

REPORT OF
CITY OF MARSHALL, MISSOURI
YEAR ENDED SEPTEMBER 30, 2021

CITY OF MARSHALL, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

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Honorable Mayor and Members
of the City Council
City of Marshall, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshall, Missouri (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

PARTNERS

Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson

Management's Responsibility 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.

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of contributions, notes to schedule of contributions, and schedule of changes in net pension liability and related ratios on pages 4 through 11 and 67 through 71 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and detailed general fund financial schedule are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and detailed general fund financial schedule are the responsibility of management and were 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 combining and individual nonmajor fund financial statements and detailed general fund financial schedule are 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 November 30, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.



November 30, 2021

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

**CITY OF MARSHALL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

As management of the City of Marshall, Missouri (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. As discussed in footnote I-A, Statement 34 allows for certain transition treatments in regards to infrastructure. The City elected to capitalize its infrastructure utilizing the transition treatments of Statement 34.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$108,893,873 (net position). Of this amount, \$47,586,097 (unrestricted net position) may be used to meet the City’s ongoing obligations to citizens and creditors in accordance with the City’s fund designation and fiscal policies.
- The City’s total net position increased by \$2,580,521. Capital grants and contributions from developers amounted to \$1,837,741.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$7,127,299. Over 13.01% of this total amount or \$927,106 is unassigned and available for use within the City’s designation and policies.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,177,946 or 16.61% of the total general fund expenditures.
- The City’s special assessment debt decreased \$13,000 due to scheduled payments.
- The City’s capital lease debt decreased \$46,915 due to scheduled payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 the broad overview of the City’s finances, in a manner similar to private-sector business.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, transportation, cultural, parks and recreation and community development. The business-type activities of the City include electric, water, wastewater and sanitation operations. The government-wide financial statements can be found on pages 12-15 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be 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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

The City maintains 20 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, which is considered to be a major fund. Data from the other 19 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 16-20.

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 uses enterprise funds to account for its electric, water, wastewater and sanitation operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water and wastewater funds since they are considered to be major funds of the City. Because the sanitation fund is the only remaining enterprise fund, it is being presented as a major fund even though it does not meet the criteria of a major fund established in Government Accounting Standards Board (GASB) Statement No. 34. The basic proprietary fund financial statements can be found on pages 21-25 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-66.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 67-71 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 72-105 of this report.

Governmental-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Marshall, assets and deferred outflows exceeded liabilities and deferred inflows by \$108,893,873 as of September 30, 2021.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

The largest portion of the City's net position (54.34%) reflects its net investment in capital assets (e.g., land, building, equipment, improvements and construction in progress). The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's net 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.

Net Position

The following table provides a summary of the City's net position at September 30, 2021, with comparative figures for September 30, 2020:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 6,697,855	\$ 6,216,531	\$ 19,963,976	\$ 18,092,994	\$ 26,661,831	\$ 24,309,525
Restricted assets	-	-	20,611,113	22,165,022	20,611,113	22,165,022
Other assets	5,102,915	952,946	6,929,444	-	12,032,359	952,946
Capital assets	20,916,496	21,306,594	42,038,990	42,522,677	62,955,486	63,829,271
Total Assets	32,717,266	28,476,071	89,543,523	82,780,693	122,260,789	111,256,764
Deferred outflows	273,645	786,034	394,078	1,344,666	667,723	2,130,700
Current liabilities	564,507	526,610	4,485,467	4,380,533	5,049,974	4,907,143
Long-term liabilities	811,113	884,292	-	520,651	811,113	1,404,943
Total Liabilities	1,375,620	1,410,902	4,485,467	4,901,184	5,861,087	6,312,086
Deferred inflows	3,314,688	730,537	4,858,864	31,489	8,173,552	762,026
Net position						
Net investment in capital asset:						
Restricted	20,076,201	20,406,384	39,100,403	38,935,467	59,176,604	59,341,851
Unrestricted	2,131,172	847,570	-	-	2,131,172	847,570
Total Net Position	6,093,230	5,866,712	41,492,867	40,257,219	47,586,097	46,123,931
Total Net Position	\$ 28,300,603	\$ 27,120,666	\$ 80,593,270	\$ 79,192,686	\$ 108,893,873	\$ 106,313,352

As of September 30, 2021 and September 30, 2020 the City is able to report positive balances in all three categories of net position for the government as a whole.

Analysis of the City's Operations - Overall the City had an increase in net position of \$2,580,521.

Governmental Activities: Governmental activities increased the net position by \$1,179,937.

Business-Type Activities: Net Position from business-type activities increased by \$1,400,584 or 1.77% from \$79,192,686 to \$80,593,270. This increase was primarily due to an increase in net operating income.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

Changes in Net Position

The following table provides a summary of the City's operations for the year ended September 30, 2021, with comparative figures for the year ended September 30, 2020:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Fees, fines and charges for services	\$ 861,690	\$ 637,669	\$ 30,906,041	\$ 30,169,189	\$ 31,767,731	\$ 30,806,858
Operating grants and contributions	43,688	182,463	-	-	43,688	182,463
Capital grants and contributions	1,785,182	215,540	52,559	22,158	1,837,741	237,698
General Revenues:						
Property taxes	1,813,307	1,773,251	-	-	1,813,307	1,773,251
Franchise taxes	2,173,441	2,227,455	-	-	2,173,441	2,227,455
Sales and use taxes	4,301,519	3,966,338	-	-	4,301,519	3,966,338
Motor vehicle and fuel taxes	552,948	514,565	-	-	552,948	514,565
Other taxes	391,727	307,147	-	-	391,727	307,147
Interest investment earnings	63,303	91,631	73,124	434,719	136,427	526,350
Other	287,535	171,043	-	-	287,535	171,043
Gain/(loss) on disposition of property	(55,832)	160,529	-	(10,298)	(55,832)	150,231
Total Revenues	<u>12,218,508</u>	<u>10,247,631</u>	<u>31,031,724</u>	<u>30,615,768</u>	<u>43,250,232</u>	<u>40,863,399</u>
Expenses:						
General government	2,020,026	1,040,052	-	-	2,020,026	1,040,052
Public safety	4,089,921	4,435,654	-	-	4,089,921	4,435,654
Transportation	2,732,618	2,083,630	-	-	2,732,618	2,083,630
Parks and recreation	1,936,112	1,722,354	-	-	1,936,112	1,722,354
Community/economic development	228,229	295,927	-	-	228,229	295,927
Debt service	31,665	2,487	-	-	31,665	2,487
Electric	-	-	20,050,946	21,192,025	20,050,946	21,192,025
Water	-	-	3,352,445	3,631,058	3,352,445	3,631,058
Wastewater	-	-	2,466,868	2,587,514	2,466,868	2,587,514
Sanitation	-	-	1,486,873	1,589,353	1,486,873	1,589,353
Total Expenses	<u>11,038,571</u>	<u>9,580,104</u>	<u>27,357,132</u>	<u>28,999,950</u>	<u>38,395,703</u>	<u>38,580,054</u>
Transfers	-	5,000	-	(5,000)	-	-
Other	-	-	(2,274,008)	(926,215)	(2,274,008)	(926,215)
Increase (decrease) in net position	<u>1,179,937</u>	<u>672,527</u>	<u>1,400,584</u>	<u>684,603</u>	<u>2,580,521</u>	<u>1,357,130</u>
Net Position - Beginning of Year	<u>27,120,666</u>	<u>26,448,139</u>	<u>79,192,686</u>	<u>78,508,083</u>	<u>106,313,352</u>	<u>104,956,222</u>
Net Position - End of Year	<u>\$ 28,300,603</u>	<u>\$ 27,120,666</u>	<u>\$ 80,593,270</u>	<u>\$ 79,192,686</u>	<u>\$ 108,893,873</u>	<u>\$ 106,313,352</u>

Financial Analysis of the Government's Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,127,299. Approximately 13.01% of this total amount \$927,106 constitutes unassigned fund balance. The remainder of the fund balance is nonspendable or assigned.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

In the general fund, the City budgeted for an increase in the fund balance of \$52,514, which was primarily resulting from more revenue. Due to actual expenditures being more than budgeted, the actual fund balance decrease for fiscal year 2021 was \$113,743. Debt service fund balance increased in 2021 by \$7,764.

Proprietary Fund - The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective proprietary funds are electric - \$31,398,795, water - \$3,903,315, wastewater - \$3,255,953, sanitation - \$2,934,804. All funds except electric had a net position increase in 2021.

General Fund Budgetary Highlights - The City made revisions to the original appropriations approved by the City Council. In the general fund these changes resulted in an increase in budgeted expenditures from the original budget of \$333,126.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounts to \$62,955,486 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements and construction in progress. The following table provides a summary of the City's capital assets at September 30, 2021, with comparative figures for September 30, 2020:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Property, plant and equipment:						
Land	\$ 1,340,582	\$ 1,990,135	\$ 2,037,722	\$ 2,037,722	\$ 3,378,304	\$ 4,027,857
Structures, improvements and plant equipment	3,490,437	3,223,859	15,510,099	16,478,847	19,000,536	19,702,706
Improvements	6,824,040	6,356,487	-	-	6,824,040	6,356,487
Distribution system	-	-	20,332,954	20,751,364	20,332,954	20,751,364
Street lighting and hydrants	-	-	718,059	753,294	718,059	753,294
Office structures and improvement and furniture and fixtures	-	-	118,047	113,004	118,047	113,004
Machinery and equipment	1,470,509	1,514,847	1,299,346	1,401,032	2,769,855	2,915,879
Construction in progress	815,418	649,553	2,022,763	987,414	2,838,181	1,636,967
Infrastructure	6,975,510	7,571,713	-	-	6,975,510	7,571,713
Net Capital Assets	<u>\$ 20,916,496</u>	<u>\$ 21,306,594</u>	<u>\$ 42,038,990</u>	<u>\$ 42,522,677</u>	<u>\$ 62,955,486</u>	<u>\$ 63,829,271</u>

Additional information on the City's capital assets can be found in Note III-G and III-H on pages 45-50 of this report.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

Debt Administration

At the end of the current fiscal year, the City of Marshall had a total bonded debt, special assessment debt and capital lease payable of \$840,295. Of this amount, \$123,000 comprises bonded debt backed by the full faith and credit of the government; and \$717,295 represents capital lease obligations that are expected to be paid so long as the City appropriates funds for payment.

**Outstanding Debt at Year End
Special Assessment Debt and Capital Lease**

The following table provides a summary of the City’s outstanding debt at September 30, 2021, with comparative figures for September 30, 2020 (not including business-type activities):

	Governmental Activities	
	2021	2020
Special assessment debt	\$ 123,000	\$ 136,000
Capital leases	717,295	764,210
Total	\$ 840,295	\$ 900,210

During the fiscal year, the City’s total debt decreased by \$59,915. The decrease was due to scheduled payments of bonds and leases. Additional information on the City’s long-term debt can be found in footnote III-I on pages 51-55 of this report.

Economic Outlook

The FY22 budget continues to remain strong. It is a budget that presents a combination of conservative revenue projections mandated by a sales tax that we saw a slight increase in in FY21. We believe the increase could be a result of the Covid-19 pandemic. The pandemic caused people to have to stay home and shop local instead of going out of town for their shopping needs. On the other hand, it is a budget that works to maintain a healthy general fund balance. The FY22 budget provides a slight cost of living increase for all employees. Of course, the economy will determine if the cost of living increase will be possible in future years. The FY22 budget also allowed the ability to set aside additional funds to continue the sidewalk project.

The large unknown factors impacting this budget and every municipal budget in Missouri are the state, federal and regional economies. Another related unknown factor is legislation coming out of the Missouri legislature that may negatively impact municipal budgets. It is important that we monitor these developments. Even with some of these unknowns the City is able to fulfill some of the capital project requests from each department, purchase backup systems for body cameras, body armor, and a K-9 for the police department, purchase a vent system for the fire department bay, and purchase a couple of other pieces of equipment for other city departments.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

It also is important that we monitor city revenues and expenditures. Another budget goal is to continue to monitor sales tax revenues, a major source of city income, and possibly work with the Missouri Municipal League, other cities, and the federal and state legislatures to address the worrisome problem of declining sales tax revenues due to more internet sales and fewer sales at brick-and-mortar stores. The City began to address this problem with the public approval of the use tax in 2013. Due to this flattening of the trend line of the largest revenue source, the City must pay particular attention to corresponding trends in expenditures. In the meantime, although it is wise to be financially conservative and cautious, the City must move forward with our budgetary efforts to strengthen community services and infrastructure. This Fiscal Year 2022 budget attempts to reach both of those goals.

Request for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Marshall, Missouri, Attn: Aimee Klinge, Finance Officer, at 214 N. Lafayette, Marshall, Missouri 65340, or call (660) 886-2226.

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash, including time deposits	\$ 4,859,551	\$ 12,272,846	\$ 17,132,397
Investments	177,375	-	177,375
Interest receivable	717	1,850	2,567
Accounts receivable (net)	623,013	3,732,706	4,355,719
Taxes receivable - net of allowance for uncollectible - \$9,151	62,565	-	62,565
Due from other governmental agencies	1,198,749	-	1,198,749
Franchise taxes receivable	575,723	-	575,723
Internal account	(1,208,765)	1,208,765	-
Inventory	69,642	2,235,934	2,305,576
Prepaid expenses	339,285	511,875	851,160
Total Current Assets	<u>6,697,855</u>	<u>19,963,976</u>	<u>26,661,831</u>
Noncurrent Assets:			
Restricted assets:			
Cash, including time deposits	-	5,369,273	5,369,273
Investment securities	-	15,241,840	15,241,840
Total Restricted Assets	<u>-</u>	<u>20,611,113</u>	<u>20,611,113</u>
Net pension asset	<u>5,102,915</u>	<u>6,929,444</u>	<u>12,032,359</u>
Capital Assets:			
Capital assets not being depreciated:			
Land	1,990,135	2,037,722	4,027,857
Construction in progress	165,865	2,022,763	2,188,628
Total capital assets not being depreciated	<u>2,156,000</u>	<u>4,060,485</u>	<u>6,216,485</u>
Capital assets being depreciated:			
Structures, improvements and plant equipment	18,672,914	56,257,458	74,930,372
Distribution system	-	45,816,752	45,816,752
Office structure, improvements furniture and fixtures	-	531,481	531,481
Equipment	6,020,499	6,867,757	12,888,256
Infrastructure	31,737,795	-	31,737,795
Accumulated depreciation	(37,670,712)	(71,494,943)	(109,165,655)
Net capital assets being depreciated	<u>18,760,496</u>	<u>37,978,505</u>	<u>56,739,001</u>
Total Capital Assets, net of accumulated depreciation	<u>20,916,496</u>	<u>42,038,990</u>	<u>62,955,486</u>
Total Noncurrent Assets	<u>26,019,411</u>	<u>69,579,547</u>	<u>95,598,958</u>
Total Assets	<u>32,717,266</u>	<u>89,543,523</u>	<u>122,260,789</u>
Deferred Outflows:			
Deferred outflows related to pension	273,645	394,078	667,723
Total Deferred Outflows	<u>273,645</u>	<u>394,078</u>	<u>667,723</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONT'D)
SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts payable	48,304	2,469,922	2,518,226
Accrued expenses	448,544	1,391,274	1,839,818
Debt due within one year	67,659	-	67,659
Payable from segregated funds			
Customer's deposits	-	624,271	624,271
Total Current Liabilities	<u>564,507</u>	<u>4,485,467</u>	<u>5,049,974</u>
Noncurrent Liabilities:			
Special assessment debt	110,000	-	110,000
Capital lease payable	662,636	-	662,636
Accrued compensated absences	38,477	-	38,477
Net pension liability	-	-	-
Total Noncurrent Liabilities	<u>811,113</u>	<u>-</u>	<u>811,113</u>
Total Liabilities	<u>1,375,620</u>	<u>4,485,467</u>	<u>5,861,087</u>
DEFERRED INFLOWS			
Deferred inflows related to pension	3,314,688	4,858,864	8,173,552
Total Deferred Inflows	<u>3,314,688</u>	<u>4,858,864</u>	<u>8,173,552</u>
NET POSITION			
Net investment in capital assets	20,076,201	39,100,403	59,176,604
Restricted, but expendable for:			
Debt service	69,300	-	69,300
Pension	2,061,872	-	2,061,872
Unrestricted	6,093,230	41,492,867	47,586,097
Total Net Position	<u>\$ 28,300,603</u>	<u>\$ 80,593,270</u>	<u>\$ 108,893,873</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Primary Government Governmental Activities	Business-type Activities	
Governmental Activities:							
General Government:							
General and administration	\$ 1,892,103	\$ 135,692	\$ 5,032	\$ 1,295,564	\$ (455,815)	\$ -	\$ (455,815)
Executive	127,923	-	-	-	(127,923)	-	(127,923)
Total General Government	2,020,026	135,692	5,032	1,295,564	(583,738)	-	(583,738)
Public Safety:							
Police	2,305,231	70,996	14,135	14,715	(2,205,385)	-	(2,205,385)
Fire	1,667,666	15,325	-	-	(1,667,666)	-	(1,667,666)
Court	117,024	-	-	-	(117,024)	-	(117,024)
Total Public Safety	4,089,921	86,321	14,135	14,715	(3,974,750)	-	(3,974,750)
Transportation:							
Airport	671,057	161,775	-	244,145	(265,137)	-	(265,137)
Streets	2,061,561	7,951	-	230,758	(1,822,852)	-	(1,822,852)
Total Transportation	2,732,618	169,726	-	474,903	(2,087,989)	-	(2,087,989)
Cultural, Parks and Recreation:							
Library	220,786	1,710	16,115	-	(202,961)	-	(202,961)
Parks	1,559,229	402,364	7,356	-	(1,149,509)	-	(1,149,509)
Band	73,353	-	1,050	-	(72,303)	-	(72,303)
Community center	82,744	65,877	-	-	(16,867)	-	(16,867)
Total Cultural, Parks and Recreation	1,936,112	469,951	24,521	-	(1,441,640)	-	(1,441,640)
Community/Economic Development:							
Planning, building and economic	170,617	-	-	-	(170,617)	-	(170,617)
Tourism	57,612	-	-	-	(57,612)	-	(57,612)
Total Community/Economic Development	228,229	-	-	-	(228,229)	-	(228,229)
Debt Service:							
Interest	31,665	-	-	-	(31,665)	-	(31,665)
Total Debt Service	31,665	-	-	-	(31,665)	-	(31,665)
Total Governmental Activities	11,038,571	861,690	43,688	1,785,182	(8,348,011)	-	(8,348,011)
Business-type Activities:							
Electric	20,050,946	21,671,753	-	48,409	-	1,669,216	1,669,216
Water	3,352,445	4,374,158	-	2,650	-	1,024,363	1,024,363
Wastewater	2,466,868	2,963,163	-	1,500	-	497,795	497,795
Sanitation	1,486,873	1,896,967	-	-	-	410,094	410,094
Total Business-type Activities	27,357,132	30,906,041	-	52,559	-	3,601,468	3,601,468
Total	\$ 38,395,703	\$ 31,767,731	\$ 43,688	\$ 1,837,741	\$ (8,348,011)	\$ 3,601,468	\$ (4,746,543)

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONT'D)
YEAR ENDED SEPTEMBER 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	1,805,543	-	1,805,543
Property taxes, levied for debt service	7,764	-	7,764
Franchise taxes	2,173,441	-	2,173,441
Sales and use taxes	4,301,519	-	4,301,519
Motor vehicle and fuel taxes	552,948	-	552,948
Cigarette taxes	44,120	-	44,120
Tourism taxes	91,835	-	91,835
Economic development taxes	233,190	-	233,190
Other taxes	22,582	-	22,582
Unrestricted investment earnings	63,303	73,124	136,427
Miscellaneous	287,535	-	287,535
Gain (loss) on disposition of property	(55,832)	-	(55,832)
Total general revenues	<u>9,527,948</u>	<u>73,124</u>	<u>9,601,072</u>
Change in net position before other item and eliminating interfund transfers	<u>1,179,937</u>	<u>3,674,592</u>	<u>4,854,529</u>
Other Item:			
Decommissioning Costs (Electric)	-	(2,274,008)	(2,274,008)
Total other item	<u>-</u>	<u>(2,274,008)</u>	<u>(2,274,008)</u>
Change in net position	1,179,937	1,400,584	2,580,521
Net position - beginning of year	<u>27,120,666</u>	<u>79,192,686</u>	<u>106,313,352</u>
Net position - end of year	<u>\$ 28,300,603</u>	<u>\$ 80,593,270</u>	<u>\$ 108,893,873</u>

CITY OF MARSHALL, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

ASSETS	General Fund	Other Governmental Funds	Total
Cash and cash equivalents	\$ 49,658	\$ 4,809,893	\$ 4,859,551
Investments	-	54,375	54,375
Taxes receivable - net of allowance for uncollectible - \$9,151	18,367	44,198	62,565
Franchise taxes receivable	575,723	-	575,723
Accrued interest receivable	717	-	717
Accounts receivable	374,354	248,659	623,013
Due from other governmental agencies	513,571	685,178	1,198,749
Due from other funds	226,148	102,804	328,952
Inventory	-	69,642	69,642
Prepaid expenses	182,468	156,817	339,285
Total Assets	<u>\$ 1,941,006</u>	<u>\$ 6,171,566</u>	<u>\$ 8,112,572</u>
LIABILITIES			
Accounts payable	\$ 21,681	\$ 26,623	\$ 48,304
Accrued expenses	347,914	100,630	448,544
Due to other funds	194,743	265,144	459,887
Total Liabilities	<u>564,338</u>	<u>392,397</u>	<u>956,735</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	<u>16,254</u>	<u>12,284</u>	<u>28,538</u>
FUND EQUITY			
Nonspendable			
Inventory	-	69,642	69,642
Prepaid expenses	182,468	156,817	339,285
Assigned for special revenue purposes	-	5,721,966	5,721,966
Assigned for debt service purposes	-	69,300	69,300
Unassigned (deficit)	1,177,946	(250,840)	927,106
Total Fund Equity	<u>1,360,414</u>	<u>5,766,885</u>	<u>7,127,299</u>
Total Liabilities, Deferred Inflows of Resources and Fund Equity	<u>\$ 1,941,006</u>	<u>\$ 6,171,566</u>	<u>\$ 8,112,572</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Total fund balance - total governmental funds	\$	7,127,299
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$37,670,712		20,916,496
The net pension asset and deferred outflows related to pension are not available resources and, therefore, are not reported in the funds.		5,376,560
The net pension liability and deferred inflows related to pension are not payable from available resources and, therefore, are not reported in the funds.		(3,314,688)
Unavailable property tax revenue accounts are used by management to report revenues earned but not collected within 60 days of the fiscal year-end as deferred inflows of resources of the individual funds. Such amounts are considered revenues of the government-wide statements when earned.		28,538
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Interfund fund loan proceeds		(1,077,830)
Accrued compensated absences		(38,477)
Debt due in less than one year		(54,659)
Debt due in more than one year		(662,636)
		(1,833,602)
Net position of governmental activities	\$	28,300,603

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Other Governmental Funds	Total
REVENUES			
Taxes	\$ 5,393,363	\$ 3,834,450	\$ 9,227,813
Licenses and permits	134,334	-	134,334
Intergovernmental	28,850	1,786,891	1,815,741
Charges for services	16,683	639,677	656,360
Fines and penalties	70,996	-	70,996
Miscellaneous	213,580	199,367	412,947
Total Revenues	<u>5,857,806</u>	<u>6,460,385</u>	<u>12,318,191</u>
EXPENDITURES			
General and administrative	1,907,914	-	1,907,914
Executive	162,439	-	162,439
Fire	2,087,623	-	2,087,623
Police	2,608,914	-	2,608,914
Court	117,039	-	117,039
Planning, building and economic development	205,962	-	205,962
Street	-	1,367,840	1,367,840
Band	-	71,442	71,442
Park	-	1,599,030	1,599,030
Tourism	-	57,612	57,612
Community center	-	82,744	82,744
Airport operating	-	475,925	475,925
Library	-	236,768	236,768
Capital outlay	-	877,898	877,898
Debt service			
Interest and fees	-	-	-
Total Expenditures	<u>7,089,891</u>	<u>4,769,259</u>	<u>11,859,150</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,232,085)</u>	<u>1,691,126</u>	<u>459,041</u>
OTHER FINANCING SOURCES (USES)			
Interfund loan proceeds	1,077,830	-	1,077,830
Operating transfers in (out)	40,512	(40,512)	-
Total Other Financing Sources (Uses)	<u>1,118,342</u>	<u>(40,512)</u>	<u>1,077,830</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	(113,743)	1,650,614	1,536,871
Fund Balance, beginning of year	<u>1,474,157</u>	<u>4,116,271</u>	<u>5,590,428</u>
Fund Balance, end of year	<u>\$ 1,360,414</u>	<u>\$ 5,766,885</u>	<u>\$ 7,127,299</u>

See Notes to Financial Statements

**CITY OF MARSHALL, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

Net change in fund balances - total governmental funds \$ 1,536,871

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	1,180,063
Capital asset dispositions	(104,812)
Depreciation expense	(1,465,349)
	(390,098)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Interfund loan proceeds received	(1,077,830)
Capital lease obligation principal payments	46,915
	(1,030,915)

Revenues in the statement activities that do not provide current financial resources are not reported as revenues in the funds:

Unavailable revenues - property taxes	5,129
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Accrued compensated absences	5,521
Net pension expenses	1,053,429
	1,058,950

Change in Net Position of Governmental Activities	\$ 1,179,937
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CITY OF MARSHALL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,283,108	\$ 5,582,608	\$ 5,393,363	\$ (189,245)
Licenses and permits	149,045	142,595	134,334	(8,261)
Intergovernmental	15,000	25,000	28,850	3,850
Charges for services	12,000	18,500	16,683	(1,817)
Fines and penalties	100,000	80,000	70,996	(9,004)
Miscellaneous	124,500	290,000	213,580	(76,420)
Total Revenues	<u>5,683,653</u>	<u>6,138,703</u>	<u>5,857,806</u>	<u>(280,897)</u>
EXPENDITURES				
General and administrative	776,154	869,430	1,907,914	(1,038,484)
Executive	187,358	169,383	162,439	6,944
Fire	2,038,344	2,119,524	2,087,623	31,901
Police	2,447,084	2,629,574	2,608,914	20,660
Court	114,659	121,399	117,039	4,360
Planning, building and economic development	229,976	217,391	205,962	11,429
Total Expenditures	<u>5,793,575</u>	<u>6,126,701</u>	<u>7,089,891</u>	<u>(963,190)</u>
Excess (Deficit) of Revenues over Expenditures	<u>(109,922)</u>	<u>12,002</u>	<u>(1,232,085)</u>	<u>(1,244,087)</u>
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	-	-	1,077,830	1,077,830
Operating transfers in (out)	-	40,512	40,512	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>40,512</u>	<u>1,118,342</u>	<u>1,077,830</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(109,922)</u>	<u>52,514</u>	<u>(113,743)</u>	<u>\$ (166,257)</u>
Fund Balance, beginning of year	<u>1,474,157</u>	<u>1,474,157</u>	<u>1,474,157</u>	
Fund Balance, end of year	<u>\$ 1,364,235</u>	<u>\$ 1,526,671</u>	<u>\$ 1,360,414</u>	

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
ASSETS					
Operating Funds:					
Cash and cash equivalents	\$ 8,145,016	\$ 1,126,496	\$ 432,134	\$ 2,569,200	\$ 12,272,846
Accounts receivable:					
Consumers	2,617,386	447,840	319,396	136,316	3,520,938
Other	140,887	21,975	43,499	5,407	211,768
Accrued interest	1,833	-	17	-	1,850
Due from other funds	-	-	-	130,935	130,935
Inventories:					
Fuel	627,729	-	-	-	627,729
Operating and maintenance supplies, at average cost	1,380,638	200,145	27,422	-	1,608,205
Current portion of interfund note receivable	1,732,785	-	-	-	1,732,785
Prepaid expenses	336,145	83,445	51,056	41,229	511,875
	<u>14,982,419</u>	<u>1,879,901</u>	<u>873,524</u>	<u>2,883,087</u>	<u>20,618,931</u>
SEGREGATED FUNDS					
Cash and cash equivalents	1,277,273	1,837,265	2,254,735	-	5,369,273
U.S. Gov't Securities - at amortized cost	14,996,840	-	245,000	-	15,241,840
	<u>16,274,113</u>	<u>1,837,265</u>	<u>2,499,735</u>	<u>-</u>	<u>20,611,113</u>
Total Current Assets (Including Segregated Funds)	<u>31,256,532</u>	<u>3,717,166</u>	<u>3,373,259</u>	<u>2,883,087</u>	<u>41,230,044</u>
Noncurrent Assets					
Noncurrent portion of interfund note receivable	2,283,735	-	-	-	2,283,735
Net pension asset	4,053,006	1,467,928	996,157	412,353	6,929,444
Capital Assets					
Land and land improvements Structures, improvements and plant equipment	1,621,462	94,398	118,398	203,464	2,037,722
Distribution system	20,823,653	11,655,423	23,761,956	16,426	56,257,458
Office structures, improvements, furniture and fixtures	27,392,161	9,256,135	9,168,456	-	45,816,752
Equipment	526,012	5,469	-	-	531,481
Construction in progress	2,671,210	1,077,149	1,197,093	1,922,305	6,867,757
Accumulated depreciation	1,314,147	113,126	595,490	-	2,022,763
	<u>(35,052,485)</u>	<u>(11,531,585)</u>	<u>(23,670,944)</u>	<u>(1,239,929)</u>	<u>(71,494,943)</u>
Total Capital Assets, net of accumulated depreciation	<u>19,296,160</u>	<u>10,670,115</u>	<u>11,170,449</u>	<u>902,266</u>	<u>42,038,990</u>
Total Noncurrent Assets	<u>25,632,901</u>	<u>12,138,043</u>	<u>12,166,606</u>	<u>1,314,619</u>	<u>51,252,169</u>
Total Assets	<u>56,889,433</u>	<u>15,855,209</u>	<u>15,539,865</u>	<u>4,197,706</u>	<u>92,482,213</u>
Deferred Outflows					
Deferred outflows related to pension	241,138	100,935	37,210	14,795	394,078
Total Deferred Outflows	<u>241,138</u>	<u>100,935</u>	<u>37,210</u>	<u>14,795</u>	<u>394,078</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION (CONT'D)
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
LIABILITIES					
Operating Funds:					
Accounts payable - trade/other	1,975,479	126,985	331,707	35,751	2,469,922
Gross revenue levy payable	504,762	55,825	-	39,750	600,337
Accrued benefits payable	325,598	121,555	57,196	-	504,349
Accrued payroll	185,675	58,974	41,939	-	286,588
Current portion of interfund note payable	-	299,294	355,661	-	654,955
	<u>2,991,514</u>	<u>662,633</u>	<u>786,503</u>	<u>75,501</u>	<u>4,516,151</u>
Segregated Funds:					
Consumer's deposits	624,271	-	-	-	624,271
	<u>624,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>624,271</u>
Total Current Liabilities (Including Segregated Funds)	<u>3,615,785</u>	<u>662,633</u>	<u>786,503</u>	<u>75,501</u>	<u>5,140,422</u>
Long-Term Debt:					
Net pension liability	-	-	-	-	-
Long-term portion of interfund note payable	-	1,043,594	1,240,141	-	2,283,735
Total Noncurrent Liabilities	<u>-</u>	<u>1,043,594</u>	<u>1,240,141</u>	<u>-</u>	<u>2,283,735</u>
Total Liabilities	<u>\$ 3,615,785</u>	<u>\$ 1,706,227</u>	<u>\$ 2,026,644</u>	<u>\$ 75,501</u>	<u>\$ 7,424,157</u>
Deferred Inflows:					
Deferred inflows related to pension	\$ 2,819,729	\$ 1,019,373	\$ 719,832	\$ 299,930	\$ 4,858,864
Total Deferred Inflows	<u>\$ 2,819,729</u>	<u>\$ 1,019,373</u>	<u>\$ 719,832</u>	<u>\$ 299,930</u>	<u>\$ 4,858,864</u>
NET POSITION					
Net investment in capital assets	\$ 19,296,262	\$ 9,327,229	\$ 9,574,646	\$ 902,266	\$ 39,100,403
Restricted but expendable for pension	-	-	-	-	-
Unrestricted	31,398,795	3,903,315	3,255,953	2,934,804	41,492,867
Total Net Position	<u>\$ 50,695,057</u>	<u>\$ 13,230,544</u>	<u>\$ 12,830,599</u>	<u>\$ 3,837,070</u>	<u>\$ 80,593,270</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF OPERATING REVENUES, OPERATING EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business- Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
Operating Revenues:					
Charges for services	\$ 21,391,774	\$ 4,348,532	\$ 2,931,958	\$ 1,708,739	\$ 30,381,003
Miscellaneous	279,979	25,626	31,205	188,228	525,038
Total Operating Revenues	<u>21,671,753</u>	<u>4,374,158</u>	<u>2,963,163</u>	<u>1,896,967</u>	<u>30,906,041</u>
Operating Expenses:					
Production and plant maintenance	12,877,210	1,326,403	1,085,392	155,065	15,444,070
Transmission and distribution	2,095,860	635,621	312,280	498,823	3,542,584
Personnel services	854,960	276,666	261,324	694,201	2,087,151
Insurance	392,690	148,401	92,688	-	633,779
Payments and/or services in lieu of taxes	1,638,445	205,313	-	-	1,843,758
Other general expense	597,752	125,159	69,137	23,695	815,743
Depreciation	1,594,029	633,271	644,133	115,089	2,986,522
Total Operating Expenses	<u>20,050,946</u>	<u>3,350,834</u>	<u>2,464,954</u>	<u>1,486,873</u>	<u>27,353,607</u>
Net Operating Income	<u>1,620,807</u>	<u>1,023,324</u>	<u>498,209</u>	<u>410,094</u>	<u>3,552,434</u>
Non-Operating Revenues (Expenses):					
Interest & investment earnings	23,565	7,570	12,932	29,057	73,124
Decommissioning costs	(2,274,008)	-	-	-	(2,274,008)
Interest expense	-	(1,611)	(1,914)	-	(3,525)
Net Non-Operating Revenues (Expenses)	<u>(2,250,443)</u>	<u>5,959</u>	<u>11,018</u>	<u>29,057</u>	<u>(2,204,409)</u>
Income before capital grants and contributions	(629,636)	1,029,283	509,227	439,151	1,348,025
Capital grants and contributions	<u>48,409</u>	<u>2,650</u>	<u>1,500</u>	<u>-</u>	<u>52,559</u>
Change in Net Position	(581,227)	1,031,933	510,727	439,151	1,400,584
Net Position, beginning of year	<u>51,276,284</u>	<u>12,198,611</u>	<u>12,319,872</u>	<u>3,397,919</u>	<u>79,192,686</u>
Net Position, end of year	<u>\$ 50,695,057</u>	<u>\$ 13,230,544</u>	<u>\$ 12,830,599</u>	<u>\$ 3,837,070</u>	<u>\$ 80,593,270</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 21,125,209	\$ 4,368,137	\$ 2,967,966	\$ 1,896,361	\$ 30,357,673
Cash paid to suppliers	(15,342,922)	(1,792,664)	(1,140,457)	(683,550)	(18,959,593)
Cash paid to employees	(2,932,645)	(1,126,401)	(732,141)	(795,990)	(5,587,177)
Cash paid for services in lieu of taxes	(1,622,640)	(206,238)	-	-	(1,828,878)
Net cash provided (used) by operating activities	<u>1,227,002</u>	<u>1,242,834</u>	<u>1,095,368</u>	<u>416,821</u>	<u>3,982,025</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	-	457,392	457,392
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>457,392</u>	<u>457,392</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital grants and contributions	48,409	2,650	1,500	-	52,559
Proceeds from sale of assets	-	-	-	-	-
Purchases of capital assets	(1,188,318)	(254,735)	(910,587)	(149,195)	(2,502,835)
Decommissioning costs	(2,274,008)	-	-	-	(2,274,008)
Principal payments on interfund loan	-	(294,984)	(350,540)	-	(645,524)
Interest paid on debt	-	(1,611)	(1,914)	-	(3,525)
Net cash provided (used) by capital and related financing activities	<u>(3,413,917)</u>	<u>(548,680)</u>	<u>(1,261,541)</u>	<u>(149,195)</u>	<u>(5,373,333)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	31,981,472	-	1,999,296	-	33,980,768
Purchase of investments	(29,490,850)	-	(999,695)	-	(30,490,545)
Principal advances on interfund loan	(1,077,830)	-	-	-	(1,077,830)
Principal payments on interfund loan	645,524	-	-	-	645,524
Interest and dividends	28,746	7,570	13,125	29,057	78,498
Net cash provided (used) by investing activities	<u>2,087,062</u>	<u>7,570</u>	<u>1,012,726</u>	<u>29,057</u>	<u>3,136,415</u>
Net increase (decrease) in cash and cash equivalents	(99,853)	701,724	846,553	754,075	2,202,499
Balances - beginning of year	<u>9,522,142</u>	<u>2,262,037</u>	<u>1,840,316</u>	<u>1,815,125</u>	<u>15,439,620</u>
Balances - end of year	<u>\$ 9,422,289</u>	<u>\$ 2,963,761</u>	<u>\$ 2,686,869</u>	<u>\$ 2,569,200</u>	<u>\$ 17,642,119</u>
Reported on the Statement of Net Position as:					
Cash and cash equivalents	\$ 8,145,016	\$ 1,126,496	\$ 432,134	\$ 2,569,200	\$ 12,272,846
Segregated cash and cash equivalents	1,277,273	1,837,265	2,254,735	-	5,369,273
	<u>\$ 9,422,289</u>	<u>\$ 2,963,761</u>	<u>\$ 2,686,869</u>	<u>\$ 2,569,200</u>	<u>\$ 17,642,119</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS (CONT'D)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	<u>Business Type Activities - Enterprise Funds</u>				<u>Total</u>
	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Non-Major Enterprise Funds</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,620,807	\$ 1,023,324	\$ 498,209	\$ 410,094	\$ 3,552,434
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation expense	1,594,029	633,271	644,133	115,089	2,986,522
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Receivables - net of allowances	(546,544)	(6,021)	4,803	(606)	(548,368)
Inventory	(412,685)	(9,979)	(8,380)	-	(431,044)
Prepaid expenses	(11,321)	8,285	(4,599)	(2,686)	(10,321)
Accounts and other payables	(143,221)	(55,373)	201,365	(3,281)	(510)
Deferred outflows	551,575	199,506	140,829	58,678	950,588
Deferred inflows	2,801,069	1,013,153	715,167	297,986	4,827,375
Net pension asset	(4,053,006)	(1,467,928)	(996,157)	(412,353)	(6,929,444)
Net pension liability	(269,889)	(95,672)	(107,561)	(47,529)	(520,651)
Other accrued liabilities	96,188	268	7,559	1,429	105,444
Net cash provided by operating activities	<u>\$ 1,227,002</u>	<u>\$ 1,242,834</u>	<u>\$ 1,095,368</u>	<u>\$ 416,821</u>	<u>\$ 3,982,025</u>

See Notes to Financial Statements

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

B. Financial Reporting Entity

The City of Marshall, Missouri is a municipal corporation governed by an elected mayor and eight-member council. The City is the basic level of government which has financial accountability and control over all activities related to the City. The City receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the City is not included in any other governmental “reporting entity” as defined by the GASB pronouncement, since councilmembers are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The City’s basic financial statements include the accounts of all City operations.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government.

Blended Component Unit

Marshall Municipal Utilities was established by ordinance of the City of Marshall. The City holds the corporate powers of the department. Marshall Municipal Utilities has a September 30 year-end.

Complete financial statements for the individual component unit may be obtained at the City’s administrative offices.

During 2003, the City adopted GASB Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – For State and Local Governments*, as amended. The City adopted the retroactive infrastructure provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments* for the fiscal year ending September 30, 2007.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

Government-Wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City's net position is reported in three parts –net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, utilities, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, transportation, cultural, parks and recreation, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the City's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). The City does not allocate indirect costs.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditure/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for certain purposes.

Debt Service Funds

The Debt Service Funds account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the City's judgment.

Proprietary Fund

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Electric, Water, Wastewater and Sanitation Funds.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

<u>Fund</u>	<u>Brief Description</u>
Major:	
General	See above for description
Proprietary Fund:	
Electric, Water and Wastewater	Accounts for activities of the public trust in providing electric, water and wastewater services to the public.
Nonmajor:	
Special Revenue Funds:	
Street	Accounts for revenues and expenditures of street maintenance and repair.
Park	Accounts for revenues and expenditures of the park.
Airport	Accounts for revenues and expenditures of the municipal airport.
Band	Accounts for revenues and expenditures of community band.
HAB Center	Accounts for revenues and expenditures of HAB Center.
Tourism	Accounts for revenues and expenditures for tourism tax.
Library	Accounts for revenues and expenditures of the library.
Park Improvement	Accounts for revenues and expenditures of park improvements.
Community Center	Accounts for revenues and expenditures of the community center.
Equipment Replacement	Accounts for revenues and expenditures of equipment replacement.
Park Improvement Donation	Accounts for donations for park improvements.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tennis Court Improvements	Accounts for activities relating to improvement of tennis courts.
City Office/Revitalization	Accounts for activities relating to improvements and revitalization of city offices/property.
Economic Development	Accounts for activities related to economic development of the City.
Street/Sidewalk Repair	Accounts for activities related to street and sidewalk repair.
ARPA	Accounts for ARPA funding and expenditures.
Debt Service Funds	See above for description.
Proprietary Fund: Sanitation	Accounts for activities of the public trust in providing sanitation service to the public.

D. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds used fund balance as their measure of available spendable financial resources at the end of the period.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

E. Assets, Liabilities and Equity

Cash and Investments

Cash of all funds, except Electric, Water and Wastewater, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund’s pooled cash and cash investments are available upon demand and are considered to be “cash equivalents” when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered to be “cash equivalents”.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For the purpose of the Statement of Net Position, “cash, including time deposits” includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note III-A.

State statutes authorize the City to invest in obligations of the U.S. Treasury commercial pages, corporate bonds, repurchase agreements and the State Treasurer’s Investment Pool.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Notes III-F and III-L for details of interfund transactions, including receivables and payables at year-end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions, collectible but not available, are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year.

Inventory

Operating and maintenance supplies, including fuel, are stated at average cost.

Fixed Assets

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 years
Improvements	40-50 years
Machinery and Equipment	3-20 years
Utility System	25-75 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to revenue bond trustee accounts and utility meter deposits.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of certificates of participation, special assessment debt, capital leases payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

Employees may accumulate up to \$5,000 of sick leave and 104 hours of vacation. Employees hired after April, 1986 can only accrue up to \$1,000 of sick leave. Unpaid holidays must be used by December 31. Employees are paid 100% of accrued sick leave, holidays and vacation pay when they terminate their employment for any reason limited to the amounts above.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Leases

Property, plant and equipment financed by capital leases are reflected as assets and corresponding liabilities in the government-wide statements and the related depreciation expense is provided on the same basis as assets financed with other resources.

Equity Classifications

Government-Wide Statements

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

- a. 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.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

Estimates

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. Nonoperating revenues and expenses include all revenue and expenses related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Function

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

G. Internet Department

On January 2, 2002, the Municipal Utilities received approval from the Board of Public Works to establish an Internet Department to provide various internet-type services to residents of the City and beyond. The Electric Fund transferred fixed assets and cash to the Internet Department. For financial statement purposes, the assets and liabilities, and revenues and expenses of the Internet Department have been included with the Electric Fund. As of September 30, 2021, the Internet Department had total assets of \$4,627,747 and total liabilities of \$141,440. For the year ended September 30, 2021, the Internet Department had revenues of \$1,611,994 and expenses of \$1,088,174.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Natural Gas Department

On December 15, 2004, the Municipal Utilities received approval from the Board of Public Works to establish a Natural Gas Department to provide natural gas services to residents of the City and beyond. The Electric Fund transferred fixed assets and cash to the Natural Gas Department. For financial statement purposes, the assets and liabilities, and revenues and expenses of the Natural Gas Department have been included with the Electric Fund. As of September 30, 2021, the Natural Gas Department had total assets of \$6,636,383 and total liabilities of \$11,253. For the year ended September 30, 2021, the Natural Gas Department had revenues of \$191,425 and expenses of \$333,657.

I. Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

J. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2011, the City implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has determined that \$408,927 should be considered nonspendable as detailed in Note III-K.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources because they are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management has determined there are no amounts that should be considered restricted.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the City's board of directors, which is the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action 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 did not have any committed resources as of year-end.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the City's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The City's management assigned funds during the year as detailed in Note III-K.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the City would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer to the use of the other classified funds.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Missouri or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note III-A, all deposits were fully insured or collateralized at September 30, 2021.

B. Budget Basis of Accounting

The City of Marshall prepares its annual budget on a basis (budget basis), which agrees with generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual to provide a meaningful comparison of actual results with the budget. By state law, expenditures may not exceed budgeted amounts on a fund-by-fund basis.

The City approved the budget on September 28, 2020 and amended the budget on September 28, 2021. Ending negative fund balances were budgeted in the Community Center, Westport IV Project, Tennis Court Improvements, and Saltfork Project Funds.

Additionally, actual expenditures exceeded final budgeted expenditures in the General Fund.

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, net position, revenues, and expenditures/expenses.

A. Deposits and Investments

The City of Marshall is governed by the deposit and investment limitations of state law. The deposits and investments held at September 30, 2021 are shown below:

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

	Maturities	Carrying Value
Deposits:		
Demand deposits		\$ 22,097,656
Cash on hand		1,675
Time deposit	11/10/21	43,365
Time deposit	11/24/21	5,520
Time deposit	12/17/21	245,000
Time deposit	01/08/22	525,339
Time deposit	08/17/22	5,490
		22,924,045
Investments:		
U.S. Treasury Bills		14,996,840
		14,996,840
Total deposits and investments		\$ 37,920,885
Reconciliation of Statement of Net Position:		
Current:		
Cash, including time deposits		\$ 17,132,397
Investments		177,375
Total Current		17,309,772
Noncurrent:		
Cash, including time deposits		5,369,273
Investments		15,241,840
Total Noncurrent		20,611,113
Total		\$ 37,920,885

Custodial credit risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$22,821,808 at September 30, 2021, which was fully insured by depository insurance or secured with collateral held by the City's agent in its name. All investments are registered in the name of the name of the City.

Investment interest rate risk. The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at September 30, 2021, are provided in the previous schedule.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Investment credit risk. The City maintains cash deposits and investments which are authorized by Board of Public Works resolutions and City ordinances related to the long-term debt issuances. The Council has given the City Administrator and Finance Director the authority to invest idle funds of the City in low-risk investments such as United States government securities or collateralized certificates of deposit.

Concentration of investment credit risk. The City places no limit on the amount it may invest in any one issuer. At September 30, 2021, the City had no concentration of credit risk.

B. Fair Value of Investments

The Utilities categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Utilities has the following recurring fair value measurements as of September 30, 2021 and September 30, 2020:

2021

- U.S. Treasury securities of \$14,996,840 are valued using quoted prices in an active market for identical assets (Level 1 inputs).
- Certificates of deposit \$245,000 are valued at quoted prices in an active market for identical assets (Level 1 inputs).

2020

- U.S. Treasury securities of \$18,487,063 are valued using quoted prices in an active market for identical assets (Level 1 inputs).
- Certificates of deposit \$245,000 are valued at quoted prices in an active market for identical assets (Level 1 inputs).

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

C. Segregated Assets

Segregated assets (including restricted funds, board designated funds and excess funds on account) as of September 30, 2021 were designated as follows:

	Designated Balances	Segregated Funds Requirements
Electric Fund:		
Consumers' deposit fund	\$ 632,257	\$ 632,257
Insurance reserve fund	5,001,567	5,000,000
Equipment fund	9,997,851	-
	\$ 15,631,675	\$ 5,632,257
Water Fund:		
Insurance reserve fund	500,000	500,000
Equipment fund	-	-
	\$ 500,000	\$ 500,000
Wastewater Fund:		
Insurance reserve fund	500,000	500,000
Equipment fund	-	-
Main replacement fund	-	-
	\$ 500,000	\$ 500,000

In accordance with Board of Public Works resolutions, payments to segregated funds and restrictions on their use are as follows:

Electric Consumers' Deposit Fund - Funds are to offset liabilities for consumers' guaranty deposits and are generally intended to match or exceed the liability for outstanding deposits.

Electric, Water and Wastewater Insurance Reserve Funds - A balance of not less than \$5,000,000 must be maintained for the Electric Fund, \$500,000 for the Water Fund and \$500,000 for the Wastewater Fund representing self-insurance reserves for the Municipal Utilities.

Electric, Water and Wastewater Equipment Funds - These funds are to be used for the replacement of property, plant and equipment if no other funds are available. No minimum balance is required for the Electric, Water and Wastewater Equipment Funds.

Water Treatment Improvement Fund - This fund is to be used for major capital improvements at the water treatment plant. No minimum balance is required.

Wastewater Main Replacement Fund - This fund is to be used for the replacement of major sewer lines and the construction of new major sewer lines if no other funds are available. No minimum balance is required.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

D. Accounts Receivable

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of miscellaneous receivables. Receivables detail at September 30, 2021 was as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts receivable	\$ 623,013	\$ 3,732,706	\$ 4,355,719
Allowance for doubtful accounts	-	-	-
Net Accounts Receivable	<u>\$ 623,013</u>	<u>\$ 3,732,706</u>	<u>\$ 4,355,719</u>

E. Taxes Receivable

Taxes receivable of the governmental activities consist of property tax receivable. Receivables detail at September 30, 2021 was as follows:

	Governmental Activities	Business-Type Activities	Total
Taxes receivable	\$ 71,716	\$ -	\$ 71,716
Allowance for doubtful accounts	(9,151)	-	(9,151)
Net Taxes Receivable	<u>\$ 62,565</u>	<u>\$ -</u>	<u>\$ 62,565</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2021 is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund (Major)	\$ 226,148	\$ 194,743
Street Fund (Non-Major)	74,746	6,571
Band Fund (Non-Major)	-	8,035
Airport Fund (Non-Major)	-	20,116
Library Fund (Non-Major)	28,058	2,944
Park Improvement Fund (Non-Major)	-	80
Saltfork Project Fund (Non-Major)	-	226,148
Westport IV Project Fund (Non-Major)	-	1,250
Sanitation Fund (Non-Major)	130,935	-
	<u>\$ 459,887</u>	<u>\$ 459,887</u>

The interfund amounts are due to interfund advances and/or borrowings. A portion of these amounts is expected to be paid within the next twelve months.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

G. Capital Assets - Governmental Activities

Capital asset activity for the year ended September 30, 2021, was as follows:

	Balance at September 30, 2020	Additions	Disposals	Balance at September 30, 2021
Capital assets not being depreciated:				
Land	\$ 1,990,135	\$ -	\$ (649,553)	\$ 1,340,582
Construction in process	649,553	165,865	-	815,418
Subtotal	<u>2,639,688</u>	<u>165,865</u>	<u>(649,553)</u>	<u>2,156,000</u>
Capital assets being depreciated:				
Buildings	8,810,060	537,000	(149,175)	9,197,885
Improvements	8,790,469	684,560	-	9,475,029
Machinery and equipment	6,028,316	295,135	(302,952)	6,020,499
Infrastructure	31,590,739	147,056	-	31,737,795
Subtotal	<u>55,219,584</u>	<u>1,663,751</u>	<u>(452,127)</u>	<u>56,431,208</u>
Totals at historical cost	<u>57,859,272</u>	<u>1,829,616</u>	<u>(1,101,680)</u>	<u>58,587,208</u>
Less accumulated depreciation				
Buildings	(5,586,201)	(234,624)	113,377	(5,707,448)
Improvements	(2,433,982)	(217,007)	-	(2,650,989)
Machinery and equipment	(4,513,469)	(270,459)	233,938	(4,549,990)
Infrastructure	(24,019,026)	(743,259)	-	(24,762,285)
Total accumulated depreciation	<u>(36,552,678)</u>	<u>(1,465,349)</u>	<u>347,315</u>	<u>(37,670,712)</u>
Net capital assets being depreciated	<u>18,666,906</u>	<u>198,402</u>	<u>(104,812)</u>	<u>18,760,496</u>
Net capital assets	<u>\$ 21,306,594</u>	<u>\$ 364,267</u>	<u>\$ (754,365)</u>	<u>\$ 20,916,496</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

H. Capital Assets - Business-Type Activities

Capital assets of the Electric, Water, and Wastewater Funds are stated at cost if purchased, or fair market value on the date of contribution (appraised value) if donated, adjusted for the cost of subsequent additions and disposals or retirements. The Municipal Utilities capital asset activity for the year ended September 30, 2021 was as follows:

Electric

	Balance at September 30, 2020	Additions	Disposals	Balance at September 30, 2021
Capital assets not being depreciated:				
Land	\$ 1,621,462	\$ -	\$ -	\$ 1,621,462
Construction in progress	649,283	665,091	(227)	1,314,147
	<u>2,270,745</u>	<u>665,091</u>	<u>(227)</u>	<u>2,935,609</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	20,493,371	330,282	-	20,823,653
Distribution system	26,614,797	96,818	-	26,711,615
Street lighting and hydrants	675,102	5,444	-	680,546
Office structures and improvement and furniture and fixtures	506,897	19,115	-	526,012
Transportation equipment	2,192,619	53,123	(41,507)	2,204,235
Laboratory equipment	-	-	-	-
Tools and shop equipment	446,661	16,992	-	463,653
Radio equipment	1,642	1,680	-	3,322
	<u>50,931,089</u>	<u>523,454</u>	<u>(41,507)</u>	<u>51,413,036</u>
Total capital assets at historical costs	<u>53,201,834</u>	<u>1,188,545</u>	<u>(41,734)</u>	<u>54,348,645</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(16,239,164)	(447,409)	-	(16,686,573)
Distribution system	(14,581,894)	(977,306)	-	(15,559,200)
Street lighting and hydrants	(95,979)	(33,917)	-	(129,896)
Office structures and improvement and furniture and fixtures	(395,714)	(12,712)	-	(408,426)
Transportation equipment	(1,960,792)	(64,741)	41,507	(1,984,026)
Laboratory equipment	-	-	-	-
Tools and shop equipment	(225,211)	(57,482)	-	(282,693)
Radio equipment	(1,209)	(462)	-	(1,671)
Total accumulated depreciation	<u>(33,499,963)</u>	<u>(1,594,029)</u>	<u>41,507</u>	<u>(35,052,485)</u>
Net capital assets being depreciated	<u>17,431,126</u>	<u>(1,070,575)</u>	<u>-</u>	<u>16,360,551</u>
Net capital assets	<u>\$ 19,701,871</u>	<u>\$ (405,484)</u>	<u>\$ (227)</u>	<u>\$ 19,296,160</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Water

	Balance at September 30, 2020	Additions	Disposals	Transfers	Balance at September 30, 2021
Capital assets not being depreciated:					
Land	\$ 94,398	\$ -	\$ -	\$ -	\$ 94,398
Construction in progress	241,325	243,962	-	(372,161)	113,126
	<u>335,723</u>	<u>243,962</u>	<u>-</u>	<u>(372,161)</u>	<u>207,524</u>
Capital assets being depreciated:					
Structures, improvements and plant equipment	11,655,423	-	-	-	11,655,423
Distribution system	8,494,534	7,573	-	372,161	8,874,268
Street lighting and hydrants	381,867	-	-	-	381,867
Office structures and improvement and furniture and fixtures	5,469	-	-	-	5,469
Transportation equipment	1,041,257	3,200	-	-	1,044,457
Laboratory equipment	8,652	-	-	-	8,652
Tools and shop equipment	21,416	-	-	-	21,416
Radio equipment	2,624	-	-	-	2,624
	<u>21,611,242</u>	<u>10,773</u>	<u>-</u>	<u>372,161</u>	<u>21,994,176</u>
Total capital assets at historical costs	<u>21,946,965</u>	<u>254,735</u>	<u>-</u>	<u>-</u>	<u>22,201,700</u>
Less accumulated depreciation:					
Structures, improvements and plant equipment	(4,909,430)	(457,289)	-	-	(5,366,719)
Distribution system	(4,803,559)	(138,159)	-	-	(4,941,718)
Street lighting and hydrants	(207,696)	(6,762)	-	-	(214,458)
Office structures and improvement and furniture and fixtures	(3,648)	(1,360)	-	-	(5,008)
Transportation equipment	(955,801)	(21,924)	-	-	(977,725)
Laboratory equipment	(5,150)	(2,215)	-	-	(7,365)
Tools and shop equipment	(11,261)	(4,871)	-	-	(16,132)
Radio equipment	(1,769)	(691)	-	-	(2,460)
Total accumulated depreciation	<u>(10,898,314)</u>	<u>(633,271)</u>	<u>-</u>	<u>-</u>	<u>(11,531,585)</u>
Net capital assets being depreciated	<u>10,712,928</u>	<u>(622,498)</u>	<u>-</u>	<u>372,161</u>	<u>10,462,591</u>
Net capital assets	<u>\$ 11,048,651</u>	<u>\$ (378,536)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,670,115</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Wastewater

	Balance at September 30, 2020	Additions	Disposals	Balance at September 30, 2021
Capital assets not being depreciated:				
Land	\$ 118,398	\$ -	\$ -	\$ 118,398
Construction in progress	96,806	907,819	(409,135)	595,490
	<u>215,204</u>	<u>907,819</u>	<u>(409,135)</u>	<u>713,888</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	23,761,956	-	-	23,761,956
Distribution system	8,756,553	2,768	409,135	9,168,456
Office structures and improvement and furniture and fixtures	-	-	-	-
Transportation equipment	1,019,486	-	-	1,019,486
Laboratory equipment	4,537	-	-	4,537
Tools and shop equipment	172,617	-	-	172,617
Radio equipment	453	-	-	453
	<u>33,715,602</u>	<u>2,768</u>	<u>409,135</u>	<u>34,127,505</u>
Total capital assets at historical costs	<u>33,930,806</u>	<u>910,587</u>	<u>-</u>	<u>34,841,393</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(18,283,309)	(394,332)	-	(18,677,641)
Distribution system	(3,729,067)	(191,400)	-	(3,920,467)
Office structures and improvement and furniture and fixtures	-	-	-	-
Transportation equipment	(874,374)	(39,743)	-	(914,117)
Laboratory equipment	(1,546)	(907)	-	(2,453)
Tools and shop equipment	(138,091)	(17,721)	-	(155,812)
Radio equipment	(424)	(30)	-	(454)
Total accumulated depreciation	<u>(23,026,811)</u>	<u>(644,133)</u>	<u>-</u>	<u>(23,670,944)</u>
Net capital assets being depreciated	<u>10,688,791</u>	<u>(641,365)</u>	<u>409,135</u>	<u>10,456,561</u>
Net capital assets	<u>\$ 10,903,995</u>	<u>\$ 266,454</u>	<u>\$ -</u>	<u>\$ 11,170,449</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Sanitation

	Balance at September 30, 2020	Additions	Disposals	Balance at September 30, 2021
Capital assets not being depreciated:				
Land	\$ 203,464	\$ -	\$ -	\$ 203,464
Subtotal	<u>203,464</u>	<u>-</u>	<u>-</u>	<u>203,464</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	16,426	-	-	16,426
Transportation equipment	1,774,283	149,195	(1,173)	1,922,305
Subtotal	<u>1,790,709</u>	<u>149,195</u>	<u>(1,173)</u>	<u>1,938,731</u>
Totals at historical cost	<u>1,994,173</u>	<u>149,195</u>	<u>(1,173)</u>	<u>2,142,195</u>
Less accumulated depreciation				
Structures, improvements and plant equipment	(16,426)	-	-	(16,426)
Transportation equipment	(1,109,587)	(115,089)	1,173	(1,223,503)
Total accumulated depreciation	<u>(1,126,013)</u>	<u>(115,089)</u>	<u>1,173</u>	<u>(1,239,929)</u>
Net capital assets being depreciated	<u>664,696</u>	<u>34,106</u>	<u>-</u>	<u>698,802</u>
Net capital assets	<u>\$ 868,160</u>	<u>\$ 34,106</u>	<u>\$ -</u>	<u>\$ 902,266</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General and administration	\$ 86,151
Executives	7,197
Total general government	<u>93,348</u>
Public safety:	
Police	69,223
Fire	56,591
Total public safety	<u>125,814</u>
Transportation:	
Airport	195,132
Streets	95,975
Total transportation	<u>291,107</u>
Cultural, parks and recreation:	
Library	4,720
Park	199,905
Band	1,911
Total cultural, parks and recreation	<u>206,536</u>
Community/economic development	<u>5,285</u>
Infrastructure	<u>743,259</u>
Total depreciation expense - Governmental activity	<u>\$ 1,465,349</u>
Business-type activities:	
Electric	\$ 1,594,029
Water	633,271
Wastewater	644,133
Sanitation	115,089
Total depreciation expense - Business-type activity	<u>\$ 2,986,522</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

I. Long-term Debt

The following is a summary of changes in long-term debt transactions for the year ended September 30, 2021:

	Electric	Water	Wastewater	City (General Fund)
Balance, September 30, 2020	\$ -	\$ 1,637,872	\$ 1,946,342	\$ -
Note issued	-	-	-	1,077,830
Note retired	-	(294,984)	(350,540)	-
Balance, September 30, 2021	<u>\$ -</u>	<u>\$ 1,342,888</u>	<u>\$ 1,595,802</u>	<u>\$ 1,077,830</u>
Current Portion	<u>\$ -</u>	<u>\$ 299,294</u>	<u>\$ 355,661</u>	<u>\$ 1,077,830</u>

On December 13, 2011, the Board authorized the transfer of funds from the Electric Department to the Wastewater Department on an as needed basis to pay for the costs incurred for the Wastewater disinfection and headworks projects. The interest rate is to be the six-month Treasury Bill rate established by the market on the sale date prior to January 1st and July 1st of each year (currently .0600 percent). Monthly payments of \$29,268 are currently being paid.

Debt repayment requirements are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 350,352	\$ 861	\$ 351,213
2023	350,563	651	351,214
2024	350,773	440	351,213
2025	350,984	230	351,214
2026	193,130	37	193,167
	<u>\$ 1,595,802</u>	<u>\$ 2,219</u>	<u>\$ 1,598,021</u>

On November 13, 2014, the Board authorized the transfer of funds from the Electric Department to the Water Department on an as needed basis to pay for the costs incurred for the Water FHM/HAA project. The interest rate is to be the six-month Treasury Bill rate established by the market on the sale date prior to January 1st and July 1st of each year (currently .0600 percent). Monthly payments of \$24,629 are currently being paid.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Debt repayment requirements are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 294,826	\$ 725	\$ 295,551
2023	295,003	548	295,551
2024	295,180	371	295,551
2025	295,357	194	295,551
2026	162,522	31	162,553
	<u>\$ 1,342,888</u>	<u>\$ 1,869</u>	<u>\$ 1,344,757</u>

On May 3, 2021, the Board entered into an intergovernmental loan agreement with the City of Marshall (General Fund) to advance funds for the purpose of demolishing certain structures. As of September 30, 2021 the Board had advanced \$1,077,830. This amount is currently due.

Special Assessment Bonded Debt

The following is a summary of changes in special assessment bond transactions for the year ended September 30, 2021:

	<u>Governmental Activities</u>
Balance, September 30, 2020	\$ 136,000
Bonds issued	-
Bonds retired	(13,000)
Balance, September 30, 2021	<u>\$ 123,000</u>

Special assessment bonded debt as of September 30, 2021 is as follows:

South Odell Sewer Neighborhood Improvement District limited general obligation bonds, series 2010-A, due in \$3,663 to \$18,000 annual installments to September 1, 2029; interest at 4.00%.

These bonds are in an eligible investment of the City and the governing body of the City has determined it is in the best interest of the City for the City to purchase the bonds.

\$ 123,000

\$ 123,000

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Permanent special assessment bond debt service requirements to maturity are as follows:

Year Ended September 30,	Principal	Interest	Total
2022	\$ 13,000	\$ 4,920	\$ 17,920
2023	14,000	4,400	18,400
2024	14,000	3,840	17,840
2025	15,000	3,280	18,280
2026	16,000	2,680	18,680
2027	16,000	2,040	18,040
2028	17,000	1,400	18,400
2029	18,000	720	18,720
Total	<u>\$ 123,000</u>	<u>\$ 23,280</u>	<u>\$ 146,280</u>

Capital Leases

Governmental Activities:

The following is a summary of changes in governmental activities capital lease transactions for the year ended September 30, 2021:

Type of Debt	Lease No. 1	Lease No. 2	Total
Balance, September 30, 2020	\$ 121,775	\$ 642,435	\$ 764,210
Capital leases issued	-	-	-
Capital leases retired	(15,139)	(31,776)	(46,915)
Capital lease cancelled	-	-	-
Balance, September 30, 2021	<u>\$ 106,636</u>	<u>\$ 610,659</u>	<u>\$ 717,295</u>

Capital Lease No. 1:

On February 20, 2020, the City entered into a capital lease-purchase agreement to fund the purchase of law enforcement hardware and software. The initial term of the lease ended September 30, 2021. At the City's option, the lease can be continued for up to seven renewal terms, each of one year duration. It is expected that the City will not abandon this lease and, accordingly, the lease obligation is shown as long-term debt. The terms of the lease set the interest rate at 4.6%.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

The following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at September 30, 2021:

2022	\$	20,741
2023		20,741
2024		20,741
2025		20,741
2026		20,741
2027		20,742
		124,447
Less interest		(17,811)
Total		\$ 106,636

Capital assets includes the following amounts for the lease, which has been capitalized at September 30, 2021:

Equipment	\$	121,775
Less accumulative amortization		(32,474)
		\$ 89,301

Amortization of the capital lease was \$16,237 for the year ending September 30, 2021 as shown in the financial statements as a component of depreciation and amortization expense.

Capital Lease No. 2:

On November 12, 2019, the City entered into a capital lease-purchase agreement to fund the purchase of a Typhoon Fire Pump Truck. The initial term of the lease ended September 30, 2021. At the City's option, the lease can be continued for up to fourteen renewal terms, each of one year duration. It is expected that the City will not abandon this lease and, accordingly, the lease obligation is shown as long-term debt. The terms of the lease set the interest rate at 3.1140%.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

The following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at September 30, 2021:

2022	\$ 57,839
2023	57,839
2024	57,839
2025	57,839
2026	57,839
2027	57,839
2028	57,839
2029	57,839
2030	57,840
2031	57,840
2032	57,840
2033	57,840
2034	57,840
	<u>751,912</u>
Less interest	(141,253)
Total	<u><u>\$ 610,659</u></u>

Capital assets includes the following amounts for the lease, which has been capitalized at September 30, 2021:

Equipment	\$ 642,435
Less accumulative amortization	<u>(78,520)</u>
	<u><u>\$ 563,915</u></u>

Amortization of the capital lease was \$39,260 for the year ending September 30, 2021 as shown in the financial statements as a component of depreciation and amortization expense.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Operating Leases

The District has entered into several operating leases. The future minimum lease payments for these leases, assuming noncancellation, is as follows:

Year Ending September 30	Equipment Lease	Equipment Lease	Equipment Lease	Equipment Lease	Copier Lease	Total
2022	\$ 10,848	\$ 19,450	\$ 37,440	\$ 48,000	\$ 1,616	\$ 117,354
2023	-	19,450	37,440	48,000	-	104,890
2024	-	19,450	-	48,000	-	67,450
2025	-	19,450	-	-	-	19,450
	<u>\$ 10,848</u>	<u>\$ 77,800</u>	<u>\$ 74,880</u>	<u>\$ 144,000</u>	<u>\$ 1,616</u>	<u>\$ 309,144</u>

J. Pledged Revenues

The NID Sewer Project Fund has pledged future revenues, net of specified operating expenses, to repay general obligation bonds that were issued for the purpose of city improvements. The bonds are payable from net revenues from the NID Sewer Project Fund and are payable through 2029. Annual principal and interest payments in 2021 required 100% of net revenues in the NID Sewer Project Fund. The total principal and interest remaining to be paid on the bonds is \$146,280. Principal and interest paid for the current year was \$13,000 in the NID Sewer Project Fund. Net revenues in the current year were \$7,764 for the NID Sewer Project Fund.

The General Fund has pledged future revenues, net of specified operating expenses to repay capital leases for the purchase of software and equipment. The leases are payable from general fund net revenues and are payable through 2034. Annual principal and interest payments in 2021 required 100% of net revenues in the General Fund. The total principal and interest remaining to be paid on the leases is \$876,359. Principal and interest paid for the current year was \$78,580. Net revenues in the current year were (\$1,153,505).

K. Fund Balance

Classifications of fund balances at September 30, 2021 are as follows:

	General Fund	Other Governmental Funds	Total
<u>Fund Balances:</u>			
Non Spendable			
Inventory	\$ -	\$ 69,642	\$ 69,642
Prepaid expenses	182,468	156,817	339,285
Assigned for special revenue purposes	-	5,721,966	5,721,966
Assigned for debt service purposes	-	69,300	69,300
Unassigned	1,177,946	(250,840)	927,106
Total	<u>\$ 1,360,414</u>	<u>\$ 5,766,885</u>	<u>\$ 7,127,299</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

L. Interfund Transfers

Interfund transfers during the year ended September 30, 2021, were as follows:

Fund	In	Out
General (Major Fund)	\$ 40,512	\$ -
Street (Non-Major Fund)	-	50,000
Park (Non-Major Fund)	-	258,617
Park Improvement Donation (Non-Major Fund)	137,000	-
Tennis Court Improvement (Non-Major Fund)	81,270	-
Airport Operating (Non-Major Fund)	50,000	-
Park Improvement (Non-Major Fund)	-	165
	<u>\$ 308,782</u>	<u>\$ 308,782</u>

The above transfers are routine transfers for operations.

M. Deficit Fund Balance

At September 30, 2021, the Park Improvement Fund, Community Center Fund, Saltfork Project Fund, and Westport IV Fund had deficit fund balances of \$57, \$23,385, \$226,148, and \$1,250, respectively.

IV. OTHER INFORMATION

A. Taxes

The City's property tax is levied each June 30 on the assessed value of all property located in the City. Assessed values are established by the Saline County Assessor subject to review by the Board of Equalization. The assessed value for property located in the City on which the fiscal 2020 levy was based, was \$140,387,487. Taxes are payable by December 31 and attach as an enforceable lien on property as of January 1.

The City's property tax levies per \$100 assessed valuation for the year ended September 30, 2021 are as follows:

General Fund Levy	\$.6687
Special Levies	
Park Fund	.2892
Band Fund	.0448
Library Fund	.1718
Total	<u>\$ 1.1745</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

IV. OTHER INFORMATION (continued)

Legal Debt Limit:

The State Constitution permits a City, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for “City purposes” not to exceed 10% of the assessed value of taxable tangible property. The State Constitution also permits a City, by vote of two-thirds of the voting electorate, to incur additional assessed value of taxable tangible property, for the purpose of acquiring right-of-way, constructing, extending and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric or other light and plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

At September 30, 2021, based on the total assessed valuation as of December 31, 2020 of \$140,387,487 the constitutional general obligation debt limit was \$28,077,497.

B. Employee Pension Plan

Summary of Significant Accounting Policies

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.

General Information about the Pension Plan

Plan description. The City’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Municipal Utilities 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.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

IV. OTHER INFORMATION (continued)

Benefits provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2021 Valuation</u>
Benefit Multiplier:	1.75% for life
Final Average Salary:	5 years
Member Contributions:	0%

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

Employees covered by benefit terms. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	154
Inactive employees entitled to but not yet receiving benefits	55
Active employees	175
	384

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 12.1% (General), 8.1% (Police) and 10.3% (Fire) of annual covered payroll.

Net Pension Liability. The employer’s net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2021.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

IV. OTHER INFORMATION (continued)

Actuarial assumptions. The total pension liability in the February 28, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage; 2.25% price
Salary Increase	2.75% to 6.75% including inflation (general) 2.75% to 7.15% including inflation (fire) 2.75% to 6.55% including inflation (police)
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, 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 the General Group and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2021 valuation were based on the results of an actuarial experience study for the period March 1, 2011 through February 29, 2016.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Alpha	15.00%	3.67%
Cash/Leverage	-25.00%	-0.29%

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

IV. OTHER INFORMATION (continued)

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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 9/30/20	\$ 50,611,927	\$ 51,044,222	\$ (432,295)
Changes for the year:			
Service Cost	872,592	-	872,592
Interest	3,616,233	-	3,616,233
Difference between expected and actual experience	(269,927)	-	(269,927)
Contributions - employer	-	1,031,084	(1,031,084)
Change in Assumptions	(970,082)	-	(970,082)
Net investment income	-	13,696,849	(13,696,849)
Benefit payments, including refunds	(2,364,385)	(2,364,385)	-
Administrative expense	-	(37,901)	37,901
Other changes	-	158,849	(158,849)
Net changes	884,431	12,484,496	(11,600,065)
Balances at 9/30/21	\$ 51,496,358	\$ 63,528,718	\$ (12,032,360)

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

	1% Decrease	Current Single Discount	1% Increase
	6.00%	Rate Assumption 7.00%	8.00%
Total Pension Liability	\$ 58,397,831	\$ 51,496,358	\$ 45,751,480
Plan Fiduciary Net Position	63,528,718	63,528,718	63,528,718
Net Position Liability (Asset)	<u>\$ (5,130,887)</u>	<u>\$ (12,032,360)</u>	<u>\$ (17,777,238)</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

IV. OTHER INFORMATION (continued)

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

For the year ended September 30, 2021 the employer recognized pension expense of \$(1,665,532). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ 377,672	\$ 816,013
Differences in assumptions	-	780,615
Excess (deficit) investment returns	-	6,576,925
Contributions subsequent to the measurement date*	264,215	-
Total	<u>\$ 641,887</u>	<u>\$ 8,173,553</u>

*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 for the year ending September 30, 2022.

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

<u>Year Ended</u>	<u>Net Deferred Outflows of Resources</u>
2022	\$ (2,030,957)
2023	(1,623,821)
2024	(12,731,137)
2025	(2,319,913)
2026	(45,167)
Thereafter	(19,050)

Payable to the Pension Plan

At September 30, 2021, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2021.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

IV. OTHER INFORMATION (continued)

C. Income Taxes

The City is not subject to federal income tax under Section 115 of the Internal Revenue Code.

D. Marshall - Saline Development Corporation

The City has entered into an agreement with the Marshall-Saline Development Corporation to pay not less than \$20,000 annually to pursue economic development. This agreement can be renewed annually for four years unless terminated by either party.

E. Landfill Closure and Post-Closure Costs

State and federal laws and regulations require that the City of Marshall place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City of Marshall closed its landfill on April 8, 1997. The City submitted a closure and post-closure plan to the Missouri Department of Natural Resources. The estimated annual post-closure costs of \$19,530 (in 2001 dollars) is based on calculations by the City's engineering firm; however, the actual cost of post-closure care is subject to changes resulting from inflation/deflation, changes in technology, or changes in landfill laws and regulations. No liability is reported in the financial statement for future post-closure care costs as they will be funded from then current resources.

The City does not have assets currently restricted for post-closure care costs. The City intends to finance landfill post-closure care costs from charges to future sanitation customers and fund reserves.

The City has entered into a contract of obligation with the Missouri Department of Natural Resources authorizing the Director of the Missouri Department of Natural Resources to withhold up to \$491,688 from any funds disbursed by the State of Missouri for the City to provide post-closure care for the solid waste disposal site in accordance with the requirements of the law, the regulators duly promulgated thereunder, and the approved post-closure plans.

F. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

IV. OTHER INFORMATION (continued)

G. Concentrations

The Municipal Utilities has a limited number of large customers in the Marshall area which account for significant revenues in each fund. As a result, the Municipal Utilities has both geographic and customer concentrations. Approximately 15% of electric revenues, 15% of water revenues, and 15% of wastewater revenues are generated from a small number of industrial customers.

H. Environmental Matters

Power Plant Decommissioning:

The Marshall Municipal Utility Power Plant has not generated electric power or housed any generating units for several years. With the building mostly vacant and at the end of its useful life the Board of Public Works accepted a bid from Ahrens Contracting on March 12, 2020 to decommission and demo the Power Plant. This project involved removal of all asbestos and hazardous materials from Units #1, #2, #3, #4, and #5 boilers, turbine generators, auxiliary equipment, and the building housing the steam units. All of the equipment associated with these units was removed and the Power Plant was demolished. The Utilities incurred costs of \$796,800 in fiscal year 2020 and \$2,274,008 in fiscal year 2021.

I. Litigation

The City currently has several lawsuits pending, the outcomes of which are not known at this time. Management believes there are no outstanding matters which will have a material effect on the financial statements of the City.

J. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

IV. OTHER INFORMATION (continued)

K. Tax Abatements

The City entered into a performance agreement with a business in 2008, to issue industrial development revenue bonds in a principal amount not to exceed \$40,000,000. The agreement also stated that each item of personal property financed with the bonds shall be exempt from personal property taxes for the years 2009-2023. The City will receive a payment in lieu of taxes each year on the equipment ranging from 10-80% of the abated taxes. Additionally, if the number of jobs added since the inception of the agreement falls below 150, the business must pay an extra amount based on a formula stated in the agreement. In fiscal year 2021, the taxes abated was calculated to be \$26,917 and the payment in lieu of taxes percentage was 10%. However, the jobs added fell below 150 in fiscal year 2021, so the business also paid an additional amount to the City. The total received by the City in fiscal year 2021 in lieu of taxes was \$11,628, leaving a total abated amount of \$15,189.

The City also entered into an agreement with an organization in 2015 in accordance with HB 142 of the State of Missouri and RSMo 137.100, that allows property and real estate taxes to be abated on December 1, 2016 and every December 1 for the term of the agreement. The organization will make a payment of \$9,200 as payment in lieu of taxes to the city during the length of this agreement. The total amount of city taxes abated in fiscal year 2021 was \$12,671, and the city received the \$9,200 payment in lieu of taxes for fiscal year 2021. The total amount of revenue lost by the city in fiscal year 2021 relating to this agreement was \$3,471.

L. Taxable Individual Development Revenue Bonds

On December 10, 2008, the City issued Series 2008, Taxable Individual Development Revenue Bonds in the final amount of \$21,275,000 to the Conagra Foods Packaged Foods, LLC Project.

The bonds and the interest thereon shall be limited obligations of the City payable solely out of the payments, revenues and receipts derived by the City from the authorized Lease Agreement, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the bonds as provided in the Trust Indenture. The bonds and interest thereon shall not be deemed to constitute a debt or liability of the City within the meaning of any constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City. The issuance of the bonds shall not, directly, indirectly or contingently, obligate the City to levy any form of taxation therefor or to make any appropriation for their payment.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

IV. OTHER INFORMATION (continued)

M. Commitments

MJMEUC Agreement

The Municipal Utilities has entered into an agreement with the Missouri Joint Municipal Electric Utility Commission (MJMEUC) in order to coordinate operation of the existing electrical resources and facilities and the joint acquisition, through contract or direct ownership, of future generating resources, and the acquisition of transmission rights and/or facilities. The agreement will help assure each Pool Member a supply of power and energy to meet its full requirements and make beneficial use of each Pool Member's existing generating facilities where applicable, and any future generating facilities to be developed by individual Pool Members as a part of a coordinated plan approved by the Pool Committee.

The MJMEUC has been established by the Pool Members and other municipalities as a separate governmental entity, pursuant to the Joint Municipal Utility Commission Act (Sections 393.700 - 393.770 and 386.025 RSMo) to serve them through joint action for the benefit of the inhabitants of such municipalities.

N. Fines

Fines and penalties as shown on the Statement of Revenues, Expenses, and Changes in Fund Balances is \$70,996 for the year ended September 30, 2021, which is 1.2% of general fund revenues.

O. Consideration of Subsequent Events

Subsequent events have been evaluated through November 30, 2021, which is the date the financial statements are available to be issued. No events requiring disclosure were identified as a result of this review.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

**CITY OF MARSHALL, MISSOURI
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS)
YEAR ENDED SEPTEMBER 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2012	\$ 383,100.05	\$ 241,807.28	\$ 141,292.77	\$ 3,605,732.04	6.71%
2013	435,760.74	275,417.62	160,343.12	3,593,618.94	7.66%
2014	459,610.65	327,443.06	132,167.59	3,841,136.11	8.52%
2015	510,054.31	376,985.62	133,068.69	3,978,543.17	9.48%
2016	462,835.74	378,200.21	84,635.53	3,986,266.48	9.49%
2017	447,344.24	383,953.66	63,390.58	4,114,015.00	9.33%
2018	399,908.11	362,714.81	37,193.30	3,743,148.86	9.69%
2019	418,760.56	388,500.41	30,260.15	3,735,782.77	10.40%
2020	458,741.81	426,972.55	31,769.26	3,947,818.65	10.82%
2021	412,158.08	412,157.82	0.26	3,905,257.25	10.55%

**CITY OF MARSHALL, MISSOURI
MARSHALL MUNICIPAL UTILITIES
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS)
YEAR ENDED SEPTEMBER 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2012	\$ 613,171.52	\$ 470,251.53	\$ 142,919.99	\$4,610,311.78	10.20%
2013	660,986.59	514,100.61	146,885.98	4,590,184.54	11.20%
2014	651,973.16	568,148.35	83,824.81	4,656,950.40	12.20%
2015	671,496.11	619,841.75	51,654.36	4,695,774.14	13.20%
2016	592,628.30	592,628.17	0.13	4,818,115.83	12.30%
2017	558,482.58	558,483.05	(0.47)	5,031,375.78	11.10%
2018	551,365.09	551,364.77	0.32	5,012,410.44	11.00%
2019	544,660.42	544,660.42	-	4,820,004.78	11.30%
2020	593,514.52	593,514.45	0.07	4,987,517.21	11.90%
2021	641,528.58	641,527.95	0.63	5,301,887.03	12.10%

**CITY OF MARSHALL, MISSOURI
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 (MISSOURI LAGERS)
 YEAR ENDED SEPTEMBER 30, 2021**

Valuation Date:	February 28, 2021
Notes:	The roll-forward of total pension liability from February 28, 2021 to June 30, 2021 reflects expected service cost and interest reduced by actual benefit payments.
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 10 to 15 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increases	2.75% to 6.75% including wage inflation for General Division 2.75% to 7.15% including wage inflation for Fire Division 2.75% to 6.55% including wage inflation for Police Division
Investment Rate of Return	7.00%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.
Other Information:	None

CITY OF MARSHALL, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS)
YEAR ENDED SEPTEMBER 30, 2021

	Fiscal Year Ending	
	September 30, 2021	September 30, 2020
Total Pension Liability		
Service Cost	\$ 872,592	\$ 840,700
Interest on the Total Pension Liability	3,616,233	3,472,864
Benefit Changes	-	-
Difference between expected and actual experience	(269,927)	(30,287)
Assumption Changes	(970,082)	-
Benefit Payments	(2,364,385)	(2,280,017)
Refunds	-	-
Net Change in Total Pension Liability	<u>884,431</u>	<u>2,003,260</u>
Total Pension Liability beginning	<u>50,611,927</u>	<u>48,608,667</u>
Total Pension Liability ending	<u><u>\$ 51,496,358</u></u>	<u><u>\$ 50,611,927</u></u>
 Plan Fiduciary Net Position		
Contributions - employer	1,031,084	993,727
Contributions - employee	-	-
Pension Plan Net Investment Income	13,696,849	659,159
Benefit Payments	(2,364,385)	(2,280,017)
Refunds	-	-
Pension Plan Administrative expense	(37,901)	(49,069)
Other	158,849	(63,344)
Net Change in Plan Fiduciary Net Position	<u>12,484,496</u>	<u>(739,544)</u>
Plan Fiduciary Net Position beginning	<u>51,044,222</u>	<u>51,783,766</u>
Plan Fiduciary Net Position ending	<u><u>\$ 63,528,718</u></u>	<u><u>\$ 51,044,222</u></u>
 Employer Net Pension Liability (Asset)	 <u><u>\$(12,032,360)</u></u>	 <u><u>\$ (432,295)</u></u>
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	 123.37%	 100.85%
 Covered Employee Payroll	 9,000,629	 7,759,189
 Employer's Net Pension Liability as a percentage of covered employee payroll	 (133.68%)	 (5.57%)

CITY OF MARSHALL, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS) (CONT'D)
YEAR ENDED SEPTEMBER 30, 2021

	Fiscal Year Ending				
	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Total Pension Liability					
Service Cost	\$ 832,825	\$ 869,917	\$ 867,546	\$ 837,242	\$ 841,930
Interest on the Total Pension Liability	3,364,340	3,203,039	3,063,529	2,854,937	2,753,072
Benefit Changes	-	-	-	-	-
Difference between expected and actual experience	(387,087)	495,764	6,608	(920,968)	(713,270)
Assumption Changes	-	-	-	1,667,458	-
Benefit Payments	(2,352,801)	(2,299,445)	(1,739,457)	(1,419,028)	(1,527,824)
Refunds	-	-	-	-	-
Net Change in Total Pension Liability	<u>1,457,277</u>	<u>2,269,275</u>	<u>2,198,226</u>	<u>3,019,641</u>	<u>1,353,908</u>
Total Pension Liability beginning	<u>47,151,390</u>	<u>44,882,115</u>	<u>42,683,889</u>	<u>39,664,248</u>	<u>38,310,340</u>
Total Pension Liability ending	<u>\$ 48,608,667</u>	<u>\$ 47,151,390</u>	<u>\$ 44,882,115</u>	<u>\$ 42,683,889</u>	<u>\$ 39,664,248</u>
Plan Fiduciary Net Position					
Contributions - employer	928,004	917,939	986,979	996,056	965,537
Contributions - employee	-	-	-	-	-
Pension Plan Net Investment Income	3,296,462	5,659,357	4,981,255	(74,510)	802,763
Benefit Payments	(2,352,801)	(2,299,445)	(1,739,457)	(1,419,028)	(1,527,824)
Refunds	-	-	-	-	(32,062)
Pension Plan Administrative expense	(42,737)	(30,048)	(29,751)	(29,189)	-
Other	29,600	248,991	157,053	728,340	(318,820)
Net Change in Plan Fiduciary Net Position	<u>1,858,528</u>	<u>4,496,794</u>	<u>4,356,079</u>	<u>201,669</u>	<u>(110,406)</u>
Plan Fiduciary Net Position beginning	<u>49,925,238</u>	<u>45,428,444</u>	<u>41,072,365</u>	<u>40,870,696</u>	<u>40,981,102</u>
Plan Fiduciary Net Position ending	<u>\$ 51,783,766</u>	<u>\$ 49,925,238</u>	<u>\$ 45,428,444</u>	<u>\$ 41,072,365</u>	<u>\$ 40,870,696</u>
Employer Net Pension Liability (Asset)	<u>\$ (3,175,099)</u>	<u>\$ (2,773,848)</u>	<u>\$ (546,329)</u>	<u>\$ 1,611,524</u>	<u>\$ (1,206,448)</u>
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	 106.53%	 105.88%	 101.22%	 96.22%	 103.04%
 Covered Employee Payroll	 8,338,239	 8,476,983	 9,089,752	 8,764,539	 8,493,841
 Employer's Net Pension Liability as a percentage of covered employee payroll	 (38.08%)	 (32.72%)	 (6.01%)	 18.39%	 (14.20%)

Notes to Schedule: Data prior to 2015 is not available.

COMBINING FINANCIAL STATEMENTS

COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Street	Accounts for revenues and expenditures of street maintenance and repair.
Park	Accounts for revenues and expenditures of the park.
Airport	Accounts for revenues and expenditures of the airport department.
Band	Accounts for revenues and expenditures of community band.
HAB Center	Accounts for revenues and expenditures of HAB Center.
Tourism	Accounts for revenues and expenditures of the tourism tax.
Library	Accounts for revenues and expenditures of the library.
Park Improvement	Accounts for revenues and expenditures of park improvements.
Community Center	Accounts for revenues and expenditures of the community center.
Equipment Replacement	Accounts for revenues and expenditures of equipment replacement.
Park Improvement Donation	Accounts for donations for park improvements.
Tennis Courts Improvements	Accounts for activities relating to improvements of tennis courts.
City Office/Revitalization	Accounts for activities relating to improvements and revitalization of city offices/property.
Economic Development	Accounts for activities related to economic development of the City.
Street/Sidewalk Repair	Accounts for activity related to the street and sidewalk repair.
ARPA	Accounts for ARPA funding and expenditures.

Debt Service Funds

Saltfork Project	Accounts for special assessment debt for the Saltfork Neighborhood Improvement Project.
Westport IV Project	Accounts for special assessment debt for the Westport IV Neighborhood Improvement Project.
NID Sewer Project	Accounts for special assessment debt for the NID Sewer Project.

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds				
	Street	Park	Airport	Band	HAB Center
ASSETS					
Cash and cash equivalents	\$ 1,696,745	\$ 144,486	\$ 88,964	\$ 373,648	\$ 167,021
Investments	-	-	-	-	-
Accounts receivable	15,469	-	-	-	-
Taxes receivables, net of allowance	-	7,940	-	1,228	-
Due from governmental agencies	404,874	256,374	23,930	-	-
Due from other funds	74,746	-	-	-	-
Inventory	-	21,043	48,599	-	-
Prepaid expenses	54,755	76,028	16,115	3,560	-
Total Assets	2,246,589	505,871	177,608	378,436	167,021
LIABILITIES					
Accounts payable	176	1,504	21,203	-	-
Accrued expenses	44,454	49,270	1,622	379	-
Due to other funds	6,571	-	20,116	8,035	-
Total Liabilities	51,201	50,774	42,941	8,414	-
DEFERRED INFLOW OF RESOURCES					
Unearned revenue - property taxes	-	7,026	-	1,087	-
FUND EQUITY					
Nonspendable					
Inventory	-	21,043	48,599	-	-
Prepaid expenses	54,755	76,028	16,115	3,560	-
Assigned for special revenue purposes	2,140,633	351,000	69,953	365,375	167,021
Assigned for debt service purposes	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Fund Balance (Deficit)	2,195,388	448,071	134,667	368,935	167,021
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 2,246,589	\$ 505,871	\$ 177,608	\$ 378,436	\$ 167,021

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds				
	Tourism	Library	Park Improvement	Community Center	Equipment Replacement
ASSETS					
Cash and cash equivalents	\$ 206,231	\$ 219,770	\$ 23	\$ (23,132)	\$ 229,171
Investments	-	54,375	-	-	-
Accounts receivable	-	-	-	-	-
Taxes receivables, net of allowance	30,316	4,714	-	-	-
Due from governmental agencies	-	-	-	-	-
Due from other funds	-	28,058	-	-	-
Inventory	-	-	-	-	-
Prepaid expenses	-	6,359	-	-	-
Total Assets	236,547	313,276	23	(23,132)	229,171
LIABILITIES					
Accounts payable	3,100	387	-	253	-
Accrued expenses	-	4,905	-	-	-
Due to other funds	-	2,944	80	-	-
Total Liabilities	3,100	8,236	80	253	-
DEFERRED INFLOW OF RESOURCES					
Unearned revenue - property taxes	-	4,171	-	-	-
FUND EQUITY					
Nonspendable					
Inventory	-	-	-	-	-
Prepaid expenses	-	6,359	-	-	-
Assigned for special revenue purposes	233,447	294,510	-	-	229,171
Assigned for debt service purposes	-	-	-	-	-
Unassigned (deficit)	-	-	(57)	(23,385)	-
Fund Balance (Deficit)	233,447	300,869	(57)	(23,385)	229,171
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 236,547	\$ 313,276	\$ 23	\$ (23,132)	\$ 229,171

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds					
	Park Improvement Donation	Tennis Courts Improvements	City Office/ Revitalization	Economic Development	Street/Sidewalk Repair	ARPA
ASSETS						
Cash and cash equivalents	\$ 166,766	\$ -	\$ 26,418	\$ 107,862	\$ 41,056	\$1,295,564
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	233,190	-	-
Taxes receivables, net of allowance	-	-	-	-	-	-
Due from governmental agencies	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total Assets	166,766	-	26,418	341,052	41,056	1,295,564
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
DEFERRED INFLOW OF RESOURCES						
Unearned revenue - property taxes	-	-	-	-	-	-
FUND EQUITY						
Nonspendable						
Inventory	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Assigned for special revenue purposes	166,766	-	26,418	341,052	41,056	1,295,564
Assigned for debt service purposes	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Fund Balance (Deficit)	166,766	-	26,418	341,052	41,056	1,295,564
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 166,766	\$ -	\$ 26,418	\$ 341,052	\$ 41,056	\$1,295,564

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Debt Service Funds			Total (Memorandum Only)
	Saltfork Project	Westport IV Project	NID Sewer Project	
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 69,300	\$ 4,809,893
Investments	-	-	-	54,375
Accounts receivable	-	-	-	248,659
Taxes receivables, net of allowance	-	-	-	44,198
Due from governmental agencies	-	-	-	685,178
Due from other funds	-	-	-	102,804
Inventory	-	-	-	69,642
Prepaid expenses	-	-	-	156,817
Total Assets	-	-	69,300	6,171,566
LIABILITIES				
Accounts payable	-	-	-	26,623
Accrued expenses	-	-	-	100,630
Due to other funds	226,148	1,250	-	265,144
Total Liabilities	226,148	1,250	-	392,397
DEFERRED INFLOW OF RESOURCES				
Unearned revenue - property taxes	-	-	-	12,284
FUND EQUITY				
Nonspendable				
Inventory	-	-	-	69,642
Prepaid expenses	-	-	-	156,817
Assigned for special revenue purposes	-	-	-	5,721,966
Assigned for debt service purposes	-	-	69,300	69,300
Unassigned (deficit)	(226,148)	(1,250)	-	(250,840)
Fund Balance (Deficit)	(226,148)	(1,250)	69,300	5,766,885
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ -	\$ -	\$ 69,300	\$ 6,171,566

**CITY OF MARSHALL, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Special Revenue Funds</u>				
	<u>Street</u>	<u>Park</u>	<u>Airport</u>	<u>Band</u>	<u>HAB Center</u>
REVENUES					
Taxes	\$ 1,738,878	\$ 1,430,876	\$ -	\$ 68,576	\$ -
Intergovernmental	-	-	244,145	-	-
Charges for services	7,951	402,364	161,775	-	-
Miscellaneous	98,316	26,273	3,466	6,024	50,635
Total Revenues	<u>1,845,145</u>	<u>1,859,513</u>	<u>409,386</u>	<u>74,600</u>	<u>50,635</u>
EXPENDITURES					
Street	1,367,840	-	-	-	-
Airport	-	-	475,925	-	-
Library	-	-	-	-	-
Band	-	-	-	71,442	-
Park	-	1,570,133	-	-	-
Tourism	-	-	-	-	-
Community center	-	-	-	-	30,082
Capital outlay	-	-	-	-	-
Interest and fees	-	-	-	-	-
Total Expenditures	<u>1,367,840</u>	<u>1,570,133</u>	<u>475,925</u>	<u>71,442</u>	<u>30,082</u>
Excess (Deficit) of Revenues over Expenditures	<u>477,305</u>	<u>289,380</u>	<u>(66,539)</u>	<u>3,158</u>	<u>20,553</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	(50,000)	(258,617)	50,000	-	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(258,617)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	427,305	30,763	(16,539)	3,158	20,553
Fund Balance, beginning of year (deficit)	<u>1,768,083</u>	<u>417,308</u>	<u>151,206</u>	<u>365,777</u>	<u>146,468</u>
Fund Balance, end of year (deficit)	<u>\$ 2,195,388</u>	<u>\$ 448,071</u>	<u>\$ 134,667</u>	<u>\$ 368,935</u>	<u>\$ 167,021</u>

**CITY OF MARSHALL, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Special Revenue Funds				
	Tourism	Library	Park Improvement	Community Center	Equipment Replacement
REVENUES					
Taxes	\$ 91,835	\$ 263,331	\$ -	\$ -	\$ -
Intergovernmental	-	16,424	-	-	-
Charges for services	-	1,710	-	65,877	-
Miscellaneous	-	8,401	-	-	409
Total Revenues	<u>91,835</u>	<u>289,866</u>	<u>-</u>	<u>65,877</u>	<u>409</u>
EXPENDITURES					
Street	-	-	-	-	-
Airport	-	-	-	-	-
Library	-	236,768	-	-	-
Band	-	-	-	-	-
Park	-	-	-	-	-
Tourism	57,612	-	-	-	-
Community center	-	-	-	52,662	-
Capital outlay	-	-	-	-	16,000
Interest and fees	-	-	-	-	-
Total Expenditures	<u>57,612</u>	<u>236,768</u>	<u>-</u>	<u>52,662</u>	<u>16,000</u>
Excess (Deficit) of Revenues over Expenditures	<u>34,223</u>	<u>53,098</u>	<u>-</u>	<u>13,215</u>	<u>(15,591)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	-	-	(165)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(165)</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>34,223</u>	<u>53,098</u>	<u>(165)</u>	<u>13,215</u>	<u>(15,591)</u>
Fund Balance, beginning of year (deficit)	<u>199,224</u>	<u>247,771</u>	<u>108</u>	<u>(36,600)</u>	<u>244,762</u>
Fund Balance, end of year (deficit)	<u>\$ 233,447</u>	<u>\$ 300,869</u>	<u>\$ (57)</u>	<u>\$ (23,385)</u>	<u>\$ 229,171</u>

CITY OF MARSHALL, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds					ARPA
	Park Improvement Donation	Tennis Courts Improvement	City Office/ Revitalization	Economic Development	Street/ Sidewalk Repair	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 233,190	\$ -	\$ -
Intergovernmental	-	-	-	-	230,758	1,295,564
Charges for services	-	-	-	-	-	-
Miscellaneous	3,194	-	-	2,649	-	-
Total Revenues	<u>3,194</u>	<u>-</u>	<u>-</u>	<u>235,839</u>	<u>230,758</u>	<u>1,295,564</u>
EXPENDITURES						
Street	-	-	-	-	-	-
Airport	-	-	-	-	-	-
Library	-	-	-	-	-	-
Band	-	-	-	-	-	-
Park	28,897	-	-	-	-	-
Tourism	-	-	-	-	-	-
Community center	-	-	-	-	-	-
Capital outlay	-	111,280	16,272	150,144	584,202	-
Interest and fees	-	-	-	-	-	-
Total Expenditures	<u>28,897</u>	<u>111,280</u>	<u>16,272</u>	<u>150,144</u>	<u>584,202</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures	<u>(25,703)</u>	<u>(111,280)</u>	<u>(16,272)</u>	<u>85,695</u>	<u>(353,444)</u>	<u>1,295,564</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)	137,000	81,270	-	-	-	-
Total Other Financing Sources (Uses)	<u>137,000</u>	<u>81,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	111,297	(30,010)	(16,272)	85,695	(353,444)	1,295,564
Fund Balance, beginning of year (deficit)	<u>55,469</u>	<u>30,010</u>	<u>42,690</u>	<u>255,357</u>	<u>394,500</u>	<u>-</u>
Fund Balance, end of year (deficit)	<u>\$ 166,766</u>	<u>\$ -</u>	<u>\$ 26,418</u>	<u>\$ 341,052</u>	<u>\$ 41,056</u>	<u>\$ 1,295,564</u>

CITY OF MARSHALL, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Debt Service Funds			Total (Memorandum Only)
	Saltfork Project	Wesport IV Project	NID Sewer Project	
REVENUES				
Taxes	\$ -	\$ -	\$ 7,764	\$ 3,834,450
Intergovernmental	-	-	-	1,786,891
Charges for services	-	-	-	639,677
Miscellaneous	-	-	-	199,367
Total Revenues	<u>-</u>	<u>-</u>	<u>7,764</u>	<u>6,460,385</u>
EXPENDITURES				
Street	-	-	-	1,367,840
Airport	-	-	-	475,925
Library	-	-	-	236,768
Band	-	-	-	71,442
Park	-	-	-	1,599,030
Tourism	-	-	-	57,612
Community center	-	-	-	82,744
Capital outlay	-	-	-	877,898
Interest and fees	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,769,259</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>7,764</u>	<u>1,691,126</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	-	-	-	(40,512)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,512)</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,764</u>	<u>1,650,614</u>
Fund Balance, beginning of year (deficit)	<u>(226,148)</u>	<u>(1,250)</u>	<u>61,536</u>	<u>4,116,271</u>
Fund Balance, end of year (deficit)	<u>\$ (226,148)</u>	<u>\$ (1,250)</u>	<u>\$ 69,300</u>	<u>\$ 5,766,885</u>

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Special Revenue Funds
Debt Service Funds

CITY OF MARSHALL, MISSOURI
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 1,032,000	\$ 1,152,000	\$ 1,185,930	\$ 33,930
Motor vehicle	160,000	208,000	206,207	(1,793)
Motor fuel	340,000	347,000	346,741	(259)
Total Taxes	<u>1,532,000</u>	<u>1,707,000</u>	<u>1,738,878</u>	<u>31,878</u>
Intergovernmental				
State and federal grants	-	-	-	-
Total Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charges for Services				
Street excavation	18,000	18,000	7,951	(10,049)
Total Charges for Services	<u>18,000</u>	<u>18,000</u>	<u>7,951</u>	<u>(10,049)</u>
Miscellaneous				
Interest	45,000	30,000	18,607	(11,393)
Miscellaneous	527,000	143,000	79,709	(63,291)
Total Miscellaneous	<u>572,000</u>	<u>173,000</u>	<u>98,316</u>	<u>(74,684)</u>
Total Revenues	<u>2,122,000</u>	<u>1,898,000</u>	<u>1,845,145</u>	<u>(52,855)</u>
EXPENDITURES				
Personnel services	894,089	789,489	732,378	57,111
Other charges and services	90,400	107,820	93,279	14,541
Operating supplies	81,400	85,550	56,609	28,941
Repairs and maintenance	1,056,000	475,200	361,763	113,437
Capital outlay	1,500	125,200	123,811	1,389
Total Expenditures	<u>2,123,389</u>	<u>1,583,259</u>	<u>1,367,840</u>	<u>215,419</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,389)</u>	<u>314,741</u>	<u>477,305</u>	<u>162,564</u>

**CITY OF MARSHALL, MISSOURI
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Equipment Replacement Fund	(50,000)	(50,000)	(50,000)	-
Street/Sidewalk Project Fund	-	-	-	-
Airport Operating Fund	-	-	-	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	(51,389)	264,741	427,305	<u>\$ 162,564</u>
Fund Balance, beginning of year	<u>1,768,083</u>	<u>1,768,083</u>	<u>1,768,083</u>	
Fund Balance, end of year	<u>\$ 1,716,694</u>	<u>\$ 2,032,824</u>	<u>\$ 2,195,388</u>	

CITY OF MARSHALL, MISSOURI
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 424,294	\$ 441,994	\$ 436,852	\$ (5,142)
Railroad and utilities	7,000	7,000	6,458	(542)
Sales	835,000	963,000	987,380	24,380
Financial institution	500	500	186	(314)
Total Taxes	<u>1,266,794</u>	<u>1,412,494</u>	<u>1,430,876</u>	<u>18,382</u>
Intergovernmental				
State and federal grants	16,000	16,000	-	(16,000)
Total Intergovernmental	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
Charges for Services				
Park fees and sales	369,000	417,730	402,364	(15,366)
Total Charges for Services	<u>369,000</u>	<u>417,730</u>	<u>402,364</u>	<u>(15,366)</u>
Miscellaneous				
Interest on investments	-	6,000	5,189	(811)
Miscellaneous	2,000	10,500	9,903	(597)
Donations	7,500	7,500	7,356	(144)
Rental	4,500	4,500	3,825	(675)
Total Miscellaneous	<u>14,000</u>	<u>28,500</u>	<u>26,273</u>	<u>(2,227)</u>
Total Revenues	<u>1,665,794</u>	<u>1,874,724</u>	<u>1,859,513</u>	<u>(15,211)</u>
EXPENDITURES				
Swimming Pool				
Personnel services	40,400	17,770	13,466	4,304
Other charges and services	157,150	144,250	120,743	23,507
Operating supplies	36,000	23,200	19,720	3,480
Repairs and maintenance	17,600	23,650	21,116	2,534
Capital outlay	8,600	5,110	3,658	1,452
Total Swimming Pool	<u>259,750</u>	<u>213,980</u>	<u>178,703</u>	<u>35,277</u>

CITY OF MARSHALL, MISSOURI
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont'd)				
Golf Course				
Personnel services	142,528	142,148	139,778	2,370
Other charges and services	31,950	28,675	25,560	3,115
Operating supplies	71,750	69,850	48,060	21,790
Repairs and maintenance	150,100	410,640	375,583	35,057
Capital outlay	65,500	81,500	79,790	1,710
Total Golf Course	<u>461,828</u>	<u>732,813</u>	<u>668,771</u>	<u>64,042</u>
Lyon Bowl				
Personnel services	39,930	13,430	9,992	3,438
Other charges and services	6,200	6,200	3,930	2,270
Operating supplies	22,050	25,050	23,621	1,429
Repairs and maintenance	9,500	9,500	8,196	1,304
Capital outlay	10,000	10,800	10,291	509
Total Lyon Bowl	<u>87,680</u>	<u>64,980</u>	<u>56,030</u>	<u>8,950</u>
Recreation and Play				
Personnel services	408,500	354,875	333,838	21,037
Other charges and services	55,850	59,000	55,353	3,647
Operating supplies	3,750	3,750	2,999	751
Repairs and maintenance	47,500	49,200	41,415	7,785
Capital outlay	20,000	23,000	22,864	136
Total Recreation and Play	<u>535,600</u>	<u>489,825</u>	<u>456,469</u>	<u>33,356</u>
General Use				
Personnel services	133,845	137,995	135,602	2,393
Other charges and services	68,671	71,171	61,788	9,383
Operating supplies	3,500	3,500	1,179	2,321
Repairs and maintenance	5,300	5,200	2,809	2,391
Capital outlay	2,000	8,795	8,782	13
Total General Use	<u>213,316</u>	<u>226,661</u>	<u>210,160</u>	<u>16,501</u>
Total Expenditures	<u>1,558,174</u>	<u>1,728,259</u>	<u>1,570,133</u>	<u>158,126</u>

**CITY OF MARSHALL, MISSOURI
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficit) of Revenues over Expenditures	107,620	146,465	289,380	142,915
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
General Fund	-	-	(40,512)	40,512
Park Improvements Fund	-	165	165	-
Park Improvements Donation Fund	-	(137,000)	(137,000)	-
Tennis Courts Improvements Fund	-	-	(81,270)	81,270
Total Other Financing Sources (Uses)	-	(136,835)	(258,617)	121,782
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	107,620	9,630	30,763	<u>\$ 264,697</u>
Fund Balance, beginning of year (deficit)	417,308	417,308	417,308	
Fund Balance, end of year (deficit)	<u>\$ 524,928</u>	<u>\$ 426,938</u>	<u>\$ 448,071</u>	

CITY OF MARSHALL, MISSOURI
AIRPORT OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental				
State and federal grants	\$ 250,000	\$ 305,000	\$ 244,145	\$ (60,855)
Total Intergovernmental	<u>250,000</u>	<u>305,000</u>	<u>244,145</u>	<u>(60,855)</u>
Charges for services				
Retail sales	81,500	107,500	105,914	(1,586)
Hangar rental	25,000	20,000	17,577	(2,423)
Other rental	8,000	14,200	13,784	(416)
Farm income	18,910	24,910	24,500	(410)
Total Charges for services	<u>133,410</u>	<u>166,610</u>	<u>161,775</u>	<u>(4,835)</u>
Miscellaneous				
Interest	3,000	3,000	1,054	(1,946)
Miscellaneous	750	2,550	2,412	(138)
Total Miscellaneous	<u>3,750</u>	<u>5,550</u>	<u>3,466</u>	<u>(2,084)</u>
Total Revenues	<u>387,160</u>	<u>477,160</u>	<u>409,386</u>	<u>(67,774)</u>
EXPENDITURES				
Personnel services	49,643	39,843	38,345	1,498
Other charges and services	46,920	154,870	150,428	4,442
Operating supplies	80,100	80,650	85,009	(4,359)
Repairs and maintenance	4,100	9,800	8,772	1,028
Capital outlay	215,000	205,000	193,371	11,629
Total Expenditures	<u>395,763</u>	<u>490,163</u>	<u>475,925</u>	<u>14,238</u>
Excess (Deficit) of Revenues over Expenditures	<u>(8,603)</u>	<u>(13,003)</u>	<u>(66,539)</u>	<u>(53,536)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Street Fund	50,000	50,000	50,000	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	41,397	36,997	(16,539)	<u>\$ (53,536)</u>
Fund Balance, beginning of year	<u>151,206</u>	<u>151,206</u>	<u>151,206</u>	
Fund Balance, end of year	<u>\$ 192,603</u>	<u>\$ 188,203</u>	<u>\$ 134,667</u>	

CITY OF MARSHALL, MISSOURI
BAND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 68,385	\$ 69,235	\$ 67,548	\$ (1,687)
Railroad and utilities	1,040	1,040	999	(41)
Financial institution	200	200	29	(171)
Total Taxes	<u>69,625</u>	<u>70,475</u>	<u>68,576</u>	<u>(1,899)</u>
Miscellaneous				
Interest	9,000	9,000	4,974	(4,026)
Donations	500	1,050	1,050	-
Total Miscellaneous	<u>9,500</u>	<u>10,050</u>	<u>6,024</u>	<u>(4,026)</u>
Total Revenues	<u>79,125</u>	<u>80,525</u>	<u>74,600</u>	<u>(5,925)</u>
EXPENDITURES				
Personnel services	4,900	4,900	4,891	9
Other charges and services	62,458	67,358	64,591	2,767
Operating supplies	3,900	4,500	1,576	2,924
Repairs and maintenance	2,500	1,500	384	1,116
Capital outlay	4,000	1,000	-	1,000
Total Expenditures	<u>77,758</u>	<u>79,258</u>	<u>71,442</u>	<u>7,816</u>
Excess (Deficit) of Revenues over Expenditures	1,367	1,267	3,158	<u>\$ 1,891</u>
Fund Balance, beginning of year	<u>365,777</u>	<u>365,777</u>	<u>365,777</u>	
Fund Balance, end of year	<u>\$ 367,144</u>	<u>\$ 367,044</u>	<u>\$ 368,935</u>	

**CITY OF MARSHALL, MISSOURI
HAB CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous				
Sale of property	\$ -	\$ 47,000	\$ 45,859	\$ (1,141)
Interest	1,500	1,500	1,975	475
Miscellaneous	2,750	2,810	2,801	(9)
Total Miscellaneous	<u>4,250</u>	<u>51,310</u>	<u>50,635</u>	<u>(675)</u>
Total Revenues	<u>4,250</u>	<u>51,310</u>	<u>50,635</u>	<u>(675)</u>
EXPENDITURES				
Other charges and services	-	30,750	30,082	668
Total Expenditures	<u>-</u>	<u>30,750</u>	<u>30,082</u>	<u>668</u>
Excess (Deficit) of Revenues over Expenditures	<u>4,250</u>	<u>20,560</u>	<u>20,553</u>	<u>(7)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out) General Fund	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	4,250	20,560	20,553	<u>\$ (7)</u>
Fund Balance, beginning of year	<u>146,468</u>	<u>146,468</u>	<u>146,468</u>	
Fund Balance, end of year	<u>\$ 150,718</u>	<u>\$ 167,028</u>	<u>\$ 167,021</u>	

**CITY OF MARSHALL, MISSOURI
TOURISM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Tourism	\$ 90,000	\$ 90,000	\$ 91,835	\$ 1,835
Total Taxes	<u>90,000</u>	<u>90,000</u>	<u>91,835</u>	<u>1,835</u>
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>91,835</u>	<u>1,835</u>
EXPENDITURES				
Capital outlay	<u>90,000</u>	<u>90,000</u>	<u>57,612</u>	<u>32,388</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>57,612</u>	<u>32,388</u>
Excess (Deficit) of Revenues over Expenditures	-	-	34,223	<u><u>\$ 34,223</u></u>
Fund Balance, beginning of year	<u>199,224</u>	<u>199,224</u>	<u>199,224</u>	
Fund Balance, end of year	<u><u>\$ 199,224</u></u>	<u><u>\$ 199,224</u></u>	<u><u>\$ 233,447</u></u>	

CITY OF MARSHALL, MISSOURI
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 254,467	\$ 260,492	\$ 259,386	\$ (1,106)
Railroad and utilities	3,900	3,900	3,835	(65)
Financial institution	300	300	110	(190)
Total Taxes	<u>258,667</u>	<u>264,692</u>	<u>263,331</u>	<u>(1,361)</u>
Intergovernmental				
State and federal grants	8,200	17,700	16,424	(1,276)
Total Intergovernmental	<u>8,200</u>	<u>17,700</u>	<u>16,424</u>	<u>(1,276)</u>
Charges for Services				
Library book fines	500	500	160	(340)
Library cards	1,200	1,600	1,550	(50)
Total Charges for Services	<u>1,700</u>	<u>2,100</u>	<u>1,710</u>	<u>(390)</u>
Miscellaneous				
Interest	3,000	3,000	3,574	574
Sale of property	1,000	1,000	321	(679)
Miscellaneous	4,950	5,150	2,599	(2,551)
Donations	1,000	2,200	1,421	(779)
Printer fees	1,500	1,500	486	(1,014)
Total Miscellaneous	<u>11,450</u>	<u>12,850</u>	<u>8,401</u>	<u>(4,449)</u>
Total Revenues	<u>280,017</u>	<u>297,342</u>	<u>289,866</u>	<u>(7,476)</u>
EXPENDITURES				
Personnel services	180,367	172,017	161,732	10,285
Other charges and services	58,447	66,172	59,676	6,496
Operating supplies	4,442	5,842	4,551	1,291
Repairs and maintenance	5,750	13,450	10,659	2,791
Capital outlay	1,700	1,100	150	950
Total Expenditures	<u>250,706</u>	<u>258,581</u>	<u>236,768</u>	<u>21,813</u>
Excess (Deficit) of Revenues over Expenditures	29,311	38,761	53,098	<u>\$ 14,337</u>
Fund Balance, beginning of year	<u>247,771</u>	<u>247,771</u>	<u>247,771</u>	
Fund Balance, end of year	<u>\$ 277,082</u>	<u>\$ 286,532</u>	<u>\$ 300,869</u>	

**CITY OF MARSHALL, MISSOURI
PARK IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ -	\$ -	\$ -	\$ -
Total Taxes	-	-	-	-
Miscellaneous				
Interest	-	409	-	(409)
Total Miscellaneous	-	409	-	(409)
Total Revenues	-	409	-	(409)
EXPENDITURES				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	409	-	(409)
OTHER FINANCING USES				
Operating transfers in (out)				
Park	-	-	(165)	(165)
Total Other Financing Uses	-	-	(165)	(165)
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	409	(165)	<u>\$ (574)</u>
Fund Balance, beginning of year	108	108	108	
Fund Balance, end of year	<u>\$ 108</u>	<u>\$ 517</u>	<u>\$ (57)</u>	

**CITY OF MARSHALL, MISSOURI
COMMUNITY CENTER
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services				
Rent	\$ 80,000	\$ 73,000	\$ 65,877	\$ (7,123)
Total Charges for Services	<u>80,000</u>	<u>73,000</u>	<u>65,877</u>	<u>(7,123)</u>
Total Revenues	<u>80,000</u>	<u>73,000</u>	<u>65,877</u>	<u>(7,123)</u>
EXPENDITURES				
Other charges and services	56,102	50,602	41,402	9,200
Operating supplies	2,500	2,500	2,404	96
Repairs and maintenance	<u>7,500</u>	<u>9,500</u>	<u>8,856</u>	<u>644</u>
Total Expenditures	<u>66,102</u>	<u>62,602</u>	<u>52,662</u>	<u>9,940</u>
Excess (Deficit) of Revenues over Expenditures	13,898	10,398	13,215	<u>\$ 2,817</u>
Fund Balance, beginning of year (deficit)	<u>(36,600)</u>	<u>(36,600)</u>	<u>(36,600)</u>	
Fund Balance, end of year (deficit)	<u>\$ (22,702)</u>	<u>\$ (26,202)</u>	<u>\$ (23,385)</u>	

**CITY OF MARSHALL, MISSOURI
EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous				
Interest	\$ -	\$ -	\$ 409	\$ 409
Total Miscellaneous	-	-	409	409
Total Revenues	-	-	409	409
EXPENDITURES				
Capital outlay	-	16,000	16,000	-
Total Expenditures	-	16,000	16,000	-
Excess (Deficit) of Revenues over Expenditures	-	(16,000)	(15,591)	409
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
General Fund	-	-	-	-
Street	-	-	-	-
Sanitation	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	-	(16,000)	(15,591)	\$ 409
Fund Balance, beginning of year	244,762	244,762	244,762	
Fund Balance, end of year	\$ 244,762	\$ 228,762	\$ 229,171	

**CITY OF MARSHALL, MISSOURI
PARK IMPROVEMENT DONATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous				
Donations	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	3,850	3,194	(656)
Total Charges for Services	<u>-</u>	<u>3,850</u>	<u>3,194</u>	<u>(656)</u>
Total Revenues	<u>-</u>	<u>3,850</u>	<u>3,194</u>	<u>(656)</u>
EXPENDITURES				
Repairs and maintenance	<u>-</u>	<u>30,000</u>	<u>28,897</u>	<u>1,103</u>
Total Expenditures	<u>-</u>	<u>30,000</u>	<u>28,897</u>	<u>1,103</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>(26,150)</u>	<u>(25,703)</u>	<u>447</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Park Fund	-	137,000	137,000	-
Sanitation	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>137,000</u>	<u>137,000</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>110,850</u>	<u>111,297</u>	<u>\$ 447</u>
Fund Balance, beginning of year	<u>55,469</u>	<u>55,469</u>	<u>55,469</u>	
Fund Balance, end of year	<u>\$ 55,469</u>	<u>\$ 166,319</u>	<u>\$ 166,766</u>	

**CITY OF MARSHALL, MISSOURI
TENNIS COURT IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ -	\$ -	\$ -	\$ -
Total Taxes	-	-	-	-
Miscellaneous				
Interest	-	-	-	-
Total Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Capital outlay	-	111,280	111,280	-
Total Expenditures	-	111,280	111,280	-
Excess (Deficit) of Revenues over Expenditures	-	(111,280)	(111,280)	-
OTHER FINANCING USES				
Operating transfers in (out)				
Park	-	-	81,270	81,270
Total Other Financing Uses	-	-	81,270	81,270
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	(111,280)	(30,010)	<u>\$ 81,270</u>
Fund Balance, beginning of year	30,010	30,010	30,010	
Fund Balance, end of year	<u>\$ 30,010</u>	<u>\$ (81,270)</u>	<u>\$ -</u>	

**CITY OF MARSHALL, MISSOURI
CITY OFFICE/REVITALIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ -	\$ -	\$ -	\$ -
Total Taxes	-	-	-	-
Miscellaneous				
Interest	-	-	-	-
Total Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Capital outlay	-	16,500	16,272	228
Total Expenditures	-	16,500	16,272	228
Excess (Deficit) of Revenues over Expenditures	-	(16,500)	(16,272)	228
OTHER FINANCING USES				
Operating transfers in (out)				
General	-	-	-	-
Total Other Financing Uses	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	(16,500)	(16,272)	\$ 228
Fund Balance, beginning of year	42,690	42,690	42,690	
Fund Balance, end of year	\$ 42,690	\$ 26,190	\$ 26,418	

**CITY OF MARSHALL, MISSOURI
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Other	\$ -	\$ 153,734	\$ 233,190	\$ 79,456
Total Taxes	-	153,734	233,190	79,456
Miscellaneous				
Interest	-	3,500	2,649	(851)
Total Miscellaneous	-	3,500	2,649	(851)
Total Revenues	-	157,234	235,839	78,605
EXPENDITURES				
Capital outlay	-	150,144	150,144	-
Total Expenditures	-	150,144	150,144	-
Excess (Deficit) of Revenues over Expenditures	-	7,090	85,695	<u>\$ 78,605</u>
Fund Balance, beginning of year	255,357	255,357	255,357	
Fund Balance, end of year	<u>\$ 255,357</u>	<u>\$ 262,447</u>	<u>\$ 341,052</u>	

**CITY OF MARSHALL, MISSOURI
STREET/SIDEWALK REPAIR FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
State and federal grants	\$ -	\$ 231,000	\$ 230,758	\$ (242)
Total Intergovernmental	-	231,000	230,758	(242)
Miscellaneous				
Interest	-	-	-	-
Total Miscellaneous	-	-	-	-
Total Revenues	-	231,000	230,758	(242)
EXPENDITURES				
Capital outlay	-	585,000	584,202	798
Total Expenditures	-	585,000	584,202	798
Excess (Deficit) of Revenues over Expenditures	-	(354,000)	(353,444)	556
OTHER FINANCING USES				
Operating transfers in (out)				
Street	-	-	-	-
Total Other Financing Uses	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	(354,000)	(353,444)	<u>\$ 556</u>
Fund Balance, beginning of year	394,500	394,500	394,500	
Fund Balance, end of year	<u>\$ 394,500</u>	<u>\$ 40,500</u>	<u>\$ 41,056</u>	

CITY OF MARSHALL, MISSOURI
ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
State and federal grants	\$ -	\$ 1,295,564	\$ 1,295,564	\$ -
Total Intergovernmental	-	1,295,564	1,295,564	-
Miscellaneous				
Interest	-	-	-	-
Total Miscellaneous	-	-	-	-
Total Revenues	-	1,295,564	1,295,564	-
EXPENDITURES				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	1,295,564	1,295,564	-
OTHER FINANCING USES				
Operating transfers in (out)				
Street	-	-	-	-
Total Other Financing Uses	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	1,295,564	1,295,564	\$ -
Fund Balance, beginning of year	-	-	-	
Fund Balance, end of year	\$ -	\$ 1,295,564	\$ 1,295,564	

**CITY OF MARSHALL, MISSOURI
SALTFORK PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Special Assessment	\$ -	\$ -	\$ -	\$ -
Total Taxes	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	-	-	-
OTHER FINANCING USES				
Operating transfers in (out)				
General	-	-	-	-
Total Other Financing Uses	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	-	-	\$ -
Fund Balance, beginning of year (deficit)	(226,148)	(226,148)	(226,148)	
Fund Balance, end of year (deficit)	\$ (226,148)	\$ (226,148)	\$ (226,148)	

**CITY OF MARSHALL, MISSOURI
WESTPORT IV PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes				
Special Assessment	\$ -	\$ -	\$ -	\$ -
Total Taxes	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	-	-	-
OTHER FINANCING USES				
Operating transfers in (out)				
General	-	-	-	-
Total Other Financing Uses	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	-	-	\$ -
Fund Balance, beginning of year	(1,250)	(1,250)	(1,250)	
Fund Balance, end of year	\$ (1,250)	\$ (1,250)	\$ (1,250)	

**CITY OF MARSHALL, MISSOURI
NID SEWER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Taxes				
Special Assessment	\$ -	\$ 7,764	\$ 7,764	\$ -
Total Taxes	-	7,764	7,764	-
Total Revenues	-	7,764	7,764	-
EXPENDITURES				
Debt service				
Interest and fees	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	7,764	7,764	\$ -
Fund Balance, beginning of year	61,536	61,536	61,536	
Fund Balance, end of year	\$ 61,536	\$ 69,300	\$ 69,300	

SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL SCHEDULES

General Fund

This supplementary schedule is included to provide management additional information for financial analysis.

**CITY OF MARSHALL, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 1,014,108	\$ 1,022,108	\$ 1,010,398	\$ (11,710)
Railroad and utilities	16,000	16,000	14,938	(1,062)
Electric franchise	1,815,000	1,815,000	1,658,096	(156,904)
Water franchise	185,000	206,500	205,162	(1,338)
Gas franchise	200,000	190,000	171,477	(18,523)
Phone franchise	215,000	165,000	130,217	(34,783)
CATV franchise	30,000	30,000	8,489	(21,511)
Cigarette	45,000	45,000	44,120	(880)
Financial institution	1,500	1,500	429	(1,071)
Sales	1,500,000	1,730,000	1,768,346	38,346
Use	261,500	361,500	359,863	(1,637)
PILOT	-	-	21,828	21,828
Total Taxes	<u>5,283,108</u>	<u>5,582,608</u>	<u>5,393,363</u>	<u>(189,245)</u>
Licenses and Permits				
Merchants license	58,000	59,000	58,943	(57)
Building and electric	35,000	27,000	19,579	(7,421)
Dog	750	750	108	(642)
Planning and zoning fees	600	900	810	(90)
Administrative fees	54,695	54,695	54,694	(1)
Exam fees	-	250	200	(50)
Total Licenses and Permits	<u>149,045</u>	<u>142,595</u>	<u>134,334</u>	<u>(8,261)</u>
Intergovernmental				
State and federal grants	15,000	25,000	28,850	3,850
Total Intergovernmental	<u>15,000</u>	<u>25,000</u>	<u>28,850</u>	<u>3,850</u>
Charges for Services				
Rural fire calls	9,000	15,500	15,325	(175)
Mowing	3,000	3,000	1,358	(1,642)
Total Charges for Services	<u>12,000</u>	<u>18,500</u>	<u>16,683</u>	<u>(1,817)</u>

**CITY OF MARSHALL, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (cont'd)				
Fines and Penalties				
Court fines and cost	100,000	79,350	68,895	(10,455)
Police training fund	-	-	1,232	1,232
CVC fund	-	-	219	219
DWI reimbursements	-	650	650	-
Total Fines and Penalties	<u>100,000</u>	<u>80,000</u>	<u>70,996</u>	<u>(9,004)</u>
Miscellaneous				
Interest	26,500	34,500	24,872	(9,628)
Sale of property	5,000	5,000	2,800	(2,200)
Miscellaneous	70,000	220,000	152,940	(67,060)
Administrative fees	-	-	-	-
Donations	-	3,500	3,302	(198)
Farm income	23,000	27,000	29,666	2,666
Total Miscellaneous	<u>124,500</u>	<u>290,000</u>	<u>213,580</u>	<u>(76,420)</u>
Total Revenues	<u>5,683,653</u>	<u>6,138,703</u>	<u>5,857,806</u>	<u>(280,897)</u>
EXPENDITURES				
General and Administrative				
Personnel services	379,004	392,524	388,477	4,047
Other charges and services	330,900	316,700	1,363,497	(1,046,797)
Operating supplies	18,000	22,800	20,076	2,724
Repairs and maintenance	48,250	53,750	52,548	1,202
Capital outlay	-	83,656	83,316	340
Total General and Administrative	<u>776,154</u>	<u>869,430</u>	<u>1,907,914</u>	<u>(1,038,484)</u>
Executive				
Personnel services	176,358	163,383	157,880	5,503
Other charges and services	11,000	6,000	4,559	1,441
Repairs and maintenance	-	-	-	-
Total Executive	<u>187,358</u>	<u>169,383</u>	<u>162,439</u>	<u>6,944</u>

CITY OF MARSHALL, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont'd)				
Fire				
Personnel services	1,777,714	1,792,764	1,771,531	21,233
Other charges and services	196,130	207,460	204,364	3,096
Operating supplies	19,800	54,900	54,830	70
Repairs and maintenance	43,700	59,400	51,898	7,502
Capital outlay	1,000	5,000	5,000	-
Total Fire	<u>2,038,344</u>	<u>2,119,524</u>	<u>2,087,623</u>	<u>31,901</u>
Police				
Personnel services	2,096,134	2,080,784	2,087,345	(6,561)
Other charges and services	164,050	171,940	153,595	18,345
Operating supplies	21,200	25,150	23,128	2,022
Repairs and maintenance	126,700	199,200	193,154	6,046
Capital outlay	39,000	152,500	151,692	808
Total Police	<u>2,447,084</u>	<u>2,629,574</u>	<u>2,608,914</u>	<u>20,660</u>
Court				
Personnel services	90,259	91,349	91,127	222
Other charges and services	11,900	10,600	8,293	2,307
Operating supplies	1,500	1,700	988	712
Repairs and maintenance	5,000	12,250	11,747	503
Capital outlay	6,000	5,500	4,884	616
Total Court	<u>114,659</u>	<u>121,399</u>	<u>117,039</u>	<u>4,360</u>
Planning, Building and Economic Development				
Personnel services	205,896	186,411	181,080	5,331
Other charges and services	10,380	11,080	8,104	2,976
Operating supplies	500	500	489	11
Repairs and maintenance	3,300	9,500	7,871	1,629
Capital outlay	9,900	9,900	8,418	1,482
Total Planning, Building and Economic Development	<u>229,976</u>	<u>217,391</u>	<u>205,962</u>	<u>11,429</u>
Total Expenditures	<u>5,793,575</u>	<u>6,126,701</u>	<u>7,089,891</u>	<u>(963,190)</u>

**CITY OF MARSHALL, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONT'D)
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficit) of Revenues over Expenditures	(109,922)	12,002	(1,232,085)	(1,244,087)
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	-	-	1,077,830	1,077,830
Operating transfers in (out)				
Park	-	40,512	40,512	-
Equipment replacement	-	-	-	-
Total Other Financing Sources (Uses)	-	40,512	1,118,342	1,077,830
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	(109,922)	52,514	(113,743)	<u>\$ (166,257)</u>
Fund Balance, beginning of year	1,474,157	1,474,157	1,474,157	
Fund Balance, end of year	<u>\$ 1,364,235</u>	<u>\$ 1,526,671</u>	<u>\$ 1,360,414</u>	

COMPLIANCE AND INTERNAL CONTROL

**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**

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Honorable Mayor and Members
of the City Council
City of Marshall, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshall, Missouri (the “City”), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated November 30, 2021.

PARTNERS

Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2021-001, 2021-002 and 2021-003.

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City'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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 30, 2021



Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

CITY OF MARSHALL, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2021

2021-001	Budgeting
Criteria:	Section 67.010 of the Missouri Revised Statutes states that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance plus any balance estimated for the beginning of the budget year.
Condition:	Budgeted expenditures in the Saltfork Project (original and final), Community Center (original and final), Westport IV Project (original and final), Tennis Court Improvements (final) Funds exceeded budgeted revenues plus the estimated cash balance at the beginning of the fiscal year.
Context:	During our audit, we reviewed the Saltfork Project, Community Center, Westport IV Project, and Tennis Court Improvement Funds budgets and noted a deficit fund balance was budgeted.
Effect:	Expenditures were made from the Saltfork Project, Community Center, Westport IV Project, and Tennis Court Improvement Funds during the fiscal year without being done in compliance with the political subdivision budgetary requirements.
Cause:	Deficit Saltfork Project, Community Center, Westport IV Project, and Tennis Court Improvement Funds beginning cash balances and budgeted revenues for the fiscal year were less than budgeted expenditures.
Recommendation:	We recommend the City prepare their annual budgets for each fund taking into consideration the beginning of the year bank balances. If transfers are required to cause the City to be in compliance with budgetary statutes, we recommend the transfers be done such that they are not in violation of state statutes or local policies.
Views of Responsible Officials and Planned Corrective Action:	The City will make every effort to ensure that budgeted expenditures do not exceed budgeted revenue plus estimated cash balances in future years.

CITY OF MARSHALL, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
SEPTEMBER 30, 2021

2021-002	Net Fund Deficit
Criteria:	No funds should have a negative ending fund balance.
Condition:	The Saltfork Project, Community Center, Park Improvement and Westport IV Project Funds have negative ending fund balances of \$226,148, \$23,385, \$57 and \$1,250, respectively.
Context:	During our audit, we reviewed the Saltfork Project, Community Center, Park Improvement and Westport IV Project Funds and noted negative fund balances existed for the Saltfork Project, Community Center, Park Improvement and Westport IV Project Funds.
Effect:	A negative fund balance exists in the Saltfork Project, Community Center, Park Improvement and Westport IV Project Funds.
Cause:	Current year revenues and transfers in plus the beginning fund balance or net position are less than current year expenditures/expenses plus transfers out.
Recommendation:	We recommend the City ensure a deficit fund balance or deficit net position does not exist.
Views of Responsible Officials and Planned Corrective Action:	The City will make every effort to ensure a deficit fund balance does not exist in any fund in future years.

CITY OF MARSHALL, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
SEPTEMBER 30, 2021

2021-003	Budgeting
Criteria:	State statute, Chapter 67, requires that each political subdivision is prohibited from expending public monies unless those expenditures have been authorized as provided in Chapter 67.
Condition:	The City's actual expenditures in the General Fund exceeded final budgeted expenditures by \$963,190.
Context:	The final budgeted expenditures were compared to actual expenditures. Actual expenditures exceeded budgeted expenditures in the General Fund by \$963,190.
Effect:	The City violated state statute RSMo 67.
Cause:	The City budgeted too few expenditures in the General Fund.
Recommendation:	The City should ensure actual expenditures do not exceed budgeted expenditures in any funds.
Views of Responsible Officials and Planned Corrective Action:	The City will make every effort to ensure actual expenditures do not exceed budgeted expenditures in any funds.