

REPORT OF
CITY OF MARSHALL, MISSOURI
YEAR ENDED SEPTEMBER 30, 2025

CITY OF MARSHALL, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General and Airport Operating 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.

Emphasis of Matter – Prior Period Adjustment

As described in Note I, the City recorded a prior period adjustment in the IT & Broadband Fund and Business-Type Activities to reflect a correction to capital assets. Our opinion is not modified with respect to this matter.

PARTNERS

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

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

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 4-11 and 70-74 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, detailed general fund and airport operating fund financial schedules, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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, detailed general fund and airport operating fund financial schedules, and schedule of expenditures of federal awards 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 February 22, 2026, 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.



February 22, 2026

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

**CITY OF MARSHALL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2025
(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, 2025. 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 \$122,620,725 (net position). Of this amount, \$41,683,517 (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 \$6,858,379. Capital grants and contributions from developers amounted to \$8,215,496.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$8,373,960. Over 9.88% of this total amount or \$827,092 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 \$2,350,993 or 33.27% of the total general fund expenditures.
- The City’s special assessment debt decreased \$15,000 due to scheduled payments.
- The City’s lease debt decreased \$309,536 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, 2025
(UNAUDITED)**

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

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

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

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental funds and proprietary funds.

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

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

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2025
(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 and Airport Operating Funds, which are considered to be a major fund. Data from the other 17 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 16-21.

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 22-26 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 27-69.

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 70-74 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 75-87 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 \$122,620,725 as of September 30, 2025.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2025
(UNAUDITED)**

The largest portion of the City’s net position (46.65%) 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, 2025, with comparative figures for September 30, 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 8,420,041	\$ 7,908,455	\$ 13,716,830	\$ 17,291,856	\$ 22,136,871	\$ 25,200,311
Restricted assets	-	-	11,534,462	9,602,045	11,534,462	9,602,045
Other assets	2,155,093	2,849,503	697,471	1,314,819	2,852,564	4,164,322
Capital assets	26,226,839	23,538,298	60,818,648	55,381,002	87,045,487	78,919,300
Total Assets	36,801,973	34,296,256	86,767,411	83,589,722	123,569,384	117,885,978
Deferred outflows	2,295,988	1,419,689	3,027,785	2,515,270	5,323,773	3,934,959
Current liabilities	987,825	578,403	3,927,419	4,170,534	4,915,244	4,748,937
Long-term liabilities	946,110	744,736	263,589	516,200	1,209,699	1,260,936
Total Liabilities	1,933,935	1,323,139	4,191,008	4,686,734	6,124,943	6,009,873
Deferred inflows	79,230	278,851	68,259	232,922	147,489	511,773
Net position						
Net investment in capital asset:						
Restricted	25,057,563	23,538,298	48,791,249	42,381,058	73,848,812	65,919,356
Unrestricted	3,434,123	3,348,113	3,654,273	3,565,684	7,088,396	6,913,797
Total Net Position	8,593,110	7,227,544	33,090,407	35,238,594	41,683,517	42,466,138
Total Net Position	\$ 37,084,796	\$ 34,113,955	\$ 85,535,929	\$ 81,185,336	\$ 122,620,725	\$ 115,299,291

As of September 30, 2025 and September 30, 2024 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 \$6,858,379.

Governmental Activities: Governmental activities increased the net position by \$2,970,841.

Business-Type Activities: Net Position from business-type activities increased by \$4,350,593 or 5.36% from \$81,185,336 to \$85,535,929. 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, 2025
(UNAUDITED)**

Changes in Net Position

The following table provides a summary of the City’s operations for the year ended September 30, 2025, with comparative figures for the year ended September 30, 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Fees, fines and charges for services	\$ 1,181,448	\$ 1,093,564	\$ 33,318,225	\$ 30,273,047	\$ 34,499,673	\$ 31,366,611
Operating grants and contributions	22,653	17,761	-	-	22,653	17,761
Capital grants and contributions	3,288,572	1,622,469	4,926,924	266,887	8,215,496	1,889,356
General Revenues:						
Property taxes	1,945,276	1,931,884	-	-	1,945,276	1,931,884
Franchise taxes	2,219,456	2,112,049	-	-	2,219,456	2,112,049
Sales and use taxes	5,137,302	4,921,710	-	-	5,137,302	4,921,710
Motor vehicle and fuel taxes	788,140	729,924	-	-	788,140	729,924
Other taxes	255,041	330,912	-	-	255,041	330,912
Interest investment earnings	315,583	398,626	1,325,086	1,667,512	1,640,669	2,066,138
Other miscellaneous	129,752	115,312	-	-	129,752	115,312
Gain/(loss) on disposition of property	-	115,312	14,500	-	14,500	115,312
Interfund transfers	500,000	-	(500,000)	23,900	-	23,900
Total Revenues	15,783,223	13,555,937	39,084,735	32,231,346	54,867,958	45,620,869
Expenses:						
General government	1,434,004	2,363,849	-	-	1,434,004	2,363,849
Public safety	5,336,068	4,990,120	-	-	5,336,068	4,990,120
Transportation	3,183,753	2,642,540	-	-	3,183,753	2,642,540
Parks and recreation	2,624,093	2,597,757	-	-	2,624,093	2,597,757
Community/economic development	211,985	306,051	-	-	211,985	306,051
Debt service	22,479	6,336	-	-	22,479	6,336
Electric	-	-	22,776,832	20,831,710	22,776,832	20,831,710
Water	-	-	5,331,149	4,940,163	5,331,149	4,940,163
Wastewater	-	-	3,924,673	3,439,889	3,924,673	3,439,889
IT & Broadband	-	-	1,904,161	2,097,959	1,904,161	2,097,959
Sanitation	-	-	1,260,382	1,227,979	1,260,382	1,227,979
Total Expenses	12,812,382	12,906,653	35,197,197	32,537,700	48,009,579	45,444,353
Other	-	750,000	-	(750,000)	-	-
Increase (decrease) in net position	2,970,841	1,399,284	3,887,538	(1,056,354)	6,858,379	176,516
Net Position - Beginning of Year	34,113,955	32,714,671	81,185,336	81,690,800	115,299,291	114,405,471
Prior Period Adjustment	-	-	463,055	550,890	463,055	114,956,361
Net Position - End of Year	<u>\$ 37,084,796</u>	<u>\$ 34,113,955</u>	<u>\$ 85,535,929</u>	<u>\$ 81,185,336</u>	<u>\$ 122,620,725</u>	<u>\$ 114,581,987</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 \$8,373,960. Approximately 9.88% of this total amount \$827,092 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, 2025
(UNAUDITED)**

In the general fund, the City budgeted for an decrease in the fund balance of \$60,529, which was primarily resulting from less revenue. Due to actual revenues being more than budgeted, the actual fund balance increase for fiscal year 2025 was \$228,769. Debt service fund balance increased in 2025 by \$3,140.

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 - \$25,727,478, water - \$2,053,113, wastewater - \$4,402,775, sanitation - \$1,051,637 and IT & broadband - \$(144,596). All funds except electric and sanitation had a net position increase in 2025.

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 a decrease in budgeted expenditures from the original budget of \$142,879.

Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2025 amounts to \$87,045,487 (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, 2025, with comparative figures for September 30, 2024:

CAPITAL ASSETS AT YEAR-END
NET OF ACCUMULATED DEPRECIATION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Property, plant and equipment:						
Land	\$ 2,617,059	\$ 2,617,059	\$ 2,011,753	\$ 2,037,722	\$ 4,628,812	\$ 4,654,781
Structures, improvements and plant equipment	3,315,749	3,530,208	27,179,871	23,588,768	30,495,620	27,118,976
Improvements	11,274,799	7,614,011	-	-	11,274,799	7,614,011
Distribution system	-	-	19,081,453	19,700,795	19,081,453	19,700,795
Street lighting and hydrants	-	-	557,971	598,945	557,971	598,945
Office structures and improvement and furniture and fixtures	-	-	-	-	-	-
Machinery and equipment	1,061,608	803,603	2,608,844	2,358,444	3,670,452	3,162,047
Construction in progress	-	407,584	9,227,608	6,931,351	9,227,608	7,338,935
Infrastructure	7,957,624	8,565,833	-	-	7,957,624	8,565,833
Net Capital Assets	<u>\$ 26,226,839</u>	<u>\$ 23,538,298</u>	<u>\$ 60,818,648</u>	<u>\$ 55,381,002</u>	<u>\$ 87,045,487</u>	<u>\$ 78,919,300</u>

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

**CITY OF MARSHALL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2025
(UNAUDITED)**

Debt Administration

At the end of the current fiscal year, the City of Marshall had special assessment debt and lease payable of \$1,090,938. Of this amount, \$67,000 comprises bonded debt backed by the full faith and credit of the government; and \$1,023,938 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, 2025, with comparative figures for September 30, 2024:

	Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
Special assessment debt	\$ 67,000	\$ 82,000	\$ -	\$ -
Leases	1,021,463	776,856	2,475	4,045
Total	\$ 1,088,463	\$ 858,856	\$ 2,475	\$ 4,045

During the fiscal year, the City’s total debt increased by \$228,037. The increase was due to new leases entered. Additional information on the City’s long-term debt can be found in footnote III-I on pages 51-59 of this report.

Economic Outlook

The FY26 budget continues to remain strong. It is a budget that presents a combination of conservative revenue projections mandated by real estate and personal property tax. On the other hand, it is a budget that works to maintain a healthy general fund balance. The FY25 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. These include new air pacs for the fire department, a new zero turn mower for the sanitation department and a new vacuum excavator for the street department.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2025
(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 2026 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, 2025

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash, including time deposits	\$ 6,225,325	\$ 5,238,427	\$ 11,463,752
Investments	126,031	-	126,031
Interest receivable	4,647	219	4,866
Accounts receivable (net)	409,459	3,618,686	4,028,145
Taxes receivable - net of allowance for uncollectible - \$10,530	89,194	-	89,194
Due from other governmental agencies	1,415,674	-	1,415,674
Franchise taxes receivable	580,379	-	580,379
Internal account	(936,888)	936,888	-
Inventory	96,698	3,355,555	3,452,253
Prepaid expenses	409,522	567,055	976,577
Total Current Assets	<u>8,420,041</u>	<u>13,716,830</u>	<u>22,136,871</u>
Noncurrent Assets:			
Restricted assets:			
Cash, including time deposits	-	11,289,462	11,289,462
Investment securities	-	245,000	245,000
Total Restricted Assets	<u>-</u>	<u>11,534,462</u>	<u>11,534,462</u>
Net pension asset	1,127,228	694,747	1,821,975
Lease asset	1,523,953	7,783	1,531,736
Accumulated amortization, lease asset	(496,088)	(5,059)	(501,147)
Net lease asset	<u>1,027,865</u>	<u>2,724</u>	<u>1,030,589</u>
Subscription asset	93,300	-	93,300
Accumulated amortization, subscription asset	(93,300)	-	(93,300)
Net subscription asset	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets:			
Capital assets not being depreciated:			
Land and land improvements	18,161,679	2,011,753	20,173,432
Construction in progress	-	9,227,608	9,227,608
Total capital assets not being depreciated	<u>18,161,679</u>	<u>11,239,361</u>	<u>29,401,040</u>
Capital assets being depreciated:			
Structures, improvements and plant equipment	9,923,144	73,915,552	83,838,696
Distribution system	-	49,770,692	49,770,692
Office structure, improvements furniture and fixtures	-	622,268	622,268
Equipment	6,163,559	8,700,882	14,864,441
Infrastructure	34,996,382	-	34,996,382
Accumulated depreciation	(43,017,925)	(83,430,107)	(126,448,032)
Net capital assets being depreciated	<u>8,065,160</u>	<u>49,579,287</u>	<u>57,644,447</u>
Total Capital Assets, net of accumulated depreciation	<u>26,226,839</u>	<u>60,818,648</u>	<u>87,045,487</u>
Total Noncurrent Assets	<u>28,381,932</u>	<u>73,050,581</u>	<u>101,432,513</u>
Total Assets	<u>36,801,973</u>	<u>86,767,411</u>	<u>123,569,384</u>
Deferred Outflows:			
Deferred outflows related to pension	2,295,988	3,027,785	5,323,773
Total Deferred Outflows	<u>2,295,988</u>	<u>3,027,785</u>	<u>5,323,773</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONT'D)
SEPTEMBER 30, 2025

	Governmental	Business-type	Total
	Activities	Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts payable	290,335	2,221,884	2,512,219
Accrued expenses	438,216	862,331	1,300,547
Debt due within one year	259,274	114,653	373,927
Payable from segregated funds			
Customer's deposits	-	728,551	728,551
Total Current Liabilities	<u>987,825</u>	<u>3,927,419</u>	<u>4,915,244</u>
Noncurrent Liabilities:			
Special assessment debt	51,000	-	51,000
Lease payable	843,379	2,475	845,854
Subscription payable	18,957	-	18,957
Note payable	-	261,114	261,114
Accrued compensated absences	32,774	-	32,774
Net pension liability	-	-	-
Total Noncurrent Liabilities	<u>946,110</u>	<u>263,589</u>	<u>1,209,699</u>
Total Liabilities	<u>1,933,935</u>	<u>4,191,008</u>	<u>6,124,943</u>
DEFERRED INFLOWS			
Deferred inflows related to pension	<u>79,230</u>	<u>68,259</u>	<u>147,489</u>
Total Deferred Inflows	<u>79,230</u>	<u>68,259</u>	<u>147,489</u>
NET POSITION			
Net investment in capital assets	25,057,563	48,791,249	73,848,812
Restricted, but expendable for:			
Debt service	90,137	-	90,137
Pension	3,343,986	3,654,273	6,998,259
Unrestricted	8,593,110	33,090,407	41,683,517
Total Net Position	<u>\$ 37,084,796</u>	<u>\$ 85,535,929</u>	<u>\$ 122,620,725</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

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	\$ 1,116,847	\$ 191,572	\$ 6,070	\$ 133,320	\$ (785,885)	\$ -	\$ (785,885)
Executive	317,157	-	-	-	(317,157)	-	(317,157)
Total General Government	1,434,004	191,572	6,070	133,320	(1,103,042)	-	(1,103,042)
Public Safety:							
Police	3,119,184	60,001	-	-	(3,059,183)	-	(3,059,183)
Fire	2,077,611	-	-	-	(2,077,611)	-	(2,077,611)
Court	139,273	-	-	-	(139,273)	-	(139,273)
Total Public Safety	5,336,068	60,001	-	-	(5,276,067)	-	(5,276,067)
Transportation:							
Airport	543,052	156,132	-	2,802,227	2,415,307	-	2,415,307
Streets	2,640,701	11,652	-	227,827	(2,401,222)	-	(2,401,222)
Total Transportation	3,183,753	167,784	-	3,030,054	14,085	-	14,085
Cultural, Parks and Recreation:							
Library	382,150	27,326	9,330	125,198	(220,296)	-	(220,296)
Parks	2,034,193	636,434	7,253	-	(1,390,506)	-	(1,390,506)
Band	88,026	-	-	-	(88,026)	-	(88,026)
Community center	119,724	98,331	-	-	(21,393)	-	(21,393)
Total Cultural, Parks and Recreation	2,624,093	762,091	16,583	125,198	(1,720,221)	-	(1,720,221)
Community/Economic Development:							
Planning, building and economic	211,985	-	-	-	(211,985)	-	(211,985)
Total Community/Economic Development	211,985	-	-	-	(211,985)	-	(211,985)
Debt Service:							
Interest	22,479	-	-	-	(22,479)	-	(22,479)
Total Debt Service	22,479	-	-	-	(22,479)	-	(22,479)
Total Governmental Activities	12,812,382	1,181,448	22,653	3,288,572	(8,319,709)	-	(8,319,709)
Business-type Activities:							
Electric	22,776,832	21,491,331	-	-	-	(1,285,501)	(1,285,501)
Water	5,331,149	4,660,880	-	3,540,284	-	2,870,015	2,870,015
Wastewater	3,924,673	3,903,999	-	750	-	(19,924)	(19,924)
Internet	1,904,161	2,208,791	-	1,385,890	-	1,690,520	1,690,520
Sanitation	1,260,382	1,053,224	-	-	-	(207,158)	(207,158)
Total Business-type Activities	35,197,197	33,318,225	-	4,926,924	-	3,047,952	3,047,952
Total	\$ 48,009,579	\$ 34,499,673	\$ 22,653	\$ 8,215,496	\$ (8,319,709)	\$ 3,047,952	\$ (5,271,757)

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONT'D)
YEAR ENDED SEPTEMBER 30, 2025

	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	1,937,161	-	1,937,161
Property taxes, levied for debt service	8,115	-	8,115
Franchise taxes	2,219,456	-	2,219,456
Sales and use taxes	5,137,302	-	5,137,302
Motor vehicle and fuel taxes	788,140	-	788,140
Cigarette taxes	35,125	-	35,125
Tourism taxes	103,234	-	103,234
Economic development taxes	116,682	-	116,682
Unrestricted investment earnings	315,583	1,325,086	1,640,669
Miscellaneous	129,752	-	129,752
Gain (loss) on disposition of property	-	14,500	14,500
Interfund transfers	500,000	(500,000)	-
Total general revenues	<u>11,290,550</u>	<u>839,586</u>	<u>12,130,136</u>
Change in net position	<u>2,970,841</u>	<u>3,887,538</u>	<u>6,858,379</u>
Net position - beginning of year	34,113,955	81,185,336	115,299,291
Prior period adjustment (Note I)	-	463,055	463,055
Net position - beginning of year, restated	<u>34,113,955</u>	<u>81,648,391</u>	<u>115,762,346</u>
Net position - end of year	<u>\$ 37,084,796</u>	<u>\$ 85,535,929</u>	<u>\$ 122,620,725</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Airport Operating Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 877,208	\$ 100	\$ 6,656,694	\$ 7,534,002
Investments	-	-	59,031	59,031
Taxes receivable - net of allowance for uncollectible - \$10,530	34,266	-	54,928	89,194
Franchise taxes receivable	580,379	-	-	580,379
Accrued interest receivable	4,647	-	-	4,647
Accounts receivable	276,491	-	132,968	409,459
Due from other governmental agencies	922,380	32,000	461,294	1,415,674
Due from other funds	226,148	-	101,554	327,702
Inventory	-	33,697	63,001	96,698
Prepaid expenses	204,865	18,345	186,312	409,522
Total Assets	\$ 3,126,384	\$ 84,142	\$ 7,715,782	\$ 10,926,308
LIABILITIES				
Accounts payable	\$ 5,728	-	\$ 284,607	\$ 290,335
Accrued expenses	337,892	608	99,716	438,216
Pooled cash deficit	-	303,632	1,005,045	1,308,677
Due to other funds	194,743	20,116	243,778	458,637
Total Liabilities	538,363	324,356	1,633,146	2,495,865
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - property taxes	32,163	-	24,320	56,483
FUND EQUITY				
Nonspendable				
Inventory	-	33,697	263,701	297,398
Prepaid expenses	204,865	18,345	186,312	409,522
Assigned for special revenue purposes	-	-	6,749,811	6,749,811
Assigned for debt service purposes	-	-	90,137	90,137
Unassigned (deficit)	2,350,993	(292,256)	(1,231,645)	827,092
Total Fund Equity	2,555,858	(240,214)	6,058,316	8,373,960
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 3,126,384	\$ 84,142	\$ 7,715,782	\$ 10,926,308

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total fund balance - total governmental funds	\$	8,373,960
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 \$43,017,925		26,226,839
Lease assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated amortization of \$496,088		1,027,865
The net pension asset and deferred outflows related to pension are not available resources and, therefore, are not reported in the funds.		3,423,216
The net pension liability and deferred inflows related to pension are not payable from available resources and, therefore, are not reported in the funds.		(79,230)
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.		56,483
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Interfund loan		(805,952)
Accrued compensated absences		(32,774)
Accrued interest payable		(45,369)
Debt due in less than one year		(197,906)
Debt due in more than one year		<u>(862,336)</u>
Net position of governmental activities	\$	<u>37,084,796</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Airport Operating Fund	Other Governmental Funds	Total
REVENUES				
Taxes	\$ 6,782,409	\$ -	\$ 3,556,199	\$ 10,338,608
Licenses and permits	177,092	-	-	177,092
Intergovernmental	133,320	2,802,227	353,025	3,288,572
Charges for services	14,480	156,132	739,238	909,850
Fines and penalties	60,001	-	-	60,001
Miscellaneous	127,567	41,192	333,725	502,484
Total Revenues	7,294,869	2,999,551	4,982,187	15,276,607
EXPENDITURES				
General and administrative	1,037,370	-	-	1,037,370
Executive	313,527	-	-	313,527
Fire	2,135,820	-	-	2,135,820
Police	3,229,595	-	-	3,229,595
Court	139,815	-	-	139,815
Planning, building and economic development	209,973	-	-	209,973
Street	-	-	2,409,539	2,409,539
Band	-	-	86,115	86,115
Park	-	-	1,869,777	1,869,777
Tourism	-	-	-	-
Community center	-	-	352,492	352,492
Airport operating	-	3,331,784	-	3,331,784
Library	-	-	375,757	375,757
Capital outlay	-	-	314,203	314,203
Total Expenditures	7,066,100	3,331,784	5,407,883	15,805,767
Excess (Deficit) of Revenues over Expenditures	228,769	(332,233)	(425,696)	(529,160)
OTHER FINANCING SOURCES (USES)				
Right of use asset	-	-	(552,573)	(552,573)
Lease proceeds	-	-	552,573	552,573
Operating transfers in (out)	-	-	500,000	500,000
Total Other Financing Sources (Uses)	-	-	500,000	500,000
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	228,769	(332,233)	74,304	(29,160)
Fund Balance, beginning of year	2,327,089	92,019	5,984,012	8,403,120
Fund Balance, end of year	\$ 2,555,858	\$ (240,214)	\$ 6,058,316	\$ 8,373,960

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, 2025

Net change in fund balances - total governmental funds \$ (29,160)

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	4,310,415
Depreciation expense	<u>(1,621,874)</u>
	<u>2,688,541</u>

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 principal payments	232,768
Lease/subscription obligation principal payments	<u>269,187</u>
	<u>501,955</u>

The accrual of interest and recording of amortization expense to be in compliance with GASB 87 and GASB 96 is an expense in the Statement of Activities but is not recorded in the governmental funds:

Interest expense	(22,479)
Amortization expense	<u>(253,933)</u>
	<u>(276,412)</u>

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

Unavailable revenues - property taxes	<u>6,607</u>
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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	(3,560)
Net pension expenses	<u>82,870</u>
	<u>79,310</u>

Change in Net Position of Governmental Activities	<u><u>\$ 2,970,841</u></u>
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CITY OF MARSHALL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 6,955,500	\$ 6,605,596	\$ 6,782,409	\$ 176,813
Licenses and permits	200,221	177,514	177,092	(422)
Intergovernmental	50,000	134,125	133,320	(805)
Charges for services	5,400	14,491	14,480	(11)
Fines and penalties	52,800	59,742	60,001	259
Miscellaneous	97,255	132,571	127,567	(5,004)
Total Revenues	<u>7,361,176</u>	<u>7,124,039</u>	<u>7,294,869</u>	<u>170,830</u>
EXPENDITURES				
General and administrative	1,186,295	1,178,864	1,037,370	141,494
Executive	279,852	311,480	313,527	(2,047)
Fire	2,257,779	2,125,144	2,135,820	(10,676)
Police	3,220,066	3,219,608	3,229,595	(9,987)
Court	153,087	139,902	139,815	87
Planning, building and economic development	230,368	209,570	209,973	(403)
Total Expenditures	<u>7,327,447</u>	<u>7,184,568</u>	<u>7,066,100</u>	<u>118,468</u>
Excess (Deficit) of Revenues over Expenditures	33,729	(60,529)	228,769	<u>\$ 289,298</u>
Fund Balance, beginning of year	<u>2,327,089</u>	<u>2,327,089</u>	<u>2,327,089</u>	
Fund Balance, end of year	<u>\$ 2,360,818</u>	<u>\$ 2,266,560</u>	<u>\$ 2,555,858</u>	

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
AIRPORT OPERATING FUND
YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 3,367,394	\$ 2,802,227	\$ (565,167)
Charges for services	126,000	156,111	156,132	21
Miscellaneous	-	39,943	41,192	1,249
Total Revenues	<u>126,000</u>	<u>3,563,448</u>	<u>2,999,551</u>	<u>(563,897)</u>
EXPENDITURES				
Airport	<u>657,530</u>	<u>3,322,982</u>	<u>3,331,784</u>	<u>(8,802)</u>
Total Expenditures	<u>657,530</u>	<u>3,322,982</u>	<u>3,331,784</u>	<u>(8,802)</u>
Excess (Deficit) of Revenues over Expenditures	(531,530)	240,466	(332,233)	<u>\$ (572,699)</u>
Fund Balance, beginning of year	<u>92,019</u>	<u>92,019</u>	<u>92,019</u>	
Fund Balance, end of year	<u>\$ (439,511)</u>	<u>\$ 332,485</u>	<u>\$ (240,214)</u>	

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds					Total
	Electric	Water	Wastewater	IT & Broadband	Non-Major Enterprise Funds	
ASSETS						
Operating Funds:						
Cash and cash equivalents	\$ 4,251,467	\$ -	\$ -	\$ 693,430	\$ 890,310	\$ 5,835,207
Accounts receivable:						
Consumers	2,456,625	434,847	313,517	275,800	87,016	3,567,805
Other	4,673	14,894	31,264	-	50	50,881
Accrued interest	-	-	219	-	-	219
Due from other funds	1,540,000	-	-	(1,540,000)	130,935	130,935
Inventories:						
Fuel	638,906	-	-	-	-	638,906
Operating and maintenance supplies, at average cost	1,307,460	699,179	29,123	680,887	-	2,716,649
Current portion of interfund note receivable	1,009,151	-	-	-	-	1,009,151
Prepaid expenses	346,513	88,094	62,587	46,844	23,017	567,055
	<u>11,554,795</u>	<u>1,237,014</u>	<u>436,710</u>	<u>156,961</u>	<u>1,131,328</u>	<u>14,516,808</u>
SEGREGATED FUNDS						
Cash and cash equivalents	5,771,029	1,466,067	4,052,366	-	-	11,289,462
U.S. Gov't Securities - at amortized cost	-	-	245,000	-	-	245,000
	<u>5,771,029</u>	<u>1,466,067</u>	<u>4,297,366</u>	<u>-</u>	<u>-</u>	<u>11,534,462</u>
Total Current Assets (Including Segregated Funds)	<u>17,325,824</u>	<u>2,703,081</u>	<u>4,734,076</u>	<u>156,961</u>	<u>1,131,328</u>	<u>26,051,270</u>
Noncurrent Assets						
Noncurrent portion of interfund note receivable	11,448,434	-	-	-	-	11,448,434
Net pension asset	339,744	176,335	68,180	-	189,843	774,102
Lease asset	7,783	-	-	-	-	7,783
Accumulated amortization	(5,059)	-	-	-	-	(5,059)
Capital Assets						
Land and land improvements	1,595,493	94,398	118,398	-	203,464	2,011,753
Structures, improvements and plant equipment	21,069,291	12,046,112	34,498,462	6,285,261	16,426	73,915,552
Distribution system	29,824,708	9,902,866	10,043,118	-	-	49,770,692
Office structures, improvements, furniture and fixtures	606,808	15,460	-	-	-	622,268
Equipment	3,358,779	1,920,493	1,752,990	740,253	928,367	8,700,882
Construction in progress	310,841	3,724,889	111,774	5,080,104	-	9,227,608
Accumulated depreciation	(37,809,082)	(14,152,423)	(26,688,600)	(4,198,502)	(581,500)	(83,430,107)
Total Capital Assets, net of accumulated depreciation	<u>18,956,838</u>	<u>13,551,795</u>	<u>19,836,142</u>	<u>7,907,116</u>	<u>566,757</u>	<u>60,818,648</u>
Total Noncurrent Assets	<u>30,747,740</u>	<u>13,728,130</u>	<u>19,904,322</u>	<u>7,907,116</u>	<u>756,600</u>	<u>73,043,908</u>
Total Assets	<u>48,073,564</u>	<u>16,431,211</u>	<u>24,638,398</u>	<u>8,064,077</u>	<u>1,887,928</u>	<u>99,095,178</u>
Deferred Outflows						
Deferred outflows related to pension	1,645,766	681,572	415,410	216,767	68,270	3,027,785
Total Deferred Outflows	<u>1,645,766</u>	<u>681,572</u>	<u>415,410</u>	<u>216,767</u>	<u>68,270</u>	<u>3,027,785</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION (CONT'D)
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds				Non-Major Enterprise Funds	Total
	Electric	Water	Wastewater	IT & Broadband		
LIABILITIES						
Operating Funds:						
Accounts payable - trade/other	1,360,349	30,022	7,554	\$ 183,447	74,304	1,655,676
Gross revenue levy payable	510,127	56,081	-	-	-	566,208
Pooled cash overdraft	-	402,876	193,904	-	-	596,780
Accrued benefits payable	349,368	114,371	103,319	100,158	2,737	669,953
Accrued payroll	98,634	46,618	26,524	17,952	2,650	192,378
Current portion of note payable	-	-	-	114,653	-	114,653
Current portion of lease payable	-	-	-	-	-	-
Current portion of interfund note payable	-	174,709	361,335	230,875	-	766,919
	<u>2,318,478</u>	<u>824,677</u>	<u>692,636</u>	<u>647,085</u>	<u>79,691</u>	<u>4,562,567</u>
Segregated Funds:						
Consumer's deposits	728,551	-	-	-	-	728,551
	<u>728,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>728,551</u>
Total Current Liabilities (Including Segregated Funds)	<u>3,047,029</u>	<u>824,677</u>	<u>692,636</u>	<u>647,085</u>	<u>79,691</u>	<u>5,291,118</u>
Long-Term Debt:						
Net pension liability	-	-	-	79,355	-	79,355
Long-term portion of note payable	-	-	-	261,114	-	261,114
Long-term portion of lease payable	2,475	-	-	-	-	2,475
Long-term portion of interfund note payable	-	-	9,165,589	1,719,124	-	10,884,713
Total Noncurrent Liabilities	<u>2,475</u>	<u>-</u>	<u>9,165,589</u>	<u>2,059,593</u>	<u>-</u>	<u>11,227,657</u>
Total Liabilities	<u>\$ 3,049,504</u>	<u>\$ 824,677</u>	<u>\$ 9,858,225</u>	<u>\$ 2,706,678</u>	<u>\$ 79,691</u>	<u>\$ 16,518,775</u>
Deferred Inflows:						
Deferred inflows related to pension	\$ -	\$ 14,639	\$ -	\$ -	\$ 53,620	\$ 68,259
Total Deferred Inflows	<u>\$ -</u>	<u>\$ 14,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,620</u>	<u>\$ 68,259</u>
NET POSITION						
Net investment in capital assets	\$ 18,956,838	\$ 13,377,086	\$ 10,309,218	\$ 5,581,350	\$ 566,757	\$ 48,791,249
Restricted but expendable for pension	1,985,510	843,268	483,590	137,412	204,493	3,654,273
Unrestricted	25,727,478	2,053,113	4,402,775	(144,596)	1,051,637	33,090,407
Total Net Position	<u>\$ 46,669,826</u>	<u>\$ 16,273,467</u>	<u>\$ 15,195,583</u>	<u>\$ 5,574,166</u>	<u>\$ 1,822,887</u>	<u>\$ 85,535,929</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, 2025

	Business- Type Activities - Enterprise Funds					Total
	Electric	Water	Wastewater	IT & Broadband	Non-Major Enterprise Funds	
Operating Revenues:						
Charges for services	\$ 20,108,506	\$ 4,570,772	\$ 3,882,926	\$ 2,168,185	\$ 1,051,204	\$ 31,781,593
Miscellaneous	1,382,825	90,108	21,073	40,606	2,020	1,536,632
Total Operating Revenues	<u>21,491,331</u>	<u>4,660,880</u>	<u>3,903,999</u>	<u>2,208,791</u>	<u>1,053,224</u>	<u>33,318,225</u>
Operating Expenses:						
Production and plant maintenance	14,686,245	1,999,478	1,152,295	447,982	25,354	18,311,354
Transmission and distribution	2,704,573	1,594,689	440,068	724,675	945,931	6,409,936
Personnel services	1,366,128	367,249	445,394	124,183	227,503	2,530,457
Insurance	281,674	87,999	74,484	2,003	-	446,160
Payments and/or services in lieu of taxes	1,852,294	213,505	18,262	12,877	-	2,096,938
Other general expense	403,079	229,226	127,444	49,706	643	810,098
Depreciation and amortization	1,482,839	823,182	1,225,870	432,930	60,951	4,025,772
Total Operating Expenses	<u>22,776,832</u>	<u>5,315,328</u>	<u>3,483,817</u>	<u>1,794,356</u>	<u>1,260,382</u>	<u>34,630,715</u>
Net Operating Income	<u>(1,285,501)</u>	<u>(654,448)</u>	<u>420,182</u>	<u>414,435</u>	<u>(207,158)</u>	<u>(1,312,490)</u>
Non-Operating Revenues (Expenses):						
Interest & investment earnings	991,623	105,843	137,596	34,161	55,863	1,325,086
Interest expense	-	(15,821)	(440,856)	(109,805)	-	(566,482)
Gain/(Loss) on sale of property	-	-	14,500	-	-	14,500
Net Non-Operating Revenues (Expenses)	<u>991,623</u>	<u>90,022</u>	<u>(288,760)</u>	<u>(75,644)</u>	<u>55,863</u>	<u>773,104</u>
Income before capital grants and contributions	<u>(293,878)</u>	<u>(564,426)</u>	<u>131,422</u>	<u>338,791</u>	<u>(151,295)</u>	<u>(539,386)</u>
Transfers In/(Out)	-	-	-	-	(500,000)	(500,000)
Capital grants and contributions	<u>-</u>	<u>3,540,284</u>	<u>750</u>	<u>1,385,890</u>	<u>-</u>	<u>4,926,924</u>
Change in Net Position	<u>(293,878)</u>	<u>2,975,858</u>	<u>132,172</u>	<u>1,724,681</u>	<u>(651,295)</u>	<u>3,887,538</u>
Net Position, beginning of year	46,963,704	13,297,609	15,063,411	3,386,430	2,474,182	81,185,336
Prior Period Adjustment (Note I)	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,055</u>	<u>-</u>	<u>463,055</u>
Net Position, beginning of year, restated	<u>46,963,704</u>	<u>13,297,609</u>	<u>15,063,411</u>	<u>3,849,485</u>	<u>2,474,182</u>	<u>81,648,391</u>
Net Position, end of year	<u>\$ 46,669,826</u>	<u>\$ 16,273,467</u>	<u>\$ 15,195,583</u>	<u>\$ 5,574,166</u>	<u>\$ 1,822,887</u>	<u>\$ 85,535,929</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds					Total
	Electric	Water	Wastewater	IT & Broadband	Non-Major Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 21,288,819	\$ 4,718,070	\$ 4,033,118	\$ 2,191,670	\$ 1,050,996	\$ 33,282,673
Cash paid to suppliers	(14,298,587)	(3,074,603)	(1,306,630)	(322,286)	(1,046,757)	(20,048,863)
Cash paid to employees	(4,941,243)	(2,306,514)	(993,126)	(674,699)	(229,111)	(9,144,693)
Cash paid for services in lieu of taxes	(1,852,284)	(213,505)	(18,262)	(12,877)	-	(2,096,928)
Net cash provided (used) by operating activities	<u>196,705</u>	<u>(876,552)</u>	<u>1,715,100</u>	<u>1,181,808</u>	<u>(224,872)</u>	<u>1,992,189</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital grants and contributions	-	3,540,284	750	1,385,890	-	4,926,924
Proceeds from sale of assets	-	-	14,500	-	-	14,500
Purchases of capital assets	(4,290,688)	(892,085)	(950,020)	(2,384,693)	(18,265)	(8,535,751)
Interfund transfers out	-	-	-	-	(500,000)	(500,000)
Prior period adjustment	-	-	-	(463,055)	-	(463,055)
Principal paid on lease payable	(1,570)	-	-	-	-	(1,570)
Principal paid on note payable	-	-	-	(110,756)	-	(110,756)
Principal payments on interfund loan	-	(306,725)	(336,387)	(338,677)	-	(981,789)
Interest paid on debt	-	(15,821)	(440,856)	(109,805)	-	(566,482)
Net cash provided (used) by capital and related financing activities	<u>(4,292,258)</u>	<u>2,325,653</u>	<u>(1,712,013)</u>	<u>(2,021,096)</u>	<u>(518,265)</u>	<u>(6,217,979)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	2,921,816	-	-	-	-	2,921,816
Principal payments received on interfund loan	1,214,556	-	-	-	-	1,214,556
Interest and dividends	991,623	105,843	137,596	34,161	55,863	1,325,086
Net cash provided (used) by investing activities	<u>5,127,995</u>	<u>105,843</u>	<u>137,596</u>	<u>34,161</u>	<u>55,863</u>	<u>5,461,458</u>
Net increase (decrease) in cash and cash equivalents	1,032,442	1,554,944	140,683	(805,127)	(687,274)	1,235,668
Balances - beginning of year	<u>8,990,054</u>	<u>(491,753)</u>	<u>3,717,779</u>	<u>1,498,557</u>	<u>1,577,584</u>	<u>15,292,221</u>
Balances - end of year	<u>\$ 10,022,496</u>	<u>\$ 1,063,191</u>	<u>\$ 3,858,462</u>	<u>\$ 693,430</u>	<u>\$ 890,310</u>	<u>\$ 16,527,889</u>
Reported on the Statement of Net Position as:						
Cash and cash equivalents/(pooled cash overdrafts)	\$ 4,251,467	\$ (402,876)	\$ (193,904)	\$ 693,430	\$ 890,310	\$ 5,238,427
Segregated cash and cash equivalents	5,771,029	1,466,067	4,052,366	-	-	11,289,462
	<u>\$ 10,022,496</u>	<u>\$ 1,063,191</u>	<u>\$ 3,858,462</u>	<u>\$ 693,430</u>	<u>\$ 890,310</u>	<u>\$ 16,527,889</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS (CONT'D)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Business Type Activities - Enterprise Funds					Total
	Electric	Water	Wastewater	IT & Broadband	Non-Major Enterprise Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO						
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (1,285,501)	\$ (654,448)	\$ 420,182	\$ 414,435	\$ (207,158)	\$ (1,312,490)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:						
Depreciation expense	1,482,839	823,182	1,225,870	432,930	60,951	4,025,772
Changes in assets, deferred outflows, liabilities and deferred inflows:						
Receivables - net of allowances	(202,512)	57,190	129,119	(17,121)	(2,228)	(35,552)
Inventory	98,716	(467,051)	5,627	147,969	-	(214,739)
Prepaid expenses	(15,315)	(1,729)	(2,340)	(5,910)	(721)	(26,015)
Accounts and other payables	63,786	(561,675)	(62,739)	177,030	(74,108)	(457,706)
Deferred outflows	(272,476)	(116,776)	(71,362)	(45,413)	(6,488)	(512,515)
Deferred inflows	(35,847)	(108,864)	(17,868)	-	(2,084)	(164,663)
Net pension asset	312,921	134,109	81,956	-	7,450	536,436
Net pension liability	-	-	-	52,153	-	52,153
Other accrued liabilities	50,094	19,510	6,655	25,735	(486)	101,508
Net cash provided by operating activities	\$ 196,705	\$ (876,552)	\$ 1,715,100	\$ 1,181,808	\$ (224,872)	\$ 1,992,189

See Notes to Financial Statements

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

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

B. Financial Reporting Entity

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

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

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

Blended Component Unit

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

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

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

Government-Wide Financial Statements:

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

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

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

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

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2025**

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
Airport Operating	Accounts for revenues and expenditures of the municipal airport.
Proprietary Fund: Electric, Water and Wastewater	Accounts for activities of the public trust in providing electric, water and wastewater services to the public.
IT and Broadband	Accounts for activities of the public trust in providing internet services to the public.
Nonmajor:	
Special Revenue Funds:	
Street	Accounts for revenues and expenditures of street maintenance and repair.
Band	Accounts for revenues and expenditures of community band.
Park	Accounts for revenues and expenditures of the park.
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, 2025**

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.

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, 2025

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, 2025

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, 2025

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, 2025

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. 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.

Accrued compensated absences in the governmental activities increased to \$32,774 at September 30, 2025, from \$29,214 at September 30, 2024, which is an increase of \$3,560.

Accrued compensated absences in the business-type activities increased to \$669,953 at September 30, 2025, from \$620,176 at September 30, 2024, which is an increase of \$49,777.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prior Period Adjustment

The City recorded a prior period adjustment in the IT & Broadband Fund and Business-Type Activities to account for a correction to the beginning of the year capital assets balance.

	IT & Broadband Fund	Business-Type Activities
Net position, beginning of year	\$ 3,386,430	\$ 81,185,336
Prior period adjustment	463,055	463,055
Net position, beginning of year, restated	<u>\$ 3,849,485</u>	<u>\$ 81,648,391</u>

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, 2025**

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, 2025, the Natural Gas Department had total assets of \$2,490,966 and total liabilities of \$48. For the year ended September 30, 2025, the Natural Gas Department had revenues of \$292,922 and expenses of \$280,998.

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, 2025**

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 \$706,920 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, 2025**

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, 2025.

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 3, 2024 and amended the budget on September 30, 2025. Ending negative fund balances were budgeted in the HAB Center, Community Center, Airport Operating, and Saltfork Project Funds.

Actual expenditures exceeded final budgeted expenditures in the Tourism Tax and Airport Operating Funds.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025 are shown below:

	Maturities	Carrying Value
Deposits:		
Demand deposits		\$ 22,244,590
Cash on hand		1,675
Time deposit	11/10/25	45,208
Time deposit	11/24/25	5,723
Time deposit	01/08/26	576,949
Time deposit	03/18/26	5,100
Time deposit	12/17/25	245,000
Total deposits		\$ 23,124,245
Reconciliation of Statement of Net Position:		
Current:		
Cash, including time deposits		\$ 11,463,752
Investments		126,031
Total Current		11,589,783
Noncurrent:		
Cash, including time deposits		11,289,462
Investments		245,000
Total Noncurrent		11,534,462
Total		\$ 23,124,245

Custodial credit risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$23,587,640 at September 30, 2025, 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, 2025

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, 2025, 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, 2025, 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, 2025 and September 30, 2024:

2025

- Certificates of deposit \$245,000 are valued at quoted prices in an active market for identical assets (Level 1 inputs).

2024

- U.S. Treasury securities of \$2,921,816 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, 2025**

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, 2025 were designated as follows:

	<u>Designated Balances</u>	<u>Segregated Funds Requirements</u>
Electric Fund:		
Consumers' deposit fund	\$ 728,551	\$ 728,551
Insurance reserve fund	5,000,000	5,000,000
Equipment fund	-	-
	<u>\$ 5,728,551</u>	<u>\$ 5,728,551</u>
Water Fund:		
Insurance reserve fund	500,000	500,000
Equipment fund	-	-
	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Wastewater Fund:		
Insurance reserve fund	500,000	500,000
Equipment fund	-	-
Main replacement fund	-	-
	<u>\$ 500,000</u>	<u>\$ 500,000</u>

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

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

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

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

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

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

D. Accounts Receivable

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of miscellaneous receivables. Receivables detail at September 30, 2025 was as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts receivable	\$ 409,459	\$ 3,618,686	\$ 4,028,145
Allowance for doubtful accounts	-	-	-
Net Accounts Receivable	<u>\$ 409,459</u>	<u>\$ 3,618,686</u>	<u>\$ 4,028,145</u>

E. Taxes Receivable

Taxes receivable of the governmental activities consist of property tax receivable. Receivables detail at September 30, 2025 was as follows:

	Governmental Activities	Business-Type Activities	Total
Taxes receivable	\$ 99,724	\$ -	\$ 99,724
Allowance for doubtful accounts	(10,530)	-	(10,530)
Net Taxes Receivable	<u>\$ 89,194</u>	<u>\$ -</u>	<u>\$ 89,194</u>

F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2025 is as follows:

	Interfund Receivables	Interfund Payables
General Fund (Major)	\$ 226,148	\$ 194,743
Street Fund (Non-Major)	73,496	6,571
Band Fund (Non-Major)	-	8,035
Airport Operating Fund (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.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

G. Capital Assets - Governmental Activities

Capital asset activity for the year ended September 30, 2025, was as follows:

	September 30, 2024	Additions	Disposals	September 30, 2025
Capital assets not being depreciated:				
Land	\$ 2,617,059	\$ -	\$ -	\$ 2,617,059
Land improvements	11,961,871	3,582,749	-	15,544,620
Subtotal	<u>14,578,930</u>	<u>3,582,749</u>	<u>-</u>	<u>18,161,679</u>
Construction in process	<u>407,584</u>	<u>(407,584)</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Buildings	9,889,026	34,118	-	9,923,144
Machinery and equipment	5,712,451	478,826	(27,718)	6,163,559
Infrastructure	34,374,076	622,306	-	34,996,382
Subtotal	<u>49,975,553</u>	<u>1,135,250</u>	<u>(27,718)</u>	<u>51,083,085</u>
Totals at historical cost	<u>64,962,067</u>	<u>4,310,415</u>	<u>(27,718)</u>	<u>69,244,764</u>
Less accumulated depreciation				
Buildings	(6,358,818)	(241,762)	(6,815)	(6,607,395)
Improvements	(4,347,860)	(412,575)	490,614	(4,269,821)
Machinery and equipment	(4,908,848)	(228,651)	35,548	(5,101,951)
Infrastructure	(25,808,243)	(738,886)	(491,629)	(27,038,758)
Total accumulated depreciation	<u>(41,423,769)</u>	<u>(1,621,874)</u>	<u>27,718</u>	<u>(43,017,925)</u>
Net capital assets being depreciated	<u>8,551,784</u>	<u>(486,624)</u>	<u>-</u>	<u>8,065,160</u>
Net capital assets	<u>\$ 23,538,298</u>	<u>\$ 2,688,541</u>	<u>\$ -</u>	<u>\$ 26,226,839</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2025 was as follows:

Electric

	Balance at September 30, 2024	Additions	Disposals	Balance at September 30, 2025
Capital assets not being depreciated:				
Land	\$ 1,621,462	\$ -	\$ (25,969)	\$ 1,595,493
Construction in progress	829,861	3,917,866	(4,436,882)	310,845
	<u>2,451,323</u>	<u>3,917,866</u>	<u>(4,462,851)</u>	<u>1,906,338</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	16,863,635	4,205,656	-	21,069,291
Distribution system	28,911,503	228,921	-	29,140,424
Street lighting and hydrants	684,285	-	-	684,285
Office structures and improvement and furniture and fixtures	606,807	-	-	606,807
Transportation equipment	2,391,772	83,600	(42,208)	2,433,164
Tools and shop equipment	465,609	302,404	-	768,013
Radio equipment	142,447	15,150	-	157,597
	<u>50,066,058</u>	<u>4,835,731</u>	<u>(42,208)</u>	<u>54,859,581</u>
Total capital assets at historical costs	<u>52,517,381</u>	<u>8,753,597</u>	<u>(4,505,059)</u>	<u>56,765,919</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(14,715,617)	(276,887)	-	(14,992,504)
Distribution system	(18,544,751)	(983,602)	-	(19,528,353)
Street lighting and hydrants	(232,462)	(34,211)	-	(266,673)
Office structures and improvement and furniture and fixtures	(449,491)	(11,829)	-	(461,320)
Transportation equipment	(1,988,827)	(105,083)	42,208	(2,051,702)
Tools and shop equipment	(377,568)	(39,826)	-	(417,394)
Radio equipment	(61,291)	(29,844)	-	(91,135)
Total accumulated depreciation	<u>(36,370,007)</u>	<u>(1,481,282)</u>	<u>42,208</u>	<u>(37,809,081)</u>
Net capital assets being depreciated	<u>13,696,051</u>	<u>3,354,449</u>	<u>-</u>	<u>17,050,500</u>
Net capital assets	<u>\$ 16,147,374</u>	<u>\$ 7,272,315</u>	<u>\$ (4,462,851)</u>	<u>\$ 18,956,838</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Water

	Balance at September 30, 2024	Additions	Transfers	Balance at September 30, 2025
Capital assets not being depreciated:				
Land	\$ 94,398	\$ -	\$ -	\$ 94,398
Construction in progress	3,519,756	765,741	(560,609)	3,724,888
	<u>3,614,154</u>	<u>765,741</u>	<u>(560,609)</u>	<u>3,819,286</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	11,878,273	167,839	-	12,046,112
Distribution system	9,311,174	209,827	-	9,521,001
Street lighting and hydrants	381,866	-	-	381,866
Office structures and improvement and furniture and fixtures	15,460	-	-	15,460
Transportation equipment	1,543,730	309,288	-	1,853,018
Laboratory equipment	8,652	-	-	8,652
Tools and shop equipment	56,198	-	-	56,198
Radio equipment	2,625	-	-	2,625
	<u>23,197,978</u>	<u>686,954</u>	<u>-</u>	<u>23,884,932</u>
Total capital assets at historical costs	<u>26,812,132</u>	<u>1,452,695</u>	<u>(560,609)</u>	<u>27,704,218</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(6,736,103)	(466,417)	-	(7,202,520)
Distribution system	(5,393,641)	(154,369)	-	(5,548,010)
Street lighting and hydrants	(234,745)	(6,762)	-	(241,507)
Office structures and improvement and furniture and fixtures	(7,801)	(1,998)	-	(9,799)
Transportation equipment	(909,765)	(186,680)	-	(1,096,445)
Laboratory equipment	(8,652)	-	-	(8,652)
Tools and shop equipment	(35,909)	(6,956)	-	(42,865)
Radio equipment	(2,625)	-	-	(2,625)
Total accumulated depreciation	<u>(13,329,241)</u>	<u>(823,182)</u>	<u>-</u>	<u>(14,152,423)</u>
Net capital assets being depreciated	<u>9,868,737</u>	<u>(136,228)</u>	<u>-</u>	<u>9,732,509</u>
Net capital assets	<u>\$ 13,482,891</u>	<u>\$ 629,513</u>	<u>\$ (560,609)</u>	<u>\$ 13,551,795</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Wastewater

	Balance at September 30, 2024	Additions	Disposals	Balance at September 30, 2025
Capital assets not being depreciated:				
Land	\$ 118,398	\$ -	\$ -	\$ 118,398
Construction in progress	429,524	950,022	(1,259,337)	120,209
	<u>547,922</u>	<u>950,022</u>	<u>(1,259,337)</u>	<u>238,607</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	33,575,444	923,018	-	34,498,462
Distribution system	9,791,146	243,536	-	10,034,682
Office structures and improvement and furniture and fixtures	-	-	-	-
Transportation equipment	1,428,952	92,782	(47,420)	1,474,314
Laboratory equipment	4,537	-	-	4,537
Tools and shop equipment	273,688	-	-	273,688
Radio equipment	452	-	-	452
	<u>45,074,219</u>	<u>1,259,336</u>	<u>(47,420)</u>	<u>46,286,135</u>
Total capital assets at historical costs	<u>45,622,141</u>	<u>2,209,358</u>	<u>(1,306,757)</u>	<u>46,524,742</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(19,904,506)	(930,933)	-	(20,835,439)
Distribution system	(4,383,068)	(155,223)	-	(4,538,291)
Office structures and improvement and furniture and fixtures	-	-	-	-
Transportation equipment	(1,026,452)	(120,928)	47,420	(1,099,960)
Laboratory equipment	(4,537)	-	-	(4,537)
Tools and shop equipment	(191,135)	(18,786)	-	(209,921)
Radio equipment	(452)	-	-	(452)
Total accumulated depreciation	<u>(25,510,150)</u>	<u>(1,225,870)</u>	<u>47,420</u>	<u>(26,688,600)</u>
Net capital assets being depreciated	<u>19,564,069</u>	<u>33,466</u>	<u>-</u>	<u>19,597,535</u>
Net capital assets	<u>\$ 20,111,991</u>	<u>\$ 983,488</u>	<u>\$ (1,259,337)</u>	<u>\$ 19,836,142</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

IT & Broadband

	Balance at September 30, 2024	Additions	Disposals	Balance at September 30, 2025
Capital assets not being depreciated:				
Construction in progress	\$ 2,160,648	\$ 2,919,460	\$ -	\$ 5,080,108
	<u>2,160,648</u>	<u>2,919,460</u>	<u>-</u>	<u>5,080,108</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	5,974,747	310,511	-	6,285,258
Transportation equipment	603,492	75,782	-	679,274
Tools and shop equipment	32,742	-	-	32,742
Radio equipment	23,187	5,050	-	28,237
	<u>6,634,168</u>	<u>391,343</u>	<u>-</u>	<u>7,025,511</u>
Total capital assets at historical costs	<u>8,794,816</u>	<u>3,310,803</u>	<u>-</u>	<u>12,105,619</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(3,347,104)	(350,127)	-	(3,697,231)
Transportation equipment	(397,022)	(72,814)	-	(469,836)
Tools and shop equipment	(11,786)	(4,678)	-	(16,464)
Radio equipment	(9,661)	(5,311)	-	(14,972)
Total accumulated depreciation	<u>(3,765,573)</u>	<u>(432,930)</u>	<u>-</u>	<u>(4,198,503)</u>
Net capital assets being depreciated	<u>2,868,595</u>	<u>(41,587)</u>	<u>-</u>	<u>2,827,008</u>
Net capital assets	<u>\$ 5,029,243</u>	<u>\$ 2,877,873</u>	<u>\$ -</u>	<u>\$ 7,907,116</u>

Sanitation

	Balance at September 30, 2024	Additions	Disposals	Balance at September 30, 2025
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	910,101	18,265	-	928,366
Subtotal	<u>926,527</u>	<u>18,265</u>	<u>-</u>	<u>944,792</u>
Totals at historical cost	<u>1,129,991</u>	<u>18,265</u>	<u>-</u>	<u>1,148,256</u>
Less accumulated depreciation				
Structures, improvements and plant equipment	(16,426)	-	-	(16,426)
Transportation equipment	(504,122)	(60,951)	-	(565,073)
Total accumulated depreciation	<u>(520,548)</u>	<u>(60,951)</u>	<u>-</u>	<u>(581,499)</u>
Net capital assets being depreciated	<u>405,979</u>	<u>(42,686)</u>	<u>-</u>	<u>363,293</u>
Net capital assets	<u>\$ 609,443</u>	<u>\$ (42,686)</u>	<u>\$ -</u>	<u>\$ 566,757</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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	\$ 94,957
Executives	7,001
Total general government	<u>101,958</u>
Public safety:	
Police	99,437
Fire	23,674
Total public safety	<u>123,111</u>
Transportation:	
Airport	322,788
Streets	65,351
Total transportation	<u>388,139</u>
Cultural, parks and recreation:	
Library	7,786
Park	256,949
Band	1,911
Total cultural, parks and recreation	<u>266,646</u>
Community/economic development	<u>3,134</u>
Infrastructure	<u>738,886</u>
Total depreciation expense - Governmental activity	<u><u>\$ 1,621,874</u></u>
Business-type activities:	
Electric	\$ 1,481,282
Water	823,182
Wastewater	1,225,870
IT & Broadband	432,930
Sanitation	60,951
Total depreciation expense - Business-type activity	<u><u>\$ 4,024,215</u></u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025:

	Water	Wastewater	IT & Broadband	City (General Fund)
Balance, September 30, 2024	\$ 481,434	\$ 9,863,311	\$ 2,655,199	\$ 1,038,720
Note issued	-	-	-	-
Note retired	(306,725)	(336,387)	(329,433)	-
Balance, September 30, 2025	<u>\$ 174,709</u>	<u>\$ 9,526,924</u>	<u>\$ 2,325,766</u>	<u>\$ 1,038,720</u>
Current Portion	<u>\$ 174,709</u>	<u>\$ 361,335</u>	<u>\$ 345,528</u>	<u>\$ 229,366</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 5.77 percent).

Debt repayment requirements are as follows:

<u>Year Ended September 30,</u> 2026	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$ 214,176	\$ 1,563	\$ 215,739
	<u>\$ 214,176</u>	<u>\$ 1,563</u>	<u>\$ 215,739</u>

The loan document was executed October 12, 2023 and requires 240 monthly payments, beginning October 15, 2023 and ending September 15, 2043. The interest rate is to be the six month treasury bill rate established by the market on the sale date prior to January 1 and July 1 of each year.

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 5.77 percent).

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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>
2026	\$ 174,709	\$ 1,315	\$ 176,024
	<u>\$ 174,709</u>	<u>\$ 1,315</u>	<u>\$ 176,024</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, 2025 the Board had advanced \$1,680,856 and had received principal payments of \$874,904, leaving a balance of \$805,952 at September 30, 2025. 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>
2026	\$ 224,232	\$ 38,296	\$ 262,528
2027	255,819	24,708	280,527
2028	270,169	10,359	280,528
2029	55,732	191	55,923
	<u>\$ 805,952</u>	<u>\$ 73,554</u>	<u>\$ 879,506</u>

On January 15, 2023, the Board authorized the transfer of funds from the Electric Department to the IT & Broadband Department for \$2,500,000 to pay for projects. The interest rate is to be the six-month treasury bill rate established by the market on the sale date prior to January 1 and July 1 of each year (currently 5.47%).

Debt repayment requirements are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 222,673	\$ 101,637	\$ 324,310
2027	235,164	89,146	324,310
2028	248,355	75,956	324,311
2029	264,958	49,877	314,835
2030	287,977	40,246	328,223
2031-2033	690,872	67,673	758,545
	<u>\$ 1,949,999</u>	<u>\$ 424,535</u>	<u>\$ 2,374,534</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

In fiscal year 2023, USDA advanced the Utilities \$575,000. The note proceeds were used for broadband expansion. Interest ranges from 3.2986% to 4.4002% and is due at maturity. The Utilities paid \$110,756 principal payments in fiscal year 2025.

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 114,653	\$ 11,228	\$ 125,881
2027	118,678	7,203	125,881
2028	122,842	3,040	125,882
2029	19,593	1,355	20,948
	<u>\$ 375,766</u>	<u>\$ 22,826</u>	<u>\$ 398,592</u>

Special Assessment Bonded Debt

The following is a summary of changes in special assessment bond transactions for the year ended September 30, 2025:

	<u>Governmental Activities</u>
Balance, September 30, 2024	\$ 82,000
Bonds issued	-
Bonds retired	(15,000)
Balance, September 30, 2025	<u>\$ 67,000</u>

Special assessment bonded debt as of September 30, 2025 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.

\$ 67,000
\$ 67,000

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

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

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 67,000</u>	<u>\$ 6,840</u>	<u>\$ 73,840</u>

Leases

The following is a summary of changes in lease transactions for the year ended September 30, 2025:

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
Balance, September 30, 2024	\$ 4,045	\$ 776,856
Leases issued	-	552,573
Leases retired	(1,570)	(307,966)
Balance, September 30, 2025	<u>\$ 2,475</u>	<u>\$ 1,021,463</u>

Leases – Business-Type Activities

The Utilities is a lessee for a postage machine. The leased asset activity for fiscal year ended September 30, 2025 is as follows:

	<u>Balance at Sept. 30, 2024</u>	<u>Additions</u>	<u>Balance at Sept. 30, 2025</u>
Leased assets	\$ 7,783	\$ -	\$ 7,783
Less accumulated amortization	(3,502)	(1,556)	(5,058)
Note retired	-	-	-
Leased assets, net of accumulated amortization	<u>\$ 4,281</u>	<u>\$ (1,556)</u>	<u>\$ 2,725</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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>
2026	\$ 1,634	\$ 75	\$ 1,709
2027	841	13	854
	<u>\$ 2,475</u>	<u>\$ 88</u>	<u>\$ 2,563</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, 2025 is as follows:

	<u>Balance at Sept. 30, 2024</u>	<u>Additions</u>	<u>Balance at Sept. 30, 2025</u>
Leased assets	\$ 602,437	\$ -	\$ 602,437
Less accumulated amortization	(138,138)	(46,046)	(184,184)
Leased assets, net of accumulated amortization	<u>\$ 464,299</u>	<u>\$ (46,046)</u>	<u>\$ 418,253</u>

Principal and interest payments required are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 42,415	\$ 15,425	\$ 57,840
2027	43,751	14,088	57,839
2028	45,095	12,745	57,840
2029	46,551	11,288	57,839
2030	48,017	9,822	57,839
2031-2034	<u>207,661</u>	<u>23,695</u>	<u>231,356</u>
Total	<u>\$ 433,490</u>	<u>\$ 87,063</u>	<u>\$ 520,553</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

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, 2025 is as follows:

	Balance at Sept. 30, 2024	Additions	Balance at Sept. 30, 2025
Leased assets	\$ 71,972	\$ -	\$ 71,972
Less accumulated amortization	(50,805)	(16,935)	(67,740)
Leased assets, net of accumulated amortization	<u>\$ 21,167</u>	<u>\$ (16,935)</u>	<u>\$ 4,232</u>

This lease was paid in full in fiscal year 2025.

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, 2025 is as follows:

	Balance at Sept. 30, 2024	Additions	Balance at Sept. 30, 2025
Leased assets	\$ 8,575	\$ -	\$ 8,575
Less accumulated amortization	(3,430)	(1,715)	(5,145)
Leased assets, net of accumulated amortization	<u>\$ 5,145</u>	<u>\$ (1,715)</u>	<u>\$ 3,430</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 Ending Year Ended September 30,	Principal	Interest	Total
2026	\$ 1,762	\$ 97	\$ 1,859
2027	1,848	38	1,886
Total	<u>\$ 3,610</u>	<u>\$ 135</u>	<u>\$ 3,745</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

The City is a lessee for printers used in support of its general operations. The leased asset activity for fiscal year ended September 30, 2025 is as follows:

	Balance at Sept. 30, 2024	Additions	Balance at Sept. 30, 2025
Leased assets	\$ 7,117	\$ -	\$ 7,117
Less accumulated amortization	(4,151)	(1,423)	(5,574)
Leased assets, net of accumulated amortization	<u>\$ 2,966</u>	<u>\$ (1,423)</u>	<u>\$ 1,543</u>

Principal and interest payments required are as follows:

Year Ended September 30,	Principal	Interest	Total
2026	\$ 1,644	\$ 35	\$ 1,679
Total	<u>\$ 1,644</u>	<u>\$ 35</u>	<u>\$ 1,679</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, 2025 is as follows:

	Balance at Sept. 30, 2024	Additions	Balance at Sept. 30, 2025
Leased assets	\$ 8,578	\$ -	\$ 8,578
Less accumulated amortization	(5,325)	(1,775)	(7,100)
Leased assets, net of accumulated amortization	<u>\$ 3,253</u>	<u>\$ (1,775)</u>	<u>\$ 1,478</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
2026	\$ 1,578	\$ 28	\$ 1,606
Total	<u>\$ 1,578</u>	<u>\$ 28</u>	<u>\$ 1,606</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

The City is a lessee for golf carts. The leased asset activity for fiscal year ended September 30, 2025 is as follows:

	Balance at Sept. 30, 2024	Additions	Balance at Sept. 30, 2025
Leased assets	\$ 218,560	\$ -	\$ 218,560
Less accumulated amortization	(41,891)	(43,712)	(85,603)
Leased assets, net of accumulated amortization	<u>\$ 176,669</u>	<u>\$ (43,712)</u>	<u>\$ 132,957</u>

Principal and interest payments required are as follows:

Year Ended September 30,	Principal	Interest	Total
2026	\$ 41,627	\$ 7,601	\$ 49,228
2027	44,020	5,208	49,228
2028	46,551	2,677	49,228
Total	<u>\$ 132,198</u>	<u>\$ 15,486</u>	<u>\$ 147,684</u>

The City is a lessee for park equipment. The leased asset activity for fiscal year ended September 30, 2025 is as follows:

	Balance at Sept. 30, 2024	Additions	Balance at Sept. 30, 2025
Leased assets	\$ 54,141	\$ -	\$ 54,141
Less accumulated amortization	(19,400)	(10,828)	(30,228)
Leased assets, net of accumulated amortization	<u>\$ 34,741</u>	<u>\$ (10,828)</u>	<u>\$ 23,913</u>

Principal and interest payments required are as follows:

Year Ended September 30,	Principal	Interest	Total
2026	\$ 10,795	\$ 1,277	\$ 12,072
2027	11,416	656	12,072
Total	<u>\$ 22,211</u>	<u>\$ 1,933</u>	<u>\$ 24,144</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

The City is a lessee for golf equipment. The lease activity for fiscal year ended September 30, 2025 is as follows:

	Balance at Sept. 30, 2024	Additions	Balance at Sept. 30, 2025
Leased assets	\$ -	\$ 552,573	\$ 552,573
Less accumulated amortization	-	(110,515)	(110,515)
Leased assets, net of accumulated amortization	<u>\$ -</u>	<u>\$ 442,058</u>	<u>\$ 442,058</u>

Principal and interest payments required are as follows:

Year Ended September 30,	Principal	Interest	Total
2026	\$ 98,211	\$ 27,629	\$ 125,840
2027	104,503	21,337	125,840
2028	109,413	16,426	125,839
2029	114,608	11,232	125,840
Total	<u>\$ 426,735</u>	<u>\$ 76,624</u>	<u>\$ 503,359</u>

Subscription-Based Information Technology Arrangements

The City subscribes to computer aided dispatch software. The subscription asset activity for fiscal year ended September 30, 2025 is as follows:

	Balance at Sept. 30, 2024	Additions	Balance at Sept. 30, 2025
Leased assets	\$ 93,300	\$ -	\$ 93,300
Less accumulated amortization	(79,972)	(13,328)	(93,300)
Leased assets, net of accumulated amortization	<u>\$ 13,328</u>	<u>\$ (13,328)</u>	<u>\$ -</u>

Principal and interest payments required are as follows:

Year Ended September 30,	Principal	Interest	Total
2026	\$ 18,957	\$ 1,784	\$ 20,741
2027	19,829	912	20,741
Total	<u>\$ 38,786</u>	<u>\$ 2,696</u>	<u>\$ 41,482</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

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 2025 required 100% of net revenues in the NID Sewer Project Fund. The total principal and interest remaining to be paid on the bonds is \$73,840. Principal and interest paid for the current year was \$18,280 in the NID Sewer Project Fund. Net revenues in the current year were \$8,115 for the NID Sewer Project Fund.

The general and park funds have pledged future revenues, net of specified operating expenses to repay leases and subscriptions for the purchase of software and equipment. The leases and subscriptions are payable from general and park fund net revenues and are payable through 2034. Annual principal and interest payments in 2025 required 33% of net revenues in the general fund and the park fund. The total principal and interest remaining to be paid on the leases and subscriptions is \$1,244,252. Principal and interest paid for the current year was \$332,512. Net revenues in the current year were \$1,016,723.

The IT & Broadband fund has pledged future revenues, net of specified operating expenses, to repay a note that was issued for improvements. The note is payable from IT and Broadband net revenues and is payable through 2029. Annual principal and interest payments in 2025 required 14% of IT & Broadband net revenues. The total principal and interest remaining to be paid on the note is \$398,592. Principal and interest paid on the note for the current year was \$125,881 and IT and Broadband net revenues for the current year were \$881,526.

K. Fund Balance

Classifications of fund balances at September 30, 2025 are as follows:

	General Fund	Airport Operating Fund	Other Governmental Funds
Fund Balances:			
Non Spendable			
Inventory	\$ -	\$ 33,697	\$ 263,701
Prepaid expenses	204,865	18,345	186,312
Assigned for special revenue purposes	-	-	6,749,811
Assigned for debt service purposes	-	-	90,137
Unassigned	2,350,993	(292,256)	(1,231,645)
Total	<u>\$ 2,555,858</u>	<u>\$ (240,214)</u>	<u>\$ 6,058,316</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

L. Interfund Transfers

Interfund transfers during the year ended September 30, 2025, were as follows:

Fund	In	Out
Sanitation (Non-Major Fund)	\$ -	\$ (500,000)
Park (Non-Major Fund)	-	(422,220)
Park Improvement (Non-Major Fund)	422,220	-
Park Improvement Donation (Non-Major Fund)	-	-
Street (Non-Major Fund)	500,000	-
	<u>\$ 922,220</u>	<u>\$ (922,220)</u>

The above transfers were to pay for expenses.

M. Deficit Fund Balance

At September 30, 2025, the HAB Center Fund, Community Center Fund and Saltfork Project Fund had deficit fund balances of \$993,286, \$12,211, 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 2024 levy was based, was \$178,363,927. 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, 2025 are as follows:

General Fund Levy	\$.5909
Special Levies	
Park Fund	.2554
Band Fund	.0396
Library Fund	.1518
Total	<u>\$ 1.0377</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

IV. OTHER INFORMATION (continued)

Legal Debt Limit:

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

At September 30, 2025, based on the total assessed valuation as of December 31, 2024 of \$178,363,927 the constitutional general obligation debt limit was \$35,672,785.

B. Employee Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

IV. OTHER INFORMATION (continued)

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

	<u>2025 Valuation</u>
Benefit Multiplier:	1.75% for life
Final Average Salary:	5 years
Member Contributions:	0%

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

Employees covered by benefit terms. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	167
Inactive employees entitled to but not yet receiving benefits	59
Active employees	176
	402

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 12.2% (General), 7.1% (Police) and 8.3% (Fire) of annual covered payroll.

Net Pension Liability. The employer’s net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2025.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

IV. OTHER INFORMATION (continued)

Actuarial assumptions. The total pension liability in the February 28, 2025 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.

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>Weighted Average Long-Term Expected Real Rate of Return</u>
Alpha	5.00%	1.76%
Equity	39.00%	3.39%
Fixed Income	23.00%	3.54%
Real Assets	33.00%	2.68%
Strategic Assets	7.00%	2.83%
Cash/Leverage	-7.00%	-0.86%

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

IV. OTHER INFORMATION (continued)

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at 9/30/24	\$ 59,730,891	\$ 63,134,503	\$ (3,403,612)
Changes for the year:			
Service Cost	1,052,690	-	1,052,690
Interest	4,120,370	-	4,120,370
Difference between expected and actual experience	1,200,309	-	1,200,309
Contributions - employer	-	1,227,587	(1,227,587)
Change in Assumptions	-	-	-
Net investment income	-	3,795,549	(3,795,549)
Benefit payments, including refunds	(2,819,520)	(2,819,520)	-
Administrative expense	-	(47,184)	47,184
Other changes	-	(184,222)	184,222
Net changes	<u>3,553,849</u>	<u>1,972,210</u>	<u>1,581,639</u>
Balances at 9/30/25	<u>\$ 63,284,740</u>	<u>\$ 65,106,713</u>	<u>\$ (1,821,973)</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	\$ 71,670,529	\$ 63,284,740	\$ 56,304,263
Plan Fiduciary Net Position	65,106,713	65,106,713	65,106,713
Net Position Liability (Asset)	<u>\$ 6,563,816</u>	<u>\$ (1,821,973)</u>	<u>\$ (8,802,450)</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025 the employer recognized pension expense of \$716,571. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ 2,163,009	\$ 111,032
Differences in assumptions	-	36,458
Excess (deficit) investment returns	2,821,470	-
Contributions subsequent to the measurement date*	339,294	-
Total	<u>\$ 5,323,773</u>	<u>\$ 147,490</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending September 30, 2025.

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

<u>Year Ended</u>	<u>Net Deferred Outflows of Resources</u>
2026	\$ 2,291,028
2027	1,329,877
2028	834,099
2029	331,545
2030	50,440

Payable to the Pension Plan

At September 30, 2025, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2025.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025

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 28% 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. Taxable Individual Development Revenue Bonds

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

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

IV. OTHER INFORMATION (continued)

K. 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.

L. Fines

Fines and penalties as shown on the Statement of Revenues, Expenses, and Changes in Fund Balances is \$60,001 for the year ended September 30, 2025, which is 1% of general fund revenues.

M. Consideration of Subsequent Events

Subsequent events have been evaluated through February 22, 2026, 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, 2025**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contribution in Relation</u>	<u>Contribution Deficiency</u>	<u>Covered Employee Payroll</u>	<u>Contribution as Percentage</u>
2016	\$ 462,626.61	\$ 377,991.09	\$ 84,635.52	\$3,984,566.26	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	458,419.69	426,650.43	31,769.26	3,944,199.33	10.82%
2021	412,158.08	412,157.82	0.26	3,905,257.25	10.55%
2022	464,100.88	464,101.48	(0.60)	4,300,101.68	10.79%
2023	406,464.71	406,464.25	0.46	3,964,864.67	10.25%
2024	404,250.36	404,250.50	(0.14)	4,248,293.40	9.52%
2025	444,350.88	444,350.77	0.11	4,543,616.82	9.78%

**CITY OF MARSHALL, MISSOURI
MARSHALL MUNICIPAL UTILITIES
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS)
YEAR ENDED SEPTEMBER 30, 2025**

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
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%
2023	710,868.14	710,868.14	-	5,779,415.34	12.30%
2024	737,401.99	737,402.90	(0.91)	6,249,171.85	11.80%
2025	804,038.30	804,038.60	(0.30)	6,590,477.65	12.20%

**CITY OF MARSHALL, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONS
(MISSOURI LAGERS)
YEAR ENDED SEPTEMBER 30, 2025**

Valuation Date:	February 28, 2025
Notes:	The roll-forward of total pension liability from February 28, 2025 to June 30, 2025 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 6 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, 2025

	Fiscal Year Ending				
	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021
Total Pension Liability					
Service Cost	\$ 1,052,690	\$ 957,185	\$ 908,688	\$ 894,470	\$ 872,592
Interest on the Total Pension Liability	4,120,370	3,851,670	3,730,790	3,552,272	3,616,233
Benefit Changes	-	-	-	-	-
Difference between expected and actual experience	1,200,309	1,821,848	(152,254)	660,230	(269,927)
Assumption Changes	-	-	-	-	(970,082)
Benefit Payments	(2,819,520)	(2,857,971)	(2,712,922)	(2,419,474)	(2,364,385)
Refunds	-	-	-	-	-
Net Change in Total Pension Liability	<u>3,553,849</u>	<u>3,772,732</u>	<u>1,774,302</u>	<u>2,687,498</u>	<u>884,431</u>
Total Pension Liability beginning	<u>59,730,891</u>	<u>55,958,159</u>	<u>54,183,857</u>	<u>51,496,359</u>	<u>50,611,928</u>
Total Pension Liability ending	<u>\$ 63,284,740</u>	<u>\$ 59,730,891</u>	<u>\$ 55,958,159</u>	<u>\$ 54,183,857</u>	<u>\$ 51,496,359</u>
Plan Fiduciary Net Position					
Contributions - employer	1,227,587	1,128,646	1,122,755	1,105,606	1,031,084
Contributions - employee	-	-	-	-	-
Pension Plan Net Investment Income	3,795,549	3,174,776	2,157,492	49,297	13,696,849
Benefit Payments	(2,819,520)	(2,857,971)	(2,712,922)	(2,419,474)	(2,364,385)
Refunds	-	-	-	-	-
Pension Plan Administrative expense	(47,184)	(51,236)	(57,080)	(41,211)	(37,901)
Other	(184,222)	(96,614)	(1,113,222)	216,943	158,849
Net Change in Plan Fiduciary Net Position	<u>1,972,210</u>	<u>1,297,601</u>	<u>(602,977)</u>	<u>(1,088,839)</u>	<u>12,484,496</u>
Plan Fiduciary Net Position beginning	<u>63,134,503</u>	<u>61,836,902</u>	<u>62,439,879</u>	<u>63,528,718</u>	<u>51,044,222</u>
Plan Fiduciary Net Position ending	<u>\$ 65,106,713</u>	<u>\$ 63,134,503</u>	<u>\$ 61,836,902</u>	<u>\$ 62,439,879</u>	<u>\$ 63,528,718</u>
Employer Net Pension Liability (Asset)	<u>\$ (1,821,973)</u>	<u>\$ (3,403,612)</u>	<u>\$ (5,878,743)</u>	<u>\$ (8,256,022)</u>	<u>\$ (12,032,359)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	102.88%	105.70%	110.51%	115.24%	123.37%
Covered Employee Payroll	11,085,828	10,306,281	9,326,537	9,110,746	9,000,629
Employer's Net Pension Liability as a percentage of covered employee payroll	(16.44%)	(33.02%)	(63.03%)	(90.62%)	(133.68%)

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, 2025

	Fiscal Year Ending				
	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Total Pension Liability					
Service Cost	\$ 840,700	\$ 832,825	\$ 869,917	\$ 867,546	\$ 837,242
Interest on the Total Pension Liability	3,472,865	3,364,340	3,203,039	3,063,529	2,854,937
Benefit Changes	-	-	-	-	-
Difference between expected and actual experience	(30,287)	(387,087)	495,764	6,608	(920,968)
Assumption Changes	-	-	-	-	1,667,458
Benefit Payments	(2,280,017)	(2,352,801)	(2,299,445)	(1,739,457)	(1,419,028)
Refunds	-	-	-	-	-
Net Change in Total Pension Liability	<u>2,003,261</u>	<u>1,457,277</u>	<u>2,269,275</u>	<u>2,198,226</u>	<u>3,019,641</u>
Total Pension Liability beginning	<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>
Total Pension Liability ending	<u>\$ 50,611,928</u>	<u>\$ 48,608,667</u>	<u>\$ 47,151,390</u>	<u>\$ 44,882,115</u>	<u>\$ 42,683,889</u>
Plan Fiduciary Net Position					
Contributions - employer	993,727	928,004	917,939	986,979	996,056
Contributions - employee	-	-	-	-	-
Pension Plan Net Investment Income	659,159	3,296,462	5,659,357	4,981,255	(74,510)
Benefit Payments	(2,280,017)	(2,352,801)	(2,299,445)	(1,739,457)	(1,419,028)
Refunds	-	-	-	-	-
Pension Plan Administrative expense	(49,069)	(42,737)	(30,048)	(29,751)	(29,189)
Other	(63,344)	29,600	248,991	157,053	728,340
Net Change in Plan Fiduciary Net Position	<u>(739,544)</u>	<u>1,858,528</u>	<u>4,496,794</u>	<u>4,356,079</u>	<u>201,669</u>
Plan Fiduciary Net Position beginning	<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>
Plan Fiduciary Net Position ending	<u>\$ 51,044,222</u>	<u>\$ 51,783,766</u>	<u>\$ 49,925,238</u>	<u>\$ 45,428,444</u>	<u>\$ 41,072,365</u>
Employer Net Pension Liability (Asset)	<u>\$ (432,294)</u>	<u>\$ (3,175,099)</u>	<u>\$ (2,773,848)</u>	<u>\$ (546,329)</u>	<u>\$ 1,611,524</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	100.85%	106.53%	105.88%	101.22%	96.22%
Covered Employee Payroll	7,759,189	8,338,239	8,476,983	9,089,752	8,764,539
Employer's Net Pension Liability as a percentage of covered employee payroll	(5.57%)	(38.08%)	(32.72%)	(6.01%)	18.39%

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.

**CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2025**

	Sanitation	Total
ASSETS		
Operating Funds:		
Cash and cash equivalents	\$ 890,310	\$ 890,310
Accounts receivable:		
Consumers	87,016	87,016
Other	50	50
Due from other funds	130,935	130,935
Prepaid expenses	23,017	23,017
Total Current Assets	1,131,328	1,131,328
Noncurrent Assets		
Net pension asset	189,843	189,843
Capital Assets		
Land and land improvements	203,464	203,464
Structures, improvements and plant equipment	16,426	16,426
Equipment	928,367	928,367
Accumulated depreciation	(581,500)	(581,500)
Total Capital Assets, net of accumulated depreciation	566,757	566,757
Total Noncurrent Assets	756,600	756,600
Total Assets	1,887,928	1,887,928
Deferred Outflows		
Deferred outflows related to pension	68,270	68,270
Total Deferred Outflows	68,270	68,270

**CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION (CONT'D)
NON-MAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2025**

	Sanitation	Total
LIABILITIES		
Operating Funds:		
Accounts payable - trade/other	74,304	74,304
Accrued benefits payable	2,737	2,737
Accrued payroll	2,650	2,650
Total Current Liabilities	79,691	79,691
Total Liabilities	\$ 79,691	\$ 79,691
Deferred Inflows:		
Deferred inflows related to pension	\$ 53,620	\$ 53,620
Total Deferred Inflows	\$ 53,620	\$ 53,620
NET POSITION		
Net investment in capital assets	\$ 566,757	\$ 566,757
Restricted but expendable for pension	204,493	204,493
Unrestricted	1,051,637	1,051,637
Total Net Position	\$ 1,822,887	\$ 1,822,887

CITY OF MARSHALL, MISSOURI
STATEMENT OF OPERATING REVENUES, OPERATING EXPENSES
AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	<u>Sanitation</u>	<u>Total</u>
Operating Revenues:		
Charges for services	\$ 1,051,204	\$ 1,051,204
Miscellaneous	2,020	2,020
Total Operating Revenues	<u>1,053,224</u>	<u>1,053,224</u>
Operating Expenses:		
Production and plant maintenance	25,354	25,354
Transmission and distribution	945,931	945,931
Personnel services	227,503	227,503
Other general expense	643	643
Depreciation and amortization	60,951	60,951
Total Operating Expenses	<u>1,260,382</u>	<u>1,260,382</u>
Net Operating Income	<u>(207,158)</u>	<u>(207,158)</u>
Non-Operating Revenues (Expenses):		
Interest & investment earnings	55,863	55,863
Net Non-Operating Revenues (Expenses)	<u>55,863</u>	<u>55,863</u>
Income before capital grants, contributions and transfers	(151,295)	(151,295)
Transfers In/(Out)	<u>(500,000)</u>	<u>(500,000)</u>
Change in Net Position	(651,295)	(651,295)
Net Position, beginning of year	<u>2,474,182</u>	<u>2,474,182</u>
Net Position, end of year	<u>\$ 1,822,887</u>	<u>\$ 1,822,887</u>

**CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2025**

	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,050,996	\$ 1,050,996
Cash paid to suppliers	(1,046,757)	(1,046,757)
Cash paid to employees	(229,111)	(229,111)
Net cash provided (used) by operating activities	(224,872)	(224,872)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(18,265)	(18,265)
Interfund transfers out	(500,000)	(500,000)
Net cash provided (used) by capital and related financing activities	(518,265)	(518,265)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	55,863	55,863
Net cash provided (used) by investing activities	55,863	55,863
 Net increase (decrease) in cash and cash equivalents	(687,274)	(687,274)
 Balances - beginning of year	1,577,584	1,577,584
Balances - end of year	\$ 890,310	\$ 890,310

**CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS (CONT'D)
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2025**

	Sanitation	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (207,158)	\$ (207,158)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation expense	60,951	60,951
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Receivables - net of allowances	(2,228)	(2,228)
Prepaid expenses	(721)	(721)
Accounts and other payables	(74,108)	(74,108)
Deferred outflows	(6,488)	(6,488)
Deferred inflows	(2,084)	(2,084)
Net pension asset	7,450	7,450
Other accrued liabilities	(486)	(486)
Net cash provided by operating activities	\$ (224,872)	\$ (224,872)

COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Street	Accounts for revenues and expenditures of the city streets.
Park	Accounts for revenues and expenditures of the city parks.
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.
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, 2025**

	Special Revenue Funds				
	Street	Park	Band	HAB Center	Tourism
ASSETS					
Cash and cash equivalents	\$ 3,767,297	\$ 644,694	\$ 390,500	\$ -	\$ 226,373
Investments	-	-	-	-	-
Accounts receivable	16,286	-	-	-	-
Taxes receivables, net of allowance	-	14,810	2,296	-	29,019
Due from governmental agencies	74,001	258,071	-	-	-
Due from other funds	73,496	-	-	-	-
Inventory	35,257	27,744	-	-	-
Prepaid expenses	78,582	94,232	4,902	-	-
Total Assets	4,044,919	1,039,551	397,698	-	255,392
LIABILITIES					
Accounts payable	262,088	2,054	-	-	17,655
Accrued expenses	47,113	42,417	225	-	-
Pooled cash deficit	-	-	-	993,286	-
Due to other funds	6,571	-	8,035	-	-
Total Liabilities	315,772	44,471	8,260	993,286	17,655
DEFERRED INFLOW OF RESOURCES					
Unearned revenue - property taxes	-	13,901	2,156	-	-
FUND EQUITY					
Nonspendable					
Inventory	35,257	27,744	-	-	-
Prepaid expenses	78,582	94,232	4,902	-	-
Assigned for special revenue purposes	3,615,308	859,203	382,380	-	237,737
Assigned for debt service purposes	-	-	-	-	-
Unassigned (deficit)	-	-	-	(993,286)	-
Fund Balance (Deficit)	3,729,147	981,179	387,282	(993,286)	237,737
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 4,044,919	\$ 1,039,551	\$ 397,698	\$ -	\$ 255,392

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<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	\$ 383,908	\$ 250	\$ 146,662	\$ 651,005	\$ 13,502
Investments	59,031	-	-	-	-
Accounts receivable	-	-	-	-	-
Taxes receivables, net of allowance	8,803	-	-	-	-
Due from governmental agencies	129,222	-	-	-	-
Due from other funds	28,058	-	-	-	-
Inventory	-	-	-	-	-
Prepaid expenses	8,596	-	-	-	-
Total Assets	617,618	250	146,662	651,005	13,502
LIABILITIES					
Accounts payable	2,108	702	-	-	-
Accrued expenses	9,961	-	-	-	-
Pooled cash deficit	-	11,759	-	-	-
Due to other funds	2,944	-	-	-	-
Total Liabilities	15,013	12,461	-	-	-
DEFERRED INFLOW OF RESOURCES					
Unearned revenue - property taxes	8,263	-	-	-	-
FUND EQUITY					
Nonspendable					
Inventory	-	-	-	-	-
Prepaid expenses	8,596	-	-	-	-
Assigned for special revenue purposes	585,746	-	146,662	651,005	13,502
Assigned for debt service purposes	-	-	-	-	-
Unassigned (deficit)	-	(12,211)	-	-	-
Fund Balance (Deficit)	594,342	(12,211)	146,662	651,005	13,502
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 617,618	\$ 250	\$ 146,662	\$ 651,005	\$ 13,502

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Special Revenue Funds			
	Economic Development	Street/ Sidewalk Repair	ARPA	Park Improvement
ASSETS				
Cash and cash equivalents	\$ 84,018	\$ 41,056	\$ 217,212	\$ 80
Investments	-	-	-	-
Accounts receivable	116,682	-	-	-
Taxes receivables, net of allowance	-	-	-	-
Due from governmental agencies	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total Assets	200,700	41,056	217,212	80
LIABILITIES				
Accounts payable	-	-	-	-
Pooled cash deficit	-	-	-	-
Accrued expenses	-	-	-	-
Due to other funds	-	-	-	80
Total Liabilities	-	-	-	80
DEFERRED INFLOW OF RESOURCES				
Unearned revenue - property taxes	-	-	-	-
FUND EQUITY				
Nonspendable				
Inventory	200,700	-	-	-
Prepaid expenses	-	-	-	-
Assigned for special revenue purposes	-	41,056	217,212	-
Assigned for debt service purposes	-	-	-	-
Unassigned (deficit)	-	-	-	-
Fund Balance (Deficit)	200,700	41,056	217,212	-
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 200,700	\$ 41,056	\$ 217,212	\$ 80

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<u>Debt Service Funds</u>		<u>Total (Memorandum Only)</u>
	<u>Saltfork Project</u>	<u>NID Sewer Project</u>	
ASSETS			
Cash and cash equivalents	\$ -	\$ 90,137	\$ 6,656,694
Investments	-	-	59,031
Accounts receivable	-	-	132,968
Taxes receivables, net of allowance	-	-	54,928
Due from governmental agencies	-	-	461,294
Due from other funds	-	-	101,554
Inventory	-	-	63,001
Prepaid expenses	-	-	186,312
	<hr/>	<hr/>	<hr/>
Total Assets	-	90,137	7,715,782
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts payable	-	-	284,607
Accrued expenses	-	-	99,716
Pooled cash deficit	-	-	1,005,045
Due to other funds	226,148	-	243,778
	<hr/>	<hr/>	<hr/>
Total Liabilities	226,148	-	1,633,146
	<hr/>	<hr/>	<hr/>
DEFERRED INFLOW OF RESOURCES			
Unearned revenue - property taxes	-	-	24,320
	<hr/>	<hr/>	<hr/>
FUND EQUITY			
Nonspendable			
Inventory	-	-	263,701
Prepaid expenses	-	-	186,312
Assigned for special revenue purposes	-	-	6,749,811
Assigned for debt service purposes	-	90,137	90,137
Unassigned (deficit)	(226,148)	-	(1,231,645)
Fund Balance (Deficit)	<hr/> (226,148) <hr/>	<hr/> 90,137 <hr/>	<hr/> 6,058,316 <hr/>
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Equity	<hr/> \$ - <hr/>	<hr/> \$ 90,137 <hr/>	<hr/> \$ 7,715,782 <hr/>

CITY OF MARSHALL, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds				
	Street	Park	Band	HAB Center	Tourism
REVENUES					
Taxes	\$ 1,144,457	\$ 1,531,197	\$ 73,616	\$ -	\$ 103,234
Intergovernmental	227,827	-	-	-	-
Charges for services	11,652	627,479	-	-	-
Miscellaneous	170,376	65,696	17,793	3,401	10,537
Total Revenues	<u>1,554,312</u>	<u>2,224,372</u>	<u>91,409</u>	<u>3,401</u>	<u>113,771</u>
EXPENDITURES					
Street	2,404,564	-	-	-	-
Airport	-	-	-	-	-
Library	-	-	-	-	-
Band	-	-	86,115	-	-
Park	-	1,768,930	-	-	-
Tourism	-	-	-	-	-
Community center	-	-	-	275,334	-
Capital outlay	-	-	-	-	129,542
Interest and fees	-	-	-	-	-
Total Expenditures	<u>2,404,564</u>	<u>1,768,930</u>	<u>86,115</u>	<u>275,334</u>	<u>129,542</u>
Excess (Deficit) of Revenues over Expenditures	<u>(850,252)</u>	<u>455,442</u>	<u>5,294</u>	<u>(271,933)</u>	<u>(15,771)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	500,000	(422,220)	-	-	-
Lease proceeds	-	552,573	-	-	-
Right of use asset	-	(552,573)	-	-	-
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>(422,220)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(350,252)</u>	<u>33,222</u>	<u>5,294</u>	<u>(271,933)</u>	<u>(15,771)</u>
Fund Balance, beginning of year (deficit)	<u>4,079,399</u>	<u>947,957</u>	<u>381,988</u>	<u>(721,353)</u>	<u>253,508</u>
Fund Balance, end of year (deficit)	<u>\$ 3,729,147</u>	<u>\$ 981,179</u>	<u>\$ 387,282</u>	<u>\$ (993,286)</u>	<u>\$ 237,737</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, 2025

	Special Revenue Funds				
	Library	Community Center	Equipment Replacement	Park Improvement Donation	City Office/ Revitalization
REVENUES					
Taxes	\$ 578,898	\$ -	\$ -	\$ -	\$ -
Intergovernmental	125,198	-	-	-	-
Charges for services	1,776	98,331	-	-	-
Miscellaneous	48,322	-	-	4,129	-
Total Revenues	<u>754,194</u>	<u>98,331</u>	<u>-</u>	<u>4,129</u>	<u>-</u>
EXPENDITURES					
Street	-	-	-	-	-
Airport	-	-	-	-	-
Library	375,757	-	-	-	-
Band	-	-	-	-	-
Park	-	-	-	100,847	-
Tourism	-	-	-	-	-
Community center	-	77,158	-	-	-
Capital outlay	-	-	-	-	86
Interest and fees	-	-	-	-	-
Total Expenditures	<u>375,757</u>	<u>77,158</u>	<u>-</u>	<u>100,847</u>	<u>86</u>
Excess (Deficit) of Revenues over Expenditures	<u>378,437</u>	<u>21,173</u>	<u>-</u>	<u>(96,718)</u>	<u>(86)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	-	-	-	422,220	-
Lease proceeds	-	-	-	-	-
Right of use asset	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,220</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>378,437</u>	<u>21,173</u>	<u>-</u>	<u>325,502</u>	<u>(86)</u>
Fund Balance, beginning of year (deficit)	<u>215,905</u>	<u>(33,384)</u>	<u>146,662</u>	<u>325,503</u>	<u>13,588</u>
Fund Balance, end of year (deficit)	<u>\$ 594,342</u>	<u>\$ (12,211)</u>	<u>\$ 146,662</u>	<u>\$ 651,005</u>	<u>\$ 13,502</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, 2025

	Special Revenue Funds			
	Economic Development	Street/ Sidewalk Repair	ARPA	Park Improvement
REVENUES				
Taxes	\$ 116,682	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	6,027	-	7,444	-
Total Revenues	122,709	-	7,444	-
EXPENDITURES				
Street	-	-	-	-
Airport	-	-	-	-
Library	-	-	-	-
Band	-	-	-	-
Park	-	-	-	-
Tourism	-	-	-	-
Community center	-	-	-	-
Capital outlay	184,575	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	184,575	-	-	-
Excess (Deficit) of Revenues over Expenditures	(61,866)	-	7,444	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	-	-	-	-
Lease proceeds	-	-	-	-
Right of use asset	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	(61,866)	-	7,444	-
Fund Balance, beginning of year (deficit)	262,566	41,056	209,768	-
Fund Balance, end of year (deficit)	\$ 200,700	\$ 41,056	\$ 217,212	\$ -

**CITY OF MARSHALL, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025**

	<u>Debt Service Funds</u>		<u>Total (Memorandum Only)</u>
	<u>Saltfork Project</u>	<u>NID Sewer Project</u>	
REVENUES			
Taxes	\$ -	\$ 8,115	\$ 3,556,199
Intergovernmental	-	-	353,025
Charges for services	-	-	739,238
Miscellaneous	-	-	333,725
Total Revenues	<u>-</u>	<u>8,115</u>	<u>4,982,187</u>
EXPENDITURES			
Street	-	-	2,404,564
Airport	-	-	-
Library	-	-	375,757
Band	-	-	86,115
Park	-	-	1,869,777
Tourism	-	-	-
Community center	-	-	352,492
Capital outlay	-	-	314,203
Interest and fees	-	4,975	4,975
Total Expenditures	<u>-</u>	<u>4,975</u>	<u>5,407,883</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>3,140</u>	<u>(425,696)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	-	-	500,000
Lease proceeds	-	-	552,573
Right of use asset	-	-	(552,573)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>500,000</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>3,140</u>	<u>74,304</u>
Fund Balance, beginning of year (deficit)	<u>(226,148)</u>	<u>86,997</u>	<u>5,984,012</u>
Fund Balance, end of year (deficit)	<u>\$ (226,148)</u>	<u>\$ 90,137</u>	<u>\$ 6,058,316</u>

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

Special Revenue Funds
Debt Service Funds

CITY OF MARSHALL, MISSOURI
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 520,000	\$ 535,890	\$ 356,317	\$ (179,573)
Motor vehicle	206,000	214,113	214,112	(1)
Motor fuel	500,000	574,029	574,028	(1)
Total Taxes	<u>1,226,000</u>	<u>1,324,032</u>	<u>1,144,457</u>	<u>(179,575)</u>
Intergovernmental				
State and federal grants	-	2,828	227,827	224,999
Total Intergovernmental	<u>-</u>	<u>2,828</u>	<u>227,827</u>	<u>224,999</u>
Charges for Services				
Street excavation	2,500	10,733	11,652	919
Total Charges for Services	<u>2,500</u>	<u>10,733</u>	<u>11,652</u>	<u>919</u>
Miscellaneous				
Interest	105,080	165,570	163,515	(2,055)
Miscellaneous	501,000	506,863	6,861	(500,002)
Total Miscellaneous	<u>606,080</u>	<u>672,433</u>	<u>170,376</u>	<u>(502,057)</u>
Total Revenues	<u>1,834,580</u>	<u>2,010,026</u>	<u>1,554,312</u>	<u>(455,714)</u>
EXPENDITURES				
Personnel services	1,036,272	968,097	979,304	(11,207)
Other charges and services	243,568	341,001	369,460	(28,459)
Operating supplies	73,350	37,477	-	37,477
Repairs and maintenance	180,600	181,300	177,024	4,276
Capital outlay	138,000	616,689	878,776	(262,087)
Total Expenditures	<u>1,671,790</u>	<u>2,144,564</u>	<u>2,404,564</u>	<u>(260,000)</u>
Excess (Deficit) of Revenues over Expenditures	<u>162,790</u>	<u>(134,538)</u>	<u>(850,252)</u>	<u>(715,714)</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, 2025**

	<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)	-	-	500,000	(500,000)
Total Other Financing Sources (Uses)	-	-	500,000	(500,000)
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	162,790	(134,538)	(350,252)	<u>\$ (1,215,714)</u>
Fund Balance, beginning of year	4,079,399	4,079,399	4,079,399	
Fund Balance, end of year	<u>\$ 4,242,189</u>	<u>\$ 3,944,861</u>	<u>\$ 3,729,147</u>	

CITY OF MARSHALL, MISSOURI
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 594,700	\$ 461,989	\$ 461,559	\$ (430)
Railroad and utilities	21,500	14,145	14,145	-
Sales	1,040,000	1,071,780	1,055,493	(16,287)
Total Taxes	<u>1,656,200</u>	<u>1,547,914</u>	<u>1,531,197</u>	<u>(16,717)</u>
Charges for Services				
Park fees and sales	456,200	609,741	627,479	17,738
Total Charges for Services	<u>456,200</u>	<u>609,741</u>	<u>627,479</u>	<u>17,738</u>
Miscellaneous				
Interest on investments	55,000	51,500	51,086	(414)
Miscellaneous	5,000	2,535	2,531	(4)
Donations	3,000	3,124	3,124	-
Rental	5,000	8,586	8,955	369
Total Miscellaneous	<u>68,000</u>	<u>65,745</u>	<u>65,696</u>	<u>(49)</u>
Total Revenues	<u>2,180,400</u>	<u>2,223,400</u>	<u>2,224,372</u>	<u>972</u>
EXPENDITURES				
Swimming Pool				
Personnel services	52,303	56,535	56,532	3
Other charges and services	254,550	181,831	178,224	3,607
Operating supplies	42,905	38,475	38,070	405
Repairs and maintenance	42,700	44,400	44,242	158
Capital outlay	20,000	15,610	15,601	9
Total Swimming Pool	<u>412,458</u>	<u>336,851</u>	<u>332,669</u>	<u>4,182</u>
Golf Course				
Personnel services	329,176	349,378	338,685	10,693
Other charges and services	84,400	92,541	90,010	2,531
Operating supplies	59,450	67,567	66,725	842
Repairs and maintenance	146,300	145,550	144,941	609
Capital outlay	122,000	144,300	144,192	108
Total Golf Course	<u>741,326</u>	<u>799,336</u>	<u>784,553</u>	<u>14,783</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont'd)				
Lyon Bowl				
Personnel services	31,003	23,233	23,231	2
Other charges and services	12,000	3,700	3,604	96
Operating supplies	23,000	23,250	23,248	2
Repairs and maintenance	5,500	3,550	3,415	135
Capital outlay	10,000	6,964	6,946	18
Total Lyon Bowl	<u>81,503</u>	<u>60,697</u>	<u>60,444</u>	<u>253</u>
Recreation and Play				
Personnel services	190,778	227,488	227,482	6
Other charges and services	41,680	39,235	38,576	659
Operating supplies	8,000	6,700	6,652	48
Repairs and maintenance	110,550	34,950	33,823	1,127
Capital outlay	20,000	49,000	48,540	460
Total Recreation and Play	<u>371,008</u>	<u>357,373</u>	<u>355,073</u>	<u>2,300</u>
General Use				
Personnel services	53,005	137,399	137,395	4
Other charges and services	88,957	88,134	86,004	2,130
Operating supplies	3,600	4,320	4,222	98
Repairs and maintenance	4,300	4,750	4,560	190
Capital outlay	16,200	4,100	4,010	90
Total General Use	<u>166,062</u>	<u>238,703</u>	<u>236,191</u>	<u>2,512</u>
Total Expenditures	<u>1,772,357</u>	<u>1,792,960</u>	<u>1,768,930</u>	<u>24,030</u>
Excess (Deficit) of Revenues over Expenditures	<u>408,043</u>	<u>430,440</u>	<u>455,442</u>	<u>25,002</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	-	(422,221)	(422,220)	(1)
Lease proceeds	-	-	552,573	(552,573)
Right of use asset	-	-	(552,573)	552,573
Total Other Financing Sources (Uses)	<u>-</u>	<u>(422,221)</u>	<u>(422,220)</u>	<u>(1)</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>408,043</u>	<u>8,219</u>	<u>33,222</u>	<u>\$ 25,001</u>
Fund Balance, beginning of year (deficit)	<u>947,957</u>	<u>947,957</u>	<u>947,957</u>	
Fund Balance, end of year (deficit)	<u>\$ 1,356,000</u>	<u>\$ 956,176</u>	<u>\$ 981,179</u>	

CITY OF MARSHALL, MISSOURI
BAND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 91,500	\$ 71,495	\$ 71,427	\$ (68)
Railroad and utilities	3,000	2,189	2,189	-
Total Taxes	<u>94,500</u>	<u>73,684</u>	<u>73,616</u>	<u>(68)</u>
Miscellaneous				
Interest	19,500	18,500	17,723	(777)
Miscellaneous	-	71	70	(1)
Total Miscellaneous	<u>19,500</u>	<u>18,571</u>	<u>17,793</u>	<u>(778)</u>
Total Revenues	<u>114,000</u>	<u>92,255</u>	<u>91,409</u>	<u>(846)</u>
EXPENDITURES				
Personnel services	5,850	5,850	5,849	1
Other charges and services	81,839	68,599	67,837	762
Operating supplies	5,400	4,381	4,254	127
Repairs and maintenance	6,000	420	418	2
Capital outlay	<u>10,500</u>	<u>7,760</u>	<u>7,757</u>	<u>3</u>
Total Expenditures	<u>109,589</u>	<u>87,010</u>	<u>86,115</u>	<u>895</u>
Excess (Deficit) of Revenues over Expenditures	4,411	5,245	5,294	<u>\$ 49</u>
Fund Balance, beginning of year	<u>381,988</u>	<u>381,988</u>	<u>381,988</u>	
Fund Balance, end of year	<u>\$ 386,399</u>	<u>\$ 387,233</u>	<u>\$ 387,282</u>	

CITY OF MARSHALL, MISSOURI
HAB CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	<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				
Miscellaneous				
Sale of property	\$ -	\$ -	\$ -	\$ -
Interest	-	3,401	3,401	-
Total Miscellaneous	-	3,401	3,401	-
Total Revenues	-	3,401	3,401	-
EXPENDITURES				
Other charges and services	285,000	275,334	275,334	-
Total Expenditures	285,000	275,334	275,334	-
Excess (Deficit) of Revenues over Expenditures	(285,000)	(271,933)	(271,933)	\$ -
Fund Balance, beginning of year	(721,353)	(721,353)	(721,353)	
Fund Balance, end of year	\$ (1,006,353)	\$ (993,286)	\$ (993,286)	

CITY OF MARSHALL, MISSOURI
TOURISM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Tourism	\$ 109,000	\$ 100,583	\$ 103,234	\$ 2,651
Total Taxes	<u>109,000</u>	<u>100,583</u>	<u>103,234</u>	<u>2,651</u>
Miscellaneous				
Interest	11,000	10,650	10,537	(113)
Total Miscellaneous	<u>11,000</u>	<u>10,650</u>	<u>10,537</u>	<u>(113)</u>
Total Revenues	<u>120,000</u>	<u>111,233</u>	<u>113,771</u>	<u>2,538</u>
EXPENDITURES				
Capital outlay	106,664	114,164	129,542	(15,378)
Total Expenditures	<u>106,664</u>	<u>114,164</u>	<u>129,542</u>	<u>(15,378)</u>
Excess (Deficit) of Revenues over Expenditures	13,336	(2,931)	(15,771)	<u>\$ (12,840)</u>
Fund Balance, beginning of year	<u>253,508</u>	<u>253,508</u>	<u>253,508</u>	
Fund Balance, end of year	<u>\$ 266,844</u>	<u>\$ 250,577</u>	<u>\$ 237,737</u>	

CITY OF MARSHALL, MISSOURI
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	<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	\$ 263,200	\$ 274,343	\$ 272,456	\$ (1,887)
Railroad and utilities	8,000	8,400	8,400	-
Sales	-	-	298,042	298,042
Total Taxes	<u>271,200</u>	<u>282,743</u>	<u>578,898</u>	<u>296,155</u>
Intergovernmental				
State and federal grants	12,300	25,199	125,198	99,999
Total Intergovernmental	<u>12,300</u>	<u>25,199</u>	<u>125,198</u>	<u>99,999</u>
Charges for Services				
Library book fines	200	500	499	(1)
Library cards	1,500	1,300	1,277	(23)
Total Charges for Services	<u>1,700</u>	<u>1,800</u>	<u>1,776</u>	<u>(24)</u>
Miscellaneous				
Interest	4,500	9,400	8,138	(1,262)
Sale of property	400	606	606	-
Miscellaneous	25,950	2,805	28,356	25,551
Donations	300	5,720	9,330	3,610
Printer fees	1,000	1,883	1,892	9
Total Miscellaneous	<u>32,150</u>	<u>20,414</u>	<u>48,322</u>	<u>27,908</u>
Total Revenues	<u>317,350</u>	<u>330,156</u>	<u>754,194</u>	<u>424,038</u>
EXPENDITURES				
Personnel services	221,800	244,648	243,067	1,581
Other charges and services	74,450	83,656	101,464	(17,808)
Operating supplies	5,520	11,720	11,442	278
Repairs and maintenance	5,550	6,600	7,143	(543)
Capital outlay	8,000	12,700	12,641	59
Total Expenditures	<u>315,320</u>	<u>359,324</u>	<u>375,757</u>	<u>(16,433)</u>
Excess (Deficit) of Revenues over Expenditures	2,030	(29,168)	378,437	<u>\$ 407,605</u>
Fund Balance, beginning of year	<u>215,905</u>	<u>215,905</u>	<u>215,905</u>	
Fund Balance, end of year	<u>\$ 217,935</u>	<u>\$ 186,737</u>	<u>\$ 594,342</u>	

**CITY OF MARSHALL, MISSOURI
COMMUNITY CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025**

	<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	\$ 91,200	\$ 98,361	\$ 98,331	\$ (30)
Total Charges for Services	<u>91,200</u>	<u>98,361</u>	<u>98,331</u>	<u>(30)</u>
Total Revenues	<u>91,200</u>	<u>98,361</u>	<u>98,331</u>	<u>(30)</u>
EXPENDITURES				
Other charges and services	59,564	65,464	63,453	2,011
Operating supplies	3,900	3,550	3,410	140
Repairs and maintenance	<u>10,200</u>	<u>10,400</u>	<u>10,295</u>	<u>105</u>
Total Expenditures	<u>73,664</u>	<u>79,414</u>	<u>77,158</u>	<u>2,256</u>
Excess (Deficit) of Revenues over Expenditures	17,536	18,947	21,173	<u><u>\$ 2,226</u></u>
Fund Balance, beginning of year (deficit)	<u>(33,384)</u>	<u>(33,384)</u>	<u>(33,384)</u>	
Fund Balance, end of year (deficit)	<u><u>\$ (15,848)</u></u>	<u><u>\$ (14,437)</u></u>	<u><u>\$ (12,211)</u></u>	

**CITY OF MARSHALL, MISSOURI
EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025**

	<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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures	-	-	-	<u><u>\$ -</u></u>
Fund Balance, beginning of year	<u>146,662</u>	<u>146,662</u>	<u>146,662</u>	
Fund Balance, end of year	<u><u>\$ 146,662</u></u>	<u><u>\$ 146,662</u></u>	<u><u>\$ 146,662</u></u>	

**CITY OF MARSHALL, MISSOURI
PARK IMPROVEMENT DONATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous				
Donations	\$ -	\$ 79	\$ 79	\$ -
Miscellaneous	-	4,050	4,050	-
Total Miscellaneous	<u>-</u>	<u>4,129</u>	<u>4,129</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>4,129</u>	<u>4,129</u>	<u>-</u>
EXPENDITURES				
Repairs and maintenance	<u>-</u>	<u>100,847</u>	<u>100,847</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>100,847</u>	<u>100,847</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>(96,718)</u>	<u>(96,718)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	<u>-</u>	<u>422,221</u>	<u>422,220</u>	<u>(1)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>422,221</u>	<u>422,220</u>	<u>(1)</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>325,503</u>	<u>325,502</u>	<u>\$ -</u>
Fund Balance, beginning of year	<u>325,503</u>	<u>325,503</u>	<u>325,503</u>	
Fund Balance, end of year	<u>\$ 325,503</u>	<u>\$ 651,006</u>	<u>\$ 651,005</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, 2025**

	<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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous				
Interest	-	-	-	-
Total Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	87	86	1
Total Expenditures	<u>-</u>	<u>87</u>	<u>86</u>	<u>1</u>
Excess (Deficit) of Revenues over Expenditures	-	(87)	(86)	<u>\$ 1</u>
Fund Balance, beginning of year	<u>13,588</u>	<u>13,588</u>	<u>13,588</u>	
Fund Balance, end of year	<u>\$ 13,588</u>	<u>\$ 13,501</u>	<u>\$ 13,502</u>	

**CITY OF MARSHALL, MISSOURI
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Other	\$ 130,000	\$ 116,306	\$ 116,682	\$ 376
Total Taxes	<u>130,000</u>	<u>116,306</u>	<u>116,682</u>	<u>376</u>
Miscellaneous				
Interest	6,700	6,300	6,027	(273)
Total Miscellaneous	<u>6,700</u>	<u>6,300</u>	<u>6,027</u>	<u>(273)</u>
Total Revenues	<u>136,700</u>	<u>122,606</u>	<u>122,709</u>	<u>103</u>
EXPENDITURES				
Capital outlay	-	184,575	184,575	-
Total Expenditures	<u>-</u>	<u>184,575</u>	<u>184,575</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures	136,700	(61,969)	(61,866)	<u>\$ 103</u>
Fund Balance, beginning of year	<u>262,566</u>	<u>262,566</u>	<u>262,566</u>	
Fund Balance, end of year	<u>\$ 399,266</u>	<u>\$ 200,597</u>	<u>\$ 200,700</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, 2025**

	<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, 2025

	<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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous				
Interest	-	7,400	7,444	44
Total Miscellaneous	<u>-</u>	<u>7,400</u>	<u>7,444</u>	<u>44</u>
Total Revenues	<u>-</u>	<u>7,400</u>	<u>7,444</u>	<u>44</u>
EXPENDITURES				
Capital outlay	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures	(150,000)	7,400	7,444	<u>\$ 44</u>
Fund Balance, beginning of year	<u>209,768</u>	<u>209,768</u>	<u>209,768</u>	
Fund Balance, end of year	<u>\$ 59,768</u>	<u>\$ 217,168</u>	<u>\$ 217,212</u>	

**CITY OF MARSHALL, MISSOURI
PARK IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025**

	<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	-	-	-	
Fund Balance, end of year	\$ -	\$ -	\$ -	

**CITY OF MARSHALL, MISSOURI
SALTFORK PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025**

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

**CITY OF MARSHALL, MISSOURI
NID SEWER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Special Assessment	\$ -	\$ 8,116	\$ 8,115	\$ (1)
Total Taxes	<u>-</u>	<u>8,116</u>	<u>8,115</u>	<u>(1)</u>
Total Revenues	<u>-</u>	<u>8,116</u>	<u>8,115</u>	<u>(1)</u>
EXPENDITURES				
Debt service				
Interest and fees	-	5,000	4,975	25
Total Expenditures	<u>-</u>	<u>5,000</u>	<u>4,975</u>	<u>25</u>
Excess (Deficit) of Revenues over Expenditures	-	3,116	3,140	<u>\$ 24</u>
Fund Balance, beginning of year	<u>86,997</u>	<u>86,997</u>	<u>86,997</u>	
Fund Balance, end of year	<u>\$ 86,997</u>	<u>\$ 90,113</u>	<u>\$ 90,137</u>	

SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL SCHEDULES

General Fund
Airport Operating 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, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 1,242,500	\$ 1,068,652	\$ 1,067,659	\$ (993)
Railroad and utilities	45,000	32,719	32,719	-
Electric franchise	1,850,000	1,636,650	1,674,162	37,512
Water franchise	240,000	214,102	212,781	(1,321)
Gas franchise	275,000	234,316	234,050	(266)
Phone franchise	100,000	89,339	89,186	(153)
CATV franchise	15,000	9,277	9,277	-
Cigarette	38,000	35,126	35,126	-
Sales	2,600,000	2,680,024	2,822,059	142,035
Use	550,000	605,391	605,390	(1)
Total Taxes	<u>6,955,500</u>	<u>6,605,596</u>	<u>6,782,409</u>	<u>176,813</u>
Licenses and Permits				
Merchants license	70,000	60,869	60,784	(85)
Building and electric	40,000	25,180	24,928	(252)
Dog	750	530	500	(30)
Planning and zoning fees	1,000	800	745	(55)
Administrative fees	88,471	90,135	90,135	-
Total Licenses and Permits	<u>200,221</u>	<u>177,514</u>	<u>177,092</u>	<u>(422)</u>
Intergovernmental				
State and federal grants	50,000	134,125	133,320	(805)
Total Intergovernmental	<u>50,000</u>	<u>134,125</u>	<u>133,320</u>	<u>(805)</u>
Charges for Services				
Rural fire calls	5,400	13,691	13,690	(1)
Mowing	-	800	790	(10)
Total Charges for Services	<u>5,400</u>	<u>14,491</u>	<u>14,480</u>	<u>(11)</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, 2025**

	<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	51,000	55,604	55,804	200
Police training fund	-	826	886	60
CVC fund	-	194	193	(1)
DWI reimbursements	1,800	3,118	3,118	-
Total Fines and Penalties	<u>52,800</u>	<u>59,742</u>	<u>60,001</u>	<u>259</u>
Miscellaneous				
Interest	36,000	51,966	51,113	(853)
Miscellaneous	53,000	66,280	62,129	(4,151)
Donations	-	6,070	6,070	-
Farm income	8,255	8,255	8,255	-
Total Miscellaneous	<u>97,255</u>	<u>132,571</u>	<u>127,567</u>	<u>(5,004)</u>
Total Revenues	<u>7,361,176</u>	<u>7,124,039</u>	<u>7,294,869</u>	<u>170,830</u>
EXPENDITURES				
General and Administrative				
Personnel services	457,195	481,764	485,659	(3,895)
Other charges and services	543,500	405,475	400,385	5,090
Operating supplies	21,400	35,175	36,041	(866)
Repairs and maintenance	164,200	256,450	115,285	141,165
Total General and Administrative	<u>1,186,295</u>	<u>1,178,864</u>	<u>1,037,370</u>	<u>141,494</u>
Executive				
Personnel services	268,852	305,540	308,034	(2,494)
Other charges and services	11,000	5,940	5,493	447
Total Executive	<u>279,852</u>	<u>311,480</u>	<u>313,527</u>	<u>(2,047)</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, 2025**

	<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	1,791,379	1,788,270	1,802,787	(14,517)
Other charges and services	275,150	205,900	204,857	1,043
Operating supplies	42,250	35,750	35,525	225
Repairs and maintenance	86,000	33,350	30,791	2,559
Capital outlay	63,000	61,874	61,860	14
Total Fire	<u>2,257,779</u>	<u>2,125,144</u>	<u>2,135,820</u>	<u>(10,676)</u>
Police				
Personnel services	2,598,697	2,405,489	2,426,670	(21,181)
Other charges and services	283,900	272,300	270,822	1,478
Operating supplies	40,300	37,600	36,608	992
Repairs and maintenance	231,600	240,700	232,331	8,369
Capital outlay	65,569	263,519	263,164	355
Total Police	<u>3,220,066</u>	<u>3,219,608</u>	<u>3,229,595</u>	<u>(9,987)</u>
Court				
Personnel services	115,812	111,830	112,717	(887)
Other charges and services	33,150	17,492	16,536	956
Operating supplies	750	1,880	1,879	1
Repairs and maintenance	3,375	8,700	8,683	17
Total Court	<u>153,087</u>	<u>139,902</u>	<u>139,815</u>	<u>87</u>
Planning, Building and Economic Development				
Personnel services	179,768	144,144	145,323	(1,179)
Other charges and services	33,700	50,218	49,455	763
Operating supplies	500	335	324	11
Repairs and maintenance	16,400	14,873	14,871	2
Total Planning, Building and Economic Development	<u>230,368</u>	<u>209,570</u>	<u>209,973</u>	<u>(403)</u>
Total Expenditures	<u>7,327,447</u>	<u>7,184,568</u>	<u>7,066,100</u>	<u>118,468</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, 2025**

	<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	33,729	(60,529)	228,769	\$ 289,298
Fund Balance, beginning of year	2,327,089	2,327,089	2,327,089	
Fund Balance, end of year	\$ 2,360,818	\$ 2,266,560	\$ 2,555,858	

CITY OF MARSHALL, MISSOURI
AIRPORT OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	<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				
Charges for services				
Retail sales	\$ 73,000	\$ 102,601	\$ 102,599	\$ (2)
Hangar rental	20,000	16,865	16,888	23
Other rental	14,000	9,225	9,225	-
Farm income	19,000	27,420	27,420	-
Total Charges for services	<u>126,000</u>	<u>156,111</u>	<u>156,132</u>	<u>21</u>
Miscellaneous				
Intergovernmental grants	-	3,367,394	2,802,227	(565,167)
Miscellaneous	-	39,943	41,192	1,249
Total Miscellaneous	<u>-</u>	<u>3,407,337</u>	<u>2,843,419</u>	<u>(563,918)</u>
Total Revenues	<u>126,000</u>	<u>3,563,448</u>	<u>2,999,551</u>	<u>(563,897)</u>
EXPENDITURES				
Personnel services	27,310	27,080	27,308	(228)
Other charges and services	555,120	3,199,291	3,197,443	1,848
Operating supplies	70,050	67,400	78,432	(11,032)
Repairs and maintenance	5,050	15,346	14,736	610
Capital outlay	-	13,865	13,865	-
Total Expenditures	<u>657,530</u>	<u>3,322,982</u>	<u>3,331,784</u>	<u>(8,802)</u>
Excess (Deficit) of Revenues over Expenditures	(531,530)	240,466	(332,233)	<u>\$ (572,699)</u>
Fund Balance, beginning of year	<u>92,019</u>	<u>92,019</u>	<u>92,019</u>	
Fund Balance, end of year	<u>\$ (439,511)</u>	<u>\$ 332,485</u>	<u>\$ (240,214)</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, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated February 22, 2026.

PARTNERS

Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Benjamin E. Carrier
Kaitlin M. 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 2025-001, 2025-002 and 2025-003.

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 questioned costs. 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.



February 22, 2026

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Marshall, Missouri's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

PARTNERS

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

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-004 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



February 22, 2026

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

CITY OF MARSHALL, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2025

<u>Grantor Agency</u>	<u>Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Justice					
Passed through Missouri Department of Public Safety	Local Law Enforcement Block Grant	16.738	--	-	\$ 9,360
Total U.S. Department of Justice					<u>9,360</u>
U.S. Department of Transportation					
Passed through Missouri Highway and Transportation Department	Airport Improvement Program	20.106	AIRE-21-018B-2	-	\$ 32,000
	Airport Improvement Program	20.106	AIRE-23-018B-1	-	<u>2,770,227</u>
	Subtotal Airport Improvement Program				2,802,227
	Transportation Alternatives Program	20.205	TAP-3400(453)	-	2,827
	Mobile Printer & MDT Program	20.616	25-M3DA-04-006	-	20,152
	In-House Impaired Driving	20.607	25-MSTR-03-007	-	<u>1,825</u>
	Subtotal Missouri Highway & Transportation Department				<u>2,827,031</u>
Passed through Missouri Department of Public Safety	HMV Enforcement	20.600	24-PT-02-049	-	12,878
		20.607	25-ENF-03-048	-	10,176
	Click It or Ticket	20.616	25-M2HVE-05-032	-	<u>371</u>
	Subtotal Traffic Safety				<u>10,547</u>
Total U.S. Department of Transportation					<u>2,850,456</u>
U.S. Department of Treasury					
Passed through Missouri Department of Public Safety	Peace Officers Grant	21.027	--	-	17,880
Total U.S. Department of Treasury					<u>17,880</u>
U.S. General Services Administration					
Passed through the State Agency for Surplus Property	Donation of Federal Surplus Property	39.003	--	-	3,148
Total U.S. General Services Administration					<u>3,148</u>
U.S. National Endowment for the Humanities					
Passed through the Missouri State Library	Summer Reading Program	45.310	--	-	3,597
Total U.S. National Endowment for the Humanities					<u>3,597</u>
U.S. Department of Homeland Security					
Passed through Missouri Department of Public Safety	Counter terrorism officer equipment grant	97.067	--	-	2,822
	Law enforcement terrorism prevention act	97.067	--	-	<u>32,376</u>
	Subtotal State Homeland Security Program				<u>35,198</u>
Total U.S. Department of Homeland Security					<u>35,198</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u><u>\$ 2,919,639</u></u>

CITY OF MARSHALL, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2025

Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The Schedule includes all federal awards administered by City of Marshall, Missouri, Missouri.

OMB Compliance Supplement includes these definitions, which govern the contents of the Schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food, commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under-grants or contracts, used to buy goods or services from vendors.

Accordingly, the Schedule includes expenditures of both cash and noncash awards.

B. Basis of Accounting

Expenditures reported on the Schedule are reported on the generally accepted accounting principles, which is described in Note 1 to the City's basic financial statements.

CITY OF MARSHALL, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
SEPTEMBER 30, 2025

Summary of Significant Accounting Policies (Cont'd)

- C. The City has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.
- D. Subrecipients - The City provided no federal awards to subrecipients during the year ended September 30, 2025.

CITY OF MARSHALL, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 AND SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS
 SEPTEMBER 30, 2025

Section I: Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: unmodified on the modified cash basis of accounting

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported

Type of auditors' reports issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

CITY OF MARSHALL, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND
SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS (CONT'D)
SEPTEMBER 30, 2025

Dollar threshold used to distinguish between type A and type B programs: \$1,000,000

Auditee qualified as low-risk auditee? Yes X No

Section II: Financial Statement Findings

2025-001 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 Airport (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 Airport Funds budgets and noted a deficit fund balance was budgeted.

Effect: Expenditures were made from the Saltfork Project, Community Center, HAB Center, and Airport 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 Airport 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 QUESTIONED COSTS AND
SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS (CONT'D)
SEPTEMBER 30, 2025

2025-002	Net Fund Deficit
Criteria:	No funds should have a negative ending fund balance.
Condition:	The Saltfork Project, Community Center, Airport Operating, and HAB Center Funds have negative ending fund balances of \$226,148, \$12,211, \$240,214, and \$993,286, respectively.
Context:	During our audit, we reviewed the Saltfork Project, Community Center, Airport Operating, and HAB Center Funds and noted negative fund balances existed for the Saltfork Project, Community Center, Airport Operating, and HAB Center Funds.
Effect:	A negative fund balance exists in the Saltfork Project, Community Center, Airport Operating, 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 QUESTIONED COSTS AND
SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS (CONT'D)
SEPTEMBER 30, 2025

2025-003	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 Tourism Tax and Airport Operating Funds exceeded final budgeted expenditures by \$113 and \$8,802, respectively.
Context:	The final budgeted expenditures were compared to actual expenditures. Actual expenditures exceeded budgeted expenditures in the Tourism Tax and Airport Operating Funds by \$113 and \$8,802, respectively.
Effect:	The City violated state statute RSMo 67.
Cause:	The City budgeted too few expenditures in Tourism Tax and Airport Operating Funds.
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.

CITY OF MARSHALL, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND
SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS (CONT'D)
SEPTEMBER 30, 2025

Section III: Federal Award Findings and Questioned Costs

2025-004 Uniform Guidance Audit Submission

CFDA Number and Name: Not applicable

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, §.512, requires the City to submit its single audit reporting package to the federal audit clearinghouse no later than 9 months after fiscal year-end.

Condition and Context: The federal reporting deadline for the City's single audit reporting package was June 30, 2025; however, the City did not submit the audit reporting package within that time frame.

Effect: The late submission affects all federal programs the City administered; however, this finding does not result in noncompliance for the individual federal programs, as this was not caused by the programs' administration. Cognizant and oversight agencies could not review the audit in a timely fashion.

Cause: The City's audit report was delayed due to a component unit's audit report.

Repeat Finding: No

Questioned Costs: Unknown

Prevalence: Isolated instance

Recommendation: The City should submit its single audit reporting package to the federal audit clearinghouse no later than 9 months after fiscal year-end.

View of Responsible
Officials & Planned
Corrective Action: The City will ensure their single audit submission will be submitted within the nine month deadline in the future.

CITY OF MARSHALL

660-886-2226 MARSHALL-MO.COM 214 N. LAFAYETTE AVENUE, MARSHALL, MO 65340
CORRECTIVE ACTION PLAN

February 22, 2026

City of Marshall, Missouri respectfully submits the following Corrective Action Plan for the year ended September 30, 2025.

Contact information for the individual responsible for the corrective action:

Aimee Klinge, Finance Officer
City of Marshall, Missouri

Independent Public Accounting Firm: Gerding, Korte & Chitwood, P.C., 723 Main Street,
Boonville, MO 65233

Audit Period: Year ended September 30, 2025

The findings from the September 30, 2025, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Significant Deficiency

2025-001 *Budgeting*

Recommendation: The City prepare their annual budgets for each fund taking into consideration the beginning of the year bank balances

Action Taken: The City will make every effort to ensure that budgeted expenditures do not exceed budgeted revenue plus estimated cash balances in future years.

Completion Date: September 30, 2026

Sincerely,



Aimee Klinge, Finance Officer
City of Marshall, Missouri

CITY OF MARSHALL

660-886-2226 MARSHALL-MO.COM 214 N. LAFAYETTE AVENUE, MARSHALL, MO 65340

CORRECTIVE ACTION PLAN

February 22, 2026

City of Marshall, Missouri respectfully submits the following Corrective Action Plan for the year ended September 30, 2025.

Contact information for the individual responsible for the corrective action:

Aimee Klinge, Finance Officer
City of Marshall, Missouri

Independent Public Accounting Firm: Gerding, Korte & Chitwood, P.C., 723 Main Street,
Boonville, MO 65233

Audit Period: Year ended September 30, 2025

The findings from the September 30, 2025, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Significant Deficiency

2025-002 Net Fund Deficit

Recommendation: The City ensure a deficit fund balance or deficit net position does not exist.

Action Taken: The City will make every effort to ensure a deficit fund balance does not exist in any fund in future years.

Completion Date: September 30, 2026

Sincerely,



Aimee Klinge, Finance Officer
City of Marshall, Missouri

CITY OF MARSHALL

660-886-2226 MARSHALL-MO.COM 214 N. LAFAYETTE AVENUE, MARSHALL, MO 65340
CORRECTIVE ACTION PLAN

February 22, 2026

City of Marshall, Missouri respectfully submits the following Corrective Action Plan for the year ended September 30, 2025.

Contact information for the individual responsible for the corrective action:

Aimee Klinge, Finance Officer
City of Marshall, Missouri

Independent Public Accounting Firm: Gerding, Korte & Chitwood, P.C., 723 Main Street,
Boonville, MO 65233

Audit Period: Year ended September 30, 2025

The findings from the September 30, 2025, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Significant Deficiency

2025-003 Budgeting

Recommendation: The City should ensure actual expenditures do not exceed budgeted expenditures in any funds.

Action Taken: The City will make every effort to ensure actual expenditures do not exceed budgeted expenditures in any funds.

Completion Date: September 30, 2026

Sincerely,



Aimee Klinge, Finance Officer
City of Marshall, Missouri

— CITY OF —
MARSHALL
CORRECTIVE ACTION PLAN

660-886-2226 MARSHALL-MO.COM 214 N. LAFAYETTE AVENUE, MARSHALL, MO 65340

February 22, 2026

U.S. Department of Education

City of Marshall, Missouri respectfully submits the following Corrective Action Plan for the year ended September 30, 2025.

Contact information for the individual responsible for the corrective action:

Aimee Klinge, Finance Officer
City of Marshall, Missouri

Independent Public Accounting Firm: Gerding, Korte & Chitwood, P.C., 723 Main Street,
Boonville, MO 65233

Audit Period: Year ended September 30, 2025

The findings from the September 30, 2025, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Significant Deficiency

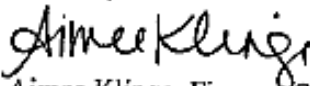
2025-004 Uniform Guidance Audit Submission

Recommendation: The City should submit its single audit reporting package to the federal audit clearinghouse no later than 9 months after fiscal year-end.

Action Taken: The City will ensure their single audit submission will be submitted within the nine month deadline in the future.

Completion Date: September 30, 2026

Sincerely,


Aimee Klinge, Finance Officer
City of Marshall, Missouri

CITY OF MARSHALL, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2025

2024-001	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), Airport (final), ARPA (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, Airport, ARPA, 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, Airport, ARPA, 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, Airport, ARPA, 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.
Status:	Unresolved in current year. See 2025-001.

CITY OF MARSHALL, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS (CONT'D)
SEPTEMBER 30, 2025

2024-002 Net Fund Deficit

Criteria: No funds should have a negative ending fund balance.

Condition: The Saltfork Project, Community Center and HAB Center Funds have negative ending fund balances of \$226,148, \$33,384, and \$721,353, respectively.

Context: During our audit, we reviewed the Saltfork Project, Community Center and HAB Center Funds and noted negative fund balances existed for the Saltfork Project, Community Center, and HAB Center Funds.

Effect: A negative fund balance exists in the Saltfork Project, Community Center 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.

Status: Unresolved in current year. See 2025-002.

CITY OF MARSHALL, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS (CONT'D)
SEPTEMBER 30, 2025

2024-003	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 Tourism Tax and Library Funds exceeded final budgeted expenditures by \$1,864 and \$12,348, respectively.
Context:	The final budgeted expenditures were compared to actual expenditures. Actual expenditures exceeded budgeted expenditures in the Tourism Tax and Library Funds by \$1,864 and \$12,348, respectively.
Effect:	The City violated state statute RSMo 67.
Cause:	The City budgeted too few expenditures in Tourism Tax and Library Funds.
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.
Status:	Unresolved in current year. See 2025-003.