

REPORT OF
CITY OF MARSHALL, MISSOURI
YEAR ENDED SEPTEMBER 30, 2022

CITY OF MARSHALL, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

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

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Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshall, Missouri (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general and street funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note I to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

PARTNERS

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

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

Prior Period Adjustment

As described in Note I to the financial statements, in 2022, the City recorded a prior period adjustment in the statement of net position. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Marshall Municipal Utilities Uniform Guidance Audit

The Marshall Municipal Utilities (blended component unit of the City) (the “Utilities”) September 30, 2022 audited financial statements, which we audited, included reports on internal control and compliance in compliance with the Uniform Guidance. The Utilities have a separate board and accounting system for which separate reports on compliance and internal control have been issued. This report does not include the results of our testing of internal control over financial reporting and on compliance and other matters that we have reported on separately. See Note I.B for further discussion.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of contributions, notes to schedule of contributions, and schedule of changes in net pension liability and related ratios on pages 5-12 and 71-75 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and detailed general fund and street fund financial schedules, are presented for purposes of additional analysis and are not a required part of basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the detailed general fund and street fund financial schedules 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 May 9, 2023, 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 the effectiveness of the City's 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.



May 9, 2023

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

**CITY OF MARSHALL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2022
(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, 2022. 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 \$112,961,578 (net position). Of this amount, \$44,644,377 (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 \$4,017,393. Capital grants and contributions from developers amounted to \$1,599,683.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$7,479,073. Over 5.18% of this total amount or \$387,726 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 \$795,735 or 11.52% of the total general fund expenditures.
- The City’s special assessment debt decreased \$13,000 due to scheduled payments.
- The City’s lease debt decreased \$164,089 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, 2022
(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 13-16 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, 2022
(UNAUDITED)**

The City maintains 19 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 17-22.

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 23-27 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 28-70.

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 71-75 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 76-88 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 \$112,961,578 as of September 30, 2022.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2022
(UNAUDITED)**

The largest portion of the City's net position (58.43%) 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, 2022, with comparative figures for September 30, 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 6,458,756	\$ 6,697,855	\$ 22,323,056	\$ 19,963,976	\$ 28,781,812	\$ 26,661,831
Restricted assets	-	-	11,731,449	20,611,113	11,731,449	20,611,113
Other assets	4,595,896	5,102,915	4,429,405	6,929,444	9,025,301	12,032,359
Capital assets	21,294,547	20,916,496	48,988,803	42,038,990	70,283,350	62,955,486
Total Assets	<u>32,349,199</u>	<u>32,717,266</u>	<u>87,472,713</u>	<u>89,543,523</u>	<u>119,821,912</u>	<u>122,260,789</u>
Deferred outflows	<u>351,445</u>	<u>273,645</u>	<u>705,744</u>	<u>394,078</u>	<u>1,057,189</u>	<u>667,723</u>
Current liabilities	499,170	564,507	4,142,483	4,485,467	4,641,653	5,049,974
Long-term liabilities	795,827	811,113	5,553	-	801,380	811,113
Total Liabilities	<u>1,294,997</u>	<u>1,375,620</u>	<u>4,148,036</u>	<u>4,485,467</u>	<u>5,443,033</u>	<u>5,861,087</u>
Deferred inflows	<u>1,110,900</u>	<u>3,314,688</u>	<u>1,363,590</u>	<u>4,858,864</u>	<u>2,474,490</u>	<u>8,173,552</u>
Net position						
Net investment in capital assets	21,093,747	20,076,201	40,311,502	39,100,403	61,405,249	59,176,604
Restricted	3,147,787	2,131,172	3,764,165	-	6,911,952	2,131,172
Unrestricted	6,053,213	6,093,230	38,591,164	41,492,867	44,644,377	47,586,097
Total Net Position	<u>\$ 30,294,747</u>	<u>\$ 28,300,603</u>	<u>\$ 82,666,831</u>	<u>\$ 80,593,270</u>	<u>\$ 112,961,578</u>	<u>\$ 108,893,873</u>

As of September 30, 2022 and September 30, 2021 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 \$4,017,393.

Governmental Activities: Governmental activities increased the net position by \$1,943,832.

Business-Type Activities: Net Position from business-type activities increased by \$2,073,561 or 2.57% from \$80,593,270 to \$82,666,831. 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, 2022
(UNAUDITED)**

Changes in Net Position

The following table provides a summary of the City's operations for the year ended September 30, 2022, with comparative figures for the year ended September 30, 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Fees, fines and charges for services	\$ 935,518	\$ 861,690	\$ 31,502,024	\$ 30,906,041	\$ 32,437,542	\$ 31,767,731
Operating grants and contributions	29,580	43,688	-	-	29,580	43,688
Capital grants and contributions	1,343,463	1,785,182	256,220	52,559	1,599,683	1,837,741
General Revenues:						
Property taxes	1,895,816	1,813,307	-	-	1,895,816	1,813,307
Franchise taxes	2,094,588	2,173,441	-	-	2,094,588	2,173,441
Sales and use taxes	4,396,365	4,301,519	-	-	4,396,365	4,301,519
Motor vehicle and fuel taxes	587,076	552,948	-	-	587,076	552,948
Other taxes	240,264	391,727	-	-	240,264	391,727
Interest investment earnings	101,517	63,303	82,470	73,124	183,987	136,427
Other	922,363	287,535	-	-	922,363	287,535
Gain/(loss) on disposition of property	9,560	(55,832)	-	-	9,560	(55,832)
Total Revenues	<u>12,556,110</u>	<u>12,218,508</u>	<u>31,840,714</u>	<u>31,031,724</u>	<u>44,396,824</u>	<u>43,250,232</u>
Expenses:						
General government	1,671,066	2,020,026	-	-	1,671,066	2,020,026
Public safety	4,404,136	4,089,921	-	-	4,404,136	4,089,921
Transportation	2,383,453	2,732,618	-	-	2,383,453	2,732,618
Parks and recreation	1,958,563	1,936,112	-	-	1,958,563	1,936,112
Community/economic development	169,075	228,229	-	-	169,075	228,229
Debt service	25,985	31,665	-	-	25,985	31,665
Electric	-	-	20,345,607	20,050,946	20,345,607	20,050,946
Water	-	-	3,807,575	3,352,445	3,807,575	3,352,445
Wastewater	-	-	2,590,303	2,466,868	2,590,303	2,466,868
IT & Broadband	-	-	1,522,036	-	1,522,036	-
Sanitation	-	-	1,501,632	1,486,873	1,501,632	1,486,873
Total Expenses	<u>10,612,278</u>	<u>11,038,571</u>	<u>29,767,153</u>	<u>27,357,132</u>	<u>40,379,431</u>	<u>38,395,703</u>
Other	-	-	-	(2,274,008)	-	(2,274,008)
Increase (decrease) in net position	1,943,832	1,179,937	2,073,561	1,400,584	4,017,393	2,580,521
Net Position - Beginning of Year	<u>28,350,915</u>	<u>27,120,666</u>	<u>80,593,270</u>	<u>79,192,686</u>	<u>108,944,185</u>	<u>106,313,352</u>
Net Position - End of Year	<u>\$ 30,294,747</u>	<u>\$ 28,300,603</u>	<u>\$ 82,666,831</u>	<u>\$ 80,593,270</u>	<u>\$ 112,961,578</u>	<u>\$ 108,893,873</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 \$7,479,073. Approximately 5.18% of this total amount \$387,726 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, 2022
(UNAUDITED)**

In the general fund, the City budgeted for a decrease in the fund balance of \$1,173,971, which was primarily resulting from less revenue. Due to actual expenditures being less than budgeted, the actual fund balance decrease for fiscal year 2022 was \$383,118. Debt service fund balance decreased in 2022 by \$226,148.

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 - \$29,330,229, water - \$3,486,473, wastewater - \$4,216,476, sanitation and IT & broadband - \$1,557,986. All funds except electric had a net position increase in 2022.

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 \$704,531.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022 amounts to \$70,283,350 (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, 2022, with comparative figures for September 30, 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Property, plant and equipment:						
Land	\$ 1,990,135	\$ 1,340,582	\$ 2,037,722	\$ 2,037,722	\$ 4,027,857	\$ 3,378,304
Structures, improvements and plant equipment	3,351,407	3,490,437	14,886,621	15,510,099	18,238,028	19,000,536
Improvements	7,365,447	6,824,040	-	-	7,365,447	6,824,040
Distribution system	-	-	19,504,963	20,332,954	19,504,963	20,332,954
Street lighting and hydrants	-	-	680,891	718,059	680,891	718,059
Office structures and improvement and furniture and fixtures	-	-	178,692	118,047	178,692	118,047
Machinery and equipment	913,902	1,470,509	2,506,919	1,299,346	3,420,821	2,769,855
Construction in progress	-	815,418	9,192,995	2,022,763	9,192,995	2,838,181
Infrastructure	7,673,656	6,975,510	-	-	7,673,656	6,975,510
Net Capital Assets	<u>\$ 21,294,547</u>	<u>\$ 20,916,496</u>	<u>\$ 48,988,803</u>	<u>\$ 42,038,990</u>	<u>\$ 70,283,350</u>	<u>\$ 62,955,486</u>

Additional information on the City's capital assets can be found in Note III-G and III-H on pages 46-50 of this report.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2022
(UNAUDITED)**

Debt Administration

At the end of the current fiscal year, the City of Marshall had special assessment debt and lease payable of \$856,059. Of this amount, \$110,000 comprises bonded debt backed by the full faith and credit of the government; and \$746,059 represents 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, 2022, with comparative figures for September 30, 2021:

	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
Special assessment debt	\$ 110,000	\$ 123,000	\$ -	\$ -
Capital leases	739,056	717,295	7,003	-
Total	\$ 849,056	\$ 840,295	\$ 7,003	\$ -

During the fiscal year, the City’s total debt increased by \$8,761. The increase was due to the addition of leases. Additional information on the City’s long-term debt can be found in footnote III-I on pages 52-60 of this report.

Economic Outlook

The FY23 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 FY22. 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 FY23 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 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 digital cameras and an online evidence program for the police department and new air pacs for the fire department. Also, with FEMA backing, the street department will complete the Eastwood Street Project.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2022
(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 2023 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, 2022

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash, including time deposits	\$ 5,183,039	\$ 14,372,091	\$ 19,555,130
Investments	164,721	-	164,721
Interest receivable	543	26,855	27,398
Accounts receivable (net)	456,142	3,579,451	4,035,593
Taxes receivable - net of allowance for uncollectible - \$7,960	65,753	-	65,753
Due from other governmental agencies	1,163,459	-	1,163,459
Franchise taxes receivable	551,614	-	551,614
Internal account	(1,600,466)	1,600,466	-
Inventory	140,761	2,219,261	2,360,022
Prepaid expenses	333,190	524,932	858,122
Total Current Assets	<u>6,458,756</u>	<u>22,323,056</u>	<u>28,781,812</u>
Noncurrent Assets:			
Restricted assets:			
Cash, including time deposits	-	6,529,674	6,529,674
Investment securities	-	5,201,775	5,201,775
Total Restricted Assets	<u>-</u>	<u>11,731,449</u>	<u>11,731,449</u>
Net pension asset	3,834,012	4,422,011	8,256,023
Lease asset	903,146	7,783	910,929
Accumulated amortization, lease asset	(141,262)	(389)	(141,651)
Net lease asset	<u>761,884</u>	<u>7,394</u>	<u>769,278</u>
Capital Assets:			
Capital assets not being depreciated:			
Land	1,990,135	2,037,722	4,027,857
Construction in progress	-	9,192,997	9,192,997
Total capital assets not being depreciated	<u>1,990,135</u>	<u>11,230,719</u>	<u>13,220,854</u>
Capital assets being depreciated:			
Structures, improvements and plant equipment	20,025,030	49,982,356	70,007,386
Distribution system	-	51,234,734	51,234,734
Office structure, improvements furniture and fixtures	-	605,064	605,064
Equipment	5,532,184	10,360,137	15,892,321
Infrastructure	32,669,902	-	32,669,902
Accumulated depreciation	(38,922,704)	(74,424,207)	(113,346,911)
Net capital assets being depreciated	<u>19,304,412</u>	<u>37,758,084</u>	<u>57,062,496</u>
Total Capital Assets, net of accumulated depreciation	<u>21,294,547</u>	<u>48,988,803</u>	<u>70,283,350</u>
Total Noncurrent Assets	<u>25,890,443</u>	<u>65,149,657</u>	<u>91,040,100</u>
Total Assets	<u>32,349,199</u>	<u>87,472,713</u>	<u>119,821,912</u>
Deferred Outflows:			
Deferred outflows related to pension	351,445	705,744	1,057,189
Total Deferred Outflows	<u>351,445</u>	<u>705,744</u>	<u>1,057,189</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONT'D)
SEPTEMBER 30, 2022

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts payable	12,566	2,578,234	2,590,800
Accrued expenses	306,318	903,398	1,209,716
Debt due within one year	180,286	1,450	181,736
Payable from segregated funds			
Customer's deposits	-	659,401	659,401
Total Current Liabilities	499,170	4,142,483	4,641,653
Noncurrent Liabilities:			
Special assessment debt	96,000	-	96,000
Lease payable	589,334	5,553	594,887
Note payable	74,236	-	74,236
Accrued compensated absences	36,257	-	36,257
Net pension liability	-	-	-
Total Noncurrent Liabilities	795,827	5,553	801,380
Total Liabilities	1,294,997	4,148,036	5,443,033
DEFERRED INFLOWS			
Deferred inflows related to pension	1,110,900	1,363,590	2,474,490
Total Deferred Inflows	1,110,900	1,363,590	2,474,490
NET POSITION			
Net investment in capital assets	21,093,747	40,311,502	61,405,249
Restricted, but expendable for:			
Debt service	73,230	-	73,230
Pension	3,074,557	3,764,165	6,838,722
Unrestricted	6,053,213	38,591,164	44,644,377
Total Net Position	\$ 30,294,747	\$ 82,666,831	\$ 112,961,578

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022

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	\$ 1,436,970	\$ 144,862	\$ 8,190	\$ 1,329,401	\$ 45,483	\$ -	\$ 45,483
Executive	234,096	-	-	-	(234,096)	-	(234,096)
Total General Government	1,671,066	144,862	8,190	1,329,401	(188,613)	-	(188,613)
Public Safety:							
Police	2,461,874	68,977	-	-	(2,392,897)	-	(2,392,897)
Fire	1,831,704	-	-	-	(1,831,704)	-	(1,831,704)
Court	110,558	-	-	-	(110,558)	-	(110,558)
Total Public Safety	4,404,136	68,977	-	-	(4,335,159)	-	(4,335,159)
Transportation:							
Airport	476,937	226,042	-	7,333	(243,562)	-	(243,562)
Streets	1,906,516	7,610	-	6,729	(1,892,177)	-	(1,892,177)
Total Transportation	2,383,453	233,652	-	14,062	(2,135,739)	-	(2,135,739)
Cultural, Parks and Recreation:							
Library	249,506	1,946	17,341	-	(230,219)	-	(230,219)
Parks	1,420,613	401,422	3,899	-	(1,015,292)	-	(1,015,292)
Band	89,446	-	150	-	(89,296)	-	(89,296)
Community center	198,998	84,659	-	-	(114,339)	-	(114,339)
Total Cultural, Parks and Recreation	1,958,563	488,027	21,390	-	(1,449,146)	-	(1,449,146)
Community/Economic Development:							
Planning, building and economic	169,075	-	-	-	(169,075)	-	(169,075)
Tourism	-	-	-	-	-	-	-
Total Community/Economic Development	169,075	-	-	-	(169,075)	-	(169,075)
Debt Service:							
Interest	25,985	-	-	-	(25,985)	-	(25,985)
Total Debt Service	25,985	-	-	-	(25,985)	-	(25,985)
Total Governmental Activities	10,612,278	935,518	29,580	1,343,463	(8,303,717)	-	(8,303,717)
Business-type Activities:							
Electric	20,345,607	20,027,909	-	156,403	-	(161,295)	(161,295)
Water	3,807,575	4,357,051	-	650	-	550,126	550,126
Wastewater	2,590,303	3,546,895	-	99,167	-	1,055,759	1,055,759
Internet	1,522,036	1,748,051	-	-	-	226,015	226,015
Sanitation	1,501,632	1,822,118	-	-	-	320,486	320,486
Total Business-type Activities	29,767,153	31,502,024	-	256,220	-	1,991,091	1,991,091
Total	\$ 40,379,431	\$ 32,437,542	\$ 29,580	\$ 1,599,683	\$ (8,303,717)	\$ 1,991,091	\$ (6,312,626)

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONT'D)
YEAR ENDED SEPTEMBER 30, 2022

	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	1,886,910	-	1,886,910
Property taxes, levied for debt service	8,906	-	8,906
Franchise taxes	2,094,588	-	2,094,588
Sales and use taxes	4,396,365	-	4,396,365
Motor vehicle and fuel taxes	587,076	-	587,076
Cigarette taxes	42,256	-	42,256
Tourism taxes	102,182	-	102,182
Economic development taxes	84,312	-	84,312
Other taxes	11,514	-	11,514
Unrestricted investment earnings	101,517	82,470	183,987
Miscellaneous	922,363	-	922,363
Gain (loss) on disposition of property	9,560	-	9,560
Total general revenues	<u>10,247,549</u>	<u>82,470</u>	<u>10,330,019</u>
Change in net position	<u>1,943,832</u>	<u>2,073,561</u>	<u>4,017,393</u>
Net position - beginning of year	28,300,603	80,593,270	108,893,873
Prior Period Adjustment (Note I)	50,312	-	50,312
Net position - beginning of year, restated	<u>28,350,915</u>	<u>80,593,270</u>	<u>108,944,185</u>
Net position - end of year	<u>\$ 30,294,747</u>	<u>\$ 82,666,831</u>	<u>\$ 112,961,578</u>

CITY OF MARSHALL, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	Street Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 538,758	\$ 1,481,524	\$ 4,070,833	\$ 6,091,115
Investments	-	-	54,721	54,721
Taxes receivable - net of allowance for uncollectible - \$7,960	22,661	-	43,092	65,753
Franchise taxes receivable	551,614	-	-	551,614
Accrued interest receivable	543	-	-	543
Accounts receivable	341,911	29,919	84,312	456,142
Due from other governmental agencies	488,131	404,297	271,031	1,163,459
Due from other funds	226,148	73,496	28,058	327,702
Inventory	-	64,381	76,380	140,761
Prepaid expenses	181,561	52,783	98,846	333,190
Total Assets	<u>\$ 2,351,327</u>	<u>\$ 2,106,400</u>	<u>\$ 4,727,273</u>	<u>\$ 9,185,000</u>
LIABILITIES				
Accounts payable	\$ 10,337	90	\$ 2,139	\$ 12,566
Accrued expenses	239,664	11,760	38,790	290,214
Pooled cash deficit	908,076	-	-	908,076
Due to other funds	194,743	6,571	257,323	458,637
Total Liabilities	<u>1,352,820</u>	<u>18,421</u>	<u>298,252</u>	<u>1,669,493</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - property taxes	21,211	-	15,223	36,434
FUND EQUITY				
Nonspendable				
Inventory	-	64,381	76,380	140,761
Prepaid expenses	181,561	52,783	98,846	333,190
Assigned for special revenue purposes	-	1,970,815	4,573,351	6,544,166
Assigned for debt service purposes	-	-	73,230	73,230
Unassigned (deficit)	795,735	-	(408,009)	387,726
Total Fund Equity	<u>977,296</u>	<u>2,087,979</u>	<u>4,413,798</u>	<u>7,479,073</u>
Total Liabilities, Deferred Inflows of Resources and Fund Equity	<u>\$ 2,351,327</u>	<u>\$ 2,106,400</u>	<u>\$ 4,727,273</u>	<u>\$ 9,185,000</u>

See Notes to Financial Statements

**CITY OF MARSHALL, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total fund balance - total governmental funds	\$	7,479,073
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 \$38,922,704		21,294,547
Lease assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated amortization of \$141,262		761,884
The net pension asset and deferred outflows related to pension are not available resources and, therefore, are not reported in the funds.		4,185,457
The net pension liability and deferred inflows related to pension are not payable from available resources and, therefore, are not reported in the funds.		(1,110,900)
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.		36,434
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Interfund loan		(1,469,531)
Accrued compensated absences		(36,257)
Accrued interest payable		(16,104)
Debt due in less than one year		(166,286)
Debt due in more than one year		(663,570)
		(1,345,748)
Net position of governmental activities	\$	30,294,747

CITY OF MARSHALL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Street Fund	Other Governmental Funds	Total
REVENUES				
Taxes	\$ 5,419,793	\$ 1,790,480	\$ 1,995,940	\$ 9,206,213
Licenses and permits	139,640	-	-	139,640
Intergovernmental	8,868	6,729	1,343,944	1,359,541
Charges for services	5,222	7,610	714,069	726,901
Fines and penalties	68,977	-	-	68,977
Miscellaneous	265,182	246,150	566,928	1,078,260
Total Revenues	<u>5,907,682</u>	<u>2,050,969</u>	<u>4,620,881</u>	<u>12,579,532</u>
EXPENDITURES				
General and administrative	1,427,461	-	-	1,427,461
Executive	259,901	-	-	259,901
Fire	2,241,537	-	-	2,241,537
Police	2,675,251	-	-	2,675,251
Court	110,433	-	-	110,433
Planning, building and economic development	194,935	-	-	194,935
Street	-	2,157,128	-	2,157,128
Band	-	-	87,535	87,535
Park	-	-	1,539,104	1,539,104
Community center	-	-	410,324	410,324
Airport operating	-	-	277,100	277,100
Library	-	-	262,545	262,545
Capital outlay	-	-	1,198,246	1,198,246
Debt service				
Interest and fees	-	-	4,976	4,976
Total Expenditures	<u>6,909,518</u>	<u>2,157,128</u>	<u>3,779,830</u>	<u>12,846,476</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,001,836)</u>	<u>(106,159)</u>	<u>841,051</u>	<u>(266,944)</u>
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	603,026	-	-	603,026
Lease financing	15,692	-	-	15,692
Operating transfers in (out)	-	(1,250)	1,250	-
Total Other Financing Sources (Uses)	<u>618,718</u>	<u>(1,250)</u>	<u>1,250</u>	<u>618,718</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(383,118)</u>	<u>(107,409)</u>	<u>842,301</u>	<u>351,774</u>
Fund Balance, beginning of year	<u>1,360,414</u>	<u>2,195,388</u>	<u>3,571,497</u>	<u>7,127,299</u>
Fund Balance, end of year	<u>\$ 977,296</u>	<u>\$ 2,087,979</u>	<u>\$ 4,413,798</u>	<u>\$ 7,479,073</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, 2022

Net change in fund balances - total governmental funds \$ 351,774

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	2,358,866
Capital asset dispositions	(31,318)
Depreciation expense	(1,389,151)
	938,397

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	(603,026)
Interfund loan principal payments	211,326
Note payable principal payments	15,836
Capital lease obligation principal payments	164,090
	(211,774)

The accrual of interest and recording of amortization expense to be in compliance with GASB 87 is an expense in the Statement of Activities but is not recorded in the governmental funds:

Interest expense	(16,104)
Amortization expense	(141,262)
	(157,366)

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

Unavailable revenues - property taxes	7,896
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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	2,220
Net pension expenses	1,012,685
	1,014,905

Change in Net Position of Governmental Activities	\$ 1,943,832
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See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022

	<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	\$ 5,459,680	\$ 5,251,270	\$ 5,419,793	\$ 168,523
Licenses and permits	288,348	139,470	139,640	170
Intergovernmental	15,000	6,540	8,868	2,328
Charges for services	12,000	5,222	5,222	-
Fines and penalties	91,000	62,187	68,977	6,790
Miscellaneous	126,500	402,826	265,182	(137,644)
Total Revenues	<u>5,992,528</u>	<u>5,867,515</u>	<u>5,907,682</u>	<u>40,167</u>
EXPENDITURES				
General and administrative	895,345	940,000	1,427,461	(487,461)
Executive	330,450	264,900	259,901	4,999
Fire	2,175,771	2,316,935	2,241,537	75,398
Police	2,572,850	3,197,037	2,675,251	521,786
Court	108,157	115,614	110,433	5,181
Planning, building and economic development	254,382	207,000	194,935	12,065
Total Expenditures	<u>6,336,955</u>	<u>7,041,486</u>	<u>6,909,518</u>	<u>131,968</u>
Excess (Deficit) of Revenues over Expenditures	<u>(344,427)</u>	<u>(1,173,971)</u>	<u>(1,001,836)</u>	<u>172,135</u>
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	-	-	603,026	603,026
Lease financing	-	-	15,692	(15,692)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>618,718</u>	<u>587,334</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(344,427)</u>	<u>(1,173,971)</u>	<u>(383,118)</u>	<u>\$ 759,469</u>
Fund Balance, beginning of year	<u>1,360,414</u>	<u>1,360,414</u>	<u>1,360,414</u>	
Fund Balance, end of year	<u>\$ 1,015,987</u>	<u>\$ 186,443</u>	<u>\$ 977,296</u>	

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STREET FUND
YEAR ENDED SEPTEMBER 30, 2022

	<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	\$ 1,557,000	\$ 1,791,046	\$ 1,790,480	\$ (566)
Intergovernmental	-	6,729	6,729	-
Charges for services	18,000	7,610	7,610	-
Miscellaneous	73,000	223,908	246,150	22,242
Total Revenues	<u>1,648,000</u>	<u>2,029,293</u>	<u>2,050,969</u>	<u>21,676</u>
EXPENDITURES				
Street	1,538,066	2,231,910	2,157,128	74,782
Total Expenditures	<u>1,538,066</u>	<u>2,231,910</u>	<u>2,157,128</u>	<u>74,782</u>
Excess (Deficit) of Revenues over Expenditures	<u>109,934</u>	<u>(202,617)</u>	<u>(106,159)</u>	<u>96,458</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	(50,000)	(1,250)	(1,250)	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(1,250)</u>	<u>(1,250)</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	59,934	(203,867)	(107,409)	<u>\$ 96,458</u>
Fund Balance, beginning of year	<u>2,195,388</u>	<u>2,195,388</u>	<u>2,195,388</u>	
Fund Balance, end of year	<u>\$ 2,255,322</u>	<u>\$ 1,991,521</u>	<u>\$ 2,087,979</u>	

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
ASSETS					
Operating Funds:					
Cash and cash equivalents	\$ 10,317,515	\$ 669,357	\$ 872,281	\$ 2,512,938	\$ 14,372,091
Accounts receivable:					
Consumers	2,149,642	465,303	410,143	490,050	3,515,138
Other	3,125	17,340	38,439	5,409	64,313
Accrued interest	26,838	-	17	-	26,855
Due from other funds	1,900,000	-	-	(1,769,065)	130,935
Inventories:					
Fuel	636,571	-	-	-	636,571
Operating and maintenance supplies, at average cost	911,077	214,703	35,098	421,812	1,582,690
Current portion of interfund note receivable	851,557	-	-	-	851,557
Prepaid expenses	316,667	85,257	52,335	70,673	524,932
	<u>17,112,992</u>	<u>1,451,960</u>	<u>1,408,313</u>	<u>1,731,817</u>	<u>21,705,082</u>
SEGREGATED FUNDS					
Cash and cash equivalents	1,500,344	2,268,834	2,760,496	-	6,529,674
U.S. Gov't Securities - at amortized cost	4,956,775	-	245,000	-	5,201,775
	<u>6,457,119</u>	<u>2,268,834</u>	<u>3,005,496</u>	<u>-</u>	<u>11,731,449</u>
Total Current Assets (Including Segregated Funds)	<u>23,570,111</u>	<u>3,720,794</u>	<u>4,413,809</u>	<u>1,731,817</u>	<u>33,436,531</u>
Noncurrent Assets					
Noncurrent portion of interfund note receivable	9,295,275	-	-	-	9,295,275
Net pension asset	2,301,022	997,784	620,044	503,161	4,422,011
Lease asset	7,783	-	-	-	7,783
Accumulated amortization	(389)	-	-	-	(389)
Capital Assets					
Land and land improvements	1,621,462	94,398	118,398	203,464	2,037,722
Structures, improvements and plant equipment	14,522,958	11,655,423	23,787,549	16,426	49,982,356
Distribution system	28,304,403	9,426,300	9,231,772	4,272,259	51,234,734
Office structures, improvements, furniture and fixtures	599,593	5,471	-	-	605,064
Equipment	4,273,178	1,109,713	1,406,417	3,570,829	10,360,137
Construction in progress	1,503,697	405,252	6,510,360	773,688	9,192,997
Accumulated depreciation	(33,799,671)	(12,139,296)	(24,246,647)	(4,238,593)	(74,424,207)
Total Capital Assets, net of accumulated depreciation	<u>17,025,620</u>	<u>10,557,261</u>	<u>16,807,849</u>	<u>4,598,073</u>	<u>48,988,803</u>
Total Noncurrent Assets	<u>28,629,311</u>	<u>11,555,045</u>	<u>17,427,893</u>	<u>5,101,234</u>	<u>62,713,483</u>
Total Assets	<u>52,199,422</u>	<u>15,275,839</u>	<u>21,841,702</u>	<u>6,833,051</u>	<u>96,150,014</u>
Deferred Outflows					
Deferred outflows related to pension	416,285	159,373	83,959	46,127	705,744
Total Deferred Outflows	<u>416,285</u>	<u>159,373</u>	<u>83,959</u>	<u>46,127</u>	<u>705,744</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION (CONT'D)
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
LIABILITIES					
Operating Funds:					
Accounts payable - trade/other	1,908,569	33,874	58,248	38,133	2,038,824
Gross revenue levy payable	481,216	58,194	-	-	539,410
Accrued benefits payable	309,394	85,778	87,062	103,230	585,464
Accrued payroll	176,968	56,475	52,023	32,468	317,934
Current portion of lease payable	1,450	-	-	-	1,450
Current portion of interfund note payable	-	286,842	340,864	-	627,706
	<u>2,877,597</u>	<u>521,163</u>	<u>538,197</u>	<u>173,831</u>	<u>4,110,788</u>
Segregated Funds:					
Consumer's deposits	659,401	-	-	-	659,401
	<u>659,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>659,401</u>
Total Current Liabilities (Including Segregated Funds)	<u>3,536,998</u>	<u>521,163</u>	<u>538,197</u>	<u>173,831</u>	<u>4,770,189</u>
Long-Term Debt:					
Long-term portion of lease payable	5,553	-	-	-	5,553
Long-term portion of interfund note payable	-	764,709	7,284,886	-	8,049,595
Total Noncurrent Liabilities	<u>5,553</u>	<u>764,709</u>	<u>7,284,886</u>	<u>-</u>	<u>8,055,148</u>
Total Liabilities	<u>\$ 3,542,551</u>	<u>\$ 1,285,872</u>	<u>\$ 7,823,083</u>	<u>\$ 173,831</u>	<u>\$ 12,825,337</u>
Deferred Inflows:					
Deferred inflows related to pension	\$ 685,169	\$ 364,009	\$ 195,542	\$ 118,870	\$ 1,363,590
Total Deferred Inflows	<u>\$ 685,169</u>	<u>\$ 364,009</u>	<u>\$ 195,542</u>	<u>\$ 118,870</u>	<u>\$ 1,363,590</u>
NET POSITION					
Net investment in capital assets	\$ 17,025,620	\$ 9,505,710	\$ 9,182,099	\$ 4,598,073	\$ 40,311,502
Restricted but expendable for pension	2,032,138	793,148	508,461	430,418	3,764,165
Unrestricted	29,330,229	3,486,473	4,216,476	1,557,986	38,591,164
Total Net Position	<u>\$ 48,387,987</u>	<u>\$ 13,785,331</u>	<u>\$ 13,907,036</u>	<u>\$ 6,586,477</u>	<u>\$ 82,666,831</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, 2022

	Business- Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
Operating Revenues:					
Charges for services	\$ 19,853,676	\$ 4,327,258	\$ 3,523,279	\$ 3,438,265	\$ 31,142,478
Miscellaneous	174,233	29,793	23,616	131,904	359,546
Total Operating Revenues	<u>20,027,909</u>	<u>4,357,051</u>	<u>3,546,895</u>	<u>3,570,169</u>	<u>31,502,024</u>
Operating Expenses:					
Production and plant maintenance	12,445,915	915,854	635,775	503,138	14,500,682
Transmission and distribution	862,505	379,756	496,307	631,600	2,370,168
Personnel services	3,430,185	1,376,510	688,450	1,243,536	6,738,681
Insurance	292,602	103,911	74,323	31,171	502,007
Payments and/or services in lieu of taxes	1,816,251	280,633	29,157	20,443	2,146,484
Other general expense	283,046	107,639	54,096	62,642	507,423
Depreciation and amortization	1,215,103	635,060	602,437	531,138	2,983,738
Total Operating Expenses	<u>20,345,607</u>	<u>3,799,363</u>	<u>2,580,545</u>	<u>3,023,668</u>	<u>29,749,183</u>
Net Operating Income	<u>(317,698)</u>	<u>557,688</u>	<u>966,350</u>	<u>546,501</u>	<u>1,752,841</u>
Non-Operating Revenues (Expenses):					
Interest & investment earnings	9,468	4,661	20,678	47,663	82,470
Interest expense	-	(8,212)	(9,758)	-	(17,970)
Net Non-Operating Revenues (Expenses)	<u>9,468</u>	<u>(3,551)</u>	<u>10,920</u>	<u>47,663</u>	<u>64,500</u>
Income before capital grants and contributions	(308,230)	554,137	977,270	594,164	1,817,341
Capital grants and contributions	<u>156,403</u>	<u>650</u>	<u>99,167</u>	<u>-</u>	<u>256,220</u>
Change in Net Position	(151,827)	554,787	1,076,437	594,164	2,073,561
Net Position, beginning of year	<u>48,539,814</u>	<u>13,230,544</u>	<u>12,830,599</u>	<u>5,992,313</u>	<u>80,593,270</u>
Net Position, end of year	<u>\$ 48,387,987</u>	<u>\$ 13,785,331</u>	<u>\$ 13,907,036</u>	<u>\$ 6,586,477</u>	<u>\$ 82,666,831</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 20,427,374	\$ 4,344,223	\$ 3,461,208	\$ 3,397,470	\$ 31,630,275
Cash paid to suppliers	(13,851,425)	(1,614,272)	(1,542,916)	(1,320,330)	(18,328,943)
Cash paid to employees	(4,038,394)	(1,658,444)	(843,426)	(1,390,472)	(7,930,736)
Cash paid for services in lieu of taxes	(1,816,251)	(280,633)	(29,157)	(20,443)	(2,146,484)
Net cash provided (used) by operating activities	<u>721,304</u>	<u>790,874</u>	<u>1,045,709</u>	<u>666,225</u>	<u>3,224,112</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital grants and contributions	156,403	650	99,167	-	256,220
Proceeds from sale of assets	-	-	-	-	-
Purchases of capital assets	(1,464,385)	(522,206)	(6,239,837)	(1,706,732)	(9,933,160)
Lease proceeds (net)	(391)	-	-	-	(391)
Proceeds from interfund loan	-	-	6,376,155	-	6,376,155
Principal payments on interfund loan	-	(291,337)	(346,206)	(120,000)	(757,543)
Interest paid on debt	-	(8,212)	(9,758)	-	(17,970)
Net cash provided (used) by capital and related financing activities	<u>(1,308,373)</u>	<u>(821,105)</u>	<u>(120,479)</u>	<u>(1,826,732)</u>	<u>(4,076,689)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	14,996,840	-	-	-	14,996,840
Purchase of investments	(4,956,775)	-	-	-	(4,956,775)
Principal advances on interfund loan	(6,979,181)	-	-	-	(6,979,181)
Principal payments on interfund loan	968,869	-	-	-	968,869
Interest and dividends	9,468	4,661	20,678	47,663	82,470
Net cash provided (used) by investing activities	<u>4,039,221</u>	<u>4,661</u>	<u>20,678</u>	<u>47,663</u>	<u>4,112,223</u>
Net increase (decrease) in cash and cash equivalents	3,452,152	(25,570)	945,908	(1,112,844)	3,259,646
Balances - beginning of year	<u>8,365,707</u>	<u>2,963,761</u>	<u>2,686,869</u>	<u>3,625,782</u>	<u>17,642,119</u>
Balances - end of year	<u>\$ 11,817,859</u>	<u>\$ 2,938,191</u>	<u>\$ 3,632,777</u>	<u>\$ 2,512,938</u>	<u>\$ 20,901,765</u>
Reported on the Statement of Net Position as:					
Cash and cash equivalents	\$ 10,317,515	\$ 669,357	\$ 872,281	\$ 2,512,938	\$ 14,372,091
Segregated cash and cash equivalents	1,500,344	2,268,834	2,760,496	-	6,529,674
	<u>\$ 11,817,859</u>	<u>\$ 2,938,191</u>	<u>\$ 3,632,777</u>	<u>\$ 2,512,938</u>	<u>\$ 20,901,765</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS (CONT'D)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	<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)	\$ (317,698)	\$ 557,688	\$ 966,350	\$ 546,501	\$ 1,752,841
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation expense	1,214,714	635,060	602,437	531,138	2,983,349
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Receivables - net of allowances	399,465	(12,828)	(85,687)	(172,699)	128,251
Inventory	51,405	(14,558)	(7,676)	(12,498)	16,673
Prepaid expenses	(5,543)	(1,812)	(1,279)	(4,426)	(13,060)
Accounts and other payables	(13,219)	(90,742)	(273,460)	(74,855)	(452,276)
Deferred outflows	(163,625)	(58,438)	(46,749)	(42,854)	(311,666)
Deferred inflows	(1,835,019)	(655,364)	(524,290)	(480,601)	(3,495,274)
Net pension asset	1,316,402	470,144	376,113	344,774	2,507,433
Other accrued liabilities	74,422	(38,276)	39,950	31,745	107,841
Net cash provided by operating activities	<u>\$ 721,304</u>	<u>\$ 790,874</u>	<u>\$ 1,045,709</u>	<u>\$ 666,225</u>	<u>\$ 3,224,112</u>

See Notes to Financial Statements

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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. Marshall Municipal Utilities’ audited financial statements for the year ended September 30, 2022 included a report on internal control and compliance as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

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

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2022

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, IT and Broadband, and Sanitation Funds.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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
Street	Accounts for revenues and expenditures of street maintenance and repair.
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:	
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, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
IT and Broadband	Accounts for activities of the public trust in providing internet services 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, 2022**

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, 2022

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, 2022**

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. An expenditure is considered a capital asset, per the City's policy, if the unit cost is greater than \$5,000 and the useful life is greater than one year.

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, 2022

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, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Lessee accounting

The City is a lessee in certain lease agreements. Lease agreements convey control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The lessee accounting treatment of lease agreements depends on whether the lease agreement is related to assets used on governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

At the commencement of a lease agreement, the City recognizes a lease liability and a lease asset, unless the lease is a short-term lease or the lease agreement transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term, less any lease incentives. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Subsequently, the lease liability is reduced as payments are made and recognized as an outflow of resources for interest on the liability. The lease asset is amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Short-term leases are defined as leases that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months or less. Short-term lease payments are recognized as outflows of resources.

Proprietary Funds

The accounting for proprietary funds is the same in the fund statements as in the government-wide statements.

Governmental Funds

Except for short-term leases and lease agreements that transfer ownership of the underlying asset, at commencement of a lease agreement, the City recognizes an expenditure and other financing source using the same measurement criteria as the government-wide statements. Subsequently, payments of principal and interest are reported as expenditures.

Short-term leases are accounted for in the same manner as the proprietary fund and government-wide statements.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of GASB 87 – Leases/Prior Period Adjustment

The City has adopted Statement No. 87 of the Governmental Accounting Standards Board – Leases (“GASB 87”) as of the beginning of the earliest period presented. The adoption increased the net position of the governmental activities as of September 30, 2021 by \$50,312 from \$28,300,603 to \$28,350,915.

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, 2022**

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. 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, 2022, the Natural Gas Department had total assets of \$3,968,342 and total liabilities of \$2,533. For the year ended September 30, 2022, the Natural Gas Department had revenues of \$299,500 and expenses of \$308,821.

H. 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.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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 \$473,951 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.

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.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.

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, 2022.

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, 2021 and amended the budget on September 29, 2022. Ending negative fund balances were budgeted in the HAB Center, Community Center, Park Improvement, and Saltfork Project Funds.

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022 are shown below:

	<u>Maturities</u>	<u>Carrying Value</u>
Deposits:		
Demand deposits		\$ 25,665,291
Cash on hand		1,675
Time deposit	11/10/22	43,647
Time deposit	11/24/22	5,548
Time deposit	12/17/22	245,000
Time deposit	01/08/23	527,838
Time deposit	08/17/23	5,526
		<u>26,494,525</u>
Investments:		
U.S. Treasury Bills		4,956,775
		<u>4,956,775</u>
Total deposits and investments		<u>\$ 31,451,300</u>
Reconciliation of Statement of Net Position:		
Current:		
Cash, including time deposits		\$ 19,555,130
Investments		164,721
Total Current		<u>19,719,851</u>
Noncurrent:		
Cash, including time deposits		6,529,674
Investments		5,201,775
Total Noncurrent		<u>11,731,449</u>
Total		<u>\$ 31,451,300</u>

Custodial credit risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$26,330,197 at September 30, 2022, 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.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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, 2022, are provided in the previous schedule.

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, 2022, 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, 2022 and September 30, 2021:

2022

- U.S. Treasury securities of \$4,972,592 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).

2021

- U.S. Treasury securities of \$14,998,882 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, 2022**

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, 2022 were designated as follows:

	Designated Balances	Segregated Funds Requirements
Electric Fund:		
Consumers' deposit fund	\$ 699,689	\$ 699,689
Insurance reserve fund	5,001,567	5,000,000
Equipment fund	-	-
	\$ 5,701,256	\$ 5,699,689
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.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

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.

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, 2022 was as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts receivable	\$ 456,142	\$ 3,579,451	\$ 4,035,593
Allowance for doubtful accounts	-	-	-
Net Accounts Receivable	<u>\$ 456,142</u>	<u>\$ 3,579,451</u>	<u>\$ 4,035,593</u>

E. Taxes Receivable

Taxes receivable of the governmental activities consist of property tax receivable. Receivables detail at September 30, 2022 was as follows:

	Governmental Activities	Business-Type Activities	Total
Taxes receivable	\$ 73,713	\$ -	\$ 73,713
Allowance for doubtful accounts	(7,960)	-	(7,960)
Net Taxes Receivable	<u>\$ 65,753</u>	<u>\$ -</u>	<u>\$ 65,753</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2022 is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund (Major)	\$ 226,148	\$ 194,743
Street Fund (Major)	73,496	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
Sanitation Fund (Non-Major)	130,935	-
	<u>\$ 458,637</u>	<u>\$ 458,637</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.

G. Capital Assets - Governmental Activities

Capital asset activity for the year ended September 30, 2022, was as follows:

	<u>Balance at September 30, 2021</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Balance at September 30, 2022</u>
Capital assets not being depreciated:					
Land	\$ 1,990,135	\$ -	\$ -	\$ -	\$ 1,990,135
Land improvements	9,475,029	1,101,131	165,865		10,742,025
Construction in process	165,865	-	(165,865)		-
Subtotal	<u>11,631,029</u>	<u>1,101,131</u>	<u>-</u>	<u>-</u>	<u>12,732,160</u>
Capital assets being depreciated:					
Buildings	9,197,885	88,120	-	(3,000)	9,283,005
Improvements	-	-	-	-	-
Machinery and equipment	6,020,499	237,508	-	(725,823)	5,532,184
Infrastructure	31,737,795	932,107	-	-	32,669,902
Subtotal	<u>46,956,179</u>	<u>1,257,735</u>	<u>-</u>	<u>(728,823)</u>	<u>47,485,091</u>
Totals at historical cost	<u>58,587,208</u>	<u>2,358,866</u>	<u>-</u>	<u>(728,823)</u>	<u>60,217,251</u>
Less accumulated depreciation					
Buildings	(5,707,448)	(227,150)	-	3,000	(5,931,598)
Improvements	(2,650,989)	(725,589)	-	-	(3,376,578)
Machinery and equipment	(4,549,990)	(202,451)	-	134,159	(4,618,282)
Infrastructure	(24,762,285)	(233,961)	-	-	(24,996,246)
Total accumulated depreciation	<u>(37,670,712)</u>	<u>(1,389,151)</u>	<u>-</u>	<u>137,159</u>	<u>(38,922,704)</u>
Net capital assets being depreciated	<u>9,285,467</u>	<u>(131,416)</u>	<u>-</u>	<u>(591,664)</u>	<u>8,562,387</u>
Net capital assets	<u>\$ 20,916,496</u>	<u>\$ 969,715</u>	<u>\$ -</u>	<u>\$ (591,664)</u>	<u>\$ 21,294,547</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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, 2022 was as follows:

Electric

	Balance at September 30, 2021	Additions	Disposals	Balance at September 30, 2022
Capital assets not being depreciated:				
Land	\$ 1,621,462	\$ -	\$ -	\$ 1,621,462
Construction in progress	574,999	1,411,058	(482,364)	1,503,693
	<u>2,196,461</u>	<u>1,411,058</u>	<u>(482,364)</u>	<u>3,125,155</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	16,640,150	138,929	-	16,779,079
Distribution system	26,881,182	60,387	-	26,941,569
Street lighting and hydrants	680,546	3,739	-	684,285
Office structures and improvement and furniture and fixtures	526,012	73,581	-	599,593
Transportation equipment	1,966,470	126,718	-	2,093,188
Laboratory equipment	-	-	-	-
Tools and shop equipment	459,974	-	-	459,974
Radio equipment	3,322	139,125	-	142,447
	<u>47,157,656</u>	<u>542,479</u>	<u>-</u>	<u>47,700,135</u>
Total capital assets at historical costs	<u>49,354,117</u>	<u>1,953,537</u>	<u>(482,364)</u>	<u>50,825,290</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(14,400,718)	(96,796)	-	(14,497,514)
Distribution system	(15,559,200)	(973,743)	-	(16,532,943)
Street lighting and hydrants	(129,896)	(34,145)	-	(164,041)
Office structures and improvement and furniture and fixtures	(408,426)	(12,503)	-	(420,929)
Transportation equipment	(1,802,395)	(46,914)	-	(1,849,309)
Laboratory equipment	-	-	-	-
Tools and shop equipment	(282,651)	(47,966)	-	(330,617)
Radio equipment	(1,671)	(2,646)	-	(4,317)
Total accumulated depreciation	<u>(32,584,957)</u>	<u>(1,214,713)</u>	<u>-</u>	<u>(33,799,670)</u>
Net capital assets being depreciated	<u>14,572,699</u>	<u>(672,234)</u>	<u>-</u>	<u>13,900,465</u>
Net capital assets	<u>\$ 16,769,160</u>	<u>\$ 738,824</u>	<u>\$ (482,364)</u>	<u>\$ 17,025,620</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

Water

	Balance at September 30, 2021	Additions	Disposals	Balance at September 30, 2022
Capital assets not being depreciated:				
Land	\$ 94,398	\$ -	\$ -	\$ 94,398
Construction in progress	113,126	463,926	(171,798)	405,254
	<u>207,524</u>	<u>463,926</u>	<u>(171,798)</u>	<u>499,652</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	11,655,423	-	-	11,655,423
Distribution system	8,874,268	170,165	-	9,044,433
Street lighting and hydrants	381,867	-	-	381,867
Office structures and improvement and furniture and fixtures	5,469	-	-	5,469
Transportation equipment	1,044,457	29,640	(31,855)	1,042,242
Laboratory equipment	8,652	-	-	8,652
Tools and shop equipment	21,416	34,781	-	56,197
Radio equipment	2,624	-	-	2,624
	<u>21,994,176</u>	<u>234,586</u>	<u>(31,855)</u>	<u>22,196,907</u>
Total capital assets at historical costs	<u>22,201,700</u>	<u>698,512</u>	<u>(203,653)</u>	<u>22,696,559</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(5,366,719)	(457,289)	-	(5,824,008)
Distribution system	(4,941,718)	(148,277)	-	(5,089,995)
Street lighting and hydrants	(214,458)	(6,762)	-	(221,220)
Office structures and improvement and furniture and fixtures	(5,008)	(433)	-	(5,441)
Transportation equipment	(977,725)	(22,276)	31,855	(968,146)
Laboratory equipment	(7,365)	(813)	-	(8,178)
Tools and shop equipment	(16,132)	(3,554)	-	(19,686)
Radio equipment	(2,460)	(164)	-	(2,624)
Total accumulated depreciation	<u>(11,531,585)</u>	<u>(639,568)</u>	<u>31,855</u>	<u>(12,139,298)</u>
Net capital assets being depreciated	<u>10,462,591</u>	<u>(404,982)</u>	<u>-</u>	<u>10,057,609</u>
Net capital assets	<u>\$ 10,670,115</u>	<u>\$ 58,944</u>	<u>\$ (171,798)</u>	<u>\$ 10,557,261</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

Wastewater

	Balance at September 30, 2021	Additions	Disposals	Balance at September 30, 2022
Capital assets not being depreciated:				
Land	\$ 118,398	\$ -	\$ -	\$ 118,398
Construction in progress	595,490	6,154,728	(239,858)	6,510,360
	<u>713,888</u>	<u>6,154,728</u>	<u>(239,858)</u>	<u>6,628,758</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	23,761,956	25,592	-	23,787,548
Distribution system	9,168,456	63,390	(74)	9,231,772
Office structures and improvement and furniture and fixtures	-	-	-	-
Transportation equipment	1,019,486	174,544	-	1,194,030
Laboratory equipment	4,537	-	-	4,537
Tools and shop equipment	172,617	34,781	-	207,398
Radio equipment	453	-	-	453
	<u>34,127,505</u>	<u>298,307</u>	<u>(74)</u>	<u>34,425,738</u>
Total capital assets at historical costs	<u>34,841,393</u>	<u>6,453,035</u>	<u>(239,932)</u>	<u>41,054,496</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(18,677,641)	(394,545)	-	(19,072,186)
Distribution system	(3,920,467)	(169,406)	-	(4,089,873)
Office structures and improvement and furniture and fixtures	-	-	-	-
Transportation equipment	(914,117)	(31,696)	26,661	(919,152)
Laboratory equipment	(2,453)	(889)	-	(3,342)
Tools and shop equipment	(155,812)	(5,828)	-	(161,640)
Radio equipment	(454)	-	-	(454)
Total accumulated depreciation	<u>(23,670,944)</u>	<u>(602,364)</u>	<u>26,661</u>	<u>(24,246,647)</u>
Net capital assets being depreciated	<u>10,456,561</u>	<u>(304,057)</u>	<u>26,587</u>	<u>10,179,091</u>
Net capital assets	<u>\$ 11,170,449</u>	<u>\$ 5,850,671</u>	<u>\$ (213,271)</u>	<u>\$ 16,807,849</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

IT & Broadband

	Balance at September 30, 2021	Additions	Disposals	Balance at September 30, 2022
Capital assets not being depreciated:				
Construction in progress	\$ 77,842	\$ 720,979	\$ (25,133)	\$ 773,688
	<u>77,842</u>	<u>720,979</u>	<u>(25,133)</u>	<u>773,688</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	4,541,007	160,051	-	4,701,058
Transportation equipment	365,212	217,380	-	582,592
Tools and shop equipment	3,679	29,063	-	32,742
Radio equipment	-	23,187	-	23,187
	<u>4,909,898</u>	<u>429,681</u>	<u>-</u>	<u>5,339,579</u>
Total capital assets at historical costs	<u>4,987,740</u>	<u>1,150,660</u>	<u>(25,133)</u>	<u>6,113,267</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(2,285,851)	(356,928)	-	(2,642,779)
Transportation equipment	(181,633)	(54,602)	-	(236,235)
Tools and shop equipment	(44)	(2,387)	-	(2,431)
Radio equipment	-	(386)	-	(386)
Total accumulated depreciation	<u>(2,467,528)</u>	<u>(414,303)</u>	<u>-</u>	<u>(2,881,831)</u>
Net capital assets being depreciated	<u>2,442,370</u>	<u>15,378</u>	<u>-</u>	<u>2,457,748</u>
Net capital assets	<u>\$ 2,520,212</u>	<u>\$ 736,357</u>	<u>\$ (25,133)</u>	<u>\$ 3,231,436</u>

Sanitation

	Balance at September 30, 2021	Additions	Disposals	Balance at September 30, 2022
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	1,922,305	581,204	-	2,503,509
Subtotal	<u>1,938,731</u>	<u>581,204</u>	<u>-</u>	<u>2,519,935</u>
Totals at historical cost	<u>2,142,195</u>	<u>581,204</u>	<u>-</u>	<u>2,723,399</u>
Less accumulated depreciation				
Structures, improvements and plant equipment	(16,426)	-	-	(16,426)
Transportation equipment	(1,223,503)	(116,833)	-	(1,340,336)
Total accumulated depreciation	<u>(1,239,929)</u>	<u>(116,833)</u>	<u>-</u>	<u>(1,356,762)</u>
Net capital assets being depreciated	<u>698,802</u>	<u>464,371</u>	<u>-</u>	<u>1,163,173</u>
Net capital assets	<u>\$ 902,266</u>	<u>\$ 464,371</u>	<u>\$ -</u>	<u>\$ 1,366,637</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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	\$ 91,443
Executives	7,197
Total general government	<u>98,640</u>
Public safety:	
Police	76,546
Fire	10,678
Total public safety	<u>87,224</u>
Transportation:	
Airport	199,837
Streets	76,424
Total transportation	<u>276,261</u>
Cultural, parks and recreation:	
Library	3,405
Park	190,836
Band	1,911
Total cultural, parks and recreation	<u>196,152</u>
Community/economic development	<u>5,285</u>
Infrastructure	<u>725,589</u>
Total depreciation expense - Governmental activity	<u><u>\$ 1,389,151</u></u>
Business-type activities:	
Electric	\$ 1,214,713
Water	639,568
Wastewater	602,364
IT & Broadband	414,303
Sanitation	116,833
Total depreciation expense - Business-type activity	<u><u>\$ 2,987,781</u></u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022:

	<u>Water</u>	<u>Wastewater</u>	<u>City (General Fund)</u>
Balance, September 30, 2021	\$ 1,342,888	\$ 1,595,802	\$ 1,077,830
Note issued	-	6,376,154	603,026
Note retired	(291,337)	(346,206)	(211,326)
Balance, September 30, 2022	<u>\$ 1,051,551</u>	<u>\$ 7,625,750</u>	<u>\$ 1,469,530</u>
Current Portion	<u>\$ 286,842</u>	<u>\$ 340,864</u>	<u>\$ 223,851</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 2.5 percent).

Debt repayment requirements are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 340,864	\$ 27,352	\$ 368,216
2024	349,484	18,732	368,216
2025	358,322	9,894	368,216
2026	200,926	1,563	202,489
	<u>\$ 1,249,596</u>	<u>\$ 57,541</u>	<u>\$ 1,307,137</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 2.5 percent).

Additionally, the new loan amount of \$6,376,154, does not have a loan document executed as of the audit report date. The document will be executed when all draws are made and interest will begin to be charged at that time.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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>
2023	\$ 286,842	\$ 23,017	\$ 309,859
2024	294,095	15,763	309,858
2025	301,533	8,326	309,859
2026	169,081	1,315	170,396
	<u>\$ 1,051,551</u>	<u>\$ 48,421</u>	<u>\$ 1,099,972</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, 2022 the Board had advanced \$1,680,856 and had received principal payments of \$211,326, leaving a balance of \$1,469,530 at September 30, 2022. This amount is currently due.

Debt repayment requirements are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 223,851	\$ 34,185	\$ 258,036
2024	229,512	28,524	258,036
2025	235,316	22,720	258,036
2026	241,267	16,769	258,036
2027	247,368	10,668	258,036
2028-2029	292,216	4,492	296,708
	<u>\$ 1,469,530</u>	<u>\$ 117,358</u>	<u>\$ 1,586,888</u>

Special Assessment Bonded Debt

The following is a summary of changes in special assessment bond transactions for the year ended September 30, 2022:

	<u>Governmental Activities</u>
Balance, September 30, 2021	\$ 123,000
Bonds issued	-
Bonds retired	(13,000)
Balance, September 30, 2022	<u>\$ 110,000</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

Special assessment bonded debt as of September 30, 2022 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.

\$ 110,000

\$ 110,000

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

Year Ended September 30,	Principal	Interest	Total
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>\$ 110,000</u>	<u>\$ 18,360</u>	<u>\$ 128,360</u>

Leases

The following is a summary of changes in lease transactions for the year ended September 30, 2022:

	Business-Type Activities	Governmental Activities
Balance, September 30, 2021	\$ -	\$ 903,145
Leases issued	7,003	-
Leases retired	-	(164,089)
Balance, September 30, 2022	<u>\$ 7,003</u>	<u>\$ 739,056</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

Leases – Business-Type Activities

The Utilities is a lessee for a postage machine. The leased asset activity for fiscal year ended September 30, 2022 is as follows:

	Balance at Sept. 20, 2021	Additions	Balance at Sept. 20, 2022
Leased assets	\$ 7,783	\$ -	\$ 7,783
Less accumulated amortization	-	(389)	(389)
Note retired	-	-	-
Leased assets, net of accumulated amortization	<u>\$ 7,783</u>	<u>\$ (389)</u>	<u>\$ 7,394</u>

Principal and interest payments required are as follows:

Year Ended September 30,	Principal	Interest	Total
2023	\$ 1,450	\$ 258	\$ 1,708
2024	1,508	200	1,708
2025	1,570	138	1,708
2026	1,634	75	1,709
2027	841	13	854
	<u>\$ 7,003</u>	<u>\$ 684</u>	<u>\$ 7,687</u>

Leases – Governmental Activities

The City is a lessee for a fire truck used in support of its fire operations. The leased asset activity for fiscal year ended September 30, 2022 is as follows:

	Balance at Sept. 30, 2021	Additions	Balance at Sept. 30, 2022
Leased assets	\$ 602,437	\$ -	\$ 602,437
Less accumulated amortization	-	(46,046)	(46,046)
Leased assets, net of accumulated amortization	<u>\$ 602,437</u>	<u>\$ (46,046)</u>	<u>\$ 556,391</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

Principal and interest payments required are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 38,260	\$ 19,579	\$ 57,839
2024	39,827	18,012	57,839
2025	41,120	16,719	57,839
2026	42,415	15,425	57,840
2027	43,751	14,088	57,839
2028-2032	240,265	48,932	289,197
2033-2034	107,060	8,618	115,678
Total	<u>\$ 552,698</u>	<u>\$ 141,373</u>	<u>\$ 694,071</u>

The City is a lessee for park equipment used in support of its park operations. The leased asset activity for fiscal year ended September 30, 2022 is as follows:

	<u>Balance at Sept. 30, 2021</u>	<u>Additions</u>	<u>Balance at Sept. 30, 2022</u>
Leased assets	\$ 71,972	\$ -	\$ 71,972
Less accumulated amortization	-	(16,935)	(16,935)
Leased assets, net of accumulated amortization	<u>\$ 71,972</u>	<u>\$ (16,935)</u>	<u>\$ 55,037</u>

Principal and interest payments required are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 17,111	\$ 2,339	\$ 19,450
2024	17,724	1,726	19,450
2025	18,276	1,173	19,449
Total	<u>\$ 53,111</u>	<u>\$ 5,238</u>	<u>\$ 58,349</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

The City is a lessee for golf carts used in support of its general operations. The leased asset activity for fiscal year ended September 30, 2022 is as follows:

	Balance at Sept. 30, 2021	Additions	Balance at Sept. 30, 2022
Leased assets	\$ 69,925	\$ -	\$ 69,925
Less accumulated amortization	-	(32,906)	(32,906)
Leased assets, net of accumulated amortization	<u>\$ 69,925</u>	<u>\$ (32,906)</u>	<u>\$ 37,019</u>

Principal and interest payments required are as follows:

Year Ended September 30,	Principal	Interest	Total
2023	\$ 34,028	\$ 3,412	\$ 37,440
Total	<u>\$ 34,028</u>	<u>\$ 3,412</u>	<u>\$ 37,440</u>

The City is a lessee for golf carts used in support of its park operations. The leased asset activity for fiscal year ended September 30, 2022 is as follows:

	Balance at Sept. 30, 2021	Additions	Balance at Sept. 30, 2022
Leased assets	\$ 90,141	\$ -	\$ 90,141
Less accumulated amortization	-	(30,047)	(30,047)
Leased assets, net of accumulated amortization	<u>\$ 90,141</u>	<u>\$ (30,047)</u>	<u>\$ 60,094</u>

The lease agreement charges a variable fee for additional copies over a specified threshold. The potential additional fees are not included in the measurement of the lease liability.

Principal and interest payments required are as follows:

Year Ended September 30,	Principal	Interest	Total
2023	\$ 45,071	\$ 2,930	\$ 48,001
Total	<u>\$ 45,071</u>	<u>\$ 2,930</u>	<u>\$ 48,001</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

The City is a lessee for printers/copiers used in support of its general operations. The leased asset activity for fiscal year ended September 30, 2022 is as follows:

	Balance at Sept. 30, 2021	Additions	Balance at Sept. 30, 2022
Leased assets	\$ 8,575	\$ -	\$ 8,575
Less accumulated amortization	-	-	-
Leased assets, net of accumulated amortization	<u>\$ 8,575</u>	<u>\$ -</u>	<u>\$ 8,575</u>

The lease agreement charges a variable fee for additional copies over a specified threshold. The potential additional fees are not included in the measurement of the lease liability.

Principal and interest payments required are as follows:

Year Ended September 30,	Principal	Interest	Total
2023	\$ 1,603	\$ 257	\$ 1,860
2024	1,653	209	1,862
2025	1,709	163	1,872
2026	1,762	97	1,859
2027	1,848	38	1,886
Total	<u>\$ 8,575</u>	<u>\$ 764</u>	<u>\$ 9,339</u>

The City is a lessee for park equipment used in support of its park operations. The leased asset activity for fiscal year ended September 30, 2022 is as follows:

	Balance at Sept. 30, 2021	Additions	Balance at Sept. 30, 2022
Leased assets	\$ 44,401	\$ -	\$ 44,401
Less accumulated amortization	-	(12,248)	(12,248)
Leased assets, net of accumulated amortization	<u>\$ 44,401</u>	<u>\$ (12,248)</u>	<u>\$ 32,153</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

Principal and interest payments required are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 10,556	\$ 1,443	\$ 11,999
2024	10,934	1,065	11,999
2025	11,276	724	12,000
Total	<u>\$ 32,766</u>	<u>\$ 3,232</u>	<u>\$ 35,998</u>

The City is a lessee for printers used in support of its general operations. The leased asset activity for fiscal year ended September 30, 2022 is as follows:

	<u>Balance at Sept. 30, 2021</u>	<u>Additions</u>	<u>Balance at Sept. 30, 2022</u>
Leased assets	\$ 7,117	\$ -	\$ 7,117
Less accumulated amortization	-	(1,305)	(1,305)
Leased assets, net of accumulated amortization	<u>\$ 7,117</u>	<u>\$ (1,305)</u>	<u>\$ 5,812</u>

Principal and interest payments required are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,372	\$ 176	\$ 1,548
2024	1,416	132	1,548
2025	1,464	84	1,548
2026	1,644	35	1,679
Total	<u>\$ 5,896</u>	<u>\$ 427</u>	<u>\$ 6,323</u>

The City is a lessee for printers used in support of its general operations. The leased asset activity for fiscal year ended September 30, 2022 is as follows:

	<u>Balance at Sept. 30, 2021</u>	<u>Additions</u>	<u>Balance at Sept. 30, 2022</u>
Leased assets	\$ 8,578	\$ -	\$ 8,578
Less accumulated amortization	-	(1,775)	(1,775)
Leased assets, net of accumulated amortization	<u>\$ 8,578</u>	<u>\$ (1,775)</u>	<u>\$ 6,803</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

The lease agreement charges a variable fee for additional copies over a specified threshold. The potential additional fees are not included in the measurement of the lease liability.

Principal and interest payments required are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,721	\$ 204	\$ 1,925
2024	1,776	149	1,925
2025	1,836	89	1,925
2026	1,578	28	1,606
Total	<u>\$ 6,911</u>	<u>\$ 470</u>	<u>\$ 7,381</u>

Note Payable

The City has a note payable for the use of law enforcement software. The note has an interest rate of 4.60% and expires in fiscal year 2027. Annual payments are \$20,741.

The future payments are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 16,564	\$ 4,177	\$ 20,741
2024	17,326	3,415	20,741
2025	18,123	2,618	20,741
2026	18,957	1,784	20,741
2027	19,830	912	20,742
Total	<u>\$ 90,800</u>	<u>\$ 12,906</u>	<u>\$ 103,706</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 2022 required 56% of net revenues in the NID Sewer Project Fund. The total principal and interest remaining to be paid on the bonds is \$128,360. Principal and interest paid for the current year was \$4,976 in the NID Sewer Project Fund. Net revenues in the current year were \$8,906 for the NID Sewer Project Fund.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

The general and park funds have pledged future revenues, net of specified operating expenses to repay leases for the purchase of software and equipment. The leases are payable from general and park fund net revenues and are payable through 2027. Annual principal and interest payments in 2022 required 100% of net revenues in the general fund and the park fund. The total principal and interest remaining to be paid on the leases is \$896,902. Principal and interest paid for the current year was \$194,176. Net revenues in the current year were (\$409,202).

The electric fund has pledged future revenues, net of specified operating expenses, to repay a lease that was issued for a postage machine. The lease is payable from electric net revenues and is payable through 2027. Annual principal and interest payments in 2022 required less than 1% of electric net revenues. The total principal and interest remaining to be paid on the lease is \$7,687. Principal and interest paid on the lease for the current year was \$854 and electric net revenues for the current year were \$906,873.

K. Fund Balance

Classifications of fund balances at September 30, 2022 are as follows:

	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Governmental Funds</u>
<u>Fund Balances:</u>			
Non Spendable			
Inventory	\$ -	\$ 64,381	\$ 76,380
Prepaid expenses	181,561	52,783	98,846
Assigned for special revenue purposes	-	-	4,573,351
Assigned for debt service purposes	-	-	73,230
Unassigned	795,735	1,970,815	(408,009)
Total	<u>\$ 977,296</u>	<u>\$ 2,087,979</u>	<u>\$ 4,413,798</u>

L. Interfund Transfers

Interfund transfers during the year ended September 30, 2022, were as follows:

<u>Fund</u>	<u>In</u>	<u>Out</u>
Street (Major Fund)	\$ -	\$ 1,250
Westport IV (Non-Major Fund)	1,250	-
	<u>\$ 1,250</u>	<u>\$ 1,250</u>

The above transfer was to close out the fund.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

M. Deficit Fund Balance

At September 30, 2022, the HAB Center Fund, Park Improvement Fund, Community Center Fund, and Saltfork Project Fund had deficit fund balances of \$170,738, \$57, \$11,066, and \$226,148, 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 2021 levy was based, was \$167,089,471. 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, 2022 are as follows:

General Fund Levy	\$.5872
Special Levies		
Park Fund		.2539
Band Fund		.0393
Library Fund		.1509
Total	<u>\$</u>	<u>1.0313</u>

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, 2022, based on the total assessed valuation as of December 31, 2021 of \$167,089,471 the constitutional general obligation debt limit was \$33,417,894.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

IV. OTHER INFORMATION (continued)

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.

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>2022 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.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

IV. OTHER INFORMATION (continued)

Employees covered by benefit terms. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	164
Inactive employees entitled to but not yet receiving benefits	57
Active employees	171
	392
	392

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 12.8% (General), 7.9% (Police) and 10.3% (Fire) of annual covered payroll.

Net Pension Liability. The employer's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2022.

Actuarial assumptions. The total pension liability in the February 28, 2022 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.

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

IV. OTHER INFORMATION (continued)

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%

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

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

IV. OTHER INFORMATION (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at 9/30/21	\$ 51,496,359	\$ 63,528,718	\$ (12,032,359)
Changes for the year:			
Service Cost	894,469	-	894,469
Interest	3,552,272	-	3,552,272
Difference between expected and actual experience	660,230	-	660,230
Contributions - employer	-	1,105,606	(1,105,606)
Change in Assumptions	-	-	-
Net investment income	-	49,297	(49,297)
Benefit payments, including refunds	(2,419,474)	(2,419,474)	-
Administrative expense	-	(41,211)	41,211
Other changes	-	216,943	(216,943)
Net changes	<u>2,687,497</u>	<u>(1,088,839)</u>	<u>3,776,336</u>
Balances at 9/30/22	<u>\$ 54,183,856</u>	<u>\$ 62,439,879</u>	<u>\$ (8,256,023)</u>

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

	1% Decrease	Current Single Discount	1% Increase
	6.00%	Rate Assumption 7.00%	8.00%
Total Pension Liability	\$ 61,349,418	\$ 54,183,856	\$ 48,212,806
Plan Fiduciary Net Position	62,439,879	62,439,879	62,439,879
Net Position Liability (Asset)	<u>\$ (1,090,461)</u>	<u>\$ (8,256,023)</u>	<u>\$ (14,227,073)</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022 the employer recognized pension expense of \$(1,161,962). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 734,235	\$ 619,113
Differences in assumptions	12,004	591,148
Excess (deficit) investment returns	-	1,264,230
Contributions subsequent to the measurement date*	310,950	-
Total	\$ 1,057,189	\$ 2,474,491

*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:

Year Ended	Net Deferred Outflows of Resources
2023	\$ (615,875)
2024	(723,191)
2025	(1,311,967)
2026	948,290
2027	(21,144)
Thereafter	(4,365)

Payable to the Pension Plan

At September 30, 2022, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2022.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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, 2022**

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, 16% of water revenues, and 27% of wastewater revenues are generated from a small number of industrial customers.

H. Litigation

Management believes there are no outstanding matters which will have a material effect on the financial statements of the City.

I. 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.

J. 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 2022, 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 2022, so the business also paid an additional amount to the City. The total received by the City in fiscal year 2022 in lieu of taxes was \$9,561, leaving a total abated amount of \$17,356.

K. 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.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

IV. OTHER INFORMATION (continued)

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 therefore or to make any appropriation for their payment.

L. 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.

M. Fines

Fines and penalties as shown on the Statement of Revenues, Expenses, and Changes in Fund Balances is \$68,977 for the year ended September 30, 2022, which is 1.2% of general fund revenues.

N. Consideration of Subsequent Events

Subsequent events have been evaluated through May 9, 2023, 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, 2022**

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
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%
2022	464,004.11	464,004.72	(0.61)	4,299,345.68	10.79%

**CITY OF MARSHALL, MISSOURI
MARSHALL MUNICIPAL UTILITIES
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS)
YEAR ENDED SEPTEMBER 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
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%
2022	688,387.77	688,387.00	0.77	5,378,029.36	12.80%

**CITY OF MARSHALL, MISSOURI
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 (MISSOURI LAGERS)
 YEAR ENDED SEPTEMBER 30, 2022**

Valuation Date:	February 28, 2022
Notes:	The roll-forward of total pension liability from February 28, 2022 to June 30, 2022 reflects expected service cost and interest reduced by actual benefit payments.
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 9 to 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, 2022

	Fiscal Year Ending		
	September 30, 2022	September 30, 2021	September 30, 2020
Total Pension Liability			
Service Cost	\$ 894,469	\$ 872,592	\$ 840,700
Interest on the Total Pension Liability	3,552,272	3,616,233	3,472,864
Benefit Changes	-	-	-
Difference between expected and actual experience	660,230	(269,927)	(30,287)
Assumption Changes	-	(970,082)	-
Benefit Payments	(2,419,474)	(2,364,385)	(2,280,017)
Refunds	-	-	-
Net Change in Total Pension Liability	<u>2,687,497</u>	<u>884,431</u>	<u>2,003,260</u>
Total Pension Liability beginning	<u>51,496,359</u>	<u>50,611,927</u>	<u>48,608,667</u>
Total Pension Liability ending	<u><u>\$ 54,183,856</u></u>	<u><u>\$ 51,496,358</u></u>	<u><u>\$ 50,611,927</u></u>
Plan Fiduciary Net Position			
Contributions - employer	1,105,606	1,031,084	993,727
Contributions - employee	-	-	-
Pension Plan Net Investment Income	49,297	13,696,849	659,159
Benefit Payments	(2,419,474)	(2,364,385)	(2,280,017)
Refunds	-	-	-
Pension Plan Administrative expense	(41,211)	(37,901)	(49,069)
Other	216,943	158,849	(63,344)
Net Change in Plan Fiduciary Net Position	<u>(1,088,839)</u>	<u>12,484,496</u>	<u>(739,544)</u>
Plan Fiduciary Net Position beginning	<u>63,528,718</u>	<u>51,044,222</u>	<u>51,783,766</u>
Plan Fiduciary Net Position ending	<u><u>\$ 62,439,879</u></u>	<u><u>\$ 63,528,718</u></u>	<u><u>\$ 51,044,222</u></u>
Employer Net Pension Liability (Asset)	<u><u>\$ (8,256,023)</u></u>	<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	115.24%	123.37%	100.85%
Covered Employee Payroll	9,110,746	9,000,629	7,759,189
Employer's Net Pension Liability as a percentage of covered employee payroll	(90.62%)	(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) (CONTD)
YEAR ENDED SEPTEMBER 30, 2022

	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 PROPRIETARY FUNDS

ENTERPRISE FUNDS

Sanitation	Accounts for activities of the public trust in providing sanitation service to the public.
IT and Broadband	Accounts for activities of the public trust in providing internet services to the public.

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	<u>Sanitation</u>	<u>IT & Broadband</u>	<u>Total</u>
ASSETS			
Operating Funds:			
Cash and cash equivalents	\$ 2,236,149	\$ 276,789	\$ 2,512,938
Accounts receivable:			
Consumers	279,975	210,075	490,050
Other	5,409	-	5,409
Accrued interest	-	-	-
Due from other funds	130,935	(1,900,000)	(1,769,065)
Inventories:			
Operating and maintenance supplies, at average cost	-	421,812	421,812
Prepaid expenses	40,456	30,217	70,673
Total Current Assets	<u>2,692,924</u>	<u>(961,107)</u>	<u>1,731,817</u>
Noncurrent Assets			
Net pension asset	255,638	247,523	503,161
Capital Assets			
Land and land improvements	203,464	-	203,464
Structures, improvements and plant equipment	16,426	-	16,426
Distribution system	-	4,272,259	4,272,259
Office structures, improvements, furniture and fixtures	-	-	-
Equipment	2,503,509	1,067,320	3,570,829
Construction in progress	-	773,688	773,688
Accumulated depreciation	<u>(1,356,762)</u>	<u>(2,881,831)</u>	<u>(4,238,593)</u>
Total Capital Assets, net of accumulated depreciation	<u>1,366,637</u>	<u>3,231,436</u>	<u>4,598,073</u>
Total Noncurrent Assets	<u>1,622,275</u>	<u>3,478,959</u>	<u>5,101,234</u>
Total Assets	<u>4,315,199</u>	<u>2,517,852</u>	<u>6,833,051</u>
Deferred Outflows			
Deferred outflows related to pension	34,274	11,853	46,127
Total Deferred Outflows	<u>34,274</u>	<u>11,853</u>	<u>46,127</u>

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION (CONT'D)
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	<u>Sanitation</u>	<u>IT & Broadband</u>	<u>Total</u>
LIABILITIES			
Operating Funds:			
Accounts payable - trade/other	34,300	3,833	38,133
Accrued benefits payable	28,088	75,142	103,230
Accrued payroll	6,525	25,943	32,468
Total Current Liabilities	<u>68,913</u>	<u>104,918</u>	<u>173,831</u>
Total Liabilities	<u>\$ 68,913</u>	<u>\$ 104,918</u>	<u>\$ 173,831</u>
Deferred Inflows:			
Deferred inflows related to pension	\$ 81,475	\$ 37,395	\$ 118,870
Total Deferred Inflows	<u>\$ 81,475</u>	<u>\$ 37,395</u>	<u>\$ 118,870</u>
NET POSITION			
Net investment in capital assets	\$ 1,366,637	\$ 3,231,436	\$ 4,598,073
Restricted but expendable for pension	208,437	221,981	430,418
Unrestricted	2,624,011	(1,066,025)	1,557,986
Total Net Position	<u>\$ 4,199,085</u>	<u>\$ 2,387,392</u>	<u>\$ 6,586,477</u>

CITY OF MARSHALL, MISSOURI
STATEMENT OF OPERATING REVENUES, OPERATING EXPENSES
AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	<u>Sanitation</u>	<u>IT & Broadband</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 1,738,820	\$ 1,699,445	\$ 3,438,265
Miscellaneous	83,298	48,606	131,904
Total Operating Revenues	<u>1,822,118</u>	<u>1,748,051</u>	<u>3,570,169</u>
Operating Expenses:			
Production and plant maintenance	144,618	358,520	503,138
Transmission and distribution	511,658	119,942	631,600
Personnel services	705,526	538,010	1,243,536
Insurance	-	31,171	31,171
Payments and/or services in lieu of taxes	-	20,443	20,443
Other general expense	22,997	39,645	62,642
Depreciation and amortization	116,833	414,305	531,138
Total Operating Expenses	<u>1,501,632</u>	<u>1,522,036</u>	<u>3,023,668</u>
Net Operating Income	<u>320,486</u>	<u>226,015</u>	<u>546,501</u>
Non-Operating Revenues (Expenses):			
Interest & investment earnings	41,529	6,134	47,663
Net Non-Operating Revenues (Expenses)	<u>41,529</u>	<u>6,134</u>	<u>47,663</u>
Change in Net Position	362,015	232,149	594,164
Net Position, beginning of year	<u>3,837,070</u>	<u>2,155,243</u>	<u>5,992,313</u>
Net Position, end of year	<u>\$ 4,199,085</u>	<u>\$ 2,387,392</u>	<u>\$ 6,586,477</u>

**CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Sanitation</u>	<u>IT & Broadband</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,678,457	\$ 1,719,013	\$ 3,397,470
Cash paid to suppliers	(679,951)	(640,379)	(1,320,330)
Cash paid to employees	(791,882)	(598,590)	(1,390,472)
Cash paid for services in lieu of taxes	-	(20,443)	(20,443)
Net cash provided (used) by operating activities	<u>206,624</u>	<u>459,601</u>	<u>666,225</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(581,204)	(1,125,528)	(1,706,732)
Principal payments on interfund loan	-	(120,000)	(120,000)
Net cash provided (used) by capital and related financing activities	<u>(581,204)</u>	<u>(1,245,528)</u>	<u>(1,826,732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	41,529	6,134	47,663
Net cash provided (used) by investing activities	<u>41,529</u>	<u>6,134</u>	<u>47,663</u>
Net increase (decrease) in cash and cash equivalents	(333,051)	(779,793)	(1,112,844)
Balances - beginning of year	<u>2,569,200</u>	<u>1,056,582</u>	<u>3,625,782</u>
Balances - end of year	<u>\$ 2,236,149</u>	<u>\$ 276,789</u>	<u>\$ 2,512,938</u>
Reported on the Statement of Net Position as:			
Cash and cash equivalents	\$ 2,236,149	\$ 276,789	\$ 2,512,938
Segregated cash and cash equivalents	-	-	-
	<u>\$ 2,236,149</u>	<u>\$ 276,789</u>	<u>\$ 2,512,938</u>

CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS (CONT'D)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	<u>Sanitation</u>	<u>IT & Broadband</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO			
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 320,486	\$ 226,015	\$ 546,501
Adjustments to reconcile operating income (loss) to cash flows from operating activities:			
Depreciation expense	116,833	414,305	531,138
Changes in assets, deferred outflows, liabilities and deferred inflows:			
Receivables - net of allowances	(143,661)	(29,038)	(172,699)
Inventory	-	(12,498)	(12,498)
Prepaid expenses	773	(5,199)	(4,426)
Accounts and other payables	(1,451)	(73,404)	(74,855)
Deferred outflows	(19,479)	(23,375)	(42,854)
Deferred inflows	(218,455)	(262,146)	(480,601)
Net pension asset	156,715	188,059	344,774
Other accrued liabilities	(5,137)	36,882	31,745
Net cash provided by operating activities	<u>\$ 206,624</u>	<u>\$ 459,601</u>	<u>\$ 666,225</u>

COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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.
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 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.
Park Improvement	Accounts for revenues and expenditures of park improvements.

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, 2022**

	Special Revenue Funds				
	Park	Airport	Band	HAB Center	Tourism
ASSETS					
Cash and cash equivalents	\$ 523,749	\$ 111,231	\$ 375,649	\$ -	\$ 213,341
Investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Taxes receivables, net of allowance	9,799	-	1,517	-	25,953
Due from governmental agencies	247,101	23,930	-	-	-
Due from other funds	-	-	-	-	-
Inventory	18,359	58,021	-	-	-
Prepaid expenses	73,890	15,498	3,393	-	-
Total Assets	872,898	208,680	380,559	-	239,294
LIABILITIES					
Accounts payable	1,199	187	233	-	-
Accrued expenses	32,510	89	135	-	-
Pooled cash deficit	-	-	-	170,738	-
Due to other funds	-	20,116	8,035	-	-
Total Liabilities	33,709	20,392	8,403	170,738	-
DEFERRED INFLOW OF RESOURCES					
Unearned revenue - property taxes	8,352	-	1,144	-	-
FUND EQUITY					
Nonspendable					
Inventory	18,359	58,021	-	-	-
Prepaid expenses	73,890	15,498	3,393	-	-
Assigned for special revenue purposes	738,588	114,769	367,619	-	239,294
Assigned for debt service purposes	-	-	-	-	-
Unassigned (deficit)	-	-	-	(170,738)	-
Fund Balance (Deficit)	830,837	188,288	371,012	(170,738)	239,294
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 872,898	\$ 208,680	\$ 380,559	\$ -	\$ 239,294

**CITY OF MARSHALL, MISSOURI
 COMBINING BALANCE SHEET (CONT'D)
 NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2022**

	<u>Special Revenue Funds</u>				
	<u>Library</u>	<u>Community Center</u>	<u>Equipment Replacement</u>	<u>Park Improvement Donation</u>	<u>City Office/ Revitalization</u>
ASSETS					
Cash and cash equivalents	\$ 260,898	\$ 250	\$ 229,171	\$ 25,891	\$ 20,618
Investments	54,721	-	-	-	-
Accounts receivable	-	-	-	-	-
Taxes receivables, net of allowance	5,823	-	-	-	-
Due from governmental agencies	-	-	-	-	-
Due from other funds	28,058	-	-	-	-
Inventory	-	-	-	-	-
Prepaid expenses	6,065	-	-	-	-
Total Assets	355,565	250	229,171	25,891	20,618
LIABILITIES					
Accounts payable	-	445	-	-	-
Accrued expenses	6,056	-	-	-	-
Pooled cash deficit	-	10,871	-	-	-
Due to other funds	2,944	-	-	-	-
Total Liabilities	9,000	11,316	-	-	-
DEFERRED INFLOW OF RESOURCES					
Unearned revenue - property taxes	5,727	-	-	-	-
FUND EQUITY					
Nonspendable					
Inventory	-	-	-	-	-
Prepaid expenses	6,065	-	-	-	-
Assigned for special revenue purposes	334,773	-	229,171	25,891	20,618
Assigned for debt service purposes	-	-	-	-	-
Unassigned (deficit)	-	(11,066)	-	-	-
Fund Balance (Deficit)	340,838	(11,066)	229,171	25,891	20,618
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 355,565	\$ 250	\$ 229,171	\$ 25,891	\$ 20,618

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2022**

	Special Revenue Funds			
	Economic Development	Street/ Sidewalk Repair	ARPA	Park Improvement
ASSETS				
Cash and cash equivalents	\$ 210,545	\$ 41,056	\$ 2,166,790	\$ 23
Investments	-	-	-	-
Accounts receivable	84,312	-	-	-
Taxes receivables, net of allowance	-	-	-	-
Due from governmental agencies	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total Assets	294,857	41,056	2,166,790	23
LIABILITIES				
Accounts payable	-	-	75	-
Accrued expenses	-	-	-	-
Due to other funds	-	-	-	80
Total Liabilities	-	-	75	80
DEFERRED INFLOW OF RESOURCES				
Unearned revenue - property taxes	-	-	-	-
FUND EQUITY				
Nonspendable				
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Assigned for special revenue purposes	294,857	41,056	2,166,715	-
Assigned for debt service purposes	-	-	-	-
Unassigned (deficit)	-	-	-	(57)
Fund Balance (Deficit)	294,857	41,056	2,166,715	(57)
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 294,857	\$ 41,056	\$ 2,166,790	\$ 23

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2022**

	<u>Debt Service Funds</u>			<u>Total (Memorandum Only)</u>
	<u>Saltfork Project</u>	<u>Westport IV Project</u>	<u>NID Sewer Project</u>	
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 73,230	\$ 4,252,442
Investments	-	-	-	54,721
Accounts receivable	-	-	-	84,312
Taxes receivables, net of allowance	-	-	-	43,092
Due from governmental agencies	-	-	-	271,031
Due from other funds	-	-	-	28,058
Inventory	-	-	-	76,380
Prepaid expenses	-	-	-	98,846
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	-	-	73,230	4,908,882
LIABILITIES				
Accounts payable	-	-	-	2,139
Accrued expenses	-	-	-	38,790
Pooled cash deficit	-	-	-	181,609
Due to other funds	226,148	-	-	257,323
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	226,148	-	-	479,861
DEFERRED INFLOW OF RESOURCES				
Unearned revenue - property taxes	-	-	-	15,223
FUND EQUITY				
Nonspendable				
Inventory	-	-	-	76,380
Prepaid expenses	-	-	-	98,846
Assigned for special revenue purposes	-	-	-	4,573,351
Assigned for debt service purposes	-	-	73,230	73,230
Unassigned (deficit)	(226,148)	-	-	(408,009)
Fund Balance (Deficit)	(226,148)	-	73,230	4,413,798
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ -	\$ -	\$ 73,230	\$ 4,908,882
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**CITY OF MARSHALL, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue Funds				
	Park	Airport	Band	HAB Center	Tourism
REVENUES					
Taxes	\$ 1,455,620	\$ -	\$ 71,580	\$ -	\$ 102,182
Intergovernmental	-	7,333	-	-	-
Charges for services	375,712	226,042	-	-	-
Miscellaneous	404,470	97,346	21,383	225	-
Total Revenues	2,235,802	330,721	92,963	225	102,182
EXPENDITURES					
Street	-	-	-	-	-
Airport	-	277,100	-	-	-
Library	-	-	-	-	-
Band	-	-	87,535	-	-
Park	1,372,519	-	-	-	-
Tourism	-	-	-	-	-
Community center	-	-	-	337,984	-
Capital outlay	480,517	-	3,351	-	96,335
Interest and fees	-	-	-	-	-
Total Expenditures	1,853,036	277,100	90,886	337,984	96,335
Excess (Deficit) of Revenues over Expenditures	382,766	53,621	2,077	(337,759)	5,847
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	382,766	53,621	2,077	(337,759)	5,847
Fund Balance, beginning of year (deficit)	448,071	134,667	368,935	167,021	233,447
Fund Balance, end of year (deficit)	\$ 830,837	\$ 188,288	\$ 371,012	\$ (170,738)	\$ 239,294

**CITY OF MARSHALL, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue Funds				
	Library	Community Center	Equipment Replacement	Park Improvement Donation	City Office/ Revitalization
REVENUES					
Taxes	\$ 273,340	\$ -	\$ -	\$ -	\$ -
Intergovernmental	16,078	-	-	-	-
Charges for services	1,946	84,659	-	25,710	-
Miscellaneous	11,150	-	-	-	-
Total Revenues	<u>302,514</u>	<u>84,659</u>	<u>-</u>	<u>25,710</u>	<u>-</u>
EXPENDITURES					
Street	-	-	-	-	-
Airport	-	-	-	-	-
Library	262,545	-	-	-	-
Band	-	-	-	-	-
Park	-	-	-	166,585	-
Tourism	-	-	-	-	-
Community center	-	72,340	-	-	-
Capital outlay	-	-	-	-	5,800
Interest and fees	-	-	-	-	-
Total Expenditures	<u>262,545</u>	<u>72,340</u>	<u>-</u>	<u>166,585</u>	<u>5,800</u>
Excess (Deficit) of Revenues over Expenditures	<u>39,969</u>	<u>12,319</u>	<u>-</u>	<u>(140,875)</u>	<u>(5,800)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	39,969	12,319	-	(140,875)	(5,800)
Fund Balance, beginning of year (deficit)	<u>300,869</u>	<u>(23,385)</u>	<u>229,171</u>	<u>166,766</u>	<u>26,418</u>
Fund Balance, end of year (deficit)	<u>\$ 340,838</u>	<u>\$ (11,066)</u>	<u>\$ 229,171</u>	<u>\$ 25,891</u>	<u>\$ 20,618</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, 2022

	Special Revenue Funds			Debt Service Funds		
	Economic Development	Street/Sidewalk Repair	ARPA	Saltfork Project	Westport IV Project	NID Sewer Project
REVENUES						
Taxes	\$ 84,312	\$ -	\$ -	\$ -	\$ -	\$ 8,906
Intergovernmental	-	-	1,320,533	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	3,586	-	28,768	-	-	-
Total Revenues	<u>87,898</u>	<u>-</u>	<u>1,349,301</u>	<u>-</u>	<u>-</u>	<u>8,906</u>
EXPENDITURES						
Street	-	-	-	-	-	-
Airport	-	-	-	-	-	-
Library	-	-	-	-	-	-
Band	-	-	-	-	-	-
Park	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Community center	-	-	-	-	-	-
Capital outlay	134,093	-	478,150	-	-	-
Interest and fees	-	-	-	-	-	4,976
Total Expenditures	<u>134,093</u>	<u>-</u>	<u>478,150</u>	<u>-</u>	<u>-</u>	<u>4,976</u>
Excess (Deficit) of Revenues over Expenditures	<u>(46,195)</u>	<u>-</u>	<u>871,151</u>	<u>-</u>	<u>-</u>	<u>3,930</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)	-	-	-	-	1,250	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(46,195)</u>	<u>-</u>	<u>871,151</u>	<u>-</u>	<u>1,250</u>	<u>3,930</u>
Fund Balance, beginning of year (deficit)	<u>341,052</u>	<u>41,056</u>	<u>1,295,564</u>	<u>(226,148)</u>	<u>(1,250)</u>	<u>69,300</u>
Fund Balance, end of year (deficit)	<u>\$ 294,857</u>	<u>\$ 41,056</u>	<u>\$ 2,166,715</u>	<u>\$ (226,148)</u>	<u>\$ -</u>	<u>\$ 73,230</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, 2022**

	<u>Special Revenue Fund Park Improvement</u>	<u>Total (Memorandum Only)</u>
REVENUES		
Taxes	\$ -	\$ 1,995,940
Intergovernmental	-	1,343,944
Charges for services	-	714,069
Miscellaneous	-	566,928
Total Revenues	<u>-</u>	<u>4,620,881</u>
EXPENDITURES		
Street	-	-
Airport	-	277,100
Library	-	262,545
Band	-	87,535
Park	-	1,539,104
Tourism	-	-
Community center	-	410,324
Capital outlay	-	1,198,246
Interest and fees	-	4,976
Total Expenditures	<u>-</u>	<u>3,779,830</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>841,051</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in (out)	-	1,250
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,250</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>842,301</u>
Fund Balance, beginning of year (deficit)	<u>(57)</u>	<u>3,571,497</u>
Fund Balance, end of year (deficit)	<u>\$ (57)</u>	<u>\$ 4,413,798</u>

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

Special Revenue Funds
Debt Service Funds

CITY OF MARSHALL, MISSOURI
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 446,000	\$ 454,445	\$ 454,978	\$ 533
Railroad and utilities	7,000	6,063	6,063	-
Sales	835,000	1,003,307	994,034	(9,273)
Financial institution	500	545	545	-
Total Taxes	<u>1,288,500</u>	<u>1,464,360</u>	<u>1,455,620</u>	<u>(8,740)</u>
Charges for Services				
Park fees and sales	<u>343,000</u>	<u>369,363</u>	<u>375,712</u>	<u>6,349</u>
Total Charges for Services	<u>343,000</u>	<u>369,363</u>	<u>375,712</u>	<u>6,349</u>
Miscellaneous				
Interest on investments	-	1,208	11,780	10,572
Miscellaneous	2,000	384,588	388,116	3,528
Donations	7,500	3,899	3,899	-
Rental	<u>2,000</u>	<u>675</u>	<u>675</u>	<u>-</u>
Total Miscellaneous	<u>11,500</u>	<u>390,370</u>	<u>404,470</u>	<u>14,100</u>
Total Revenues	<u>1,643,000</u>	<u>2,224,093</u>	<u>2,235,802</u>	<u>11,709</u>
EXPENDITURES				
Swimming Pool				
Personnel services	37,700	24,800	24,488	312
Other charges and services	150,450	162,500	162,635	(135)
Operating supplies	24,000	17,950	17,912	38
Repairs and maintenance	17,800	17,500	16,925	575
Capital outlay	<u>8,600</u>	<u>8,600</u>	<u>6,871</u>	<u>1,729</u>
Total Swimming Pool	<u>238,550</u>	<u>231,350</u>	<u>228,831</u>	<u>2,519</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, 2022

	<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	149,728	148,110	127,068	21,042
Other charges and services	62,900	29,000	24,995	4,005
Operating supplies	66,500	64,150	54,609	9,541
Repairs and maintenance	149,500	174,500	167,213	7,287
Capital outlay	73,500	443,050	441,342	1,708
Total Golf Course	<u>502,128</u>	<u>858,810</u>	<u>815,227</u>	<u>43,583</u>
Lyon Bowl				
Personnel services	32,700	8,950	8,913	37
Other charges and services	5,700	6,950	6,643	307
Operating supplies	22,050	25,400	24,411	989
Repairs and maintenance	9,500	11,500	10,920	580
Capital outlay	10,000	10,850	10,699	151
Total Lyon Bowl	<u>79,950</u>	<u>63,650</u>	<u>61,586</u>	<u>2,064</u>
Recreation and Play				
Personnel services	431,000	360,900	348,848	12,052
Other charges and services	56,850	66,250	63,794	2,456
Operating supplies	4,250	5,060	4,586	474
Repairs and maintenance	48,500	122,750	116,048	6,702
Capital outlay	20,000	21,000	20,821	179
Total Recreation and Play	<u>560,600</u>	<u>575,960</u>	<u>554,097</u>	<u>21,863</u>
General Use				
Personnel services	141,025	139,400	138,249	1,151
Other charges and services	57,875	54,000	49,802	4,198
Operating supplies	3,500	2,100	1,838	262
Repairs and maintenance	5,300	3,800	2,622	1,178
Capital outlay	2,000	1,000	784	216
Total General Use	<u>209,700</u>	<u>200,300</u>	<u>193,295</u>	<u>7,005</u>
Total Expenditures	<u>1,590,928</u>	<u>1,930,070</u>	<u>1,853,036</u>	<u>77,034</u>
Excess (Deficit) of Revenues over Expenditures	52,072	294,023	382,766	<u>\$ 88,743</u>
Fund Balance, beginning of year (deficit)	<u>448,071</u>	<u>448,071</u>	<u>448,071</u>	
Fund Balance, end of year (deficit)	<u>\$ 500,143</u>	<u>\$ 742,094</u>	<u>\$ 830,837</u>	

CITY OF MARSHALL, MISSOURI
AIRPORT OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022

	<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				
Intergovernmental				
State and federal grants	\$ -	\$ 7,333	\$ 7,333	\$ -
Total Intergovernmental	<u>-</u>	<u>7,333</u>	<u>7,333</u>	<u>-</u>
Charges for services				
Retail sales	81,500	171,636	171,636	-
Hangar rental	25,000	17,936	18,186	250
Other rental	10,000	13,725	13,720	(5)
Farm income	18,910	20,000	22,500	2,500
Total Charges for services	<u>135,410</u>	<u>223,297</u>	<u>226,042</u>	<u>2,745</u>
Miscellaneous				
Interest	3,000	118	615	497
Miscellaneous	750	96,731	96,731	-
Total Miscellaneous	<u>3,750</u>	<u>96,849</u>	<u>97,346</u>	<u>497</u>
Total Revenues	<u>139,160</u>	<u>327,479</u>	<u>330,721</u>	<u>3,242</u>
EXPENDITURES				
Personnel services	51,182	43,900	41,696	2,204
Other charges and services	29,750	99,720	98,555	1,165
Operating supplies	80,200	190,650	126,836	63,814
Repairs and maintenance	7,300	10,960	10,013	947
Capital outlay	20,000	-	-	-
Total Expenditures	<u>188,432</u>	<u>345,230</u>	<u>277,100</u>	<u>68,130</u>
Excess (Deficit) of Revenues over Expenditures	<u>(49,272)</u>	<u>(17,751)</u>	<u>53,621</u>	<u>71,372</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Street Fund	50,000	-	-	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	728	(17,751)	53,621	<u>\$ 71,372</u>
Fund Balance, beginning of year	<u>134,667</u>	<u>134,667</u>	<u>134,667</u>	
Fund Balance, end of year	<u>\$ 135,395</u>	<u>\$ 116,916</u>	<u>\$ 188,288</u>	

CITY OF MARSHALL, MISSOURI
BAND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 71,885	\$ 70,327	\$ 70,558	\$ 231
Railroad and utilities	1,040	938	938	-
Financial institution	200	84	84	-
Total Taxes	<u>73,125</u>	<u>71,349</u>	<u>71,580</u>	<u>231</u>
Miscellaneous				
Interest	9,000	1,071	5,781	4,710
Miscellaneous	500	15,603	15,602	(1)
Total Miscellaneous	<u>9,500</u>	<u>16,674</u>	<u>21,383</u>	<u>4,709</u>
Total Revenues	<u>82,625</u>	<u>88,023</u>	<u>92,963</u>	<u>4,940</u>
EXPENDITURES				
Personnel services	4,850	5,270	4,952	318
Other charges and services	63,713	67,103	65,112	1,991
Operating supplies	4,700	2,250	2,100	150
Repairs and maintenance	2,250	16,000	15,371	629
Capital outlay	3,500	3,500	3,351	149
Total Expenditures	<u>79,013</u>	<u>94,123</u>	<u>90,886</u>	<u>3,237</u>
Excess (Deficit) of Revenues over Expenditures	3,612	(6,100)	2,077	<u>\$ 8,177</u>
Fund Balance, beginning of year	<u>368,935</u>	<u>368,935</u>	<u>368,935</u>	
Fund Balance, end of year	<u>\$ 372,547</u>	<u>\$ 362,835</u>	<u>\$ 371,012</u>	

**CITY OF MARSHALL, MISSOURI
HAB CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022**

	<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	\$ -	\$ -	\$ 225	\$ 225
Interest	-	217	-	(217)
Total Miscellaneous	<u>-</u>	<u>217</u>	<u>225</u>	<u>8</u>
Total Revenues	<u>-</u>	<u>217</u>	<u>225</u>	<u>8</u>
EXPENDITURES				
Other charges and services	246,000	338,000	337,984	16
Total Expenditures	<u>246,000</u>	<u>338,000</u>	<u>337,984</u>	<u>16</u>
Excess (Deficit) of Revenues over Expenditures	(246,000)	(337,783)	(337,759)	<u>\$ 24</u>
Fund Balance, beginning of year	<u>167,021</u>	<u>167,021</u>	<u>167,021</u>	
Fund Balance, end of year	<u>\$ (78,979)</u>	<u>\$ (170,762)</u>	<u>\$ (170,738)</u>	

CITY OF MARSHALL, MISSOURI
TOURISM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022

	<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	\$ 106,545	\$ 102,182	\$ (4,363)
Total Taxes	<u>90,000</u>	<u>106,545</u>	<u>102,182</u>	<u>(4,363)</u>
Total Revenues	<u>90,000</u>	<u>106,545</u>	<u>102,182</u>	<u>(4,363)</u>
EXPENDITURES				
Capital outlay	<u>90,000</u>	<u>100,000</u>	<u>96,335</u>	<u>3,665</u>
Total Expenditures	<u>90,000</u>	<u>100,000</u>	<u>96,335</u>	<u>3,665</u>
Excess (Deficit) of Revenues over Expenditures	-	6,545	5,847	<u><u>\$ (698)</u></u>
Fund Balance, beginning of year	<u>233,447</u>	<u>233,447</u>	<u>233,447</u>	
Fund Balance, end of year	<u><u>\$ 233,447</u></u>	<u><u>\$ 239,992</u></u>	<u><u>\$ 239,294</u></u>	

CITY OF MARSHALL, MISSOURI
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022

	<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	\$ 271,300	\$ 269,860	\$ 269,415	\$ (445)
Railroad and utilities	3,900	3,601	3,601	-
Financial institution	300	324	324	-
Total Taxes	<u>275,500</u>	<u>273,785</u>	<u>273,340</u>	<u>(445)</u>
Intergovernmental				
State and federal grants	10,200	7,253	16,078	8,825
Total Intergovernmental	<u>10,200</u>	<u>7,253</u>	<u>16,078</u>	<u>8,825</u>
Charges for Services				
Library book fines	-	110	110	-
Library cards	1,200	1,811	1,836	25
Total Charges for Services	<u>1,200</u>	<u>1,921</u>	<u>1,946</u>	<u>25</u>
Miscellaneous				
Interest	4,000	599	4,552	3,953
Sale of property	250	695	699	4
Miscellaneous	4,450	3,481	2,688	(793)
Donations	1,500	1,258	2,063	805
Printer fees	1,000	1,146	1,148	2
Total Miscellaneous	<u>11,200</u>	<u>7,179</u>	<u>11,150</u>	<u>3,971</u>
Total Revenues	<u>298,100</u>	<u>290,138</u>	<u>302,514</u>	<u>12,376</u>
EXPENDITURES				
Personnel services	188,257	190,443	180,324	10,119
Other charges and services	59,397	78,447	72,120	6,327
Operating supplies	5,500	6,350	6,003	347
Repairs and maintenance	8,250	5,100	4,098	1,002
Capital outlay	1,300	-	-	-
Total Expenditures	<u>262,704</u>	<u>280,340</u>	<u>262,545</u>	<u>17,795</u>
Excess (Deficit) of Revenues over Expenditures	35,396	9,798	39,969	<u>\$ 30,171</u>
Fund Balance, beginning of year	<u>300,869</u>	<u>300,869</u>	<u>300,869</u>	
Fund Balance, end of year	<u>\$ 336,265</u>	<u>\$ 310,667</u>	<u>\$ 340,838</u>	

**CITY OF MARSHALL, MISSOURI
PARK IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022**

	<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	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	-	-	-
OTHER FINANCING USES				
Operating transfers in (out)				
Park	-	-	-	-
Total Other Financing Uses	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	-	-	\$ -
Fund Balance, beginning of year	(57)	(57)	(57)	
Fund Balance, end of year	\$ (57)	\$ (57)	\$ (57)	

**CITY OF MARSHALL, MISSOURI
COMMUNITY CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022**

	<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	\$ 84,659	\$ 84,659	\$ -
Total Charges for Services	<u>80,000</u>	<u>84,659</u>	<u>84,659</u>	<u>-</u>
Total Revenues	<u>80,000</u>	<u>84,659</u>	<u>84,659</u>	<u>-</u>
EXPENDITURES				
Other charges and services	56,102	59,602	59,480	122
Operating supplies	2,500	2,500	2,418	82
Repairs and maintenance	<u>7,500</u>	<u>11,000</u>	<u>10,442</u>	<u>558</u>
Total Expenditures	<u>66,102</u>	<u>73,102</u>	<u>72,340</u>	<u>762</u>
Excess (Deficit) of Revenues over Expenditures	13,898	11,557	12,319	<u>\$ 762</u>
Fund Balance, beginning of year (deficit)	<u>(23,385)</u>	<u>(23,385)</u>	<u>(23,385)</u>	
Fund Balance, end of year (deficit)	<u>\$ (9,487)</u>	<u>\$ (11,828)</u>	<u>\$ (11,066)</u>	

**CITY OF MARSHALL, MISSOURI
EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous				
Interest	\$ -	\$ -	\$ -	\$ -
Total Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	-	-	-
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)	-	-	-	\$ -
Fund Balance, beginning of year	229,171	229,171	229,171	
Fund Balance, end of year	\$ 229,171	\$ 229,171	\$ 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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous				
Donations	\$ -	\$ 825	\$ 825	\$ -
Miscellaneous	-	24,885	24,885	-
Total Charges for Services	-	25,710	25,710	-
Total Revenues	-	25,710	25,710	-
EXPENDITURES				
Repairs and maintenance	-	167,000	166,585	415
Total Expenditures	-	167,000	166,585	415
Excess (Deficit) of Revenues over Expenditures	-	(141,290)	(140,875)	<u>\$ 415</u>
Fund Balance, beginning of year	166,766	166,766	166,766	
Fund Balance, end of year	<u>\$ 166,766</u>	<u>\$ 25,476</u>	<u>\$ 25,891</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, 2022**

	<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	-	5,800	5,800	-
Total Expenditures	-	5,800	5,800	-
Excess (Deficit) of Revenues over Expenditures	-	(5,800)	(5,800)	\$ -
Fund Balance, beginning of year	26,418	26,418	26,418	
Fund Balance, end of year	\$ 26,418	\$ 20,618	\$ 20,618	

**CITY OF MARSHALL, MISSOURI
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Other	\$ 210,000	\$ 233,190	\$ 84,312	\$ (148,878)
Total Taxes	<u>210,000</u>	<u>233,190</u>	<u>84,312</u>	<u>(148,878)</u>
Miscellaneous				
Interest	-	991	3,586	2,595
Total Miscellaneous	<u>-</u>	<u>991</u>	<u>3,586</u>	<u>2,595</u>
Total Revenues	<u>210,000</u>	<u>234,181</u>	<u>87,898</u>	<u>(146,283)</u>
EXPENDITURES				
Capital outlay	-	134,100	134,093	7
Total Expenditures	<u>-</u>	<u>134,100</u>	<u>134,093</u>	<u>7</u>
Excess (Deficit) of Revenues over Expenditures	210,000	100,081	(46,195)	<u>\$ (146,276)</u>
Fund Balance, beginning of year	<u>341,052</u>	<u>341,052</u>	<u>341,052</u>	
Fund Balance, end of year	<u>\$ 551,052</u>	<u>\$ 441,133</u>	<u>\$ 294,857</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, 2022**

	<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	\$ -	\$ -	\$ -	\$ -
Total Intergovernmental	-	-	-	-
Miscellaneous				
Interest	-	-	-	-
Total Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	-	-	<u>\$ -</u>
Fund Balance, beginning of year	41,056	41,056	41,056	
Fund Balance, end of year	<u>\$ 41,056</u>	<u>\$ 41,056</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, 2022

	<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	\$ -	\$ 1,311,817	\$ 1,320,533	\$ 8,716
Total Intergovernmental	<u>-</u>	<u>1,311,817</u>	<u>1,320,533</u>	<u>8,716</u>
Miscellaneous				
Interest	-	-	28,768	28,768
Total Miscellaneous	<u>-</u>	<u>-</u>	<u>28,768</u>	<u>28,768</u>
Total Revenues	<u>-</u>	<u>1,311,817</u>	<u>1,349,301</u>	<u>37,484</u>
EXPENDITURES				
Capital outlay	-	129,000	478,150	(349,150)
Total Expenditures	<u>-</u>	<u>129,000</u>	<u>478,150</u>	<u>(349,150)</u>
Excess (Deficit) of Revenues over Expenditures	-	1,182,817	871,151	<u>\$ (311,666)</u>
Fund Balance, beginning of year	<u>1,295,564</u>	<u>1,295,564</u>	<u>1,295,564</u>	
Fund Balance, end of year	<u>\$ 1,295,564</u>	<u>\$ 2,478,381</u>	<u>\$ 2,166,715</u>	

**CITY OF MARSHALL, MISSOURI
SALTFORK PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022**

	<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, 2022**

	<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	\$ -	\$ -	\$ -	\$ -
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)				
Street	1,250	1,250	1,250	-
Total Other Financing Uses	1,250	1,250	1,250	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	1,250	1,250	1,250	\$ -
Fund Balance, beginning of year	(1,250)	(1,250)	(1,250)	
Fund Balance, end of year	\$ -	\$ -	\$ -	

**CITY OF MARSHALL, MISSOURI
NID SEWER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Special Assessment	\$ -	\$ 8,906	\$ 8,906	\$ -
Total Taxes	-	8,906	8,906	-
Total Revenues	-	8,906	8,906	-
EXPENDITURES				
Debt service				
Interest and fees	-	4,976	4,976	-
Total Expenditures	-	4,976	4,976	-
Excess (Deficit) of Revenues over Expenditures	-	3,930	3,930	<u>\$ -</u>
Fund Balance, beginning of year	69,300	69,300	69,300	
Fund Balance, end of year	<u>\$ 69,300</u>	<u>\$ 73,230</u>	<u>\$ 73,230</u>	

SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL SCHEDULES

General Fund
Street Fund

These supplementary schedules are 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, 2022

	<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	\$ 1,059,157	\$ 1,064,393	\$ 1,059,435	\$ (4,958)
Railroad and utilities	14,023	14,026	14,026	-
Electric franchise	1,815,000	1,542,637	1,519,091	(23,546)
Water franchise	185,000	190,588	192,957	2,369
Gas franchise	200,000	48,569	255,475	206,906
Phone franchise	200,000	113,403	108,603	(4,800)
CATV franchise	25,000	18,462	18,462	-
Cigarette	45,000	42,256	42,256	-
Financial institution	1,500	-	-	-
Sales	1,635,000	1,805,652	1,787,643	(18,009)
Use	280,000	411,284	411,284	-
PILOT	-	-	10,561	10,561
Total Taxes	<u>5,459,680</u>	<u>5,251,270</u>	<u>5,419,793</u>	<u>168,523</u>
Licenses and Permits				
Merchants license	58,000	60,245	60,295	50
Building and electric	30,000	22,032	22,152	120
Dog	750	10	10	-
Planning and zoning fees	600	1,035	1,035	-
Administrative fees	198,898	55,948	55,948	-
Exam fees	100	200	200	-
Total Licenses and Permits	<u>288,348</u>	<u>139,470</u>	<u>139,640</u>	<u>170</u>
Intergovernmental				
State and federal grants	15,000	6,540	8,868	2,328
Total Intergovernmental	<u>15,000</u>	<u>6,540</u>	<u>8,868</u>	<u>2,328</u>
Charges for Services				
Rural fire calls	9,000	3,599	3,599	-
Mowing	3,000	1,623	1,623	-
Total Charges for Services	<u>12,000</u>	<u>5,222</u>	<u>5,222</u>	<u>-</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, 2022**

	<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	90,000	59,475	65,969	6,494
Police training fund	-	1,140	1,240	100
CVC fund	-	-	196	196
DWI reimbursements	1,000	1,572	1,572	-
Total Fines and Penalties	<u>91,000</u>	<u>62,187</u>	<u>68,977</u>	<u>6,790</u>
Miscellaneous				
Interest	28,500	18,429	23,593	5,164
Sale of property	5,000	3,000	3,000	-
Miscellaneous	70,000	340,686	197,878	(142,808)
Administrative fees	-	-	-	-
Donations	-	8,190	8,190	-
Farm income	23,000	32,521	32,521	-
Total Miscellaneous	<u>126,500</u>	<u>402,826</u>	<u>265,182</u>	<u>(137,644)</u>
Total Revenues	<u>5,992,528</u>	<u>5,867,515</u>	<u>5,907,682</u>	<u>40,167</u>
EXPENDITURES				
General and Administrative				
Personnel services	489,095	391,400	376,684	14,716
Other charges and services	337,250	354,100	862,462	(508,362)
Operating supplies	20,500	19,500	15,529	3,971
Repairs and maintenance	48,500	49,000	47,231	1,769
Capital outlay	-	126,000	125,555	445
Total General and Administrative	<u>895,345</u>	<u>940,000</u>	<u>1,427,461</u>	<u>(487,461)</u>
Executive				
Personnel services	320,950	257,900	254,006	3,894
Other charges and services	9,500	7,000	5,895	1,105
Total Executive	<u>330,450</u>	<u>264,900</u>	<u>259,901</u>	<u>4,999</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont'd)				
Fire				
Personnel services	1,826,971	1,932,235	1,877,238	54,997
Other charges and services	210,500	201,600	196,033	5,567
Operating supplies	20,000	20,000	18,070	1,930
Repairs and maintenance	110,500	127,100	116,402	10,698
Capital outlay	7,800	36,000	33,794	2,206
Total Fire	<u>2,175,771</u>	<u>2,316,935</u>	<u>2,241,537</u>	<u>75,398</u>
Police				
Personnel services	2,228,300	2,241,140	2,077,156	163,984
Other charges and services	173,850	586,255	230,996	355,259
Operating supplies	38,700	39,100	37,732	1,368
Repairs and maintenance	128,600	189,900	189,412	488
Capital outlay	3,400	140,642	139,955	687
Total Police	<u>2,572,850</u>	<u>3,197,037</u>	<u>2,675,251</u>	<u>521,786</u>
Court				
Personnel services	93,357	97,014	93,935	3,079
Other charges and services	11,300	12,100	10,160	1,940
Operating supplies	1,500	1,500	1,378	122
Repairs and maintenance	1,000	5,000	4,960	40
Capital outlay	1,000	-	-	-
Total Court	<u>108,157</u>	<u>115,614</u>	<u>110,433</u>	<u>5,181</u>
Planning, Building and Economic Development				
Personnel services	225,982	174,300	165,301	8,999
Other charges and services	20,100	21,950	19,833	2,117
Operating supplies	1,000	500	487	13
Repairs and maintenance	5,600	10,250	9,314	936
Capital outlay	1,700	-	-	-
Total Planning, Building and Economic Development	<u>254,382</u>	<u>207,000</u>	<u>194,935</u>	<u>12,065</u>
Total Expenditures	<u>6,336,955</u>	<u>7,041,486</u>	<u>6,909,518</u>	<u>131,968</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, 2022**

	<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	(344,427)	(1,173,971)	(1,001,836)	172,135
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	-	-	603,026	603,026
Lease financing	-	-	15,692	15,692
Total Other Financing Sources (Uses)	-	-	618,718	618,718
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	(344,427)	(1,173,971)	(383,118)	<u>\$ 790,853</u>
Fund Balance, beginning of year	1,360,414	1,360,414	1,360,414	
Fund Balance, end of year	<u>\$ 1,015,987</u>	<u>\$ 186,443</u>	<u>\$ 977,296</u>	

CITY OF MARSHALL, MISSOURI
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 1,047,000	\$ 1,203,970	\$ 1,203,404	\$ (566)
Motor vehicle	170,000	194,662	194,662	-
Motor fuel	340,000	392,414	392,414	-
Total Taxes	<u>1,557,000</u>	<u>1,791,046</u>	<u>1,790,480</u>	<u>(566)</u>
Intergovernmental				
State and federal grants	-	6,729	6,729	-
Total Intergovernmental	<u>-</u>	<u>6,729</u>	<u>6,729</u>	<u>-</u>
Charges for Services				
Street excavation	18,000	7,610	7,610	-
Total Charges for Services	<u>18,000</u>	<u>7,610</u>	<u>7,610</u>	<u>-</u>
Miscellaneous				
Interest	45,000	5,344	27,394	22,050
Miscellaneous	28,000	218,564	218,756	192
Total Miscellaneous	<u>73,000</u>	<u>223,908</u>	<u>246,150</u>	<u>22,242</u>
Total Revenues	<u>1,648,000</u>	<u>2,029,293</u>	<u>2,050,969</u>	<u>21,676</u>
EXPENDITURES				
Personnel services	828,866	749,200	690,950	58,250
Other charges and services	106,950	102,460	98,954	3,506
Operating supplies	81,950	65,750	66,259	(509)
Repairs and maintenance	458,800	1,242,500	1,228,996	13,504
Capital outlay	61,500	72,000	71,969	31
Total Expenditures	<u>1,538,066</u>	<u>2,231,910</u>	<u>2,157,128</u>	<u>74,782</u>
Excess (Deficit) of Revenues over Expenditures	<u>109,934</u>	<u>(202,617)</u>	<u>(106,159)</u>	<u>96,458</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, 2022

	<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)				
Westport IV Fund	(50,000)	(1,250)	(1,250)	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(1,250)</u>	<u>(1,250)</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	59,934	(203,867)	(107,409)	<u>\$ 96,458</u>
Fund Balance, beginning of year	<u>2,195,388</u>	<u>2,195,388</u>	<u>2,195,388</u>	
Fund Balance, end of year	<u>\$ 2,255,322</u>	<u>\$ 1,991,521</u>	<u>\$ 2,087,979</u>	

COMPLIANCE AND INTERNAL CONTROL



GERDING, KORTE & CHITWOOD CPAS
Professional Corporation
Certified Public Accountants

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

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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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 9, 2023.

PARTNERS

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

Report on 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.

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

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.

Report on 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 2022-001, 2022-002 and 2022-003.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and 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.



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

May 9, 2023

CITY OF MARSHALL, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2022

2022-001	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), HAB Center (original and final), and Park Improvement (original and 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, HAB Center, and Park Improvement Funds budgets and noted a deficit fund balance was budgeted.
Effect:	Expenditures were made from the Saltfork Project, Community Center, HAB Center, and Park Improvement Funds during the fiscal year without being done in compliance with the political subdivision budgetary requirements.
Cause:	Deficit Saltfork Project, Community Center, HAB Center, and Park 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, 2022

2022-002	Net Fund Deficit
Criteria:	No funds should have a negative ending fund balance.
Condition:	The Saltfork Project, Community Center, Park Improvement and HAB Center Funds have negative ending fund balances of \$226,148, \$11,066, \$57 and \$170,738, respectively.
Context:	During our audit, we reviewed the Saltfork Project, Community Center, Park Improvement and HAB Center Funds and noted negative fund balances existed for the Saltfork Project, Community Center, Park Improvement and HAB Center Funds.
Effect:	A negative fund balance exists in the Saltfork Project, Community Center, Park Improvement and HAB Center 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, 2022

2022-003	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 ARPA Fund exceeded final budgeted expenditures by \$349,150.
Context:	The final budgeted expenditures were compared to actual expenditures. Actual expenditures exceeded budgeted expenditures in the ARPA Fund by \$349,150.
Effect:	The City violated state statute RSMo 67.
Cause:	The City budgeted too few expenditures in the ARPA 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.