Repairs & maintenance | 353,699 | 163,656 | 517,355 |
| Salaries | 577,738 | 530,455 | 1,108,193 |
| Supplies | 9,720 | 21,928 | 31,648 |
| Travel and training | 10,394 | 5,780 | 16,174 |
| Utilities | 24,003 | 100,158 | 124,161 |
| Vehicle expense | 42,551 | 20,597 | 63,148 |
| Total Operating Expenses | <u>7,379,042</u> | <u>1,679,500</u> | <u>9,058,542</u> |
| | | | |
| OPERATING INCOME | <u>1,626,682</u> | <u>281,284</u> | <u>1,907,966</u> |
| | | | |
| NON-OPERATING REVENUES (EXPENSES): | | | |
| Interest income-checking and savings | 687,760 | 171,097 | 858,857 |
| Interest expense and agent fees | (16,950) | - | (16,950) |
| Total Non-operating Revenues (Expenses) | <u>670,810</u> | <u>171,097</u> | <u>841,907</u> |
| | | | |
| INCOME BEFORE TRANSFERS AND GRANTS | <u>2,297,492</u> | <u>452,381</u> | <u>2,749,873</u> |
| | | | |
| TRANSFERS AND GRANTS | | | |
| Transfer (out) Fee in lieu of | (463,926) | - | (463,926) |
| Grants | | 517,567 | 517,567 |
| Total Transfers and Grants | <u>(463,926)</u> | <u>517,567</u> | <u>53,641</u> |
| | | | |
| CHANGE IN NET POSITION | 1,833,566 | 969,948 | 2,803,514 |
| TOTAL NET POSITION - BEGINNING | <u>23,451,835</u> | <u>9,970,848</u> | <u>33,422,683</u> |
| TOTAL NET POSITION - ENDING | <u>\$ 25,285,401</u> | <u>\$ 10,940,796</u> | <u>\$ 36,226,197</u> |

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

CITY OF LAMAR, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

| | Electric System | Waterworks and Wastewater System | Total |
|--|---------------------|-------------------------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts from customers | \$ 9,018,930 | \$ 1,936,297 | \$ 10,955,227 |
| Payments to suppliers | (5,475,934) | (782,857) | (6,258,791) |
| Payments to employees | (577,738) | (530,455) | (1,108,193) |
| Miscellaneous income | 6,117 | 22,153 | 28,270 |
| Net Cash Provided by Operating Activities | <u>2,971,375</u> | <u>645,138</u> | <u>3,616,513</u> |
| CASH FLOWS FROM NONCAPITAL ACTIVITIES: | | | |
| Transfer (out) Fee in lieu of | (463,926) | - | (463,926) |
| Net Cash (Used for) Noncapital Activities | <u>(463,926)</u> | <u>-</u> | <u>(463,926)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Payments for capital acquisitions | (741,101) | (474,394) | (1,215,495) |
| Principal Repayments | (309,368) | - | (309,368) |
| Interest paid | (16,950) | - | (16,950) |
| Net Cash (Used for) Provided by Capital and Related Financing Activities | <u>(1,067,419)</u> | <u>(474,394)</u> | <u>(1,541,813)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of investments | (49,871) | - | (49,871) |
| Interest earned | 686,652 | 171,097 | 857,749 |
| Net Cash Provided by Investing Activities | <u>636,781</u> | <u>171,097</u> | <u>807,878</u> |
| NET CASH INCREASE FOR THE YEAR | 2,076,811 | 341,841 | 2,418,652 |
| CASH AT BEGINNING OF YEAR | 7,915,855 | 2,505,598 | 10,421,453 |
| CASH AT END OF YEAR | <u>\$ 9,992,666</u> | <u>\$ 2,847,439</u> | <u>\$ 12,840,105</u> |
| SUMMARY OF CASH | | | |
| Cash and cash equivalents | \$ 9,987,338 | \$ 2,847,439 | \$ 12,834,777 |
| Restricted assets-Cash | 5,328 | - | 5,328 |
| | <u>\$ 9,992,666</u> | <u>\$ 2,847,439</u> | <u>\$ 12,840,105</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating Income | \$ 1,577,759 | \$ 249,087 | \$ 1,826,846 |
| Adjustments to reconcile net operating income to net cash provided by operating activities: | | | |
| Depreciation expense | 606,096 | 414,720 | 1,020,816 |
| (Increase) Decrease in accounts receivable | (25,187) | 4,523 | (20,664) |
| (Increase) Decrease in inventories | (7,968) | (23,391) | (31,359) |
| (Increase) Decrease in prepaid items | (37,792) | (3,731) | (41,523) |
| Increase (Decrease) in accounts payable | 814,262 | (2,943) | 811,319 |
| Increase (Decrease) in accrued liabilities | (79) | (2,465) | (2,544) |
| Increase (Decrease) in pension related | - | - | - |
| Increase in customer deposits | 44,510 | 9,453 | 53,963 |
| Increase (Decrease) in compensated absences | (226) | (115) | (341) |
| Net Cash Provided by Operating Activities | <u>\$ 2,971,375</u> | <u>\$ 645,138</u> | <u>\$ 3,616,513</u> |

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

THE REPORTING ENTITY

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Non-Major Governmental Funds:

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

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

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

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

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

Capital Project Funds-Capital Project Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City has one special revenue fund including:

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Major Proprietary Funds:

Proprietary Funds-Proprietary Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City has one non-major proprietary fund.

Sanitation Fund – Established to account for refuse fees used to operate and maintain City refuse collection system.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - continued

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

ASSETS, LIABILITIES AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

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

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

Statement of Cash Flows

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

Investments

Missouri State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments consist of \$ 1,701,758 certificates of deposits with a maturity of greater than 90 days stated at cost which equals fair value.

Due to and due from other funds

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

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

Inventories

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

Prepaid items

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

Restricted assets

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

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

Capital Assets and Depreciation

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

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Deferred Outflows of Resources

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources/Unavailable Revenue

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

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

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

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

Vacation and sick leave

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

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

Pensions

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt

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

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

Fund Balances-Governmental Funds

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

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

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

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

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

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances-Governmental Funds - continued

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

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

Net Position

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

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

Proprietary Fund Types-Business Type Activities

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

| <u>Fund</u> | |
|-----------------|-----------------|
| Electric System | <u>\$ 5,328</u> |

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Valuation for 2023 was \$ 60,791,758 with the levy set at \$ 1.035 broken down \$.6750 for General purposes, \$.1800 each for Memorial Hall and Parks and Recreation.

Revenue Recognition - Sales Tax authorizations

Sales tax authorizations consist of a one-cent general sale recorded in the General Fund (\$906,190), a one-half cent transportation sales tax to be used for street purposes in the Transportation Sales Tax Fund (\$ 453,095), and a one-half cent capital improvement sales tax to be used for capital improvements for the City in the Capital Improvement Sales Tax Fund (\$ 453,095). A one-half cent Park/Storm water sales tax was implemented April 1, 2019. It is allocated 95% (\$ 430,177 for Park and 5% (\$ 22,641) for Storm Water.

Fee in Lieu of Taxes

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

Revenue Recognition – Franchise taxes

The City includes under franchise taxes (\$148,434) amounts received from telephone companies, gas companies, and land fill royalty gate fee for fiscal year end.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

Budgetary basis of accounting

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

Excess of expenditures over appropriations

For the year ended June 30, 2024, expenditures were within the appropriations for the General Fund.

Compliance with Bond Reserves

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

Legal Debt Margin

The City's assessed value supports a general obligation bond limit of \$ 6,079,176. The City did not have any general obligation bonds outstanding as of June 30, 2024.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

DETAILED NOTES ON ALL FUNDS

NOTE B – DEPOSITS AND INVESTMENTS

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

As of June 30, 2024, the City's bank balances including certificate of deposits were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

Investment Policies

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

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

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

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE C – RESTRICTED ASSETS

For June 30, 2024, restricted cash accounts were as follows:

| | Actual Cash |
|---|----------------|
| Electric System Construction project | \$ 5,328 |

NOTE D – CAPITAL ASSETS AND DEPRECIATION

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

Governmental Activities:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|-------------|-----------|-------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,501,122 | \$ - | \$ - | \$ 1,501,122 |
| Construction in Progress | \$ - | \$ 39,681 | \$ - | \$ 39,681 |
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 3,635,983 | \$ 212,620 | \$ - | \$ 3,848,603 |
| Improvements | 8,161,679 | 20,124 | - | 8,181,803 |
| Streets | 7,358,609 | 219,263 | - | 7,577,872 |
| Vehicles/Equipment | 5,435,461 | 331,384 | - | 5,766,845 |
| Total capital assets being depreciated | 24,591,732 | 783,391 | - | 25,375,123 |
| Less: Accumulated depreciation for: | | | | |
| Buildings | 2,004,884 | 84,425 | - | 2,089,309 |
| Improvements | 4,882,502 | 268,231 | - | 5,150,733 |
| Streets | 4,303,262 | 220,012 | - | 4,523,274 |
| Vehicles/Equipment | 4,256,434 | 230,914 | - | 4,487,348 |
| Total accumulated depreciation | 15,447,082 | 803,582 | - | 16,250,664 |
| Total capital assets being depreciated, net | \$ 9,144,650 | \$ (20,191) | \$ - | \$ 9,124,459 |
| Governmental activities capital assets, net | \$ 10,645,772 | \$ 19,490 | \$ - | \$ 10,665,262 |

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

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

Governmental activities:

| | |
|------------------------------|-------------------|
| General government | \$ 28,084 |
| Police and court | 72,557 |
| Fire | 20,849 |
| Building inspector | 140 |
| Streets | 314,520 |
| Auditorium and Memorial Hall | 48,912 |
| Airport | 243,071 |
| Parks | 57,553 |
| Taxi | 17,896 |
| | <u>803,582</u> |
| | <u>\$ 803,582</u> |

Business Type Activities:

| | <u>WATERWORKS AND WASTEWATER SYSTEM FUND</u> | | | |
|--|--|------------------|------------------|---------------------|
| | <u>Beginning</u> | | <u>Decreases</u> | <u>Ending</u> |
| | <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> |
| Capital assets not being depreciated: | | | | |
| Land | \$ 77,854 | \$ - | \$ - | \$ 77,854 |
| Construction in progress | \$ 34,997 | \$ 118,867 | \$ - | \$ 153,864 |
| Capital assets being depreciated: | | | | |
| Buildings | \$ 85,257 | \$ 32,143 | \$ - | \$ 117,400 |
| Plant | 15,966,236 | 312,570 | - | 16,278,806 |
| Vehicles/Equipment | 2,021,490 | 10,813 | - | 2,032,303 |
| Total capital assets being depreciated | <u>18,072,983</u> | <u>355,526</u> | <u>-</u> | <u>18,428,509</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 28,641 | 5,929 | - | 34,570 |
| Plant | 8,281,778 | 307,416 | - | 8,589,194 |
| Vehicles/Equipment | 1,378,806 | 101,375 | - | 1,480,181 |
| Total accumulated depreciation | <u>9,689,225</u> | <u>414,720</u> | <u>-</u> | <u>10,103,945</u> |
| Total capital assets being depreciated, net | <u>\$ 8,383,758</u> | | | <u>\$ 8,324,564</u> |
| Business-type activities capital assets, net | <u>\$ 8,461,612</u> | | | <u>\$ 8,556,282</u> |

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE E – CAPITAL ASSETS AND DEPRECIATION (Continued)

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

| | |
|--|-------------------|
| Waterworks and Wastewater System Funds | |
| Waterworks | \$ 200,809 |
| Wastewater | <u>213,911</u> |
| | <u>\$ 414,720</u> |

Business Type Activities:

| | ELECTRIC FUND | | | |
|--|----------------------|-------------------|------------------|----------------------|
| | Beginning Balance | Increases | Decreases | Ending Balance |
| Capital assets not being depreciated: | | | | |
| Land | \$ 104,909 | \$ - | \$ - | \$ 104,909 |
| Construction in progress | <u>\$ 20,682</u> | <u>\$ 481,960</u> | <u>\$ 91,502</u> | <u>\$ 411,140</u> |
| Capital assets being depreciated: | | | | |
| Buildings | \$ 515,218 | \$ 32,432 | \$ - | \$ 547,650 |
| Plant | 20,465,183 | 91,502 | - | 20,556,685 |
| Vehicles/Equipment | 2,269,538 | 226,709 | - | 2,496,247 |
| Total capital assets being depreciated | <u>23,249,939</u> | <u>350,643</u> | <u>-</u> | <u>23,600,582</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 174,869 | 41,406 | - | 216,275 |
| Plant | 7,156,115 | 448,348 | - | 7,604,463 |
| Vehicles/Equipment | 1,753,535 | 116,343 | - | 1,869,878 |
| Total accumulated depreciation | <u>9,084,519</u> | <u>606,097</u> | <u>-</u> | <u>9,690,616</u> |
| Total capital assets being depreciated, net | <u>\$ 14,165,420</u> | | | <u>\$ 13,909,966</u> |
| Business-type activities capital assets, net | <u>\$ 14,270,329</u> | | | <u>\$ 14,426,015</u> |

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE E – LONG-TERM DEBT

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

Business-type activities

The following is a summary of debt transactions of the City for the year ended June 30, 2024, as it relates to the business type activities:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amount due Within one Year |
|---|----------------------|-----------|------------|-------------------|----------------------------------|
| Lease Obligations | \$ 735,800 | \$ - | \$ 309,369 | \$ 426,431 | \$ 318,301 |
| Compensated absences | \$ 54,673 | | \$ 341 | \$ 54,332 | \$ - |
| As reported on the financial statement: | | | | | |
| Amount due within one year | | | | \$ 318,301 | |
| Amount due in more than one year: | | | | | |
| Capital Lease Obligation | | | | 108,130 | |
| | | | | \$ 426,431 | |

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE E – LONG-TERM DEBT (Continued)

The Proprietary Funds long-term debt as of June 30, 2023, follows:

Electric System Fund

| | |
|---|------------|
| \$ 2,600,000, 2017 Series, Electric System Certificate of Participation due in monthly of payments of principal and interest of \$ 27,193.20 with an interest rate of 2.85%. Debt issue was used for construction of methane gas power plant. Final payment is November 15, 2022. | \$ 426,431 |
| | _____ |

| | |
|--|------------|
| Total Electric Fund and Business-Type Activity | \$ 426,431 |
| | _____ |

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

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|------------|----------|------------|
| 2025 | \$ 318,301 | \$ 8,017 | \$ 326,318 |
| 2026 | 108,130 | 643 | 108,773 |
| | \$ 426,431 | \$ 8,660 | \$ 435,091 |

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE E – LONG-TERM DEBT (Continued)

Governmental activities

The following is a summary of debt transactions of the City for the year ended June 30, 2024:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amount due Within one Year |
|----------------------|----------------------|-----------|------------|-------------------|----------------------------------|
| Compensated absences | \$ 65,787 | \$ 3,720 | \$ - | \$ 69,507 | \$ - |

Compensated absences are generally liquidated by the General Fund.

NOTE F – RISK MANAGEMENT

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

NOTE G – GRANTS

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

NOTE H – DEFINED BENEFIT PENSION PLAN

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE H – DEFINED BENEFIT PENSION PLAN (Continued)

The retirement system covers all full-time City employees.

Plan description

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

Benefits provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire at or after age 60

(55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

| | 2023 Valuation |
|-----------------------|----------------|
| Benefit Multiplier: | 1.50% |
| Final Average Salary: | 5 years |
| Member Contributions: | 0% |

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE H – DEFINED BENEFIT PENSION PLAN (Continued)

Employees covered by benefit terms

On June 30, 2023, the following employees were covered by the benefits terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 38 |
| Inactive employees entitled to but not yet receiving benefits | 34 |
| Active employees | 63 |
| Total | 135 |

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. Employers' contribution rates are 23.2 % General, 12.5% Fire and 14.2% Police of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as 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 |
| Investment rate of return | 7.00% net of investment expense |

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

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE H – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

Discount rate

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE H – DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|--|-----------------------------------|---------------------------------------|-------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balances at 7/1/2023 | \$ 7,726,551 | \$ (6,931,890) | \$ 794,661 |
| Changes for the year: | | | |
| Service Cost | 177,252 | - | 177,252 |
| Interest | 534,510 | - | 534,510 |
| Difference between expected and actual experience | 198,151 | - | 198,151 |
| Changes in assumptions | - | | |
| Contribution - employer | - | (404,959) | (404,959) |
| Net investment income | - | (241,133) | (241,133) |
| Benefit payments, including refunds | (361,758) | 361,758 | - |
| Administrative expense | - | 18,573 | 18,573 |
| Other changes | - | 76,892 | 76,892 |
| Net changes | <u>548,155</u> | <u>(188,869)</u> | <u>359,286</u> |
| Balances at 6/30/2024 | <u>\$ 8,274,706</u> | <u>\$ (7,120,759)</u> | <u>\$ 1,153,947</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 1 percentage point lower 6.00% or one percentage point higher 8.00% than the current rate.

| | 1% Decrease | Current Single Discount Rate Assumption | 1% Increase |
|--------------------------------------|---------------------|---|-------------------|
| | 6.00% | 7.00% | 8.00% |
| Net Pension Liability (Assets) (NPL) | <u>\$ 2,355,535</u> | <u>\$ 1,153,947</u> | <u>\$ 167,852</u> |

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 Income of \$ 176,813. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE H – DEFINED BENEFIT PENSION PLAN (Continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---------------------------------------|---|--|
| Differences in experience | \$ 233,516 | \$ (155,304) |
| Differences in assumptions | - | (68,251) |
| Excess(deficit) in investment returns | 137,552 | - |
| Total | \$ 371,068 | \$ (223,555) |

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

| | |
|-------------|-------------|
| Year ended: | |
| 2024 | \$ (20,673) |
| 2025 | (81,687) |
| 2026 | 185,114 |
| 2027 | 68,029 |
| 2028 | (3,270) |
| Thereafter | - |
| | \$ 147,513 |

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE I-- INTERFUND TRANSFERS

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

| Operating transfers: | To | From |
|---|------------|------------|
| Electric system fund - fee in lieu of tax | \$ - | \$ 463,926 |
| General fund - fee in lieu of tax | 463,926 | - |
| | \$ 463,926 | \$ 463,926 |

| General Fund | Waterworks and Wastewater System | Sanitation Fund |
|-----------------|--|--------------------|
| \$ 848,717 | | \$ (848,717) |
| (615,727) | 615,727 | - |
| \$ 232,990 | \$ 615,727 | \$ (848,717) |

NOTE J – LANDFILL GAS

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE K – COMMITMENTS ON POWER PURCHASE

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

MMMPEP operations are governed by a committee (“Pool Committee”) consisting of one representative from each MMMPEP member and is comprised of 13 members as of June 30, 2023. The Pool Committee is charged with determining policy within the scope of the agreement; including setting rates for all services provided by MJMEUC to MMMPEP members. These rates must include recovery of all MJMEUC’s costs incurred in connection with acquiring, providing, arranging, or financing the provision of full requirements service to MMMPEP members. These rates include capacity and energy charges MJMEUC incurs under supply and transmission agreements and MJMEUC’s related administrative costs.

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

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

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

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE K – COMMITMENTS ON POWER PURCHASE (Continued)

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

NOTE L – FUTURE ACCOUNTING PRONOUNCEMENTS

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

The City adopted the following statements during the year ended June 30, 2024:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the City beginning after June 15, 2022. This Statement primary objective is to improve financial reporting by addressing issues related to public-private partnership arrangements (PPP's).

GASB Statement No, 96, *Subscription-Based Information Technology Arrangements* issued May 2020. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITs) for government end users (governments) Effective date is June 15, 2022, with earlier application permitted.

GASB Statement No. 99, *Omnibus 2022*, issued April 2022, This statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective date of this requirement is for fiscal years ending after June 15, 2022.

CITY OF LAMAR, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE L – FUTURE ACCOUNTING PRONOUNCEMENTS- (Continued)

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

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

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

The City did not have any changes to report for the year ending December 31, 2023, upon adopting GASB 94,96, 99, 100, 101 and 102.

NOTE M- UNEARNED REVENUE-ARPA

For the current fiscal year, the City received an ARPA grant for which expenditures had not been made. Therefore, the funds received are reported as "Unearned Revenue" until such time as the funds are expended.

CITY OF LAMAR, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
MAJOR GOVERNMENTAL FUND-UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024

| REVENUES | General Fund | | | Variance With Final Budget |
|---|------------------|------------------|---------------------|-------------------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Taxes: | | | | |
| Property taxes | \$ 385,314 | \$ 385,314 | \$ 401,288 | \$ 15,974 |
| Franchise taxes | 110,090 | 110,090 | 148,434 | 38,344 |
| Royalty gate fee | 467,881 | 467,881 | 573,473 | 105,592 |
| Sales taxes | 1,000,715 | 1,000,715 | 1,140,774 | 140,059 |
| Intergovernmental: | | | | |
| Missouri motor fuel taxes | 213,838 | 213,838 | 224,267 | 10,429 |
| Township | 96,162 | 96,162 | 100,852 | 4,690 |
| Licenses & permits | 23,300 | 23,300 | 26,631 | 3,331 |
| Charges for services- | 80,500 | 80,500 | 76,676 | (3,824) |
| Fines & forfeitures | 16,500 | 16,500 | 13,689 | (2,811) |
| Interest | - | - | 126,049 | 126,049 |
| Grants | 629,500 | 629,500 | 255,390 | (374,110) |
| Rents | 24,894 | 24,894 | 26,371 | 1,477 |
| Merchandise sales | - | - | 36,922 | 36,922 |
| Miscellaneous | 18,000 | 18,000 | 53,838 | 35,838 |
| Total Revenues | <u>3,066,694</u> | <u>3,066,694</u> | <u>3,204,654</u> | <u>137,960</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 430,770 | 430,770 | 324,771 | 105,999 |
| Public safety: | | | | |
| Police | 1,372,216 | 1,372,216 | 1,276,563 | 95,653 |
| Fire | 299,950 | 299,950 | 298,894 | 1,056 |
| Streets | 678,300 | 678,300 | 627,690 | 50,610 |
| Building inspector | 71,650 | 71,650 | 70,147 | 1,503 |
| Airport | 65,360 | 65,360 | 40,592 | 24,768 |
| Capital outlay | 616,000 | 616,000 | 291,485 | 324,515 |
| Total Expenditures | <u>3,534,246</u> | <u>3,534,246</u> | <u>2,930,142</u> | <u>604,104</u> |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | (467,552) | (467,552) | 274,512 | 742,064 |
| OTHER SOURCES | | | | |
| Sale of assets | - | - | 12,628 | 12,628 |
| Transfer in-Fee in Lieu of | 480,000 | 480,000 | 463,926 | (16,074) |
| NET CHANGE IN FUND BALANCE | <u>\$ 12,448</u> | <u>\$ 12,448</u> | 751,066 | <u>\$ 738,618</u> |
| FUND BALANCES - BEGINNING | | | <u>2,374,230</u> | |
| FUND BALANCES - ENDING | | | <u>\$ 3,125,296</u> | |

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

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

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2023

Notes: The roll-forward of total pension liability from February 28, 2023 to June 30, 2023 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 7 to 21 years |
| Asset Valuation Method | 5-Year smoothed market: 20% corridor |
| Inflation | 2.75% wage inflation; 2.25% price inflation |
| Salary increases | 2.75% to 6.55% including wage inflation |
| Investment Rate of Return | 7.00%, net of investment expenses |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. |
| Mortality | The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables. |

Other information: None

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

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|----------------|----------------|---------------|----------------|----------------|----------------|
| Total Pension Liability | \$ 177,252 | \$ 178,693 | \$ 179,843 | \$ 168,189 | \$ 162,152 | \$ 151,994 |
| Service costs | 534,510 | 504,956 | 529,589 | 505,085 | 485,276 | 464,937 |
| Interest on Total Pension Liability | 198,151 | 91,596 | (277,722) | 26,049 | (44,472) | 11,747 |
| Difference between expected and actual experience | - | - | (164,893) | (24,388) | - | - |
| Changes in Assumptions | (361,758) | (343,229) | (370,755) | (315,559) | (349,206) | (356,934) |
| Benefit payments, including refunds | 548,155 | 432,016 | (103,938) | 359,376 | 253,750 | 271,744 |
| Net change in total pension liability | 7,726,551 | 7,294,535 | 7,398,473 | 7,039,097 | 6,785,347 | 6,513,603 |
| Total Pension Liability-beginning | \$ 8,274,706 | \$ 7,726,551 | \$ 7,294,535 | \$ 7,398,473 | \$ 7,039,097 | \$ 6,785,347 |
| Total Pension Liability-ending | \$ 1,153,947 | \$ 794,661 | \$ 14,112,487 | \$ 1,764,692 | \$ 1,509,737 | \$ 1,434,810 |
| Plan Fiduciary Net Position | \$ (404,959) | \$ (412,323) | \$ 406,262 | \$ (375,317) | \$ (340,214) | \$ (351,526) |
| Contributions - employer | (241,133) | (7,116) | 1,415,756 | (73,774) | (327,985) | (638,463) |
| Net investment income | 361,758 | 343,229 | (370,755) | 315,559 | 349,206 | 356,934 |
| Benefits payments, including refunds | 18,573 | 12,930 | (11,921) | 15,196 | 12,923 | 9,220 |
| Pension Plan Administrative Expense | 76,892 | (50,658) | (255,171) | 13,915 | 127,247 | 40,430 |
| Other (Net Transfer) | (188,869) | (113,938) | 1,184,171 | (104,421) | (178,823) | (583,405) |
| Net change in plan fiduciary net position | (6,931,890) | (6,817,952) | 5,633,781 | (5,529,360) | (5,350,537) | (4,767,132) |
| Plan Fiduciary Net Position-beginning | \$ (7,120,759) | \$ (6,931,890) | \$ 6,817,952 | \$ (5,633,781) | \$ (5,529,360) | \$ (5,350,537) |
| Plan Fiduciary Net Position-ending | \$ 1,153,947 | \$ 794,661 | \$ 14,112,487 | \$ 1,764,692 | \$ 1,509,737 | \$ 1,434,810 |
| Net Pension Liability/(Asset) | | | | | | |
| Plan fiduciary net position as a percentage of the total pension liability | 86.05% | 89.72% | -93.47% | 76.15% | 78.55% | 78.85% |
| Covered-employee payroll | \$ 2,078,162 | \$ 1,907,617 | \$ 2,086,482 | \$ 1,998,928 | \$ 1,857,017 | \$ 1,919,771 |
| Net Pension liability as a percentage of covered employee payroll | 55.53% | 41.66% | 676.38% | 88.28% | 81.30% | 74.74% |

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

CITY OF LAMAR, MISSOURI
 COMBINING BALANCE SHEET-
 NON MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

| ASSETS | Memorial Hall | Park | Transportation Sales Tax | Capital Improvement | | Total |
|--------------------------------------|-------------------|-------------------|--------------------------|---------------------|------------------|---------------------|
| | | | | Sales Tax | Taxi | |
| Cash and cash equivalents | \$ 768,265 | \$ 644,971 | \$ 1,121,452 | \$ 976,811 | \$ 24,445 | \$ 3,535,944 |
| Accounts receivable- | | | | | | |
| Property taxes-net | 11,879 | 11,879 | - | - | - | 23,758 |
| Sales tax | - | 108,425 | 77,862 | 77,862 | - | 264,149 |
| Grant | - | - | - | - | 10,779 | 10,779 |
| Prepaid items | 2,910 | 43,658 | - | - | 5,821 | 52,389 |
| TOTAL ASSETS | 783,054 | 808,933 | 1,199,314 | 1,054,673 | 41,045 | 3,887,019 |
| LIABILITIES | | | | | | |
| Accounts payable | 2,162 | 39,911 | 2,846 | - | 827 | 45,746 |
| Accrued wages and benefits | 1,701 | 12,791 | - | - | 4,507 | 18,999 |
| Total Liabilities | 3,863 | 52,702 | 2,846 | - | 5,334 | 64,745 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable property tax revenue | 10,465 | 10,465 | - | - | - | 20,930 |
| FUND BALANCES | | | | | | |
| Nonspendable | 2,910 | 43,658 | - | - | 5,821 | 52,389 |
| Restricted | 765,816 | 702,108 | 1,196,468 | 1,054,673 | 29,890 | 3,748,955 |
| Total Fund Balances | \$ 768,726 | \$ 745,766 | \$ 1,196,468 | \$ 1,054,673 | \$ 35,711 | \$ 3,801,344 |

CITY OF LAMAR, MISSOURI
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES -
 NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

| | Memorial Hall | Park Fund | Transportation Sales Tax | Capital | | Taxi | Total |
|---|-------------------|-------------------|--------------------------|-----------------------|-----------------------|---------------------|------------|
| | | | | Improvement Sales Tax | Improvement Sales Tax | | |
| REVENUES: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | \$ 112,862 | \$ 112,862 | \$ - | \$ - | \$ - | \$ - | \$ 225,724 |
| Sales tax | - | 615,916 | 453,096 | 453,096 | - | - | 1,522,108 |
| Charges for services | 3,580 | 57,525 | - | - | - | - | 61,105 |
| Rent | - | 4,481 | - | - | - | - | 4,481 |
| Cab fees | - | - | - | - | - | 40,380 | 40,380 |
| Donations | - | - | - | - | - | 66,519 | 66,519 |
| Grants | - | - | - | - | - | 215,155 | 215,155 |
| Miscellaneous | - | 5,281 | - | - | - | - | 5,281 |
| Total Revenues | 116,442 | 795,065 | 453,096 | 453,096 | 322,054 | 2,140,753 | |
| EXPENDITURES: | | | | | | | |
| Current: | | | | | | | |
| Operation | 72,001 | 463,174 | - | - | 157,813 | - | 692,988 |
| Capital outlay | - | 55,623 | 219,263 | 74,225 | 182,476 | - | 531,587 |
| Total Expenditures | 72,001 | 518,797 | 219,263 | 74,225 | 340,289 | 1,224,575 | |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | 44,441 | 277,268 | 233,833 | 378,871 | (18,235) | 916,178 | |
| NET CHANGE IN FUND BALANCE | 44,441 | 277,268 | 233,833 | 378,871 | (18,235) | 916,178 | |
| FUND BALANCES - BEGINNING | 724,285 | 468,498 | 962,635 | 675,802 | 53,946 | 2,885,166 | |
| FUND BALANCES - ENDING | \$ 768,726 | \$ 745,766 | \$ 1,196,468 | \$ 1,054,673 | \$ 35,711 | \$ 3,801,344 | |

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