

CITY OF ODESSA, MISSOURI

FINANCIAL STATEMENTS

MARCH 31, 2024



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF ODESSA, MISSOURI
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Aldermen
City of Odessa, Missouri

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Odessa, Missouri, as of March 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Odessa, 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 Odessa, 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 opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures including examining, on a test basis, evidence regarding the amount 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 Odessa, 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 Odessa, Missouri's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of employer's contributions, and schedule of changes in net pension liability as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2025, on our consideration of the City of Odessa, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Odessa, Missouri's internal control over financial reporting and compliance.

Dana F Cole+Company, LLP

Overland Park, Kansas
July 31, 2025

CITY OF ODESSA, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Odessa, Missouri, (the City) offers readers this narrative overview and analysis of the financial activities of the City for the year ended March 31, 2024. The City of Odessa, Missouri, reports the annual financial statements in accordance with the guidelines prescribed in the Government Accounting Standards Board (GASB) Statement 34. We encourage readers to consider the information presented here in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

The assets of the City of Odessa, Missouri, exceeded its liabilities at the close of the year ending March 31, 2024, by \$35,818,702. Of this amount, \$12,923,649 represents unrestricted net assets and may be used to fund ongoing obligations. Total net position increased by \$1,086,608. The City serviced all long-term obligations as planned.

As of the close of the year ending March 31, 2024, the City of Odessa, Missouri's combined governmental fund balances totaled \$5,945,090. This is an increase from the previous year fund balance by \$386,006.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference between them reported as net position. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

The government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) separate 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 for the City include general government, public works and streets, solid waste, public safety, planning and development, and parks and recreation. The business-type activities for the City include the electric, waterworks, and waste water systems.

CITY OF ODESSA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the audit period. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

The City maintains three enterprise funds. The proprietary fund financial statements provide separate information for the Electric Fund, Water Fund, and Waste Water Fund.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains certain required supplementary information regarding budgetary and pension information.

CITY OF ODESSA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the City's financial position. As of March 31, 2024, assets and deferred outflows of resources exceed liabilities by \$35,818,702. The largest portion of the City's net position, \$19,200,752, reflects its net investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Odessa, Missouri
Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	3/31/24	3/31/23	3/31/24	3/31/23	3/31/24	3/31/23
Current and other assets	6,845,850	6,756,217	10,782,754	10,419,652	17,628,604	17,175,869
Capital assets	9,818,288	9,369,602	23,998,714	25,135,727	33,817,002	34,505,329
Total assets	<u>16,664,138</u>	<u>16,125,819</u>	<u>34,781,468</u>	<u>35,555,379</u>	<u>51,445,606</u>	<u>51,681,198</u>
Deferred outflows of resources	<u>287,768</u>	<u>294,101</u>	<u>170,033</u>	<u>95,164</u>	<u>457,801</u>	<u>389,265</u>
Long-term debt	2,306,811	2,525,171	12,309,439	13,226,858	14,616,250	15,752,029
Other liabilities	217,844	243,598	1,238,483	984,869	1,456,327	1,228,467
Total liabilities	<u>2,524,655</u>	<u>2,768,769</u>	<u>13,547,922</u>	<u>14,211,727</u>	<u>16,072,577</u>	<u>16,980,496</u>
Deferred inflows of resources	<u>12,128</u>	<u>278,587</u>		<u>79,286</u>	<u>12,128</u>	<u>357,873</u>
Net investment in capital assets	7,511,477	6,844,431	11,689,275	11,908,869	19,200,752	18,753,300
Restricted	2,334,579	2,589,573	1,359,722	741,931	3,694,301	3,331,504
Unrestricted	4,569,067	3,938,560	8,354,582	8,708,730	12,923,649	12,647,290
Total net position	<u>14,415,123</u>	<u>13,372,564</u>	<u>21,403,579</u>	<u>21,359,530</u>	<u>35,818,702</u>	<u>34,732,094</u>

At the end of the current audit period, the City is able to report positive balances in all categories of net position for the government as a whole.

The City's combined net position during the audit period increased \$1,086,608. Overall governmental activities expenses increased by \$1,042,559 and the business-type activities increased by \$44,049.

CITY OF ODESSA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

The following table reflects the revenue and expenses from the City's activities for the years ended March 31, 2024 and 2023.

City of Odessa, Missouri						
Statement of Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	Total
	3/31/24	3/31/23	3/31/24	3/31/23	3/31/24	3/31/23
REVENUES						
Program revenues						
Charges for services	1,263,024	894,481	9,230,446	8,888,893	10,493,470	9,783,374
Operating grants and contributions	28,098	534,384			28,098	534,384
General revenues						
Property taxes	483,055	568,502			483,055	568,502
Sales taxes	1,737,291	1,573,239			1,737,291	1,573,239
Franchise taxes	208,740	196,029			208,740	196,029
Intergovernmental sources	415,079	398,839			415,079	398,839
Other general revenues	424,642	101,722	175,248	96,492	599,890	198,214
Total revenues	<u>4,559,929</u>	<u>4,267,196</u>	<u>9,405,694</u>	<u>8,985,385</u>	<u>13,965,623</u>	<u>13,252,581</u>
EXPENSES						
General government	1,040,584	688,784			1,040,584	688,784
Public Safety	1,398,478	1,227,348			1,398,478	1,227,348
Highways and Streets	732,023	642,305			732,023	642,305
Sanitation	430,559	287,157			430,559	287,157
Community Planning and Development	96,701	83,029			96,701	83,029
Parks and Recreation	559,882	511,403			559,882	511,403
Municipal court	35,587	36,376			35,587	36,376
Interest on long-term debt	87,122	85,529			87,122	85,529
Electric			5,275,404	4,676,151	5,275,404	4,676,151
Water			1,424,109	1,363,682	1,424,109	1,363,682
Waste Water			1,798,566	1,752,808	1,798,566	1,752,808
Total expenses	<u>4,380,936</u>	<u>3,561,931</u>	<u>8,498,079</u>	<u>7,792,641</u>	<u>12,879,015</u>	<u>11,354,572</u>

CITY OF ODESSA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)

City of Odessa, Missouri
Statement of Changes in Net Position (Continued)

	Governmental Activities		Business-Type Activities		Total	Total
	3/31/24	3/31/23	3/31/24	3/31/23	3/31/24	3/31/23
Excess before transfers	178,993	705,265	907,615	1,192,744	1,086,608	1,898,009
Transfers	863,566	817,142	(863,566)	(817,142)		
CHANGE IN NET POSITION	1,042,559	1,522,407	44,049	375,602	1,086,608	1,898,009
NET POSITION, beginning	13,372,564	11,850,157	21,359,530	20,983,928	34,732,094	32,834,085
NET POSITION, ending	14,415,123	13,372,564	21,403,579	21,359,530	35,818,702	34,732,094

Governmental activities total revenues increased by \$292,733. Expenses increased by \$819,005 which is approximately 23.0%.

The City's business-type total revenues increased by \$420,309. Expenses increased by \$705,438 which is approximately 9.1%.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The General Fund is the primary operating fund of the City. The fund balance of the General Fund at March 31, 2024, was \$4,728,244. This represents an increase of \$652,126.

The Park Fund is the operating fund used to provide culture and recreation activities of the City. The fund balance of the Park Fund at March 31, 2024, was \$207,523. This represents an increase of \$25,534.

The Transportation Sales Tax Fund and Capital Improvement Fund are used primarily for collection of tax and grant money for spending on capital outlay and related debt service. The fund balance of the Transportation Sales Tax Fund at March 31, 2024, was \$326,574. This represents a decrease of \$31,765. The fund balance of the Capital Improvement Fund at March 31, 2024, was \$682,749. This represents a decrease of \$259,889.

The Debt Service Fund is used for the payment of General Obligation Bonds. The City does not currently have a debt service levy for property tax assessments and receives transfers from other funds to service debt. For financial reporting purposes, this fund has been combined with the General Fund including the balance at March 31, 2024, of \$37,172.

CITY OF ODESSA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (Continued)

The enterprise funds consisting of the Electric, Water, and Waste Water Funds had a combined balance at March 31, 2024, of \$21,403,579. This represents an increase of \$44,049.

BUDGETARY HIGHLIGHTS

The Board of Aldermen (the Board) adopted the budget for the year ending March 31, 2024, in March 2023.

Budgetary comparison schedules are presented in the Required Supplementary Information section following the notes to the financial statements. These schedules compare budgeted amounts to actual balances with the resulting difference displayed.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

For the years ending March 31, 2024 and 2023, the City had \$33,817,02 and \$34,505,329, respectively, invested in a broad range of capital assets, including police equipment; buildings; park facilities; streets; and electric, water, and sewer lines. The change in capital assets is a result of additions and improvements to capital assets along with depreciation expense and disposals. See Note 5 to the financial statements and the table below for more detailed information on the City's capital assets.

**City of Odessa, Missouri
Capital Assets
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	3/31/24	3/31/23	3/31/24	3/31/23	3/31/24	3/31/23
Land	2,137,847	2,137,847	196,758	196,758	2,334,605	2,334,605
Utility systems			9,815,040	10,228,227	9,815,040	10,228,227
Buildings and improvements	2,514,259	2,590,257	12,951,554	13,656,762	15,465,813	16,247,019
Equipment	842,856	811,510	1,035,362	1,053,980	1,878,218	1,865,490
Infrastructure	3,849,524	3,572,534			3,849,524	3,572,534
Furniture and fixtures	53,482	3,599			53,482	3,599
Vehicles	420,320	253,855			420,320	253,855
Total	<u>9,818,288</u>	<u>9,369,602</u>	<u>23,998,714</u>	<u>25,135,727</u>	<u>33,817,002</u>	<u>34,505,329</u>

CITY OF ODESSA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

Balances at March 31, 2024 and 2023, are shown in the table below. See Note 6 for additional information on the City's long-term debt.

City of Odessa, Missouri Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	3/31/24	3/31/23	3/31/24	3/31/23	3/31/24	3/31/23
Financing lease obligations	2,208,000	2,455,000	725,000	855,000	2,933,000	3,310,000
Revenue bonds			2,449,926	2,805,000	2,449,926	2,805,000
Loans			9,071,300	9,499,400	9,071,300	9,499,400
Total	<u>2,208,000</u>	<u>2,455,000</u>	<u>12,246,226</u>	<u>13,159,400</u>	<u>14,454,226</u>	<u>15,614,400</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General Fund revenue for the Fiscal Year 2024-2025 is projected to be \$3,641,284. This represents a decrease of approximately 6% (-\$241,775) from the 2023-2024 actuals. The decline is primarily due to reduced fund transfers to the transportation fund and the water fund.

Over the course of Fiscal Year 2023-2024 and Fiscal Year 2024-2025, the school resource officer program has expanded as we continue to develop it. However, revenue for FY 2024-2025 has fluctuated due to changes in billing and up-front capital costs, resulting in a decrease. Additionally, we have observed slight declines in building permits and court costs.

The City is actively planning for significant improvements to streets and public works projects that have been identified and prioritized. The Fiscal Year 2024-2025 budget is set to cover the debt service requirements associated with the initial purchases of the City's 5-year Asset Replacement Program. This program includes the acquisition of various assets for the departments within the General Fund.

**City of Odessa, Missouri
General Fund Asset Replacement Program 2024 - 2025**

Police: Vehicle Replacement (1 new)	45,000
Parks: Mower replacement	12,500
Parks: Pool Lounger Replacement (1 of 2)	10,000
Parks: Pool Slide Landing Pad	5,000
Street: Skid Steer	90,000
Street: Trailer Addition	25,000
Admin: Building Maintenance Truck Replacement	40,000
Admin: Community Building HVAC Replacement	9,000
Total	<u>236,500</u>

CITY OF ODESSA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (Continued)

The Fiscal Year 2024-2025 budget has projected an increase in capital outlay expenses due to heightened capital investments in the City's infrastructure and capital assets. The Electric Department initiated annual Capital Improvement Program (CIP) projects starting with the FY 2022-2023 budget. These ongoing projects include the replacement of poles and transformers, renovations to the Electric Plant floor and security, maintenance for the 2009 bucket truck, circuit conversions, the replacement of a 2011 truck, and the addition of a boom lift, with costs shared with the Wastewater Department.

Additional capital projects encompass improvements to the water system in Downtown Odessa, the replacement of a sand filter, the acquisition of a locator and leak detector, and the installation of a new gate for enhanced security at the plant. The Wastewater Department plans to replace a 2006 service truck, add an equipment trailer, and make enhancements to the sewer collection system.

These items represent a portion of the City's CIP, which is designed to ensure adequate investment in the City's systems and infrastructure to provide essential services both now and in the future.

Additional budgetary highlights for next year's budget include:

The budget allocates funds for a 6% salary increase for employees, as well as adjustments to the City's contribution to employee health savings accounts and the addition of 8 hours of paid volunteer time for employees.

The City has allocated nearly \$150,000 from the Transportation Sales Tax Fund for various street improvements. These improvements include several overlay projects, curb and gutter installations, and chip and seal work. Additionally, funds from the Missouri Department of Transportation through the MoTAP grant have been combined with transportation sales tax dollars and electric funds to finance the Downtown Infrastructure project and its related expenses.

Within the Capital Improvements Sales Tax Fund, monies are allocated to the capital projects listed above for Parks and Recreation, Streets, and Police, and Administration.

FINANCIAL CONTACT

The City's financial statements are designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. Any questions regarding the report or request for additional information should be directed to the City Administrator or Finance Director, 228 S. 2nd Street, Odessa, MO 64076.

CITY OF ODESSA, MISSOURI
STATEMENT OF NET POSITION
MARCH 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	3,370,343	6,988,947	10,359,290
Certificates of deposit		609,979	609,979
Receivables			
Taxes	411,769		411,769
Accounts	131,054	597,898	728,952
Interest		7,096	7,096
Unbilled revenues		371,640	371,640
Inventories		298,593	298,593
Prepays	51,641	41,752	93,393
Restricted assets			
Cash and cash equivalents	2,222,072	1,359,722	3,581,794
Net pension asset	658,971	507,127	1,166,098
Capital assets			
Nondepreciable	2,137,847	196,758	2,334,605
Depreciable, net	<u>7,680,441</u>	<u>23,801,956</u>	<u>31,482,397</u>
TOTAL ASSETS	<u>16,664,138</u>	<u>34,781,468</u>	<u>51,445,606</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>287,768</u>	<u>170,033</u>	<u>457,801</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>16,951,906</u>	<u>34,951,501</u>	<u>51,903,407</u>
LIABILITIES			
Current liabilities			
Accounts payable	133,004	521,449	654,453
Accrued liabilities	4,273	2,654	6,927
Unearned revenues	35,851		35,851
Court bonds and deposits	35,338		35,338
Customer deposits		664,545	664,545
Accrued interest payable	<u>9,378</u>	<u>49,835</u>	<u>59,213</u>
Total current liabilities	<u>217,844</u>	<u>1,238,483</u>	<u>1,456,327</u>

CITY OF ODESSA, MISSOURI
STATEMENT OF NET POSITION
MARCH 31, 2024

	Governmental Activities	Business-Type Activities	Total
LIABILITIES (Continued)			
Noncurrent liabilities			
Due within one year	352,111	1,017,939	1,370,050
Due in more than one year	<u>1,954,700</u>	<u>11,291,500</u>	<u>13,246,200</u>
Total noncurrent liabilities	<u>2,306,811</u>	<u>12,309,439</u>	<u>14,616,250</u>
 TOTAL LIABILITIES	 <u>2,524,655</u>	 <u>13,547,922</u>	 <u>16,072,577</u>
 DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	<u>12,128</u>	<u> </u>	<u>12,128</u>
 TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	 <u>2,536,783</u>	 <u>13,547,922</u>	 <u>16,084,705</u>
 NET POSITION			
Net investment in capital assets	7,511,477	11,689,275	19,200,752
Restricted			
Debt service	37,172	1,166,818	1,203,990
Renewal and replacement		192,904	192,904
Parks and recreation	202,362		202,362
Capital projects	1,009,323		1,009,323
Federal programs	1,085,722		1,085,722
Unrestricted	<u>4,569,067</u>	<u>8,354,582</u>	<u>12,923,649</u>
 TOTAL NET POSITION	 <u>14,415,123</u>	 <u>21,403,579</u>	 <u>35,818,702</u>

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2024

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		Total
Primary government				Governmental Activities	Business-Type Activities	
Governmental activities						
General government	1,040,584	76,547		(964,037)		(964,037)
Public Safety	1,398,478	379,659		(1,018,819)		(1,018,819)
Highways and Streets	732,023		28,098	(703,925)		(703,925)
Sanitation	430,559	520,907		90,348		90,348
Community Planning and Development	96,701	79,514		(17,187)		(17,187)
Parks and Recreation	559,882	206,397		(353,485)		(353,485)
Municipal court	35,587			(35,587)		(35,587)
Interest on long-term debt	87,122			(87,122)		(87,122)
Total governmental activities	<u>4,380,936</u>	<u>1,263,024</u>	<u>28,098</u>	<u>(3,089,814)</u>		<u>(3,089,814)</u>
Business-type activities						
Electric	5,275,404	5,582,212			306,808	306,808
Water	1,424,109	1,419,932			(4,177)	(4,177)
Waste Water	1,798,566	2,228,302			429,736	429,736
Total business-type activities	<u>8,498,079</u>	<u>9,230,446</u>			<u>732,367</u>	<u>732,367</u>
Total primary government	<u>12,879,015</u>	<u>10,493,470</u>	<u>28,098</u>	<u>(3,089,814)</u>	<u>732,367</u>	<u>(2,357,447)</u>
General revenues						
Property taxes levied for general purposes				380,742		380,742
Property taxes levied for parks and recreation				102,313		102,313
Sales tax				1,737,291		1,737,291
Franchise taxes				208,740		208,740
Intergovernmental sources				415,079		415,079
Investment earnings				171,058	159,719	330,777
Gain on sale of assets				164,099	6,878	170,977
Other				89,485	8,651	98,136
Total general revenues				<u>3,268,807</u>	<u>175,248</u>	<u>3,444,055</u>
Transfers				<u>863,566</u>	<u>(863,566)</u>	
CHANGE IN NET POSITION				1,042,559	44,049	1,086,608
NET POSITION, beginning of year				<u>13,372,564</u>	<u>21,359,530</u>	<u>34,732,094</u>
NET POSITION, end of year				<u>14,415,123</u>	<u>21,403,579</u>	<u>35,818,702</u>

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2024

	General Fund	Park Fund	Transportation Sales Tax Fund	Capital Improvement Fund	Total
ASSETS					
ASSETS					
Cash and cash equivalents	3,370,343				3,370,343
Receivables					
Taxes	190,208	73,178	61,877	61,877	387,140
Accounts	131,054				131,054
Restricted cash and cash equivalents	1,122,894	136,821	277,961	684,396	2,222,072
Prepays	37,786	5,161			42,947
TOTAL ASSETS	4,852,285	215,160	339,838	746,273	6,153,556
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	56,144	72	13,264	63,524	133,004
Accrued liabilities	3,902	371			4,273
Unearned revenues	28,657	7,194			35,851
Court bonds and deposits	35,338				35,338
Total liabilities	124,041	7,637	13,264	63,524	208,466
FUND BALANCES					
Nonspendable for prepaids	37,786	5,161			42,947
Restricted					
Parks		202,362			202,362
Debt service	37,172				37,172
Capital outlay			326,574	682,749	1,009,323
Federal programs	1,085,722				1,085,722
Unassigned	3,567,564				3,567,564
Total fund balances	4,728,244	207,523	326,574	682,749	5,945,090
TOTAL LIABILITIES AND FUND BALANCES	4,852,285	215,160	339,838	746,273	6,153,556

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MARCH 31, 2024

Total fund balance - total governmental funds		5,945,090
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	15,119,701	
Less accumulated depreciation	<u>(5,301,413)</u>	9,818,288
Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Net pension asset		658,971
Long-term amounts are not financial resources and, therefore, are not reported in the funds:		
Prepaid lease interest		8,694
Certain expenditures are not accrued in the governmental funds, but rather are recognized as expenditures in the governmental activities:		
Interest on long-term debt		(9,378)
Long-term liabilities, including bonds payable and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds, net of unamortized premiums and discounts.		(2,306,811)
Property taxes and other receivables not collected within 60 days of the end of the fiscal year are deferred in the fund financial statements as they are not available to pay current period expenditures.		24,629
Pension related deferred outflows and inflows of resources are not due and payable in the current year and, therefore, are not reported in the funds:		
Deferred outflows of resources - pension related amounts	287,768	
Deferred inflows of resources - pension related amounts	<u>(12,128)</u>	<u>275,640</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>14,415,123</u>

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2024

	General Fund	Park Fund	Transportation Sales Tax Fund	Capital Improvement Fund	Eliminations	Total
REVENUES						
Taxes	1,309,487	441,408	339,096	339,095		2,429,086
Charges for services	855,781	206,397				1,062,178
Licenses, permits, and fees	150,826					150,826
Fines and forfeitures	50,020					50,020
Intergovernmental revenue	415,079		28,098			443,177
Interest	91,593		358	79,107		171,058
Proceeds from the sale of assets	164,099					164,099
Other	82,823	6,662				89,485
Total revenues	<u>3,119,708</u>	<u>654,467</u>	<u>367,552</u>	<u>418,202</u>		<u>4,559,929</u>
EXPENDITURES						
Current						
General government	789,470		618	643		790,731
Public Safety	1,265,264					1,265,264
Highways and Streets	486,248		28,606			514,854
Sanitation	430,559					430,559
Community Planning and Development	99,219					99,219
Municipal court	35,587					35,587
Parks and Recreation		485,268				485,268
Capital outlay	148,500		433,718	503,147		1,085,365
Debt service						
Principal		140,000		107,000		247,000
Interest and fiscal costs		35,355		48,286		83,641
Total expenditures	<u>3,254,847</u>	<u>660,623</u>	<u>462,942</u>	<u>659,076</u>		<u>5,037,488</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(135,139)</u>	<u>(6,156)</u>	<u>(95,390)</u>	<u>(240,874)</u>		<u>(477,559)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	863,565	31,690	63,625		(95,315)	863,565
Transfers out	(76,300)			(19,015)	95,315	
Total other financing sources (uses)	<u>787,265</u>	<u>31,690</u>	<u>63,625</u>	<u>(19,015)</u>		<u>863,565</u>
CHANGE IN FUND BALANCES	652,126	25,534	(31,765)	(259,889)		386,006
FUND BALANCE, beginning of year	<u>4,076,118</u>	<u>181,989</u>	<u>358,339</u>	<u>942,638</u>		<u>5,559,084</u>
FUND BALANCE, end of year	<u>4,728,244</u>	<u>207,523</u>	<u>326,574</u>	<u>682,749</u>		<u>5,945,090</u>

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2024

Net change in fund balances - total governmental funds		386,006
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Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlay as expenditures.

However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the difference between
capital asset additions (\$1,085,365), depreciation
(\$459,782), and net cost basis in assets sold
(\$176,897) in the current period.

	1,085,365	
	(459,782)	
	<u>(176,897)</u>	448,686

Debt proceeds provide current financial resources to
governmental funds, but issuing debt increases long-term
liabilities in the statement of net position. Repayment of debt
principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement
of net position. Also, governmental funds report the effect of
premiums, discounts, and similar items when debt is first issued,
whereas these amounts are deferred and amortized in the
statement of activities. This amount is the net effect of these
differences in the treatment of long-term debt and related
items:

Principal payments	247,000	
Prepaid interest amortization	<u>(895)</u>	246,105

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

Compensated absences	(28,640)	
Accrued interest	(2,586)	
Pension expense	<u>(7,012)</u>	<u>(38,238)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>1,042,559</u>
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The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2024

	Electric	Water	Waste Water	Eliminations	Total
ASSETS					
Current assets					
Cash and cash equivalents	4,767,237	1,512,426	709,284		6,988,947
Certificates of deposit		609,979			609,979
Receivables					
Accounts	389,747	63,942	144,209		597,898
Interest			7,096		7,096
Unbilled revenues	210,790	62,034	98,816		371,640
Due from other funds		310,000		(310,000)	
Inventories	245,033	53,560			298,593
Prepaid expenses	12,033	9,893	19,826		41,752
Total current assets	<u>5,624,840</u>	<u>2,621,834</u>	<u>979,231</u>	<u>(310,000)</u>	<u>8,915,905</u>
Noncurrent assets					
Restricted cash and cash equivalents	633,128	75,613	650,981		1,359,722
Net pension asset	198,355	154,778	153,994		507,127
Capital assets					
Nondepreciable		144,010	52,748		196,758
Depreciable, net	<u>2,460,911</u>	<u>3,763,785</u>	<u>17,577,260</u>		<u>23,801,956</u>
Total noncurrent assets	<u>3,292,394</u>	<u>4,138,186</u>	<u>18,434,983</u>		<u>25,865,563</u>
TOTAL ASSETS	<u>8,917,234</u>	<u>6,760,020</u>	<u>19,414,214</u>	<u>(310,000)</u>	<u>34,781,468</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	<u>61,621</u>	<u>71,558</u>	<u>36,854</u>		<u>170,033</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>8,978,855</u>	<u>6,831,578</u>	<u>19,451,068</u>	<u>(310,000)</u>	<u>34,951,501</u>

CITY OF ODESSA, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2023

	Electric	Water	Waste Water	Eliminations	Total
LIABILITIES					
Current liabilities					
Accounts payable	378,284	74,940	68,225		521,449
Accrued liabilities	1,098	708	848		2,654
Due to other funds			310,000	(310,000)	
Current maturities of long-term debt	75,136	105,280	837,523		1,017,939
Customer deposits	664,545				664,545
Accrued interest	3,280	5,627	40,928		49,835
Total current liabilities	<u>1,122,343</u>	<u>186,555</u>	<u>1,257,524</u>	<u>(310,000)</u>	<u>2,256,422</u>
Noncurrent liabilities					
Long-term debt, net of current maturities	<u>230,100</u>	<u>588,829</u>	<u>10,472,571</u>		<u>11,291,500</u>
TOTAL LIABILITIES	<u>1,352,443</u>	<u>775,384</u>	<u>11,730,095</u>	<u>(310,000)</u>	<u>13,547,922</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,352,443</u>	<u>775,384</u>	<u>11,730,095</u>	<u>(310,000)</u>	<u>13,547,922</u>
NET POSITION					
Net investment in capital assets	2,155,675	3,213,686	6,319,914		11,689,275
Restricted for debt service	584,785		582,033		1,166,818
Restricted for renewal and replacement	48,343	75,613	68,948		192,904
Unrestricted	<u>4,837,609</u>	<u>2,766,895</u>	<u>750,078</u>		<u>8,354,582</u>
TOTAL NET POSITION	<u>7,626,412</u>	<u>6,056,194</u>	<u>7,720,973</u>		<u>21,403,579</u>

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2024

	Electric	Water	Waste Water	Eliminations	Total
REVENUES					
Charges for services	<u>5,582,212</u>	<u>1,419,932</u>	<u>2,228,302</u>		<u>9,230,446</u>
EXPENSES					
Personnel	478,019	351,388	340,603		1,170,010
Operation and maintenance	377,318	614,644	407,369		1,399,331
Power purchases	4,124,417				4,124,417
Depreciation and amortization	<u>286,312</u>	<u>437,453</u>	<u>783,229</u>		<u>1,506,994</u>
Total expenses	<u>5,266,066</u>	<u>1,403,485</u>	<u>1,531,201</u>		<u>8,200,752</u>
OPERATING INCOME	<u>316,146</u>	<u>16,447</u>	<u>697,101</u>		<u>1,029,694</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	103,533	16,544	39,642		159,719
Interest expense	(9,338)	(20,563)	(231,273)		(261,174)
Debt administrative expenses		(61)	(36,092)		(36,153)
Rental income		4,099			4,099
Gain on sale of assets	6,878				6,878
Miscellaneous	<u>1,867</u>		<u>2,685</u>		<u>4,552</u>
Total nonoperating revenues (expenses)	<u>102,940</u>	<u>19</u>	<u>(225,038)</u>		<u>(122,079)</u>
INCOME BEFORE TRANSFERS	<u>419,086</u>	<u>16,466</u>	<u>472,063</u>		<u>907,615</u>

CITY OF ODESSA, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2024

	Electric	Water	Waste Water	Eliminations	Total
TRANSFERS					
Transfers out	<u>(410,115)</u>	<u>(205,786)</u>	<u>(247,665)</u>	<u> </u>	<u>(863,566)</u>
CHANGE IN NET POSITION	8,971	(189,320)	224,398		44,049
NET POSITION, beginning of year	<u>7,617,441</u>	<u>6,245,514</u>	<u>7,496,575</u>	<u> </u>	<u>21,359,530</u>
NET POSITION, end of year	<u><u>7,626,412</u></u>	<u><u>6,056,194</u></u>	<u><u>7,720,973</u></u>	<u><u> </u></u>	<u><u>21,403,579</u></u>

22 The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2024

		Enterprise Funds			
		Electric	Water	Waste Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
	Cash received from customers and others	5,589,288	1,459,091	2,267,213	9,315,592
	Cash payments to suppliers for goods and services	(4,281,983)	(647,793)	(371,344)	(5,301,120)
	Cash payments for employee services and benefits	<u>(469,842)</u>	<u>(367,154)</u>	<u>(354,778)</u>	<u>(1,191,774)</u>
	Net cash provided by operating activities	<u>837,463</u>	<u>444,144</u>	<u>1,541,091</u>	<u>2,822,698</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
	Transfers out	<u>(410,115)</u>	<u>(205,786)</u>	<u>(247,665)</u>	<u>(863,566)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
	Cash paid for the acquisition of capital assets	(123,920)	(124,973)	(146,763)	(395,656)
	Proceeds from the sale of assets	20,840			
	Cash paid on long-term debt	(50,700)	(79,300)	(806,332)	(936,332)
	Cash paid for debt administrative expenses		(61)	(36,092)	(36,153)
	Interest paid on capital debt	<u>(9,926)</u>	<u>(21,483)</u>	<u>(218,177)</u>	<u>(249,586)</u>
	Net cash used in capital and related financing activities	<u>(163,706)</u>	<u>(225,817)</u>	<u>(1,207,364)</u>	<u>(1,617,727)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
	Increases in certificates of deposit		(1,220)		(1,220)
	Cash received from interest	<u>103,533</u>	<u>16,544</u>	<u>39,642</u>	<u>159,719</u>
	Net cash provided by investing activities	<u>103,533</u>	<u>15,324</u>	<u>39,642</u>	<u>158,499</u>

CITY OF ODESSA, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2024

		Enterprise Funds			
		Electric	Water	Waste Water	Total
NET INCREASE IN CASH AND CASH EQUIVALENTS		367,175	27,865	125,704	520,744
CASH AND CASH EQUIVALENTS, beginning of year		<u>5,033,190</u>	<u>1,560,174</u>	<u>1,234,561</u>	<u>7,827,925</u>
CASH AND CASH EQUIVALENTS, end of year		<u>5,400,365</u>	<u>1,588,039</u>	<u>1,360,265</u>	<u>8,348,669</u>
Unrestricted		4,767,237	1,512,426	709,284	6,988,947
Restricted		<u>633,128</u>	<u>75,613</u>	<u>650,981</u>	<u>1,359,722</u>
		<u>5,400,365</u>	<u>1,588,039</u>	<u>1,360,265</u>	<u>8,348,669</u>
24	Reconciliation of Operating Income to Net Cash				
	Provided By Operating Activities				
	Operating income	<u>316,146</u>	<u>16,447</u>	<u>697,101</u>	<u>1,029,694</u>
	Adjustments to reconcile operating income to				
	net cash provided by operating activities:				
	Depreciation and amortization	286,312	437,453	783,229	1,506,994
	Rental and miscellaneous income	1,867	4,099	2,685	8,651
	Changes in assets and liabilities:				
	Receivables, net	(8,447)	35,060	36,226	62,839
	Inventories and prepaids	(14,777)	11,142	(2,926)	(6,561)
	Pension related assets, outflows, and inflows	(8,458)	(15,740)	(15,660)	(39,858)
	Accounts payable	245,587	(36,521)	48,128	257,194
	Accrued liabilities	(11,058)	(7,770)	(9,177)	(28,005)
	Compensated absences	16,635	(26)	1,485	18,094
	Customer deposits	13,656			13,656
	Total adjustments	<u>521,317</u>	<u>427,697</u>	<u>843,990</u>	<u>1,793,004</u>
	Net cash provided by operating activities	<u>837,463</u>	<u>444,144</u>	<u>1,541,091</u>	<u>2,822,698</u>

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Odessa, Missouri (the City), was incorporated in 1880 and covers an area of approximately four square miles in Lafayette County, Missouri. The City is a fourth class city and operates under the aldermen-administrator form of government. The City administrator is the chief administrative officer of the City. The City provides services to its 5,600 residents in many areas, including law enforcement; electric, water, and sewer services; public works; and parks and recreation services.

A. FINANCIAL REPORTING ENTITY

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City of Odessa, Missouri, provides a range of municipal services, including general government administration; public safety service; recreation; street maintenance; and contracts for electric, waterworks, and sewerage.

In determining the financial reporting entity, the City complies with the provisions of Statement 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Determining Whether Certain Organizations are Component Units*. For financial reporting purposes, the City includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the City.

B. BASIS OF PRESENTATION

Government-Wide Statements

The statement of net position and statement of activities report information on the City as a whole. They include all funds of the City. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, 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 expenditures of a given function or segment are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The City does not allocate indirect costs.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement 34 sets forth minimum criteria for the determination of major funds, which should have a specific community focus.

The funds of the City are described below:

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 measurement focus is upon determination of changes in financial position. The following are the City's governmental fund types:

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted, committed, or assigned to expenditures for specified purposes the purpose of which is determined by the fund name. The reporting entity includes the following special revenue funds, which are reported as major funds:

Park Fund - This fund accounts for taxes collected and expended for operations and improvements to the City's parks.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

Special Revenue Funds (Continued)

Transportation Sales Tax Fund - This fund accounts for sales taxes to be used to finance street improvements.

Capital Improvement Fund - This fund is used to account for sales taxes and other resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs other than bonds payable from the operations of the Enterprise Funds.

Proprietary Fund Types

The proprietary fund is used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is based upon determination of net income. The City reports the following major proprietary funds:

Electric Fund - This fund accounts for the acquisition, operation, and maintenance of the City's electric distribution system.

Water Fund - This fund accounts for the acquisition, operation, and maintenance of the City's water treatment and distribution system.

Waste Water Fund - This fund accounts for the acquisition, operation, and maintenance of the City's sanitary sewer treatment and distribution system.

C. 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 statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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

Government fund level 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues' availability period is generally considered to be one year. 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 and claims and judgments, are recorded only when the liability has matured and payment is due.

Business-type activities and all proprietary funds are accounted for using an economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. 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 operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and 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.

D. ASSETS, LIABILITIES, AND EQUITY

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. The City maintains cash and investment pools which are available for use by most funds. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents. Investments made in accordance with bond ordinances are reflected as restricted cash and cash equivalents. Funds with overdrawn balances are not charged interest.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Cash and Cash Equivalents (Continued)

As provided for by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reflects money market investments with a maturity of one year or less at the time of purchase at amortized cost, which approximates fair value. All other investments are required to be reported at fair value based on quoted market prices.

Accounts Receivable

Governmental activities accounts receivable consists of sanitation charges and other miscellaneous services provided to citizens, net of an allowance for uncollectible accounts of \$8,916. Business-type activities represent billed electric, water, and waste water charges, net of an allowance for uncollectible accounts of \$293,008.

Inventories

Inventories, consisting of materials and supplies, are valued at lower of cost or net realizable value. Cost is determined using estimated replacement cost basis which approximates actual cost.

Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures. Prepaid expenses are accounted for using the consumption method.

Restricted Assets

Unspent proceeds and resources set aside for the repayment of revenue bonds and certificates of participation are classified as restricted assets on the applicable statements of net position because they are maintained in separate bank or trust accounts and their use is limited by applicable bond covenants. Restricted assets also include amounts held for court bonds and deposits in the General Fund and customer deposits in the Electric Fund.

Capital Assets

Under GASB Statement 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. Under GASB 34, small cities have the option to capitalize

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Capital Assets (Continued)

infrastructure purchased in previous years. The City of Odessa, Missouri, has chosen not to capitalize existing infrastructure but will capitalize any future infrastructure that it acquires. No long-term capital assets or depreciation are shown in the governmental fund financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks, and other assets that are immovable and of value only to the City) are defined as assets with an individual cost of more than \$5,000 and an estimated useful life greater than one year. Donated fixed assets are valued at their estimated fair market value on the date donated.

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. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment and vehicles	5 - 10 years
Buildings and land improvements	10 - 50 years
Infrastructure	30 years
Water and sewer system	30 - 50 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position now reports a separate section for deferred outflows of resources. This financial statement element 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. The City's pension related amounts are reported in this category.

In addition to liabilities, the statement of net position and balance sheet now report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City's pension related amounts are reported in this category.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Compensated Absences

Under terms of the City's personnel policy, employees are granted paid time off (PTO) leave in amounts ranging from 20 - 240 hours, based upon length of service. Up to 160 hours of PTO earned can be carried over each year, and accumulated PTO is payable on separation of service.

Employees are awarded sick leave hours at the beginning of each year or upon employment. Employees are allowed to accrue up to 480 hours of sick time to carry forward into the subsequent year. Upon retirement or termination in good standing, an employee can convert unused sick days into vacation days at a rate of eight hours of sick leave is equivalent to one hour of vacation.

Vested or accumulated PTO is accrued when earned in the government-wide and proprietary financial statements. A liability is reported in the governmental funds only if it has matured as a result of employee resignations or retirements.

Long-Term Debt

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. The governmental fund financial statements recognize the proceeds and payments of debt as other financing sources and uses of the current period. Issuance costs are reported as expenditures.

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.

Fund Equity

Government-Wide Statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Fund Equity (Continued)

Government-Wide Statements (Continued)

Restricted net position consists of net assets with constraints placed on the use either by external groups - such as creditors, grantors, contributors, or laws and regulations of other governments - or through constitutional provision or enabling legislation. It is the City's policy to use restricted net assets first, prior to the use of unrestricted net assets, when a disbursement is paid for purposes in which both restricted and unrestricted net assets are available.

Unrestricted net position does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Financial Statements

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

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

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Fund Equity (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

Committed (Continued)

Aldermen (the Board) removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City currently has no amounts classified in this category.

Assigned

This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Aldermen or through the Board delegating this responsibility to the City Administrator through the budgetary process. The City currently has no amounts classified in this category.

Unassigned

This classification includes the residual fund balance for the General Fund as it is the only fund that reports a positive, unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

E. USE OF ESTIMATES

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources, to provide services and construct assets. Legally authorized transfers are included in the fund financial statements of both governmental and proprietary funds.

G. PROPERTY TAXES

The details of the City's property tax calendar can be found in Note 3 of the financial statements.

NOTE 2. CASH AND INVESTMENTS

The disclosures that follow have been prepared in accordance with the provisions of GASB Statement 40, *Deposit and Investment Risk Disclosures*. This statement establishes disclosure requirements for investment and deposit risks related to credit risk, concentrations of credit risk, interest rate risk, and foreign currency risk.

A summary of the carrying values of deposits, investments, and petty cash at March 31, 2024, is as follows:

Total deposits	13,461,913
Certificates of deposit	609,979
Held by trustee	478,404
Petty cash	767
Total	<u>14,551,063</u>

These carrying values are reflected on the statement of net position as follows:

Cash and cash equivalents	10,370,454
Certificates of deposit	609,979
Restricted cash and cash equivalents	<u>3,570,630</u>
Total	<u>14,551,063</u>

Investment Policies

The City follows state statutes which allow the City to deposit in open accounts and certificates of deposit, and to invest in direct obligations of the U.S. Government, U.S. Government agency obligations, and repurchase agreements. Restricted assets are invested in accordance with bond ordinances by the trustee in money market mutual funds.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investment Policies (Continued)

Credit Risk - The City's general credit risk policy is to apply the prudent person rule: Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk. However, the City does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City's policy is to collateralize bank deposits with securities held by the financial institution's agent and in the City's name. As of March 31, 2024, all of the City's deposits with financial institutions were fully insured or collateralized by securities held in the City's name in the form of joint safekeeping receipts.

Concentration of Credit Risk - The City places no limit on the amount it may invest in any one issuer. Investments that represent more than 5% of the City's investments consist of the money market mutual funds shown above.

NOTE 3. PROPERTY TAX REVENUE

The City's property tax is levied each November 1 on the assessed value as of the prior January 1 for all property located in the City. Assessed valuations are established by the Lafayette County Assessor. The county collects the property tax and remits it to the City monthly.

The assessed values for property located in the City as of January 1, 2024 and 2023, that the levy was based on, are as follows:

	2024	2023
Real estate	50,659,260	49,259,686
Personal property	14,408,451	15,192,990
Total current valuation	<u>65,067,711</u>	<u>64,452,676</u>

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PROPERTY TAX REVENUE (Continued)

The City is permitted by Missouri state statutes to levy taxes up to \$1.00 of assessed valuation for general governmental services other than payment of principal and interest on long-term debt, up to 0.20 cents for recreation, and in unlimited amounts for the payment of principal and interest on long-term debt. The City's property tax levies for the years ended March 31, 2024 and 2023, per \$100 assessed valuation, were as follows:

	2024	2023
General	0.6057	0.5658
Parks	<u>0.1598</u>	<u>0.1493</u>
Total	<u><u>0.7655</u></u>	<u><u>0.7151</u></u>

Property taxes may attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1, and are due and payable at that time. All unpaid taxes levied by November 1 become delinquent January 1 of the following year.

NOTE 4. INTERGOVERNMENTAL REVENUE

Intergovernmental revenue during the fiscal year ended March 31, 2024, consisted of the following:

	General
State	
Motor vehicle fuel tax	200,776
Motor vehicle sales tax and registration fees	84,241
Financial institution tax	47
Other	
Grants	58,249
Other	422
County	
Use tax	58,135
Road and bridge tax	<u>41,307</u>
Total	<u><u>443,177</u></u>

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

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

Governmental Activities

	Balance April 1, 2023	Increases	Decreases	Balance March 31, 2024
Capital assets, not being depreciated				
Land	2,137,847			2,137,847
Capital assets, being depreciated				
Buildings and improvements	3,678,126	203,976	(262,457)	3,619,645
Land improvements	407,895			407,895
Machinery and equipment	1,849,129	84,571	(54,557)	1,879,143
Infrastructure	5,284,606	443,089		5,727,695
Furniture and fixtures	65,163	59,425	(28,795)	95,793
Vehicles	714,575	294,304	(72,721)	936,158
Total capital assets, being depreciated	11,999,494	1,085,365	(418,530)	12,666,329
Less accumulated depreciation for:				
Buildings and improvements	(1,331,466)	(95,137)	86,550	(1,340,053)
Land improvements	(164,298)	(8,930)		(173,228)
Machinery and equipment	(1,037,619)	(52,955)	54,287	(1,036,287)
Infrastructure	(1,712,072)	(166,099)		(1,878,171)
Furniture and fixtures	(61,564)	(8,822)	28,075	(42,311)
Vehicles	(460,720)	(127,839)	72,721	(515,838)
Total accumulated depreciation	(4,767,739)	(459,782)	241,633	(4,985,888)
Total capital assets, being depreciated, net	7,231,755	625,583	(176,897)	7,680,441
Governmental activities, capital assets, net	9,369,602	625,583	(176,897)	9,818,288

Depreciation was charged to functions as follows:

General government	60,884
Public Safety	84,587
Highways and Streets	232,580
Parks and Recreation	81,731
	<u>459,782</u>

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

Business-Type Activities

	Balance April 1, 2023	Increases	Decreases	Balance March 31, 2024
<u>Business-Type Activities - Electric Fund</u>				
Capital assets, being depreciated				
Generation and distribution system	8,065,534			8,065,534
Buildings and improvements	1,138,290	21,850		1,160,140
Machinery, equipment, and vehicles	1,545,717	102,070	(108,138)	1,539,649
Total capital assets, being depreciated	<u>10,749,541</u>	<u>123,920</u>	<u>(108,138)</u>	<u>10,765,323</u>
Less accumulated depreciation for:				
Generation and distribution system	(6,380,874)	(170,724)		(6,551,598)
Buildings and improvements	(612,451)	(38,036)		(650,487)
Machinery, equipment, and vehicles	<u>(1,107,238)</u>	<u>(77,552)</u>	<u>82,463</u>	<u>(1,102,327)</u>
Total accumulated depreciation	<u>(8,100,563)</u>	<u>(286,312)</u>	<u>82,463</u>	<u>(8,304,412)</u>
Total capital assets, being depreciated, net	<u>2,648,978</u>	<u>(162,392)</u>	<u>(25,675)</u>	<u>2,460,911</u>
Business-type activities - Electric Fund capital assets, net	<u>2,648,978</u>	<u>(162,392)</u>	<u>(25,675)</u>	<u>2,460,911</u>
	Balance April 1, 2023	Increases	Decreases	Balance March 31, 2024
<u>Business-Type Activities - Water Fund</u>				
Capital assets, not being depreciated				
Land	<u>144,010</u>			<u>144,010</u>
Capital assets, being depreciated				
Treatment and distribution system	7,550,566			7,550,566
Buildings and improvements	4,417,921			4,417,921
Machinery, equipment, and vehicles	<u>823,911</u>	<u>59,425</u>	<u>(50,000)</u>	<u>833,336</u>
Total capital assets, being depreciated	<u>12,792,398</u>	<u>59,425</u>	<u>(50,000)</u>	<u>12,801,823</u>
Less accumulated depreciation for:				
Treatment and distribution system	(4,720,857)	(195,035)		(4,915,892)
Buildings and improvements	(3,567,885)	(123,241)		(3,691,126)
Machinery, equipment, and vehicles	<u>(427,389)</u>	<u>(53,631)</u>	<u>50,000</u>	<u>(431,020)</u>
Total accumulated depreciation	<u>(8,716,131)</u>	<u>(371,907)</u>	<u>50,000</u>	<u>(9,038,038)</u>
Total capital assets, being depreciated, net	<u>4,076,267</u>	<u>(312,482)</u>		<u>3,763,785</u>
Business-type activities - Water Fund capital assets, net	<u>4,220,277</u>	<u>(312,482)</u>		<u>3,907,795</u>

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

Business-Type Activities (Continued)

	Balance April 1, 2023	Increases	Decreases	Balance March 31, 2024
<u>Business-Type Activities - Waste Water Fund</u>				
Capital assets, not being depreciated				
Land	52,748			52,748
Capital assets, being depreciated				
Collection and treatment system	9,131,644	146,763		9,278,407
Buildings and improvements	19,450,610			19,450,610
Machinery, equipment, and vehicles	828,117			828,117
Total capital assets, being depreciated	29,410,371	146,763		29,557,134
Less accumulated depreciation for:				
Collection and treatment system	(3,418,466)	(193,511)		(3,611,977)
Buildings and improvements	(7,169,041)	(566,463)		(7,735,504)
Machinery, equipment, and vehicles	(609,138)	(23,255)		(632,393)
Total accumulated depreciation	(11,196,645)	(783,229)		(11,979,874)
Total capital assets being depreciated, net	18,213,726	(636,466)		17,577,260
Business-type activities - Waste Water Fund capital assets, net	18,266,474	(636,466)		17,630,008

NOTE 6. LONG-TERM DEBT

Governmental Activities

Changes in the debt for the year ended March 31, 2024, consisted of the following:

	Balance April 1, 2023	Additions	Retirements	Balance March 31, 2024	Due in One Year
Direct borrowing arrangements					
Financing lease - park	832,000		140,000	692,000	144,000
Financing lease - improvements	472,000		61,000	411,000	63,000
Financing lease - city hall	1,151,000		46,000	1,105,000	47,000
Compensated absences	70,171	28,640		98,811	98,111
Total governmental activities	2,525,171	28,640	247,000	2,306,811	352,111

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Direct Borrowing Arrangements

Financing Leases

In August 2008, the City entered into a lease agreement to finance the construction of an aquatic center in the amount of \$2,300,000, at an interest rate of 3.65%. Lease payments, including certain fees, are due in monthly installments through August 2028.

The future minimum lease obligations and the net present value of these minimum lease payments as of March 31, 2024, are as follows:

Years	Principal	Interest	Total
2025	144,000	22,849	166,849
2026	153,000	17,383	170,383
2027	156,000	11,808	167,808
2028	168,000	5,913	173,913
2029	71,000	654	71,654
	<u>692,000</u>	<u>58,607</u>	<u>750,607</u>

In May 2019, the City entered into a lease agreement to finance the purchases of equipment and vehicles in the amount of \$642,000, at an interest rate of 3.00%. Lease payments are due in monthly installments through May 2029.

The future minimum lease obligations and the net present value of these minimum lease payments as of March 31, 2024, are as follows:

Years	Principal	Interest	Total
2025	63,000	11,385	74,385
2026	65,000	9,465	74,465
2027	67,000	7,485	74,485
2028	70,000	5,430	75,430
2029	72,000	3,300	75,300
2030	74,000	1,110	75,110
	<u>411,000</u>	<u>38,175</u>	<u>449,175</u>

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Direct Borrowing Arrangements (Continued)

Capital Leases

In April 2022, the City entered into a lease agreement to finance improvements to city hall in the amount of \$1,200,000 at an interest rate of 2.95%. Lease payments are due in semi-annual installments for the interest portion each September and March with annual payments for the principal portion beginning March 1, 2023, through March 1, 2042.

The future minimum lease obligations and the net present value of these minimum lease payments as of March 31, 2024, are as follows:

Years	Principal	Interest	Total
2025	47,000	32,598	79,598
2026	49,000	31,211	80,211
2027	50,000	29,766	79,766
2028	52,000	28,291	80,291
2029	53,000	26,757	79,757
2030 - 2034	292,000	109,239	401,239
2035 - 2039	335,000	63,721	398,721
2040 - 2042	227,000	13,541	240,541
	<u>1,105,000</u>	<u>335,124</u>	<u>1,440,124</u>

Business-Type Activities

Changes in debt for the year ended March 31, 2024, consisted of the following:

	Balance April 1, 2023	Additions	Retirements	Balance March 31, 2023	Due in One Year
Electric Fund					
Direct borrowing arrangements					
Financing lease	333,450		50,700	282,750	52,650
Compensated absences	5,851	16,635		22,486	22,486
Total Electric Fund	<u>339,301</u>	<u>16,635</u>	<u>50,700</u>	<u>305,236</u>	<u>75,136</u>

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

	Balance April 1, 2023	Additions	Retirements	Balance March 31, 2024	Due in One Year
Water Fund					
Revenue bonds	228,929			228,929	
Direct borrowing arrangements					
Financing lease	521,550		79,300	442,250	
Compensated absences	22,957		27	22,930	22,930
Total Water Fund	<u>773,436</u>		<u>79,327</u>	<u>694,109</u>	<u>22,930</u>
Waste Water Fund					
Revenue bonds	2,576,071		365,000	2,211,071	375,000
Loans payable	9,499,400		428,100	9,071,300	434,800
Unamortized premium	22,338		12,412	9,926	9,926
Compensated absences	16,312	1,485		17,797	17,797
Total Waste Water Fund	<u>12,114,121</u>	<u>1,485</u>	<u>805,512</u>	<u>11,310,094</u>	<u>837,523</u>
Total business-type activities	<u>13,226,858</u>	<u>18,120</u>	<u>935,539</u>	<u>12,309,439</u>	<u>935,589</u>

Revenue Bonds

2004B Sewerage System Revenue Bonds, dated May 28, 2004, due in annual installments through January 1, 2025, with interest rates of 2.00% - 5.25%.	375,000
Series 2017, Combined Water Works and Sewerage System Refunding Revenue Bonds dated September 12, 2017, due in annual installments starting September 1, 2026 through September 1, 2030, with an interest rate of 2.60%.	<u>2,065,000</u>
	<u>2,440,000</u>

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Revenue Bonds (Continued)

The annual debt service requirements to amortize the revenue bonds as of March 31, 2024, are as follows:

Years Ending March 31,	Series 2004B Sewerage System Revenue Bonds		Series 2017, Combined Water Works and Sewerage System Refunding Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2025	375,000	18,750		53,340	447,090
2026				53,340	53,340
2027			445,000	48,111	493,111
2028			475,000	36,945	511,945
2029			480,000	24,648	504,648
2030 - 2031			665,000	14,094	679,094
Total	<u>375,000</u>	<u>18,750</u>	<u>2,065,000</u>	<u>230,478</u>	<u>2,689,228</u>

In September 2017, the City authorized the issuance of Combined Water Works and Sewerage System Revenue Bonds Series 2017 to pay off the 2011 Certificates of Participation and to complete improvements to their water and wastewater systems.

The annual debt service requirements for the 2017 Combined Water Works and Sewerage System Refunding Bonds have been allocated between the Water Fund and the Waste Water Fund based upon their use of the proceeds and are as follows:

Years Ending March 31,	Water Fund		Waste Water Fund		Total
	Principal	Interest	Principal	Interest	
2025		5,958		47,382	53,340
2026		5,958		47,382	53,340
2027	49,333	5,374	395,667	42,737	493,111
2028	52,659	4,127	422,341	32,818	511,945
2029	53,214	2,753	426,786	21,894	504,647
2030 - 2031	73,723	1,574	591,277	12,521	679,095
Total	<u>228,929</u>	<u>25,744</u>	<u>1,836,071</u>	<u>204,734</u>	<u>2,295,478</u>

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Loans

Series 2005, Waste Water Fund 1.50% loan from the Missouri Department of Natural Resources, dated June 1, 2005, due in semi-annual installments through July 1, 2026.	140,000
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Series 2014 Combined Water Works and Sewerage System 1.46% loan from the Missouri Department of Natural Resources, dated August 26, 2014, due in semi-annual installments through July 1, 2043.	6,497,000
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Series 2015 Combined Water Works and Sewerage System 1.46% loan from the Missouri Department of Natural Resources, dated July 29, 2015, due in semi-annual installments through January 1, 2044, with an interest rate of 1.25%.	<u>2,434,300</u>
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9,071,300

The Series 2005 and 2014 loans are collateralized by a pledge of the net revenues to the extent necessary to meet the debt service requirements. The debt agreements contain limitations and restrictions on annual debt service requirements, and minimum amounts to be maintained in various debt service and revenue accounts, including a renewal and replacement account in the Waste Water Fund, as well as minimum revenue bond coverages. The City is in compliance with all such financial limitations and restrictions.

On August 26, 2014, the City authorized the issuance of Combined Water Works and Sewerage System Revenue Bonds (State of Missouri - Direct Loan Program) Series 2014 in an amount not to exceed \$8,000,000, as a result of its participation in the State of Missouri - Direct Loan Program. Under the Direct Loan Program, the Department of Natural Resources (DNR) acts as the purchaser of the bond and loans the City amounts equal to eligible costs related to the construction of a new waste water treatment facility. Interest is due semi-annually, based on the outstanding loan balance. Principal is due semi-annually in various installments from July 1, 2016 through July 1, 2035. On August 25, 2021, the City amended the issuance with the consent of DNR to adjust the payment schedule to a maturity date of July 1, 2043.

On July 29, 2015, the City authorized the issuance of Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri - Direct Loan Program) Series 2015 in an amount not to exceed \$3,000,000, as a result of its participation in the State of Missouri - Direct Loan Program. Under the Direct Loan Program, DNR acts as the purchaser of the bond and loans the City amounts equal to eligible costs related to the construction of waste water

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Loans (Continued)

system improvements. Interest is due semi-annually, based on the outstanding loan balance. Principal is due semi-annually in various installments from January 1, 2017, through January 1, 2038. On August 25, 2021, the City amended the issuance with the consent of DNR to adjust the payment schedule to a maturity date of January 1, 2044.

The annual debt service requirements to amortize the 2005, 2014, and 2015 loans outstanding as of March 31, 2024, are detailed below:

Years Ending March 31,	Series 2005 Loan		Series 2014 Loan		Series 2015 Loan		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	56,000	1,890	276,000	93,856	102,800	30,108	560,654
2026	56,000	1,050	281,000	89,804	104,700	28,818	561,372
2027	28,000	210	287,000	85,680	106,500	27,504	534,894
2028			293,000	81,468	108,300	26,167	508,935
2029			298,000	77,176	110,300	24,807	510,283
2030 - 2034			1,582,000	318,506	581,000	102,778	2,584,284
2035 - 2039			1,745,000	197,715	634,000	64,997	2,641,712
2040 - 2044			1,735,000	64,518	686,700	23,772	2,509,990
Total	<u>140,000</u>	<u>3,150</u>	<u>6,497,000</u>	<u>1,008,723</u>	<u>2,434,300</u>	<u>328,951</u>	<u>10,412,124</u>

The net revenues of the Water and Waste Water Funds are pledged over the terms of the revenue bonds and loan in amounts equal to the total principal and interest payments above. The Missouri State Constitution permits a city, by vote of either two-thirds or four-sevenths of the voting electorate, depending upon the date of the election, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way; construction; extending and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric, or other light plants, provided the total general obligation indebtedness does not exceed 20% of the assessed valuation of taxable property.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Direct Borrowing Arrangements

Financing Lease

In December 2018, the City entered into a personal property lease purchase agreement with Capital One Public Funding, LLC, to fund the purchase of new business-type metering equipment.

Property secured through this lease agreement will total \$1,335,000 with lease proceeds split between the City's Electric and Water Funds. The lease requires semi-annual interest payments at 3.48% of the outstanding principal and annual lease payments of varying amounts starting in December 2019.

The annual debt service requirements to service the financing lease outstanding as of March 31, 2024, are detailed below.

Years	Water Fund		Waste Water Fund		Total
	Principal	Interest	Principal	Interest	
2025	52,650	9,840	82,350	15,390	160,230
2026	54,600	8,007	85,400	12,525	160,532
2027	56,550	6,107	88,450	9,553	160,660
2028	58,500	4,139	91,500	6,475	160,614
2029	60,450	2,104	94,550	3,290	160,394
Total	<u>282,750</u>	<u>30,197</u>	<u>442,250</u>	<u>47,233</u>	<u>802,430</u>

NOTE 7. INTERFUND TRANSACTIONS

Transfers are used to move revenues from the fund that a statute or the budget requires to collect them, to the fund that a statute or the budget requires to expend them; to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to report payments in lieu of taxes and indirect cost allocations from the enterprise funds to the General Fund. For the year ended March 31, 2024, these amounts were \$448,509 and \$415,056, respectively.

Interfund receivable and payable activity represents transactions between the different funds under the City's control. In most cases, these balances represent short-term advances from one fund to another. The interfund balance between the Water and Waste Water Funds totaled \$310,000.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. INTERFUND TRANSACTIONS (Continued)

Interfund transfers for the year ended March 31, 2024, consisted of the following:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General</u>	<u>Park</u>	<u>Sales Tax</u>	
General		12,675	63,625	76,300
Capital Improvement		19,015		19,015
Electric	410,115			410,115
Water	205,785			205,785
Waste Water	247,665			247,665
Total	<u>863,565</u>	<u>31,690</u>	<u>63,625</u>	<u>958,880</u>

NOTE 8. PENSION PLAN

Plan Description

The City of Odessa, Missouri, contributes to the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent, multi-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the state of Missouri. LAGERS was established in 1967 and is administered in accordance with RSMo. 70.600-70.755. At June 30, 2023, there were 861 participating political subdivisions.

Responsibility for the operation and administration of the plan is vested in the LAGERS Board of Trustees consisting of seven persons. Three trustees are elected by the employees who participate in the system, three trustees are elected by the members of the governing bodies of those political subdivisions which participate in the system, and one trustee is appointed by the governor. The regular term of office for members of the LAGERS Board of Trustees is four years. Members of the LAGERS Board of Trustees serve without compensation with respect to their duties, but are reimbursed by LAGERS for their actual and necessary expenses incurred in the performance of their duties.

For the City's year ending March 31, 2024, the net pension asset is based on an actuarial valuation performed as of February 28, 2023, and a measurement date of June 30, 2023.

Benefits Provided

LAGERS provides retirement, death, and disability benefits to employees of participating political subdivisions. All benefits vest after five years of service. Employees who retire on or after age 60 (55 for police) with five or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of five years of

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (Continued)

Benefits Provided (Continued)

credited service and after attaining age 55 (50 for police) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan. Benefit terms provide for annual postretirement 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.

At the date the actuarial valuation was performed, the City had 41 active employees, 38 inactive employees entitled to but not yet receiving benefits, and 46 inactive employees (or their beneficiaries) who are currently receiving benefits.

Contributions

Each participating unit of government is obligated by state law to make all required contributions to the plan. The required contributions are actuarially determined using the individual entry-age actuarial cost method. There are no long-term contracts for contributions to the plan. All actuarial liabilities are amortized over a period of 30 years or less. Administrative costs of LAGERS are financed through investment earnings of the system. Employee contributions are determined at the election of the governing body of the local government. Should the governing body elect to participate in the contributory plan, all employees must contribute four percent of their gross salary. The governing body may elect to participate in the noncontributory plan which would result in no employee contributions.

Actuarial Assumptions

The pension liability for the June 30, 2023, measurement date was determined using the following actuarial assumptions applied to the measurement:

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 of (ii) 15 years.
Remaining Amortization Period	15 years
Asset Valuation Method	5-year smoothed market; 20% corridor

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increases	2.75% - 6.75%, including wage inflation
Investment Rate of Return	7.00%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire, and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.
Other Information	None

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). The expected rate of return on pension investments is 7.00%, the municipal bond rate is 3.69% based on the weekly rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index" rate from Fidelity; and the resulting single discount rate is 7.00% for the General and Police Divisions.

This rate considers the ability of the plan to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses, and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (Continued)

Discount Rate (Continued)

to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the preceding paragraph.

LAGERS has provided tables to the City that provide background for the development of the single discount rate. These tables are described as follows:

The Projection of Contributions table shows the development of expected contributions in future years. Normal cost contributions for future hires are not included (nor are their liabilities).

The Projection of Plan Fiduciary Net Position table shows the development of expected asset levels in future years.

The Present Values of Projected Benefit Payments table shows the development of the Single Discount Rate (SDR). It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

Pension Liability Sensitivity

The following table presents the net pension asset (liability) for the City's proportionate share of the net pension asset (liability) as of June 30, 2023, calculated using the discount rate of 7.00% for the General and Police Divisions, as well as what the pension plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1.00% Decrease 6.00%	Current Rate 7.00%	1.00% Increase 8.00%
General Division	20,882	(977,938)	(1,800,269)
Police Division	144,063	(188,160)	(455,795)
	<u>164,945</u>	<u>(1,166,098)</u>	<u>(2,256,064)</u>

Assumed Asset Allocation

Activities undertaken by LAGERS Investment Team include setting and implementing investment strategies; appointing and dismissing investment managers; monitoring investment allocation, liquidity, and performance; and ensuring safekeeping of assets.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (Continued)

Assumed Asset Allocation (Continued)

To achieve the goal of 7.00% long-term rate of return, LAGERS investment team sets an investment strategy which is devised after analyzing the long-term view of the market and consulting with LAGERS' Board of Trustees.

The assumed asset allocation is as follows:

Equities	31.9%
Fixed Income	26.8%
Real Assets/Return	30.2%
Strategic	4.7%
Alpha*	6.4%

* Alpha portfolio is based on a volatility adjusted exposure targeting 8% overall.

Deferred Outflows and Inflows of Resources

The balances of deferred outflows and inflows of resources to be recognized in future pension expense consists of the following:

Deferred Outflows of Resources

Net difference between projected and actual earnings on pension plan investments	150,775
Differences between expected and actual experience	162,963
Employer contributions subsequent to the measurement date	144,063
	<u>457,801</u>

Deferred Inflows of Resources

Changes in assumptions	1,771
Differences between expected and actual experience	10,357
	<u>12,128</u>
Net deferred outflows (inflows) of resources	<u>445,673</u>

\$144,063 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2024.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (Continued)

Deferred Outflows and Inflows of Resources (Continued)

Net deferred outflows (inflows) of resources by year to be recognized in future pension expenses:

Years Ending March 31,	Net deferred outflows (inflows) of resources
2025	244,345
2026	(93,741)
	222,660
2027	72,409
	<u>445,673</u>

Changes in Net Pension Liability (Asset)

Total pension liability (asset)	
Service cost	177,299
Interest on total pension liability	619,245
Difference between expected and actual experience of the total pension liability	78,059
Benefit payments, including refunds of employee contributions	<u>(435,731)</u>
Net change in total pension liability	438,872
Total pension liability - beginning	<u>8,973,389</u>
Total pension liability - ending	<u>9,412,261</u>
Plan fiduciary net position	
Contributions - employer	171,019
Net investment income	363,469
Benefit payments, including refunds of employee contributions	(435,731)
Pension plan administrative expense	(16,134)
Other	<u>(13,473)</u>
Net change in fiduciary net position	69,150
Plan fiduciary net position - beginning	<u>10,509,209</u>
Plan fiduciary net position - ending	<u>10,578,359</u>
Net pension liability (asset)	<u>(1,166,098)</u>

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (Continued)

Pension Plan Fiduciary Net Position

Additional financial and actuarial information supporting the preparation of the schedule of changes in fiduciary net position is included in the System's Comprehensive Annual Financial Report for the year ended June 30, 2023. The Comprehensive Annual Financial Report can be obtained at www.molagers.org or from the Missouri Local Area Government Employee Retirement System (LAGERS), P.O. Box 1665, Jefferson City, Missouri, 65102.

NOTE 9. COMMITMENTS AND CONCENTRATIONS

Energy Purchase Agreement

The City is a member of the Missouri Joint Municipal Electric Utility Commission (MJMEUC). MJMEUC manages a power pool known as Missouri Public Energy Pool No. 1 (MOPEP). The City is also a member of MOPEP. The MOPEP members have an agreement with MJMEUC for the purchase of electric capacity and energy. The agreement requires MJMEUC to supply the full energy requirements of the City and includes a procedure for the City to dedicate its capacity to MOPEP.

MOPEP operations are governed by a Pool Committee consisting of one representative from each MOPEP member and is currently comprised of 60 members. The Pool Committee is charged with setting rates for all services provided by MJMEUC to MOPEP members.

The rates include recovery of all of MJMEUC's costs incurred in connection with acquiring, providing, arranging, or financing the provision of full requirements service to MOPEP members. Such rates are based upon an annual budget and include, but are not limited to, all payments MJMEUC is required to make for reserves for coverage MJMEUC is required to maintain pursuant to any bond indenture, financing lease, or loan agreement or other financial contract in order to procure, deliver, or finance resources intended to provide full requirement service, without regard to whether any particular resource is available to or used by any particular MOPEP member. Costs also include amounts required to fund MOPEP capital and/or operating reserves as may be established from time to time by the Pool Committee.

The rates are established so as to charge each MOPEP member its proportionate share of all costs associated with MJMEUC's performance under the MOPEP agreement. Charges based on such rates are assessed and billed monthly. Rates are required to be established at least annually and are adjusted to recognize variances between budgeted and actual costs at least every six months. To meet the power and energy requirements of the City and the other MOPEP 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; (ii) MJMEUC owned generation; (iii) member capacity; and (iv) spot market purchases. The City purchases its full energy requirements from MJMEUC pursuant to the MOPEP agreement, but does not have any ownership interest in MJMEUC's resources.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. COMMITMENTS AND CONCENTRATIONS (Continued)

Energy Purchase Agreement (Continued)

In the event a member would cancel their MOPEP agreement, the member would remain responsible for its allocated share of MJMEUC's costs associated with all resource obligations entered into by MJMEUC for MOPEP prior to the notice of cancellation. MJMEUC would utilize or sell the member's allocated share of output in exchange for providing the member a credit or offset equal to the fair market value of the output up to the amount of the member's obligation.

As a result, a member would have a financial obligation after cancellation in the event that the fair market value of the output is less than the member's allocated share of MJMEUC's costs. Currently the City has no plans or intentions to begin cancellation proceedings. The City incurred costs of \$4,124,417 from MJMEUC during the year.

NOTE 10. COMPLIANCE WITH MISSOURI STATUTES

Missouri House Bill No. 103 amending RSMo Section 302.341.2 became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of annual general operating revenue from fines and costs for traffic violations.

Fines and costs for traffic violations	48,885
Annual general operating revenue	3,199,377
Fines and costs for traffic violations as a percentage of annual general operating revenue	1.53%

NOTE 11. RISK MANAGEMENT

In its normal course of business, the City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and no significant losses in the past three years.

CITY OF ODESSA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. RESTRICTED CASH

Restricted cash and equivalents at March 31, 2024, consisted of the following:

	Restricted For				Total
	Capital Outlay	Federal Programs	Customer Deposits	Debt Service	
General Fund		1,085,722		37,172	1,122,894
Park Fund	136,821				136,821
Transportation Sales Tax Fund	277,961				277,961
Capital Improvement Fund	684,396				684,396
Electric Fund			633,128		633,128
Water Fund				75,613	75,613
Waste Water Fund				650,981	650,981
Total	<u>1,099,178</u>	<u>1,085,722</u>	<u>633,128</u>	<u>763,766</u>	<u>3,581,794</u>

NOTE 13. ACCOUNTS RECEIVABLE

Accounts receivable at March 31, 2024, consisted of the following:

	Accounts	Interest	Taxes	Unbilled Revenues	Allowance for Doubtful Accounts	Receivables Net
General Fund						
General			190,208			190,208
Trash	44,200				(8,162)	36,038
Park Fund			73,178			73,178
Transportation Sales Tax Fund			61,877			61,877
Capital Improvement Fund			61,877			61,877
Property taxes collected after 60 days of year end			24,629			24,629
Electric Fund	570,224			210,790	(180,477)	600,537
Water Fund	117,475			62,034	(53,533)	125,976
Waste Water Fund	<u>203,207</u>	<u>7,096</u>		<u>98,816</u>	<u>(58,998)</u>	<u>250,121</u>
Total	<u>935,106</u>	<u>7,096</u>	<u>411,769</u>	<u>371,640</u>	<u>(301,170)</u>	<u>1,424,441</u>

NOTE 14. SUBSEQUENT EVENT

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through July 31, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ODESSA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	1,574,290	1,574,290	1,309,487	(264,803)
Charges for services	600,756	600,756	855,781	255,025
Licenses, permits, and fees	98,700	98,700	150,826	52,126
Fines and forfeitures	45,800	45,800	50,020	4,220
Intergovernmental revenues			415,079	415,079
Interest	15,000	15,000	91,593	76,593
Proceeds from the sale of assets			164,099	164,099
Other	14,500	14,500	82,823	68,323
Total revenues	<u>2,349,046</u>	<u>2,349,046</u>	<u>3,119,708</u>	<u>770,662</u>
EXPENDITURES				
General government	752,751	752,751	937,970	(185,219)
Public Safety	1,355,680	1,355,680	1,265,264	90,416
Highways and Streets	539,112	539,112	486,248	52,864
Sanitation	427,896	427,896	430,559	(2,663)
Community Planning and Development	108,170	108,170	99,219	8,951
Municipal court	20,286	20,286	35,587	(15,301)
Total expenditures	<u>3,203,895</u>	<u>3,203,895</u>	<u>3,254,847</u>	<u>(50,952)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(854,849)</u>	<u>(854,849)</u>	<u>(135,139)</u>	<u>719,710</u>
OTHER FINANCING SOURCES				
Transfers in	1,534,013	1,534,013	863,565	(670,448)
Transfers out	<u>(676,909)</u>	<u>(676,909)</u>	<u>(76,300)</u>	<u>600,609</u>
Total other financing sources	<u>857,104</u>	<u>857,104</u>	<u>787,265</u>	<u>(69,839)</u>
CHANGE IN FUND BALANCE	<u>2,255</u>	<u>2,255</u>	652,126	<u>649,871</u>
FUND BALANCE, beginning of year			<u>4,076,118</u>	
FUND BALANCE, end of year			<u>4,728,244</u>	

See accompanying notes to required supplementary information.

CITY OF ODESSA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
PARK FUND
YEAR ENDED MARCH 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	414,498	414,498	441,408	26,910
Charges for services	230,300	230,300	206,397	(23,903)
Other			6,662	6,662
Total revenues	<u>644,798</u>	<u>644,798</u>	<u>654,467</u>	<u>9,669</u>
EXPENDITURES				
Parks and Recreation	498,844	498,844	485,268	13,576
Debt service				
Principal	140,000	140,000	140,000	
Interest and fiscal costs	35,355	35,355	35,355	
Total expenditures	<u>674,199</u>	<u>674,199</u>	<u>660,623</u>	<u>13,576</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(29,401)	(29,401)	(6,156)	23,245
OTHER FINANCING SOURCES				
Transfers in	<u>87,901</u>	<u>87,901</u>	<u>31,690</u>	<u>(56,211)</u>
CHANGE IN FUND BALANCE	<u>58,500</u>	<u>58,500</u>	25,534	<u>(32,966)</u>
Modified accrual adjustments				
FUND BALANCE, beginning of year			<u>181,989</u>	
FUND BALANCE, end of year			<u>207,523</u>	

See accompanying notes to required supplementary information.

CITY OF ODESSA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION SALES TAX FUND
YEAR ENDED MARCH 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	314,971	314,971	339,096	24,125
Grants	773,565	773,565		(773,565)
Interest	50	50	358	308
Total revenues	<u>1,088,586</u>	<u>1,088,586</u>	<u>339,454</u>	<u>(749,132)</u>
EXPENDITURES				
General government	570	570	618	(48)
Highways and Streets	30,000	30,000	56,499	(26,499)
Capital outlay	<u>2,121,641</u>	<u>2,121,641</u>	<u>405,825</u>	<u>1,715,816</u>
Total expenditures	<u>2,152,211</u>	<u>2,152,211</u>	<u>462,942</u>	<u>1,689,269</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,063,625)	(1,063,625)	(123,488)	940,137
OTHER FINANCING USES				
Transfers in	<u> </u>	<u> </u>	<u>63,625</u>	<u>63,625</u>
CHANGE IN FUND BALANCE	<u>(1,063,625)</u>	<u>(1,063,625)</u>	<u>(59,863)</u>	<u>1,003,762</u>
FUND BALANCE, beginning of year			<u>358,339</u>	
FUND BALANCE, end of year			<u>298,476</u>	

See accompanying notes to required supplementary information.

CITY OF ODESSA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
YEAR ENDED MARCH 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	314,971	314,971	339,095	24,124
Interest	<u>12,000</u>	<u>12,000</u>	<u>79,107</u>	<u>67,107</u>
Total revenues	<u>326,971</u>	<u>326,971</u>	<u>418,202</u>	<u>91,231</u>
EXPENDITURES				
General government	60,627	60,627	643	59,984
Capital outlay	247,500	247,500	503,147	(255,647)
Debt service				
Principal	107,000	107,000	107,000	
Interest	<u>47,199</u>	<u>47,199</u>	<u>48,286</u>	<u>(1,087)</u>
Total expenditures	<u>462,326</u>	<u>462,326</u>	<u>659,076</u>	<u>(196,750)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(135,355)</u>	<u>(135,355)</u>	<u>(240,874)</u>	<u>(105,519)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>64,605</u>	<u>64,605</u>	<u>(19,015)</u>	<u>(83,620)</u>
CHANGE IN FUND BALANCE	<u>(70,750)</u>	<u>(70,750)</u>	<u>(259,889)</u>	<u>(189,139)</u>
FUND BALANCE, beginning of year			<u>942,638</u>	
FUND BALANCE, end of year			<u>682,749</u>	

See accompanying notes to required supplementary information.

CITY OF ODESSA, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES

NOTE 1. BUDGETARY INFORMATION

Budgets for the City are prepared and adopted on the same basis of accounting as reported in the fund financial statements. The City performs the following procedures in establishing the budget:

The Budget Committee submits to the Board of Aldermen a proposed budget for the fiscal year commencing the following.

The budget is legally enacted through the passage of an ordinance.

Any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen. The fund level constitutes the City's legal level of budgetary control. Reported budgeted amounts are as originally adopted and amended by resolution.

Appropriations lapse at fiscal year end but may be reappropriated in the following fiscal year.

NOTE 2. BUDGETARY DISCLOSURE

Actual disbursements exceeded budgeted amounts in the City's Park Fund and Capital Improvement Fund. The overage is mainly attributable to year-end accrual adjustments in the Park Fund and additional capital outlay disbursements in the Capital Improvement Fund. All overages were approved by the City's Board of Aldermen.

CITY OF ODESSA, MISSOURI
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31, 2024

Fiscal Year Ending March 31,	Actuarially Determined Contribution (a)	Contribution in Relation (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2006	99,917	84,123	15,794	1,448,801	5.81%
2007	105,769	101,852	3,917	1,593,402	6.39%
2008	107,259	105,282	1,977	1,693,615	6.22%
2009	107,012	107,012		1,698,156	6.30%
2011	135,983	125,681	10,302	1,614,623	7.78%
2013	159,593	154,962	4,631	1,588,141	9.76%
2014	173,507	173,507		1,734,519	10.00%
2015	162,552	162,552		1,716,130	9.47%
2016	148,713	148,713		1,656,628	8.98%
2017	127,693	127,693		1,540,202	8.29%
2018	107,436	107,436		1,360,516	7.90%
2019	143,975	143,975		1,643,972	8.76%
2020	158,581	154,687	3,894	1,738,848	8.90%
2021	149,987	149,987		1,702,474	8.81%
2022	150,637	150,637		1,906,060	7.90%
2023	162,144	162,144		2,037,027	7.96%
2024	195,361	195,360		2,330,441	8.38%

CITY OF ODESSA, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
YEAR ENDED MARCH 31, 2024

	September 30, 2016	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Net pension liability (asset) - beginning	(898,631)	(378,602)	(1,025,616)	(1,070,799)	(836,081)	(531,391)	(2,430,641)	(1,535,820)
Service cost	144,271	137,041	107,477	134,512	154,357	146,808	160,950	177,299
Interest on total pension liability	500,095	521,968	506,183	541,931	583,488	583,236	569,832	619,245
Changes in benefit terms			198,404					
Difference between expected and actual experience of the total pension liability	(214,374)	(399,644)	125,998	289,007	(324,293)	(56,695)	398,199	78,059
Changes in assumptions	250,856					(163,541)		
Contributions - employer	(147,843)	(113,861)	(112,773)	(152,693)	(150,716)	(149,732)	(160,357)	(171,019)
Net investment (income) loss	14,401	(955,246)	(1,021,863)	(547,895)	(110,721)	(2,331,882)	(6,750)	(363,469)
Pension plan administrative expense	7,233	7,079	7,852	11,225	12,232	10,270	11,270	16,134
Other	<u>(34,610)</u>	<u>155,649</u>	<u>143,539</u>	<u>(41,369)</u>	<u>140,343</u>	<u>62,286</u>	<u>(78,323)</u>	<u>13,473</u>
Net pension liability (asset) - ending*	<u>(378,602)</u>	<u>(1,025,616)</u>	<u>(1,070,799)</u>	<u>(836,081)</u>	<u>(531,391)</u>	<u>(2,430,641)</u>	<u>(1,535,820)</u>	<u>(1,166,098)</u>

Schedule is to be provided prospectively beginning with the fiscal year ending September 30, 2016.

* For further analysis of the Changes in Net Pension Liability, see the disclosure in Note 8.

Fiduciary net position as a percentage of the total pension liability	105.16%	114.27%	114.09%	110.23%	106.50%	129.15%	117.12%	112.39%
Covered payroll	1,650,984	1,360,516	1,370,908	1,722,929	1,567,778	1,717,056	1,938,764	2,039,192
Net pension liability (asset) as a percentage of covered payroll	-22.93%	-75.38%	-78.11%	-48.53%	-33.89%	-141.56%	-79.22%	-57.18%



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of the Board of Aldermen
City of Odessa, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Odessa, Missouri, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Odessa, Missouri's basic financial statements, and have issued our report thereon dated July 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Odessa, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Odessa, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Odessa, Missouri's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, that we consider to be significant deficiencies as items 2024-001 and 2024-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Odessa, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Odessa, Missouri's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Odessa, Missouri's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City of Odessa, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Odessa, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Odessa, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana J Cole + Company, LLP

Overland Park, Kansas
July 31, 2025

CITY OF ODESSA, MISSOURICITY OF ODESSA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED MARCH 31, 2024

2024-001 SEGREGATION OF DUTIES

Criteria

The City has a lack of segregation of duties related to certain financial transactions.

Condition and Context

The concept of segregation of duties is such that the authorization and recording of transactions, and access to the related assets is not the responsibility of the same individual.

Cause

The City has a limited number of employees to fully segregate duties.

Potential Effect

A lack of segregation of duties increases the risk of loss or errors in recording transactions, safeguarding assets, and financial statement reporting.

Recommendation

Although the small size of the City's accounting and other staff limits the full extent of segregation of duties, we believe certain additional procedures and reviews could be implemented to reduce the effect of incompatible duties.

Views of Responsible Officials

The City concurs with the recommendations that the City of Odessa, Missouri, would be best served by segregating fiscal duties as outlined above. At the current time, the additional staff required to implement the recommendation is not practical in order to allow us to fully implement the recommendation. The City's Board of Aldermen and management will remain actively involved in the financial affairs of the City to provide oversight and independent review functions.

2024-002 RELIANCE UPON THE AUDITOR

Criteria

As described in our engagement letter, management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of financial statements, in conformity with accounting principles generally accepted in the United States of America.

CITY OF ODESSA, MISSOURI
CITY OF ODESSA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED MARCH 31, 2024

2024-002 RELIANCE UPON THE AUDITOR (Continued)

Condition and Context

Management should possess the ability to record necessary adjustments and to prepare financial statements and related note disclosures in accordance with accounting principles generally accepted in the United States of America without the assistance from the auditors. During our audit, the auditors prepared a draft of the financial statements and note disclosures from a trial balance containing necessary adjustments to properly present the City's financial records.

Cause

Change in personnel within the City determined the need for the auditors to draft the year end financial statements, including the note disclosures and supplementary information.

Potential Effect

The potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the City's internal control.

Recommendation

We recommend that the City review and approve the proposed auditor adjusting entries, the adequacy of the financial statement disclosures, and apply analytical procedures and other procedures determined necessary in reviewing the draft of the financial statements.

Views of Responsible Officials

The City relies on the auditors to propose adjustments necessary to prepare the financial statements including the related note disclosures. The City reviews such financial statements and related disclosures and approves all adjustments.

CITY OF ODESSA, MISSOURICITY OF ODESSA, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED MARCH 31, 2024

2023-001 SEGREGATION OF DUTIES

The City has a limited number of personnel involved in the accounting function, thus limiting its internal control procedures in relation to certain financial transactions. This is a continued finding as noted in item 2024-001.

2023-002 RELIANCE UPON THE AUDITOR

Management should possess the ability to prepare financial statements in accordance with accounting principles generally accepted in the United States of America without assistance from the auditors. The preparation of financial statements under this basis of accounting would require that management possess the ability to properly record and classify transactions in a general ledger and prepare the financial statements and related disclosures without assistance from the auditors. This is a continued finding as noted in item 2024-002.