

REPORT OF
CITY OF MARSHALL, MISSOURI
YEAR ENDED SEPTEMBER 30, 2020

CITY OF MARSHALL, MISSOURI

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GERDING, KORTE & CHITWOOD CPAS

Professional Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshall, Missouri (the "City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

PARTNERS

Fred W. Korte, Jr.
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson

Management's Responsibility for the Financial Statements

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

PARTNER EMERITUS

Robert A. Gerding

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of contributions, notes to schedule of contributions, and schedule of changes in net pension liability and related ratios on pages 4 through 11 and 68 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and detailed general fund financial schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and detailed general fund financial schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



December 23, 2020

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

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2020
(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, 2020. 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 \$106,313,352 (net position). Of this amount, \$46,123,931 (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 \$1,357,130. Capital grants and contributions from developers amounted to \$237,698.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,590,428. Over 18.64% of this total amount or \$1,042,286 is unassigned and available for use within the City's designation and policies.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,306,284 or 23.32% of the total general fund expenditures.
- The City's special assessment debt decreased \$12,000 due to scheduled payments.
- The City's capital lease debt increased \$764,210 due to new leases.

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, 2020
(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, 2020
(UNAUDITED)**

The City maintains 19 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, which is considered to be a major fund. Data from the other 18 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 16-20.

Proprietary Funds - The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater and sanitation operations.

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

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

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

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 72-104 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 \$106,313,352 as of September 30, 2020.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2020
(UNAUDITED)**

The largest portion of the City's net position (55.82%) 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, 2020, with comparative figures for September 30, 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 6,216,531	\$ 5,421,165	\$ 18,092,994	\$ 16,479,887	\$ 24,309,525	\$ 21,901,052
Restricted assets	-	-	22,165,022	21,581,184	22,165,022	21,581,184
Other assets	952,946	1,793,417	-	1,381,682	952,946	3,175,099
Capital assets	21,306,594	20,710,184	42,522,677	43,188,256	63,829,271	63,898,440
Total Assets	<u>28,476,071</u>	<u>27,924,766</u>	<u>82,780,693</u>	<u>82,631,009</u>	<u>111,256,764</u>	<u>110,555,775</u>
Deferred outflows	<u>786,034</u>	<u>410,398</u>	<u>1,344,666</u>	<u>802,603</u>	<u>2,130,700</u>	<u>1,213,001</u>
Current liabilities	526,610	455,733	4,380,533	3,804,440	4,907,143	4,260,173
Long-term liabilities	884,292	179,251	520,651	-	1,404,943	179,251
Total Liabilities	<u>1,410,902</u>	<u>634,984</u>	<u>4,901,184</u>	<u>3,804,440</u>	<u>6,312,086</u>	<u>4,439,424</u>
Deferred inflows	<u>730,537</u>	<u>1,252,041</u>	<u>31,489</u>	<u>1,121,089</u>	<u>762,026</u>	<u>2,373,130</u>
Net position						
Net investment in capital asset:	20,406,384	20,562,184	38,935,467	38,980,746	59,341,851	59,542,930
Restricted	847,570	1,007,390	-	1,381,682	847,570	2,389,072
Unrestricted	5,866,712	4,878,565	40,257,219	38,145,655	46,123,931	43,024,220
Total Net Position	<u>\$ 27,120,666</u>	<u>\$ 26,448,139</u>	<u>\$ 79,192,686</u>	<u>\$ 78,508,083</u>	<u>\$ 106,313,352</u>	<u>\$ 104,956,222</u>

As of September 30, 2020 and September 30, 2019 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 \$1,357,130.

Governmental Activities: Governmental activities increased the net position by \$672,527.

Business-Type Activities: Net Position from business-type activities increased by \$ 684,603 or .88% from \$78,508,083 to \$79,192,686. 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, 2020
(UNAUDITED)**

Changes in Net Position

The following table provides a summary of the City's operations for the year ended September 30, 2020, with comparative figures for the year ended September 30, 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Fees, fines and charges for services	\$ 637,669	\$ 829,775	\$ 30,169,189	\$ 30,958,002	\$ 30,806,858	\$ 31,787,777
Operating grants and contributions	182,463	58,506	-	-	182,463	58,506
Capital grants and contributions	215,540	-	22,158	39,471	237,698	39,471
General Revenues:						
Property taxes	1,773,251	1,764,569	-	-	1,773,251	1,764,569
Franchise taxes	2,227,455	2,342,182	-	-	2,227,455	2,342,182
Sales and use taxes	3,966,338	3,684,825	-	-	3,966,338	3,684,825
Motor vehicle and fuel taxes	514,565	529,053	-	-	514,565	529,053
Other taxes	307,147	265,156	-	-	307,147	265,156
Interest investment earnings	91,631	117,684	434,719	799,247	526,350	916,931
Other	171,043	253,959	-	-	171,043	253,959
Gain/(loss) on disposition of property	160,529	14,791	(10,298)	27,464	150,231	42,255
Total Revenues	<u>10,247,631</u>	<u>9,860,500</u>	<u>30,615,768</u>	<u>31,824,184</u>	<u>40,863,399</u>	<u>41,684,684</u>
Expenses:						
General government	1,040,052	1,021,914	-	-	1,040,052	1,021,914
Public safety	4,435,654	4,377,324	-	-	4,435,654	4,377,324
Transportation	2,083,630	2,440,524	-	-	2,083,630	2,440,524
Parks and recreation	1,722,354	1,894,349	-	-	1,722,354	1,894,349
Community/economic development	295,927	244,232	-	-	295,927	244,232
Debt service	2,487	3,074	-	-	2,487	3,074
Electric	-	-	21,192,025	20,853,865	21,192,025	20,853,865
Water	-	-	3,631,058	3,602,841	3,631,058	3,602,841
Wastewater	-	-	2,587,514	2,460,252	2,587,514	2,460,252
Sanitation	-	-	1,589,353	1,390,230	1,589,353	1,390,230
Total Expenses	<u>9,580,104</u>	<u>9,981,417</u>	<u>28,999,950</u>	<u>28,307,188</u>	<u>38,580,054</u>	<u>38,288,605</u>
Transfers	5,000	(109,016)	(5,000)	109,016	-	-
Other	-	-	(926,215)	-	(926,215)	-
Increase (decrease) in net position	<u>672,527</u>	<u>(229,933)</u>	<u>684,603</u>	<u>3,626,012</u>	<u>1,357,130</u>	<u>3,396,079</u>
Net Position - Beginning of Year	26,448,139	26,726,807	78,508,083	74,882,071	104,956,222	101,608,878
Prior period adjustment	-	(48,735)	-	-	-	(48,735)
Net Position - Beginning of Year, Restated	<u>26,448,139</u>	<u>26,678,072</u>	<u>78,508,083</u>	<u>74,882,071</u>	<u>104,956,222</u>	<u>101,560,143</u>
Net Position - End of Year	<u>\$ 27,120,666</u>	<u>\$ 26,448,139</u>	<u>\$ 79,192,686</u>	<u>\$ 78,508,083</u>	<u>\$ 106,313,352</u>	<u>\$ 104,956,222</u>

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 \$5,590,428. Approximately 18.64% of this total amount \$1,042,286 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, 2020
(UNAUDITED)**

In the general fund, the City budgeted for a increase in the fund balance of \$26,247, which was primarily resulting from more revenue. Due to actual expenditures being less than budgeted, the actual fund balance increase for fiscal year 2020 was \$158,136. Debt service fund balance increased in 2020 by \$5,920.

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

Unrestricted net position of the respective proprietary funds are electric - \$31,574,413, water - \$2,787,832, wastewater - \$3,365,219, sanitation - \$2,529,759. All funds except electric had a net position increase in 2020.

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 \$8,311.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$63,829,271 (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, 2020, with comparative figures for September 30, 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Property, plant and equipment:						
Land	\$ 1,990,135	\$ 1,990,135	\$ 2,037,722	\$ 2,037,722	\$ 4,027,857	\$ 4,027,857
Structures, improvements and plant equipment	3,223,859	3,426,364	16,478,847	17,271,504	19,702,706	20,697,868
Improvements	6,356,487	6,560,876	-	-	6,356,487	6,560,876
Distribution system	-	-	20,751,364	19,373,664	20,751,364	19,373,664
Street lighting and hydrants	-	-	753,294	707,773	753,294	707,773
Office structures and improvement and furniture and fixtures	-	-	113,004	17,769	113,004	17,769
Machinery and equipment	1,514,847	998,678	1,401,032	1,420,328	2,915,879	2,419,006
Construction in progress	649,553	-	987,414	2,359,496	1,636,967	2,359,496
Infrastructure	7,571,713	7,734,131	-	-	7,571,713	7,734,131
Net Capital Assets	<u>\$ 21,306,594</u>	<u>\$ 20,710,184</u>	<u>\$ 42,522,677</u>	<u>\$ 43,188,256</u>	<u>\$ 63,829,271</u>	<u>\$ 63,898,440</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, 2020
(UNAUDITED)**

Debt Administration

At the end of the current fiscal year, the City of Marshall had a total bonded debt, special assessment debt and capital lease payable of \$900,210. Of this amount, \$136,000 comprises bonded debt backed by the full faith and credit of the government; and \$764,210 represents capital lease obligations that are expected to be paid so long as the City appropriates funds for payment.

**Outstanding Debt at Year End
Revenue Bonds, Special Assessment Debt and Capital Lease**

The following table provides a summary of the City’s outstanding debt at September 30, 2020, with comparative figures for September 30, 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Special assessment debt	\$ 136,000	\$ 148,000	\$ -	\$ -	\$ 136,000	\$ 148,000
Capital leases	764,210	-	-	-	764,210	-
Total	\$ 900,210	\$ 148,000	\$ -	\$ -	\$ 900,210	\$ 148,000

During the fiscal year, the City’s total debt decreased by \$12,000. The decrease was due to scheduled payments of bonds and leases. Additional information on the City’s long-term debt can be found in footnote III-I on pages 51-55 of this report.

Economic Outlook

The FY21 budget continues to remain strong. It is a budget that presents a combination of conservative revenue projections mandated by a sales tax that we saw a slight increase in in FY20. We believe the increase could be a result of the Covid-19 pandemic. The pandemic caused people to have to stay home and shop local instead of going out of town for their shopping needs. On the other hand, it is a budget that works to maintain a healthy general fund balance. The FY21 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 perform a runway maintenance project at the Airport, install a new fuel system for all city departments, replace body cameras at the police department and purchase a couple of other small pieces of equipment.

**CITY OF MARSHALL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2020
(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 2021 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: Melissa Schure, Finance Director, at 214 N. Lafayette, Marshall, Missouri 65340, or call (660) 886-2226.

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash, including time deposits	\$ 3,786,364	\$ 12,006,661	\$ 15,793,025
Investments	189,950	-	189,950
Interest receivable	1,423	7,224	8,647
Accounts receivable (net)	549,981	3,184,338	3,734,319
Taxes receivable - net of allowance for uncollectible - \$16,089	56,176	-	56,176
Due from other governmental agencies	1,302,646	-	1,302,646
Franchise taxes receivable	560,412	-	560,412
Internal account	(588,327)	588,327	-
Inventory	46,457	1,804,890	1,851,347
Prepaid expenses	311,449	501,554	813,003
Total Current Assets	<u>6,216,531</u>	<u>18,092,994</u>	<u>24,309,525</u>
Noncurrent Assets:			
Restricted assets:			
Cash, including time deposits	-	3,432,959	3,432,959
Investment securities	-	18,732,063	18,732,063
Total Restricted Assets	<u>-</u>	<u>22,165,022</u>	<u>22,165,022</u>
Net pension asset	<u>952,946</u>	<u>-</u>	<u>952,946</u>
Capital Assets:			
Capital assets not being depreciated:			
Land	1,990,135	2,037,722	4,027,857
Construction in progress	649,553	987,414	1,636,967
Total capital assets not being depreciated	<u>2,639,688</u>	<u>3,025,136</u>	<u>5,664,824</u>
Capital assets being depreciated:			
Structures, improvements and plant equipment	17,600,529	55,927,176	73,527,705
Distribution system	-	44,922,853	44,922,853
Office structure, improvements furniture and fixtures	-	512,366	512,366
Equipment	6,028,316	6,686,247	12,714,563
Infrastructure	31,590,739	-	31,590,739
Accumulated depreciation	(36,552,678)	(68,551,101)	(105,103,779)
Net capital assets being depreciated	<u>18,666,906</u>	<u>39,497,541</u>	<u>58,164,447</u>
Total Capital Assets, net of accumulated depreciation	<u>21,306,594</u>	<u>42,522,677</u>	<u>63,829,271</u>
Total Noncurrent Assets	<u>22,259,540</u>	<u>64,687,699</u>	<u>86,947,239</u>
Total Assets	<u>28,476,071</u>	<u>82,780,693</u>	<u>111,256,764</u>
Deferred Outflows:			
Deferred outflows related to pension	786,034	1,344,666	2,130,700
Total Deferred Outflows	<u>786,034</u>	<u>1,344,666</u>	<u>2,130,700</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONT'D)
SEPTEMBER 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	29,277	2,470,432	2,499,709
Accrued expenses	437,417	1,323,425	1,760,842
Debt due within one year	59,916	-	59,916
Payable from segregated funds			
Customer's deposits	-	586,676	586,676
Total Current Liabilities	<u>526,610</u>	<u>4,380,533</u>	<u>4,907,143</u>
Noncurrent Liabilities:			
Special assessment debt	123,000	-	123,000
Capital lease payable	717,294	-	717,294
Accrued compensated absences	43,998	-	43,998
Net pension liability	-	520,651	520,651
Total Noncurrent Liabilities	<u>884,292</u>	<u>520,651</u>	<u>1,404,943</u>
Total Liabilities	<u>1,410,902</u>	<u>4,901,184</u>	<u>6,312,086</u>
DEFERRED INFLOWS			
Deferred inflows related to pension	730,537	31,489	762,026
Total Deferred Inflows	<u>730,537</u>	<u>31,489</u>	<u>762,026</u>
NET POSITION			
Net investment in capital assets	20,406,384	38,935,467	59,341,851
Restricted, but expendable for:			
Debt service	61,536	-	61,536
Pension	786,034	-	786,034
Unrestricted	5,866,712	40,257,219	46,123,931
Total Net Position	<u>\$ 27,120,666</u>	<u>\$ 79,192,686</u>	<u>\$ 106,313,352</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

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	\$ 825,363	\$ 80,461	\$ 48,827	\$ -	\$ (696,075)	\$ -	\$ (696,075)
Executive	214,689	-	-	-	(214,689)	-	(214,689)
Total General Government	1,040,052	80,461	48,827	-	(910,764)	-	(910,764)
Public Safety:							
Police	2,428,817	58,351	54,982	-	(2,315,484)	-	(2,315,484)
Fire	1,908,708	4,974	38,547	-	(1,865,187)	-	(1,865,187)
Court	98,129	-	-	-	(98,129)	-	(98,129)
Total Public Safety	4,435,654	63,325	93,529	-	(4,278,800)	-	(4,278,800)
Transportation:							
Airport	352,450	132,762	1,860	211,089	(6,739)	-	(6,739)
Streets	1,731,180	3,416	16,246	588	(1,710,930)	-	(1,710,930)
Total Transportation	2,083,630	136,178	18,106	211,677	(1,717,669)	-	(1,717,669)
Cultural, Parks and Recreation:							
Library	259,143	2,018	8,339	3,863	(244,923)	-	(244,923)
Parks	1,346,779	289,601	13,662	-	(1,043,516)	-	(1,043,516)
Band	51,035	-	-	-	(51,035)	-	(51,035)
Community center	65,397	66,086	-	-	689	-	689
Total Cultural, Parks and Recreation	1,722,354	357,705	22,001	3,863	(1,338,785)	-	(1,338,785)
Community/Economic Development:							
Planning, building and economic	213,619	-	-	-	(213,619)	-	(213,619)
Tourism	82,308	-	-	-	(82,308)	-	(82,308)
Total Community/Economic Development	295,927	-	-	-	(295,927)	-	(295,927)
Debt Service:							
Interest	2,487	-	-	-	(2,487)	-	(2,487)
Total Debt Service	2,487	-	-	-	(2,487)	-	(2,487)
Total Governmental Activities	9,580,104	637,669	182,463	215,540	(8,544,432)	-	(8,544,432)
Business-type Activities:							
Electric	21,192,025	21,293,605	-	14,210	-	115,790	115,790
Water	3,631,058	4,271,889	-	5,448	-	646,279	646,279
Wastewater	2,587,514	2,905,825	-	2,500	-	320,811	320,811
Sanitation	1,589,353	1,697,870	-	-	-	108,517	108,517
Total Business-type Activities	28,999,950	30,169,189	-	22,158	-	1,191,397	1,191,397
Total	\$ 38,580,054	\$ 30,806,858	\$ 182,463	\$ 237,698	\$ (8,544,432)	\$ 1,191,397	\$ (7,353,035)

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONT'D)
YEAR ENDED SEPTEMBER 30, 2020

	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	1,764,844	-	1,764,844
Property taxes, levied for debt service	8,407	-	8,407
Franchise taxes	2,227,455	-	2,227,455
Sales and use taxes	3,966,338	-	3,966,338
Motor vehicle and fuel taxes	514,565	-	514,565
Cigarette taxes	45,956	-	45,956
Tourism taxes	74,868	-	74,868
Economic development taxes	153,734	-	153,734
Other taxes	32,589	-	32,589
Unrestricted investment earnings	91,631	434,719	526,350
Miscellaneous	171,043	-	171,043
Gain (loss) on disposition of property	160,529	(10,298)	150,231
Total general revenues	<u>9,211,959</u>	<u>424,421</u>	<u>9,636,380</u>
Change in net position before other item and eliminating interfund transfers	667,527	1,615,818	2,283,345
Other Item:			
Decommissioning Costs (Electric)	-	(926,215)	(926,215)
Total other item	<u>-</u>	<u>(926,215)</u>	<u>(926,215)</u>
Eliminate interfund transfers	5,000	(5,000)	-
Change in net position	672,527	684,603	1,357,130
Net position - beginning of year	<u>26,448,139</u>	<u>78,508,083</u>	<u>104,956,222</u>
Net position - end of year	<u>\$ 27,120,666</u>	<u>\$ 79,192,686</u>	<u>\$ 106,313,352</u>

CITY OF MARSHALL, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

ASSETS	General Fund	Other Governmental Funds	Total
Cash and cash equivalents	\$ 532,076	\$ 3,254,288	\$ 3,786,364
Investments	-	53,950	53,950
Taxes receivable - net of allowance for uncollectible - \$16,089	18,981	37,195	56,176
Franchise taxes receivable	560,412	-	560,412
Accrued interest receivable	1,423	-	1,423
Accounts receivable	383,935	166,046	549,981
Due from other governmental agencies	617,511	685,135	1,302,646
Due from other funds	226,148	180,205	406,353
Inventory	-	46,457	46,457
Prepaid expenses	167,873	143,576	311,449
Total Assets	<u>\$ 2,508,359</u>	<u>\$ 4,566,852</u>	<u>\$ 7,075,211</u>
LIABILITIES			
Accounts payable	\$ 15,479	\$ 13,798	\$ 29,277
Accrued expenses	312,857	124,560	437,417
Due to other funds	692,647	302,033	994,680
Total Liabilities	<u>1,020,983</u>	<u>440,391</u>	<u>1,461,374</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	<u>13,219</u>	<u>10,190</u>	<u>23,409</u>
FUND EQUITY			
Nonspendable			
Inventory	-	46,457	46,457
Prepaid expenses	167,873	143,576	311,449
Assigned for special revenue purposes	-	4,128,700	4,128,700
Assigned for debt service purposes	-	61,536	61,536
Unassigned (deficit)	1,306,284	(263,998)	1,042,286
Total Fund Equity	<u>1,474,157</u>	<u>4,116,271</u>	<u>5,590,428</u>
Total Liabilities, Deferred Inflows of Resources and Fund Equity	<u>\$ 2,508,359</u>	<u>\$ 4,566,852</u>	<u>\$ 7,075,211</u>

See Notes to Financial Statements

**CITY OF MARSHALL, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total fund balance - total governmental funds	\$	5,590,428
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 \$36,552,678		21,306,594
The net pension asset and deferred outflows related to pension are not available resources and, therefore, are not reported in the funds.		1,738,980
The net pension liability and deferred inflows related to pension are not payable from available resources and, therefore, are not reported in the funds.		(730,537)
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.		23,409
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued compensated absences		(43,998)
Debt due in less than one year		(46,916)
Debt due in more than one year		(717,294)
		(767,208)
Net position of governmental activities	\$	27,120,666

CITY OF MARSHALL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Other Governmental Funds	Total
REVENUES			
Taxes	\$ 5,274,001	\$ 3,532,660	\$ 8,806,661
Licenses and permits	77,685	-	77,685
Intergovernmental	163,835	234,168	398,003
Charges for services	7,750	493,883	501,633
Fines and penalties	58,351	-	58,351
Miscellaneous	175,852	248,051	423,903
Total Revenues	<u>5,757,474</u>	<u>4,508,762</u>	<u>10,266,236</u>
EXPENDITURES			
General and administrative	743,885	-	743,885
Executive	204,887	-	204,887
Fire	1,890,799	-	1,890,799
Police	2,453,376	-	2,453,376
Court	98,215	-	98,215
Planning, building and economic development	210,447	-	210,447
Street	-	1,253,207	1,253,207
Band	-	47,874	47,874
Park	-	1,160,051	1,160,051
Tourism	-	82,308	82,308
Community center	-	65,397	65,397
Airport operating	-	401,950	401,950
Library	-	251,111	251,111
Capital outlay	-	602,932	602,932
Debt service			
Interest and fees	-	2,487	2,487
Total Expenditures	<u>5,601,609</u>	<u>3,867,317</u>	<u>9,468,926</u>
Excess (Deficit) of Revenues over Expenditures	155,865	641,445	797,310
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	<u>2,271</u>	<u>2,729</u>	<u>5,000</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	158,136	644,174	802,310
Fund Balance, beginning of year	<u>1,316,021</u>	<u>3,472,097</u>	<u>4,788,118</u>
Fund Balance, end of year	<u>\$ 1,474,157</u>	<u>\$ 4,116,271</u>	<u>\$ 5,590,428</u>

See Notes to Financial Statements

**CITY OF MARSHALL, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Net change in fund balances - total governmental funds \$ 802,310

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

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

Capital asset purchases capitalized	2,139,378
Capital asset dispositions	(700)
Depreciation expense	(1,542,268)
	596,410

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

Capital lease proceeds received	(764,210)
Capital lease obligation principal payments	-
	(764,210)

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

Unavailable revenues - property taxes	(17,905)
	(17,905)

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	(747)
Net pension expenses	56,669
	55,922

Change in Net Position of Governmental Activities	\$ 672,527
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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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,238,562	\$ 5,444,062	\$ 5,274,001	\$ (170,061)
Licenses and permits	94,000	94,700	77,685	(17,015)
Intergovernmental	15,000	15,000	163,835	148,835
Charges for services	13,500	14,000	7,750	(6,250)
Fines and penalties	105,000	85,000	58,351	(26,649)
Miscellaneous	167,695	210,415	175,852	(34,563)
Total Revenues	<u>5,633,757</u>	<u>5,863,177</u>	<u>5,757,474</u>	<u>(105,703)</u>
EXPENDITURES				
General and administrative	876,210	880,429	743,885	136,544
Executive	214,427	212,860	204,887	7,973
Fire	1,941,778	1,926,125	1,890,799	35,326
Police	2,479,439	2,495,288	2,453,376	41,912
Court	101,967	103,971	98,215	5,756
Planning, building and economic development	233,691	220,528	210,447	10,081
Total Expenditures	<u>5,847,512</u>	<u>5,839,201</u>	<u>5,601,609</u>	<u>237,592</u>
Excess (Deficit) of Revenues over Expenditures	<u>(213,755)</u>	<u>23,976</u>	<u>155,865</u>	<u>131,889</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	100,000	2,271	2,271	-
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>2,271</u>	<u>2,271</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(113,755)</u>	<u>26,247</u>	<u>158,136</u>	<u>\$ 131,889</u>
Fund Balance, beginning of year	<u>1,316,021</u>	<u>1,316,021</u>	<u>1,316,021</u>	
Fund Balance, end of year	<u>\$ 1,202,266</u>	<u>\$ 1,342,268</u>	<u>\$ 1,474,157</u>	

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
ASSETS					
Operating Funds					
Cash and cash equivalents	\$ 8,600,907	\$ 893,777	\$ 696,852	\$ 1,815,125	\$ 12,006,661
Accounts receivable					
Consumers	2,081,642	441,331	321,707	135,929	2,980,609
Other	130,087	22,463	45,991	5,188	203,729
Accrued interest	7,014	-	210	-	7,224
Due from other funds	-	-	-	588,327	588,327
Inventories:					
Fuel	507,176	-	-	-	507,176
Operating and maintenance supplies, at average cost	1,088,506	190,166	19,042	-	1,297,714
Current portion of interfund note receivable	654,955	-	-	-	654,955
Prepaid expenses	324,824	91,730	46,457	38,543	501,554
	<u>13,395,111</u>	<u>1,639,467</u>	<u>1,130,259</u>	<u>2,583,112</u>	<u>18,747,949</u>
SEGREGATED FUNDS					
Cash and cash equivalents	921,235	1,368,260	1,143,464	-	3,432,959
U.S. Gov't Securities - at amortized cost	17,487,462	-	1,244,601	-	18,732,063
	<u>18,408,697</u>	<u>1,368,260</u>	<u>2,388,065</u>	<u>-</u>	<u>22,165,022</u>
Total Current Assets (Including Segregated Funds)	<u>31,803,808</u>	<u>3,007,727</u>	<u>3,518,324</u>	<u>2,583,112</u>	<u>40,912,971</u>
Noncurrent Assets					
Noncurrent portion of interfund note receivable	2,929,259	-	-	-	2,929,259
Net pension asset	-	-	-	-	-
Capital Assets					
Land and land improvements	1,621,462	94,398	118,398	203,464	2,037,722
Structures, improvements and plant equipment	20,493,371	11,655,423	23,761,956	16,426	55,927,176
Distribution system	27,289,899	8,876,401	8,756,553	-	44,922,853
Office structures, improvements, furniture and fixtures	506,897	5,469	-	-	512,366
Equipment	2,640,922	1,073,949	1,197,093	1,774,283	6,686,247
Construction in progress	649,283	241,325	96,806	-	987,414
Accumulated depreciation	(33,499,963)	(10,898,314)	(23,026,811)	(1,126,013)	(68,551,101)
Total Capital Assets, net of accumulated depreciation	<u>19,701,871</u>	<u>11,048,651</u>	<u>10,903,995</u>	<u>868,160</u>	<u>42,522,677</u>
Total Noncurrent Assets	<u>22,631,130</u>	<u>11,048,651</u>	<u>10,903,995</u>	<u>868,160</u>	<u>45,451,936</u>
Total Assets	<u>54,434,938</u>	<u>14,056,378</u>	<u>14,422,319</u>	<u>3,451,272</u>	<u>86,364,907</u>
Deferred Outflows					
Deferred outflows related to pension	792,713	300,441	178,039	73,473	1,344,666
Total Deferred Outflows	<u>792,713</u>	<u>300,441</u>	<u>178,039</u>	<u>73,473</u>	<u>1,344,666</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF NET POSITION (CONT'D)
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
LIABILITIES					
Operating Funds:					
Accounts payable - trade/other	2,118,700	182,358	130,342	39,032	2,470,432
Gross revenue levy payable	488,957	56,750	-	-	545,707
Accrued benefits payable	305,522	123,676	53,389	14,242	496,829
Accrued payroll	162,963	55,660	38,187	24,079	280,889
Current portion of interfund note payable	-	299,294	355,661	-	654,955
	<u>3,076,142</u>	<u>717,738</u>	<u>577,579</u>	<u>77,353</u>	<u>4,448,812</u>
Segregated Funds:					
Consumer's deposits	586,676	-	-	-	586,676
	<u>586,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,676</u>
Total Current Liabilities (Including Segregated Funds)	<u>3,662,818</u>	<u>717,738</u>	<u>577,579</u>	<u>77,353</u>	<u>5,035,488</u>
Long-Term Debt:					
Net pension liability	269,889	95,672	107,561	47,529	520,651
Long-term portion of interfund note payable	-	1,338,578	1,590,681	-	2,929,259
Total Noncurrent Liabilities	<u>269,889</u>	<u>1,434,250</u>	<u>1,698,242</u>	<u>47,529</u>	<u>3,449,910</u>
Total Liabilities	<u>\$ 3,932,707</u>	<u>\$ 2,151,988</u>	<u>\$ 2,275,821</u>	<u>\$ 124,882</u>	<u>\$ 8,485,398</u>
Deferred Inflows:					
Deferred inflows related to pension	\$ 18,660	\$ 6,220	\$ 4,665	\$ 1,944	\$ 31,489
Total Deferred Inflows	<u>\$ 18,660</u>	<u>\$ 6,220</u>	<u>\$ 4,665</u>	<u>\$ 1,944</u>	<u>\$ 31,489</u>
NET POSITION					
Net investment in capital assets	\$ 19,701,871	\$ 9,410,779	\$ 8,954,653	\$ 868,160	\$ 38,935,463
Restricted but expendable for pension	-	-	-	-	-
Unrestricted	31,574,413	2,787,832	3,365,219	2,529,759	40,257,223
Total Net Position	<u>\$ 51,276,284</u>	<u>\$ 12,198,611</u>	<u>\$ 12,319,872</u>	<u>\$ 3,397,919</u>	<u>\$ 79,192,686</u>

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, 2020

	Business - Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
Operating Revenues:					
Charges for services	\$ 21,070,533	\$ 4,233,852	\$ 2,887,260	\$ 1,689,974	\$ 29,881,619
Miscellaneous	223,072	38,037	18,565	7,896	287,570
Total Operating Revenues	<u>21,293,605</u>	<u>4,271,889</u>	<u>2,905,825</u>	<u>1,697,870</u>	<u>30,169,189</u>
Operating Expenses:					
Production and plant maintenance	12,843,595	1,003,367	872,478	128,360	14,847,800
Transmission and distribution	1,703,769	570,987	274,026	316,865	2,865,647
Personnel services	2,441,438	956,416	633,274	867,197	4,898,325
Insurance	398,708	141,965	69,151	52,171	661,995
Payments and/or services in lieu of taxes	1,713,374	199,623	-	-	1,912,997
Other general expense	563,552	113,541	63,146	123,068	863,307
Depreciation	1,527,589	620,070	645,624	101,692	2,894,975
Total Operating Expenses	<u>21,192,025</u>	<u>3,605,969</u>	<u>2,557,699</u>	<u>1,589,353</u>	<u>28,945,046</u>
Net Operating Income	<u>101,580</u>	<u>665,920</u>	<u>348,126</u>	<u>108,517</u>	<u>1,224,143</u>
Non-Operating Revenues (Expenses):					
Interest & investment earnings	351,719	7,085	29,934	45,981	434,719
Transfers in (out)	-	-	-	(5,000)	(5,000)
Gain (loss) on sale of equipment	(10,298)	-	-	-	(10,298)
Decommissioning costs	(926,215)	-	-	-	(926,215)
Interest expense	-	(25,089)	(29,815)	-	(54,904)
Net Non-Operating Revenues (Expenses)	<u>(584,794)</u>	<u>(18,004)</u>	<u>119</u>	<u>40,981</u>	<u>(561,698)</u>
Income before capital grants and contributions	<u>(483,214)</u>	<u>647,916</u>	<u>348,245</u>	<u>149,498</u>	<u>662,445</u>
Capital grants and contributions	<u>14,210</u>	<u>5,448</u>	<u>2,500</u>	<u>-</u>	<u>22,158</u>
Change in Net Position	<u>(469,004)</u>	<u>653,364</u>	<u>350,745</u>	<u>149,498</u>	<u>684,603</u>
Net Position, beginning of year	<u>51,745,288</u>	<u>11,545,247</u>	<u>11,969,127</u>	<u>3,248,421</u>	<u>78,508,083</u>
Net Position, end of year	<u>\$ 51,276,284</u>	<u>\$ 12,198,611</u>	<u>\$ 12,319,872</u>	<u>\$ 3,397,919</u>	<u>\$ 79,192,686</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds				Total
	Electric	Water	Wastewater	Non-Major Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 21,550,146	\$ 4,248,030	\$ 2,889,288	\$ 1,694,696	\$ 30,382,160
Cash paid to suppliers	(15,342,313)	(1,711,855)	(1,270,782)	(612,695)	(18,937,645)
Cash paid to employees	(2,270,804)	(890,929)	(574,467)	(832,458)	(4,568,658)
Cash paid for services in lieu of taxes	(1,758,236)	(198,332)	-	-	(1,956,568)
Net cash provided (used) by operating activities	<u>2,178,793</u>	<u>1,446,914</u>	<u>1,044,039</u>	<u>249,543</u>	<u>4,919,289</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	-	36,760	36,760
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,760</u>	<u>36,760</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital grants and contributions	14,210	5,448	2,500	-	22,158
Proceeds from sale of assets	(10,293)	-	2,901	-	(7,392)
Purchases of capital assets	(1,251,868)	(389,416)	(439,356)	(151,662)	(2,232,302)
Decommissioning costs	(926,215)	-	-	-	(926,215)
Principal payments on interfund loan	-	(284,826)	(338,469)	-	(623,295)
Interest paid on debt	-	(25,089)	(29,815)	-	(54,904)
Net cash provided (used) by capital and related financing activities	<u>(2,174,166)</u>	<u>(693,883)</u>	<u>(802,239)</u>	<u>(151,662)</u>	<u>(3,821,950)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	34,676,015	-	2,228,478	-	36,904,493
Purchase of investments	(34,852,428)	-	(2,237,538)	-	(37,089,966)
Principal advances on interfund loan	-	-	-	-	-
Principal payments on interfund loan	623,295	-	-	-	623,295
Interest and dividends	451,291	7,085	33,614	45,981	537,971
Net cash provided (used) by investing activities	<u>898,173</u>	<u>7,085</u>	<u>24,554</u>	<u>45,981</u>	<u>975,793</u>
Net increase (decrease) in cash and cash equivalents	902,800	760,116	266,354	180,622	2,109,892
Balances - beginning of year	<u>8,619,342</u>	<u>1,501,921</u>	<u>1,573,962</u>	<u>1,634,503</u>	<u>13,329,728</u>
Balances - end of year	<u>\$ 9,522,142</u>	<u>\$ 2,262,037</u>	<u>\$ 1,840,316</u>	<u>\$ 1,815,125</u>	<u>\$ 15,439,620</u>
Reported on the Statement of Net Position as:					
Cash and cash equivalents	\$ 8,600,907	\$ 893,777	\$ 696,852	\$ 1,815,125	\$ 12,006,661
Segregated cash and cash equivalents	921,235	1,368,260	1,143,464	-	3,432,959
	<u>\$ 9,522,142</u>	<u>\$ 2,262,037</u>	<u>\$ 1,840,316</u>	<u>\$ 1,815,125</u>	<u>\$ 15,439,620</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
STATEMENT OF CASH FLOWS (CONT'D)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>Business Type Activities - Enterprise Funds</u>				<u>Total</u>
	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Non-Major Enterprise Funds</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO					
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 101,580	\$ 665,920	\$ 348,126	\$ 108,517	\$ 1,224,143
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation expense	1,527,589	620,070	645,624	101,692	2,894,975
Changes in assets, deferred outflows, liabilities and deferred inflows:					
Receivables - net of allowances	256,541	(23,859)	(16,537)	(3,174)	212,971
Inventory	(323,172)	7,629	201	-	(315,342)
Prepaid expenses	43,368	12,597	(1,317)	1,131	55,779
Accounts and other payables	401,310	97,779	9,135	6,638	514,862
Deferred outflows	(321,222)	(107,074)	(80,306)	(33,461)	(542,063)
Deferred inflows	(669,262)	(234,049)	(132,296)	(53,993)	(1,089,600)
Net pension asset	857,420	280,097	174,266	69,899	1,381,682
Net pension liability	269,889	95,672	107,561	47,529	520,651
Other accrued liabilities	34,752	32,132	(10,418)	4,765	61,231
Net cash provided by operating activities	<u>\$ 2,178,793</u>	<u>\$ 1,446,914</u>	<u>\$ 1,044,039</u>	<u>\$ 249,543</u>	<u>\$ 4,919,289</u>

See Notes to Financial Statements

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

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

B. Financial Reporting Entity

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

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

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

Blended Component Unit

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

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

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements:

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Proprietary Fund

Enterprise Funds

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major and Nonmajor Funds

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

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

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tennis Court Improvements	Accounts for activities relating to improvement of tennis courts.
City Office/Revitalization	Accounts for activities relating to improvements and revitalization of city offices/property.
Economic Development	Accounts for activities related to economic development of the City.
Street/Sidewalk Repair	Accounts for activities related to street and sidewalk repair.
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.
- 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.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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”.

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.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

State statutes authorize the City to invest in obligations of the U.S. Treasury commercial papers, 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.

Prepaid Items

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

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

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

Fixed Assets

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

Government-Wide Statements

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

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

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

Fund Financial Statements

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

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

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

Long-term Debt

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

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

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

Compensated Absences

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

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

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Leases

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

Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

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

Estimates

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds - By Function

Proprietary Fund - By Operating and Nonoperating

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

G. Internet Department

On January 2, 2002, the Municipal Utilities received approval from the Board of Public Works to establish an Internet Department to provide various internet-type services to residents of the City and beyond. The Electric Fund transferred fixed assets and cash to the Internet Department. For financial statement purposes, the assets and liabilities, and revenues and expenses of the Internet Department have been included with the Electric Fund. As of September 30, 2020, the Internet Department had total assets of \$3,832,078 and total liabilities of \$106,256. For the year ended September 30, 2020, the Internet Department had revenues of \$1,454,464 and expenses of \$1,062,914.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Natural Gas Department

On December 15, 2004, the Municipal Utilities received approval from the Board of Public Works to establish a Natural Gas Department to provide natural gas services to residents of the City and beyond. The Electric Fund transferred fixed assets and cash to the Natural Gas Department. For financial statement purposes, the assets and liabilities, and revenues and expenses of the Natural Gas Department have been included with the Electric Fund. As of September 30, 2020, the Natural Gas Department had total assets of \$6,771,967 and total liabilities of \$4,605. For the year ended September 30, 2020, the Natural Gas Department had revenues of \$230,548 and expenses of \$320,592.

I. Interfund Transfers

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

J. Fund Equity – Fund Financial Statements

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has determined that \$357,906 should be considered nonspendable as detailed in Note III-K.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources because they are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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, 2020.

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 27, 2019 and amended the budget on September 28, 2020. Ending negative fund balances were budgeted in the Saltfork Project, Community Center, and Westport IV Project Funds.

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, 2020 are shown below:

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

	Maturities	Carrying Value
Deposits:		
Demand deposits		\$ 18,838,898
Cash on hand		1,675
Time deposit	11/10/20	43,062
Time deposit	11/24/20	5,452
Time deposit	12/17/20	245,000
Time deposit	01/08/21	521,411
Time deposit	08/17/21	5,436
		19,660,934
Investments:		
U.S. Treasury Bills		18,487,063
		18,487,063
Total deposits and investments		\$ 38,147,997
Reconciliation of Statement of Net Position:		
Current:		
Cash, including time deposits		\$ 15,793,025
Investments		189,950
Total Current		15,982,975
Noncurrent:		
Cash, including time deposits		3,432,959
Investments		18,732,063
Total Noncurrent		22,165,022
Total		\$ 38,147,997

Custodial credit risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$19,162,427 at September 30, 2020, which was fully insured by depository insurance or secured with collateral held by the City's agent in its name. All investments are registered in the name of the name of the City.

Investment interest rate risk. The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at September 30, 2020, are provided in the previous schedule.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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

Concentration of investment credit risk. The City places no limit on the amount it may invest in any one issuer. At September 30, 2020, 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, 2020 and September 30, 2019:

2020

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

2019

- U.S. Treasury securities of \$18,424,000 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, 2020**

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, 2020 were designated as follows:

	Designated Balances	Segregated Funds Requirements
Electric Fund:		
Consumers' deposit fund	\$ 595,270	\$ 586,676
Insurance reserve fund	5,001,567	5,000,000
Equipment fund	10,273,175	-
	\$ 15,870,012	\$ 5,586,676
Water Fund:		
Insurance reserve fund	500,000	500,000
Equipment fund	-	-
	\$ 500,000	\$ 500,000
Wastewater Fund:		
Insurance reserve fund	500,000	500,000
Equipment fund	-	-
Main replacement fund	690,548	-
	\$ 1,190,548	\$ 500,000

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

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

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

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

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

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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, 2020 was as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts receivable	\$ 549,981	\$ 3,184,338	\$ 3,734,319
Allowance for doubtful accounts	-	-	-
Net Accounts Receivable	<u>\$ 549,981</u>	<u>\$ 3,184,338</u>	<u>\$ 3,734,319</u>

E. Taxes Receivable

Taxes receivable of the governmental activities consist of property tax receivable. Receivables detail at September 30, 2020 was as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes receivable	\$ 72,265	\$ -	\$ 72,265
Allowance for doubtful accounts	(16,089)	-	(16,089)
Net Taxes Receivable	<u>\$ 56,176</u>	<u>\$ -</u>	<u>\$ 56,176</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2020 is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund (Major)	\$ 226,148	\$ 692,647
Street Fund (Non-Major)	111,470	6,571
Park Fund (Non-Major)	40,512	165
Band Fund (Non-Major)	-	8,035
Airport Fund (Non-Major)	-	20,116
Library Fund (Non-Major)	28,058	2,944
Park Improvement Fund (Non-Major)	165	80
Saltfork Project Fund (Non-Major)	-	226,148
Downtown Project Fund (Non-Major)	-	-
Westport IV Project Fund (Non-Major)	-	1,250
Community Center (Non-Major)	-	36,724
Sanitation Fund (Non-Major)	588,327	-
	<u>\$ 994,680</u>	<u>\$ 994,680</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, 2020**

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

G. Capital Assets - Governmental Activities

Capital asset activity for the year ended September 30, 2020, was as follows:

	Balance at September 30, 2019	Additions	Disposals	Balance at September 30, 2020
Capital assets not being depreciated:				
Land	\$ 1,990,135	\$ -	\$ -	\$ 1,990,135
Construction in process	-	649,553	-	649,553
Subtotal	<u>1,990,135</u>	<u>649,553</u>	<u>-</u>	<u>2,639,688</u>
Capital assets being depreciated:				
Buildings	8,810,521	-	(461)	8,810,060
Improvements	8,790,469	-	-	8,790,469
Machinery and equipment	5,280,679	823,299	(75,662)	6,028,316
Infrastructure	30,924,213	666,526	-	31,590,739
Subtotal	<u>53,805,882</u>	<u>1,489,825</u>	<u>(76,123)</u>	<u>55,219,584</u>
Totals at historical cost	<u>55,796,017</u>	<u>2,139,378</u>	<u>(76,123)</u>	<u>57,859,272</u>
Less accumulated depreciation				
Buildings	(5,384,157)	(202,402)	358	(5,586,201)
Improvements	(2,229,593)	(204,389)	-	(2,433,982)
Machinery and equipment	(4,282,001)	(306,533)	75,065	(4,513,469)
Infrastructure	(23,190,082)	(828,944)	-	(24,019,026)
Total accumulated depreciation	<u>(35,085,833)</u>	<u>(1,542,268)</u>	<u>75,423</u>	<u>(36,552,678)</u>
Net capital assets being depreciated	<u>18,720,049</u>	<u>(52,443)</u>	<u>(700)</u>	<u>18,666,906</u>
Net capital assets	<u>\$ 20,710,184</u>	<u>\$ 597,110</u>	<u>\$ (700)</u>	<u>\$ 21,306,594</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020 was as follows:

Electric

	Balance at September 30, 2019	Additions	Disposals	Balance at September 30, 2020
Capital assets not being depreciated:				
Land	\$ 1,621,462	\$ -	\$ -	\$ 1,621,462
Construction in progress	2,343,998	669,151	(2,363,866)	649,283
	<u>3,965,460</u>	<u>669,151</u>	<u>(2,363,866)</u>	<u>2,270,745</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	32,424,005	284,699	(12,215,333)	20,493,371
Distribution system	30,931,900	46,578	(4,363,681)	26,614,797
Street lighting and hydrants	868,582	84,214	(277,694)	675,102
Office structures and improvement and furniture and fixtures	854,789	19,275	(367,167)	506,897
Transportation equipment	2,124,877	110,484	(42,742)	2,192,619
Laboratory equipment	4,755	-	(4,755)	-
Tools and shop equipment	1,029,181	37,025	(619,545)	446,661
Radio equipment	457,363	442	(456,163)	1,642
	<u>68,695,452</u>	<u>582,717</u>	<u>(18,347,080)</u>	<u>50,931,089</u>
Total capital assets at historical costs	<u>72,660,912</u>	<u>1,251,868</u>	<u>(20,710,946)</u>	<u>53,201,834</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(28,165,737)	(405,393)	12,331,966	(16,239,164)
Distribution system	(20,164,085)	(940,219)	6,522,410	(14,581,894)
Street lighting and hydrants	(341,146)	(32,526)	277,693	(95,979)
Office structures and improvement and furniture and fixtures	(840,576)	(10,805)	455,667	(395,714)
Transportation equipment	(1,924,287)	(79,247)	42,742	(1,960,792)
Laboratory equipment	(4,756)	-	4,756	-
Tools and shop equipment	(786,242)	(58,514)	619,545	(225,211)
Radio equipment	(456,486)	(885)	456,162	(1,209)
Total accumulated depreciation	<u>(52,683,315)</u>	<u>(1,527,589)</u>	<u>20,710,941</u>	<u>(33,499,963)</u>
Net capital assets being depreciated	<u>16,012,137</u>	<u>(944,872)</u>	<u>2,363,861</u>	<u>17,431,126</u>
Net capital assets	<u>\$ 19,977,597</u>	<u>\$ (275,721)</u>	<u>\$ (5)</u>	<u>\$ 19,701,871</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Water

	Balance at September 30, 2019	Additions	Disposals	Transfers	Balance at September 30, 2020
Capital assets not being depreciated:					
Land	\$ 94,398	\$ -	\$ -	\$ -	\$ 94,398
Construction in progress	-	241,325	-	-	241,325
	<u>94,398</u>	<u>241,325</u>	<u>-</u>	<u>-</u>	<u>335,723</u>
Capital assets being depreciated:					
Structures, improvements and plant equipment	11,919,483	61,601	(325,661)	-	11,655,423
Distribution system	9,890,211	85,896	(1,481,573)	-	8,494,534
Street lighting and hydrants	381,313	594	(40)	-	381,867
Office structures and improvement and furniture and fixtures	33,264	-	(27,795)	-	5,469
Transportation equipment	1,139,696	-	(98,439)	-	1,041,257
Laboratory equipment	8,652	-	-	-	8,652
Tools and shop equipment	164,476	-	(143,060)	-	21,416
Radio equipment	21,228	-	(18,604)	-	2,624
	<u>23,558,323</u>	<u>148,091</u>	<u>(2,095,172)</u>	<u>-</u>	<u>21,611,242</u>
Total capital assets at historical costs	<u>23,652,721</u>	<u>389,416</u>	<u>(2,095,172)</u>	<u>-</u>	<u>21,946,965</u>
Less accumulated depreciation:					
Structures, improvements and plant equipment	(4,779,668)	(455,423)	325,661	-	(4,909,430)
Distribution system	(6,161,718)	(123,414)	1,481,573	-	(4,803,559)
Street lighting and hydrants	(200,976)	(6,760)	40	-	(207,696)
Office structures and improvement and furniture and fixtures	(29,708)	(1,735)	27,795	-	(3,648)
Transportation equipment	(1,031,613)	(22,627)	98,439	-	(955,801)
Laboratory equipment	(2,808)	(2,342)	-	-	(5,150)
Tools and shop equipment	(147,427)	(6,894)	143,060	-	(11,261)
Radio equipment	(19,498)	(875)	18,604	-	(1,769)
Total accumulated depreciation	<u>(12,373,416)</u>	<u>(620,070)</u>	<u>2,095,172</u>	<u>-</u>	<u>(10,898,314)</u>
Net capital assets being depreciated	<u>11,184,907</u>	<u>(471,979)</u>	<u>-</u>	<u>-</u>	<u>10,712,928</u>
Net capital assets	<u>\$ 11,279,305</u>	<u>\$ (230,654)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,048,651</u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Wastewater

	Balance at September 30, 2019	Additions	Disposals	Balance at September 30, 2020
Capital assets not being depreciated:				
Land	\$ 118,398	\$ -	\$ -	\$ 118,398
Construction in progress	15,498	81,308	-	96,806
	<u>133,896</u>	<u>81,308</u>	<u>-</u>	<u>215,204</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	26,448,641	-	(2,686,685)	23,761,956
Distribution system	8,417,922	341,532	(2,901)	8,756,553
Office structures and improvement and furniture and fixtures	6,391	-	(6,391)	-
Transportation equipment	1,067,617	-	(48,131)	1,019,486
Laboratory equipment	4,537	-	-	4,537
Tools and shop equipment	262,136	16,516	(106,035)	172,617
Radio equipment	4,975	-	(4,522)	453
	<u>36,212,219</u>	<u>358,048</u>	<u>(2,854,665)</u>	<u>33,715,602</u>
Total capital assets at historical costs	<u>36,346,115</u>	<u>439,356</u>	<u>(2,854,665)</u>	<u>33,930,806</u>
Less accumulated depreciation:				
Structures, improvements and plant equipment	(20,575,220)	(394,774)	2,686,685	(18,283,309)
Distribution system	(3,540,566)	(188,501)	-	(3,729,067)
Office structures and improvement and furniture and fixtures	(6,391)	-	6,391	-
Transportation equipment	(878,701)	(43,804)	48,131	(874,374)
Laboratory equipment	(639)	(907)	-	(1,546)
Tools and shop equipment	(226,579)	(17,547)	106,035	(138,091)
Radio equipment	(4,855)	(91)	4,522	(424)
Total accumulated depreciation	<u>(25,232,951)</u>	<u>(645,624)</u>	<u>2,851,764</u>	<u>(23,026,811)</u>
Net capital assets being depreciated	<u>10,979,268</u>	<u>(287,576)</u>	<u>(2,901)</u>	<u>10,688,791</u>
Net capital assets	<u>\$ 11,113,164</u>	<u>\$ (206,268)</u>	<u>\$ (2,901)</u>	<u>\$ 10,903,995</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

Sanitation

	Balance at September 30, 2019	Additions	Disposals	Balance at September 30, 2020
Capital assets not being depreciated:				
Land	\$ 203,464	\$ -	\$ -	\$ 203,464
Subtotal	<u>203,464</u>	<u>-</u>	<u>-</u>	<u>203,464</u>
Capital assets being depreciated:				
Structures, improvements and plant equipment	16,426	-	-	16,426
Transportation equipment	1,659,946	151,662	(37,325)	1,774,283
Subtotal	<u>1,676,372</u>	<u>151,662</u>	<u>(37,325)</u>	<u>1,790,709</u>
Totals at historical cost	<u>1,879,836</u>	<u>151,662</u>	<u>(37,325)</u>	<u>1,994,173</u>
Less accumulated depreciation				
Structures, improvements and plant equipment	(16,426)	-	-	(16,426)
Transportation equipment	(1,045,220)	(101,692)	37,325	(1,109,587)
Total accumulated depreciation	<u>(1,061,646)</u>	<u>(101,692)</u>	<u>37,325</u>	<u>(1,126,013)</u>
Net capital assets being depreciated	<u>614,726</u>	<u>49,970</u>	<u>-</u>	<u>664,696</u>
Net capital assets	<u>\$ 818,190</u>	<u>\$ 49,970</u>	<u>\$ -</u>	<u>\$ 868,160</u>

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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	\$ 85,715
Executives	7,196
Total general government	<u>92,911</u>
Public safety:	
Police	58,328
Fire	86,038
Total public safety	<u>144,366</u>
Transportation:	
Airport	180,063
Streets	108,286
Total transportation	<u>288,349</u>
Cultural, parks and recreation:	
Library	5,378
Park	178,574
Band	3,161
Total cultural, parks and recreation	<u>187,113</u>
Community/economic development	<u>585</u>
Infrastructure	<u>828,944</u>
Total depreciation expense - Governmental activity	<u><u>\$ 1,542,268</u></u>
Business-type activities:	
Electric	\$ 1,527,589
Water	620,070
Wastewater	645,624
Sanitation	101,692
Total depreciation expense - Business-type activity	<u><u>\$ 2,894,975</u></u>

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020:

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
Balance, September 30, 2019	\$ -	\$ 1,922,698	\$ 2,284,811
Note issued	-	-	-
Note retired	-	(284,826)	(338,469)
Balance, September 30, 2020	<u>\$ -</u>	<u>\$ 1,637,872</u>	<u>\$ 1,946,342</u>
Current Portion	<u>\$ -</u>	<u>\$ 299,294</u>	<u>\$ 355,661</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 .18 percent). Monthly payments of \$29,395 are currently being paid.

Debt repayment requirements are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 352,449	\$ 3,212	\$ 355,661
2022	353,084	2,578	355,662
2023	353,720	1,942	355,662
2024	354,356	1,304	355,660
2025	354,995	666	355,661
2026	177,738	94	177,832
	<u>\$ 1,946,342</u>	<u>\$ 9,796</u>	<u>\$ 1,956,138</u>

On November 13, 2014, the Board authorized the transfer of funds from the Electric Department to the Water Department on an as needed basis to pay for the costs incurred for the Water FHM/HAA project. The interest rate is to be the six-month Treasury Bill rate established by the market on the sale date prior to January 1st and July 1st of each year (currently .18 percent). Monthly payments of \$24,941 are currently being paid.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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>
2021	\$ 296,590	\$ 2,704	\$ 299,294
2022	297,124	2,169	299,293
2023	297,660	1,634	299,294
2024	298,196	1,097	299,293
2025	298,733	561	299,294
2026	149,569	78	149,647
	<u>\$ 1,637,872</u>	<u>\$ 8,243</u>	<u>\$ 1,646,115</u>

Special Assessment Bonded Debt

The following is a summary of changes in special assessment bond transactions for the year ended September 30, 2020:

	<u>Governmental Activities</u>
Balance, September 30, 2019	\$ 148,000
Bonds issued	-
Bonds retired	(12,000)
Balance, September 30, 2020	<u>\$ 136,000</u>

Special assessment bonded debt as of September 30, 2020 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.

\$ 136,000

\$ 136,000

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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

Year Ended September 30,	Principal	Interest	Total
2021	\$ 13,000	\$ 5,440	\$ 18,440
2022	13,000	4,920	17,920
2023	14,000	4,400	18,400
2024	14,000	3,840	17,840
2025	15,000	3,280	18,280
2026	16,000	2,680	18,680
2027	16,000	2,040	18,040
2028	17,000	1,400	18,400
2029	18,000	720	18,720
Total	<u>\$ 136,000</u>	<u>\$ 28,720</u>	<u>\$ 164,720</u>

Capital Leases

Governmental Activities:

The following is a summary of changes in governmental activities capital lease transactions for the year ended September 30, 2020:

Type of Debt	Lease No. 1	Lease No. 2	Total
Balance, September 30, 2019	\$ -	\$ -	\$ -
Capital leases issued	121,775	642,435	764,210
Capital leases retired	-	-	-
Capital lease cancelled	-	-	-
Balance, September 30, 2020	<u>\$ 121,775</u>	<u>\$ 642,435</u>	<u>\$ 764,210</u>

Capital Lease No. 1:

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

The following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at September 30, 2020:

2021	\$	20,741
2022		20,741
2023		20,741
2024		20,741
2025		20,741
2026		20,741
2027		20,742
		145,188
Less interest		(23,413)
Total		\$ 121,775

Capital assets includes the following amounts for the lease, which has been capitalized at September 30, 2020:

Equipment	\$	121,775
Less accumulative amortization		(16,237)
		\$ 105,538

Amortization of the capital lease was \$16,237 for the year ending September 30, 2020 as shown in the financial statements as a component of depreciation and amortization expense.

Capital Lease No. 2:

On November 12, 2019, the City entered into a capital lease-purchase agreement to fund the purchase of a Typhoon Fire Pump Truck. The initial term of the lease ended September 30, 2020. At the City's option, the lease can be continued for up to fourteen renewal terms, each of one year duration. It is expected that the City will not abandon this lease and, accordingly, the lease obligation is shown as long-term debt. The terms of the lease set the interest rate at 3.1140%.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

The following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at September 30, 2020:

2021	\$	57,839
2022		57,839
2023		57,839
2024		57,839
2025		57,839
2026		57,839
2027		57,839
2028		57,839
2029		57,839
2030		57,840
2031		57,840
2032		57,840
2033		57,840
2034		57,840
		809,751
Less interest		(167,316)
Total		\$ 642,435

Capital assets includes the following amounts for the lease, which has been capitalized at September 30, 2020:

Equipment	\$	642,435
Less accumulative amortization		(39,260)
		\$ 603,175

Amortization of the capital lease was \$39,260 for the year ending September 30, 2020 as shown in the financial statements as a component of depreciation and amortization expense.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

Operating Leases

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

<u>Year Ending September 30</u>	<u>Equipment Lease</u>	<u>Equipment Lease</u>	<u>Equipment Lease</u>	<u>Equipment Lease</u>
2021	\$ 10,848	\$ 521	\$ 15,992	\$ 7,320
2022	10,848	-	-	37,440
2023	-	-	-	37,440
2024	-	-	-	-
	<u>\$ 21,696</u>	<u>\$ 521</u>	<u>\$ 15,992</u>	<u>\$ 82,200</u>

	<u>Equipment Lease</u>	<u>Copier Lease</u>	<u>Copier Lease</u>	<u>Total</u>
2021	\$ 48,000	\$ 3,458	\$ 3,232	\$ 89,371
2022	48,000	-	1,616	97,904
2023	48,000	-	-	85,440
2024	48,000	-	-	48,000
	<u>\$ 192,000</u>	<u>\$ 3,458</u>	<u>\$ 4,848</u>	<u>\$ 320,715</u>

J. Pledged Revenues

The NID Sewer Project Fund has pledged future revenues, net of specified operating expenses, to repay general obligation bonds that were issued for the purpose of city improvements. The bonds are payable from net revenues from the NID Sewer Project Fund and are payable through 2029. Annual principal and interest payments in 2020 required 172% of net revenues in the NID Sewer Project Fund. The total principal and interest remaining to be paid on the bonds is \$164,720. Principal and interest paid for the current year was \$14,488 in the NID Sewer Project Fund. Net revenues in the current year were \$8,407 for the NID Sewer Project Fund.

The General Fund has pledged future revenues, net of specified operating expenses to repay capital leases for the purchase of software and equipment. The leases are payable from general fund net revenues and are payable through 2034. The total principal and interest remaining to be paid on the leases is \$954,939. There were no payments made in fiscal year 2020.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

K. Fund Balance

Classifications of fund balances at September 30, 2020 are as follows:

<u>Fund Balances:</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Non Spendable			
Inventory	\$ -	\$ 46,457	\$ 46,457
Prepaid expenses	167,873	143,576	311,449
Assigned for special revenue purposes	-	4,128,700	4,128,700
Assigned for debt service purposes	-	61,536	61,536
Unassigned	1,306,284	(263,998)	1,042,286
Total	<u>\$ 1,474,157</u>	<u>\$ 4,116,271</u>	<u>\$ 5,590,428</u>

L. Interfund Transfers

Interfund transfers during the year ended September 30, 2020, were as follows:

<u>Fund</u>	<u>In</u>	<u>Out</u>
General (Major Fund)	\$ 28,271	\$ 26,000
Street (Non-Major Fund)	-	594,500
Park (Non-Major Fund)	-	368,271
Park Improvement Donation (Non-Major Fund)	40,000	-
Equipment Replacement (Non-Major Fund)	181,000	-
Street/Sidewalk Repair (Non-Major Fund)	394,500	-
Tennis Court Improvement (Non-Major Fund)	300,000	-
Airport Operating (Non-Major Fund)	50,000	-
Sanitation (Non-Major Fund)	-	5,000
	<u>\$ 993,771</u>	<u>\$ 993,771</u>

The above transfers are routine transfers for operations.

M. Deficit Fund Balance

At September 30, 2020, the Community Center Fund, Saltfork Project Fund, and Westport IV Fund had deficit fund balances of \$36,600, \$226,148, and \$1,250, respectively.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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 2019 levy was based, was \$138,058,326. 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, 2020 are as follows:

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

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, 2020, based on the total assessed valuation as of December 31, 2019 of \$138,058,326 the constitutional general obligation debt limit was \$27,611,665.

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.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

IV. OTHER INFORMATION (continued)

General Information about the Pension Plan

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

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

	2020 Valuation
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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	153
Inactive employees entitled to but not yet receiving benefits	52
Active employees	173
	378

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. OTHER INFORMATION (continued)

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 11.9% (General), 8.9% (Police) and 10.9% (Fire) of annual covered payroll.

Net Pension Liability. The employer's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2020.

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

Inflation	3.25% wage; 2.50% price
Salary Increase	3.25% to 6.55% including inflation (general and police) 3.25% to 7.15% including inflation (fire)
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

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

The actuarial assumptions used in the February 29, 2020 valuation were based on the results of an actuarial experience study for the period March 1, 2011 through February 29, 2016.

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

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. OTHER INFORMATION (continued)

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

Discount rate. The discount rate used to measure the total pension liability is 7.25%. 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 9/30/19	\$ 48,608,667	\$ 51,783,766	\$ (3,175,099)
Changes for the year:			
Service Cost	840,700	-	840,700
Interest	3,472,864	-	3,472,864
Difference between expected and actual experience	(30,287)	-	(30,287)
Contributions - employer	-	993,727	(993,727)
Change in Assumptions	-	-	-
Net investment income	-	659,159	(659,159)
Benefit payments, including refunds	(2,280,017)	(2,280,017)	-
Administrative expense	-	(49,069)	49,069
Other changes	-	(63,344)	63,344
Net changes	2,003,260	(739,544)	2,742,804
Balances at 9/30/20	\$ 50,611,927	\$ 51,044,222	\$ (432,295)

CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. OTHER INFORMATION (continued)

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 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 57,562,288	\$ 50,611,927	\$ 44,858,084
Plan Fiduciary Net Position	51,044,222	51,044,222	51,044,222
Net Position Liability (Asset)	<u>\$ 6,518,066</u>	<u>\$ (432,295)</u>	<u>\$ (6,186,138)</u>

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

For the year ended September 30, 2020 the employer recognized pension expense of \$1,234,489. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 528,706	\$ 762,027
Differences in assumptions	128,848	-
Excess (deficit) investment returns	1,231,392	-
Contributions subsequent to the measurement date*	241,754	-
Total	<u>\$ 2,130,700</u>	<u>\$ 762,027</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, 2020.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

IV. OTHER INFORMATION (continued)

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

Year Ended	Net Deferred Outflows of Resources
2021	\$ (129,754)
2022	(221,656)
2023	628,792
2024	521,476
2025	(84,672)
Thereafter	(30,579)

Payable to the Pension Plan

At September 30, 2020, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2020.

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.

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

IV. OTHER INFORMATION (continued)

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.

G. Concentrations

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

H. Environmental Matters

Power Plant Decommissioning:

The Marshall Municipal Utility Power Plant has not generated electric power or housed any generating units for several years. With the building mostly vacant and at the end of its useful life the Board of Public Works accepted a bid from Ahrens Contracting on March 12, 2020 to decommission and demo the Power Plant in the amount of \$2,777,000. This project involves removal of all asbestos and hazardous materials from Units #1, #2, #3, #4, and #5 boilers, turbine generators, auxiliary equipment, and the building housing the steam units. All of the equipment associated with these units will be removed and the Power Plant will be demolished. The estimated completion date of this project is August 2021, with \$796,800 of cost incurred in fiscal year ending September 30, 2020 and the remaining \$1,980,200 in fiscal year ending September 30, 2021.

I. Litigation

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

IV. OTHER INFORMATION (continued)

J. Contingent Liabilities

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

K. Tax Abatements

The City entered into a performance agreement with a business in 2008, to issue industrial development revenue bonds in a principal amount not to exceed \$40,000,000. The agreement also stated that each item of personal property financed with the bonds shall be exempt from personal property taxes for the years 2009-2023. The City will receive a payment in lieu of taxes each year on the equipment ranging from 10-80% of the abated taxes. Additionally, if the number of jobs added since the inception of the agreement falls below 150, the business must pay an extra amount based on a formula stated in the agreement. In fiscal year 2020, the taxes abated was calculated to be \$26,855 and the payment in lieu of taxes percentage was 10%. However, the jobs added fell below 150 in fiscal year 2020, so the business also paid an additional amount to the City. The total received by the City in fiscal year 2020 in lieu of taxes was \$11,870, leaving a total abated amount of \$14,985.

The City also entered into an agreement with an organization in 2015 in accordance with HB 142 of the State of Missouri and RSMo 137.100, that allows property and real estate taxes to be abated on December 1, 2016 and every December 1 for the term of the agreement. The organization will make a payment of \$9,200 as payment in lieu of taxes to the city during the length of this agreement. The total amount of city taxes abated in fiscal year 2020 was \$12,671, and the city received the \$9,200 payment in lieu of taxes for fiscal year 2020. The total amount of revenue lost by the city in fiscal year 2020 relating to this agreement was \$3,471.

L. Taxable Individual Development Revenue Bonds

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

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

**CITY OF MARSHALL, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

IV. OTHER INFORMATION (continued)

M. Commitments

MJMEUC Agreement

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

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

N. Fines

Fines and penalties as shown on the Statement of Revenues, Expenses, and Changes in Fund Balances is \$58,351 for the year ended September 30, 2020, which is 1.0% of general fund revenues.

O. Consideration of Subsequent Events

Subsequent events have been evaluated through December 23, 2020, 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, 2020**

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2011	\$ 370,092.24	\$ 217,846.11	\$ 152,246.13	\$ 3,664,685.96	5.94%
2012	383,100.05	241,807.28	141,292.77	3,605,732.04	6.71%
2013	435,760.74	275,417.62	160,343.12	3,593,618.94	7.66%
2014	459,610.65	327,443.06	132,167.59	3,841,136.11	8.52%
2015	510,054.31	376,985.62	133,068.69	3,978,543.17	9.48%
2016	462,835.74	378,200.21	84,635.53	3,986,266.48	9.49%
2017	447,344.24	383,953.66	63,390.58	4,114,015.00	9.33%
2018	399,908.11	362,714.81	37,193.30	3,743,148.86	9.69%
2019	418,760.56	388,500.41	30,260.15	3,735,782.77	10.40%
2020	458,741.81	426,972.55	31,769.26	3,947,818.65	10.82%

**CITY OF MARSHALL, MISSOURI
MARSHALL MUNICIPAL UTILITIES
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS (UNAUDITED)
(MISSOURI LAGERS)
YEAR ENDED SEPTEMBER 30, 2020**

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2011	\$ 598,650.98	\$ 417,240.89	\$ 181,410.09	\$4,535,233.95	9.20%
2012	613,171.52	470,251.53	142,919.99	4,610,311.78	10.20%
2013	660,986.59	514,100.61	146,885.98	4,590,184.54	11.20%
2014	651,973.16	568,148.35	83,824.81	4,656,950.40	12.20%
2015	671,496.11	619,841.75	51,654.36	4,695,774.14	13.20%
2016	592,628.30	592,628.17	0.13	4,818,115.83	12.30%
2017	558,482.58	558,483.05	(0.47)	5,031,375.78	11.10%
2018	551,365.09	551,364.77	0.32	5,012,410.44	11.00%
2019	544,660.42	544,660.42	-	4,820,004.78	11.30%
2020	593,514.52	593,514.45	0.07	4,987,517.21	11.90%

**CITY OF MARSHALL, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONS
(MISSOURI LAGERS)
YEAR ENDED SEPTEMBER 30, 2020**

Valuation Date:	February 29, 2020
Notes:	The roll-forward of total pension liability from February 29, 2020 to June 30, 2020 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 11 to 15 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increases	3.25% to 6.55% including wage inflation for General & Police Divisions 3.25% to 7.15% including wage inflation for Fire Division
Investment Rate of Return	7.25%, 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, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.
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, 2020

	Fiscal Year Ending		
	September 30, 2020	September 30, 2019	September 30, 2018
Total Pension Liability			
Service Cost	\$ 840,700	\$ 832,825	\$ 869,917
Interest on the Total Pension Liability	3,472,864	3,364,340	3,203,039
Benefit Changes	-	-	-
Difference between expected and actual experience	(30,287)	(387,087)	495,764
Assumption Changes	-	-	-
Benefit Payments	(2,280,017)	(2,352,801)	(2,299,445)
Refunds	-	-	-
Net Change in Total Pension Liability	<u>2,003,260</u>	<u>1,457,277</u>	<u>2,269,275</u>
Total Pension Liability beginning	48,608,667	47,151,390	44,882,115
Total Pension Liability ending	<u>\$ 50,611,927</u>	<u>\$ 48,608,667</u>	<u>\$ 47,151,390</u>
Plan Fiduciary Net Position			
Contributions - employer	993,727	928,004	917,939
Contributions - employee	-	-	-
Pension Plan Net Investment Income	659,159	3,296,462	5,659,357
Benefit Payments	(2,280,017)	(2,352,801)	(2,299,445)
Refunds	-	-	-
Pension Plan Administrative expense	(49,069)	(42,737)	(30,048)
Other	(63,344)	29,600	248,991
Net Change in Plan Fiduciary Net Position	<u>(739,544)</u>	<u>1,858,528</u>	<u>4,496,794</u>
Plan Fiduciary Net Position beginning	51,783,766	49,925,238	45,428,444
Plan Fiduciary Net Position ending	<u>\$ 51,044,222</u>	<u>\$ 51,783,766</u>	<u>\$ 49,925,238</u>
Employer Net Pension Liability (Asset)	<u>\$ (432,295)</u>	<u>\$ (3,175,099)</u>	<u>\$ (2,773,848)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	100.85%	106.53%	105.88%
Covered Employee Payroll	7,759,189	8,338,239	8,476,983
Employer's Net Pension Liability as a percentage of covered employee payroll	(5.57%)	(38.08%)	(32.72%)

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, 2020

	Fiscal Year Ending		
	September 30, 2017	September 30, 2016	September 30, 2015
Total Pension Liability			
Service Cost	\$ 867,546	\$ 837,242	\$ 841,930
Interest on the Total Pension Liability	3,063,529	2,854,937	2,753,072
Benefit Changes	-	-	-
Difference between expected and actual experience	6,608	(920,968)	(713,270)
Assumption Changes	-	1,667,458	-
Benefit Payments	(1,739,457)	(1,419,028)	(1,527,824)
Refunds	-	-	-
Net Change in Total Pension Liability	<u>2,198,226</u>	<u>3,019,641</u>	<u>1,353,908</u>
Total Pension Liability beginning	<u>42,683,889</u>	<u>39,664,248</u>	<u>38,310,340</u>
Total Pension Liability ending	<u>\$ 44,882,115</u>	<u>\$ 42,683,889</u>	<u>\$ 39,664,248</u>
Plan Fiduciary Net Position			
Contributions - employer	986,979	996,056	965,537
Contributions - employee	-	-	-
Pension Plan Net Investment Income	4,981,255	(74,510)	802,763
Benefit Payments	(1,739,457)	(1,419,028)	(1,527,824)
Refunds	-	-	(32,062)
Pension Plan Administrative expense	(29,751)	(29,189)	-
Other	157,053	728,340	(318,820)
Net Change in Plan Fiduciary Net Position	<u>4,356,079</u>	<u>201,669</u>	<u>(110,406)</u>
Plan Fiduciary Net Position beginning	<u>41,072,365</u>	<u>40,870,696</u>	<u>40,981,102</u>
Plan Fiduciary Net Position ending	<u>\$ 45,428,444</u>	<u>\$ 41,072,365</u>	<u>\$ 40,870,696</u>
Employer Net Pension Liability (Asset)	<u>\$ (546,329)</u>	<u>\$ 1,611,524</u>	<u>\$ (1,206,448)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	101.22%	96.22%	103.04%
Covered Employee Payroll	9,089,752	8,764,539	8,493,841
Employer's Net Pension Liability as a percentage of covered employee payroll	(6.01%)	18.39%	(14.20%)

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

COMBINING FINANCIAL STATEMENTS

COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Funds

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

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	<u>Special Revenue Funds</u>				
	<u>Street</u>	<u>Park</u>	<u>Airport</u>	<u>Band</u>	<u>HAB Center</u>
ASSETS					
Cash and cash equivalents	\$ 1,306,082	\$ 108,532	\$ 43,488	\$ 370,567	\$ 146,468
Investments	-	-	-	-	-
Accounts receivable	12,312	-	-	-	-
Taxes receivables, net of allowance	-	8,205	-	1,269	-
Due from governmental agencies	371,511	231,468	82,156	-	-
Due from other funds	111,470	40,512	-	-	-
Inventory	-	14,403	32,054	-	-
Prepaid expenses	49,490	69,852	15,208	3,239	-
Total Assets	1,850,865	472,972	172,906	375,075	146,468
LIABILITIES					
Accounts payable	11,771	753	143	-	-
Accrued expenses	64,440	49,032	1,441	379	-
Due to other funds	6,571	165	20,116	8,035	-
Total Liabilities	82,782	49,950	21,700	8,414	-
DEFERRED INFLOW OF RESOURCES					
Unearned revenue - property taxes	-	5,714	-	884	-
FUND EQUITY					
Nonspendable					
Inventory	-	14,403	32,054	-	-
Prepaid expenses	49,490	69,852	15,208	3,239	-
Assigned for special revenue purposes	1,718,593	333,053	103,944	362,538	146,468
Assigned for debt service purposes	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Fund Balance (Deficit)	1,768,083	417,308	151,206	365,777	146,468
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 1,850,865	\$ 472,972	\$ 172,906	\$ 375,075	\$ 146,468

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue Funds				
	Tourism	Library	Park Improvement	Community Center	Equipment Replacement
ASSETS					
Cash and cash equivalents	\$ 176,574	\$ 171,105	\$ 23	\$ 250	\$ 244,762
Investments	-	53,950	-	-	-
Accounts receivable	-	-	-	-	-
Taxes receivables, net of allowance	22,650	5,071	-	-	-
Due from governmental agencies	-	-	-	-	-
Due from other funds	-	28,058	165	-	-
Inventory	-	-	-	-	-
Prepaid expenses	-	5,787	-	-	-
Total Assets	199,224	263,971	188	250	244,762
LIABILITIES					
Accounts payable	-	396	-	126	-
Accrued expenses	-	9,268	-	-	-
Due to other funds	-	2,944	80	36,724	-
Total Liabilities	-	12,608	80	36,850	-
DEFERRED INFLOW OF RESOURCES					
Unearned revenue - property taxes	-	3,592	-	-	-
FUND EQUITY					
Nonspendable					
Inventory	-	-	-	-	-
Prepaid expenses	-	5,787	-	-	-
Assigned for special revenue purposes	199,224	241,984	108	-	244,762
Assigned for debt service purposes	-	-	-	-	-
Unassigned (deficit)	-	-	-	(36,600)	-
Fund Balance (Deficit)	199,224	247,771	108	(36,600)	244,762
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 199,224	\$ 263,971	\$ 188	\$ 250	\$ 244,762

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue Funds				
	Park Improvement Donation	Tennis Courts Improvements	City Office/ Revitalization	Economic Development	Street/Sidewalk Repair
ASSETS					
Cash and cash equivalents	\$ 55,469	\$ 30,010	\$ 43,299	\$ 101,623	\$ 394,500
Investments	-	-	-	-	-
Accounts receivable	-	-	-	153,734	-
Taxes receivables, net of allowance	-	-	-	-	-
Due from governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total Assets	55,469	30,010	43,299	255,357	394,500
LIABILITIES					
Accounts payable	-	-	609	-	-
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	609	-	-
DEFERRED INFLOW OF RESOURCES					
Unearned revenue - property taxes	-	-	-	-	-
FUND EQUITY					
Nonspendable					
Inventory	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Assigned for special revenue purposes	55,469	30,010	42,690	255,357	394,500
Assigned for debt service purposes	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Fund Balance (Deficit)	55,469	30,010	42,690	255,357	394,500
Total Liabilities, Deferred Inflows of Resources and Fund Equity	\$ 55,469	\$ 30,010	\$ 43,299	\$ 255,357	\$ 394,500

**CITY OF MARSHALL, MISSOURI
COMBINING BALANCE SHEET (CONT'D)
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Debt Service Funds			Total (Memorandum Only)
	Saltfork Project	Westport IV Project	NID Sewer Project	
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 61,536	\$ 3,254,288
Investments	-	-	-	53,950
Accounts receivable	-	-	-	166,046
Taxes receivables, net of allowance	-	-	-	37,195
Due from governmental agencies	-	-	-	685,135
Due from other funds	-	-	-	180,205
Inventory	-	-	-	46,457
Prepaid expenses	-	-	-	143,576
	-	-	61,536	4,566,852
LIABILITIES				
Accounts payable	-	-	-	13,798
Accrued expenses	-	-	-	124,560
Due to other funds	226,148	1,250	-	302,033
	226,148	1,250	-	440,391
DEFERRED INFLOW OF RESOURCES				
Unearned revenue - property taxes	-	-	-	10,190
FUND EQUITY				
Nonspendable				
Inventory	-	-	-	46,457
Prepaid expenses	-	-	-	143,576
Assigned for special revenue purposes	-	-	-	4,128,700
Assigned for debt service purposes	-	-	61,536	61,536
Unassigned (deficit)	(226,148)	(1,250)	-	(263,998)
Fund Balance (Deficit)	(226,148)	(1,250)	61,536	4,116,271
	-	-	61,536	4,566,852
Total Liabilities, Deferred Inflows of Resources and Fund Equity				
	\$ -	\$ -	\$ 61,536	\$ 4,566,852

CITY OF MARSHALL, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>Special Revenue Funds</u>				
	<u>Street</u>	<u>Park</u>	<u>Airport</u>	<u>Band</u>	<u>HAB Center</u>
REVENUES					
Taxes	\$ 1,614,856	\$ 1,352,449	\$ -	67,646	\$ -
Intergovernmental	589	10,256	211,089	-	-
Charges for services	3,416	289,601	132,762	-	-
Miscellaneous	43,132	18,823	2,185	8,953	161,814
Total Revenues	<u>1,661,993</u>	<u>1,671,129</u>	<u>346,036</u>	<u>76,599</u>	<u>161,814</u>
EXPENDITURES					
Street	1,253,207	-	-	-	-
Airport	-	-	401,950	-	-
Library	-	-	-	-	-
Band	-	-	-	47,874	-
Park	-	1,160,051	-	-	-
Tourism	-	-	-	-	-
Community center	-	-	-	-	-
Capital outlay	-	-	-	-	97,243
Interest and fees	-	-	-	-	-
Total Expenditures	<u>1,253,207</u>	<u>1,160,051</u>	<u>401,950</u>	<u>47,874</u>	<u>97,243</u>
Excess (Deficit) of Revenues over Expenditures	<u>408,786</u>	<u>511,078</u>	<u>(55,914)</u>	<u>28,725</u>	<u>64,571</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	(594,500)	(368,271)	50,000	-	-
Total Other Financing Sources (Uses)	<u>(594,500)</u>	<u>(368,271)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	(185,714)	142,807	(5,914)	28,725	64,571
Fund Balance, beginning of year (deficit)	<u>1,953,797</u>	<u>274,501</u>	<u>157,120</u>	<u>337,052</u>	<u>81,897</u>
Fund Balance, end of year (deficit)	<u>\$ 1,768,083</u>	<u>\$ 417,308</u>	<u>\$ 151,206</u>	<u>\$ 365,777</u>	<u>\$ 146,468</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, 2020

	Special Revenue Funds				
	Tourism	Library	Park Improvement	Community Center	Equipment Replacement
REVENUES					
Taxes	\$ 74,868	\$ 260,700	\$ -	\$ -	\$ -
Intergovernmental	-	12,234	-	-	-
Charges for services	-	2,018	-	66,086	-
Miscellaneous	-	9,153	-	-	1,218
Total Revenues	<u>74,868</u>	<u>284,105</u>	<u>-</u>	<u>66,086</u>	<u>1,218</u>
EXPENDITURES					
Street	-	-	-	-	-
Airport	-	-	-	-	-
Library	-	251,111	-	-	-
Band	-	-	-	-	-
Park	-	-	-	-	-
Tourism	82,308	-	-	-	-
Community center	-	-	-	65,397	-
Capital outlay	-	-	-	-	68,389
Interest and fees	-	-	-	-	-
Total Expenditures	<u>82,308</u>	<u>251,111</u>	<u>-</u>	<u>65,397</u>	<u>68,389</u>
Excess (Deficit) of Revenues over Expenditures	<u>(7,440)</u>	<u>32,994</u>	<u>-</u>	<u>689</u>	<u>(67,171)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	-	-	-	-	181,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,000</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(7,440)</u>	<u>32,994</u>	<u>-</u>	<u>689</u>	<u>113,829</u>
Fund Balance, beginning of year (deficit)	<u>206,664</u>	<u>214,777</u>	<u>108</u>	<u>(37,289)</u>	<u>130,933</u>
Fund Balance, end of year (deficit)	<u>\$ 199,224</u>	<u>\$ 247,771</u>	<u>\$ 108</u>	<u>\$ (36,600)</u>	<u>\$ 244,762</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, 2020

	Special Revenue Funds				
	Park Improvement Donation	Tennis Courts Improvement	City Office/ Revitalization	Economic Development	Street/ Sidewalk Repair
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 153,734	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	1,150	-	-	1,623	-
Total Revenues	<u>1,150</u>	<u>-</u>	<u>-</u>	<u>155,357</u>	<u>-</u>
EXPENDITURES					
Street	-	-	-	-	-
Airport	-	-	-	-	-
Library	-	-	-	-	-
Band	-	-	-	-	-
Park	-	-	-	-	-
Tourism	-	-	-	-	-
Community center	-	-	-	-	-
Capital outlay	-	419,990	17,310	-	-
Interest and fees	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>419,990</u>	<u>17,310</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures	<u>1,150</u>	<u>(419,990)</u>	<u>(17,310)</u>	<u>155,357</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	40,000	300,000	-	-	394,500
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>394,500</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	41,150	(119,990)	(17,310)	155,357	394,500
Fund Balance, beginning of year (deficit)	<u>14,319</u>	<u>150,000</u>	<u>60,000</u>	<u>100,000</u>	<u>-</u>
Fund Balance, end of year (deficit)	<u>\$ 55,469</u>	<u>\$ 30,010</u>	<u>\$ 42,690</u>	<u>\$ 255,357</u>	<u>\$ 394,500</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, 2020**

	Debt Service Funds			Total (Memorandum Only)
	Saltfork Project	Wesport IV Project	NID Sewer Project	
REVENUES				
Taxes	\$ -	\$ -	\$ 8,407	\$ 3,532,660
Intergovernmental	-	-	-	234,168
Charges for services	-	-	-	493,883
Miscellaneous	-	-	-	248,051
Total Revenues	<u>-</u>	<u>-</u>	<u>8,407</u>	<u>4,508,762</u>
EXPENDITURES				
Street	-	-	-	1,253,207
Airport	-	-	-	401,950
Library	-	-	-	251,111
Band	-	-	-	47,874
Park	-	-	-	1,160,051
Tourism	-	-	-	82,308
Community center	-	-	-	65,397
Capital outlay	-	-	-	602,932
Interest and fees	-	-	2,487	2,487
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,487</u>	<u>3,867,317</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>5,920</u>	<u>641,445</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				2,729
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,729</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,920</u>	<u>644,174</u>
Fund Balance, beginning of year (deficit)	<u>(226,148)</u>	<u>(1,250)</u>	<u>55,616</u>	<u>3,472,097</u>
Fund Balance, end of year (deficit)	<u>\$ (226,148)</u>	<u>\$ (1,250)</u>	<u>\$ 61,536</u>	<u>\$ 4,116,271</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 1,032,000	\$ 1,072,000	\$ 1,100,291	\$ 28,291
Motor vehicle	160,000	178,000	178,550	550
Motor fuel	340,000	340,000	336,015	(3,985)
Total Taxes	<u>1,532,000</u>	<u>1,590,000</u>	<u>1,614,856</u>	<u>24,856</u>
Intergovernmental				
State and federal grants	-	-	589	589
Total Intergovernmental	<u>-</u>	<u>-</u>	<u>589</u>	<u>589</u>
Charges for Services				
Street excavation	18,000	18,000	3,416	(14,584)
Total Charges for Services	<u>18,000</u>	<u>18,000</u>	<u>3,416</u>	<u>(14,584)</u>
Miscellaneous				
Interest	35,000	35,000	35,694	694
Miscellaneous	32,000	32,000	7,438	(24,562)
Total Miscellaneous	<u>67,000</u>	<u>67,000</u>	<u>43,132</u>	<u>(23,868)</u>
Total Revenues	<u>1,617,000</u>	<u>1,675,000</u>	<u>1,661,993</u>	<u>(13,007)</u>
EXPENDITURES				
Personnel services	881,993	812,999	800,752	12,247
Other charges and services	114,500	98,550	90,705	7,845
Operating supplies	61,400	77,075	61,585	15,490
Repairs and maintenance	530,150	532,100	300,165	231,935
Capital outlay	50,000	-	-	-
Total Expenditures	<u>1,638,043</u>	<u>1,520,724</u>	<u>1,253,207</u>	<u>267,517</u>
Excess (Deficit) of Revenues over Expenditures	<u>(21,043)</u>	<u>154,276</u>	<u>408,786</u>	<u>254,510</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Equipment Replacement Fund	-	(150,000)	(150,000)	-
Street/Sidewalk Project Fund	-	(394,500)	(394,500)	-
Airport Operating Fund	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(594,500)</u>	<u>(594,500)</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	(71,043)	(440,224)	(185,714)	<u>\$ 254,510</u>
Fund Balance, beginning of year	<u>1,953,797</u>	<u>1,953,797</u>	<u>1,953,797</u>	
Fund Balance, end of year	<u>\$ 1,882,754</u>	<u>\$ 1,513,573</u>	<u>\$ 1,768,083</u>	

CITY OF MARSHALL, MISSOURI
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 409,706	\$ 434,406	\$ 432,722	\$ (1,684)
Railroad and utilities	23,500	23,500	6,262	(17,238)
Sales	825,000	890,500	913,140	22,640
Financial institution	1,000	1,000	325	(675)
Total Taxes	<u>1,259,206</u>	<u>1,349,406</u>	<u>1,352,449</u>	<u>3,043</u>
Intergovernmental				
State and federal grants	15,000	15,000	10,256	(4,744)
Total Intergovernmental	<u>15,000</u>	<u>15,000</u>	<u>10,256</u>	<u>(4,744)</u>
Charges for Services				
Park fees and sales	436,000	440,200	289,601	(150,599)
Total Charges for Services	<u>436,000</u>	<u>440,200</u>	<u>289,601</u>	<u>(150,599)</u>
Miscellaneous				
Miscellaneous	2,000	11,000	10,105	(895)
Donations	7,500	7,500	6,883	(617)
Rental	5,200	5,200	1,835	(3,365)
Total Miscellaneous	<u>14,700</u>	<u>23,700</u>	<u>18,823</u>	<u>(4,877)</u>
Total Revenues	<u>1,724,906</u>	<u>1,828,306</u>	<u>1,671,129</u>	<u>(157,177)</u>
EXPENDITURES				
Swimming Pool				
Personnel services	37,200	27,200	10,703	16,497
Other charges and services	143,200	128,370	85,245	43,125
Operating supplies	36,700	26,700	17,774	8,926
Repairs and maintenance	17,300	17,300	13,069	4,231
Capital outlay	8,700	8,700	7,615	1,085
Total Swimming Pool	<u>243,100</u>	<u>208,270</u>	<u>134,406</u>	<u>73,864</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont'd)				
Golf Course				
Personnel services	181,475	156,176	157,889	(1,713)
Other charges and services	26,850	27,925	20,934	6,991
Operating supplies	74,500	64,705	35,835	28,870
Repairs and maintenance	152,250	152,950	132,029	20,921
Capital outlay	65,500	95,500	91,122	4,378
Total Golf Course	<u>500,575</u>	<u>497,256</u>	<u>437,809</u>	<u>59,447</u>
Lyon Bowl				
Personnel services	36,600	22,146	11,893	10,253
Other charges and services	7,200	7,200	2,484	4,716
Operating supplies	23,150	12,150	10,837	1,313
Repairs and maintenance	9,500	9,500	8,623	877
Capital outlay	9,500	9,950	9,108	842
Total Lyon Bowl	<u>85,950</u>	<u>60,946</u>	<u>42,945</u>	<u>18,001</u>
Recreation and Play				
Personnel services	394,844	300,657	246,482	54,175
Other charges and services	54,850	55,075	52,967	2,108
Operating supplies	4,000	10,000	9,399	601
Repairs and maintenance	48,000	50,000	33,846	16,154
Capital outlay	20,000	20,000	2,000	18,000
Total Recreation and Play	<u>521,694</u>	<u>435,732</u>	<u>344,694</u>	<u>91,038</u>
General Use				
Personnel services	131,500	132,776	129,286	3,490
Other charges and services	66,421	68,721	61,686	7,035
Operating supplies	4,000	4,000	997	3,003
Repairs and maintenance	5,350	8,350	4,781	3,569
Capital outlay	2,500	4,000	3,447	553
Total General Use	<u>209,771</u>	<u>217,847</u>	<u>200,197</u>	<u>17,650</u>
Total Expenditures	<u>1,561,090</u>	<u>1,420,051</u>	<u>1,160,051</u>	<u>260,000</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, 2020

	<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	163,816	408,255	511,078	102,823
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
General Fund	(100,000)	-	(28,271)	28,271
Park Improvements Fund	-	(40,000)	(40,000)	-
Tennis Courts Improvements Fund	-	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	(100,000)	(340,000)	(368,271)	28,271
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	63,816	68,255	142,807	\$ 131,094
Fund Balance, beginning of year (deficit)	274,501	274,501	274,501	
Fund Balance, end of year (deficit)	\$ 338,317	\$ 342,756	\$ 417,308	

CITY OF MARSHALL, MISSOURI
AIRPORT OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental				
State and federal grants	\$ 200,000	\$ 200,000	\$ 211,089	\$ 11,089
Total Intergovernmental	<u>200,000</u>	<u>200,000</u>	<u>211,089</u>	<u>11,089</u>
Charges for services				
Retail sales	81,500	89,500	86,972	(2,528)
Hangar rental	25,000	25,000	17,999	(7,001)
Other rental	7,500	12,500	11,881	(619)
Farm income	18,910	18,910	15,910	(3,000)
Total Charges for services	<u>132,910</u>	<u>145,910</u>	<u>132,762</u>	<u>(13,148)</u>
Miscellaneous				
Interest	2,000	2,000	1,915	(85)
Miscellaneous	750	750	270	(480)
Total Miscellaneous	<u>2,750</u>	<u>2,750</u>	<u>2,185</u>	<u>(565)</u>
Total Revenues	<u>335,660</u>	<u>348,660</u>	<u>346,036</u>	<u>(2,624)</u>
EXPENDITURES				
Personnel services	47,684	61,884	39,834	22,050
Other charges and services	276,420	254,170	260,328	(6,158)
Operating supplies	80,100	80,100	78,117	1,983
Repairs and maintenance	4,100	7,010	4,565	2,445
Capital outlay	-	20,000	19,106	894
Total Expenditures	<u>408,304</u>	<u>423,164</u>	<u>401,950</u>	<u>21,214</u>
Excess (Deficit) of Revenues over Expenditures	<u>(72,644)</u>	<u>(74,504)</u>	<u>(55,914)</u>	<u>18,590</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Street Fund	50,000	50,000	50,000	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(22,644)</u>	<u>(24,504)</u>	<u>(5,914)</u>	<u>\$ 18,590</u>
Fund Balance, beginning of year	<u>157,120</u>	<u>157,120</u>	<u>157,120</u>	
Fund Balance, end of year	<u>\$ 134,476</u>	<u>\$ 132,616</u>	<u>\$ 151,206</u>	

CITY OF MARSHALL, MISSOURI
BAND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 65,701	\$ 67,801	\$ 66,627	\$ (1,174)
Railroad and utilities	1,040	1,040	969	(71)
Financial institution	200	200	50	(150)
Total Taxes	<u>66,941</u>	<u>69,041</u>	<u>67,646</u>	<u>(1,395)</u>
Miscellaneous				
Interest	9,000	9,000	7,633	(1,367)
Donations		1,450	1,320	(130)
Total Miscellaneous	<u>9,000</u>	<u>10,450</u>	<u>8,953</u>	<u>(1,497)</u>
Total Revenues	<u>75,941</u>	<u>79,491</u>	<u>76,599</u>	<u>(2,892)</u>
EXPENDITURES				
Personnel services	4,900	4,900	4,931	(31)
Other charges and services	60,453	58,953	39,902	19,051
Operating supplies	3,450	4,450	2,158	2,292
Repairs and maintenance	1,500	2,000	883	1,117
Capital outlay	5,000	5,000	-	5,000
Total Expenditures	<u>75,303</u>	<u>75,303</u>	<u>47,874</u>	<u>27,429</u>
Excess (Deficit) of Revenues over Expenditures	638	4,188	28,725	<u>\$ 24,537</u>
Fund Balance, beginning of year	<u>337,052</u>	<u>337,052</u>	<u>337,052</u>	
Fund Balance, end of year	<u>\$ 337,690</u>	<u>\$ 341,240</u>	<u>\$ 365,777</u>	

**CITY OF MARSHALL, MISSOURI
HAB CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous				
Sale of property	\$ -	\$ 160,000	\$ 156,546	\$ (3,454)
Interest	-	2,000	1,943	(57)
Miscellaneous	-	4,000	3,325	(675)
Total Miscellaneous	<u>-</u>	<u>166,000</u>	<u>161,814</u>	<u>(4,186)</u>
Total Revenues	<u>-</u>	<u>166,000</u>	<u>161,814</u>	<u>(4,186)</u>
EXPENDITURES				
Capital outlay	-	110,000	97,243	12,757
Total Expenditures	<u>-</u>	<u>110,000</u>	<u>97,243</u>	<u>12,757</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>56,000</u>	<u>64,571</u>	<u>8,571</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out) General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>56,000</u>	<u>64,571</u>	<u>\$ 8,571</u>
Fund Balance, beginning of year	<u>81,897</u>	<u>81,897</u>	<u>81,897</u>	
Fund Balance, end of year	<u>\$ 81,897</u>	<u>\$ 137,897</u>	<u>\$ 146,468</u>	

**CITY OF MARSHALL, MISSOURI
TOURISM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Tourism	\$ 90,000	\$ 90,000	\$ 74,868	\$ (15,132)
Total Taxes	<u>90,000</u>	<u>90,000</u>	<u>74,868</u>	<u>(15,132)</u>
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>74,868</u>	<u>(15,132)</u>
EXPENDITURES				
Capital outlay	<u>90,000</u>	<u>90,000</u>	<u>82,308</u>	<u>7,692</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>82,308</u>	<u>7,692</u>
Excess (Deficit) of Revenues over Expenditures	-	-	(7,440)	<u><u>\$ (7,440)</u></u>
Fund Balance, beginning of year	<u>206,664</u>	<u>206,664</u>	<u>206,664</u>	
Fund Balance, end of year	<u><u>\$ 206,664</u></u>	<u><u>\$ 206,664</u></u>	<u><u>\$ 199,224</u></u>	

CITY OF MARSHALL, MISSOURI
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes				
Ad valorem	\$ 243,267	\$ 269,967	\$ 256,788	\$ (13,179)
Railroad and utilities	3,900	3,900	3,719	(181)
Financial institution	300	300	193	(107)
Total Taxes	<u>247,467</u>	<u>274,167</u>	<u>260,700</u>	<u>(13,467)</u>
Intergovernmental				
State grants	9,000	14,000	12,234	(1,766)
Total Intergovernmental	<u>9,000</u>	<u>14,000</u>	<u>12,234</u>	<u>(1,766)</u>
Charges for Services				
Library book fines	1,700	1,700	771	(929)
Library cards	2,000	2,000	1,247	(753)
Total Charges for Services	<u>3,700</u>	<u>3,700</u>	<u>2,018</u>	<u>(1,682)</u>
Miscellaneous				
Interest	3,000	4,700	4,597	(103)
Sale of property	1,600	1,100	274	(826)
Miscellaneous	5,050	5,150	2,991	(2,159)
Donations	3,000	1,500	413	(1,087)
Printer fees	1,700	1,700	878	(822)
Total Miscellaneous	<u>14,350</u>	<u>14,150</u>	<u>9,153</u>	<u>(4,997)</u>
Total Revenues	<u>274,517</u>	<u>306,017</u>	<u>284,105</u>	<u>(21,912)</u>
EXPENDITURES				
Personnel services	186,117	175,848	173,963	1,885
Other charges and services	63,490	68,590	60,859	7,731
Operating supplies	6,500	7,500	5,339	2,161
Repairs and maintenance	8,150	11,650	10,154	1,496
Capital outlay	3,500	3,500	796	2,704
Total Expenditures	<u>267,757</u>	<u>267,088</u>	<u>251,111</u>	<u>15,977</u>
Excess (Deficit) of Revenues over Expenditures	6,760	38,929	32,994	<u>\$ (5,935)</u>
Fund Balance, beginning of year	<u>214,777</u>	<u>214,777</u>	<u>214,777</u>	
Fund Balance, end of year	<u>\$ 221,537</u>	<u>\$ 253,706</u>	<u>\$ 247,771</u>	

**CITY OF MARSHALL, MISSOURI
PARK IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	<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	108	108	108	
Fund Balance, end of year	\$ 108	\$ 108	\$ 108	

**CITY OF MARSHALL, MISSOURI
COMMUNITY CENTER
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services				
Rent	\$ 80,000	\$ 80,200	\$ 66,086	\$ (14,114)
Total Charges for Services	<u>80,000</u>	<u>80,200</u>	<u>66,086</u>	<u>(14,114)</u>
Total Revenues	<u>80,000</u>	<u>80,200</u>	<u>66,086</u>	<u>(14,114)</u>
EXPENDITURES				
Other charges and services	58,102	61,102	53,482	7,620
Operating supplies	2,500	2,500	2,348	152
Repairs and maintenance	<u>6,500</u>	<u>10,000</u>	<u>9,567</u>	<u>433</u>
Total Expenditures	<u>67,102</u>	<u>73,602</u>	<u>65,397</u>	<u>8,205</u>
Excess (Deficit) of Revenues over Expenditures	12,898	6,598	689	<u>\$ (5,909)</u>
Fund Balance, beginning of year (deficit)	<u>(37,289)</u>	<u>(37,289)</u>	<u>(37,289)</u>	
Fund Balance, end of year (deficit)	<u>\$ (24,391)</u>	<u>\$ (30,691)</u>	<u>\$ (36,600)</u>	

**CITY OF MARSHALL, MISSOURI
EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	<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				
Miscellaneous				
Interest	\$ -	\$ 1,300	\$ 1,218	\$ (82)
Total Miscellaneous	-	1,300	1,218	(82)
Total Revenues	-	1,300	1,218	(82)
EXPENDITURES				
Capital outlay	-	108,389	68,389	40,000
Total Expenditures	-	108,389	68,389	40,000
Excess (Deficit) of Revenues over Expenditures	-	(107,089)	(67,171)	39,918
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
General Fund	-	26,000	26,000	-
Street	-	195,000	150,000	(45,000)
Sanitation	-	5,000	5,000	-
Total Other Financing Sources (Uses)	-	226,000	181,000	(45,000)
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	-	118,911	113,829	\$ 39,918
Fund Balance, beginning of year	130,933	130,933	130,933	
Fund Balance, end of year	\$ 130,933	\$ 249,844	\$ 244,762	

**CITY OF MARSHALL, MISSOURI
 PARK IMPROVEMENT DONATION
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous				
Donations	\$ -	\$ 1,280	\$ -	\$ (1,280)
Miscellaneous	-	-	1,150	1,150
Total Charges for Services	-	1,280	1,150	(130)
Total Revenues	-	1,280	1,150	(130)
EXPENDITURES				
Repairs and maintenance	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	1,280	1,150	(130)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Park Fund	-	40,000	40,000	-
Sanitation	-	-	-	-
Total Other Financing Sources (Uses)	-	40,000	40,000	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	-	41,280	41,150	<u>\$ (130)</u>
Fund Balance, beginning of year	14,319	14,319	14,319	
Fund Balance, end of year	<u>\$ 14,319</u>	<u>\$ 55,599</u>	<u>\$ 55,469</u>	

**CITY OF MARSHALL, MISSOURI
TENNIS COURT IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	<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	-	420,000	419,990	10
Total Expenditures	-	420,000	419,990	10
Excess (Deficit) of Revenues over Expenditures	-	(420,000)	(419,990)	10
OTHER FINANCING USES				
Operating transfers in (out)				
Park	-	300,000	300,000	-
Total Other Financing Uses	-	300,000	300,000	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	(120,000)	(119,990)	\$ 10
Fund Balance, beginning of year	150,000	150,000	150,000	
Fund Balance, end of year	\$ 150,000	\$ 30,000	\$ 30,010	

**CITY OF MARSHALL, MISSOURI
CITY OFFICE/REVITALIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	<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	-	20,000	17,310	2,690
Total Expenditures	-	20,000	17,310	2,690
Excess (Deficit) of Revenues over Expenditures	-	(20,000)	(17,310)	2,690
OTHER FINANCING USES				
Operating transfers in (out)				
General	-	-	-	-
Total Other Financing Uses	-	-	-	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	(20,000)	(17,310)	<u>\$ 2,690</u>
Fund Balance, beginning of year	60,000	60,000	60,000	
Fund Balance, end of year	<u>\$ 60,000</u>	<u>\$ 40,000</u>	<u>\$ 42,690</u>	

**CITY OF MARSHALL, MISSOURI
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Other	\$ -	\$ 100,000	\$ 153,734	\$ 53,734
Total Taxes	-	100,000	153,734	53,734
Miscellaneous				
Interest	-	2,000	1,623	(377)
Total Miscellaneous	-	2,000	1,623	(377)
Total Revenues	-	102,000	155,357	53,357
EXPENDITURES				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficit) of Revenues over Expenditures	-	102,000	155,357	<u>\$ 53,357</u>
Fund Balance, beginning of year	100,000	100,000	100,000	
Fund Balance, end of year	<u>\$ 100,000</u>	<u>\$ 202,000</u>	<u>\$ 255,357</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, 2020**

	<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)				
Street	-	394,500	394,500	-
Total Other Financing Uses	-	394,500	394,500	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Uses	-	394,500	394,500	\$ -
Fund Balance, beginning of year	-	-	-	
Fund Balance, end of year	\$ -	\$ 394,500	\$ 394,500	

**CITY OF MARSHALL, MISSOURI
SALTFORK PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

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

**CITY OF MARSHALL, MISSOURI
WESTPORT IV PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

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

**CITY OF MARSHALL, MISSOURI
NID SEWER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Taxes				
Special Assessment	\$ -	\$ 8,500	\$ 8,407	\$ (93)
Total Taxes	-	8,500	8,407	(93)
Total Revenues	-	8,500	8,407	(93)
EXPENDITURES				
Debt service				
Interest and fees	-	2,488	2,487	1
Total Expenditures	-	2,488	2,487	1
Excess (Deficit) of Revenues over Expenditures	-	6,012	5,920	<u>\$ (92)</u>
Fund Balance, beginning of year	55,616	55,616	55,616	
Fund Balance, end of year	<u>\$ 55,616</u>	<u>\$ 61,628</u>	<u>\$ 61,536</u>	

SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL SCHEDULES

General Fund

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

CITY OF MARSHALL, MISSOURI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

	<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	\$ 961,562	\$ 1,013,062	\$ 1,001,176	\$ (11,886)
Railroad and utilities	30,000	30,000	14,486	(15,514)
Electric franchise	1,815,000	1,815,000	1,715,757	(99,243)
Water franchise	180,000	199,000	200,063	1,063
Gas franchise	200,000	200,000	159,645	(40,355)
Phone franchise	225,000	225,000	137,360	(87,640)
CATV franchise	30,000	30,000	14,630	(15,370)
Cigarette	45,000	46,000	45,956	(44)
Financial institution	2,500	2,500	751	(1,749)
Sales	1,488,000	1,601,000	1,670,923	69,923
Use	261,500	282,500	281,984	(516)
PILOT	-	-	31,270	31,270
Total Taxes	<u>5,238,562</u>	<u>5,444,062</u>	<u>5,274,001</u>	<u>(170,061)</u>
Licenses and Permits				
Merchants license	58,000	58,000	58,047	47
Building and electric	35,000	35,000	18,214	(16,786)
Dog	400	700	599	(101)
Planning and zoning fees	600	1,000	825	(175)
Total Licenses and Permits	<u>94,000</u>	<u>94,700</u>	<u>77,685</u>	<u>(17,015)</u>
Intergovernmental				
State and federal grants	15,000	15,000	163,835	148,835
Total Intergovernmental	<u>15,000</u>	<u>15,000</u>	<u>163,835</u>	<u>148,835</u>
Charges for Services				
Rural fire calls	11,000	11,000	4,974	(6,026)
Mowing	2,500	3,000	2,776	(224)
Total Charges for Services	<u>13,500</u>	<u>14,000</u>	<u>7,750</u>	<u>(6,250)</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (cont'd)				
Fines and Penalties				
Court fines and cost	100,000	80,000	56,970	(23,030)
Police training fund	-	-	1,163	1,163
CVC fund	-	-	218	218
DWI reimbursements	5,000	5,000	-	(5,000)
Total Fines and Penalties	<u>105,000</u>	<u>85,000</u>	<u>58,351</u>	<u>(26,649)</u>
Miscellaneous				
Interest	15,000	38,000	37,008	(992)
Sale of property	5,000	5,000	4,409	(591)
Miscellaneous	70,000	70,000	37,378	(32,622)
Administrative fees	54,695	54,695	54,694	(1)
Donations	-	17,520	17,520	-
Farm income	23,000	25,200	24,843	(357)
Total Miscellaneous	<u>167,695</u>	<u>210,415</u>	<u>175,852</u>	<u>(34,563)</u>
Total Revenues	<u>5,633,757</u>	<u>5,863,177</u>	<u>5,757,474</u>	<u>(105,703)</u>
EXPENDITURES				
General and Administrative				
Personnel services	378,810	383,679	380,525	3,154
Other charges and services	387,500	359,810	271,668	88,142
Operating supplies	19,000	19,655	16,812	2,843
Repairs and maintenance	90,900	95,900	53,496	42,404
Capital outlay	-	21,385	21,384	1
Total General and Administrative	<u>876,210</u>	<u>880,429</u>	<u>743,885</u>	<u>136,544</u>
Executive				
Personnel services	204,027	194,360	189,437	4,923
Other charges and services	10,300	18,400	15,450	2,950
Repairs and maintenance	100	100	-	100
Total Executive	<u>214,427</u>	<u>212,860</u>	<u>204,887</u>	<u>7,973</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, 2020**

	<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	1,711,333	1,692,389	1,687,281	5,108
Other charges and services	136,545	133,811	127,890	5,921
Operating supplies	26,500	21,500	8,639	12,861
Repairs and maintenance	42,600	52,100	44,964	7,136
Capital outlay	24,800	26,325	22,025	4,300
Total Fire	<u>1,941,778</u>	<u>1,926,125</u>	<u>1,890,799</u>	<u>35,326</u>
Police				
Personnel services	2,158,989	2,125,438	2,100,183	25,255
Other charges and services	160,350	166,750	163,513	3,237
Operating supplies	21,700	23,850	20,290	3,560
Repairs and maintenance	124,900	144,250	135,285	8,965
Capital outlay	13,500	35,000	34,105	895
Total Police	<u>2,479,439</u>	<u>2,495,288</u>	<u>2,453,376</u>	<u>41,912</u>
Court				
Personnel services	83,367	87,211	86,694	517
Other charges and services	10,900	10,060	6,907	3,153
Operating supplies	1,500	1,500	908	592
Repairs and maintenance	4,700	4,700	3,706	994
Capital outlay	1,500	500	-	500
Total Court	<u>101,967</u>	<u>103,971</u>	<u>98,215</u>	<u>5,756</u>
Planning, Building and Economic Development				
Personnel services	210,491	182,354	178,281	4,073
Other charges and services	9,500	10,850	7,743	3,107
Operating supplies	500	624	601	23
Repairs and maintenance	3,300	24,800	23,419	1,381
Capital outlay	9,900	1,900	403	1,497
Total Planning, Building and Economic Development	<u>233,691</u>	<u>220,528</u>	<u>210,447</u>	<u>10,081</u>
Total Expenditures	<u>5,847,512</u>	<u>5,839,201</u>	<u>5,601,609</u>	<u>237,592</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, 2020**

	<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	(213,755)	23,976	155,865	131,889
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Park	-	28,271	28,271	-
Equipment replacement	100,000	(26,000)	(26,000)	-
Total Other Financing Sources (Uses)	100,000	2,271	2,271	-
Excess (Deficit) of Revenues over Expenditures and Other Financing Sources (Uses)	(113,755)	26,247	158,136	<u>\$ 131,889</u>
Fund Balance, beginning of year	1,316,021	1,316,021	1,316,021	
Fund Balance, end of year	<u>\$ 1,202,266</u>	<u>\$ 1,342,268</u>	<u>\$ 1,474,157</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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 23, 2020.

PARTNERS

Fred W. Korte, Jr.
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson

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.

PARTNER EMERITUS

Robert A. Gerding

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002.

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



December 23, 2020

Gerding, Korte & Chitwood, P.C.
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Boonville, Missouri

CITY OF MARSHALL, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2020

2020-001	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) and Westport IV Project (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 and Westport IV Project Funds budgets and noted a deficit fund balance was budgeted.
Effect:	Expenditures were made from the Saltfork Project, Community Center and Westport IV Project Funds during the fiscal year without being done in compliance with the political subdivision budgetary requirements.
Cause:	Deficit Saltfork Project, Community Center and Westport IV Project Funds beginning cash balances and budgeted revenues for the fiscal year were less than budgeted expenditures.
Recommendation:	We recommend the City prepare their annual budgets for each fund taking into consideration the beginning of the year bank balances. If transfers are required to cause the City to be in compliance with budgetary statutes, we recommend the transfers be done such that they are not in violation of state statutes or local policies.
Views of Responsible Officials and Planned Corrective Action:	The City will make every effort to ensure that budgeted expenditures do not exceed budgeted revenue plus estimated cash balances in future years.

CITY OF MARSHALL, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
SEPTEMBER 30, 2020

2020-002	Net Fund Deficit
Criteria:	No funds should have a negative ending fund balance.
Condition:	The Saltfork Project, Community Center and Westport IV Project Funds have negative ending fund balances of \$226,148, \$36,600, and \$1,250, respectively.
Context:	During our audit, we reviewed the Saltfork Project, Community Center and Westport IV Project Funds and noted negative fund balances existed for the Saltfork Project, Community Center and Westport IV Project Funds.
Effect:	A negative fund balance exists in the Saltfork Project, Community Center and Westport IV Project Funds.
Cause:	Current year revenues and transfers in plus the beginning fund balance or net position are less than current year expenditures/expenses plus transfers out.
Recommendation:	We recommend the City ensure a deficit fund balance or deficit net position does not exist.
Views of Responsible Officials and Planned Corrective Action:	The City will make every effort to ensure a deficit fund balance does not exist in any fund in future years.