

CITY OF MARSHFIELD, MISSOURI



ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Fiscal Year Ended
December 31, 2021

Report Prepared and Submitted by the Finance Department

Sam Rost, City Administrator

and

Monica Robinson, Finance Director

BUILDING COMMUNITY *Together*

CITY OF MARSHFIELD, MISSOURI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

REPORT PREPARED AND SUBMITTED
BY THE FINANCE DEPARTMENT

Sam Rost, City Administrator
and
Monica Robinson, Finance Director

CITY OF MARSHFIELD, MISSOURI
 Annual Comprehensive Finance Report
 For the Fiscal Year Ended December 31, 2021

TABLE OF CONTENTS

	Pages
SECTION I – INTRODUCTORY SECTION	
Letter of Transmittal	i-vi
Certificate of Achievement for Excellence in Financial Reporting	vii
Principal Officials	viii
Organizational Chart	ix
 SECTION II – FINANCIAL SECTION	
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-13
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	19
Statement of Net Position – Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds	22
Notes to Financial Statements	23-49
 Required Supplementary Information	
Notes to Budgetary Comparison Information	50
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Budgetary Basis) Major Governmental Funds	51-52
Schedule of Changes in Net Pension Liability and Related Ratios	53
Schedule of Pension Plan Contributions	54

Other Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds	55
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	56
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds	57

SECTION III – STATISTICAL SECTION (UNAUDITED)

Statistical Section Overview	58
Financial Trends	
Net Position by Component	59
Changes in Net Position	60-61
Fund Balances in Governmental Funds	62
Changes in Fund Balances of Governmental Funds	63-64
Revenue Capacity	
Tax Revenues by Source, Governmental Funds	65
Property Tax Rates, Direct and Overlapping Governments	66
Assessed and Estimated Actual Value of Property	67
Direct City Sales Tax Revenues by Type	68
Direct and Overlapping Sales Tax Rates	69
Debt Capacity	
Ratios of Outstanding Debt by Type	70
Ratios of General Bonded Debt Outstanding	71
Direct and Overlapping Governmental Activities Debt	72
Legal Debt Margin Information	73
Pledged Revenue Coverage by Fund	74
Demographic and Economic Information	
Demographic and Economic Statistics	75
Operating Information	
Full-Time Equivalent Employees by Function/Program	76
Operating Indicators by Function	77
Capital Asset Statistics by Function	78

SECTION IV – SINGLE AUDIT

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on the Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	79
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	80-81
Schedule of Expenditures of Federal Awards	82
Schedule of Findings and Questioned Costs	83
Summary of Schedule of Prior Audit Findings	84

SECTION I – INTRODUCTORY SECTION

June 28, 2022

Honorable Mayor
Board of Aldermen
Citizens of the City of Marshfield, Missouri

We are pleased to present for your review the City of Marshfield's Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended December 31, 2021. This report represents a culmination of twelve months of financial activity that is presented in conformance with generally accepted accounting principles (GAAP).

City staff is responsible for the completeness and accuracy of the financial data being presented. It is to the best of our knowledge and belief, that the information being reported in this document presents fairly the financial position of the City and the results of operations, in all material respects.

The City's financial statements were audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants, Decker & DeGood. The purpose of Decker & DeGood's audit is to express an opinion on the City's financial statements by obtaining a reasonable assurance that the financial statements are free from material misstatement. The independent audit involved performing procedures to obtain audit evidence of the appropriateness of accounting policies used, the amounts and disclosures in the financial statements as well as evaluating the overall presentation of the financial statements. The independent auditor's report is located at the beginning of the financial section of the ACFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it. The basic financial statements and notes provide an overview of the City's financial position and operating results. The combining statements for nonmajor funds, and other schedules provide detailed information relative to the basic financial statements.

BUILDING COMMUNITY *Together*

Mayor Natalie McNish

Aldermen J.C. Cunningham, John Quinn, Robert Boggs & Stacy Lee

The statistical section includes selected financial and demographic information, generally presented in a multi-year basis. This section is designed to provide the user with a broader and more complete understanding of the City and its financial affairs than is possible from only the financial statements and supporting schedules presented in the financial section.

CITY OF MARSHFIELD, MISSOURI

Marshfield is located in southwest Missouri, is the county seat of Webster County has approximately 7,562 residents. The City encompasses an estimated five square miles of land and is approximately 25 miles northeast of Springfield. In addition to Interstate 44, two cross-country routes, the legendary Route 66 and bicycle Route 76 intersect in Marshfield.

The City of Marshfield provides a full range of services, including water services, wastewater services, street maintenance, cemetery, police, parks and recreational facilities and programs, planning and zoning, municipal court, and general administrative services. The City's Street Maintenance Department provides maintenance for surfaced streets and alleys, City owned right of ways, property, buildings and structures. Marshfield's Public Water System provides water to approximately 3,000 metered customers. The City provides quality drinking water from three (3) deep water wells. These wells produce between 650 and 750 GPM (gallons per minute). Marshfield has an average daily flow of approximately 600,000 gallons with a peak demand up to 1,100,000 gallons. The water system maintains its pressure from four (4) elevated storage tanks capable of storing 1,100,000 gallons of water. The City operates a modern, EPA and MoDNR permitted, Complete Mix Activated Sludge Wastewater Facility. The Facility can provide treatment of up to 1.5 million gallons per day of sewage and up to 3.5 million gallons per day of wet weather inflow to the collection system.

PROFILE OF THE GOVERNMENT

The City of Marshfield operates as a fourth class city under the Revised Statutes of the State of Missouri (RsMO) and is divided into two wards, the West Ward and the East Ward. The City is governed by a Mayor and four aldermen, two from each Ward. The Mayor is elected at large by the voters of the city every two years. Aldermen are elected by the voters in their respective Wards to serve a staggered two-year term.

As the legislative body, the Board of Aldermen is responsible for enacting all ordinances, resolutions and regulations governing the City. Appointment of the City Administrator, City Clerk, Municipal Judge, City Collector, Chief of Police, City Attorney are made by the Mayor with the consent and approval of the majority of the members of the Board of Aldermen.

The City Administrator is the Chief Administrative Assistant to the Mayor and has general superintending control of the administration and management of the government business, officers and employees of the City, subject to the direction and supervision of the Mayor.

The annual budget serves as the foundation for the City's financial planning and control. The budget preparation begins with each department's detailed estimates of revenue and expenditures. The estimates are evaluated with the City's Finance Advisory Committee, which is comprised of citizens appointed by the Mayor; City Administrator; department supervisors; and

ultimately the Mayor and Board of Aldermen. The Board of Aldermen must approve the annual budget no later than December 31st preceding the beginning of the new fiscal year.

LOCAL ECONOMY

The total tax revenue for the City rose by 8.9% in 2021 and sales tax revenue increased by 9.2%. The City is empowered to levy property taxes on both real and personal property located within its boundaries and has the authority to extend its corporate limits through annexation when deemed appropriate and is approved by City Council.

ECONOMIC

Historically, the City has partnered on economic development efforts with the Marshfield Development League and the Marshfield Chamber of Commerce. While these partnerships continue, Marshfield was one of five Missouri communities to be a part of the Growth in the Rural Ozarks (GRO) Grant program in 2016. This grant program has helped to promote entrepreneurship, job creation and an improved quality of life in Marshfield through economic and workforce development. The grant was co-funded by the Community Foundation of the Ozarks (CFO), and the U.S. Department of Agriculture (USDA) and supported by the Marshfield Area Community Foundation (MACF). 2016 was the first year of the three-year grant and has evolved into the formal formation of GRO Marshfield as a non-profit entity with the Office of the Missouri Secretary of State. The GRO Marshfield program is focused on the following areas that collectively strive to improve the economy and quality of life in Marshfield:

- **Community Development**
 - Community Beautification
 - Housing Preservation
 - Community Growth
 - Community Health
- **Focused Business Growth**
 - Business Attraction
 - Business Outreach
 - Business Development and Resource
- **Entrepreneurship and Innovation**
 - Student Engagement
- **Community Marketing**
 - Community Engagement and Branding
 - Webster County Route 66

MAJOR INITIATIVES

During Fiscal Year 2021, the City of Marshfield completed and continued work on the following major initiatives:

- Construction began on the second interchange on I-44 near mile marker 103 in October 2019. Majority of the construction phase was in 2020 and completed in 2021.
- In 2019 the City awarded the contract for the improvements to the Highway CC-Banning Street -Buffalo Street intersection to address transportation safety issues. Majority of the construction phase was in 2020 and completed in 2021.
- In 2019 construction began on awarded contracts for the improvements to the city's water system. Engineering and construction continued through 2021. These improvements are anticipated to be completed summer of 2022.
- Awarded contracts for improvements to the city's wastewater system in 2019. Majority of the construction was completed in 2020 and completed spring of 2022.
- Continued implementation of a long-range 'Growth Plan' for the community that was adopted in 2020.
- Continued implementation of a long-range Parks & Recreation Master Plan for the City's Park facilities and recreational programs that was completed and adopted in 2020.
- Completed construction of the North Elm Street extension which connects the new Highway CC corridor to Hubble Drive. The multi-purpose trail along the North Elm Street corridor is expected to be completed summer of 2022.
- Completed subgrade stabilization and overlay of Banning Street.
- The City commissioned a water and sewer rate study to evaluate the rates of each utility system, including operational costs, projected repair and replacement budgets, materials and labor, emergency funds, debt services, regulatory obligations, inflation and more. They study was completed early 2022 with a recommended five-year plan to adjust the water and sewer rates to a point in which they can adequately fund the necessary costs for the systems. The implementation of the plan is expected to begin mid-year 2022.

FINANCIAL INFORMATION

Consideration is given to the adequacy of internal accounting controls in developing the City's accounting system. Internal accounting controls are designed to provide reasonable assurance, but not absolute, that assets are effectively safeguarded, and transactions are performed in accordance with management's authorization and are properly recorded. The cost of a control should not exceed the benefits and is recognized in the concept of reasonable assurance through the evaluation of cost and benefit estimates. It is our belief that within this framework the City's internal accounting control system adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Internal Budgeting Controls

All funds are budgeted on an annual basis. The Budget Officer is designated by the Board of Aldermen. Under the direction of the Budget Officer, the annual budget for all funds is prepared and submitted to the Board for approval. Management use the annual budget as a control tool for financial planning and a measurement tool for operational expenditure levels. Budgeting of the enterprise activity is necessary to ensure the level of user rates is sufficient to cover operational costs and to service debt.

The Board adopts the budget before the beginning of the fiscal year by ordinance. In no event shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. During the fiscal year, the City shall not increase the total amount authorized for expenditure from any fund, unless the Board adopts a resolution setting forth the facts and reasons making the increase necessary and adopts an ordinance authorizing the expenditures.

Relevant Financial Policies

Several policies have been developed and implemented by the City to ensure protection of the City’s assets and to provide internal controls. Effective December 2012, the City’s Purchasing Policy covers topics such as conflict of interest, competitive bidding and other purchasing procedures. Other City policies include Identity Theft Policy, Anti-Fraud Policy, Water and Sewer Rate Adjustment Policy, and Vehicle & Fleet Policy. In May 2018 the City adopted an Investment Policy. The Investment Policy establishes the parameters for investing the City’s unallocated funds and identifies the investment objectives, preferences, constraints on the where these funds can be invested as well as how the investment program is to be managed. The Internal Control Policy was adopted March 2022 which documents the procedures that make up the City’s internal controls. April 2022 the Grants Policies and Procedures was adopted to establish guidelines and requirements for the application, acceptance, and use of grant revenue.

Debt Administration

As of December 31, 2021, the City of Marshfield had an outstanding debt balance of \$23,379,754 compared to a balance of \$24,369,453 on December 31, 2020. Of this balance, \$9,610,000 is general obligation debt. The remainder of the debt balance is comprised of the following:

- General Leasehold Agreements - \$41,754
- General Certificates of Participation - \$3,175,000
- Enterprise Revenue Bonds - \$10,553,000
- Enterprise Leasehold Agreements - \$0.00

OTHER INFORMATION

A community Vision Casting process was undertaken in 2013 and concluded in 2014. In 2018, in advance of undertaking the community Growth Plan, as previously described, a second Vision Casting effort was undertaken. In each of these efforts, the Vision Casting sessions began with meetings involving community groups: Business, Civic Leaders, Educators, Government, Parents, Pastors, Realtors, and Up and Comers (11th and 12 grade students), Older Adults, and Persons with Disabilities. These sessions were designed to bring the Marshfield community together to inclusively identify priorities and future goals. These priorities and goals are the foundation for the design and implementation of the City’s Strategic Plan and Growth Plan. As a result of the community Vision Casting process, various community needs were identified and

prioritized by each of the eight groups. The needs and priorities of each group were then discussed and combined that resulted in the following three community priorities:

- Economic Development
- Activities / Entertainment
- Employment Opportunities

The direction established by the Marshfield Community Vision Casting process, is now leading the initiatives and direction of the community and influences the initiatives undertaken by the city as well as the city's annual budgeting process.

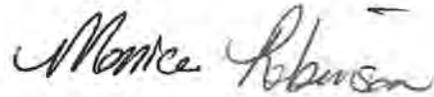
ACKNOWLEDGEMENTS

We would like to extend our appreciation to the Mayor, the Board of Aldermen, the department directors, all city employees and those volunteers who serve on the City's Finance Advisory Committee for their oversight of the of the City's resources in providing quality services to Marshfield residents. We would also like to thank our auditors, Decker & DeGood, P.C. for their help in formulating this report.

Respectfully submitted,



Sam Rost
City Administrator



Monica Robinson
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Marshfield
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF MARSHFIELD, MISSOURI

Principal Officials

As of December 31, 2021

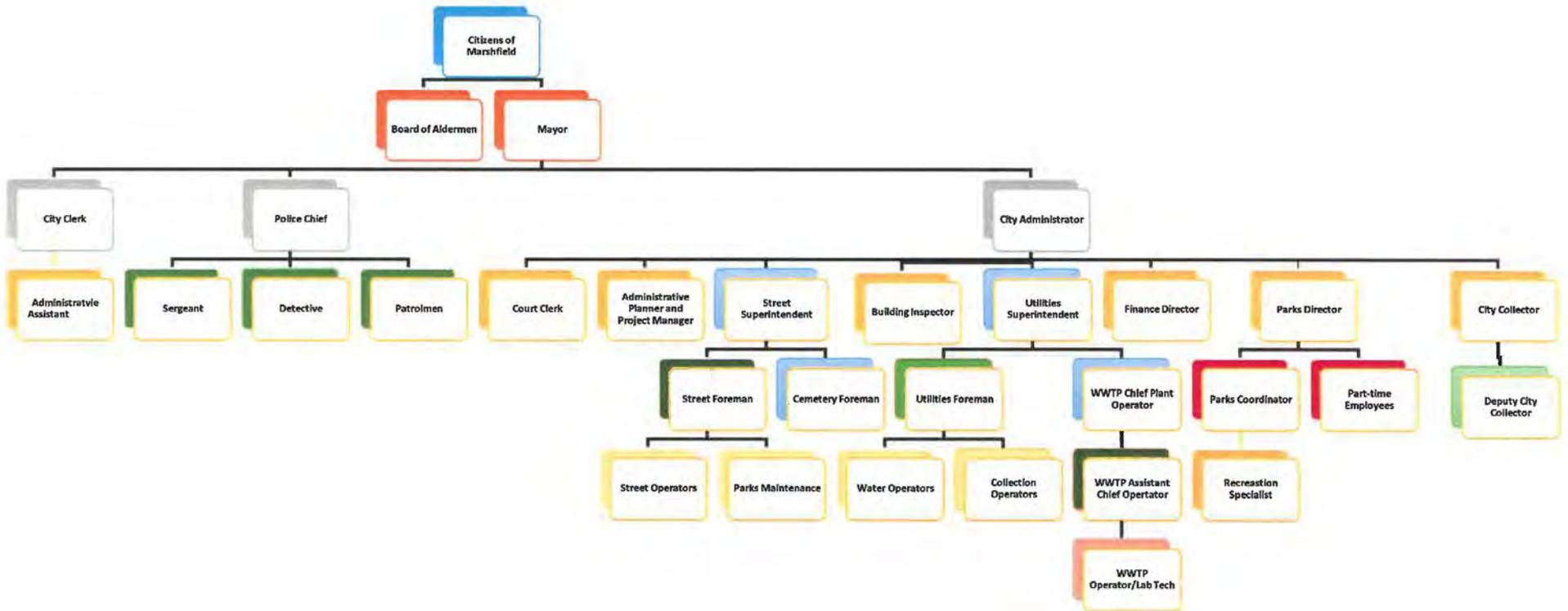
Mayor and Board of Aldermen

Mayor	Natalie McNish
East Ward	JC Cunningham
East Ward	John Quinn
West Ward	Robert Boggs
West Ward	Stacy Lee

City Administration

City Administrator	Sam Rost
City Clerk	Karen Rost
City Collector	Julie Rieke
Finance Director	Monica Robinson
City Attorney	Paul Link
Utilities Superintendent	Richard Nevills
Wastewater Treatment Plant Chief Plant Operator	Buck Nichols
Police Chief	Doug Fannen

Organizational Chart



SECTION II – FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Marshfield, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshfield, Missouri as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Marshfield, Missouri's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshfield, Missouri, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Marshfield, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Marshfield, Missouri's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 to 13 and 51 to 52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marshfield, Missouri's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

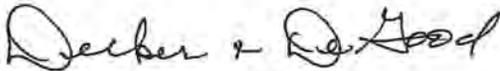
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and combining and budget to actual of nonmajor funds but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2022, on our consideration of the City of Marshfield, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Marshfield, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Marshfield, Missouri's internal control over financial reporting and compliance.



Decker & DeGood, PC

Springfield, Missouri

June 3, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Marshfield, 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 December 31, 2021. We encourage readers to use this document in conjunction with the transmittal letter in the Introductory Section of this report and with the City's financial statements, which begin on page 12.

Financial Highlights and Significant Events

- On a government-wide basis, the assets, and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources for the most recent fiscal year by \$ 31,842,729. The City has unrestricted net position totaling \$ 4,215,715 which can be used to fund the City's functions/programs.
- As of December 31, 2021, governmental activities and business-type activities had net positions of \$ 17,805,356 and \$ 14,037,373, respectively.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$ 8,510,429, an increase of \$ 788,709 in comparison with the prior year. Approximately 41.48 percent or \$ 3,529,846 is available for discretionary spending by the City. The remaining fund balance is either restricted by outside parties or not in spendable form.
- The unassigned fund balance for the General Fund, \$ 3,529,846, is 98.13% of total General Fund expenditures, and is an increase in comparison with the prior year unassigned fund balance.
- The City's long-term debt obligations decreased by \$ 989,699 or 4.06% as compared to fiscal year 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Marshfield's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Marshfield's finances, in a manner similar to private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the City. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

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

The Statement of Activities presents information showing how the government's net assets changed during the current fiscal year. All changes in net assets are reported as soon as 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 not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Marshfield that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other 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, judiciary, public safety, transportation, culture and recreation. The business-type activities include the Water and Sewer systems.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law, while others are established to help control and manage money for a particular purpose. The City's two kinds of funds are as follows:

- Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the accrual method of accounting, which measures cash when earned and expenditures incurred. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

The City of Marshfield adopts an annual budget for its governmental funds and a comparison of actual to budget has been provided to demonstrate compliance with the authorized budget. The Statement of Revenues, Expenditures and Changes in Fund Balance on a Budgetary Basis can be found on pages 51-52 and 57.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balance) can be found on pages 16-19 of this report.

- Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows. The basic proprietary fund financial statements (Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows) can be found on pages 20-22 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 23-49 of this report.

Required Supplemental Information

In addition to the basic financial statements the required supplementary information can be found on pages 50-54 of this report with the supplementary information on pages 55-57.

Government-Wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$ 34,842,729 at the close of the most recent fiscal year.

The City's net investment in capital assets (land, construction in progress, buildings, equipment, improvements, and infrastructure) totals \$ 18,595,449. As capital assets, these resources are not available for future spending, nor can they be readily liquidated to pay off their related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

City of Marshfield's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current Assets and other assets	\$ 9,689,326	\$ 7,787,398	\$ 7,393,928	\$ 8,206,883	\$ 17,083,254	\$ 15,994,281
Capital Assets	23,250,709	22,950,943	18,724,494	17,808,880	41,975,203	40,759,823
Total Assets	32,940,035	30,738,341	26,118,422	26,015,763	59,058,457	56,754,104
Deferred Outflows of Resources						
Deferred pension related	222,613	370,605	100,919	214,301	323,532	584,906
Total Deferred Outflows	222,613	370,605	100,919	214,301	323,532	584,906
Current Liabilities	986,557	216,845	417,475	413,367	1,404,032	630,212
Long-term Debt	13,785,826	15,269,848	11,369,757	12,028,061	25,155,583	27,297,909
Total Liabilities	14,772,383	15,486,693	11,787,232	12,441,428	26,559,615	27,928,121
Deferred Inflows						
Deferred pension related	584,909	67,615	394,736	26,152	979,645	93,767
Total Deferred Inflows	584,909	67,615	394,736	26,152	979,645	93,767
Net Position:						
Invested in capital assets-net	10,423,955	8,486,933	8,171,494	6,892,140	18,595,449	15,379,073
Restricted	5,275,745	6,921,862	3,755,820	5,849,251	9,031,565	12,771,113
Unrestricted	2,105,656	145,843	2,110,059	1,021,093	4,215,715	1,166,936
Total net position	\$ 17,805,356	\$ 15,554,638	\$ 14,037,373	\$ 13,762,484	\$ 31,842,729	\$ 29,317,122

**City of Marshfield
Changes in Net Position**

Government-Wide Financial Analysis-continued

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$ 4,270,945 is explained further below.

At the end of the current fiscal year, the City is able to report positive balances in both categories of net position for the City as a whole. The reporting model includes the reporting of the City's infrastructure as a capital asset, including assets acquired retroactive to 1980.

Changes in Position. The City's total net position increased by \$ 2,525,607. This increase in net position is a result of continued economic growth. Key elements to the changes in net position follow:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charge for services	\$ 403,555	\$ 334,951	\$ 2,652,310	\$ 2,483,827	\$ 3,055,865	\$ 2,818,778
Operating grants and contributions	9,000	28,325	-	2,597	9,000	30,922
Capital grants and contributions	-	264,679	-	-	-	264,679
General Revenues:						
Taxes	4,927,509	4,525,666	-	-	4,927,509	4,525,666
Interest	29,737	81,300	60,317	106,390	90,054	187,690
Other	498,439	12,134	-	-	498,439	12,134
Total Revenue	<u>5,868,240</u>	<u>5,247,055</u>	<u>2,712,627</u>	<u>2,592,814</u>	<u>8,580,867</u>	<u>7,839,869</u>

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Expenses:						
Administration	290,763	304,171	-	-	290,763	304,171
Law and public safety	902,597	1,297,769	-	-	902,597	1,297,769
Streets	804,609	764,596	-	-	804,609	764,596
Municipal court	73,062	74,207	-	-	73,062	74,207
Building inspection	98,431	88,651	-	-	98,431	88,651
Economic development	109,397	60,000	-	-	109,397	60,000
Animal control	27,684	24,927	-	-	27,684	24,927
Cemetery	117,098	108,920	-	-	117,098	108,920
Park	785,473	719,752	-	-	785,473	719,752
Interest	503,194	521,237	-	-	503,194	521,237
Water	-	-	1,153,611	1,131,513	1,153,611	1,131,513
Sewer	-	-	1,189,341	1,268,952	1,189,341	1,268,952
Total Expense	<u>3,712,308</u>	<u>3,964,230</u>	<u>2,342,952</u>	<u>2,400,465</u>	<u>6,055,260</u>	<u>6,364,695</u>
Increase (decrease) in net position before transfers	-	1,282,825	369,675	192,349	369,675	1,475,174
Transfers	94,786	97,506	(94,786)	(97,506)	-	-
Change in Net Position	2,250,718	1,380,331	274,889	94,843	369,675	1,475,174
Net Position, beginning	15,554,638	14,174,307	13,762,484	13,667,641	29,317,122	27,841,948
Net Position, ending	<u>\$ 17,805,356</u>	<u>\$ 15,554,638</u>	<u>\$ 14,037,373</u>	<u>\$ 13,762,484</u>	<u>\$ 29,686,797</u>	<u>\$ 29,317,122</u>

Governmental activities. Governmental activities increased the City's net position by \$ 2,250,718, thereby accounting for 89.11% of the total growth in the net position of the City. Compared to last year's growth for Governmental activities, this was an increase of \$ 870,387, which was most notable due to an increase in general sales tax of \$308,801 due to an economic rebound that occurred in the third and fourth quarter of the year. Property taxes increased due to an increase in valuation of \$ 73,593. This plus the City sold a building located downtown for \$ 464,872.

Business-type activities. Business-type activities increased the City's net position by \$ 274,889, thereby accounting for 10.89% of the total growth in the net position of the City. This was an increase of \$ 180,046 over the prior year. This was due to an increase in in operating revenue of \$ 168,483 and a drop in expenditures of \$ 57,513.

In reviewing the current to the past year on the Water and Sewer Funds, we noted the following:

	2021	2020	Change	
			Amount	%
Water Fund				
Revenue	\$ 1,421,920	\$ 1,545,514	\$ (123,594)	-8.00%
Expense net of Depreciation	926,721	905,422	21,299	2.35%
Operating Income	412,067	608,090	(196,023)	-32.24%
Sewer Fund				
Revenue	1,230,390	938,313	292,077	31.13%
Expense net of Depreciation	951,802	1,035,875	(84,073)	-8.12%
Operating Income (Loss)	185,443	(158,857)	344,300	-216.74%

Financial Analysis of the City of Marshfield's Funds

As noted earlier, the City uses fund accounting to demonstrate compliance with legal or finance-related requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. 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.

Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance includes amounts that cannot be spent for legal or practical reasons. Examples include prepaid items and inventory. Restricted fund balance includes amounts restricted to specific purposes by external parties such as amounts restricted for specific purposes such as streets and parks.

Committed fund balance includes amounts that have been set aside by the City Council for a specific purpose prior to the end of the fiscal year. Assigned fund balance includes amounts that have been set aside by the City Council for a specific purpose, but subsequent to the end of the fiscal year. Unassigned fund balance includes all remaining amounts.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$ 8,851,429 with an increase of \$ 788,709 compared to the prior fiscal year. Of the total balance, \$ 87,504 is nonspendable, \$ 4,893,079 is restricted, and \$ 3,529,846 unassigned.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund reported a fund balance of \$ 3,596,970 of which \$ 67,124 is nonspendable and \$ 3,529,846 is unassigned.

Fund balance of the General Fund increased \$ 938,600 over the prior year as compared to the prior year totals were approximately the same except for sales tax which showed an increase of \$ 186,704, along with the sale of building \$ 626,228 and a drop in expenditures for public safety of \$ 160,837.

The fund balance of the Transportation Sales Tax Fund increased by \$ 58,584 which was attributable to an increase in sales tax of \$ 31,328 and less monies spent on the I-44 interchange project.

The Park Fund balance increased \$ 124,505 which was reflected by an increase in sales tax revenue of \$ 90,769 along with less grant funds of \$ 120,730 and an increase in Park operation of \$ 124,267 because Covid-19 restrictions were dropped and thus an increase in activities.

Proprietary Funds

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

Unrestricted net position in the City's major proprietary funds totaled the following: \$ 1,606,843 in the Water Fund and \$ 558,446 in the Sewer Fund. The finances of these funds were discussed earlier as part of the business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's 2021 budget was adopted December 10, 2020. The General Fund expenditure budget was \$ 2,716,591. The actual General Fund expenditures were 23.4% less than budgeted. Transfers out include the transfer to the Parks and Recreation Department. Transfers in include the payment-in-lieu of taxes (PILOT) from the Water and Sewer Funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Marshfield's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$ 41,975,203 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, water and sewer treatment plant. The total increase in capital assets for the current year was approximately 2.98%.

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 899,533	\$ 899,533	\$ 612,433	\$ 612,433	\$ 1,511,966	\$ 1,511,966
Construction in Progress	11,188,545	10,980,082	8,866,298	7,655,480	20,054,843	18,635,562
Plant		-	8,674,080	9,063,014	8,674,080	9,063,014
Buildings	5,474,800	5,851,186	-	-	5,474,800	5,851,186
Infrastructure	5,053,954	4,465,632	-	-	5,053,954	4,465,632
Equipment	281,742	315,507	221,957	148,734	503,699	464,241
Vehicles	352,135	439,003	349,726	329,219	701,861	768,222
	<u>\$ 23,250,709</u>	<u>\$ 22,950,943</u>	<u>\$ 18,724,494</u>	<u>\$ 17,808,880</u>	<u>\$ 41,975,203</u>	<u>\$ 40,759,823</u>

Major capital assets events during the current fiscal year include the following:

- Construction on water project improvements \$ 1,213,768
- Construction on I-44 project \$ 177,716
- Street overlay projects \$ 798,839
- Extension of Elm Street \$ 33,228

Additional information on the City's capital assets can be found in Note D of the notes to the financial statements of this report.

Long-term Debt

At year-end, the City had \$ 23,379,754 outstanding notes as compared to the prior year of \$ 24,369,453.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$ -	\$ -	\$ 10,553,000	\$ 10,829,000	\$ 10,553,000	\$ 10,829,000
G.O. Bonds	9,610,000	10,000,000	-	-	9,610,000	10,000,000
Certificate of Part.	3,175,000	3,455,000	-	-	3,175,000	3,455,000
Lease Obligations	41,754	85,453	-	-	41,754	85,453
TOTALS	\$ 12,826,754	\$ 13,540,453	\$ 10,553,000	\$ 10,829,000	\$ 23,379,754	\$ 24,369,453

Additional information on the City's long-term debt can be found in Note E of the notes to the financial statements of this report.

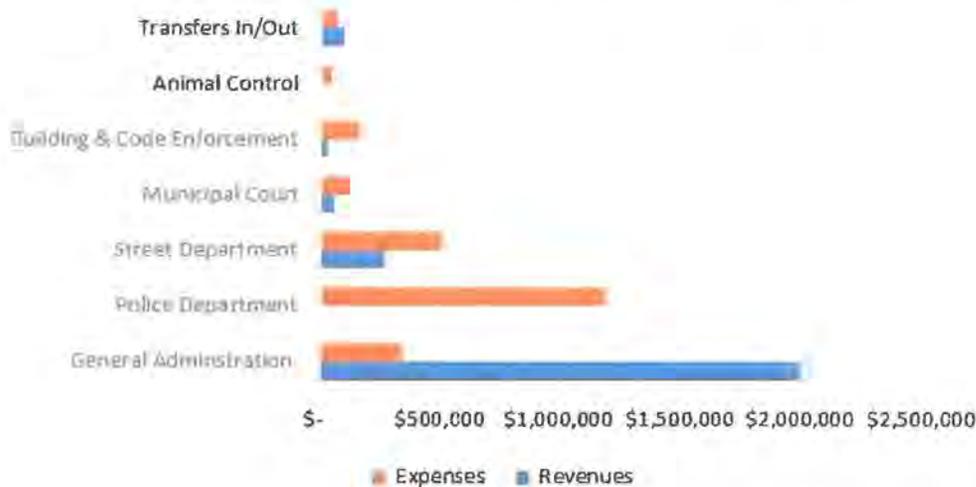
ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Marshfield's FY22 Operating Budget identifies a total of \$8,906,820 in revenues and \$8,788,468 in expenses. Water, Sewer and Transportation capital projects expenditures total \$2,852,881.

The City's General Fund FY22 Operating Budget revenues are projected to be \$2,455,181, including transfers in, and \$2,455,503 in expenses, including transfers out and encumbrances. Transfers into the General Fund include PILOT transfers from the Water and Sewer Funds. The General Fund provides funding for the City's General Administration Department, Street Department, Police Department, Municipal Court, Building and Code Enforcement Department, Animal Control and a transfer to the Parks Department.

The City's General Administration Department is projected to expend \$346,276 for operations and maintenance. Street Department revenues are \$270,841 and expenditures are \$508,701. The Police Department revenues are \$1,800 and expenditures are \$1,192,764. The Municipal Court revenues are budgeted as \$60,000 and expenditures are \$164,009. The Building and Code Enforcement Department revenues are projected to be \$31,500 and the expenditures as \$125,554. Animal Control Department revenues are budgeted as \$1,900 and expenditures as \$43,468.

General Fund FY22 Operating Budget

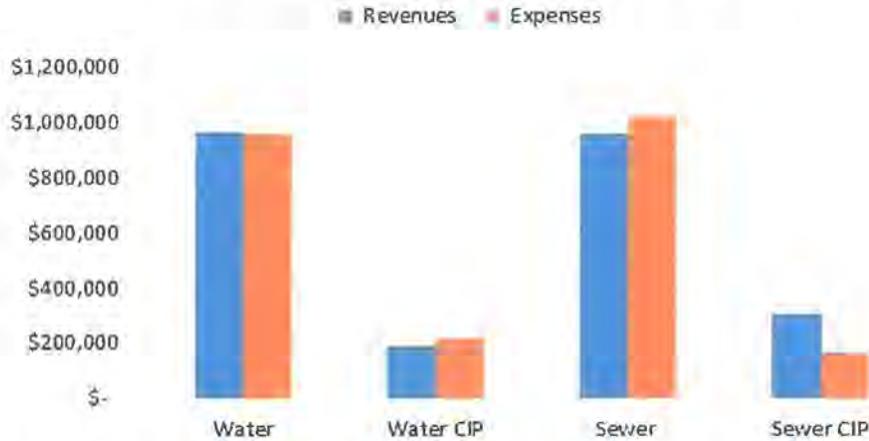


The Parks Fund revenues are budgeted as \$1,109,642 and a transfer in from the General Fund for \$56,041. This transfer in is \$10,000 less than the budgeted amount for FY21. The goal of the Parks Department is to reduce the transfer each year by growing the department revenues through activity fees. The Certificates of Participation (COPs) that were issued in 2018 to build an aquatic pool have been closed out. The remaining balance of those funds were transferred to the Parks Fund and the Transportation Fund in FY21 to reimburse expenses paid for the project. The FY22 Park Fund expenditures are budgeted as \$1,153,696, which includes the principal and interest debt service payments for the COPs of \$400,344.

The City's Wastewater Treatment Plant Fund (Sewer Fund) revenues are budgeted as \$957,440 and expending \$1,022,371. Included in the budget numbers is an Engineering Report Grant through the Clean Water State Revolving Fund that was awarded to the City in FY21. The total expense of the grant is \$62,500 and the balance of the expense, \$25,465 and the full reimbursement of \$50,000 is budgeted for FY22. The Water Fund revenues are budgeted as \$962,611 and expenses as \$960,915 and transferring \$37,140 to the Water Replacement Reserve Fund. The City has undertaken an extensive water and sewer rate study with an engineering firm to establish a five-year plan to adjust the rates so they can adequately fund operational costs, projected repair and replacement budgets, materials and labor, emergency funds, inflation, debt service and regulatory obligations. The rate study was completed in early 2022 and the rates will be adjusted mid-year. The FY22 revenues for both water and sewer do not include any rate adjustments.

The Water and Sewer Capital Improvement Plan (CIP) revenues come from a monthly capital improvement fee added to each customer's bill. The Water CIP revenues are budgeted as \$192,671 and expenditures as \$221,414. The WWTP CIP revenues are budgeted as \$303,149 and expenditures as \$170,156. The expenditures include debt service for Water and Sewer System Improvements Revenue Bonds and other capital projects.

Water & Sewer FY22 Budgets



The Transportation Fund revenues are budgeted as \$793,391 and expenditures as \$1,474,827. The revenues include \$12,000 as a Transportation Engineering Assistance Program (TEAP) Grant, and the expense of this grant is \$19,500. Expenditures also include the remaining contract balance for the extension of Elm Street and resurfacing North Marshall St.

The FY22 Budget identifies \$1,842,580 in Growth Areas expenditures. Growth Areas are capital asset needs, infrastructure maintenance and upgrades, and other needs of the city that are in addition to the Operating Budget and require Board approval before proceeding. Many of the items identified in the Growth Areas are projected to be cost shared by departments and funds. Some of the cost shared items are the City Hall improvements which may include remodeling and expanding the current building, roof repair for City Hall and the Police/Street/Municipal Court building, IT services, website design, vehicles and equipment.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Office at 798 S. Marshall Street, Marshfield, Missouri

Monica Robinson,
Finance Director

CITY OF MARSHFIELD, MISSOURI

STATEMENT OF NET POSITION

DECEMBER 31, 2021

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 7,717,325	\$ 2,125,592	\$ 9,842,917
Receivables, net			
Taxes	1,186,176	-	1,186,176
Utilities	-	227,518	227,518
Restricted assets-Cash and cash equivalents			
Industrial Park	10,971	-	10,971
Debt reserves	-	698,587	698,587
Capital projects	382,666	4,040,894	4,423,560
Prepaid items	87,504	47,556	135,060
Capital assets:			
Land	899,533	612,433	1,511,966
Construction in progress	11,188,545	8,866,298	20,054,843
Other capital assets, net of accumulated depreciation	11,162,631	9,245,763	20,408,394
Net pension assets	304,684	253,781	558,465
Total Assets	<u>32,940,035</u>	<u>26,118,422</u>	<u>59,058,457</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow of resources related to pensions	<u>222,613</u>	<u>100,919</u>	<u>323,532</u>
LIABILITIES			
Accounts payable	-	7,672	7,672
Accrued wages and payroll taxes	45,642	23,418	69,060
Accrued interest	177,964	116,626	294,590
Unearned revenue	762,951	-	762,951
Customer deposits	-	269,759	269,759
Noncurrent Liabilities:			
Due within one year:			
Long-term debt	771,078	310,172	1,081,250
Due in more than one year:			
Long-term debt	13,014,748	11,059,585	24,074,333
Total Liabilities	<u>14,772,383</u>	<u>11,787,232</u>	<u>26,559,615</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow of resources related to pensions	<u>584,909</u>	<u>394,736</u>	<u>979,645</u>
Total Deferred Inflow of Resources	<u>584,909</u>	<u>394,736</u>	<u>979,645</u>
NET POSITION			
Net investment in capital assets	10,423,955	8,171,494	18,595,449
Restricted			
Debt	375,057	613,720	988,777
Streets	2,141,207	-	2,141,207
Cemetery	588,600	-	588,600
Parks	1,788,215	-	1,788,215
Construction	382,666	3,142,100	3,524,766
Unrestricted	<u>2,105,656</u>	<u>2,110,059</u>	<u>4,215,715</u>
Total Net Position	<u>\$ 17,805,356</u>	<u>\$ 14,037,373</u>	<u>\$ 31,842,729</u>

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 290,763	\$ 62,891	\$ -	\$ -	\$ (227,872)	\$ -	\$ (227,872)
Law and public safety	902,597	-	-	-	(902,597)	-	(902,597)
Street	804,609	-	9,000	-	(795,609)	-	(795,609)
Municipal court	73,062	50,506	-	-	(22,556)	-	(22,556)
Building inspection	98,431	30,820	-	-	(67,611)	-	(67,611)
Economic development	109,397	-	-	-	(109,397)	-	(109,397)
Animal control	27,684	-	-	-	(27,684)	-	(27,684)
Cemetery	117,098	38,600	-	-	(78,498)	-	(78,498)
Park	785,473	220,738	-	-	(564,735)	-	(564,735)
Interest on long-term debt	503,194	-	-	-	(503,194)	-	(503,194)
Total governmental activities	3,712,308	403,555	9,000	-	(3,299,753)	-	(3,299,753)
Business-type activities:							
Water	1,153,611	1,421,920	-	-	-	268,309	268,309
Sewer	1,189,341	1,230,390	-	-	-	41,049	41,049
Total business-type activities	2,342,952	2,652,310	-	-	-	309,358	309,358
Total Government	\$ 6,055,260	\$ 3,055,865	\$ 9,000	\$ -	(3,299,753)	309,358	(2,990,395)

General Revenues

Taxes:

Property taxes levied for cemetery	140,856	-	140,856
Property taxes levied for debt service	403,065	-	403,065
Property taxes levied for parks	119,772	-	119,772
Franchise taxes	318,086	-	318,086
Sales taxes	3,656,171	-	3,656,171
Missouri motor fuel taxes	289,559	-	289,559
Interest and dividends	29,737	60,317	90,054
Miscellaneous	33,567	-	33,567
Transfers	94,786	(94,786)	-
Gain on sale of capital assets	464,872	-	464,872
Total general revenues and transfers	5,550,471	(34,469)	5,516,002
Change in net position	2,250,718	274,889	2,525,607
Net position beginning	15,554,638	13,762,484	29,317,122
Net position ending	\$ 17,805,356	\$ 14,037,373	\$ 31,842,729

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Transportation Sales Tax Fund	Park Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,934,028	\$ 1,620,609	\$ 1,573,618	\$ 589,070	\$ 7,717,325
Accounts receivable-					
Sales tax	282,635	137,932	137,931	-	558,498
Franchise tax	52,950	-	-	-	52,950
Motor fuel taxes	48,831	-	-	-	48,831
Property taxes-net	-	-	95,250	430,647	525,897
Restricted assets-cash and cash equivalents	10,971	382,666	-	-	393,637
Prepaid items	67,124	-	17,326	3,054	87,504
TOTAL ASSETS	\$ 4,396,539	\$ 2,141,207	\$ 1,824,125	\$ 1,022,771	\$ 9,384,642
LIABILITIES					
Accrued wages and benefits	\$ 36,618	\$ -	\$ 6,700	\$ 2,324	\$ 45,642
Unearned revenue	762,951	-	-	-	762,951
Total Liabilities	799,569	-	6,700	2,324	808,593
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	-	-	11,884	53,736	65,620
FUND BALANCES					
Nonspendable	67,124	-	17,326	3,054	87,504
Restricted for:					
Debt	-	-	-	375,057	375,057
Streets	-	2,141,207	-	-	2,141,207
Cemetery	-	-	-	588,600	588,600
Parks	-	-	1,788,215	-	1,788,215
Unassigned	3,529,846	-	-	-	3,529,846
Total Fund Balances	3,596,970	2,141,207	1,805,541	966,711	8,510,429
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,396,539	\$ 2,141,207	\$ 1,824,125	\$ 1,022,771	\$ 9,384,642

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total Fund Balances-Governmental Funds		\$ 8,510,429
<p>Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.</p>		
Non-depreciable assets	12,088,078	
Depreciable assets	<u>11,162,631</u>	
		23,250,709
<p>Property taxes assessed by the City, but not collected as of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements.</p>		
		65,620
<p>Net pension liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Net pension assets		304,684
Deferred outflows - pension related		222,613
Deferred inflows - pension related		(584,909)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the same statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Lease payable		(41,754)
Certificate of participation		(3,175,000)
General Obligation bond		(9,610,000)
<p>Liabilities and premium on debt issuance are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.</p>		
Compensated absences		(86,824)
Unamortized bond premium		(872,248)
Accrued interest		<u>(177,964)</u>
Net position of governmental activities		<u>\$ 17,805,356</u>

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES	General Fund	Transportation Sales Tax Fund	Park Fund	Total Nonmajor Funds	Total Governmental Funds
Taxes:					
Property taxes	\$ -	\$ -	\$ 114,239	\$ 518,715	\$ 632,954
Franchise taxes	318,086	-	-	-	318,086
Sales taxes	1,880,494	873,149	902,528	-	3,656,171
Intergovernmental:					
Missouri motor fuel taxes	289,559	-	-	-	289,559
Financial institutional tax	2,024	-	-	-	2,024
User charges:					
Cemetery-sale of plots & grave openings	-	-	-	38,600	38,600
Park activity fees	-	-	220,738	-	220,738
Licenses & permits	49,109	-	-	-	49,109
Fines & forfeitures	50,506	-	-	-	50,506
Interest and dividends	14,161	7,061	5,973	2,542	29,737
Grants	-	9,000	-	-	9,000
Rent	44,602	-	-	-	44,602
Miscellaneous	30,293	-	235	1,015	31,543
Total Revenues	<u>2,678,834</u>	<u>889,210</u>	<u>1,243,713</u>	<u>560,872</u>	<u>5,372,629</u>
EXPENDITURES					
Current:					
General government	288,841	-	-	37	288,878
Law and public safety-					
Police	1,047,076	-	-	-	1,047,076
Municipal court	74,011	-	-	-	74,011
Street	420,551	17,712	-	-	438,263
Building inspection	98,431	-	-	20,000	118,431
Economic development	69,397	-	20,000	-	89,397
Animal control	28,999	-	-	-	28,999
Cemetery	-	-	-	124,742	124,742
Park	-	-	638,689	-	638,689
Capital outlay	6,459	1,160,849	15,248	-	1,182,556
Debt service:					
Principal	43,582	390,000	280,000	-	713,582
Interest and agents fees	2,479	110,000	123,390	326,718	562,587
Total Expenditures	<u>2,079,826</u>	<u>1,678,561</u>	<u>1,077,327</u>	<u>471,497</u>	<u>5,307,211</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	599,008	(789,351)	166,386	89,375	65,418
OTHER FINANCING SOURCES (USES)					
Transfers In	94,786	86,083	-	-	180,869
Transfers Out	-	-	(86,083)	-	(86,083)
Sale of general capital assets	626,228	-	2,277	-	628,505
CHANGES IN FUND BALANCE	1,320,022	(703,268)	82,580	89,375	788,709
FUND BALANCES - BEGINNING	2,276,948	2,844,475	1,722,961	877,336	7,721,720
FUND BALANCES - ENDING	<u>\$ 3,596,970</u>	<u>\$ 2,141,207</u>	<u>\$ 1,805,541</u>	<u>\$ 966,711</u>	<u>\$ 8,510,429</u>

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances--total governmental funds	\$	788,709
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		1,219,782
Depreciation expense		(756,382)
Basis of sale of general capital assets		(163,633)
<p>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 the governmental funds</p>		
Change in pension expense		360,694
Change in compensated absences		(2,282)
Amortization on bond premium		51,309
Change in accrued interest		8,083
<p>Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable revenues decreased by this amount this year.</p>		
		30,739
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the same statement of net position. Repayment of bond principal is an</p>		
Payment on long term debt		713,699
Change in net position of governmental activities	\$	2,250,718

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2021

	Business-type Activities		Total Enterprise Funds
	Water Fund	Sewer Fund	
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,254,481	\$ 871,111	\$ 2,125,592
Accounts receivable utilities, net	151,436	76,082	227,518
Prepaid items	20,827	26,729	47,556
Restricted Assets:			
Cash for debt reserves	661,974	36,613	698,587
Cash for capital improvements	1,624,675	2,416,219	4,040,894
Total Current Assets	<u>3,713,393</u>	<u>3,426,754</u>	<u>7,140,147</u>
Noncurrent Assets:			
Capital Assets:			
Land	105,543	506,890	612,433
Construction in progress	7,109,669	1,756,629	8,866,298
Other capital assets, net of accumulated depreciation	4,613,941	4,631,822	9,245,763
Net pension assets	110,794	142,987	253,781
Total Noncurrent Assets	<u>11,939,947</u>	<u>7,038,328</u>	<u>18,978,275</u>
Total Assets	<u>15,653,340</u>	<u>10,465,082</u>	<u>26,118,422</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow of resources related to pensions	44,058	56,861	100,919
LIABILITIES			
Current Liabilities:			
Accounts payable	7,672	-	7,672
Accrued wages	11,100	12,318	23,418
Accrued interest	34,988	81,638	116,626
Customer deposits	269,759	-	269,759
Current portion of long-term debt	288,378	21,794	310,172
Total Current Liabilities	<u>611,897</u>	<u>115,750</u>	<u>727,647</u>
Noncurrent Liabilities:			
Long-term debt	7,251,414	3,808,171	11,059,585
Total Noncurrent Liabilities	<u>7,251,414</u>	<u>3,808,171</u>	<u>11,059,585</u>
Total Liabilities	<u>7,863,311</u>	<u>3,923,921</u>	<u>11,787,232</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow of resources related to pensions	172,331	222,405	394,736
NET POSITION			
Net investment in capital assets	4,541,653	3,629,841	8,171,494
Restricted-			
Debt reserves	613,720	-	613,720
Capital projects	725,881	2,416,219	3,142,100
Unrestricted	<u>1,780,502</u>	<u>329,557</u>	<u>2,110,059</u>
Total Net Position	<u>\$ 7,661,756</u>	<u>\$ 6,375,617</u>	<u>\$ 14,037,373</u>

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities		Total Enterprise Funds
	Water Fund	Sewer Fund	
OPERATING REVENUES:			
Charges for services	\$ 1,399,915	\$ 1,230,390	\$ 2,630,305
Tap fees	15,605	-	15,605
Total Operating Revenues	<u>1,415,520</u>	<u>1,230,390</u>	<u>2,645,910</u>
OPERATING EXPENSES:			
Computer software and expenses	22,696	12,643	35,339
Depreciation	226,890	237,539	464,429
Dues and training	2,838	8,926	11,764
Economic development	20,000	20,000	40,000
Gas and oil	12,185	10,259	22,444
Group insurance	85,152	92,721	177,873
Insurance	26,059	49,472	75,531
Miscellaneous	2,534	2,408	4,942
Office supplies and postage	7,153	9,431	16,584
Professional fees	17,060	55,375	72,435
Repairs & maintenance	193,098	85,726	278,824
Salaries, benefits and retirement	266,988	334,676	601,664
Supplies	33,298	2,173	35,471
Telephone	6,009	5,520	11,529
Tests and permits	1,982	27,497	29,479
Uniforms	3,506	4,376	7,882
Utilities	69,966	82,103	152,069
Vehicle expense	6,039	4,102	10,141
Total Operating Expenses	<u>1,003,453</u>	<u>1,044,947</u>	<u>2,048,400</u>
OPERATING INCOME	<u>412,067</u>	<u>185,443</u>	<u>597,510</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest and dividend income	23,798	36,519	60,317
Rent income	6,400	-	6,400
Interest expense and agents fee	(150,158)	(144,394)	(294,552)
Total Non-operating Revenues (Expenses)	<u>(119,960)</u>	<u>(107,875)</u>	<u>(227,835)</u>
INCOME BEFORE TRANSFERS	292,107	77,568	369,675
Transfers (out)-Fee in Lieu of taxes to General Fund	(52,786)	(42,000)	(94,786)
CHANGE IN NET POSITION	239,321	35,568	274,889
TOTAL NET POSITION - BEGINNING	<u>7,422,435</u>	<u>6,340,049</u>	<u>13,762,484</u>
TOTAL NET POSITION - ENDING	<u>\$ 7,661,756</u>	<u>\$ 6,375,617</u>	<u>\$ 14,037,373</u>

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities		Total Enterprise Funds
	Water Fund	Sewer Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,411,332	\$ 1,231,266	\$ 2,642,598
Payments to suppliers	(429,614)	(378,308)	(807,922)
Payments to employees	(377,234)	(466,664)	(843,898)
Net Cash Provided by Operating Activities	<u>604,484</u>	<u>386,294</u>	<u>990,778</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (Out)-Fee In Lieu of taxes to General Fund	(52,486)	(42,000)	(94,486)
Rent income	6,400	-	6,400
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(46,086)</u>	<u>(42,000)</u>	<u>(88,086)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(1,261,850)	(118,193)	(1,380,043)
Cash from Water to Sewer for shared improvements	(906,145)	906,145	-
Principal paid	(311,568)	(50,427)	(361,995)
Interest paid	(150,158)	(144,394)	(294,552)
Net Cash Provided by(Used for) Capital and Related Financing Activities	<u>(2,629,721)</u>	<u>593,131</u>	<u>(2,036,590)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividend earned	23,798	36,519	60,317
Net Cash Provided by Investing Activities	<u>23,798</u>	<u>36,519</u>	<u>60,317</u>
NET CASH (DECREASE) INCREASE FOR THE YEAR	<u>(2,047,525)</u>	<u>973,944</u>	<u>(1,073,581)</u>
CASH AT BEGINNING OF YEAR	<u>5,588,955</u>	<u>2,349,999</u>	<u>7,938,954</u>
CASH AT END OF YEAR	<u>\$ 3,541,430</u>	<u>\$ 3,323,943</u>	<u>\$ 6,865,373</u>
CASH SUMMARY			
Cash and cash equivalents	\$ 1,254,481	\$ 871,111	\$ 2,125,592
Restricted assets-cash and cash equivalents	2,286,649	2,452,832	4,739,481
Total	<u>\$ 3,541,130</u>	<u>\$ 3,323,943</u>	<u>\$ 6,865,073</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 412,067	\$ 185,443	\$ 597,510
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation expense	226,890	237,539	464,429
(Increase) Decrease in prepaid items	(3,111)	1,703	(1,408)
(Increase) Decrease in receivables	(6,613)	876	(5,737)
(Increase) Decrease in pension assets	(110,794)	(142,987)	(253,781)
(Increase) Decrease in deferred outflow of resources	42,649	70,733	113,382
(Decrease) Increase in accounts payable	(2,080)	-	(2,080)
(Decrease) Increase in accrued wages, taxes, etc.	25,951	39,014	64,965
(Decrease) Increase in deferred inflow of resources	161,750	206,834	368,584
(Decrease) Increase in pension liability	(144,650)	(212,861)	(357,511)
Increase in meter deposits	2,425	-	2,425
Net Cash Provided by Operating Activities	<u>\$ 604,484</u>	<u>\$ 386,294</u>	<u>\$ 990,778</u>

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Marshfield (the City) were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (U.S. GAAP). The following summary of the more significant policies of the City is presented to assist the reader in interpreting these financial statements and should be viewed as an integral part of this report.

THE REPORTING ENTITY

Entity status for financial reporting purposes is governed by Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for the establishment of GAAP in governmental entities. The financial statements of the City present the financial activities of the City and any component units. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund but distinguish between the City's governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund financial statements. Separate financial statements are provided for governmental funds and proprietary funds. Separate columns are presented for each major governmental fund and for each major enterprise fund. Non-major funds are aggregated and presented in a single column labeled “Nonmajor Governmental Funds.”

Governmental Fund Types: Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City’s expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted for through governmental funds. The following are the City’s major governmental funds:

General Fund

The General Fund is the government’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Transportation Sales Tax Fund

This fund was established to account for the proceeds of transportation sales tax that is legally restricted to expenditures for the purpose of street improvements, repairs and maintenance, and payment of 2021 General Obligation Bond for street improvements.

Park Fund

This fund was established to account for the proceeds of property tax revenue that is legally restricted to expenditures for the purpose of park and recreation activities. In addition, the City passed a one-half cent sales tax for park/storm water which is reported in this fund.

Proprietary Fund Types: Proprietary funds are used to account for the City’s ongoing activities that are similar to those often found in the private sector. The following are the City’s major proprietary funds:

Water Fund

The Water Fund accounts for the operations of providing water services to the residents of the City.

Sewer Fund

The Sewer Fund accounts for the operations of providing sewer services to the residents of the City.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the government reports the following nonmajor fund:

Cemetery Fund

This fund was established to account for the proceeds of property tax revenue and other sources that are legally restricted to expenditures for the purpose of operation of the City cemetery.

Debt Service Fund

This fund was established to account for the proceeds of property tax revenue that is legally restricted to expenditures for the purpose of retirement of principal, interest and agents' fees for general obligation bonds

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recognized at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fixed period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation, the principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, LIABILITIES AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Statement of Cash Flows

For the purpose of the statement of cash flows, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments are stated at fair value. For the year ended the City had no certificates of deposits in excess of 90 days.

Restricted Assets

The City elects to use restricted assets before unrestricted assets when the situation arises where either can be used. Certain assets are classified as restricted assets because their use is limited by applicable debt or other agreement.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due to and due from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Inventories

The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased.

Prepaid items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. The cost of governmental fund-type prepaids is recorded as an expenditure when consumed rather than when purchased.

Accounts receivable and Unbilled Usage

Accounts receivables are stated at net with allowance for doubtful accounts of \$ 3,883 for water, \$ 1,951 for sewer and a total of \$ 16,265 for property taxes. All other receivables represent amounts collected within 60 days and therefore no need for an allowance. Unbilled usage for service consumed between periodic billing dates is recognized as revenue in the period in which service is provided.

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$ 1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated useful lives for each major class of depreciable capital assets are as follows:

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation - continued

Utility plants	20 to 50 years
Buildings	40 years
Infrastructure	20 to 40 years
Furniture and equipment	5 to 10 years
Vehicles	5 to 10 years

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the City has one item that meet the definition of deferred outflows of resources. This amount is related to pension outflows as per GASB 68.

Deferred Inflows of Resources/Unavailable Revenue

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. In the Governmental Funds the item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources/Unavailable Revenue - continued

At this time, the City has one item that meet the definition of deferred inflows of resources. It is the deferred gain on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds. The item is related to pension inflows as per GASB 68.

Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the City must rebate to the United State Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five-year anniversary of the respective debt issue.

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 report at fair value.

Long-term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

Fund balances are classified as follows:

Nonspendable-This classification includes amounts that cannot be spent because they are in a nonspendable form, or they are required to be maintained intact.

Restricted-This classification includes amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed-This classification includes amounts that can be used only for specific purposes determined by a formal action by the City Council. Such formal action may be in the form of an ordinance and may only be modified or rescinded by a subsequent formal action.

Assigned-This classification includes amounts that are intended by the City to be used for a specific purpose but are neither restricted nor committed. Assignments may be made only by the government body or official.

Unassigned-This classification represents the residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories and include all deficit amounts in all other government funds.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 13). As discussed in Note A, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balance are used in that order.

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. Currently the General Fund has set aside \$ 1,051,860.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors,

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position - continued

grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

Compensated Absences

City employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned.

Revenue Recognition

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Levy for 2021 was \$.5996 with a valuation base of \$ 102,744,075 broken down as follows: \$.1244 Cemetery, \$.1052 Parks, and \$.3700 Debt Service.

Sales Taxes

The City has three sales tax authorizations, a one cent City general sales tax, ½ cent transportation tax that was voted to extend past the original 2021 deadline, and a ½ cent park/storm water sales tax reported in the park fund.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City is required by Missouri State Law RSMo 105.485 to prepare a budget each year based on estimates of revenues and expected expenditures which include at a minimum a budget message, budget summary, schedule with prior year comparison of estimated revenue and expenditures, schedule of bonded debt obligations and budget approval letter. The accompanying

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

statement of revenues, expenditures and changes in fund balance - budget and actual includes the budgeted expenditures for the year, along with management’s estimate of revenues for the year for both the original budget and the final budget which is reflective of any amendments throughout the fiscal year. The legal level of budgetary control is at the total fund level.

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) for all governmental funds.

Excess of expenditures over appropriations

For the year ended December 31, 2021, expenditures did not exceed appropriations in any of the Governmental Funds.

Bond Reserve Compliance

The City was in compliance with required bonded debt reserves for the year.

Debt restrictions

General obligation debt

Article VI, Sections 26 (b) and (c), Constitution of Missouri, limits the outstanding amount of authorized general obligation debt of a City to 20 percent of the assessed valuation of taxable tangible property as shown by the last completed assessment for state or county purposes. Authorization for debt issuance requires by four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections, vote of the qualified electors thereof. The computed legal debt margin of the City on December 31, 2021, was:

Constitutional Debt Limit	\$ 20,548,815
Outstanding G.O. Bonds	<u>(9,610,000)</u>
Legal debt margin	<u>\$ 10,938,815</u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt restrictions - continued

Other long-term debt

Article VI, Section 26 (a), Constitution of Missouri, limits the outstanding indebtedness of a City without popular vote to an amount exceeding in any year the income and revenue provided for such year plus any unencumbered balances from previous years. For the year ended December 31, 2021, the city was in compliance with this requirement.

DETAILED NOTES ON ALL FUNDS

NOTE B – CASH AND INVESTMENTS

The City maintains a cash and investment account for each fund. Each fund account is displayed on the combined balance sheet as either "cash, investments, board designated investments, or bank overdrafts". In addition, investments are separately held by several of the City's funds. Deposits and investments are stated at cost, which approximates market.

Deposits. Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of December 31, 2021, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does have a written investment policy covering credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City policy is to limit the length of investments to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities before maturity.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City is to invest in only those instruments approved by the State of Missouri which have minimal risk.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE B – CASH AND INVESTMENTS (Continued)

Investment Policies - continued

Custodial Credit Risk is the risk that in the event of a broker/agent failure, securities that are uninsured and not registered in the name of the City and are held by either the counterparty to the transaction or the counterparty's trust department or agent but not in the government's name will not be returned to the City. The City does have a written investment policy on custodial credit risk which all investments are either insured or registered in the City's name and held by the City's agent.

NOTE C – RESTRICTED CASH/NET POSITION

Restricted cash consisted of the following as of December 31, 2021:

	<u>Cash</u>	<u>Net Position</u>
Water Fund		
2020 Depreciation and Replacement	\$ 661,974	\$ 613,720

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE D – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2021, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 899,533	\$ -	\$ -	\$ 899,533
Construction in progress	10,980,082	208,463	-	11,188,545
Total capital assets, not being depreciated	<u>11,879,615</u>	<u>208,463</u>	<u>-</u>	<u>12,088,078</u>
Capital assets, being depreciated:				
Buildings	7,454,686	-	180,330	7,274,356
Infrastructure	14,441,426	983,134	-	15,424,560
Equipment	1,341,166	23,851	-	1,365,017
Vehicles	2,029,934	4,334	-	2,034,268
Total capital assets being depreciated	<u>25,267,212</u>	<u>1,011,319</u>	<u>180,330</u>	<u>26,098,201</u>
Less: Accumulated depreciation for:				
Buildings	1,603,500	212,753	16,697	1,799,556
Infrastructure	9,975,794	394,812	-	10,370,606
Equipment	1,025,659	57,616	-	1,083,275
Vehicles	1,590,932	91,201	-	1,682,133
Total accumulated depreciation	<u>14,195,885</u>	<u>756,382</u>	<u>16,697</u>	<u>14,935,570</u>
Capital assets being depreciated, net	<u>11,071,327</u>	<u>254,937</u>	<u>163,633</u>	<u>11,162,631</u>
Governmental activities capital assets, net	<u>\$ 22,950,942</u>	<u>\$ 463,400</u>	<u>\$ 163,633</u>	<u>\$ 23,250,709</u>

Depreciation expense was charged to functions of the government as follows:

Governmental Activities:	
General government	\$ 30,684
Law and public safety	114,107
Street	395,659
Animal control	1,023
Cemetery	4,644
Parks	210,265
	<u>\$ 756,382</u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business-type Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 612,433	\$ -	\$ -	\$ 612,433
Construction in Progress	7,655,480	1,210,818	-	8,866,298
Total capital assets, not being depreciated	<u>8,267,913</u>	<u>1,210,818</u>	<u>-</u>	<u>9,478,731</u>
Capital assets, being depreciated:				
Plant	18,875,805	-	-	18,875,805
Equipment	488,277	92,801	-	581,078
Vehicles	704,073	76,423	-	780,496
Total capital assets, being depreciated	<u>20,068,155</u>	<u>169,224</u>	<u>-</u>	<u>20,237,379</u>
Less Accumulated depreciation for:				
Plant	9,801,821	399,904	-	10,201,725
Equipment	339,543	19,578	-	359,121
Vehicles	385,823	44,947	-	430,770
Total accumulated depreciation	<u>10,527,187</u>	<u>464,429</u>	<u>-</u>	<u>10,991,616</u>
Total capital assets being depreciated, net	<u>\$ 9,540,968</u>			<u>\$ 9,245,763</u>
Business-type activities capital assets, net	<u>\$ 17,808,881</u>			<u>\$ 18,724,494</u>

Depreciation expense was charged to functions of the government as follows:

Business-type Activities:

Water Fund	\$ 226,890
Sewer Fund	<u>237,539</u>
	<u>\$ 464,429</u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE E – LONG-TERM DEBT

Business-type activities

The following is a summary of Proprietary Fund debt of the City for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 10,829,000		\$ 276,000	\$10,553,000	\$ 278,000
Bond premium	781,607		26,052	755,555	26,052
Compensated absences	59,943	58,901	57,642	61,202	6,120
Business-type activities long-term liabilities	<u>\$ 11,670,550</u>	<u>\$ 58,901</u>	<u>\$ 359,694</u>	<u>\$11,369,757</u>	<u>\$ 310,172</u>
				\$ 310,172	
				729,503	
				55,082	
				10,275,000	
				<u>\$11,369,757</u>	

The Proprietary Fund-Water Fund long-term debt as of December 31, 2021, follows:

On January 9, 2020, the City issued \$ 6,164,000 in Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds, State of Missouri-Direct Loan Program, for the purpose of extending and improving the City's combined waterworks and sewerage system. \$ 831,582 of the proceeds was used to redeem the 2003B Refunded issue. Interest rate is .90% with a .50% administrative fee with those payments due July and January 1st of each year and principal due annually on January 1st of each year. Final payment is due January 1, 2040.

\$ 5,888,000

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE E – LONG-TERM DEBT (Continued)

On February 1, 2020, the City issued \$ 4,665,000 in Combined Waterworks and Sewerage System Revenue Bonds for the purpose of extending and improving the City's System (the "Project"). Interest rate is 5.00% with payments due February 1 and August 1st each year and Principal due on February 1st annually. Final payment is February 1, 2050.

	<u>4,665,000</u>
Total Revenue Bonds	<u><u>\$ 10,553,000</u></u>

The annual requirements to amortize Water Fund bonded debt as of December 31, 2021, follows:

Year Ending December 31,	Water and Sewer Funds		
	Principal	Interest	Totals
2022	\$ 278,000	\$ 285,617	\$ 563,617
2023	278,000	283,115	561,115
2024	285,000	280,599	565,599
2025	289,000	278,026	567,026
2026	294,000	275,415	569,415
2027-2031	1,543,000	1,336,348	2,879,348
2032-2036	1,670,000	1,264,379	2,934,379
2037-2041	1,796,000	1,175,354	2,971,354
2042-2046	2,055,000	831,250	2,886,250
2047-2050	2,065,000	261,500	2,326,500
	<u>\$ 10,553,000</u>	<u>\$ 6,271,603</u>	<u>\$ 16,824,603</u>

For compensated absences, the Water Fund historically liquidates 46.8% and the Sewer Fund 53.2% respectively.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE E – LONG-TERM DEBT (Continued)

Governmental Activities Debt

The following is a summary of debt transactions of the City for the year ended December 31, 2021:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
2018 Ford Explorer	\$ 14,786	\$ -	\$ 5,946	\$ 8,840	\$ 6,188
2017 Vehicles	23,338	-	23,338	-	-
2019 Tahoes	47,329	-	14,415	32,914	14,899
2018 Certificate of Participation	3,455,000	-	280,000	3,175,000	290,000
2018 G.O. Bond	10,000,000	-	390,000	9,610,000	400,000
Unamortized bond premium	923,557	-	51,309	872,248	51,309
Compensated absences	84,542	180,423	178,141	86,824	8,682
Governmental activities long-term liabilities	<u>\$ 14,548,552</u>	<u>\$ 180,423</u>	<u>\$ 943,149</u>	<u>\$ 13,785,826</u>	<u>\$ 771,078</u>
Due and payable within one year				\$ 771,078	
Due and payable in more than one year:					
Vehicle lease				20,667	
Certificate of Participation				2,885,000	
General Obligation Bond				9,210,000	
Unamortized bond premium				820,939	
Compensated absences				78,142	
				<u>\$ 13,785,826</u>	

For compensated absences, the General Fund historically liquidates 89.9%, the Cemetery Fund 4.5% and the Park Fund 5.6% respectively.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE E – LONG-TERM DEBT (Continued)

The Governmental-type Activities long-term debt as of December 31, 2021, follows:

On May 1, 2018 the City issued \$ 3,985,000 in Certificates of Participation for the purpose of building an outdoor aqua park complex. The interest rate runs from 4.00% to 3.875% with principal payments due every March 1 and interest due semi-annually on September 1 and March 1 of each year. Final payment is March 1, 2043. \$ 3,175,000

On April 5, 2018 the City issued \$ 10,000,000 General Obligation Street Improvement Bonds for the purpose of infrastructure improvements near mile marker 103 on I-44. Interest rate on the bonds range from 3.00% to 5.00% with principal payments due March 1 and interest due semi-annually on September 1 and March 1 of each year. Final payment is March 1, 3038. 9,610,000

\$ 12,785,000

The annual requirements to amortize Governmental-Type Activities bonded debt as of December 31, 2021, follows:

Year Ending December 31,	Principal	Interest	Totals
2022	\$ 690,000	\$ 533,894	\$ 1,223,894
2023	715,000	506,794	1,221,794
2024	530,000	481,894	1,011,894
2025	550,000	460,294	1,010,294
2026	570,000	438,394	1,008,394
2027-2031	3,165,000	1,842,700	5,007,700
2032-2036	3,905,000	1,081,015	4,986,015
2037-2041	2,310,000	221,737	2,531,737
2042-2043	350,000	13,757	363,757
	<u>\$ 12,785,000</u>	<u>\$ 5,580,479</u>	<u>\$ 18,365,479</u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE E – LONG-TERM DEBT (Continued)

On May 30, 2018 the City entered into a lease for the purchase of a 2018 Ford Explorer (\$ 29,088). Payments are \$ 535.75 per month for 60 months at an interest rate of 4.00%.	\$	8,840
On March 29, 2019 the City entered into a lease for the purchase of two Tahoes (\$ 72,552). Payments are \$ 1,313.60 per month for 60 months at an interest rate of 3.307%		32,914
	\$	41,754

The city has entered into these cancelable leases although the city does not foresee exercising its options to cancel. Therefore, these leases are accounted for as a noncancelable capital lease in accordance with Statement of Financial Accounting Standards Board (FASB) No. 13 *Accounting for Leases*.

Governmental Activities Debt

Following is a summary of debt maturities and interest requirements on above leases:

Year Ending		
2022	\$	22,192
2023		18,442
2024		2,627
Total minimum lease payment		43,261
Less: amount representing interest		(1,507)
Present value of minimum lease payments	\$	41,754

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE E – LONG-TERM DEBT (Continued)

Assets shown above under capital leases are included in Note D.

One 2018 Ford Explorer Police car	\$	29,088
Two 2019 Tahoes		72,552
Less: Accumulated Depreciation		<u>(72,197)</u>
 Net	 \$	 <u>29,443</u>

NOTE F – DEFINED BENEFIT PENSION PLAN

The City of Marshfield participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the State of Missouri. The retirement system covers all full-time City employees.

Plan description

The City of Marshfield’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Marshfield 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.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)

	2021 Valuation
Benefit Multiplier:	2.00%
Final Average Salary:	5 years
Member Contributions:	4.00%

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

On June 30, 2021, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	25
Inactive employees entitled to but not yet receiving benefits	14
Active employees	34
 Total	 73

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 contribute 4.0% of their gross pay to the pension plan. Employers’ contribution rates are 15.7 % General and 19.5% Police of annual covered payroll.

Net Pension Liability

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

The Pension Liability is paid in the ratio of pension contributions by each activity/fund/department.

Actuarial assumptions

The total pension liability in the February 28, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)

Inflation	2.75% wage inflation: 2.25% price inflation
Salary increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00% net of investment

Mortality rates were based on 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 2021. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale.

The actuarial assumptions were based on the 5-year experience study for the period March 1, 2010, through February 28, 2015.

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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	39.00%	4.16%
Fixed Income	28.00%	0.89%
Real Assets	33.00%	2.09%

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.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 7/1/2020 Liability (Asset)	\$ 7,396,497	\$ (6,317,690)	\$ 1,078,807
Changes for the year:			
Service Cost	177,570	-	177,570
Interest	529,494	-	529,494
Difference between expected and actual experience	(51,047)	-	(51,047)
Changes in assumptions	(110,809)	-	(110,809)
Contribution - employer	-	(250,219)	(250,219)
Contribution - employee	-	(61,035)	(61,035)
Net investment income	-	(1,683,953)	(1,683,953)
Benefit payments, including refunds	(367,173)	367,173	-
Administrative expense	-	6,679	6,679
Other changes	-	(49,858)	(49,858)
Net changes	178,035	(1,671,213)	(1,493,178)
Balances at 6/30/2021 Liability (Asset)	\$ 7,574,532	\$ (7,988,903)	\$ (414,371)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00 %, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.00% or one percentage point higher 8.00 % than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
\$	711,007	(414,371)	(1,336,670)

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2021, the employer recognized pension expense of \$ 258,111. 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	\$ 159,643	\$ (95,234)
Differences in assumptions	33,503	(92,099)
Excess(deficit) in investment returns	-	(792,312)
Contributions subsequent to the measurement date*	130,388	-
Total	\$ 323,534	\$ (979,645)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a decrease in the Net Pension Liability for the year ending December 31, 2022.

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

Year ended:	
2022	\$ (200,539)
2023	(147,763)
2024	(164,179)
2025	(261,405)
2026	(5,247)
Thereafter	(7,366)
Total	\$ (786,499)

Payable to the Pension Plan

On December 31, 2021, the City of Marshfield reported a payable of \$ 0.00 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE G – 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; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City.

On December 31, 2021, the City maintained commercial insurance coverage for building and contents and employee theft. In the past three years, the City had no losses that exceeded commercial insurance coverage.

NOTE H – GRANTS

Intergovernmental awards received by the City are subject to audit and adjustment by the grantor agencies. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agencies. No disallowed costs have resulted from this audit and management believes that further examination will not result in any disallowed costs.

NOTE I – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2021, consisted of the following with the purpose of the transfer stated after each category:

	<u>Transfers In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 86,083
Park Fund	86,083	-
To support cost of Park operations	<u>\$ 86,083</u>	<u>\$ 86,083</u>
Water Fund	\$ -	\$ 54,688
Sewer Fund	-	42,000
General Fund	96,688	-
Fee in Lieu of tax to the General Fund	<u>\$ 96,688</u>	<u>\$ 96,688</u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE J – CONSTRUCTION IN PROGRESS

Construction in progress is authorized by actions of the City Council (governing body). A summary of construction in progress as of December 31, 2021, is as follows:

Project	Estimated Cost of Project	Construction in Progress	Remaining Cost to Complete
Water Fund			
Expansion Northside Project	\$ 1,517,735	\$ 248,095	\$ 1,269,640
Water expansion	1,630,000	1,412,977	217,023
2020 Water Improvement	4,662,774	4,542,452	120,322
Sewer Fund			
Sewer Improvements-Engineer fees	541,000	314,332	226,668
ByPass Elimination Plan	3,680,000	2,348,442	1,331,558
Total Business-type Activities	<u>\$ 12,031,509</u>	<u>\$ 8,866,298</u>	<u>\$ 3,165,211</u>
Governmental Activities:			
I-44 Interchange	15,573,280	10,980,082	4,593,198
Total Governmental Activities	<u>\$ 15,573,280</u>	<u>\$ 10,980,082</u>	<u>\$ 4,593,198</u>

NOTE K– FUTURE ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE K – FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

The City adopted the following statements during the year ended December 31, 2021:

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning after June 15, 2021. This Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Section 457 Deferred Compensation Plans-and amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, issued June 2021. Effective date is June 15, 2021, with earlier application permitted.

GASB Statement No. 98, This Statement establishes the term *annual comprehensive financial report* and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. Effective date of this requirement is for fiscal years ending after December 15, 2021, but earlier application is encouraged.

The City did not have any changes to report for the year ending December 31, 2021, upon adopting GASB 87,97, and 98.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF MARSHFIELD, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON INFORMATION
DECEMBER 31, 2021

Explanation of Budgetary Process

The City Council follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

- a. City department directors prepare departmental operating budgets, and the Director of Finance makes revenue projections on or before September 1st.
- b. Departmental meetings are conducted during the month of October with the City Manager and the Director of Finance to allow the departments to support their budgets.
- c. Preliminary budget summaries of revenues and expenditures/expenses are prepared for review by the City Manager.
- d. Final budget decisions are made by the City Manager by mid-November.
- e. A proposed budget is submitted to the City Council by the end of November.
- f. Prior to January 1st, the budget is legally enacted. Projected expenditures cannot exceed estimated revenues plus fund balances at the beginning of the year.
- g. Budgetary control is exercised by the City Council at the department and fund levels. This is the legal level of control. All unexpended appropriations lapse at year-end.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.

The budgeted amounts included in the basic financial statements are as originally adopted or amended by the City Council, pursuant to State Statutes. The City Council adopts annual budgets for the General Fund, Transportation Sales Tax Fund, Park Fund, Cemetery Fund and Debt Service Fund.

For the year ended December 31, 2021, actual expenditures were within budget.

CITY OF MARSHFIELD, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund			
	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Franchise taxes	\$ 327,500	\$ 327,500	\$ 318,086	\$ (9,414)
Sales taxes	1,620,192	1,620,192	1,880,494	260,302
Missouri motor fuel taxes	253,000	253,000	289,559	36,559
Financial institutional tax	-	-	2,024	2,024
Licenses & permits	43,700	43,700	49,109	5,409
Fines & forfeitures	112,000	112,000	50,506	(61,494)
Grants	-	-	-	-
Interest and dividends	12,000	12,000	14,161	2,161
Rent	47,001	47,001	44,602	(2,399)
Miscellaneous	3,950	3,950	30,293	26,343
Total Revenues	<u>2,419,343</u>	<u>2,419,343</u>	<u>2,678,834</u>	<u>259,491</u>
EXPENDITURES				
Current:				
General government	313,666	313,666	288,841	24,825
Law and public safety	1,068,426	1,068,426	1,047,076	21,350
Street	513,183	513,183	420,551	92,632
Fire	-	-	-	-
Municipal court	89,189	99,439	74,011	25,428
Building inspection	163,095	163,095	98,431	64,664
Economic development	-	-	69,397	(69,397)
Animal control	43,062	43,062	28,999	14,063
Capital outlay	39,984	469,659	6,459	463,200
Debt service:				
Principal	43,582	43,582	43,582	-
Interest and fees	2,479	2,479	2,479	-
Total Expenditures	<u>2,276,666</u>	<u>2,716,591</u>	<u>2,079,826</u>	<u>636,765</u>
EXCESS OF REVENUES OVER EXPENDITURES	142,677	(297,248)	599,008	896,256
OTHER FINANCING SOURCE (USES)				
Transfer In	-	-	96,688	96,688
Transfer (Out)	-	-	(1,902)	(1,902)
Sale of general capital assets	-	-	626,228	626,228
CHANGES IN FUND BALANCE	<u>\$ 142,677</u>	<u>\$ (297,248)</u>	<u>1,320,022</u>	<u>\$ 1,619,172</u>
FUND BALANCES - BEGINNING			<u>2,276,948</u>	
FUND BALANCES - ENDING			<u>\$ 3,596,970</u>	

CITY OF MARSHFIELD, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
FOR THE YEAR ENDED DECEMBER 31, 2021

	Transportation Sales Tax Fund			
	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Sales tax	\$ 775,511	\$ 775,511	\$ 873,149	\$ 97,638
Grants	9,000	9,000	9,000	-
Interest and dividends	9,600	9,600	7,061	(2,539)
Total Revenues	<u>794,111</u>	<u>794,111</u>	<u>889,210</u>	<u>95,099</u>
EXPENDITURES				
Current expense-				
Streets	6,220	17,712	17,712	-
Capital Outlay	175,000	1,160,849	1,160,849	-
Total Expenditures	<u>181,220</u>	<u>1,178,561</u>	<u>1,178,561</u>	<u>-</u>
(DEFICIT) OF REVENUE OVER EXPENDITURES	612,891	(384,450)	(289,351)	(95,099)
OTHER FINANCING SOURCE (USES)				
Transfers In	-	86,083	86,083	-
Transfers (Out)	(500,000)	(500,000)	(500,000)	-
CHANGES IN FUND BALANCE	<u>\$ 112,891</u>	<u>\$ (798,367)</u>	<u>(703,268)</u>	<u>\$ (95,099)</u>
FUND BALANCES - BEGINNING			2,844,475	
FUND BALANCES - ENDING			<u>\$ 2,141,207</u>	

	Park Fund			
	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 104,943	\$ 104,943	\$ 114,239	\$ 9,296
Sales tax	775,445	775,445	902,528	127,083
Activity fees	270,061	270,061	220,738	(49,323)
Interest and dividends	9,900	9,900	5,973	(3,927)
Miscellaneous	-	-	235	235
Total Revenues	<u>1,160,349</u>	<u>1,160,349</u>	<u>1,243,713</u>	<u>83,364</u>
EXPENDITURES				
Current expense-				
Park	682,634	682,634	638,689	43,945
Economic development	20,000	20,000	20,000	-
Capital outlay	-	349,893	15,248	334,645
Debt service:				
Principal	280,000	280,000	280,000	-
Interest and agents fees	126,652	126,652	123,390	3,262
Total Expenditures	<u>1,109,286</u>	<u>1,459,179</u>	<u>1,077,327</u>	<u>381,852</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	51,063	(298,830)	166,386	465,216
OTHER FINANCING SOURCE (USES)				
Transfers Out	-	-	(86,083)	86,083
Sale of general capital assets	-	-	2,277	2,277
CHANGES IN FUND BALANCES	<u>\$ 51,063</u>	<u>\$ (298,830)</u>	<u>82,580</u>	<u>\$ 381,410</u>
FUND BALANCES - BEGINNING			1,722,961	
FUND BALANCES - ENDING			<u>\$ 1,805,541</u>	

CITY OF MARSHFIELD, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service costs	\$ 177,570	\$ 173,790	\$ 170,265	\$ 155,234	\$ 145,581	\$ 147,488	\$ 152,198
Interest on Total Pension Liability	529,494	497,941	469,942	451,756	429,522	404,521	396,287
Difference between expected and actual experience	(51,047)	108,752	92,029	(20,905)	51,323	(113,853)	(139,761)
Changes in Assumptions	(110,809)	-	-	-	-	240,266	-
Benefit payments, including refunds	(367,173)	(327,795)	(367,085)	(318,998)	(329,773)	(335,427)	(251,726)
Net change in total pension liability	178,035	452,688	365,151	267,087	296,653	342,995	156,998
Total Pension Liability-beginning	7,396,497	6,943,809	6,578,658	6,311,571	6,014,918	5,671,923	5,514,925
Total Pension Liability-ending	<u>\$ 7,574,532</u>	<u>\$ 7,396,497</u>	<u>\$ 6,943,809</u>	<u>\$ 6,578,658</u>	<u>\$ 6,311,571</u>	<u>\$ 6,014,918</u>	<u>\$ 5,671,923</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 250,219	\$ 236,635	\$ 210,605	\$ 189,961	\$ 168,259	\$ 155,315	\$ 174,617
Contributions - employee	61,035	62,126	58,649	57,172	54,578	50,787	53,923
Net investment income	1,683,953	82,363	378,747	656,331	563,255	5,595	108,433
Benefits payments, including refunds	(367,173)	(327,795)	(367,085)	(318,998)	(329,773)	(335,427)	(251,726)
Pension Plan Administrative Expense	(6,679)	(9,144)	(7,487)	(5,207)	(5,057)	(4,794)	(5,406)
Other (Net Transfer)	49,858	2,730	56,571	(22,528)	25,247	(166,710)	(163,589)
Net change in plan fiduciary net position	1,671,213	46,915	330,000	556,731	476,509	(295,234)	(83,748)
Plan Fiduciary Net Position-beginning	6,317,690	6,270,775	5,940,775	5,384,044	4,907,535	5,202,769	5,286,517
Plan Fiduciary Net Position-ending	<u>\$ 7,988,903</u>	<u>\$ 6,317,690</u>	<u>\$ 6,270,775</u>	<u>\$ 5,940,775</u>	<u>\$ 5,384,044</u>	<u>\$ 4,907,535</u>	<u>\$ 5,202,769</u>
Net Pension Liability	<u>\$ (414,371)</u>	<u>\$ 1,078,807</u>	<u>\$ 673,034</u>	<u>\$ 637,883</u>	<u>\$ 927,527</u>	<u>\$ 1,107,383</u>	<u>\$ 469,154</u>
Plan fiduciary net position as a percentage of the total pension liability	105.47%	85.41%	90.31%	90.30%	85.30%	81.59%	91.73%
Covered payroll	\$ 1,506,690	\$ 1,465,956	\$ 1,411,330	\$ 1,413,405	\$ 1,262,361	\$ 1,247,418	\$ 1,323,582
Net Pension liability as a percentage of covered payroll	-27.50%	73.59%	47.69%	45.13%	73.48%	88.77%	35.45%

Notes to schedule:

*Information not available as this represents the first actuarial valuation performed pursuant to GASB Statement No. 67.

This schedule is intended to cover ten years. The City implemented GASB Statement No. 67 in fiscal year 2014. Information for years prior to fiscal year 2014 is therefore unavailable.

CITY OF MARSHFIELD, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION-UNAUDITED
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS
FOR THE YEARS ENDED DECEMBER 31,

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2012	\$ 215,705	\$ 180,019	\$ 35,686	\$ 1,341,153	13.42%
2013	188,425	170,016	18,409	1,322,645	12.85%
2014	198,948	182,351	16,597	1,363,368	13.38%
2015	176,055	163,112	12,943	1,300,543	12.54%
2016	164,694	157,613	7,081	1,323,145	11.91%
2017	211,804	176,876	34,928	1,384,013	12.78%
2018	236,374	199,507	36,867	1,444,246	13.81%
2019	245,035	223,153	21,882	1,508,749	14.79%
2020	262,579	246,403	16,176	1,561,873	15.78%
2021	271,697	258,963	12,734	1,526,130	16.97%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2021

Notes: The roll-forward of total pension liability from February 28, 2021 to June 30, 2021 reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 9 to 15 years
Asset Valuation Method	5-Year smoothed market: 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00%, net of investment
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.
Other information:	None

CITY OF MARSHFIELD, MISSOURI

COMBINING BALANCE SHEET-
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2021

ASSETS	Debt Service Fund	Cemetery Fund	Total
Cash and cash equivalents	\$ 96,703	\$ 492,367	\$ 589,070
Accounts receivable-property taxes (net)	318,041	112,606	430,647
Prepaid items	-	3,054	3,054
TOTAL ASSETS	<u>\$ 414,744</u>	<u>\$ 608,027</u>	<u>\$ 1,022,771</u>
LIABILITIES			
Accrued wages and benefits	\$ -	\$ 2,324	\$ 2,324
Total Liabilities	<u>-</u>	<u>2,324</u>	<u>2,324</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	<u>39,687</u>	<u>14,049</u>	<u>53,736</u>
FUND BALANCES			
Nonspendable	-	3,054	3,054
Restricted-			
Debt Service	375,057	-	375,057
Cemetery	-	588,600	588,600
Total Fund Balances	<u>375,057</u>	<u>591,654</u>	<u>966,711</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 414,744</u>	<u>\$ 608,027</u>	<u>\$ 1,022,771</u>

CITY OF MARSHFIELD, MISSOURI
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Debt Service Fund	Cemetery Fund	Total
REVENUES;			
Property taxes	\$ 384,314	\$ 134,401	\$ 518,715
Cemetery-sale of plots & grave openings	-	38,600	38,600
Interest and dividends	423	2,119	2,542
Miscellaneous	-	1,015	1,015
Total Revenues	384,737	176,135	560,872
 EXPENDITURES:			
Current: Administration	37	124,742	124,779
Economic development	-	20,000	20,000
Debt service:			
Interest and fees	326,718	-	326,718
Total Expenditures	326,755	144,742	471,497
 EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	57,982	31,393	89,375
 FUND BALANCES - BEGINNING	317,075	560,261	877,336
 FUND BALANCES - ENDING	\$ 375,057	\$ 591,654	\$ 966,711

CITY OF MARSHFIELD, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES	Cemetery Fund			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Property taxes	\$ 124,015	\$ 124,015	\$ 134,401	\$ 10,386
Sale of plots and openings	28,600	28,600	38,600	10,000
Interest and dividends	3,960	3,960	2,119	(1,841)
Miscellaneous	1,000	1,000	1,015	15
Total Revenues	<u>157,575</u>	<u>157,575</u>	<u>176,135</u>	<u>18,560</u>
EXPENDITURES				
Current:				
Cemetery	157,408	157,408	124,742	32,666
Economic development	20,000	20,000	20,000	-
Total Expenditures	<u>177,408</u>	<u>177,408</u>	<u>144,742</u>	<u>32,666</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>\$ (19,833)</u>	<u>\$ (19,833)</u>	31,393	<u>\$ 51,226</u>
FUND BALANCES - BEGINNING			<u>560,261</u>	
FUND BALANCES - ENDING			<u>\$ 591,654</u>	

REVENUES	Debt Service Fund			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Property taxes	\$ 350,216	\$ 350,216	\$ 384,314	\$ 34,098
Interest and dividends	900	900	423	(477)
Total Revenues	<u>351,116</u>	<u>351,116</u>	<u>384,737</u>	<u>33,621</u>
EXPENDITURES				
Administration	650	650	37	613
Debt service:				
Interest and fees	439,720	439,720	326,718	113,002
Total Expenditures	<u>439,720</u>	<u>440,370</u>	<u>326,755</u>	<u>113,615</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>\$ (88,604)</u>	<u>\$ (89,254)</u>	57,982	<u>\$ 147,236</u>
FUND BALANCES - BEGINNING			<u>317,075</u>	
FUND BALANCES - ENDING			<u>\$ 375,057</u>	

SECTION III – STATISTICAL SECTION

CITY OF MARSHFIELD, MISSOURI

Statistical Section Overview

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Pages
-----------------	--------------

Financial Trends	59 - 64
-------------------------	----------------

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	65 - 69
-------------------------	----------------

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity	70 - 74
----------------------	----------------

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	75
---	-----------

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	76 - 78
------------------------------	----------------

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the audited annual financial reports for the relevant year.

CITY OF MARSHFIELD, MISSOURI
Net Position By Component
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 10,423,955	\$ 8,486,933	\$ 8,021,604	\$ 6,443,366	\$ 8,354,813	\$ 7,319,368	\$ 6,929,532	\$ 5,346,159	\$ 5,531,715	\$ 5,662,540
Restricted	5,275,745	6,921,862	791,255	2,454,175					641,862	86,652
Unrestricted	2,105,656	145,843	5,361,448	4,191,396	3,738,094	2,639,901	2,274,559	3,059,260	2,000,875	2,438,675
Total governmental activities net position	\$ 17,805,356	\$ 15,554,638	\$ 14,174,307	\$ 13,088,937	\$ 12,092,907	\$ 9,959,269	\$ 9,204,091	\$ 8,405,419	\$ 8,174,452	\$ 8,187,867
Business-type activities										
Net investment in capital assets	8,171,494	6,892,140	10,506,686	9,993,060	9,226,957	8,846,728	8,259,976	7,627,620	6,616,361	6,306,142
Restricted	3,755,820	5,849,251	948,631	1,344,973	1,012,282	857,852	472,327	905,972	137,244	106,685
Unrestricted	2,110,059	1,021,093	2,212,324	1,639,583	1,862,678	1,477,906	1,260,450	919,113	1,888,217	1,060,330
Total business-type activities net position	\$ 14,037,373	\$ 13,762,484	\$ 13,667,641	\$ 12,977,616	\$ 12,101,917	\$ 11,182,486	\$ 9,992,753	\$ 9,452,705	\$ 8,641,822	\$ 7,473,157
Primary government										
Net investment in capital assets	18,595,449	15,379,073	18,528,290	16,436,426	17,581,770	16,166,096	15,189,508	12,973,779	12,148,076	11,968,682
Restricted	9,031,565	12,771,113	1,739,886	3,799,148	1,012,282	857,852	472,327	905,972	779,106	193,337
Unrestricted	4,215,715	1,166,936	7,573,772	5,830,979	5,600,772	4,117,807	3,535,009	3,978,373	3,889,092	3,499,005
Total primary government net position	\$ 31,842,729	\$ 29,317,122	\$ 27,841,948	\$ 26,066,553	\$ 24,194,824	\$ 21,141,755	\$ 19,196,844	\$ 17,858,124	\$ 16,816,274	\$ 15,661,024

Source: Basic Financial Statements

CITY OF MARSHFIELD, MISSOURI
Changes in Net Position
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental Activities										
General government	\$ 290,763	\$ 304,171	\$ 396,831	\$ 358,317	\$ 292,370	\$ 320,771	\$ 287,391	\$ 306,632	\$ 309,423	\$ 497,456
Law and public safety	902,597	991,020	1,000,270	926,558	802,788	795,362	854,715	852,759	764,936	741,880
Street	804,609	764,596	748,416	841,089	774,105	784,777	760,357	813,678	775,771	748,387
Fire	-	306,749	300,024	290,488	263,854	278,575	290,572	281,665	261,745	241,658
Municipal court	73,062	74,207	72,065	50,393	60,223	48,442	49,310	52,940	51,300	49,684
Transit	-	-	-	-	-	-	-	7,426	83,007	94,447
Building inspection	98,431	88,651	56,414	69,233	59,740	65,455	50,519	41,025	57,596	71,025
Economic Development	109,397	60,000	-	-	1,239	52,848	-	-	-	-
Animal control	27,684	24,927	33,288	31,930	29,892	30,677	27,611	54,113	62,298	77,492
Cemetery	117,098	108,920	126,041	105,400	98,929	144,423	111,315	103,005	93,613	92,360
Park	785,473	719,752	547,131	441,200	269,325	275,882	230,304	228,947	190,824	276,529
Interest on long-term debt	503,194	521,237	549,969	427,505	17,729	49,278	125,334	91,421	101,452	119,934
Total Governmental Activities	3,712,308	3,964,230	3,830,449	3,542,113	2,670,194	2,846,490	2,787,428	2,833,611	2,751,965	3,010,852
Business-type Activities										
Water	1,153,611	1,131,513	1,000,015	965,875	920,987	851,153	860,938	912,125	914,352	871,061
Sewer	1,189,341	1,268,952	1,022,080	991,214	948,630	983,341	909,371	1,016,222	1,009,104	1,160,693
Total Business-type Activities	2,342,952	2,400,465	2,022,095	1,957,089	1,869,617	1,834,494	1,770,309	1,928,347	1,923,456	2,031,754
Total Expenses	\$ 6,055,260	\$ 6,364,695	\$ 5,852,544	\$ 5,499,202	\$ 4,539,811	\$ 4,680,984	\$ 4,557,737	\$ 4,761,958	\$ 4,675,421	\$ 5,042,606
Program Revenues										
Governmental Activities										
General government	\$ 62,891	\$ 60,084	\$ 61,934	\$ 56,892	\$ 33,573	\$ 18,838	\$ 5,624	\$ 6,906	\$ 11,180	\$ 29,255
Law and public safety	-	-	-	-	-	-	18,572	-	-	-
Street	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Municipal court	50,506	100,045	136,206	115,793	78,504	50,923	47,986	58,154	45,597	40,797
Transit	-	-	-	-	-	-	-	25	6,447	6,806
Building inspection	30,820	42,512	22,666	35,819	25,872	28,712	23,478	36,432	45,332	-
Animal control	-	-	-	2,102	-	-	1,604	2,073	-	3,667
Cemetery	38,600	40,900	28,300	39,400	35,450	40,650	21,000	33,400	26,650	23,250
Park	220,738	91,410	158,025	37,913	35,463	32,920	2,823	34,057	27,450	56,386
Operating grants and contributions	9,000	28,325	2,238	3,381	-	20,782	13,776	300	29,429	26,616
Capital grants and contributions	-	264,679	-	1,669	469,104	269,432	48,205	-	18,594	283,725
Total Governmental Activities	412,555	627,955	409,369	292,969	677,966	462,257	183,068	171,347	210,679	470,502
Business-type Activities										
Charges for services										
Water	1,421,920	1,545,514	1,738,171	1,438,541	1,387,632	863,088	995,737	969,289	920,619	784,601
Sewer	1,230,390	938,313	908,084	1,265,535	1,224,176	1,112,637	1,065,899	1,062,235	1,035,210	673,289
Operating grants and contributions	-	2,597	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	2,652,310	2,483,827	2,646,255	2,704,076	2,611,808	1,975,725	2,061,636	2,031,524	1,955,829	1,457,890
Total Program Revenues	\$ 3,064,865	\$ 3,111,782	\$ 3,055,624	\$ 2,997,045	\$ 3,289,774	\$ 2,437,982	\$ 2,244,704	\$ 2,202,871	\$ 2,166,508	\$ 1,928,392
Net (Expense)/Revenue										
Governmental Activities	\$ (3,299,753)	\$ (3,336,275)	\$ (3,421,080)	\$ (3,249,144)	\$ (1,992,228)	\$ (2,384,233)	\$ (2,604,360)	\$ (2,662,264)	\$ (2,541,286)	\$ (2,540,350)
Business-type Activities	309,358	85,959	624,160	746,987	742,191	141,231	291,327	103,177	32,373	(573,864)
Total Net Expense	\$ (2,990,395)	\$ (3,250,316)	\$ (2,796,920)	\$ (2,502,157)	\$ (1,250,037)	\$ (2,243,002)	\$ (2,313,033)	\$ (2,559,087)	\$ (2,508,913)	\$ (3,114,214)

CITY OF MARSHFIELD, MISSOURI
Changes in Net Position
(continued)
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues										
Governmental Activities										
Property taxes levied for cemetery	140,856	124,822	119,532	118,491	122,543	108,878	113,366	100,414	68,887	74,299
Property taxes levied for debt service	403,065	356,922	340,082	336,560	346,386	297,577	310,563	298,235	286,768	243,204
Property taxes levied for parks	119,772	108,356	101,812	101,246	104,368	92,157	96,275	88,516	69,182	73,799
Franchise taxes	318,086	328,224	339,596	368,645	377,160	364,332	418,209	386,455	377,803	393,911
Sales taxes	3,656,171	3,347,370	3,051,718	2,902,905	2,770,955	2,762,438	2,520,610	1,898,166	1,764,715	1,771,496
Lodging taxes	-	-	-	-	-	26,429	14,152	17,792	15,592	-
Missouri motor fuel taxes	289,559	259,972	270,841	267,570	267,770	264,748	259,949	252,424	240,312	237,741
Other taxes	-	-	-	-	-	-	-	-	-	-
Interest on investments	29,737	81,300	220,971	167,524	28,369	15,454	14,876	12,142	12,366	22,473
Miscellaneous	33,567	12,134	48,800	33,900	15,771	27,398	42,527	29,052	45,121	19,238
Transfers	94,786	97,506	13,098	(51,667)	(57,081)	(820,000)	(140,000)	(185,643)	(362,920)	(185,709)
Developers fee	-	-	-	-	-	-	-	-	(104,635)	(49,338)
Insurance Claims	-	-	-	-	-	-	-	5,478	-	-
(Loss) on sale of assets	464,872	-	-	-	149,625	-	-	(48,966)	114,680	44,285
Penalty assessment	-	-	-	-	-	-	-	-	-	-
Total general revenues, transfers, and other special items	5,550,471	4,716,606	4,506,450	4,245,174	4,125,866	3,139,411	3,650,527	2,854,065	2,527,871	2,645,399
Business-type Activities										
Sales tax	-	-	-	-	2,450	177,860	10,491	497,053	599,182	600,834
Interest on investments	60,317	106,390	78,963	77,045	117,709	25,845	165,663	10,832	160,204	146,300
Miscellaneous	-	-	-	-	-	24,797	14,924	14,178	10,160	25,379
Transfers	(94,786)	(97,506)	(13,098)	51,667	57,081	820,000	140,000	185,643	362,920	185,709
(Loss) on sale of assets	-	-	-	-	-	-	-	-	3,826	-
Repayment of grant funds	-	-	-	-	-	-	(175,000)	-	-	-
Total Business-type activities	(34,469)	8,884	65,865	128,712	177,240	1,048,502	256,078	707,706	1,136,292	958,222
Total primary government	\$ 5,516,002	\$ 4,725,490	\$ 4,572,315	\$ 4,373,886	\$ 4,303,106	\$ 4,187,913	\$ 3,906,605	\$ 3,561,771	\$ 3,664,163	\$ 3,603,621
Change in Net Position										
Governmental Activities	\$ 2,250,718	\$ 1,380,331	\$ 1,085,370	\$ 996,030	\$ 2,133,638	\$ 755,178	\$ 1,046,167	\$ 191,801	\$ (13,415)	\$ 105,049
Business Activities	274,889	94,843	690,025	875,699	919,431	1,189,733	547,405	810,883	1,168,665	384,358
Total Change in Net Position	\$ 2,525,607	\$ 1,475,174	\$ 1,775,395	\$ 1,871,729	\$ 3,053,069	\$ 1,944,911	\$ 1,593,572	\$ 1,002,684	\$ 1,155,250	\$ 489,407

Source: Basic Financial Statements

CITY OF MARSHFIELD, MISSOURI
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 67,124	\$ 62,675	\$ 61,818	\$ 53,148	\$ 53,641	\$ 47,335	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	87,775	101,954	91,096
Unassigned	3,529,846	2,214,273	1,817,277	1,629,996	1,406,555	914,120	619,576	409,009	177,970	(56,819)
Total general fund	\$ 3,596,970	\$ 2,276,948	\$ 1,879,095	\$ 1,683,144	\$ 1,460,196	\$ 961,455	\$ 619,576	\$ 496,784	\$ 279,924	\$ 34,277
All other governmental funds										
Nonspendable	\$ 20,380	\$ 23,251	\$ 20,788	\$ 14,882	\$ 17,652	\$ 16,846	\$ -	\$ -	\$ -	\$ -
Restricted	4,893,079	5,421,521	5,961,723	15,304,223	2,701,257	2,048,454	1,903,758	2,807,955	2,142,425	718,970
Committed	-	-	-	-	-	-	-	-	362,827	1,863,211
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	619,576	(131,406)	(87,698)	(24,550)
Total all other governmental funds	\$ 4,913,459	\$ 5,444,772	\$ 5,982,511	\$ 15,319,105	\$ 2,718,909	\$ 2,065,300	\$ 2,523,334	\$ 2,676,549	\$ 2,417,554	\$ 2,557,631

Source: Basic Financial Statements

CITY OF MARSHFIELD, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES										
Taxes:										
Property taxes	\$ 632,954	\$ 559,282	\$ 569,576	\$ 585,082	\$ 570,977	\$ 526,457	\$ 523,208	\$ 460,275	\$ 420,213	\$ 386,232
Franchise taxes	318,086	328,224	\$ 339,596	368,645	377,160	364,332	418,209	386,455	377,803	393,911
Sales taxes	3,656,171	3,347,370	3,051,718	2,902,905	2,770,955	2,762,438	2,520,610	1,898,166	1,764,715	1,771,496
Lodging tax	-	-	-	-	-	26,429	14,152	17,792	15,592	-
Intergovernmental:										
Missouri motor fuel taxes	289,559	259,972	270,841	267,570	267,770	264,748	259,949	252,424	240,312	237,741
Financial institutional tax	2,024	2,335	2,126	4,065	569	687	707	-	-	-
Webster County road reimbursement	-	151,168	-	-	-	-	-	-	-	-
User charges:										
Activity fees	220,738	91,410	145,114	34,907	30,721	29,494	-	30,054	31,656	65,140
Cemetery-sale of plots & grave openings	38,600	40,900	28,300	37,400	35,250	39,050	21,000	31,700	26,650	23,250
Licenses & permits	49,109	56,487	39,305	49,988	37,797	39,466	30,206	45,248	56,512	29,255
Fines & forfeitures	50,506	100,045	136,206	115,793	78,504	50,923	66,558	58,154	45,597	40,797
Interest	29,737	81,300	220,971	167,524	28,369	15,454	14,875	12,142	12,366	22,473
Donations	-	-	-	-	-	4,000	-	-	-	-
Grants	9,000	139,501	2,238	5,050	469,104	286,214	61,981	-	48,023	310,341
Rent	44,602	46,109	58,206	49,831	26,590	13,110	3,323	5,728	2,241	1,719
Miscellaneous	31,543	12,134	46,674	29,835	15,202	12,381	41,820	29,352	45,121	19,238
Total Revenues	\$ 5,372,629	\$ 5,216,237	\$ 4,910,871	\$ 4,618,595	\$ 4,708,968	\$ 4,435,183	\$ 3,976,598	\$ 3,227,490	\$ 3,086,801	\$ 3,301,593
EXPENDITURES										
Current										
General government	\$ 288,878	\$ 280,480	\$ 371,506	\$ 321,971	\$ 260,572	\$ 274,030	\$ 257,716	\$ 281,451	\$ 284,754	\$ 473,689
Law and public safety:										
Police	1,047,076	960,883	958,634	906,063	772,802	765,567	838,086	784,313	720,103	690,410
Municipal court	74,011	74,213	72,048	50,871	58,994	43,739	47,982	52,780	51,300	49,684
Fire	-	246,828	224,332	219,879	208,656	207,691	217,055	208,658	189,690	169,982
Street	438,263	398,337	382,853	368,847	413,203	392,621	394,677	434,837	398,493	383,461
Transit	-	-	-	-	-	-	-	4,215	70,895	74,968
Building inspection	118,431	88,651	56,414	69,233	59,740	64,235	48,473	39,035	55,606	69,035
Animal control	28,999	24,626	35,170	30,981	28,589	26,529	27,550	53,536	61,722	76,915
Cemetery	124,742	105,296	118,449	94,339	87,379	123,059	98,070	92,233	84,076	83,608
Park	638,689	514,422	508,731	296,910	228,952	230,972	196,870	198,838	162,838	251,445
Economic Development	89,397	60,000	-	-	1,239	52,848	-	-	-	-
Capital outlay	1,182,556	1,815,928	10,520,342	3,948,039	1,718,143	897,576	77,518	82,985	145,627	425,896

CITY OF MARSHFIELD, MISSOURI
 Changes in Fund Balances of Governmental Funds
 (continued)
 Last Ten Fiscal Years

Debt service:										
Principal	713,582	305,802	282,141	18,759	12,734	8,414	2,086,525	327,271	300,133	324,828
Interest and agent fees	562,587	578,163	606,544	230,573	17,729	49,278	131,963	92,338	103,119	119,934
Bond issuance costs	-	-	-	227,582	-	-	-	-	-	-
Total Expenditures	\$ 5,307,211	\$ 5,453,629	\$ 14,137,164	\$ 6,784,047	\$ 3,868,732	\$ 3,136,559	\$ 4,422,485	\$ 2,652,490	\$ 2,628,356	\$ 3,193,855
Excess (Deficiency) of Revenues over Expenditures	65,418	(237,392)	(9,226,293)	(2,165,452)	840,236	1,298,624	(445,887)	575,000	458,445	107,738
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
OTHER FINANCING SOURCES (USES)										
Penalty assessment	-	-	-	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	81,904	-	-	-	-	-
Sale of assets	628,505	-	-	-	149,625	-	-	12,010	114,680	16,557
Insurance claims/refunds	-	-	-	-	-	14,330	-	5,478	-	30,218
Lease proceeds	-	-	-	29,088	-	-	-	29,843	-	55,371
Developers fee	-	-	-	-	-	-	-	-	(104,635)	(49,338)
Transfers In	180,869	253,601	259,485	186,069	143,316	33,957	225,460	-	-	134,533
Transfers (Out)	(86,083)	(156,095)	(246,387)	(237,736)	(200,397)	(853,957)	(365,460)	(185,643)	(362,920)	(320,242)
Premium on bond issued	-	-	-	1,026,175	-	-	-	-	-	-
Issuance of lease obligation	-	-	72,552	-	-	-	-	-	-	-
Issuance of debt	-	-	-	13,985,000	-	-	-	-	-	-
Total Other Financing Sources (Uses)	723,291	97,506	85,650	14,988,596	174,448	(805,670)	(140,000)	(138,312)	(352,875)	(132,901)
Net change in fund balances	788,709	(139,886)	(9,140,643)	12,823,144	1,014,684	492,954	(585,887)	436,688	105,570	(25,163)
Debt service as a percentage of noncapital expenditures	30.94%	24.30%	24.57%	8.79%	1.42%	2.58%	51.06%	16.33%	16.24%	16.07%

Source: Basic Financial Statements

CITY OF MARSHFIELD, MISSOURI
Tax Revenue by Source, Governmental Funds
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Taxes (1)</u>	<u>Missouri Motor Fuel Tax</u>	<u>Other</u>	<u>Total</u>
2021	632,954	3,656,171	318,086	289,559	2,024	4,898,794
2020	559,282	3,347,370	328,224	259,972	2,335	4,497,183
2019	569,576	3,051,718	339,596	270,841	2,126	4,233,857
2018	585,082	2,902,905	368,645	267,570	4,065	4,128,267
2017	570,977	2,770,955	377,160	267,770	569	3,987,431
2016	526,457	2,762,438	364,332	264,748	687	3,918,662
2015	523,208	2,520,610	418,209	259,949	707	3,722,683
2014	460,275	1,898,166	386,455	252,424		2,997,320
2013	420,213	1,764,715	377,803	240,312		2,803,043
2012	386,232	1,771,496	393,911	237,741		2,789,380

Note: (1) Franchise Taxes include Electric, Telephone, Natural Gas & Cable.

Source: Basic Financial Statements

CITY OF MARSHFIELD, MISSOURI
Property Tax Rates Direct and Overlapping Governments
Per \$100 Assessed Valuation
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
City of Marshfield	0.5996	0.6120	0.6118	0.6118	0.6105	0.6202	0.6202	0.6200	0.5724	0.5200
Marshfield Schools	3.6911	3.8400	3.8400	3.8400	3.3500	3.3500	3.3500	3.3500	3.3500	3.3500
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Road	0.1713	0.1797	0.1797	0.1797	0.1797	0.1882	0.1882	0.1882	0.1882	0.1874
Sh/Wkshp	0.0722	0.0757	0.0757	0.0757	0.0757	0.0793	0.0793	0.0793	0.0793	0.0789
Senior	0.0455	0.0477	0.0477	0.0477	0.0477	0.0500	0.0500	0.0500	0.0500	0.0500
Health	0.1262	0.1324	0.1324	0.1324	0.1324	0.1387	0.1387	0.1387	0.1387	0.1381
Library	0.1080	0.1133	0.1133	0.1133	0.1133	0.1188	0.1188	0.1188	0.1188	0.1184
Junior College	0.1875	0.1996	0.1990	0.2023	0.1498	0.1500	0.1494	0.1494	0.1479	0.1408
Fire District (1)	0.6000	0.2867								
Total District Overlapping	5.6314	5.5171	5.2296	5.2329	4.6891	4.7252	4.7246	4.7244	4.6753	4.6136

Commercial Surcharge (on Commercial Real Estate only):

0.3700

Note: (1) In 2020 voters approved to allow the boundaries of the Marshfield Fire Protection District to be extended to include all property within the corporate city limits of the City of Marshfield.

Source: Webster County Clerk's Office

CITY OF MARSHFIELD, MISSOURI
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended	Residential	Agricultural	Commercial	Local Utilities	State Utilities	Personal	Total Taxable assessed Value	Estimated Actual Value	Assessed Value as a Percentage of Actual Value	Total Direct Levy
December 31										
2021	\$ 49,132,570	\$ 271,240	\$ 32,521,720	\$ 55,430	\$ 288,934	\$ 20,474,181	\$ 102,744,075	425,043,347	24.2%	0.5996
2020	44,077,920	143,300	28,890,880	88,010	827,180	19,010,810	\$ 93,038,100	383,416,708	24.3%	0.6120
2019	44,064,460	144,230	28,360,590	55,430	806,578	16,674,322	\$ 90,105,610	374,513,785	24.1%	0.6118
2018	43,043,120	107,870	28,462,170	46,674	764,783	15,993,201	\$ 88,417,818	366,949,369	24.1%	0.6118
2017	42,829,760	108,970	27,683,470	41,920	739,672	15,435,062	\$ 86,838,854	361,632,729	24.0%	0.6105
2016	39,005,160	55,230	25,772,750	45,200	719,735	14,592,142	\$ 80,190,217	332,501,078	24.1%	0.6202
2015	38,681,120	55,590	25,662,780	23,620	670,629	14,529,160	\$ 79,622,899	330,044,919	24.1%	0.6202
2014	37,604,420	54,690	24,645,660	41,790	630,701	13,273,196	\$ 76,250,457	317,352,419	24.0%	0.6200
2013	37,322,880	53,490	24,326,350	42,650	657,835	12,215,539	\$ 74,618,744	311,774,120	23.9%	0.5724
2012	37,149,710	53,380	24,220,140	41,820	601,284	11,433,339	\$ 73,499,673	308,001,612	23.9%	0.5200

- Notes:
1. Property is reassessed annually by the Webster County Assessor.
 2. Residential property is assessed at 19% of appraised value, agriculture at 12%, commercial and industry at 32%, and personal property at 33.3%.
 3. Tax levies are per \$1,000 of assessed value.

Source: Webster County Clerk

CITY OF MARSHFIELD, MISSOURI
 Direct City Sales Tax Revenue by Type
 Last Ten Fiscal Years

Fiscal Year	Direct Sales Tax Rate	1% General	0.50% Transportation	0.50% Capital Improvement Water and Sewer (1)	0.50% Local Parks (2)	Total
2021	2.00%	1,856,348	888,622	25	888,502	3,633,497
2020	2.00%	1,724,656	827,112	565	826,536	3,378,870
2019	2.00%	1,533,273	730,384	1	730,389	2,994,048
2018	2.00%	1,438,687	682,985	203	682,294	2,804,168
2017	2.00%	1,440,532	690,924	2,450	688,391	2,822,297
2016	2.00%	1,385,069	665,357	1,052	663,270	2,714,749
2015	2.00%	1,374,459	653,347	10,491	379,937	2,418,235
2014	2.00%	1,277,924	601,112	591,120		2,470,156
2013	2.00%	1,198,440	566,717	599,182		2,364,338
2012	2.00%	1,201,736	570,478	600,837		2,373,051

(1) Capital Improvement Water and Sewer sales tax expired October 2014.

(2) Local Parks sales tax assessed beginning April 2015.

Source: Missouri Department of Revenue

CITY OF MARSHFIELD, MISSOURI
 Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Webster County Rate (1)	Webster County 911	State Rate	Total Rate
2021	2.000%	1.750%	0.333%	4.225%	8.308%
2020	2.000%	1.750%	0.333%	4.225%	8.308%
2019	2.000%	1.750%	0.333%	4.225%	8.308%
2018	2.000%	1.750%	0.333%	4.225%	8.308%
2017	2.000%	1.750%	0.333%	4.225%	8.308%
2016	2.000%	1.750%	0.333%	4.225%	8.308%
2015	2.000%	1.750%	0.333%	4.225%	8.308%
2014	2.000%	1.500%	0.333%	4.225%	8.058%
2013	2.000%	1.500%	0.333%	4.225%	8.058%
2012	2.000%	1.500%	0.333%	4.225%	8.058%

Note: (1) Webster County assessed an additional 0.25% sales tax beginning January 2015.

Source: Missouri Department of Revenue

CITY OF MARSHFIELD, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Capital Lease Obligation	General Obligation Bonds (1)(3)	Certificates of Participation (3)	Lease Obligations	General Obligation Bonds (2)	Revenue Bonds (4)	Total Outstanding Debt	Percentage of Personal Income	Debt Per Capita
		Governmental			Business-Type				
2021	\$ 41,754	\$ 10,482,248	\$ 3,175,000	\$ -	\$ -	\$ 11,308,555	25,007,557	16.99%	\$ 3,317
2020	85,453	10,923,557	3,455,000	-	-	11,610,607	26,074,617	18.26%	\$ 3,496
2019	121,255	10,974,866	3,725,000	-	-	910,000	15,731,121	10.97%	\$ 2,080
2018	82,120	10,000,000	3,985,000	10,154	155,000	1,120,000	15,352,274	11.27%	\$ 2,061
2017	71,791			28,606	305,000	1,325,000	1,730,397	1.27%	\$ 236
2016	2,621			46,424	450,000	1,525,000	2,024,045	1.58%	\$ 282
2015	11,035			63,630	1,270,000	1,720,000	3,064,665	2.42%	\$ 432
2014	22,560	2,075,000		80,246	1,410,000	1,910,000	5,497,806	4.45%	\$ 791
2013	44,988	2,350,000			1,545,000	3,030,000	6,969,988	5.89%	\$ 1,032
2012	95,121	2,600,000			1,675,000	3,665,000	8,035,121	6.65%	\$ 1,197

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) General Obligation Street Improvement Bonds, Series 2006 were redeemed and paid January 1, 2016.
- (2) A portion of the General Obligation Bonds (State Revolving Fund Program), Series 2003 were redeemed on December 1, 2016. The principal amount of the redemption was \$675,000.00.
- (3) In 2018 \$3,985,000 Certificates of Participation were issued for constructing an aquatic pool and \$10,000,000 General Obligation Bonds were issued for constructing a new I-44 interchange at mile marker 103.
- (4) January 15, 2020 the City issued its Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds (State of Missouri - Direct Loan Program) Series 2020 DNR Bonds, not to exceed \$6,164,000. Approximately \$831,582 of the Principal of the Series 2020 DNR Bonds was used to redeem all of the City's outstanding Combined Waterworks and Sewerage System Refunding Revenue Bonds (State Revolving Fund Program, Series 2003B). May 7, 2020 the City issued its Combined Waterworks and Sewerage System Revenue Bonds Series 2020B in the amount of \$4,665,000.

CITY OF MARSHFIELD, MISSOURI
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Fund Balance Debt Service Fund (2)	Net General Bonded Debt (3)	Percentage of Actual Taxable Value of Property (1)	Net Bonded Debt per Capita
2021	\$ 10,482,248	\$ 414,744	10,067,504	2.37%	1,335
2020	10,923,557	338,171	10,585,386	2.76%	1,419
2019	10,974,866	344,774	10,630,092	2.84%	1,406
2018	10,155,000	528,531	9,626,469	2.62%	1,292
2017	305,000	503,305	(198,305)	-0.05%	(27)
2016	450,000	317,019	132,981	0.04%	19
2015	1,270,000	867,422	402,578	0.12%	57
2014	3,485,000	739,254	2,745,746	0.87%	395
2013	3,895,000	641,862	3,253,138	1.04%	482
2012	4,275,000	718,970	3,556,030	1.15%	530

- Notes:
- (1) See Assessed and Estimated Value of Taxable Properties Table
 - (2) This amount only includes the debt service fund, not the transportation fund.
 - (3) The City issued \$10 million General Obligation Bonds April 5, 2018.

CITY OF MARSHFIELD, MISSOURI
 Direct and Overlapping Governmental Activities Debt
 December 31, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated share of direct and overlapping debt
Marshfield R-1 School District	\$ 17,390,000	40.85%	\$ 7,103,423
Ozark Technical Community College	49,011,084	1.20%	\$ 587,956
Webster County	<u>9,370,000</u>	20.21%	<u>\$ 1,893,260</u>
Subtotal, overlapping debt	75,771,084		9,584,639
Subtotal, direct debt	13,699,002		13,699,002
Total direct and overlapping debt	<u><u>\$ 89,470,086.00</u></u>		<u><u>\$ 23,283,640.90</u></u>

Source: Missouri State Auditor, Bond Registration Reports: financial information and operating data from each jurisdiction that is available on the Municipal Securities Rulemaking Board's EMMA website or directly from the jurisdiction.

Note: Overlapping governments are those that coincide, in part or in total, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Marshfield. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident and responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using the assessed property values. The applicable percentage is estimated by dividing the City's assessed valuation by the applicable governmental unit's total assessed valuation.

CITY OF MARSHFIELD, MISSOURI
 Legal Debt Margin Information
 December 31, 2021

Legal Debt Margin Calculation for Fiscal Year 2021	
Assessed Value	<u>\$ 102,744,075</u>
Debt limit (20% of assessed value)	<u>\$ 20,548,815</u>
City Debt applicable to debt limit:	
General obligation bonds	10,482,248
Less amount in debt service fund	<u>(414,744)</u>
Total net debt applicable to limit	<u>10,067,504</u>
Legal debt margin	<u>\$ 10,481,311</u>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assessed valuation	<u>\$ 102,744,075</u>	<u>\$ 93,038,100</u>	<u>\$ 90,105,610</u>	<u>\$ 88,417,818</u>	<u>\$ 86,838,854</u>	<u>\$ 80,190,217</u>	<u>\$ 79,622,899</u>	<u>\$ 76,250,457</u>	<u>\$ 74,618,744</u>	<u>\$ 73,499,673</u>
Debt limit	20,548,815	18,607,620	18,021,122	17,683,564	17,367,771	16,038,043	15,924,580	15,250,091	14,923,749	14,699,935
Total net debt applicable to limit	<u>10,067,504</u>	<u>10,585,386</u>	<u>10,630,092</u>	<u>9,626,469</u>	<u>(198,305)</u>	<u>132,981</u>	<u>402,578</u>	<u>2,745,746</u>	<u>3,253,138</u>	<u>3,556,030</u>
Legal Debt margin	<u>10,481,311</u>	<u>8,022,234</u>	<u>7,391,030</u>	<u>8,057,095</u>	<u>17,566,076</u>	<u>15,905,062</u>	<u>15,522,002</u>	<u>12,504,345</u>	<u>11,670,611</u>	<u>11,143,905</u>
Total net debt applicable to the limit as a percentage	48.99%	56.89%	58.99%	54.44%	-1.14%	0.83%	2.53%	18.00%	21.80%	24.19%

Article VI, Sections 26 (b) and (c), Constitution of Missouri, limits the outstanding amount of the authorized general obligation debt of a city to 20 percent of the assessed valuation of taxable tangible property as shown by the last completed assessment for state or county purposes.

CITY OF MARSHFIELD, MISSOURI
Pledged-Revenue Coverage by Fund
Last Ten Fiscal Years

Water system revenue bond coverage

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service (3)			Coverage
				Principal	Interest	Total	
2021	\$ 1,415,520	\$ 1,003,453	412,067	\$ 311,568	\$ 150,158	461,726	0.89
2020	1,545,514	937,424	608,090	910,000	181,206	1,091,206	0.56
2019	1,417,109	941,731	475,378	210,000	54,710	264,710	1.80
2018	1,438,541	913,656	524,885	205,000	64,960	269,960	1.94
2017	1,387,632	791,195	596,437	200,000	73,160	273,160	2.18
2016	1,040,948	800,110	240,838	195,000	80,960	275,960	0.87
2015	995,737	696,889	298,848	190,000	88,275	278,275	1.07
2014	969,289	774,840	194,449	180,000	97,275	277,275	0.70
2013	920,619	736,419	184,200	180,000	103,935	283,935	0.65
2012	784,601	678,411	106,190	175,000	110,060	285,060	0.37

Sewer system revenue bond coverage

Fiscal Year	Operating Revenues (1)	Less: Operating Expenses	Net Available Revenue	Debt Service (2)			Coverage
				Principal	Interest	Total	
2021	\$ 1,230,390	\$ 1,044,947	185,443	\$ 50,427	\$ 144,394	\$ 194,821	0.95
2020	938,313	1,097,170	(158,857)				
2019	1,229,146	1,004,059	225,087				
2018	1,265,535	991,214	274,321				
2017	1,226,626	948,630	277,996				
2016	1,112,637	968,551	144,086				
2015	1,076,390	896,902	179,488	475,000	12,469	487,469	0.37
2014	1,559,288	1,022,325	536,963	465,000	37,144	502,144	1.07
2013	1,634,392	947,810	686,582	455,000	61,294	516,294	1.33
2012	1,272,123	1,031,051	241,072	445,000	83,806	528,806	0.46

(1) Sewer system operating revenues includes the capital improvement sales tax, which expired October 1, 2014.

(2) The taxing power of the City is not pledged to secure payment of the revenue bonds and interest. The revenue bonds' payments are solely derived from the revenue of the enterprise activity operated by the City.

(3) January 15, 2020 the City issued its Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds (State of Missouri - Direct Loan Program) Series 2020 DNR Bonds, not to exceed \$6,164,000. Approximately \$831,582 of the Principal of the Series 2020 DNR Bonds was used to redeem all of the City's outstanding Combined Waterworks and Sewerage System Refunding Revenue Bonds (State Revolving Fund Program, Series 2003B. May 7, 2020 the City issued its Combined Waterworks and Sewerage System Revenue Bonds Series 2020B in the amount of \$4,665,000.

CITY OF MARSHFIELD, MISSOURI
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Population (1)</u>	<u>Median Age (1)</u>	<u>Per Capita Income (1)</u>	<u>Median Household Income (1)</u>	<u>Unemployment Rate (1)</u>
2021	7,540	31.8	19,516	48,657	5.0%
2020	7,458	34.6	19,145	44,844	5.2%
2019	7,562	32.6	18,970	40,122	5.9%
2018	7,450	34.9	18,282	37,813	6.1%
2017	7,333	36.2	18,537	37,107	6.8%
2016	7,187	34.8	17,852	36,333	6.5%
2015	7,091	34.8	17,852	36,333	6.5%
2014	6,947	33.9	17,798	36,828	10.4%
2013	6,753	34.8	17,519	35,000	9.3%
2012	6,714	35.4	18,001	31,456	9.7%

(1) U.S. Census Bureau (actual and estimated)

CITY OF MARSHFIELD, MISSOURI
 Full-Time Equivalent Employees by Function/Programs
 Last Ten Fiscal Years

Function/Programs	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Administrative Services	4	2	3	3	2	2	2	3	2	2
Municipal Court (2)					1	1	1	1	1	1
Building Inspections	1	1	1	1	1	1	1	1	1	1
Finance	1	1	1	1	1	1	1	1	1	1
Police Officers	11	11	11	11	9	10	10	11	10	10
Police Clerk (3)	1	1	1	1						
Fire (4)	0	0	1	1	1	1	1	1	1	1
Parks & Recreation	3	2	1	1	1	2	3	3	4	4
Utility Billing	3	2	2	2	2	2	2	2	2	2
Public Works										
Street Maintenance	4	3	3	4	5	5	3	4	4	5
Water Maintenance	4	5	5	4	4	4	4	5	5	4
Wastewater Maintenance	6	5	5	5	6	6	7	7	7	7
Cemetery	1	1	1	1	1	1	1	1	1	1
Transit - Bus (1)									1	1
Total Full Time Employees	39	34	35	35	34	36	36	40	40	40

- Notes: (1) The City discontinued transit services in 2013.
 (2) Municipal Court Clerk went to a part-time clerk in fiscal year 2018.
 (3) Fiscal year 2018 Police Clerk went to full-time.
 (4) In 2020 the City of Marshfield Fire Department was incorporated into the Fire Protection District and is no longer under the City.

Source: City Clerk's Office

CITY OF MARSHFIELD, MISSOURI
 Operating Indicators by Function
 Last Ten Fiscal Years

Function/Programs	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Business licenses issued	317	246	300	290	282	278	295	273	275	264
Residential building permits issued	20	20	27	28	17	8	15	26	11	
Nonresidential building permits issued	10	13	3	10	7	15	3	9	17	
Fire - Incidents Reports (2)										
Fire/Rescue	-	159	313	243	274	288	239	161	121	125
EMS	-	268	621	635	657	581	679	603	568	523
Number of incident types	-	28	49	51	55	43	36	35	20	28
Fire - Mutual Aid										
Received	-	2	17	10	2	1	3	2	1	1
Given	-	5	4	2	2	9	7	4	0	1
Police										
Calls for Services	10,728	(3)	15,117	14,763	8,619	11,435	8,625	7,180	(1)	9,731
Municipal Court										
Number of Municipal Court Summons	375	807	3,129	2,235	1,359	914	609	528	502	385
Water										
System use - gallons per day	502,801	517,313	498,368	531,136	506,235	501,173	481,474	482,106	487,523	548,145
Sewer										
System use - gallons per day	460,866	469,577	459,439	482,523	464,688	465,177	447,634	445,328	457,960	438,469

Note: (1) Police Department changed software in 2013 and unable to retrieve data for the year. Numbers do not include walk-ins.
 (2) The City of Marshfield Fire Department was incorporated under the Marshfield Fire Protection District in 2020 and is no longer City operated. The number of Incident Reports for 2020 are for a partial year while the City operated the Fire Department.
 (3) Webster County Dispatch switched computer systems in 2020 and have not been able to retrieve data for the Marshfield Police calls for service for 2020.

Source: City department records.

CITY OF MARSHFIELD, MO
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government										
Area (square miles) (1)	5.111	5.111	5.111	5.111	5.111	5.031	5.031	5.031	5.031	5.031
Number of general governmental buildings	2	3	3	3	3	2	2	2	2	2
Public Safety										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Fire Stations (2)	-	-	1	1	1	2	2	2	2	2
Recreation										
Number of parks	10	10	10	9	9	9	9	9	9	9

Note: (1) The City annexed 50.98 acres in 2017. This is property the City purchased in 2016 for the Activity Center/Aquatic Pool and Elm Street extension.
 (2) The City of Marshfield Fire Department was incorporated under the Marshfield Fire Protection District in 2020. The Fire Station was transferred to the District in 2020.

Source: City department records.

SECTION IV – SINGLE AUDIT

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*

To the City Council
City of Marshfield, Missouri

We have audited, in accordance with the 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Marshfield, Missouri, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Marshfield, Missouri's basic financial statements, and have issued our report thereon dated June 3, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Marshfield, Missouri'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 City of Marshfield, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Marshfield, Missouri's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Marshfield, Missouri's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Decker & DeGood, PC



Springfield, Missouri
June 3, 2022

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

To the City Council
City of Marshfield, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Marshfield, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Marshfield, Missouri's major federal programs for the year ended December 31, 2021. City of Marshfield, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Marshfield, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of City of Marshfield, Missouri and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Marshfield, Missouri's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Marshfield, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Marshfield, Missouri's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Marshfield, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Marshfield, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Marshfield, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

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

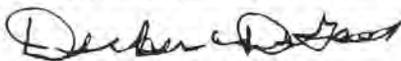
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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


Decker & DeGood, PC

Springfield, Missouri
June 3, 2022

CITY OF MARSHFIELD, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Disbursements Expenditures</u>
<u>Department of Environmental Protection Agency</u>			
Missouri Department of Natural Resources Drinking Water State Revolving Fund (DWSRF) Direct Loan	66.468	DW291148-04	\$ 1,237,517
Missouri Department of Natural Resources Clean Water SRF	66.458	EPG-217-20	41,339
Total Department of Environmental Protection Agency			<u>1,278,856</u>
<u>U.S. Department of Transportation</u>			
Missouri Department of Transportation Highway Planning and Construction	20.205	TEAP043	10,000
Total U.S. Department of Transportation			<u>10,000</u>
Total Expenditures of Federal Awards			<u>\$ 1,288,856</u>

See accompanying note to schedule of expenditures of federal awards.

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal activity of the City of Marshfield, Missouri, under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Marshfield, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Marshfield, Missouri.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on accounting principles generally accepted in the United States of America (accrual basis). Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

The City of Marshfield, Missouri has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF MARSHFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported
- Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported

Type of auditor's report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ✓ no

The programs tested as major programs were:
 CFDA Number: 66.468 Drinking Water State Revolving Fund
 (DWSRF) Direct Loan

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes ✓ no

B. FINANCIAL STATEMENTS FINDINGS-

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS-

None

CITY OF MARSHFIELD, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Number</u>	<u>Finding</u>	<u>Costs</u>
N/A	The City of Marshfield, Missouri had no federal grants in the prior year that had any findings to correct or report.	