



Rolla Municipal Utilities

(A Component Unit of the City of Rolla, Missouri)

**Basic Financial Statements
With
Independent Auditor's Report**

For the Year Ended
September 30, 2023

Rolla Municipal Utilities

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INDEPENDENT AUDITOR'S REPORT

Board of Public Works
Rolla Municipal Utilities

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Rolla Municipal Utilities (RMU), a component unit of the City of Rolla, Missouri, for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the RMU'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 financial position of RMU, as of September 30, 2023, and the changes in financial position and 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 of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RMU 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 opinion.

Change in Accounting Principle

As described in Note 1M and 6 to the financial statements, in 2023, RMU adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 RMU's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

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 involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RMU'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 RMU'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, 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 operation, 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

As discussed in Note 1, the financial statements present only the Rolla Municipal Utilities and do not purport to, and do not, present fairly the financial position of the City of Rolla, Missouri as of September 30, 2023 and the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the RMU. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 18, 2024, on our consideration of the RMU'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 RMU's internal control over financial reporting and compliance.

Hood & Associates CPAs PC

Kansas City, Missouri
April 18, 2024

Rolla Municipal Utilities Management's Discussion and Analysis For the Years Ended September 2023 and 2022

Introduction

Rolla Municipal Utilities (RMU) is a component unit of the City of Rolla, Missouri (the City). This discussion and analysis of financial performance and activities of RMU is for the fiscal year ending September 30, 2023.

Since 1945 RMU has provided electric and water services to the City and has been under the direction of the Rolla Board of Public Works (RBPW). Power supply is purchased from the Missouri Public Energy Pool in Columbia, Missouri. RMU also operates thirty-four (34) megawatts of distributed diesel fired generation located throughout the City. RMU derives its water supply from a deep well system. RMU currently services approximately 9,700 active electric meters and 7,980 active water meters.

Financial Highlights

- The assets and deferred outflows of resources of RMU exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending September 30, 2023, by \$67,869,110 (net position). Of this amount, \$32,115,538 (unrestricted net position) may be used to meet the RMU's ongoing obligations to citizens and creditors.
- The RMU's total net position increased by \$727,934 for the year ended September 30, 2023.
- The RBPW is the governing body of RMU and it is their obligation to oversee the operation of the utility and set RMU retail rates. RMU is a "cost of service" utility. Rates are adjusted in order to maintain fiscal stability.

Overview of the Financial Statements

The discussion and analysis serve as an introduction to RMU's basic financial statements. RMU's financial statements are comprised of two components, fund financial statements and notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Fund Financial Statements

RMU maintains two enterprise funds that are used to charge customers for electric and water services. These are used to account for all of RMU's activities.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found immediately following the basic financial statements.

**Rolla Municipal Utilities
Management's Discussion and Analysis
For the Years Ended September 2023 and 2022**

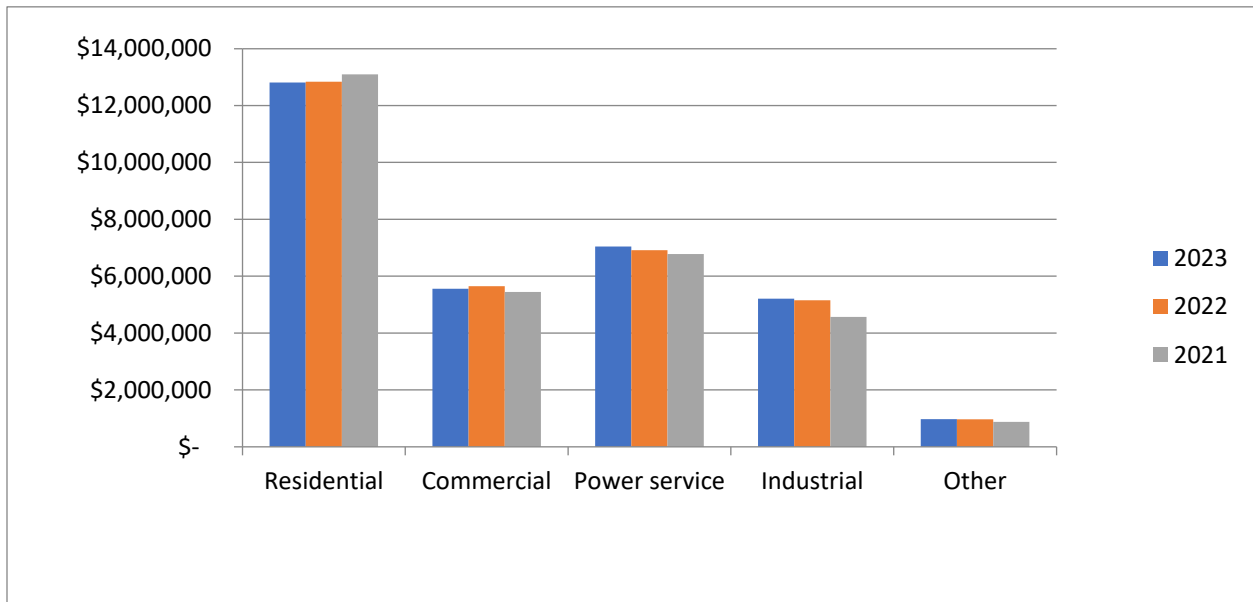
A summary of financial position follows:

	September 30,			2023 Change	
	2023	2022	2021	Amount	Percent
Assets					
Current and other assets	\$ 41,687,790	\$ 42,998,653	\$ 42,823,741	\$ (1,310,863)	-3%
Net capital assets	31,726,594	31,303,809	31,818,648	422,785	1%
Total Assets	73,414,384	74,302,462	74,642,389	(888,078)	-1%
Deferred outflows of resources	1,695,682	617,155	393,445	1,078,527	175%
Liabilities					
Current liabilities payable from current assets	6,909,909	5,375,555	5,066,429	1,534,354	30%
Long-term liabilities, net	522,092	440,535	750,234	81,557	11%
Total Liabilities	7,432,001	5,816,090	5,816,663	1,615,911	28%
Deferred inflows of resources	1,108,955	1,962,351	3,491,333	(853,396)	-43%
Net Position					
Net investment in capital assets	31,576,026	31,113,809	31,453,648	462,217	1%
Restricted for pension benefits	4,177,546	4,103,397	3,322,734	74,149	2%
Unrestricted	32,115,538	31,923,970	30,951,456	191,568	1%
Total Net Position	\$ 67,869,110	\$ 67,141,176	\$ 65,727,838	\$ 727,934	1%

**Rolla Municipal Utilities
Management's Discussion and Analysis
For the Years Ended September 2023 and 2022**

Operating Revenues

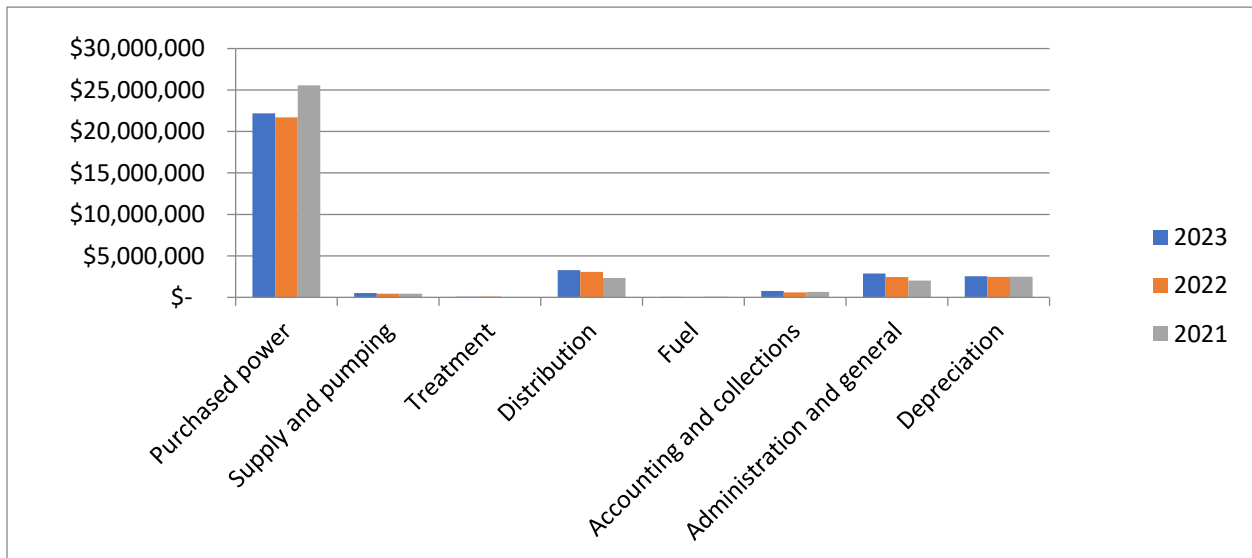
	September 30,		
	2023	2022	2021
Residential	\$ 12,808,094	\$ 12,935,991	\$ 13,097,096
Commercial	5,554,594	5,645,144	5,443,609
Power service	7,039,875	6,912,085	6,777,066
Industrial	5,208,046	5,149,532	4,565,988
Other	970,483	962,614	874,221
	<u>\$ 31,581,092</u>	<u>\$ 31,605,366</u>	<u>\$ 30,757,980</u>



**Rolla Municipal Utilities
Management's Discussion and Analysis
For the Years Ended September 2023 and 2022**

Operating Expenses

	September 30,		
	2023	2022	2021
Purchased power	\$ 22,191,222	\$ 21,708,758	\$ 25,557,474
Source of supply and pumping	522,778	435,523	444,797
Treatment	73,292	89,192	14,991
Distribution	3,286,370	3,064,674	2,338,885
Fuel	63,432	42,599	84,969
Customer accounting and collection	779,188	596,048	646,861
Administration and general	2,866,390	2,444,159	1,936,525
Depreciation	2,554,673	2,477,188	2,480,523
	\$ 32,337,345	\$ 30,858,141	\$ 33,505,025



**Rolla Municipal Utilities
Management's Discussion and Analysis
For the Years Ended September 2023 and 2022**

A condensed version of the statements of revenues, expenses, and change in net position is as follows:

	2023	2022	2021	2023 Change	
				Amount	Percent
Operating revenues	\$ 31,581,092	\$ 31,605,366	\$ 30,757,980	\$ (24,274)	0%
Operating expenses	32,337,345	30,858,141	33,505,025	1,479,204	5%
Operating income (loss)	(756,253)	747,225	(2,747,045)	(1,503,478)	-201%
Nonoperating revenues (expenses), net	1,110,886	599,459	9,137,939	511,427	-85%
Income before capital contributions	354,633	1,346,684	6,390,894	(992,051)	-74%
Capital contributions	373,301	66,654	74,154	306,647	460%
Change in net position	727,934	1,413,338	6,465,048	(685,404)	-48%
Net position, October 1	67,141,176	65,727,838	59,314,768	1,413,338	2%
Net position, September 30	\$ 67,869,110	\$ 67,141,176	\$ 65,779,816	\$ 727,934	1%

**Rolla Municipal Utilities
Management's Discussion and Analysis
For the Years Ended September 2023 and 2022**

Capital Assets and Debt Administration

Capital Assets

RMU's investment in capital assets as of September 30, 2023, is \$31.7 million (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, office furniture, fixtures and equipment, transportation equipment, distribution, and production systems. In 2021, RMU completed the Asset Purchase Agreement with Ameren Transmission Company of Illinois which resulted in a gain on disposal of capital assets of approximately \$8.3 million. Additional information regarding RMU's capital assets can be found in Notes 1 and 5 in the basic financial statements.

	Capital Assets, Net of Depreciation		
	2023	2022	2021
Land and construction in progress	\$ 1,942,608	\$ 1,550,047	\$ 1,221,572
Buildings and improvements	1,083,014	1,201,738	1,324,247
Office furniture, fixtures and equipment	138,419	189,516	169,701
Subscription-based software	254,749	-	-
Transportation equipment	1,245,979	1,315,644	1,135,956
Distribution system	26,754,425	26,650,161	27,476,744
Production system	307,400	396,703	490,428
Total	\$ 31,726,594	\$ 31,303,809	\$ 31,818,648

Debt Administration

As of September 30, 2023, RMU had \$150,568 of outstanding obligations. This was a decrease of \$39,432 from the previous fiscal year. Additional information regarding the RMU's long-term debt can be found in Note 6 in the basic financial statements.

	Long-Term Debt		
	2023	2022	2021
SBITA payable	\$ 150,568	\$ 190,000	\$ 365,000

**Rolla Municipal Utilities
Management's Discussion and Analysis
For the Years Ended September 2023 and 2022**

Currently Known Facts

Power supply cost remains the largest expense in the electric department at 70.8 percent of total expenses. Overall, electric revenues decreased approximately 0.44% or \$125,000 compared to FY 2022. Overall water and electric meter count continue to increase due to commercial and residential development. RMU continues to follow an industry trend where energy conservation and efficiency appear to be reducing average energy usage per meter. A similar trend of lower water consumption per meter is also occurring in the water department. The Rolla Board of Public Works continues to monitor this trend and has taken proactive steps to insulate RMU from these fluctuations by instituting appropriate Service Availability Fees and adjusting these fees as required.

To learn more about the operation of the Rolla Board of Public Works, visit the RMU website at www.rollamunicipalutilities.org.

Request for Information

This report is intended to provide our customers and other interested parties with a general overview of the financial position of RMU and to indicate accountability for the revenues received. Questions about this report or requests for additional information should be directed to Gwen Cresswell, Finance Manager, Rolla Municipal Utilities, PO Box 767, Rolla, MO 65402 (573-364-1572).

**Rolla Municipal Utilities
Statement of Net Position
September 30, 2023 and 2022**

	2023	2022
Assets		
Current assets:		
Cash and investments	\$ 32,313,591	\$ 32,375,936
Receivables		
Accounts and other	4,115,060	3,904,056
Other	95,688	25,046
Leases receivable	33,311	35,115
Prepaid expenses	344,473	310,234
Inventory	1,316,390	1,054,601
Total current assets	38,218,513	37,704,988
Noncurrent assets:		
Capital assets:		
Not being depreciated	1,942,608	1,550,047
Being depreciated, net of depreciation	29,783,986	29,753,762
Leases receivable	763,292	786,013
Net pension asset	2,705,985	4,507,652
Total noncurrent assets	35,195,871	36,597,474
Total assets	73,414,384	74,302,462
Deferred Outflows of Resources		
Deferred outflow - pension related activity	1,666,605	577,788
Deferred outflow - OPEB related activity	29,077	39,367
Total deferred outflows of resources	1,695,682	617,155
Liabilities		
Current liabilities:		
Accounts payable	2,212,571	2,029,795
Accrued liabilities	95,782	72,590
Customer deposits	2,011,282	1,930,186
Accrued interest	2,665	13,829
Due to City of Rolla, Missouri	1,003,924	904,768
Compensated absences	210,444	234,387
Current portion of long-term debt	73,241	190,000
Total current liabilities:	5,609,909	5,375,555
Long-term liabilities:		
Compensated absences	113,316	126,209
SBITA liability	77,327	-
OPEB liability	331,449	314,326
Total long-term liabilities:	522,092	440,535
Total liabilities	6,132,001	5,816,090
Deferred Inflows of Resources		
Deferred inflow - leases receivable	771,822	806,996
Deferred inflow - pension related activity	195,044	982,043
Deferred inflow - OPEB related activity	142,089	173,312
Total deferred inflows of resources	1,108,955	1,962,351
Net position		
Net investment in capital assets	31,576,026	31,113,809
Restricted net position for:		
Pension benefits	4,177,546	4,103,397
Unrestricted	32,115,538	31,923,970
Total net position	\$ 67,869,110	\$ 67,141,176

See accompanying notes to the basic financial statements

Rolla Municipal Utilities
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended September 30, 2023 and 2022

	2023	2022
Operating revenues:		
Residential	\$ 12,808,094	\$ 12,935,991
Commercial	5,554,594	5,645,144
Power service	7,039,875	6,912,085
Industrial	5,208,046	5,149,532
Interdepartmental sales	201,351	201,685
Power production	443,536	483,081
Late fees	325,596	277,848
Total operating revenues	31,581,092	31,605,366
Operating expenses:		
Purchased power	22,191,222	21,708,758
Source of supply and pumping	522,778	435,523
Treatment	73,292	89,192
Distribution	3,286,370	3,064,674
Fuel	63,432	42,599
Customer accounting and collections	779,188	596,048
Administrative and general	2,866,390	2,444,159
Depreciation	2,554,673	2,477,188
Total operating expenses	32,337,345	30,858,141
Operating income (loss)	(756,253)	747,225
Nonoperating revenues (expenses):		
Interest income	789,574	302,521
Frontage fees	4,997	-
Other income	271,558	240,585
Rental income	24,800	28,262
Gain on capital asset disposal	23,581	39,820
Interest expense and fees	(3,624)	(11,729)
Total nonoperating revenues (expenses)	1,110,886	599,459
Income before capital contributions	354,633	1,346,684
Capital contributions	373,301	66,654
Change in net position	727,934	1,413,338
Total net position, beginning of year	67,141,176	65,727,838
Total net position, end of year	\$ 67,869,110	\$ 67,141,176

See accompanying notes to the basic financial statements

Rolla Municipal Utilities
Statement of Cash Flows
For the Years Ended September 30, 2023 and 2021

	2023	2022
Cash flows from operating activities:		
Receipts from customers and others	\$ 31,369,893	\$ 31,704,421
Payments for goods and services	(7,605,546)	(6,444,501)
Payments to employees	(91,603)	(782,833)
Payments for power	(22,191,222)	(21,708,758)
Net cash provided by operating activities	1,481,522	2,768,329
Cash flows from noncapital financing activities:		
Other cash receipts	296,358	268,847
Net cash flows provided by noncapital financing activities	296,358	268,847
Cash flows from investing activities:		
Interest received	789,574	302,521
Net cash flows provided by investing activities	789,574	302,521
Cash flows from capital and related financing activities:		
Purchase of capital assets	(2,346,106)	(1,855,875)
Proceeds from sale of assets	-	-
Cash received for frontage fees	4,997	-
Interest and fiscal charges	(14,788)	(11,729)
Principal payments on long-term debt	(273,900)	(175,000)
Net cash flows (used in) capital and related financing activities	(2,629,797)	(2,042,604)
Net change in cash and equivalents	(62,343)	1,297,093
Cash and equivalents, beginning of year	32,375,936	31,078,843
Cash and equivalents, end of year	\$ 32,313,593	\$ 32,375,936

See accompanying notes to the basic financial statements

Rolla Municipal Utilities
Statement of Cash Flows (Continued)
For the Years Ended September 30, 2023 and 2022

	2023	2022
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (756,253)	\$ (2,747,045)
Adjustments to reconcile operating income (loss) to net cash provided by operations:		
Depreciation and amortization	2,554,673	2,480,523
Change in compensated absences	(36,836)	111,898
Changes in net pension asset/liability	1,801,667	(4,798,961)
Change in OPEB liability	17,123	(1,879)
Changes in deferred outflows of resources	(1,078,527)	447,466
Changes in deferred inflows of resources	(853,396)	2,973,082
Changes in:		
Accounts receivables	(211,004)	(465,955)
Other accounts receivable	(70,642)	(286,190)
Prepaid expenses	(34,239)	40,802
Inventory	(261,789)	(144,702)
Leases receivable	24,525	-
Accounts payable	182,776	(317,678)
Accrued liabilities	23,192	16,728
Due to the City of Rolla, Missouri	99,156	58,009
Customer deposits	81,096	74,863
Net cash provided by (used in) operating activities	\$ 1,481,522	\$ (2,559,039)
Noncash capital and related financing activities		
Subscription-based software lease	\$ 234,468	\$ -

See accompanying notes to the basic financial statements

Rolla Municipal Utilities
Notes to the Basic Financial Statements
September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rolla Municipal Utilities (RMU) provides electric and water services to the citizens of Rolla, Missouri. In accordance with Missouri law, RMU is operated by a Board of Public Works, the members of which are appointed by the Mayor and approved by the City Council. The component unit financial statements reflect the results of certain transactions between the City and RMU under this arrangement. Bonded debt must be authorized by an ordinance of the City Council and approved by a vote of the citizens. There is no bond indebtedness outstanding.

The accounting and reporting policies of RMU conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of RMU.

A. Financial Reporting Entity

The financial statements of RMU include the financial activities of RMU and any component units, entities which are financially accountable to RMU. A component unit is a legally separate organization for which the elected officials of its primary government are financially accountable. RMU is a component unit of the City of Rolla, Missouri, and is included as a component unit in the City of Rolla, Missouri basic financial statements. These component unit financial statements present only the operations of RMU.

B. Basis of Accounting

The financial statements of RMU have been prepared in conformity with GAAP. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Revenues and expenses are categorized as either operating or nonoperating. Operating revenues and expenses include charges that are assessed to the beneficiaries of the service and the cost of providing the service. Non-operating and other activities primarily include investment income, interest expense, gain on sale of capital assets, and capital contributions.

C. Cash and Investments

For purposes of the statement of cash flows, RMU considers all accounts subject to withdrawal by check or on demand to be cash equivalents. All other deposits and certificates of deposit are considered to be investments. Investments are stated at fair value. Fair value for investments are determined by closing market prices at yearend as reported by the custodian.

D. Prepaid Items

Prepaid items reflect the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized using the consumption method over the policy periods in both the government-wide and fund financial statements.

E. Leases Receivable

The RMU's leases receivable is measured at the present value of the lease payments expected to be received during the lease term. There are no variable components under the lease agreements. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Rolla Municipal Utilities
Notes to the Basic Financial Statements
September 30, 2023 and 2022

F. Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the average cost method.

G. Capital Assets

Capital assets are recorded at cost or estimated historical cost. Expenditures for maintenance and repairs are charged to current operating expense. Renewals and betterments of existing assets that extend the useful life of the asset are capitalized and depreciated. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value as of the date of the donation.

Capital assets are defined by the RMU as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Fully depreciated capital assets are included in their respective accounts until their disposal. Depreciation is being computed on the straight-line method, using assets lives as follows:

Assets	Years
Electric plant:	
General electric plant	20
Transportation equipment	6 $\frac{2}{3}$
Power operated equipment	6 $\frac{2}{3}$
Stores, laboratory, tools, communication, and miscellaneous equipment	10
Water plant:	
General water plant	33 $\frac{1}{3}$
Pumping plant	10
Chlorination and fluoridation equipment	20
Laboratory and general equipment	10

H. Capitalization of Costs Related to Construction of Assets

In connection with the construction of assets, RMU capitalizes payroll and overhead directly related to the project. It is RMU's policy not to capitalize general overhead and engineering expenses related to construction projects.

I. Compensated Absences

Under terms of RMU's personnel policy, employees are granted paid time off (PTO) in varying amounts. All regular full-time employees will earn six (6) hours PTO at regular pay for each pay period worked until they have completed five (5) years of employment and may accumulate up to the maximum of 288 hours. Following their fifth year of continuous employment, they will earn eight (8) hours PTO at regular pay for each pay period worked until they have completed fifteen (15) years of employment and may accumulate up to the maximum of 384 hours. Following their fifteenth year of continuous employment, they will earn nine (9) hours PTO at regular pay for each pay period worked until they have completed twenty (20) years of employment and may accumulate up to the maximum of 432 hours. Following their twentieth year of continuous employment, they will earn ten (10) hours PTO at regular pay for each pay period worked and may accumulate up to the maximum of 480 hours. An employee may accumulate PTO to the maximum based on their years of service. If an employee has accumulated the maximum PTO, they will stop earning additional PTO until their balance of PTO accumulated is less than the maximum. In the event of termination or separation, employees are compensated for accumulated PTO hours up to their maximum PTO hours. Liabilities for PTO are determined at the end of the year based on current salary/hourly rates.

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J. Deferred Outflows/inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The RMU has two items that qualify for reporting in this category. The first item results from actuarial assumption changes, the difference between actual and projected earnings in calculating the net pension asset, and pension contributions made by the RMU subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts will be amortized over five to seven years. The second item results from assumption changes in calculating the RMU's OPEB liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The RMU has three items that qualify for reporting in this category. The first item relates to the change in actual and projected experience in calculating the pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item relates to the change in assumptions in calculating the OPEB obligation. The pension and OPEB related amounts are amortized over five to 14 years. The third item relates to leases receivable which will be recognized inflow of resources in future periods over the term of the leases.

For purposes of measuring the net pension asset or 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.

K. Net Position Classification

Equity is classified into three components -- net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets -- consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that is attributable to those assets.

Restricted -- consists of assets that have constraints placed upon their use through external constraints imposed either by creditors (such as through debt covenants) or through laws, regulations, or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. When an obligation is incurred for which both restricted and unrestricted net position are available, it is RMU's policy to first apply restricted resources in satisfying that obligation, followed by the utilization of unrestricted resources.

Unrestricted -- consists of net position that do not meet the definition of restricted or net investment in capital assets.

L. Use of Estimates

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

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M. New Accounting Standard

The RMU implemented Government Accounting Standards Board (GASB) Statement No 96, Subscriptions-Based Information Technology Arrangements (SBITA), effective for the year ended September 30, 2023. The statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements by governments. This Statement increases the usefulness of governments' financial statements by defining and establishing a SBITA that results in a right-to-use subscription intangible asset and a corresponding subscription liability. The Statement establishes a single model for SBITA accounting based on the foundational principle that SBITAs are financings of the right to use and underlying asset much like the standards established in Statement No. 87, Leases. Under this Statement, a government is required to recognize a SBITA liability and an intangible right-to-use asset, and a government should recognize amortization of the discount on the subscription liability as an outflow of resources in subsequent financial reporting periods, thereby enhancing the relevance and consistency of information about the RMU's subscription activities.

As part of implementing the Statement, the RMU performed a comprehensive review of its subscriptions and applied the criteria within the guidance. As a result, beginning net position and fund balance was not affected.

NOTE 2 - CASH AND INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, RMU's deposits may not be returned or will not be able to recover collateral securities in the possession of an outside party. RMU's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with RMU or trustee institution. The value of the securities must amount to the total of RMU's cash not insured by the Federal Deposit Insurance Corporation. As of September 30, 2023 and 2022, RMU's bank balances were entirely secured or collateralized with securities held by RMU or by its agent in RMU's name.

NOTE 3 - ACCOUNTS RECEIVABLE

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

	September 30,	
	2023	2022
Accounts receivable:		
Utilities receivable including		
refundable deposits	\$ 2,127,794	\$ 1,904,395
Unbilled utilities receivable	2,047,266	2,059,661
Allowance for uncollectibles	(60,000)	(60,000)
Net accounts receivable	\$ 4,115,060	\$ 3,904,056

NOTE 4 – LEASES RECEIVABLE

In August 2018, the RMU entered into a 1-year renewable lease with Investment Realty. Under the lease, Investment Realty pays RMU \$1,200 monthly for office space. There are no variable components in the lease. The tenant may continue to renew the term of the lease for successive one-year terms by sending written notice of renewal to the RMU no later than 90 days prior to the expiration of the prior one-year term. RMU management anticipates the tenant will continue to renew the lease for an additional nine-year term. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at a discount rate of 4%, which is the lessee's implicit interest rate. At September 30, 2023 the lease receivable balance was \$65,159.

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In February 2020, the RMU entered into a 1-year renewable lease with Rolla Regional Economic Development Commission (RREDC). Under the lease, RREDC pays RMU \$500 monthly for office space. There are no variable components in the lease. The tenant may continue to renew the term of the lease for successive three-year term by sending written notice of renewal to the RMU no later than 60 days prior to the expiration of the initial lease term. RMU management anticipates it is probable that the tenant will renew the lease for an additional three-year term. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at a discount rate of 4%, which is the lessee's implicit interest rate. At September 30, 2023, the lease receivable balance was \$2,965.

In March 2017, the RMU entered into a 10-year renewable lease with Fidelity Cablevision, Inc (Fidelity). Under the lease, Fidelity pays RMU \$45,420 annually for the right to place attachments on utility poles owned by RMU. There are no variable components in the lease. Fidelity may continue to renew the term of the lease for four additional five-year terms by sending written notice of renewal to the RMU no later than 120 days prior to the expiration of the initial lease term. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at a discount rate of 4%, which is the lessee's implicit interest rate. At September 30, 2023 the lease receivable balance was \$692,517.

In January 2019, the RMU entered into a 10-year renewable lease with Landis+Gyr Technology, Inc (Landis). Under the lease, Landis pays RMU \$850 annually for the right to place attachments on utility poles owned by RMU. There are no variable components in the lease. The RMU and Landis mutually agreed to terminate the agreement during the year ended September 30, 2023. The outstanding lease receivable was offset against the deferred inflows of resources and the difference was charged to operations.

In July 2020, the RMU entered into a 10-year renewable lease with Socket Telecom, Inc (Socket). Under the lease, Socket pays RMU \$975 annually for the right to place attachments on utility poles owned by RMU. There are no variable components in the lease. Socket may continue to renew the term of the lease for four additional five-year terms by sending written notice of renewal to the RMU no later than 120 days prior to the expiration of the initial lease term. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at a discount rate of 4%, which is the lessee's implicit interest rate. At September 30, 2023 the lease receivable balance was \$15,291.

In March 2023, the RMU entered into a 10-year renewable lease with Ameren Missouri (Ameren). Under the lease, Ameren pays RMU \$1,980 annually for the right to place attachments on utility poles owned by RMU. There are no variable components in the lease. Ameren may continue to renew the term of the lease for two additional five-year terms, with an escalating per unit cos, by sending written notice of renewal to the RMU no later than 120 days prior to the expiration of the initial lease term. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at a discount rate of 8.5%, which is the lessee's implicit interest rate. At September 30, 2023 the lease receivable balance was \$22,020.

For the year ended September 30, 2023, the RMU recognized \$47,459 of lease revenue and \$32,080 of interest revenue under the leases.

The RMU's leases receivable activity for the year ended September 30, 2023, is as follows:

Lease Description	Balance October 1, 2022	Additions	Retirements	Balance September 30, 2023	Current
Facility space	\$ 85,422	\$ -	\$ 17,298	\$ 68,124	\$ 14,978
Pole attachments	735,706	22,020	29,247	728,479	18,333
Total lease receivable	<u>\$ 821,128</u>	<u>\$ 22,020</u>	<u>\$ 46,545</u>	<u>\$ 796,603</u>	<u>\$ 33,311</u>

Rolla Municipal Utilities
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The future minimum lease payment due under the lease arrangement for the years ending September 30, 2023 are as follows:

	Lease Receivable		
	Principal	Interest	Total
2024	\$ 33,311	\$ 32,464	\$ 65,775
2025	31,581	31,194	62,775
2026	32,867	29,908	62,775
2027	34,206	28,569	62,775
2028	35,600	27,175	62,775
2029-2033	121,872	120,423	242,295
2034-2038	151,470	92,805	244,275
2039-2043	184,985	57,790	242,775
2044-2048	168,869	17,672	186,541
2049-2050	1,842	114	1,956
	<u>\$ 796,603</u>	<u>\$ 438,114</u>	<u>\$ 1,234,717</u>

The RMU's leases receivable activity for the year ended September 30, 2022, is as follows:

Lease Description	Balance October 1, 2021	Additions	Retirements	Balance September 30, 2022	Current
Facility space	\$ 98,883	\$ -	\$ 13,461	\$ 85,422	\$ 17,299
Pole attachments	752,837	-	17,131	735,706	17,816
Total lease receivable	<u>\$ 851,720</u>	<u>\$ -</u>	<u>\$ 30,592</u>	<u>\$ 821,128</u>	<u>\$ 35,115</u>

The future minimum lease payment due under the lease arrangement for the years ending September 30, 2022 are as follows:

	Lease Receivable		
	Principal	Interest	Total
2023	\$ 35,115	\$ 32,530	\$ 67,645
2024	33,507	31,138	64,645
2025	31,772	29,873	61,645
2026	33,052	28,593	61,645
2027	34,384	27,261	61,645
2028-2032	131,501	119,124	250,625
2033-2037	142,846	93,379	236,225
2038-2042	170,184	62,641	232,825
2043-2047	206,060	25,915	231,975
2048-2053	2,707	219	2,926
	<u>\$ 821,128</u>	<u>\$ 450,673</u>	<u>\$ 1,271,801</u>

Rolla Municipal Utilities
Notes to the Basic Financial Statements
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NOTE 5 - CAPITAL ASSETS

	For the Year Ended September 30, 2023			
	Balance			Balance
	September 30, 2022	Additions	Retirements	September 30, 2023
Capital assets not being depreciated:				
Land and land rights	\$ 895,760	\$ -	\$ -	\$ 895,760
Construction in process	654,287	392,561	-	1,046,848
Total capital assets, not being depreciated	1,550,047	392,561	-	1,942,608
Capital assets being depreciated:				
Buildings and improvements	5,699,693	2,062	-	5,701,755
Office furniture, fixtures, and equipment	1,170,069	21,618	-	1,191,687
Subscription based software	-	319,945	-	319,945
Transportation equipment	2,867,943	197,867	61,563	3,004,247
Distribution system	65,631,284	2,079,223	109,072	67,601,435
Production system	8,478,268	-	-	8,478,268
Total capital assets being depreciated	83,847,257	2,620,715	170,635	86,297,337
Less - Accumulated depreciation for:				
Buildings and improvements	4,497,955	120,786	-	4,618,741
Office furniture, fixtures, and equipment	980,553	72,715	-	1,053,268
Subscription based software	-	65,196	-	65,196
Transportation equipment	1,552,299	267,531	61,562	1,758,268
Distribution system	38,981,123	1,939,142	73,255	40,847,010
Production system	8,081,565	89,303	-	8,170,868
Total accumulated depreciation	54,093,495	2,554,673	134,817	56,513,351
Total capital assets being depreciated, net	29,753,762	66,042	35,818	29,783,986
Total capital assets, net	\$ 31,303,809	\$ 458,603	\$ 35,818	\$ 31,726,594

Rolla Municipal Utilities
Notes to the Basic Financial Statements
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	For the Year Ended September 30, 2022			
	Balance September 30, 2021	Increases	Decreases	Balance September 30, 2022
Capital assets not being depreciated:				
Land and land rights	\$ 895,760	\$ -	\$ -	\$ 895,760
Construction in process	325,812	643,512	315,037	654,287
Total capital assets, not being depreciated	1,221,572	643,512	315,037	1,550,047
Capital assets being depreciated:				
Buildings and improvements	5,699,693	-	-	5,699,693
Office furniture, fixtures, and equipment	1,079,433	90,636	-	1,170,069
Transportation equipment	2,496,540	437,339	65,936	2,867,943
Distribution system	64,552,730	1,105,899	27,345	65,631,284
Production system	8,478,268	-	-	8,478,268
Total capital assets being depreciated	82,306,664	1,633,874	93,281	83,847,257
Less - Accumulated depreciation for:				
Buildings and improvements	4,375,446	122,509	-	4,497,955
Office furniture, fixtures, and equipment	909,732	70,821	-	980,553
Transportation equipment	1,360,584	257,651	65,936	1,552,299
Distribution system	37,075,986	1,932,482	27,345	38,981,123
Production system	7,987,840	93,725	-	8,081,565
Total accumulated depreciation	51,709,588	2,477,188	93,281	54,093,495
Total capital assets being depreciated, net	30,597,076	(843,314)	-	29,753,762
Total capital assets, net	\$ 31,818,648	\$ (199,802)	\$ 315,037	\$ 31,303,809

Depreciation expense for the years ended September 30, 2023 and 2022 was as follows:

	September 30, 2023	September 30, 2022
Electric	\$ 1,574,303	\$ 1,546,969
Water	980,370	930,219
	\$ 2,554,673	\$ 2,477,188

Rolla Municipal Utilities
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NOTE 6 - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities is as follows:

For the Year Ended September 30, 2023					
	Beginning of Year	Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Lease payable	\$ 190,000	\$ -	\$ 190,000	\$ -	\$ -
Subscription-based software	-	234,468	83,900	150,568	73,241
Compensated absences	360,596	-	36,836	323,760	210,444
Total	\$ 550,596	\$ 234,468	\$ 310,736	\$ 474,328	\$ 283,685
For the Year Ended September 30, 2022					
	Beginning of Year	Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Leases payable	\$ 365,000	\$ -	\$ 175,000	\$ 190,000	\$ 190,000
Compensated absences	382,208	-	21,612	360,596	234,387
Total	\$ 747,208	\$ -	\$ 196,612	\$ 550,596	\$ 424,387

Leases Payable

RMU entered into a lease purchase agreement during the year ended September 30, 2003, for construction of water towers and other improvements. The lease agreement calls for varying semi-annual principal payments through 2023 with interest at 3.55%. The lease was paid off during the year ended September 30, 2023.

Subscription-Based Information Technology Arrangements

Per GASB Statement No. 96, a subscription-based information technology arrangement (SBITA) is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The measurement of the subscription liabilities is based on the present value of lease payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, and residual value guarantee payments that are fixed in substance.

As of September 30, 2023, the RMU had minimum principal and interest payment requirements for its subscription activities, with a remaining term more than one year, as follows:

Year Ending September 30:	Principal	Interest	Total
2024	\$ 73,241	\$ 10,659	\$ 83,900
2025	77,327	6,573	83,900
	\$ 150,568	\$ 17,232	\$ 167,800

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Notes to the Basic Financial Statements
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NOTE 7 - EMPLOYEES RETIREMENT SYSTEM

Plan Description

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

Benefits Provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	<u>2023 Valuation</u>
Benefit Multiplier	2% for life
Final Average Salary	3 Years
Member Contributions	0%

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

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	10
Active employees	<u>57</u>
	<u><u>111</u></u>

Contributions

The RMU is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. The RMU contribution rate is 8.2% of annual covered payroll.

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Net Pension Liability

RMU's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2023.

Actuarial Assumptions

The total pension liability in the February 28, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expenses

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-29.00%

Discount Rate

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

Rolla Municipal Utilities
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Changes in the Net Pension Liability/ (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
	(a)	(b)	(a) - (b)
Balances at beginning of year	\$ 22,106,498	\$ 26,614,150	\$ (4,507,652)
Changes for the year:			
Service costs	366,137	-	366,137
Interest	1,524,001	-	1,524,001
Difference between expected and actual experience	1,142,574	-	1,142,574
Contributions - employer	-	285,882	(285,882)
Net investment income	-	921,301	(921,301)
Benefit payments, including refunds	(1,047,783)	(1,047,783)	-
Administrative expenses	-	(16,744)	16,744
Other changes (net transfer)	-	40,606	(40,606)
Net changes	1,984,929	183,262	1,801,667
Balances at end of year	\$ 24,091,427	\$ 26,797,412	\$ (2,705,985)

Sensitivity of the Net Pension Liability/ (Asset) to Changes in the Discount Rate

The following presents the Net Pension Liability/(Asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability/(Asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	Current Single Discount Rate		
	1% Decrease 6.00%	Assumption 7.00%	1% Increase 8.00%
Total Pension Liability (TPL)	\$ 27,323,487	\$ 24,091,427	\$ 21,409,503
Plan Fiduciary Net Position	(26,797,412)	(26,797,412)	(26,797,412)
Net Pension Liability (Asset)	\$ 526,075	\$ (2,705,985)	\$ (5,387,909)

Rolla Municipal Utilities
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the RMU recognized LAGERS pension expense of \$227,482. The RMU reported deferred outflows and inflows of resources related to LAGERS pension from the following sources:

	Deferred Outflows	Deferred Inflows	Net Inflows
Assumption changes	\$ -	\$ (183,201)	\$ (183,201)
Difference in experience	1,286,231	(11,843)	1,274,388
Excess investment returns	303,747	-	303,747
Contributions subsequent to the measurement date*	76,627	-	76,627
Total	\$ 1,666,605	\$ (195,044)	\$ 1,471,561

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability/(Asset) for the year ending September 30, 2024.

Net amounts reported as deferred outflows and deferred inflows of resources, excluding contributions subsequent to the measurement date, related to LAGERS pension will be recognized in pension expense as follows:

Year ending September 30:	Total
2024	\$ 184,230
2025	(78,304)
2026	852,447
2027	425,022
2028	11,539
Total	\$ 1,394,934

Payable to the Pension Plan

At September 30, 2023, there were no outstanding contributions payable to the LAGERS pension plan.

Rolla Municipal Utilities
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NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

RMU's OPEB plan (the Plan) provides OPEB for qualifying full-time employees of RMU. The Plan is a single employer defined benefit OPEB plan administered by RMU. The Plan, as established by RMU resolution, assigned the authority to establish and amend the benefit terms and financing requirements to RMU. No assets are accumulated in a trust for the Plan. The Plan does not issue a stand-alone report.

Benefits Provided

The Plan provides healthcare benefits to qualifying employees hired prior to July 1, 2008, who have attained 20 years of service and are eligible to receive retirement benefits. Employees are eligible to retire once they have attained age 55 plus 5 years of service. This benefit terminates when retiree reaches Medicare eligibility age (65). RMU pays the monthly group health insurance premium for the retiree electing this benefit and the retiree must reimburse RMU for the full premium to retain coverage.

Employees Covered by Benefit Terms

As of the September 30, 2022, actuarial valuation date, the following employees were covered by the benefit terms:

Active employees	26
Retirees	-
Spouses of retirees	-
Total	26

Total OPEB Liability

RMU's total OPEB liability was measured as of September 30, 2023 and was determined by an actuarial valuation as of September 30, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by the September 30, 2022 actuarial valuation date, calculated based on the discount rate and the following actuarial assumptions projected forward to the September 30, 2023 measurement date.

Inflation	2.30%
Salary increases	3.00% including inflation
Discount rate	4.09%
Healthcare cost trend rates	Medical cost trend rate of 6.1% for 2022, gradually decreasing to an ultimate rate of 3.7% for 2073 and beyond.

The discount rate was based on the 20 year bond GO index at the end of the fiscal year. The rate for the prior fiscal year was 4.02%.

Mortality rates were based on the Pub-2010 Healthy Annuitant mortality table for males and females, as appropriate, with generational projection based on Scale MP-2021.

Rolla Municipal Utilities
Notes to the Basic Financial Statements
September 30, 2023 and 2022

Changes in the Total OPEB Liability

	September 30, 2023	September 30, 2022
Balances at beginning of year	\$ 314,326	\$ 426,461
Changes for the year:		
Service cost	7,212	10,899
Interest	12,906	9,884
Changes in assumptions and other inputs	(1,974)	(52,908)
Benefit payments, net of contributions	(1,021)	-
Net changes	<u>17,123</u>	<u>(112,135)</u>
Balances at end of year	<u>\$ 331,449</u>	<u>\$ 314,326</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of RMU, calculated using the discount rate of 4.09%, as well as what RMU's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.09%) or 1% point higher (5.09%) than the current discount rate:

	1% Decrease 3.09%	Discount Rate 4.09%	1% Increase 5.09%
Total OPEB liability	<u>\$ 360,590</u>	<u>\$ 331,449</u>	<u>\$ 304,435</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of RMU, calculated using the healthcare cost trend rates as well as what the Utility's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	<u>\$ 295,849</u>	<u>\$ 331,449</u>	<u>\$ 372,073</u>

Rolla Municipal Utilities
Notes to the Basic Financial Statements
September 30, 2023 and 2022

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, RMU recognized OPEB benefit of \$2,789. Deferred outflows and inflows of resources related to OPEB are from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (96,352)
Changes in assumptions	29,077	(45,737)
Total	<u>\$ 29,077</u>	<u>\$ (142,089)</u>

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

Year ending September 30:	<u>Total</u>
2024	\$ (22,907)
2025	(22,107)
2026	(22,545)
2027	(20,362)
2028	(18,401)
Thereafter	<u>(6,690)</u>
Total	<u>\$ (113,012)</u>

NOTE 9 - RISK MANAGEMENT

RMU is exposed to various risks of losses related to torts; theft to, damage to, and destruction of assets' errors and omissions; injuries to employees; and natural disasters. RMU has transferred its risk by obtaining coverage from Missouri Intergovernmental Risk Management Association. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

RMU retains the risk of loss for medical and prescription claims. RMU has purchased a specific excess insurance policy that covers medical, and prescription claims up to an individual claim limit to \$30,000 with an aggregate maximum of \$1,000,000. The claims are administered by a third party administrator. RMU has recorded an estimated liability for claims payable as of September 30, 2023 and 2022.

	<u>Beginning of Year</u>	<u>Claims Incurred</u>	<u>Payments/ Adjustments</u>	<u>End of Year</u>
2022	\$ 43,897	\$ 725,698	\$ 691,596	\$ 77,999
2023	77,999	710,082	738,928	49,153

Rolla Municipal Utilities
Notes to the Basic Financial Statements
September 30, 2023 and 2022

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The City of Rolla (the City) is a member of the Missouri Joint Municipal Electric Utility Commission (MJMEUC). RMU represents the City with respect to MJMEUC matters. MJMEUC manages a power pool known as Missouri Public Energy Pool #1 (MoPEP). The City is a member of MoPEP. All MoPEP members (including the City) have an agreement (the MoPEP Agreement) with MJMEUC for the purchase of electric capacity and energy from MJMEUC. The MoPEP Agreement requires MJMEUC to supply the full energy requirement of the City and includes a procedure for the City to dedicate its capacity to MoPEP.

MoPEP operations are governed by a committee (Pool Committee) consisting of one representative from each MoPEP member and is currently comprised of thirty-five (35) members. The Pool Committee is charged with setting rates for all services provided by MJMEUC to MoPEP members. These rates include recovery of all of MJMEUC's costs (the Direct 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, or reserves or 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 requirements service, without regard to whether any particular resource is available to or used by any particular MoPEP member. Direct 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 (including the City) 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 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 sources: 1) power purchased under long-term firm energy contracts, unit-contingent energy contracts and interruptible contracts; 2) MJMEUC owned generation; 3) member capacity; and 4) 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.

NOTE 11 - RELATED PARTY TRANSACTIONS

RMU provides water and electric services to the City of Rolla. It also provides billing and collection services to the City for PILOT, sewer, and sanitation services. The City of Rolla paid RMU \$701,466 and \$579,520, for water and electric services for the years ended September 30, 2023 and 2022, respectively. The City of Rolla paid RMU a total of \$201,351 and \$201,685, for billing services for the years ended September 30, 2023 and 2022, respectively. The City of Rolla contributed \$373,301 and \$74,154 for the years ended September 30, 2023 and 2022 for capital expenses.

NOTE 12 - INCENTIVES

RMU entered into an incentive agreement with Hartmann US Inc. (the Company). RMU will provide Utility Cost Assistance discounts to the Company based on utility rates in effect at the given time. Electric energy and water consumption and wastewater utility charges will be discounted during the first 5 years of the facility's operation. Year one for the discounts began as of the first day of the month in which the Company began operating the facility. As of September 30, 2023, and 2022, RMU has discounted \$91,547 and \$49,664, respectively.

Rolla Municipal Utilities
Notes to the Basic Financial Statements
September 30, 2023 and 2022

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 18, 2024, the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure in the financial statements.

Rolla Municipal Utilities
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended September 30, 2023

	LAGERS								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service costs	\$ 366,137	\$ 328,075	\$ 312,217	\$ 314,129	\$ 308,026	\$ 297,977	\$ 282,768	\$ 279,195	\$ 277,593
Interest on total pension liability	1,524,001	1,443,659	1,451,327	1,387,469	1,336,991	1,287,095	1,239,270	1,186,863	1,147,696
Difference between expected and actual experience of the total pension liability	1,142,574	367,476	261,486	136,278	(80,718)	(133,869)	(93,049)	(432,027)	(118,542)
Changes of assumptions	-	-	(454,647)	-	-	-	-	449,770	-
Benefit payments and refunds	(1,047,783)	(973,823)	(971,409)	(941,381)	(803,132)	(733,934)	(818,192)	(709,110)	(823,502)
Net change in total pension liability	1,984,929	1,165,387	598,974	896,495	761,167	717,269	610,797	774,691	483,245
Total pension liability - beginning of year	22,106,498	20,941,111	20,342,137	19,445,642	18,684,475	17,967,206	17,356,409	16,581,718	16,098,473
Total pension liability - end of year (a)	<u>\$ 24,091,427</u>	<u>\$ 22,106,498</u>	<u>\$ 20,941,111</u>	<u>\$ 20,342,137</u>	<u>\$ 19,445,642</u>	<u>\$ 18,684,475</u>	<u>\$ 17,967,206</u>	<u>\$ 17,356,409</u>	<u>\$ 16,581,718</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 285,882	\$ 230,480	\$ 188,678	\$ 190,305	\$ 200,539	\$ 222,677	\$ 376,115	\$ 747,730	\$ 775,627
Net investment income	921,301	20,309	6,097,877	283,935	1,385,210	2,374,937	2,198,821	(19,957)	361,988
Benefit payments and refunds	(1,047,783)	(973,823)	(971,409)	(941,381)	(803,132)	(733,934)	(818,192)	(709,110)	(823,502)
Administrative expenses	(16,744)	(11,491)	(10,991)	(13,579)	(11,953)	(8,024)	(7,838)	(7,570)	(8,575)
Other (net transfer)	40,606	10,607	93,780	(7,139)	105,540	(51,027)	28,333	(332,935)	(362,570)
Net change in plan fiduciary net position	183,262	(723,918)	5,397,935	(487,859)	876,204	1,804,629	1,777,239	(321,842)	(57,032)
Plan fiduciary net position - beginning of year	26,614,150	27,338,068	21,940,133	22,427,992	21,551,788	19,747,159	17,969,920	18,291,762	18,348,794
Plan fiduciary net position - end of year (b)	<u>\$ 26,797,412</u>	<u>\$ 26,614,150</u>	<u>\$ 27,338,068</u>	<u>\$ 21,940,133</u>	<u>\$ 22,427,992</u>	<u>\$ 21,551,788</u>	<u>\$ 19,747,159</u>	<u>\$ 17,969,920</u>	<u>\$ 18,291,762</u>
Net pension liability/(asset) (a) - (b)	<u>\$ (2,705,985)</u>	<u>\$ (4,507,652)</u>	<u>\$ (6,396,957)</u>	<u>\$ (1,597,996)</u>	<u>\$ (2,982,350)</u>	<u>\$ (2,867,313)</u>	<u>\$ (1,779,953)</u>	<u>\$ (613,511)</u>	<u>\$ (1,710,044)</u>
Plan net position as a percentage of the total pension liability	111.23%	120.39%	130.55%	107.86%	115.34%	115.35%	109.91%	103.53%	110.31%
Covered payroll	\$ 3,368,145	\$ 2,955,537	\$ 2,719,253	\$ 2,578,115	\$ 2,672,909	\$ 2,592,834	\$ 2,547,770	\$ 2,355,439	\$ 2,326,138
Net pension liability/(asset) as a percentage of covered payroll	-80.34%	-152.52%	-235.25%	-61.98%	-111.58%	-110.59%	-69.86%	-26.05%	-73.51%

GASB 68 requires presentation of ten years. As of September 30, 2023, only nine years of information is available.

**Rolla Municipal Utilities
Required Supplementary Information
Schedule of Employer Contributions
For the Years Ended September 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Payroll	Contribution as Percentage
2014	\$ 407,774	\$ 379,490	\$ 28,284	\$ 2,357,078	16.10%
2015	372,878	372,878	-	2,390,242	15.60%
2016	294,725	294,725	-	2,415,780	12.20%
2017	265,919	265,919	-	2,556,915	10.40%
2018	208,711	208,711	-	2,576,683	8.10%
2019	198,540	198,540	-	2,647,193	7.50%
2020	189,034	189,034	-	2,739,622	6.90%
2021	189,278	189,278	-	2,825,034	6.70%
2022	251,828	242,384	9,444	3,147,846	7.70%
2023	313,552	306,506	7,046	3,523,056	8.70%

Valuation Date February 28, 2023

Notes: The roll-forward of total pension liability from February 28, 2023 to June 30, 2023 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry Age Normal and Modified Terminal Funding
Amortization method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining amortization period	Multiple bases from 8 to 15 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation assumption	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment and administrative expenses
Retirement age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	<p>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.</p> <p>Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.</p>
Other information:	None

Rolla Municipal Utilities
Required Supplementary Information
Schedule of Changes in Net OPEB Liability
and Related Ratios*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service costs	\$ 7,212	\$ 10,899	\$ 11,490	\$ 9,735	\$ 8,721	\$ 9,218
Interest on total OPEB liability	12,906	9,884	9,488	13,044	17,742	16,109
Economic/demographic gains (losses)	-	(80,010)	-	(85,902)	-	-
Changes in assumptions	(1,974)	(52,908)	(1,721)	18,941	58,952	(20,464)
Benefit payments	(1,021)	-	(21,136)	(16,116)	(24,746)	(20,240)
Net change in total OPEB liability	17,123	(112,135)	(1,879)	(60,298)	60,669	\$ (15,377)
Total OPEB liability - beginning of year	314,326	426,461	428,340	488,638	427,969	443,346
Total OPEB liability - end of year	<u>\$ 331,449</u>	<u>\$ 314,326</u>	<u>\$ 426,461</u>	<u>\$ 428,340</u>	<u>\$ 488,638</u>	<u>427,969</u>
Covered employee payroll**	\$ 3,326,959	\$ 3,165,031	\$ 3,072,387	\$ 2,857,037	\$ 2,742,351	\$ 2,654,896
OPEB liability as a percentage of covered employee payroll	9.96%	9.93%	13.88%	14.99%	17.82%	16.12%

* GASB 75 requires presentation of ten years. As of September 30, 2023, only six years was available.

** Covered employee payroll is measured as of the measurement date ending September 30, of the current year

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75

Rolla Municipal Utilities
Other Supplemental Information
Schedule of Operations by Department
For the Years Ended September 30, 2023 and 2022

	<u>2023</u>			<u>2022</u>		
	<u>Electric</u>	<u>Water</u>	<u>Total</u>	<u>Electric</u>	<u>Water</u>	<u>Total</u>
Operating revenues:						
Residential	\$ 10,783,050	\$ 2,025,044	\$ 12,808,094	\$ 10,931,303	\$ 2,004,688	\$ 12,935,991
Commercial	4,841,389	713,205	5,554,594	4,949,417	695,727	5,645,144
Power service	6,513,084	526,791	7,039,875	6,404,422	507,663	6,912,085
Industrial	4,924,411	283,635	5,208,046	4,909,813	239,719	5,149,532
Interdepartmental sales	151,013	50,338	201,351	151,264	50,421	201,685
Power production	443,536	-	443,536	483,081	-	483,081
Late fees	325,596	-	325,596	277,848	-	277,848
Total operating revenues	<u>27,982,079</u>	<u>3,599,013</u>	<u>31,581,092</u>	<u>28,107,148</u>	<u>3,498,218</u>	<u>31,605,366</u>
Operating expenses:						
Purchased power	22,191,222	-	22,191,222	21,708,758	-	21,708,758
Source of supply and pumping	-	522,778	522,778	-	435,523	435,523
Treatment	-	73,292	73,292	-	89,192	89,192
Distribution	2,551,507	734,863	3,286,370	2,262,883	801,791	3,064,674
Fuel	63,432	-	63,432	42,599	-	42,599
Customer accounting and collections	569,834	209,354	779,188	435,482	160,566	596,048
Administrative and general	2,145,960	720,430	2,866,390	1,884,734	559,425	2,444,159
Depreciation	1,574,303	980,370	2,554,673	1,546,969	930,219	2,477,188
Total operating expenses	<u>29,096,258</u>	<u>3,241,087</u>	<u>32,337,345</u>	<u>27,881,425</u>	<u>2,976,716</u>	<u>30,858,141</u>
Operating income (loss)	<u>\$ (1,114,179)</u>	<u>\$ 357,926</u>	<u>\$ (756,253)</u>	<u>\$ 225,723</u>	<u>\$ 521,502</u>	<u>\$ 747,225</u>

Rolla Municipal Utilities
Other Supplemental Information
Schedule of Operating Expenses - Electric Department
For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Purchased Power	\$ 22,191,222	\$ 21,708,758
Distribution		
Miscellaneous	607,178	462,374
Maintenance of warehouse building	20,682	18,772
Operation and maintenance - station equipment	24,118	29,050
Operation and maintenance - overhead lines	1,275,201	1,084,601
Operation and maintenance - underground lines	86,239	158,556
Maintenance of line transformers	61,176	59,288
Operation and maintenance - streetlights	206,536	241,649
Operation and maintenance - meters	123,570	112,247
Operation and maintenance - equipment	-	2,029
Cost of electric plant removal	146,807	94,317
Total Distribution	<u>2,551,507</u>	<u>2,262,883</u>
Fuel	<u>63,432</u>	<u>42,599</u>
Customer Accounting and Collection		
Meter reading	60,933	41,480
Customer records and collection expenses	473,253	370,998
Uncollectible accounts	35,648	23,004
Total Customer Accounting and Collections	<u>569,834</u>	<u>435,482</u>
Administrative and General		
Salaries	329,458	297,356
Office supplies	223,925	131,786
Interest on customer meter deposits	10,751	7,678
Electric and water consumed in-house	31,720	31,072
Outside services employed	19,058	40,578
Insurance	293,342	250,757
Employee benefits	1,085,312	893,951
Miscellaneous general	116,651	200,938
Maintenance of general plant	35,743	30,618
Total General and Administrative	<u>2,145,960</u>	<u>1,884,734</u>
Depreciation	<u>1,574,303</u>	<u>1,546,969</u>
Total Operating Expenses	<u>\$ 29,096,258</u>	<u>\$ 27,881,425</u>

Rolla Municipal Utilities
Other Supplemental Information
Schedule of Operating Expenses - Water Department
For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Source of Supply and Pumping		
Operation and maintenance of wells and well houses	\$ 126,034	\$ 61,152
Fuel or power for pumping	394,645	368,256
Operation and maintenance of pumps and pump houses	2,099	6,115
Total Source of Supply and Pumping	<u>522,778</u>	<u>435,523</u>
Treatment		
Chemical	15,165	15,063
Operation and maintenance	58,127	74,129
Total Treatment	<u>73,292</u>	<u>89,192</u>
Distribution		
Miscellaneous	172,662	160,604
Operation and maintenance - towers	7,289	6,163
Operation and maintenance - mains	439,467	531,304
Operation and maintenance - service lines	66,318	53,748
Operation and maintenance - meters	6,744	40,787
Maintenance of hydrants	42,383	9,185
Total Distribution	<u>734,863</u>	<u>801,791</u>
Customer Accounting and Collection		
Meter reading	42,141	29,998
Customer records and collection expenses	158,912	123,531
Uncollectible accounts	8,301	7,037
Total Customer Accounting and Collections	<u>209,354</u>	<u>160,566</u>
Administrative and General		
Salaries	110,014	89,830
Office supplies	74,668	51,109
Interest on customer meter deposits	1,636	1,171
Electric and water consumed in-house	10,573	10,357
Outside services employed	6,353	7,285
Insurance	103,305	88,296
Employee benefits	341,993	245,951
Miscellaneous general	60,001	55,220
Maintenance of general plant	11,887	10,206
Total General and Administrative	<u>720,430</u>	<u>559,425</u>
Depreciation	<u>980,370</u>	<u>930,219</u>
Total Operating Expenses	<u><u>\$ 3,241,087</u></u>	<u><u>\$ 2,976,716</u></u>

Rolla Municipal Utilities
Other Supplemental Information
Schedule of Capital Assets - Electric Department
For the Year Ended September 30, 2023

	Assets			Ending Balance
	Beginning Balance	Increases	Decreases	
TRANSMISSION PLANT				
Land and land rights	\$ 3,537	\$ -	\$ -	\$ 3,537
Station equipment 34KV	-	80,571	-	80,571
Poles and fixtures	1,388,073	-	-	1,388,073
O/H conductors and devices	1,428,729	5,377	-	1,434,106
Total Transmission Plant	<u>2,820,339</u>	<u>85,948</u>	<u>-</u>	<u>2,906,287</u>
DISTRIBUTION PLANT				
Land and land rights	282,123	-	-	282,123
Structure and improvements	2,777,262	-	-	2,777,262
Station equipment	7,708,303	42,870	-	7,751,173
Pole, towers, and fixtures	2,427,787	13,769	-	2,441,556
O/H conductors and devices	2,552,682	51,692	4,126	2,600,248
Underground conduits	1,316,357	245,438	-	1,561,795
Underground conductors	1,970,464	73,920	3,139	2,041,245
Line transformers	5,147,589	271,352	6,795	5,412,146
Services	473,994	7,809	-	481,803
Meters	988,939	10,601	13,798	985,742
Rental property	143,969	-	-	143,969
Street lights and signals	1,664,542	-	151	1,664,391
Total Distribution Plant	<u>27,454,011</u>	<u>717,451</u>	<u>28,009</u>	<u>28,143,453</u>
GENERAL PLANT				
Land and land rights	210,418	-	-	210,418
Fiber optic-land and land rights	19,948	-	-	19,948
Structure and improvements	1,997,522	-	-	1,997,522
Office furniture and equipment	1,170,069	341,563	-	1,511,632
Transportation equipment	2,867,943	197,867	61,563	3,004,247
Tools and work equipment	205,697	-	-	205,697
Laboratory	64,457	55,332	34,914	84,875
Communication equipment	61,524	15,984	-	77,508
Power operated equipment	1,452,258	85,015	-	1,537,273
Construction in progress	654,287	392,561	-	1,046,848
Fiber optic-electric and water	1,120,179	18,251	11,511	1,126,919
Total General Plant	<u>9,824,302</u>	<u>1,106,573</u>	<u>107,988</u>	<u>10,822,887</u>
BULK STATION				
Land and land rights	254,906	-	-	254,906
Meters	12,867	-	-	12,867
Station equipment	6,645,209	56,550	-	6,701,759
Total Bulk Station	<u>6,912,982</u>	<u>56,550</u>	<u>-</u>	<u>6,969,532</u>
Total Assets	<u>\$ 47,011,634</u>	<u>\$ 1,966,522</u>	<u>\$ 135,997</u>	<u>\$ 48,842,159</u>

Rolla Municipal Utilities
Other Supplemental Information
Schedule of Capital Assets - Electric Department
For the Year Ended September 30, 2023

	Accumulated Depreciation			
	Beginning Balance	Increases	Decreases	
TRANSMISSION PLANT				
Land and land rights	\$ -	\$ -	\$ -	\$ -
Station equipment 34KV	-	2,859	-	2,859
Poles and fixtures	910,221	54,761	-	964,982
O/H conductors and devices	1,032,780	45,927	-	1,078,707
Total Transmission Plant	<u>1,943,001</u>	<u>103,547</u>	<u>-</u>	<u>2,046,548</u>
DISTRIBUTION PLANT				
Land and land rights	-	-	-	-
Structure and improvements	2,280,305	54,430	-	2,334,735
Station equipment	6,129,175	197,730	-	6,326,905
Pole, towers, and fixtures	1,516,575	79,024	-	1,595,599
O/H conductors and devices	1,741,076	72,053	-	1,813,129
Underground conduits	851,628	49,999	-	901,627
Underground conductors	1,349,603	60,566	3,140	1,407,029
Line transformers	3,569,706	160,705	6,795	3,723,616
Services	347,154	10,491	-	357,645
Meters	636,726	47,418	13,797	670,347
Rental property	126,571	2,400	-	128,971
Street lights and signals	1,145,613	61,091	151	1,206,553
Total Distribution Plant	<u>19,694,132</u>	<u>795,907</u>	<u>23,883</u>	<u>20,466,156</u>
GENERAL PLANT				
Land and land rights	-	-	-	-
Fiber optic-land and land rights	-	-	-	-
Structure and improvements	1,619,280	47,070	-	1,666,350
Office furniture and equipment	980,553	137,911	-	1,118,464
Transportation equipment	1,552,299	267,531	61,562	1,758,268
Tools and work equipment	164,038	7,403	-	171,441
Laboratory	47,635	3,405	17,457	33,583
Communication equipment	52,120	2,631	-	54,751
Power operated equipment	1,174,505	84,772	-	1,259,277
Construction in progress	-	-	-	-
Fiber optic-electric and water	638,724	34,344	-	673,068
Total General Plant	<u>6,229,154</u>	<u>585,067</u>	<u>79,019</u>	<u>6,735,202</u>
BULK STATION				
Land and land rights	-	-	-	-
Meters	3,427	291	-	3,718
Station equipment	2,727,404	138,131	-	2,865,535
Total Bulk Station	<u>2,730,831</u>	<u>138,422</u>	<u>-</u>	<u>2,869,253</u>
Total Accumulated Depreciation	<u>\$ 30,597,118</u>	<u>\$ 1,622,943</u>	<u>\$ 102,902</u>	<u>\$ 32,117,159</u>

Rolla Municipal Utilities
Other Supplemental Information
Schedule of Capital Assets - Water Department
For the Year Ended September 30, 2023

	Assets			Ending Balance
	Beginning Balance	Increases	Decreases	
SOURCE OF SUPPLY				
Land and land rights	\$ 100,714	\$ -	\$ -	\$ 100,714
Structures and improvements	771,336	2,063	-	773,399
Water wells	851,269	22	-	851,291
Total Source Of Supply	<u>1,723,319</u>	<u>2,085</u>	<u>-</u>	<u>1,725,404</u>
PUMPING PLANT				
Land and land rights	5,000	-	-	5,000
Structure and improvements	153,573	-	-	153,573
Electric pumping equipment	2,232,453	152,295	31,915	2,352,833
Total Pumping Plant	<u>2,391,026</u>	<u>152,295</u>	<u>31,915</u>	<u>2,511,406</u>
WATER TREATMENT				
Chlorination equipment	130,583	-	-	130,583
Fluoridation equipment	20,986	-	-	20,986
Total Water Treatment	<u>151,569</u>	<u>-</u>	<u>-</u>	<u>151,569</u>
DISTRIBUTION				
Land and land rights	19,114	-	-	19,114
Reservoirs and standpipes	3,191,376	-	-	3,191,376
Distribution mains	18,670,707	818,635	2,723	19,486,619
Meters	1,986,831	47,129	-	2,033,960
Fire hydrants	1,746,389	26,609	-	1,772,998
Total Distribution	<u>25,614,417</u>	<u>892,373</u>	<u>2,723</u>	<u>26,504,067</u>
GENERAL				
Laboratory equipment	27,073	-	-	27,073
Total Assets	<u>\$ 29,907,404</u>	<u>\$ 1,046,753</u>	<u>\$ 34,638</u>	<u>\$ 30,919,519</u>

**Rolla Municipal Utilities
Other Supplemental Information
Schedule of Capital Assets - Water Department
For the Year Ended September 30, 2023**

	Accumulated Depreciation			Ending Balance
	Beginning Balance	Increases	Decreases	
SOURCE OF SUPPLY				
Land and land rights	\$ -	\$ -	\$ -	\$ -
Structures and improvements	457,803	17,577	-	475,380
Water wells	653,563	14,312	-	667,875
Total Source Of Supply	1,111,366	31,889	-	1,143,255
PUMPING PLANT				
Land and land rights	-	-	-	-
Structure and improvements	140,567	1,709	-	142,276
Electric pumping equipment	2,068,875	58,967	31,915	2,095,927
Total Pumping Plant	2,209,442	60,676	31,915	2,238,203
WATER TREATMENT				
Chlorination equipment	96,455	4,686	-	101,141
Fluoridation equipment	20,864	50	-	20,914
Total Water Treatment	117,319	4,736	-	122,055
DISTRIBUTION				
Land and land rights	-	-	-	-
Reservoirs and standpipes	2,110,783	71,582	-	2,182,365
Distribution mains	8,133,827	502,625	-	8,636,452
Meters	838,978	124,323	-	963,301
Fire hydrants	866,025	46,596	-	912,621
Total Distribution	11,949,613	745,126	-	12,694,739
GENERAL				
Laboratory equipment	27,073	-	-	27,073
Total Accumulated Depreciation	\$ 15,414,813	\$ 842,427	\$ 31,915	\$ 16,225,325

**Rolla Municipal Utilities
Other Supplemental Information
Schedule of Capital Assets - Electric Department - Power Production
For the Year Ended September 30, 2023**

	Assets			Ending Balance
	Beginning Balance	Increases	Decreases	
POWER PRODUCTION				
Generators	\$ 7,504,947	\$ -	\$ -	\$ 7,504,947
Accessories	234,032	-	-	234,032
Equipment and transformers	739,289	-	-	739,289
	<u>8,478,268</u>	<u>-</u>	<u>-</u>	<u>8,478,268</u>
Total Assets	<u>\$ 8,478,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,478,268</u>

	Accumulated Depreciation			
POWER PRODUCTION				
Generators	\$ 7,142,586	\$ 69,634	\$ -	\$ 7,212,220
Accessories	224,398	2,522	-	226,920
Equipment and transformers	714,581	17,147	-	731,728
	<u>8,081,565</u>	<u>89,303</u>	<u>-</u>	<u>8,170,868</u>
Total Accumulated Depreciation	<u>\$ 8,081,565</u>	<u>\$ 89,303</u>	<u>\$ -</u>	<u>\$ 8,170,868</u>

Rolla Municipal Utilities
Other Supplemental Information
Schedule of Electric Sales - Total Kilowatt Hours
For the Years Ended September 30, 2023 and 2022

	2023	2022
Kilowatt hours sold:		
October	23,406,272	26,372,174
November	20,513,833	20,480,786
December	26,074,549	22,589,885
January	31,640,973	28,080,349
February	28,702,663	29,230,542
March	24,602,403	27,243,942
April	27,530,553	28,502,294
May	19,856,960	21,492,158
June	22,908,098	21,621,849
July	28,092,705	29,713,057
August	24,562,344	25,996,164
September	31,227,665	27,193,109
	309,119,018	308,516,309
	309,119,018	308,516,309

Rolla Municipal Utilities
Other Supplemental Information
Schedule of Water Sales - Total Gallons
For the Years Ended September 30, 2023 and 2022

	2023	2022
Gallons sold:		
October	62,004,000	68,061,000
November	53,082,000	48,413,000
December	49,012,000	47,552,000
January	49,396,000	48,607,000
February	49,616,000	43,221,000
March	48,072,000	46,421,000
April	57,512,000	59,606,000
May	51,460,000	46,220,000
June	61,892,000	50,040,000
July	69,765,000	69,515,000
August	60,476,000	67,302,000
September	77,620,000	68,598,000
	689,907,000	663,556,000
	689,907,000	663,556,000

Rolla Municipal Utilities
Other Supplemental Information
Schedule of Electric Purchased, Sales, and Losses
For the Year Ended September 30, 2023

	Total Kilowatt Hours Sold Or Used	Total Kilowatt Hours Purchased	Kilowatt Hours (Loss) Or Gain	Percent Of (Loss) Or Gain	Average Cost Per Kilowatt	Amount of (Loss) Or Gain
October	23,406,272	22,524,800	881,472	3.91	\$ 0.067700	\$ 59,676
November	20,513,833	26,257,400	(5,743,567)	(21.87)	0.071600	(411,239)
December	26,074,549	32,451,800	(6,377,251)	(19.65)	0.063800	(406,869)
January	31,640,973	30,829,500	811,473	2.63	0.061900	50,230
February	28,702,663	26,425,900	2,276,763	8.62	0.064200	146,168
March	24,602,403	27,780,700	(3,178,297)	(11.44)	0.066600	(211,675)
April	27,530,553	22,362,000	5,168,553	23.11	0.072100	372,653
May	19,856,960	23,517,700	(3,660,740)	(15.57)	0.060500	(221,475)
June	22,898,098	25,742,200	(2,844,102)	(11.05)	0.078200	(222,409)
July	26,092,705	28,572,400	(2,479,695)	(8.68)	0.066900	(165,892)
August	24,562,344	29,454,500	(4,892,156)	(16.61)	0.063200	(309,184)
September	31,227,665	24,801,400	6,426,265	25.91	0.072100	463,334
Total	307,109,018	320,720,300	(13,611,282)	(4.24)	\$ 0.067400	\$ (856,682)

**Rolla Municipal Utilities
Other Supplemental Information
Schedule of Insurance Coverage**

Insurer	Expiration Date	Description of Property	Coverage	Amount of Limit
Missouri Intergovernmental Risk Management Association	7/1/2024	All utility property	Buildings and contents	100% replacement
		Equipment	Heavy Equipment	\$1,307,266
		Equipment	Boiler and machinery	100% replacement
		Manufacturers and contractors	Liability	\$3,000,000
		Owners, tenants, landlords	Liability	\$3,000,000
		Contractual	Liability	\$3,000,000
		Fire damage	Liability	\$3,000,000
		Products	Liability	\$3,000,000
		Completed operations	Liability	\$3,000,000
		Liquor	Liability	\$3,000,000
		Public officials	Liability	\$3,000,000
		Police professional liability	Liability	\$3,000,000
		Special events	Liability	\$3,000,000
		Sewer back-up	Liability	\$3,000,000
		Employees	Workers' compensation	Statutory
		Employment practice	Liability	\$1,000,000
		Employees	Employer's liability	\$3,000,000
		Employees	Money and Securities and Theft	\$100,000
		Automobiles	Bodily injury and property damage	\$4,500,000
		Automobiles	Physical damage	Actual cash value
		Uninsured motorist	Liability	\$ 25,000/50,000
		Cyber	Liability	\$1,000,000