

CITY OF MARSHFIELD, MISSOURI



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Fiscal Year Ended  
December 31, 2020

BUILDING COMMUNITY *Together*

# CITY OF MARSHFIELD, MISSOURI

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2020

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REPORT PREPARED AND SUBMITTED  
BY THE FINANCE DEPARTMENT

Sam Rost, City Administrator  
and  
Monica Robinson, Finance Director

CITY OF MARSHFIELD, MISSOURI  
 Comprehensive Annual Finance Report  
 For the Fiscal Year Ended December 31, 2020

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**SECTION 1 - INTRODUCTORY SECTION**

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June 29, 2021

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 Comprehensive Annual Financial Report (Annual Report) for the fiscal year that ended December 31, 2020. 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 CAFR.

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 31<sup>st</sup> preceding the beginning of the new fiscal year.

## **LOCAL ECONOMY**

The total tax revenue for the City rose by 6.2% in 2020 and sales tax revenue increased by 9.7%. 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, since 2016 Marshfield has continued to be one of five Missouri communities to be a part of the Growth in the Rural Ozarks (GRO) Grant program. This grant 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 this 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
  - Micro-Finance Loan
- **Entrepreneurship and Innovation**
  - Student Engagement
- **Community Marketing**
  - Community Engagement and Branding
  - Webster County Route 66

## **MAJOR INITIATIVES**

During Fiscal Year 2020, the City of Marshfield completed and continued work on the following major initiatives:

- Voters approved the annexation of the City of Marshfield Fire Department into the Marshfield Fire Protection District making it one entity, no longer being operated or funded by the City.
- Construction began on the second interchange on I-44 near mile marker 1.03 in October 2019. Majority of the construction phase was completed in 2020. This project is expected to be completed in the summer or fall of 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 completed in 2020. This project is expected to be completed in the summer or fall of 2021.
- In 2019 construction began on awarded contracts for the improvements to the city's water system. Construction and Engineering continued through 2020. These improvements are anticipated to be completed by fall of 2021
- Awarded contracts for improvements to the city's waste water systems in 2019. Majority of the construction was completed in 2020. Project anticipated to be completed summer of 2021.
- Continued development of a long-range 'Growth Plan' for the community that was adopted in 2020.
- Continued development of a long-range Parks & Recreation Master Plan for the City's Park facilities and recreational programs that was completed and adopted in 2020.
- Continued efforts for downtown improvements including new sidewalks, sub-grade repair, and new asphalt paving and striping of the entire downtown square.
- In 2017 City was awarded a LWCF Grant for the second phase of pour-in-place rubber material for the remaining equipment and the fitness equipment at Rotary Park, Massey Park, and Hartley Park. The project began in 2019 and completed in 2020.

## **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.

### **Debt Administration**

As of December 31, 2020, the City of Marshfield had an outstanding debt balance of \$24,369,453 compared to a balance of \$14,756,255 on December 31, 2019. Of this balance, \$10,000,000 is general obligation debt. The remainder of the debt balance is comprised of the following:

- General Leasehold Agreements - \$85,453
- General Certificates of Participation - \$3,455,000
- Enterprise Revenue Bonds - \$10,829,000
- 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 (11<sup>th</sup> 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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF MARSHFIELD, MISSOURI

Principal Officials

As of December 31, 2020

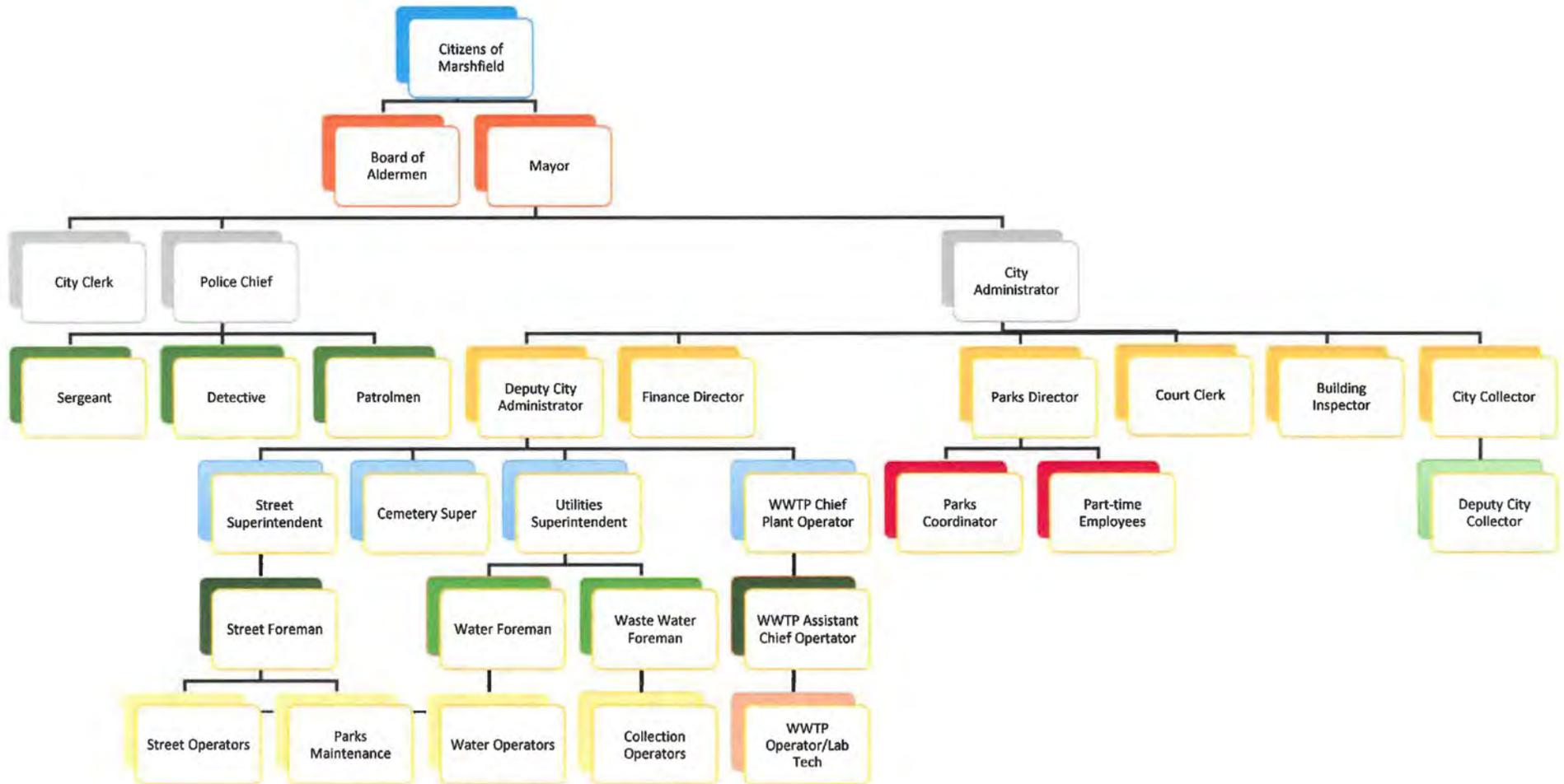
## Mayor and Board of Aldermen

Mayor	Natalie McNish
East Ward	Rob Foster
East Ward	Mark Bowers
West Ward	Vicki Montgomery
West Ward	Stacy Lee

## City Administration

Deputy 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



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**SECTION II – FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council  
City of Marshfield, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshfield, Missouri, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marshfield, Missouri, as of December 31, 2020, 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.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

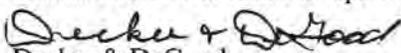
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marshfield, Missouri's basic financial statements. The other supplementary information and introductory and statistical sections, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2021, 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 grants 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 the City of Marshfield, Missouri's, internal control over financial reporting and compliance.

  
Decker & DeGood  
Springfield, Missouri  
May 21, 2021

## 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, 2020. 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 \$ 29,317,122. The City has unrestricted net position totaling \$ 1,166,936 which can be used to fund the City's functions/programs.
- As of December 31, 2020, governmental activities and business-type activities had net positions of \$ 15,554,638 and \$ 13,762,484, respectively.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$ 7,721,720, a decrease of (\$ 139,886) in comparison with the prior year. Approximately 28.68 percent or \$ 2,214,273 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, \$ 2,214,273 is 97.74% 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 increased by \$ 9,613,198 or 28.85% as compared to fiscal year 2019.

### 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 12 and 13 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 50-51 and 56.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balance) can be found on pages 14-17 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 18-20 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 21-48 of this report.

### Required Supplemental Information

In addition to the basic financial statements the required supplementary information can be found on pages 49-53 of this report with the supplementary information on pages 54-56.

#### 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 \$ 29,317,122 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 \$ 15,379,073. 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	
	2020	2019	2020	2019	2020	2019
Current Assets and other assets	\$ 7,787,398	\$ 7,900,079	\$ 8,206,883	\$ 3,730,387	\$ 15,994,281	\$ 11,630,466
Capital Assets	22,950,943	21,867,859	17,808,880	11,416,686	40,759,823	33,284,545
Total Assets	30,738,341	29,767,938	26,015,763	15,147,073	56,754,104	44,915,011
Deferred Outflows of Resources						
Deferred pension related	370,605	266,618	214,301	115,653	584,906	382,271
Total Deferred Outflows	370,605	266,618	214,301	115,653	584,906	382,271
Current Liabilities	216,845	226,073	413,367	335,200	630,212	561,273
Long-term Debt	15,269,848	15,453,050	12,028,061	1,155,864	27,297,909	16,608,914
Total Liabilities	15,486,693	15,679,123	12,441,428	1,491,064	27,928,121	17,170,187
Deferred Inflows						
Deferred pension related	67,615	181,126	26,152	104,021	93,767	285,147
Total Deferred Inflows	67,615	181,126	26,152	104,021	93,767	285,147
Net Position:						
Invested in capital assets-net	8,486,933	8,021,604	6,892,140	10,506,686	15,379,073	18,528,290
Restricted	6,921,862	791,255	5,849,251	948,631	12,771,113	1,739,886
Unrestricted	145,843	5,361,448	1,021,093	2,212,324	1,166,936	7,573,772
Total net position	\$ 15,554,638	\$ 14,174,307	\$ 13,762,484	\$ 13,667,641	\$ 29,317,122	\$ 27,841,948

**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 \$ 1166,936 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 \$ 1,475,174. 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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charge for services	\$ 334,951	\$ 407,131	\$ 2,483,827	\$ 2,646,255	\$ 2,818,778	\$ 3,053,386
Operating grants and contributions	28,325	2,238	2,597	-	30,922	2,238
Capital grants and contributions	264,679	-	-	-	264,679	-
General Revenues:						
Taxes	4,525,666	4,223,581	-	-	4,525,666	4,223,581
Interest	81,300	220,971	106,390	78,963	187,690	299,934
Other	12,134	48,800	-	-	12,134	48,800
Total Revenue	<u>5,247,055</u>	<u>4,902,721</u>	<u>2,592,814</u>	<u>2,725,218</u>	<u>7,839,869</u>	<u>7,627,939</u>

**City of Marshfield's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2019	2019	2020	2019
Expenses:						
Administration	304,171	396,831	-	-	304,171	396,831
Law and public safety	991,020	1,000,270	-	-	991,020	1,000,270
Streets	764,596	748,416	-	-	764,596	748,416
Fire	306,749	300,024	-	-	306,749	300,024
Municipal court	74,207	72,065	-	-	74,207	72,065
Building inspection	88,651	56,414	-	-	88,651	56,414
Economic development	60,000	-	-	-	60,000	-
Animal control	24,927	33,288	-	-	24,927	33,288
Cemetery	108,920	126,041	-	-	108,920	126,041
Park	719,752	547,131	-	-	719,752	547,131
Interest	521,237	549,969	-	-	521,237	549,969
Water	-	-	1,131,513	1,000,015	1,131,513	1,000,015
Sewer	-	-	1,268,952	1,022,080	1,268,952	1,022,080
Total Expense	<u>3,964,230</u>	<u>3,830,449</u>	<u>2,400,465</u>	<u>2,022,095</u>	<u>6,364,695</u>	<u>5,852,544</u>
Increase (decrease) in net position before transfers	1,282,825	1,072,272	192,349	703,123	1,475,174	1,775,395
Transfers	<u>97,506</u>	<u>13,098</u>	<u>(97,506)</u>	<u>(13,098)</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,380,331	1,085,370	94,843	690,025	1,475,174	1,775,395
Net Position, beginning	<u>14,174,307</u>	<u>13,088,937</u>	<u>13,667,641</u>	<u>12,977,616</u>	<u>27,841,948</u>	<u>26,066,553</u>
Net Position, ending	<u>\$ 15,554,638</u>	<u>\$ 14,174,307</u>	<u>\$ 13,762,484</u>	<u>\$ 13,667,641</u>	<u>\$ 29,317,122</u>	<u>\$ 27,841,948</u>

**Governmental activities.** Governmental activities increased the City's net position by \$ 1,380,331, thereby accounting for 93.57% 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 \$ 294,961, which was most notable due to an increase in general sales tax of \$ 295,652.

**Business-type activities.** Business-type activities increased the City's net position by \$ 94,843, thereby accounting for 6.43% of the total growth in the net position of the City. This was a decrease of (\$ 595,182) over the prior year. This was due to an increase in operating expenses of \$ 433,542 and decrease in revenue of (\$ 162,428).

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

	2020	2019	Change	
			Amount	%
<b>Water Fund</b>				
Revenue	\$ 1,545,514	\$ 1,738,171	\$ (192,657)	-11.08%
Expense net of Depreciation	905,422	719,966	185,456	25.76%
Operating Income	608,090	796,440	(188,350)	-23.65%
<b>Sewer Fund</b>				
Revenue	938,313	908,084	30,229	3.33%
Expense net of Depreciation	1,035,875	787,789	248,086	31.49%
Operating Income (Loss)	(158,857)	(95,975)	(62,882)	65.52%

### 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 \$ 7,721,720 with a decrease of (\$ 139,886) compared to the prior fiscal year. Of the total balance, \$ 85,926 is nonspendable, \$ 5,421,521 is restricted, and \$ 2,214,273 is 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 \$ 2,276,948 of which \$ 62,675 is nonspendable and \$ 2,214,273 is unassigned.

Fund balance of the General Fund increased \$ 397,853 over the prior year as compared to the prior year totals were approximately the same except for sales tax which showed an increase of \$ 130,901, a decrease in administrative expense of \$ 91,041 and a decrease in capital outlay of \$ 243,267.

The fund balance of the Transportation Sales Tax Fund decreased by \$ 761,852 which was attributable capital outlay on I-44 interchange project.

The Park Fund balance increased \$ 207,085 which was reflected by an increase in sales tax revenue of \$ 67,349 along with grants of \$ 107,839.

### 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: \$ 119,974 in the Water Fund and \$ 901,119 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 2020 budget was adopted November 21, 2019. The General Fund expenditure budget was \$2,434,599. The actual General Fund expenditures were 9.7% 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, 2020 amounts to \$ 40,759,823 (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 22.45%.

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 899,533	\$ 899,533	\$ 612,433	\$ 612,433	\$ 1,511,966	\$ 1,511,966
Construction in Progress	10,980,082	10,099,774	7,655,480	842,411	18,635,562	10,942,185
Plant	-	-	9,063,014	9,432,759	9,063,014	9,432,759
Buildings	5,851,186	5,979,291	-	-	5,851,186	5,979,291
Infrastructure	4,465,632	3,998,898	-	-	4,465,632	3,998,898
Equipment	315,507	368,860	148,734	155,639	464,241	524,499
Vehicles	439,003	521,503	329,219	373,444	768,222	894,947
	<u>\$ 22,950,943</u>	<u>\$ 21,867,859</u>	<u>\$ 17,808,880</u>	<u>\$ 11,416,686</u>	<u>\$ 40,759,823</u>	<u>\$ 33,284,545</u>

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

- Construction on water project improvements \$ 4,241,450
- Construction on By-pass elimination plan \$ 2,356,356
- Construction on Northside project \$ 1,536,735
- Construction on I-44 project \$ 880,308
- Street overlay on downtown \$ 435,584
- Extension of Elm Street \$ 390,556

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 \$ 24,369,453 outstanding notes as compared to the prior year of \$ 14,756,255.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	\$ -	\$ -	\$ 10,829,000	\$ 910,000	\$ 10,829,000	\$ 910,000
G.O. Bonds	10,000,000	10,000,000	-	-	10,000,000	10,000,000
Certificate of Part.	3,455,000	3,725,000	-	-	3,455,000	3,725,000
Lease Obligations	85,453	121,255	-	-	85,453	121,255
<b>TOTALS</b>	<b>\$ 13,540,453</b>	<b>\$ 13,846,255</b>	<b>\$ 10,829,000</b>	<b>\$ 910,000</b>	<b>\$ 24,369,453</b>	<b>\$ 14,756,255</b>

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 FY21 Operating Budget identifies a total of \$8,234,492 in revenues and \$10,035,209 in expenses. The FY21 Operating Budget for the City's General Fund projects \$2,536,273 in revenues, including transfers in and \$2,409,708 in expenses, including transfers out and encumbrances. Transfers into the General Fund include the PILOT transfers from the Water and Sewer Funds. The General Fund provides funding for the City's Administration Department, Street Department, Police Department, Municipal Court, Building and Codes Department, Animal Control, and a transfer to the Parks Department.

The City's Administration Department is projected to expend \$339,962 for operations and maintenance. Revenue projections for the Street Department is \$253,000 and expenditures are \$513,813. The Police Department revenue projection is \$1,800 and expenditures are \$1,148,174. The Municipal Court revenues are budgeted at \$112,000 and expenditures are \$89,189. The Building and Code Enforcement Department revenues are projected to be \$32,000 and expenses as \$163,095. The Building and Code Enforcement Department includes contracting for Planning & Zoning Commission consultant advisory services. Animal Control Department revenue is budgeted as \$1,950 and expenditures are \$43,062.

The Parks Department projected revenues are \$1,1094,308 and a transfer in from the General Fund for \$66,041. The Parks Fund projected expenditures are \$1,109,286, which includes the principal and interest payments for the outdoor aquatic pool Certificates of Participation (COPs) debt service.

The City's Wastewater Treatment Plant Fund revenues are budgeted as \$909,424 while expending \$909,275. The Water Department Fund revenues are budgeted as \$946,369 and expending \$908,858 plus a transfer of \$37,140 to the Water Reserve Replacement Fund.

Water and Sewer CIP revenues are budgeted as \$496,000. The budgeted expenditures are for the amount of \$457,250. This amount includes debt service for the 2020B Series Water and Sewer Bonds of \$233,250

and \$134,000 for the 2020 SRF Direct Loan Program for the Water System projects.

The Transportation Fund revenues are budgeted as \$794,111 and expenditures are \$181,220 plus \$500,000 for the 2018 G.O. debt service. The Transportation Capital Project Fund are the proceeds from the issuance of the 2018 General Obligation Bonds. Budgeted expenditures are \$674,240 for the I-44 interchange project including the construction engineering and contingency.

The FY21 Budget identifies \$2,547,029 in Growth Area expenditures. Growth Areas are the capital asset needs, infrastructure maintenance and upgrades, and other needs of the city that are in addition to the Operating Budget. Growth Areas will need prior 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 remodel of a building to relocate City Hall, roof repair for the current City Hall and the Police/Street/Municipal Court building, fiber network upgrade, website design, vehicles, and equipment.

The General Fund Growth Areas are \$439,925 which would include using the encumbered rent revenues for the New City Hall remodel. The Parks Department Growth Areas are \$349,893 and include Patriot Park development plan, pitching machines, park signage and security for the new concession stand. The Wastewater Treatment Plant Fund has budgeted \$384,193 in Growth Areas, which includes a utility rate study, inflow and infiltration collection maintenance, security fence for two lift stations, replace a reactor blower, vehicles, and equipment. The Water Fund Growth Areas are budgeted at \$403,093 which includes the utility rate study, cleaning the water towers, vehicles, and equipment. The Transportation Fund Growth Areas are \$716,710 which include repair and resurfacing for specific streets, sealing of parking lots and trails, and sidewalk expansion/replacement. The Transportation Capital Project Fund balance from the 2018 bond proceeds is projected to be \$719,889. Growth Areas for these funds include Phase 2 of extending Elm Street to the new I-44 interchange area as well as the trail section of the project.

#### **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, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,893,385	\$ 1,862,642	\$ 6,756,027
Investments	213,249	-	213,249
Receivables, net			
Taxes	1,083,575	-	1,083,575
Utilities	-	221,781	221,781
Restricted assets-Cash and cash equivalents			
Industrial Park	10,922	-	10,922
Debt reserves	-	718,637	718,637
Capital projects	1,500,341	5,357,675	6,858,016
Prepaid items	85,926	46,148	132,074
Capital assets:			
Land	899,533	612,433	1,511,966
Construction in progress	10,980,082	7,655,480	18,635,562
Other capital assets, net of accumulated depreciation	11,071,328	9,540,967	20,612,295
<b>Total Assets</b>	<b>30,738,341</b>	<b>26,015,763</b>	<b>56,754,104</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflow of resources related to pensions	370,605	214,301	584,906
<b>LIABILITIES</b>			
Accounts payable	-	9,752	9,752
Accrued wages and payroll taxes	30,797	19,655	50,452
Accrued interest	186,048	116,626	302,674
Customer deposits	-	267,334	267,334
Noncurrent Liabilities:			
Due within one year:			
Long-term debt	716,102	308,047	1,024,149
Due in more than one year:			
Long-term debt	13,832,450	11,362,503	25,194,953
Net pension liability	721,296	357,511	1,078,807
<b>Total Liabilities</b>	<b>15,486,693</b>	<b>12,441,428</b>	<b>27,928,121</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow of resources related to pensions	67,615	26,152	93,767
<b>Total Deferred Inflow of Resources</b>	<b>67,615</b>	<b>26,152</b>	<b>93,767</b>
<b>NET POSITION</b>			
Net investment in capital assets	8,486,933	6,892,140	15,379,073
Restricted			
Debt	317,075	491,576	808,651
Streets	2,844,475	-	2,844,475
Cemetery	557,100	-	557,100
Parks	1,702,871	-	1,702,871
Construction	1,500,341	5,357,675	6,858,016
Unrestricted	145,843	1,021,093	1,166,936
<b>Total Net Position</b>	<b>\$ 15,554,638</b>	<b>\$ 13,762,484</b>	<b>\$ 29,317,122</b>

See the accompanying notes to the financial statements.

**CITY OF MARSHFIELD, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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
<b>Governmental activities:</b>							
General government	\$ 304,171	\$ 60,084	\$ 7,713	\$ -	\$ (236,374)	\$ -	\$ (236,374)
Law and public safety	991,020	-	2,949	-	(988,071)	-	(988,071)
Street	764,596	-	522	152,149	(611,925)	-	(611,925)
Fire	306,749	-	5,234	-	(301,515)	-	(301,515)
Municipal court	74,207	100,045	2,844	-	28,682	-	28,682
Building inspection	88,651	42,512	526	-	(45,613)	-	(45,613)
Economic development	60,000	-	-	-	(60,000)	-	(60,000)
Animal control	24,927	-	230	-	(24,697)	-	(24,697)
Cemetery	108,920	40,900	107	-	(67,913)	-	(67,913)
Park	719,752	91,410	8,200	112,530	(507,612)	-	(507,612)
Interest on long-term debt	521,237	-	-	-	(521,237)	-	(521,237)
<b>Total governmental activities</b>	<b>3,964,230</b>	<b>334,951</b>	<b>28,325</b>	<b>264,679</b>	<b>(3,336,275)</b>	<b>-</b>	<b>(3,336,275)</b>
<b>Business-type activities:</b>							
Water	1,131,513	1,545,514	1,204	-	-	415,205	415,205
Sewer	1,268,952	938,313	1,393	-	-	(329,246)	(329,246)
<b>Total business-type activities</b>	<b>2,400,465</b>	<b>2,483,827</b>	<b>2,597</b>	<b>-</b>	<b>-</b>	<b>85,959</b>	<b>85,959</b>
<b>Total Government</b>	<b>\$ 6,364,695</b>	<b>\$ 2,818,778</b>	<b>\$ 30,922</b>	<b>\$ 264,679</b>	<b>(3,336,275)</b>	<b>85,959</b>	<b>(3,250,316)</b>

**General Revenues**

**Taxes:**

Property taxes levied for cemetery	124,822	-	124,822
Property taxes levied for debt service	356,922	-	356,922
Property taxes levied for parks	108,356	-	108,356
Franchise taxes	328,224	-	328,224
Sales taxes	3,347,370	-	3,347,370
Missouri motor fuel taxes	259,972	-	259,972
Interest and dividends	81,300	106,390	187,690
Miscellaneous	12,134	-	12,134
Transfers	97,506	(97,506)	-
<b>Total general revenues and transfers</b>	<b>4,716,606</b>	<b>8,884</b>	<b>4,725,490</b>
<b>Change in net position</b>	<b>1,380,331</b>	<b>94,843</b>	<b>1,475,174</b>
<b>Net position beginning</b>	<b>14,174,307</b>	<b>13,667,641</b>	<b>27,841,948</b>
<b>Net position ending</b>	<b>\$ 15,554,638</b>	<b>\$ 13,762,484</b>	<b>\$ 29,317,122</b>

See the accompanying notes to the financial statements.

**CITY OF MARSHFIELD, MISSOURI**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Transportation Sales Tax Fund</u>	<u>Park Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,658,700	\$ 1,301,141	\$ 1,397,140	\$ 536,404	\$ 4,893,385
Investments	213,249	-	-	-	213,249
Accounts receivable-					
Sales tax	258,489	153,404	-	-	411,893
Franchise tax	54,384	-	123,904	-	178,288
Motor fuel taxes	43,694	-	-	-	43,694
Property taxes-net	-	-	81,514	368,186	449,700
Restricted assets-cash and cash equivalents	10,922	1,389,930	110,411	-	1,511,263
Prepaid items	62,675	-	20,090	3,161	85,926
<b>TOTAL ASSETS</b>	<u>\$ 2,302,113</u>	<u>\$ 2,844,475</u>	<u>\$ 1,733,059</u>	<u>\$ 907,751</u>	<u>\$ 7,787,398</u>
<b>LIABILITIES</b>					
Accrued wages and benefits	\$ 25,165	\$ -	\$ 3,781	\$ 1,851	\$ 30,797
Total Liabilities	<u>25,165</u>	<u>-</u>	<u>3,781</u>	<u>1,851</u>	<u>30,797</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property tax revenue	-	-	6,317	28,564	34,881
<b>FUND BALANCES</b>					
Nonspendable	62,675	-	20,090	3,161	85,926
Restricted for:					
Debt	-	-	-	317,075	317,075
Streets	-	2,844,475	-	-	2,844,475
Cemetery	-	-	-	557,100	557,100
Parks	-	-	1,702,871	-	1,702,871
Unassigned	2,214,273	-	-	-	2,214,273
<b>Total Fund Balances</b>	<u>2,276,948</u>	<u>2,844,475</u>	<u>1,722,961</u>	<u>877,336</u>	<u>7,721,720</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 2,302,113</u>	<u>\$ 2,844,475</u>	<u>\$ 1,733,059</u>	<u>\$ 907,751</u>	<u>\$ 7,787,398</u>

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, 2020

Total Fund Balances-Governmental Funds		\$ 7,721,720
<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	11,879,615	
Depreciable assets	<u>11,071,328</u>	
		22,950,943
<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>		
		34,881
<p>Net pension liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Net pension liability		(721,296)
Deferred outflows - pension related		370,605
Deferred inflows - pension related		(67,615)
<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		(85,453)
Certificate of participation		(3,455,000)
General Obligation bond		(10,000,000)
<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		(84,542)
Unamortized bond premium		(923,557)
Accrued interest		<u>(186,048)</u>
Net position of governmental activities		<u>\$ 15,554,638</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, 2020

	General Fund	Transportation Sales Tax Fund	Park Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes:					
Property taxes	\$ -	\$ -	\$ 101,651	\$ 457,631	\$ 559,282
Franchise taxes	328,224	-	-	-	328,224
Sales taxes	1,693,790	841,821	811,759	-	3,347,370
Intergovernmental:					
Missouri motor fuel taxes	259,972	-	-	-	259,972
Financial institutional tax	2,335	-	-	-	2,335
Webster County road reimbursement	-	151,168	-	-	151,168
User charges:					
Cemetery-sale of plots & grave openings	-	-	-	40,900	40,900
Park activity fees	-	-	91,410	-	91,410
Licenses & permits	56,487	-	-	-	56,487
Fines & forfeitures	100,045	-	-	-	100,045
Interest and dividends	23,754	40,928	10,315	6,303	81,300
Grants	18,664	-	120,730	107	139,501
Rent	46,109	-	-	-	46,109
Miscellaneous	4,833	-	5,298	2,003	12,134
<b>Total Revenues</b>	<b>2,534,213</b>	<b>1,033,917</b>	<b>1,141,163</b>	<b>506,944</b>	<b>5,216,237</b>
<b>EXPENDITURES</b>					
Current:					
General government	280,428	-	-	52	280,480
Law and public safety-					
Police	960,883	-	-	-	960,883
Municipal court	74,213	-	-	-	74,213
Fire	246,828	-	-	-	246,828
Street	395,017	3,320	-	-	398,337
Building inspection	88,651	-	-	-	88,651
Economic development	40,000	-	-	20,000	60,000
Animal control	24,626	-	-	-	24,626
Cemetery	-	-	-	105,296	105,296
Park	-	-	514,422	-	514,422
Capital outlay	2,146	1,717,449	96,333	-	1,815,928
Debt service:					
Principal	35,802	-	270,000	-	305,802
Interest and agents fees	4,177	-	134,418	439,568	578,163
<b>Total Expenditures</b>	<b>2,152,771</b>	<b>1,720,769</b>	<b>1,015,173</b>	<b>564,916</b>	<b>5,453,629</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>381,442</b>	<b>(686,852)</b>	<b>125,990</b>	<b>(57,972)</b>	<b>(237,392)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	97,506	-	81,095	75,000	253,601
Transfers Out	(81,095)	(75,000)	-	-	(156,095)
<b>CHANGES IN FUND BALANCE</b>	<b>397,853</b>	<b>(761,852)</b>	<b>207,085</b>	<b>17,028</b>	<b>(139,886)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>1,879,095</b>	<b>3,606,327</b>	<b>1,515,876</b>	<b>860,308</b>	<b>7,861,606</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 2,276,948</b>	<b>\$ 2,844,475</b>	<b>\$ 1,722,961</b>	<b>\$ 877,336</b>	<b>\$ 7,721,720</b>

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, 2020**

Net change in fund balances--total governmental funds	\$	(139,886)
<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		1,815,928
Depreciation expense		(732,846)
<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		(4,999)
Change in compensated absences		48,588
Amortization on bond premium		51,309
Change in accrued interest		5,617
<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>		
		30,818
<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		305,802
Change in net position of governmental activities	\$	1,380,331

See the accompanying notes to the financial statements.

**CITY OF MARSHFIELD, MISSOURI**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2020**

ASSETS	Business-type Activities		Total
	Water Fund	Sewer Fund	Enterprise Funds
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 933,255	\$ 929,387	\$ 1,862,642
Accounts receivable utilities, net	144,823	76,958	221,781
Prepaid items	17,716	28,432	46,148
<b>Restricted Assets:</b>			
Cash for debt reserves	660,939	57,698	718,637
Cash for capital improvements	3,994,761	1,362,914	5,357,675
<b>Total Current Assets</b>	<b>5,751,494</b>	<b>2,455,389</b>	<b>8,206,883</b>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Land	105,543	506,890	612,433
Construction in progress	4,989,756	2,665,724	7,655,480
Other capital assets, net of accumulated depreciation	4,792,749	4,748,218	9,540,967
<b>Total Noncurrent Assets</b>	<b>9,888,048</b>	<b>7,920,832</b>	<b>17,808,880</b>
<b>Total Assets</b>	<b>15,639,542</b>	<b>10,376,221</b>	<b>26,015,763</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflow of resources related to pensions	86,707	127,594	214,301
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	9,752	-	9,752
Accrued wages	10,775	8,880	19,655
Accrued interest	34,988	81,638	116,626
Customer deposits	267,334	-	267,334
Current portion of long-term debt	308,047	-	308,047
<b>Total Current Liabilities</b>	<b>630,896</b>	<b>90,518</b>	<b>721,414</b>
<b>Noncurrent Liabilities:</b>			
Long-term debt	7,517,687	3,844,816	11,362,503
Net pension liability	144,650	212,861	357,511
<b>Total Noncurrent Liabilities</b>	<b>7,662,337</b>	<b>4,057,677</b>	<b>11,720,014</b>
<b>Total Liabilities</b>	<b>8,293,233</b>	<b>4,148,195</b>	<b>12,441,428</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow of resources related to pensions	10,581	15,571	26,152
<b>Total Deferred Inflow of Resources</b>	<b>10,581</b>	<b>15,571</b>	<b>26,152</b>
<b>NET POSITION</b>			
Net investment in capital assets	2,816,124	4,076,016	6,892,140
<b>Restricted-</b>			
Debt reserves	491,576	-	491,576
Construction	3,994,761	1,362,914	5,357,675
<b>Unrestricted</b>	<b>119,974</b>	<b>901,119</b>	<b>1,021,093</b>
<b>Total Net Position</b>	<b>\$ 7,422,435</b>	<b>\$ 6,340,049</b>	<b>\$ 13,762,484</b>

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, 2020**

	Business-type Activities		Total Enterprise Funds
	Water Fund	Sewer Fund	
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 1,527,164	\$ 938,313	\$ 2,465,477
Tap fees	18,350	-	18,350
<b>Total Operating Revenues</b>	<b>1,545,514</b>	<b>938,313</b>	<b>2,483,827</b>
<b>OPERATING EXPENSES:</b>			
Chemicals	7,526	10,843	18,369
Computer software and expenses	14,563	5,095	19,658
Depreciation	226,091	233,077	459,168
Dues and training	4,734	10,986	15,720
Economic development	20,000	20,000	40,000
Gas and oil	9,114	8,129	17,243
Group insurance	73,682	81,876	155,558
Insurance	28,032	70,543	98,575
Miscellaneous	2,090	2,599	4,689
Office supplies and postage	7,803	6,765	14,568
Payroll taxes	16,873	24,420	41,293
Professional fees	2,805	2,542	5,347
Repairs & maintenance	148,914	98,275	247,189
Retirement	30,732	57,599	88,331
Salaries	223,625	327,908	551,533
Supplies	35,530	17,526	53,056
Telephone	5,985	5,909	11,894
Tests and permits	2,872	20,735	23,607
Uniforms	2,208	3,570	5,778
Utilities	68,484	85,131	153,615
Vehicle expense	5,761	3,642	9,403
<b>Total Operating Expenses</b>	<b>937,424</b>	<b>1,097,170</b>	<b>2,034,594</b>
<b>OPERATING INCOME (LOSS)</b>	<b>608,090</b>	<b>(158,857)</b>	<b>449,233</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest and dividend income	32,456	73,934	106,390
Interest expense and agents fee	(194,089)	(171,782)	(365,871)
<b>Total Non-operating Revenues (Expenses)</b>	<b>(161,633)</b>	<b>(97,848)</b>	<b>(259,481)</b>
<b>INCOME BEFORE TRANSFERS AND GRANTS</b>	<b>446,457</b>	<b>(256,705)</b>	<b>189,752</b>
Transfers in	412,865	-	412,865
Transfers (out)	(55,140)	(455,231)	(510,371)
Grants	1,204	1,393	2,597
<b>CHANGE IN NET POSITION</b>	<b>805,386</b>	<b>(710,543)</b>	<b>94,843</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>6,617,049</b>	<b>7,050,592</b>	<b>13,667,641</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 7,422,435</b>	<b>\$ 6,340,049</b>	<b>\$ 13,762,484</b>

See the accompanying notes to the financial statements.

**CITY OF MARSHFIELD, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Business-type Activities		Total Enterprise Funds
	Water Fund	Sewer Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,550,067	\$ 938,313	\$ 2,488,380
Payments to suppliers	(388,189)	(421,508)	(809,697)
Payments to employees	(351,009)	(445,934)	(796,943)
Net Cash Provided by Operating Activities	<u>810,869</u>	<u>70,871</u>	<u>881,740</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	412,865	-	412,865
Transfers (Out)	(55,140)	(455,231)	(510,371)
Grants	1,204	1,393	2,597
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>358,929</u>	<u>(453,838)</u>	<u>(94,909)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Loan proceeds for capital improvements	7,797,982	3,812,626	11,610,608
Acquisition of capital assets	(4,256,608)	(2,594,754)	(6,851,362)
Principal paid	(910,000)	-	(910,000)
Interest paid	(181,206)	(90,144)	(271,350)
Net Cash Provided by Capital and Related Financing Activities	<u>2,450,168</u>	<u>1,127,728</u>	<u>3,577,896</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and dividend earned	32,456	73,934	106,390
Net Cash Provided by Investing Activities	<u>32,456</u>	<u>73,934</u>	<u>106,390</u>
<b>NET CASH INCREASE FOR THE YEAR</b>	3,652,422	818,695	4,471,117
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,936,533</u>	<u>1,531,304</u>	<u>3,467,837</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 5,588,955</u>	<u>\$ 2,349,999</u>	<u>\$ 7,938,954</u>
<b>CASH SUMMARY</b>			
Cash and cash equivalents	\$ 933,255	\$ 929,387	\$ 1,862,642
Restricted assets-cash and cash equivalents	4,655,700	1,420,612	6,076,312
Total	<u>\$ 5,588,955</u>	<u>\$ 2,349,999</u>	<u>\$ 7,938,954</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating Income (Loss)	\$ 608,090	\$ (158,857)	\$ 449,233
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation expense	226,091	233,077	459,168
(Increase) Decrease in prepaid items	(3,938)	(1,441)	(5,379)
(Increase) Decrease in deferred outflow of resources	(36,352)	(62,296)	(98,648)
(Decrease) Increase in accounts payable	(17,830)	(4,617)	(22,447)
(Decrease) Increase in accrued wages, taxes, etc.	1,938	(398)	1,540
(Decrease) Increase in compensated absences	(5,763)	(5,924)	(11,687)
(Decrease) Increase in deferred inflow of resources	(34,709)	(43,160)	(77,869)
(Decrease) Increase in pension liability	68,789	114,487	183,276
Increase in meter deposits	4,553	-	4,553
Net Cash Provided by Operating Activities	<u>\$ 810,869</u>	<u>\$ 70,871</u>	<u>\$ 881,740</u>

See the accompanying notes to the financial statements.

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**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, 2020

**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 2020 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, 2020

**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, 2020

**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 \$ 213,249 in certificates of deposits, stated at cost, and secured by pledged assets by the bank.

**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, 2020**

**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 receivable are stated at net with allowance for doubtful accounts of \$ 2,955 for water, \$ 2,731 for sewer and a total of \$ 14,350 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, 2020

**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, 2020**

**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, 2020**

**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 \$ 630,983.

**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, 2020**

**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 2020 was \$ .6120 with a valuation base of \$ 98,038,100 broken down as follows: \$ .1311 Cemetery, \$ .1109 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 2020 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, 2020

**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, 2020, 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, 2020, was:

Constitutional Debt Limit	\$ 19,607,620
Outstanding G.O. Bonds	<u>(10,000,000)</u>
Legal debt margin	<u>\$ 9,607,620</u>

**CITY OF MARSHFIELD, MISSOURI**  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**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, 2020, 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, 2020, 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, 2020

**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, 2020:

	Cash	Net Position
Water Fund		
2020 Depreciation and Replacement	\$ 660,939	\$ 491,576

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE D – CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended December 31, 2020 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 899,533	\$ -	\$ -	\$ 899,533
Construction in progress	10,099,774	880,308	-	10,980,082
Total capital assets, not being depreciated	<u>10,999,307</u>	<u>880,308</u>	<u>-</u>	<u>11,879,615</u>
Capital assets, being depreciated:				
Buildings	7,373,186	81,500	-	7,454,686
Infrastructure	13,604,285	837,141	-	14,441,426
Equipment	1,324,187	16,979	-	1,341,166
Vehicles	2,029,934	-	-	2,029,934
Total capital assets being depreciated	<u>24,331,592</u>	<u>935,620</u>	<u>-</u>	<u>25,267,212</u>
Less: Accumulated depreciation for:				
Buildings	1,393,895	209,605	-	1,603,500
Infrastructure	9,605,387	370,407	-	9,975,794
Equipment	955,325	70,334	-	1,025,659
Vehicles	1,508,431	82,500	-	1,590,931
Total accumulated depreciation	<u>13,463,038</u>	<u>732,846</u>	<u>-</u>	<u>14,195,884</u>
Capital assets being depreciated, net	<u>10,868,554</u>	<u>202,774</u>	<u>-</u>	<u>11,071,328</u>
Governmental activities capital assets, net	<u>\$ 21,867,861</u>	<u>\$ 1,083,082</u>	<u>\$ -</u>	<u>\$ 22,950,943</u>

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

Governmental Activities:	
General government	\$ 31,311
Law and public safety	53,768
Street	368,575
Fire	67,254
Animal control	504
Cemetery	5,248
Parks	206,182
	<u>\$ 732,842</u>

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)**

**Business-type Activities:**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 612,433	\$ -	\$ -	\$ 612,433
Construction in Progress	842,411	6,813,069	-	7,655,480
Total capital assets, not being depreciated	<u>1,454,844</u>	<u>6,813,069</u>	<u>-</u>	<u>8,267,913</u>
Capital assets, being depreciated:				
Plant	18,846,705	29,100	-	18,875,805
Equipment	479,083	9,194	-	488,277
Vehicles	704,073	-	-	704,073
Total capital assets, being depreciated	<u>20,029,861</u>	<u>38,294</u>	<u>-</u>	<u>20,068,155</u>
Less Accumulated depreciation for:				
Plant	9,413,946	398,845	-	9,812,791
Equipment	323,444	16,099	-	339,543
Vehicles	330,630	44,224	-	374,854
Total accumulated depreciation	<u>10,068,020</u>	<u>459,168</u>	<u>-</u>	<u>10,527,188</u>
Total capital assets being depreciated, net	<u>\$ 9,961,841</u>			<u>\$ 9,540,967</u>
Business-type activities capital assets, net	<u>\$ 11,416,685</u>			<u>\$ 17,808,880</u>

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

**Business-type Activities:**

Water Fund	\$ 226,091
Sewer Fund	<u>233,077</u>
	<u>\$ 459,168</u>

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**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, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 910,000	\$10,829,000	\$ 910,000	\$10,829,000	\$ 276,000
Bond premium	-	781,607	-	781,607	26,053
Compensated absences	71,629	56,417	68,103	59,943	5,994
Business-type activities long-term liabilities	<u>\$ 981,629</u>	<u>\$11,667,024</u>	<u>\$ 978,103</u>	<u>\$11,670,550</u>	<u>\$ 308,047</u>
				\$ 308,047	
				-	
				755,554	
				53,949	
				10,553,000	
				<u>\$11,670,550</u>	

The Proprietary Fund-Water Fund long-term debt as of December 31, 2020 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.

\$ 6,164,000

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**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>\$ 10,829,000</u></u>

The annual requirements to amortize Water Fund bonded debt as of December 31, 2020 follows:

Year Ending December 31,	Water and Sewer Funds		
	Principal	Interest	Totals
2021	\$ 276,000	\$ 288,110	\$ 564,110
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
2026-2030	1,518,000	1,350,068	2,868,068
2031-2035	1,644,000	1,279,234	2,923,234
2036-2040	1,603,000	1,201,726	2,804,726
2041-2045	2,138,000	930,564	3,068,564
2046-2050	2,520,000	386,750	2,906,750
	<u>\$ 10,829,000</u>	<u>\$ 6,563,809</u>	<u>\$ 17,392,809</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, 2020

**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, 2020:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
2018 Ford Explorer	\$ 20,032	\$ -	\$ 5,246	\$ 14,786	\$ 5,946
2017 Vehicles	39,947	-	16,609	23,338	17,287
2019 Tahoes	61,276	-	13,947	47,329	14,415
2018 Certificate of Participation	3,725,000	-	270,000	3,455,000	280,000
2018 G.O. Bond	10,000,000	-	-	10,000,000	390,000
Unamortized bond premium	974,866	-	51,309	923,557	-
Compensated absences	133,130	75,934	124,522	84,542	8,454
Governmental activities long-term liabilities	<u>\$ 14,954,251</u>	<u>\$ 75,934</u>	<u>\$ 481,633</u>	<u>\$ 14,548,552</u>	<u>\$ 716,102</u>
Due and payable within one year				\$ 716,102	
Due and payable in more than one year:					
Vehicle lease				47,805	
Certificate of Participation				3,175,000	
General Obligation Bond				9,610,000	
Unamortized bond premium				923,557	
Compensated absences				76,088	
				<u>\$ 14,548,552</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, 2020

**NOTE E – LONG-TERM DEBT (Continued)**

The Governmental-type Activities long-term debt as of December 31, 2020 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. \$ 3,455,000

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. 10,000,000

\$ 13,455,000

The annual requirements to amortize Governmental-Type Activities bonded debt as of December 31, 2020 follows:

Year Ending December 31,	Principal	Interest	Totals
2021	\$ 670,000	\$ 558,144	\$ 1,228,144
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
2026-2030	3,050,000	1,962,419	5,012,419
2031-2035	3,735,000	1,259,443	4,994,443
2036-2040	3,000,000	345,225	3,345,225
2041-2043	515,000	30,516	545,516
	<u>\$ 13,455,000</u>	<u>\$ 6,138,623</u>	<u>\$ 19,593,623</u>

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE E – LONG-TERM DEBT (Continued)**

On April 6, 2017 the City entered into a lease for the purchase of three 2017 Fords (\$ 81,904). Payments are \$ 1,482.65 per month for 60 months at an interest rate of 3.30%.	\$ 23,338
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%.	14,786
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%	47,329
	\$ 85,453

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	
2021	\$ 39,984
2022	28,166
2023	18,442
2024	2,627
Total minimum lease payment	89,219
Less: amount representing interest	(3,766)
Present value of minimum lease payments	\$ 85,453

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE E – LONG-TERM DEBT (Continued)**

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

Three 2017 Fords	\$	81,904
One 2018 Ford Explorer Police car		29,088
Two 2019 Tahoes		72,552
Less: Accumulated Depreciation		<u>(92,288)</u>
 Net	 \$	 <u>91,256</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](http://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, 2020

**NOTE F - DEFINED BENEFIT PENSION PLAN (Continued)**

	2020 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, 2020, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	24
Inactive employees entitled to but not yet receiving benefits	14
Active employees	34
Total	72

**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 14.7 % General, 11.7% Fire and 18.5% Police of annual covered payroll.

**Net Pension Liability**

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

**Actuarial assumptions**

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

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)**

Inflation	3.25% wage inflation; 2.50% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25% 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 2020. 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, 2020

**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)
<b>Balances at 7/1/2019 Liability (Asset)</b>	\$ 6,943,809	\$ (6,270,775)	\$ 673,034
Changes for the year:			
Service Cost	173,790	-	173,790
Interest	497,941	-	497,941
Difference between expected and actual experience	108,752	-	108,752
Contribution - employer	-	(236,635)	(236,635)
Contribution - employee	-	(62,126)	(62,126)
Net investment income	-	(82,363)	(82,363)
Benefit payments, including refunds	(327,795)	327,795	-
Administrative expense	-	9,144	9,144
Other changes	-	(2,730)	(2,730)
<b>Net changes</b>	<b>452,688</b>	<b>(46,915)</b>	<b>405,773</b>
<b>Balances at 6/30/2020 Liability (Asset)</b>	<b>\$ 7,396,497</b>	<b>\$ (6,317,690)</b>	<b>\$ 1,078,807</b>

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

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25 %, as well as what the employer’s Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.25% or one percentage point higher 8.25 % than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
\$	2,198,687	\$ 1,078,807	\$ 167,394

**Pension Liability Governmental Activities**

Pension liability in the Governmental Activities amounts to \$ 721,296 which the Police Department will fund \$ 446,911 with the remaining balance of \$ 274,385 to apportioned between Administration and Street departments.

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**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, 2020 the employer recognized pension expense of \$ 258,111. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ 219,494	\$ (93,766)
Differences in assumptions	66,751	-
Excess(deficit) in investment returns	177,016	-
Contributions subsequent to the measurement date*	121,645	-
Total	\$ 584,906	\$ (93,766)

\*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, 2021.

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

Year ended:		
2021	\$	42,040
2022		73,737
2023		126,513
2024		110,097
2025		12,870
Thereafter		4,238
Total	\$	369,495

**Payable to the Pension Plan**

On December 31, 2020, 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, 2020.

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**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, 2020, 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, 2020, consisted of the following with the purpose of the transfer stated after each category:

	<u>Transfers In</u>	<u>Transfer Out</u>
Debt Service Fund	\$ -	\$ 75,000
Transportation Sales Tax Fund	75,000	-
To reimburse for share of cost of GO Bond	<u>\$ 75,000</u>	<u>\$ 75,000</u>
General Fund	\$ -	\$ 81,095
Park Fund	81,095	-
To support cost of Park operations	<u>\$ 81,095</u>	<u>\$ 81,095</u>
Water Fund	\$ -	\$ 55,140
Sewer Fund	-	42,366
General Fund	97,506	-
To pay the General Fund the Fee-in-lieu	<u>\$ 97,506</u>	<u>\$ 97,506</u>
Sewer Fund	-	412,865
Water Fund	412,865	-
For reimbursing Water Fund share of cost of Sewer Fund capital project	<u>\$ 412,865</u>	<u>\$ 412,865</u>

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**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, 2020 is as follows:

Project	Estimated Cost of Project	Construction in Progress	Remaining Cost to Complete
<b>Water Fund</b>			
Expansion Northside Project	\$ 1,517,735	\$ 238,695	\$ 1,279,040
Water expansion	1,630,000	1,412,977	217,023
2020 Water Improvement	4,662,774	3,338,084	1,324,690
<b>Sewer Fund</b>			
Sewer Improvements-Engineer fees	541,000	309,368	231,632
ByPass Elimination Plan	3,680,000	2,356,356	1,323,644
Total Business-type Activities	<u>\$ 12,031,509</u>	<u>\$ 7,655,480</u>	<u>\$ 4,376,029</u>
Governmental Activities:			
I-44 Interchange	<u>15,573,280</u>	<u>10,980,082</u>	<u>4,593,198</u>
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, 2020**

**NOTE K- FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)**

**The City adopted the following statements during the year ended December 31, 2020:**

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the City beginning with its fiscal year ending December 31, 2020. This Statement is to provide financial statement users with information about assets retirement obligations (AROs) that were not addressed in GASB standards establishing uniform accounting and financial reporting requirement for these obligations.

GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, issued June 2018, will be effective for the City for reporting periods beginning after December 15, 2020. The primary objective of this Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the City beginning after December 15, 2021. Earlier application is encouraged. The primary objective of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the City beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for except for paragraphs 11b,13, and 14 June 15, 2020, paragraphs Paragraph 11b effective for periods after December 31, 2021, and paragraphs 13 and 14 effective after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020 will be effective for years beginning after June 15, 2022, earlier application is encouraged. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private partnership arrangements (PPPs) and (APAs). Earlier application is encouraged.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance issued May 2020*. The following provisions have been delayed 83, 84, 88, 89, 90, 92, 93, and 87. Pronouncements 83, 89, 92 and 93 have been adopted this year and had no changes to report. Pronouncements 84, 88, 90 were adopted in the current year with no changes to report.

**CITY OF MARSHFIELD, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE K- FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020, earlier application is encouraged. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government and end users (governments).

The City did not have any changes to report for the year ending December 31, 2020 upon adopting GASB 83, 89, 91, 92, 93, 94, 95, and 96.

**The Statements which might impact the City are as follows:**

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 2020. Effective date is June 15, 2021 with earlier application permitted.

The City's management has not yet determined the effect these statements will have on the City's financial statements.

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**REQUIRED SUPPLEMENTAL INFORMATION**

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**CITY OF MARSHFIELD, MISSOURI**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON INFORMATION  
DECEMBER 31, 2020

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 1<sup>st</sup>.
- 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 1<sup>st</sup>, 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, 2020, 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, 2020**

REVENUES	General Fund			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Franchise taxes	\$ 345,000	\$ 345,000	\$ 328,224	\$ (16,776)
Sales taxes	1,521,054	1,521,054	1,693,790	172,736
Missouri motor fuel taxes	265,500	265,500	259,972	(5,528)
Financial institutional tax	-	-	2,335	2,335
Licenses & permits	40,000	40,000	56,487	16,487
Fines & forfeitures	164,529	164,529	100,045	(64,484)
Grants	-	-	18,664	18,664
Interest and dividends	13,150	13,150	23,754	10,604
Rent	46,079	46,079	46,109	30
Miscellaneous	32,889	32,889	4,833	(28,056)
<b>Total Revenues</b>	<b>2,428,201</b>	<b>2,428,201</b>	<b>2,534,213</b>	<b>106,012</b>
<b>EXPENDITURES</b>				
Current:				
General government	337,609	337,609	280,428	57,181
Law and public safety	1,053,843	1,053,843	960,883	92,960
Street	463,305	463,305	395,017	68,288
Fire	255,734	255,734	246,828	8,906
Municipal court	79,642	79,642	74,213	5,429
Building inspection	134,517	134,517	88,651	45,866
Economic development	-	-	40,000	(40,000)
Animal control	45,964	45,964	24,626	21,338
Capital outlay	-	-	2,146	(2,146)
Debt service:				
Principal	36,386	36,386	35,802	584
Interest and fees	3,598	3,598	4,177	(579)
<b>Total Expenditures</b>	<b>2,410,598</b>	<b>2,410,598</b>	<b>2,152,771</b>	<b>257,827</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>17,603</b>	<b>17,603</b>	<b>381,442</b>	<b>363,839</b>
<b>OTHER FINANCING SOURCE (USES)</b>				
Transfer In	94,675	94,675	97,506	2,831
Transfer (Out)	(66,041)	(66,071)	(81,095)	(15,024)
<b>CHANGES IN FUND BALANCE</b>	<b>\$ 46,237</b>	<b>\$ 46,207</b>	<b>397,853</b>	<b>\$ 351,646</b>
<b>FUND BALANCES - BEGINNING</b>			<b>1,879,095</b>	
<b>FUND BALANCES - ENDING</b>			<b>\$ 2,276,948</b>	

**CITY OF MARSHFIELD, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL -**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUES	Transportation Sales Tax Fund			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Sales tax	\$ 722,122	\$ 722,122	\$ 841,821	\$ 119,699
Webster County road reimbursement		-	151,168	151,168
Grants	9,000	9,000		
Interest and dividends	46,196	46,196	40,928	(5,268)
<b>Total Revenues</b>	<b>777,318</b>	<b>777,318</b>	<b>1,033,917</b>	<b>265,599</b>
<b>EXPENDITURES</b>				
Current expense-				
Streets	1,303	1,303	3,320	(2,017)
Capital Outlay	1,898,372	1,898,372	1,717,449	180,923
<b>Total Expenditures</b>	<b>1,899,675</b>	<b>1,899,675</b>	<b>1,720,769</b>	<b>178,906</b>
<b>(DEFICIT) OF REVENUE OVER EXPENDITURES</b>	<b>(1,122,357)</b>	<b>(1,122,357)</b>	<b>(686,852)</b>	<b>(435,505)</b>
<b>OTHER FINANCING SOURCE (USES)</b>				
Transfer (Out)	(75,000)	(75,000)	(75,000)	-
<b>CHANGES IN FUND BALANCE</b>	<b>\$ (1,197,357)</b>	<b>\$ (1,197,357)</b>	<b>(761,852)</b>	<b>\$ (435,505)</b>
<b>FUND BALANCES - BEGINNING</b>			<b>3,606,327</b>	
<b>FUND BALANCES - ENDING</b>			<b>\$ 2,844,475</b>	

REVENUES	Park Fund			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Property taxes	\$ 101,700	\$ 101,700	\$ 101,651	\$ (49)
Sales tax	721,777	721,777	811,759	89,982
Activity fees	175,300	175,300	91,410	(83,890)
Interest and dividends	15,000	15,000	10,315	(4,685)
Grants	-	-	120,730	120,730
Rents	4,000	4,000	-	(4,000)
Miscellaneous	2,262	2,262	5,298	3,036
<b>Total Revenues</b>	<b>1,020,039</b>	<b>1,020,039</b>	<b>1,141,163</b>	<b>121,124</b>
<b>EXPENDITURES</b>				
Current expense-				
Park	622,714	622,714	514,422	108,292
Capital outlay	-	-	96,333	(96,333)
Debt service:				
Principal	270,000	270,000	270,000	
Interest and agents fees	134,732	134,732	134,418	314
<b>Total Expenditures</b>	<b>1,027,446</b>	<b>1,027,446</b>	<b>1,015,173</b>	<b>12,273</b>
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES</b>	<b>(7,407)</b>	<b>(7,407)</b>	<b>125,990</b>	<b>133,397</b>
<b>OTHER FINANCING SOURCE (USES)</b>				
Transfer In	66,041	66,041	81,095	15,054
<b>CHANGES IN FUND BALANCES</b>	<b>\$ 58,634</b>	<b>\$ 58,634</b>	<b>207,085</b>	<b>\$ 148,451</b>
<b>FUND BALANCES - BEGINNING</b>			<b>1,515,876</b>	
<b>FUND BALANCES - ENDING</b>			<b>\$ 1,722,961</b>	

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

	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>						
Service costs	\$ 173,790	\$ 170,265	\$ 155,234	\$ 145,581	\$ 147,488	\$ 152,198
Interest on Total Pension Liability	497,941	469,942	451,756	429,522	404,521	396,287
Difference between expected and actual experience	108,752	92,029	(20,905)	51,323	(113,853)	(139,761)
Changes in Assumptions	-	-	-	-	240,266	-
Benefit payments, including refunds	(327,795)	(367,085)	(318,998)	(329,773)	(335,427)	(251,726)
Net change in total pension liability	452,688	365,151	267,087	296,653	342,995	156,998
Total Pension Liability-beginning	6,943,809	6,578,658	6,311,571	6,014,918	5,671,923	5,514,925
Total Pension Liability-ending	\$ 7,396,497	\$ 6,943,809	\$ 6,578,658	\$ 6,311,571	\$ 6,014,918	\$ 5,671,923
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 236,635	\$ 210,605	\$ 189,961	\$ 168,259	\$ 155,315	\$ 174,617
Contributions - employee	62,126	58,649	57,172	54,578	50,787	53,923
Net investment income	82,363	378,747	656,331	563,255	5,595	108,433
Benefits payments, including refunds	(327,795)	(367,085)	(318,998)	(329,773)	(335,427)	(251,726)
Pension Plan Administrative Expense	(9,144)	(7,487)	(5,207)	(5,057)	(4,794)	(5,406)
Other (Net Transfer)	2,730	56,571	(22,528)	25,247	(166,710)	(163,589)
Net change in plan fiduciary net position	46,915	330,000	556,731	476,509	(295,234)	(83,748)
Plan Fiduciary Net Position-beginning	6,270,775	5,940,775	5,384,044	4,907,535	5,202,769	5,286,517
Plan Fiduciary Net Position-ending	\$ 6,317,690	\$ 6,270,775	\$ 5,940,775	\$ 5,384,044	\$ 4,907,535	\$ 5,202,769
<b>Net Pension Liability</b>	\$ 1,078,807	\$ 673,034	\$ 637,883	\$ 927,527	\$ 1,107,383	\$ 469,154
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	85.41%	90.31%	90.30%	85.30%	81.59%	91.73%
<b>Covered payroll</b>	\$ 1,465,956	\$ 1,411,330	\$ 1,413,405	\$ 1,262,361	\$ 1,247,418	\$ 1,323,582
<b>Net Pension liability as a percentage of covered payroll</b>	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
2011	\$ 168,554	\$ 157,337	\$ 11,217	\$ 1,234,415	12.75%
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%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 29, 2020

Notes: The roll-forward of total pension liability from February 29, 2020 to June 30, 2020 reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining Amortization Period: Multiple bases from 10 to 16 years

Asset Valuation Method: 5-Year smoothed market: 20% corridor

Inflation: 3.25% wage inflation; 2.50% price inflation

Salary increases: 3.25% to 6.55% including wage inflation

Investment Rate of Return: 7.25%, 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, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

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

Other information: None

**CITY OF MARSHFIELD, MISSOURI**

COMBINING BALANCE SHEET-  
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2020

ASSETS	Debt Service Fund	Cemetery Fund	Total
Cash and cash equivalents	\$ 66,259	\$ 470,145	\$ 536,404
Accounts receivable-property taxes (net)	271,912	96,274	368,186
Prepaid items	-	3,161	3,161
<b>TOTAL ASSETS</b>	<u>\$ 338,171</u>	<u>\$ 569,580</u>	<u>\$ 907,751</u>
LIABILITIES			
Accrued wages and benefits	\$ -	\$ 1,851	\$ 1,851
<b>Total Liabilities</b>	<u>-</u>	<u>1,851</u>	<u>1,851</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	21,096	7,468	28,564
FUND BALANCES			
Nonspendable	-	3,161	3,161
Restricted-			
Debt Service	317,075	-	317,075
Cemetery	-	557,100	557,100
<b>Total Fund Balances</b>	<u>317,075</u>	<u>560,261</u>	<u>877,336</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 338,171</u>	<u>\$ 569,580</u>	<u>\$ 907,751</u>

**CITY OF MARSHFIELD, MISSOURI**  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES;	Debt Service Fund	Cemetery Fund	Total
Property taxes	\$ 338,283	\$ 119,348	\$ 457,631
Cemetery-sale of plots & grave openings	-	40,900	40,900
Interest and dividends	1,102	5,201	6,303
Grants	-	107	107
Miscellaneous	-	2,003	2,003
Total Revenues	339,385	167,559	506,944
 EXPENDITURES:			
Current: Administration	52	105,296	105,348
Economic development	-	20,000	20,000
Debt service:			
Interest and fees	439,568	-	439,568
Total Expenditures	439,620	125,296	564,916
 EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES			
	(100,235)	42,263	(57,972)
 OTHER FINANCING SOURCES (USES)			
Transfers in from other funds	75,000	-	75,000
 NET CHANGE IN FUND BALANCE			
	(25,235)	42,263	17,028
 FUND BALANCES - BEGINNING			
	342,310	517,998	860,308
 FUND BALANCES - ENDING			
	\$ 317,075	\$ 560,261	\$ 877,336

**CITY OF MARSHFIELD, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUES	Cemetery Fund			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Property taxes	\$ 120,200	\$ 120,200	\$ 119,348	\$ (852)
Sale of plots and openings	28,500	28,500	40,900	12,400
Interest and dividends	6,000	6,000	5,201	(799)
Grants	-	-	107	107
Miscellaneous	1,456	1,456	2,003	547
<b>Total Revenues</b>	<b>156,156</b>	<b>156,156</b>	<b>167,559</b>	<b>11,403</b>
<b>EXPENDITURES</b>				
Current:				
Cemetery	134,166	134,166	105,296	28,870
Economic development	-	-	20,000	(20,000)
<b>Total Expenditures</b>	<b>134,166</b>	<b>134,166</b>	<b>125,296</b>	<b>8,870</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 21,990</b>	<b>\$ 21,990</b>	<b>42,263</b>	<b>\$ 20,273</b>
<b>FUND BALANCES - BEGINNING</b>			<b>517,998</b>	
<b>FUND BALANCES - ENDING</b>			<b>\$ 560,261</b>	

REVENUES	Debt Service Fund			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Property taxes	\$ 339,700	\$ 339,700	\$ 338,283	\$ (1,417)
Interest and dividends	2,300	2,300	1,102	(1,198)
<b>Total Revenues</b>	<b>342,000</b>	<b>342,000</b>	<b>339,385</b>	<b>(2,615)</b>
<b>EXPENDITURES</b>				
Administration	40	40	52	(12)
Debt service:				
Interest and fees	442,920	442,920	439,568	3,352
<b>Total Expenditures</b>	<b>442,920</b>	<b>442,960</b>	<b>439,620</b>	<b>3,340</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>(100,920)</b>	<b>(100,960)</b>	<b>(100,235)</b>	<b>725</b>
<b>OTHER FINANCING (USES)</b>				
Transfers (to)	75,000	75,000	75,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (25,920)</b>	<b>\$ (25,960)</b>	<b>(25,235)</b>	<b>\$ 725</b>
<b>FUND BALANCES - BEGINNING</b>			<b>342,310</b>	
<b>FUND BALANCES - ENDING</b>			<b>\$ 317,075</b>	

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**SECTION III – STATISTICAL SECTION**

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# CITY OF MARSHFIELD, MISSOURI

## Statistical Section Overview

This part of the City's comprehensive annual 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.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	<b>58 - 63</b>

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

<b>Revenue Capacity</b>	<b>64 - 68</b>
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These schedules contain information to help the reader assess the City's most significant local revenue sources.

<b>Debt Capacity</b>	<b>69 - 73</b>
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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.

<b>Demographic and Economic Information</b>	<b>74</b>
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

<b>Operating Information</b>	<b>75 - 77</b>
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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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 5,536,710
Restricted	6,921,862	791,255	2,454,175					641,862	86,652	87,612
Unrestricted	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	2,475,812
<b>Total governmental activities net position</b>	<b>\$ 15,554,638</b>	<b>\$ 14,174,307</b>	<b>\$ 13,088,937</b>	<b>\$ 12,092,907</b>	<b>\$ 9,959,269</b>	<b>\$ 9,204,091</b>	<b>\$ 8,405,419</b>	<b>\$ 8,174,452</b>	<b>\$ 8,187,867</b>	<b>\$ 8,100,134</b>
<b>Business-type activities</b>										
Net investment in capital assets	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	6,021,543
Restricted	5,849,251	948,631	1,344,973	1,012,282	857,852	472,327	905,972	137,244	106,685	107,822
Unrestricted	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	1,028,221
<b>Total business-type activities net position</b>	<b>\$ 13,762,484</b>	<b>\$ 13,667,641</b>	<b>\$ 12,977,616</b>	<b>\$ 12,101,917</b>	<b>\$ 11,182,486</b>	<b>\$ 9,992,753</b>	<b>\$ 9,452,705</b>	<b>\$ 8,641,822</b>	<b>\$ 7,473,157</b>	<b>\$ 7,157,586</b>
<b>Primary government</b>										
Net investment in capital assets	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	11,558,253
Restricted	12,771,113	1,739,886	3,799,148	1,012,282	857,852	472,327	905,972	779,106	193,337	195,434
Unrestricted	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	3,504,033
<b>Total primary government net position</b>	<b>\$ 29,317,122</b>	<b>\$ 27,841,948</b>	<b>\$ 26,066,553</b>	<b>\$ 24,194,824</b>	<b>\$ 21,141,755</b>	<b>\$ 19,196,844</b>	<b>\$ 17,858,124</b>	<b>\$ 16,816,274</b>	<b>\$ 15,661,024</b>	<b>\$ 15,257,720</b>

Source: Basic Financial Statements

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 304,171	\$ 396,831	\$ 358,317	\$ 292,370	\$ 320,771	\$ 287,391	\$ 306,632	\$ 309,423	\$ 497,456	\$ 459,953
Law and public safety	991,020	1,000,270	926,558	802,788	795,362	854,715	852,759	764,936	741,880	696,236
Street	764,596	748,416	841,089	774,105	784,777	760,357	813,678	775,771	748,387	726,905
Fire	306,749	300,024	290,488	263,854	278,575	290,572	281,665	261,745	241,658	263,077
Municipal court	74,207	72,065	50,393	60,223	48,442	49,310	52,940	51,300	49,684	39,472
Transit	-	-	-	-	-	-	7,426	83,007	94,447	80,219
Building inspection	88,651	56,414	69,233	59,740	65,455	50,519	41,025	57,596	71,025	63,636
Economic Development	60,000	-	-	1,239	52,848	-	-	-	-	-
Animal control	24,927	33,288	31,930	29,892	30,677	27,611	54,113	62,298	77,492	67,154
Cemetery	108,920	126,041	105,400	98,929	144,423	111,315	103,005	93,613	92,360	78,996
Park	719,752	547,131	441,200	269,325	275,882	230,304	228,947	190,824	276,529	314,079
Interest on long-term debt	521,237	549,969	427,505	17,729	49,278	125,334	91,421	101,452	119,934	123,733
<b>Total Governmental Activities</b>	<b>3,964,230</b>	<b>3,830,449</b>	<b>3,542,113</b>	<b>2,670,194</b>	<b>2,846,490</b>	<b>2,787,428</b>	<b>2,833,611</b>	<b>2,751,965</b>	<b>3,010,852</b>	<b>2,913,460</b>
<b>Business-type Activities</b>										
Water	1,131,513	1,000,015	965,875	920,987	851,153	860,938	912,125	914,352	871,061	818,650
Sewer	1,268,952	1,022,080	991,214	948,630	983,341	909,371	1,016,222	1,009,104	1,160,693	1,017,861
<b>Total Business-type Activities</b>	<b>2,400,465</b>	<b>2,022,095</b>	<b>1,957,089</b>	<b>1,869,617</b>	<b>1,834,494</b>	<b>1,770,309</b>	<b>1,928,347</b>	<b>1,923,456</b>	<b>2,031,754</b>	<b>1,836,511</b>
<b>Total Expenses</b>	<b>\$ 6,364,695</b>	<b>\$ 5,852,544</b>	<b>\$ 5,499,202</b>	<b>\$ 4,539,811</b>	<b>\$ 4,680,984</b>	<b>\$ 4,557,737</b>	<b>\$ 4,761,958</b>	<b>\$ 4,675,421</b>	<b>\$ 5,042,606</b>	<b>\$ 4,749,971</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
General government	\$ 60,084	\$ 61,934	\$ 56,892	\$ 33,573	\$ 18,838	\$ 5,624	\$ 6,906	\$ 11,180	\$ 29,255	\$ 12,267
Law and public safety	-	-	-	-	-	18,572	-	-	-	-
Street	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Municipal court	100,045	136,206	115,793	78,504	50,923	47,986	58,154	45,597	40,797	32,209
Transit	-	-	-	-	-	-	25	6,447	6,806	7,194
Building inspection	42,512	22,666	35,819	25,872	28,712	23,478	36,432	45,332	-	23,808
Animal control	-	-	2,102	-	-	1,604	2,073	-	3,667	1,914
Cemetery	40,900	28,300	39,400	35,450	40,650	21,000	33,400	26,650	23,250	22,950
Park	91,410	158,025	37,913	35,463	32,920	2,823	34,057	27,450	56,386	65,485
Operating grants and contributions	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	153,079
<b>Total Governmental Activities</b>	<b>627,955</b>	<b>409,369</b>	<b>292,969</b>	<b>677,966</b>	<b>462,257</b>	<b>183,068</b>	<b>171,347</b>	<b>210,679</b>	<b>470,502</b>	<b>318,906</b>
<b>Business-type Activities</b>										
<b>Charges for services</b>										
Water	1,545,514	1,738,171	1,438,541	1,387,632	863,088	995,737	969,289	920,619	784,601	806,637
Sewer	938,313	908,084	1,265,535	1,224,176	1,112,637	1,065,899	1,062,235	1,035,210	673,289	677,510
Operating grants and contributions	2,597	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	18,735
<b>Total Business-type Activities</b>	<b>2,483,827</b>	<b>2,646,255</b>	<b>2,704,076</b>	<b>2,611,808</b>	<b>1,975,725</b>	<b>2,061,636</b>	<b>2,031,524</b>	<b>1,955,829</b>	<b>1,457,890</b>	<b>1,502,882</b>
<b>Total Program Revenues</b>	<b>\$ 3,111,782</b>	<b>\$ 3,055,624</b>	<b>\$ 2,997,045</b>	<b>\$ 3,289,774</b>	<b>\$ 2,437,982</b>	<b>\$ 2,244,704</b>	<b>\$ 2,202,871</b>	<b>\$ 2,166,508</b>	<b>\$ 1,928,392</b>	<b>\$ 1,821,788</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (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)	\$ (2,594,554)
Business-type Activities	85,959	624,160	746,987	742,191	141,231	291,327	103,177	32,373	(573,864)	(333,629)
<b>Total Net Expense</b>	<b>\$ (3,250,316)</b>	<b>\$ (2,796,920)</b>	<b>\$ (2,502,157)</b>	<b>\$ (1,250,037)</b>	<b>\$ (2,243,002)</b>	<b>\$ (2,313,033)</b>	<b>\$ (2,559,087)</b>	<b>\$ (2,508,913)</b>	<b>\$ (3,114,214)</b>	<b>\$ (2,928,183)</b>

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Revenues</b>										
<b>Governmental Activities</b>										
Property taxes levied for cemetery	124,822	119,532	118,491	122,543	108,878	113,366	100,414	68,887	74,299	67,391
Property taxes levied for debt service	356,922	340,082	336,560	346,386	297,377	310,563	298,235	286,768	243,204	251,830
Property taxes levied for parks	108,356	101,812	101,246	104,368	92,157	96,275	88,516	69,182	73,799	67,691
Franchise taxes	328,224	339,596	368,645	377,160	364,332	418,209	386,455	377,803	393,911	389,248
Sales taxes	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	1,730,252
Lodging taxes	-	-	-	-	26,429	14,152	-	15,592	-	-
Missouri motor fuel taxes	259,972	270,841	267,570	267,770	264,748	259,949	252,424	240,312	237,741	216,789
Other taxes	-	-	-	-	-	-	-	-	-	-
Financial institutional tax	-	-	-	-	-	-	-	-	-	-
Interest on investments	81,300	220,971	167,524	28,369	15,454	14,876	12,142	12,366	22,473	29,233
Miscellaneous	12,134	48,800	33,900	15,771	27,398	42,527	29,052	45,121	19,238	10,218
Transfers	97,506	13,098	(51,667)	(57,081)	(820,000)	(140,000)	(185,643)	(362,920)	(185,709)	21,170
Developers fee	-	-	-	-	-	-	-	(104,635)	(49,338)	(64,525)
Insurance Claims	-	-	-	-	-	-	5,478	-	-	-
(Loss) on sale of assets	-	-	-	149,625	-	-	(48,966)	114,680	44,285	12,324
Penalty assessment	-	-	-	-	-	-	-	-	-	-
<b>Total general revenues, transfers, and other special items</b>	<u>4,716,606</u>	<u>4,506,450</u>	<u>4,245,174</u>	<u>4,125,866</u>	<u>3,139,411</u>	<u>3,650,527</u>	<u>2,854,065</u>	<u>2,527,871</u>	<u>2,645,399</u>	<u>2,731,621</u>
<b>Business-type Activities</b>										
Sales tax	-	-	-	2,450	177,860	10,491	497,053	599,182	600,834	586,412
Interest on investments	106,390	78,963	77,045	117,709	25,845	165,663	10,832	160,204	146,300	171,191
Miscellaneous	-	-	-	-	24,797	14,924	14,178	10,160	25,379	20,254
Transfers	(97,506)	(13,098)	51,667	57,081	820,000	140,000	185,643	362,920	185,709	(21,170)
(Loss) on sale of assets	-	-	-	-	-	-	-	3,826	-	-
Repayment of grant funds	-	-	-	-	-	(75,000)	-	-	-	-
<b>Total Business-type activities</b>	<u>8,884</u>	<u>65,865</u>	<u>128,712</u>	<u>177,240</u>	<u>1,048,502</u>	<u>256,078</u>	<u>707,706</u>	<u>1,136,292</u>	<u>958,222</u>	<u>756,687</u>
<b>Total primary government</b>	<u>\$ 4,725,490</u>	<u>\$ 4,572,315</u>	<u>\$ 4,373,886</u>	<u>\$ 4,303,106</u>	<u>\$ 4,187,913</u>	<u>\$ 3,906,605</u>	<u>\$ 3,561,771</u>	<u>\$ 3,664,163</u>	<u>\$ 3,603,621</u>	<u>\$ 3,488,308</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,380,331	\$ 1,085,370	\$ 996,030	\$ 2,133,638	\$ 755,178	\$ 1,046,167	\$ 191,801	\$ (13,415)	\$ 105,049	\$ 137,067
Business Activities	94,843	690,025	875,699	919,431	1,189,733	547,405	810,883	1,168,665	384,358	423,058
<b>Total Change in Net Position</b>	<u>\$ 1,475,174</u>	<u>\$ 1,775,395</u>	<u>\$ 1,871,729</u>	<u>\$ 3,053,069</u>	<u>\$ 1,944,911</u>	<u>\$ 1,593,572</u>	<u>\$ 1,002,684</u>	<u>\$ 1,155,250</u>	<u>\$ 489,407</u>	<u>\$ 560,125</u>

Source: Basic Financial Statements

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Fund</b>										
Nonspendable	\$ 62,675	\$ 61,818	\$ 53,148	\$ 53,641	\$ 47,335	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	87,775	101,954	91,096	90,807
Unassigned	2,214,273	1,817,277	1,629,996	1,406,555	914,120	619,576	409,009	177,970	(56,819)	226,792
<b>Total general fund</b>	<u>\$ 2,276,948</u>	<u>\$ 1,879,095</u>	<u>\$ 1,683,144</u>	<u>\$ 1,460,196</u>	<u>\$ 961,455</u>	<u>\$ 619,576</u>	<u>\$ 496,784</u>	<u>\$ 279,924</u>	<u>\$ 34,277</u>	<u>\$ 317,599</u>
<b>All other governmental funds</b>										
Nonspendable	\$ 23,251	\$ 20,788	\$ 14,882	\$ 17,652	\$ 16,846	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	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	651,438
Committed	-	-	-	-	-	-	-	362,827	1,863,211	1,648,034
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	619,576	(131,406)	(87,698)	(24,550)	-
<b>Total all other governmental funds</b>	<u>\$ 5,444,772</u>	<u>\$ 5,982,511</u>	<u>\$ 15,319,105</u>	<u>\$ 2,718,909</u>	<u>\$ 2,065,300</u>	<u>\$ 2,523,334</u>	<u>\$ 2,676,549</u>	<u>\$ 2,417,554</u>	<u>\$ 2,557,631</u>	<u>\$ 2,299,472</u>

Source: Basic Financial Statements

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>REVENUES</b>										
Taxes:										
Property taxes	\$ 559,282	\$ 569,576	\$ 585,082	\$ 570,977	\$ 526,457	\$ 523,208	\$ 460,275	\$ 420,213	\$ 386,232	\$ 406,754
Franchise taxes	328,224	\$ 339,596	368,645	377,160	364,332	418,209	386,455	377,803	393,911	389,248
Sales taxes	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	1,730,252
Lodging tax			-	-	26,429	14,152	17,792	15,592	-	-
Intergovernmental:										
Missouri motor fuel taxes	259,972	270,841	267,570	267,770	264,748	259,949	252,424	240,312	237,741	216,789
Financial institutional tax	2,335	2,126	4,065	569	687	707	-	-	-	-
Webster County road reimbursement	151,168									
User charges:										
Activity fees	91,410	145,114	34,907	30,721	29,494	-	30,054	31,656	65,140	69,912
Cemetery-sale of plots & grave openings	40,900	28,300	37,400	35,250	39,050	21,000	31,700	26,650	23,250	21,350
Licenses & permits	56,487	39,305	49,988	37,797	39,466	30,206	45,248	56,512	29,255	37,989
Fines & forfeitures	100,045	136,206	115,793	78,504	50,923	66,558	58,154	45,597	40,797	32,209
Interest	81,300	220,971	167,524	28,369	15,454	14,875	12,142	12,366	22,473	29,233
Donations		-	-	-	4,000					
Grants	139,501	2,238	5,050	469,104	286,214	61,981		48,023	310,341	153,079
Rent	46,109	58,206	49,831	26,590	13,110	3,323	5,728	2,241	1,719	4,367
Miscellaneous	12,134	46,674	29,835	15,202	12,381	41,820	29,352	45,121	19,238	10,218
Total Revenues	\$ 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	\$ 3,101,400
<b>EXPENDITURES</b>										
Current										
General government	\$ 280,480	\$ 371,506	\$ 321,971	\$ 260,572	\$ 274,030	\$ 257,716	\$ 281,451	\$ 284,754	\$ 473,689	\$ 435,586
Law and public safety:										
Police	960,883	958,634	906,063	772,802	765,567	838,086	784,313	720,103	690,410	648,294
Municipal court	74,213	72,048	50,871	58,994	43,739	47,982	52,780	51,300	49,684	40,009
Fire	246,828	224,332	219,879	208,656	207,691	217,055	208,658	189,690	169,982	188,441
Street	398,337	382,853	368,847	413,203	392,621	394,677	434,837	398,493	383,461	360,420
Transit							4,215	70,895	74,968	69,627
Building inspection	88,651	56,414	69,233	59,740	64,235	48,473	39,035	55,606	69,035	61,959
Animal control	24,626	35,170	30,981	28,589	26,529	27,550	53,536	61,722	76,915	65,260
Cemetery	105,296	118,449	94,339	87,379	123,059	98,070	92,233	84,076	83,608	69,207
Park	514,422	508,731	296,910	228,952	230,972	196,870	198,838	162,838	251,445	292,936
Economic Development	60,000	-	-	1,239	52,848					
Capital outlay	1,815,928	10,520,342	3,948,039	1,718,143	897,576	77,518	82,985	145,627	425,896	862,779

CITY OF MARSHFIELD, MISSOURI  
Changes in Fund Balances of Governmental Funds (continued)

Last Ten Fiscal Years

Debt service:										
Principal	305,802	282,141	18,759	12,734	8,414	2,086,525	327,271	300,133	324,828	278,486
Interest and agent fees	578,163	606,544	230,573	17,729	49,278	131,963	92,338	103,119	119,934	122,585
Bond issuance costs	-	-	227,582							
Total Expenditures	\$ 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	\$ 3,495,589
Excess (Deficiency) of Revenues over Expenditures	(237,392)	(9,226,293)	(2,165,452)	840,236	1,298,624	(445,887)	575,000	458,445	107,738	(394,189)
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>OTHER FINANCING SOURCES (USES)</b>										
Penalty assessment					-	-	-	-	-	-
Loan proceeds				81,904	-	-	-	-	-	-
Sale of assets				149,625	-	-	12,010	114,680	16,557	6,714
Insurance claims/refunds				-	14,330	-	5,478	-	30,218	12,000
Lease proceeds			29,088	-	-	-	29,843	-	55,371	94,500
Developers fee				-	-	-	-	(104,635)	(49,338)	(64,525)
Transfers In	253,601	259,485	186,069	143,316	33,957	225,460	-	-	134,533	366,765
Transfers (Out)	(156,095)	(246,387)	(237,736)	(200,397)	(853,957)	(365,460)	(185,643)	(362,920)	(320,242)	(345,595)
Premium on bond issued			1,026,175							
Issuance of lease obligation		72,552								
Issuance of debt			13,985,000							
Total Other Financing Sources (Uses)	97,506	85,650	14,988,596	174,448	(805,670)	(140,000)	(138,312)	(352,875)	(132,901)	69,859
<b>Net change in fund balances</b>	<b>(139,886)</b>	<b>(9,140,643)</b>	<b>12,823,144</b>	<b>1,014,684</b>	<b>492,954</b>	<b>(585,887)</b>	<b>436,688</b>	<b>105,570</b>	<b>(25,163)</b>	<b>(324,330)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>24.30%</b>	<b>24.57%</b>	<b>8.79%</b>	<b>1.42%</b>	<b>2.58%</b>	<b>51.06%</b>	<b>16.33%</b>	<b>16.24%</b>	<b>16.07%</b>	<b>15.23%</b>

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>
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
2011	406,754	1,730,252	389,248	216,789		2,743,043

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>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>	<u>2011</u>
City of Marshfield	0.6120	0.6118	0.6118	0.6105	0.6202	0.6202	0.6200	0.5724	0.5200	0.5700
Marshfield Schools	3.8400	3.8400	3.8400	3.3500	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	0.1797	0.1797	0.1797	0.1797	0.1882	0.1882	0.1882	0.1882	0.1874	0.1860
Sh/Wkshp	0.0757	0.0757	0.0757	0.0757	0.0793	0.0793	0.0793	0.0793	0.0789	0.0499
Senior	0.0477	0.0477	0.0477	0.0477	0.0500	0.0500	0.0500	0.0500	0.0500	0.0499
Health	0.1324	0.1324	0.1324	0.1324	0.1387	0.1387	0.1387	0.1387	0.1381	0.1371
Library	0.1133	0.1133	0.1133	0.1133	0.1188	0.1188	0.1188	0.1188	0.1184	0.1172
Junior College	0.1996	0.1990	0.2023	0.1498	0.1500	0.1494	0.1494	0.1479	0.1408	0.1405
Fire District (1)	0.2867									
<b>Total District Overlapping</b>	<b>5.5171</b>	<b>5.2296</b>	<b>5.2329</b>	<b>4.6891</b>	<b>4.7252</b>	<b>4.7246</b>	<b>4.7244</b>	<b>4.6753</b>	<b>4.6136</b>	<b>4.6306</b>

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. This measure resulted in the current fire district property tax of 28.67 cents per hundred dollars of assessed

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 December 31	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
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
2011	36,768,520	49,120	21,731,890	43,290	558,219	11,264,866	\$ 70,415,905	297,548,158	23.7%	0.5700

- 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 and Overlapping Sales Tax Rates  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Webster County Rate (1)</u>	<u>Webster County 911</u>	<u>State Rate</u>	<u>Total Rate</u>
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%
2011	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				
2020	\$ 85,453	\$ 10,923,557	\$ 3,455,000	\$ -	\$ -	\$ 11,610,607	\$ 26,074,617	18.01%	\$ 3,448
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	11.25%	\$ 2,057
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	1.56%	\$ 279
2015	11,035			63,630	1,270,000	1,720,000	3,064,665	2.41%	\$ 429
2014	22,560	2,075,000		80,246	1,410,000	1,910,000	5,497,806	4.43%	\$ 788
2013	44,988	2,350,000			1,545,000	3,030,000	6,969,988	5.88%	\$ 1,030
2012	95,121	2,600,000			1,675,000	3,665,000	8,035,121	6.63%	\$ 1,194
2011	114,578	2,850,000			1,805,000	4,285,000	9,054,578	8.08%	\$ 1,348
2010	73,564	3,075,000			1,930,000	4,890,000	9,968,564	9.50%	\$ 1,503

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
2020	\$ 10,923,557	\$ 338,171	10,585,386	2.76%	1,400
2019	10,974,866	\$ 344,774	10,630,092	2.84%	1,406
2018	10,155,000	528,531	9,626,469	2.62%	1,290
2017	305,000	503,305	(198,305)	-0.05%	(27)
2016	450,000	317,019	132,981	0.04%	18
2015	1,270,000	867,422	402,578	0.12%	56
2014	3,485,000	739,254	2,745,746	0.87%	394
2013	3,895,000	641,862	3,253,138	1.04%	481
2012	4,275,000	718,970	3,556,030	1.15%	528
2011	4,655,000	651,438	4,003,562	1.35%	596

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, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated share of direct and overlapping debt
Marshfield R-1 School District	\$ 14,262,134	41.02%	\$ 5,850,327
Ozark Technical Community College	9,307,575	1.18%	\$ 109,829
Webster County	<u>9,675,000</u>	20.16%	<u>\$ 1,950,480</u>
Subtotal, overlapping debt	33,244,709		7,910,637
Subtotal, direct debt	14,464,010		14,464,010
Total direct and overlapping debt	<u>\$ 47,708,719.00</u>		<u>\$ 22,374,646.75</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, 2020

Legal Debt Margin Calculation for Fiscal Year 2020	
Assessed Value	<u>\$ 93,038,100</u>
Debt limit (20% of assessed value)	<u>\$ 18,607,620</u>
City Debt applicable to debt limit:	
General obligation bonds	10,923,557
Less amount in debt service fund	<u>(338,171)</u>
Total net debt applicable to limit	<u>10,585,386</u>
Legal debt margin	<u>\$ 8,022,234</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>	<u>2011</u>
Assessed valuation	<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>	<u>\$ 70,415,905</u>
Debt limit	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	14,083,181
Total net debt applicable to limit	<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>	<u>4,430,552</u>
Legal Debt margin	<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>	<u>9,652,629</u>
Total net debt applicable to the limit as a percentage	56.89%	58.99%	54.44%	-1.14%	0.83%	2.53%	18.00%	21.80%	24.19%	31.46%

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	
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
2011	806,037	600,272	205,765	170,000	115,670	285,670	0.72
2010	711,940	587,840	124,100	170,000	120,770	290,770	0.43

**Sewer system revenue bond coverage**

Fiscal Year	Operating Revenues (1)	Less: Operating Expenses	Net Available Revenue	Debt Service (2)			Coverage
				Principal	Interest	Total	
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
2011	1,263,922	913,531	350,391	435,000	105,794	540,794	0.65
2010	1,077,269	906,753	170,516	360,000	127,591	487,591	0.35

(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>
2020	7,562	34.6	19,145	44,844	5.2%
2019	7,562	32.6	18,970	40,122	5.9%
2018	7,463	34.9	18,282	37,813	6.1%
2017	7,344	36.2	18,537	37,107	6.8%
2016	7,245	34.8	17,852	36,333	6.5%
2015	7,138	34.8	17,852	36,333	6.5%
2014	6,976	33.9	17,798	36,828	10.4%
2013	6,768	34.8	17,519	35,000	9.3%
2012	6,730	35.4	18,001	31,456	9.7%
2011	6,716	33.8	16,680	33,533	8.2%
2010	6,633	32.3	15,817	32,416	7.0%

(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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Government</b>										
Administrative Services	2	3	3	2	2	2	3	2	2	2
Municipal Court (2)				1	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	9	10	10	11	10	10	10
Police Clerk (3)	1	1	1							
Fire (4)	0	1	1	1	1	1	1	1	1	1
Parks & Recreation	2	1	1	1	2	3	3	4	4	4
Utility Billing	2	2	2	2	2	2	2	2	2	2
<b>Public Works</b>										
Street Maintenance	3	3	4	5	5	3	4	4	5	4
Water Maintenance	5	5	4	4	4	4	5	5	4	4
Wastewater Maintenance	5	5	5	6	6	7	7	7	7	7
Cemetery	1	1	1	1	1	1	1	1	1	1
Transit - Bus (1)								1	1	1
<b>Total Full Time Employees</b>	<b>34</b>	<b>35</b>	<b>35</b>	<b>34</b>	<b>36</b>	<b>36</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>39</b>

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Government</b>										
Business licenses issued	246	300	290	282	278	295	273	275	264	279
Residential building permits issued	20	27	28	17	8	15	26	11		
Nonresidential building permits issued	13	3	10	7	15	3	9	17		
<b>Fire - Incidents Reports (2)</b>										
Fire/Rescue	159	313	243	274	288	239	161	121	125	138
EMS	268	621	635	657	581	679	603	568	523	465
Number of incident types	28	49	51	55	43	36	35	20	28	27
<b>Fire - Mutual Aid</b>										
Received	2	17	10	2	1	3	2	1	1	1
Given	5	4	2	2	9	7	4	0	1	1
<b>Police</b>										
Calls for Services (1)	(3)	15,117	14,763	8,619	11,435	8,625	7,180		9,731	12,992
<b>Municipal Court</b>										
Number of Municipal Court Summons	807	3,129	2,235	1,359	914	609	528	502	385	
<b>Water</b>										
System use - gallons per day	517,313	498,368	531,136	506,235	501,173	481,474	482,106	487,523	548,145	534,405
<b>Sewer</b>										
System use - gallons per day	469,577	459,439	482,523	464,688	465,177	447,634	445,328	457,960	438,469	444,696

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. As of June 29, 2021 they are still working on retrieving the data.

Source: City department records.

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

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Government</b>										
Area (square miles) (1)	5.111	5.111	5.111	5.111	5.031	5.031	5.031	5.031	5.031	5.031
Number of general governmental buildings		3	3	3	2	2	2	2	2	2
<b>Public Safety</b>										
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	2
<b>Recreation</b>										
Number of parks (2)	10	10	9	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.

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**SECTION IV – SINGLE AUDIT**

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**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**

Honorable Mayor and Members of City Council  
City of Marshfield, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2020, 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 May 21, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Marshfield, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Marshfield, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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 instance 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Decker & DeGood  
Springfield, Missouri  
May 21, 2021

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

Honorable Mayor and Members of City Council  
City of Marshfield, Missouri

**Report on Compliance for Each Major Federal Program**

We have audited the City of Marshfield, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Marshfield, Missouri's major federal programs for the year ended December 31, 2020. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Marshfield, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. 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)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Marshfield, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Marshfield, Missouri's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, the 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, 2020

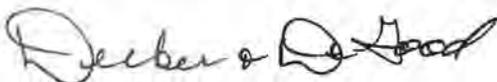
### *Report on Internal Control Over Compliance*

Management of the City of Marshfield, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Marshfield, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Marshfield, Missouri's 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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  
May 21, 2021

**CITY OF MARSHFIELD, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<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 the Treasury</u>			
State of Missouri Treasury/Webser County Cares Act Grant	21.019	N/A	\$ 27,150
Total United States Department of Treasury			<u>27,150</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	4,521,500
Total Department of Environmental Protection Agency			<u>4,521,500</u>
<u>U.S. Department of the Interior</u>			
Missouri Department of Natural Resources Pour in Place Park Project	15.196	29-01669	7,619
Total U.S. Department of the Interior			<u>7,619</u>
Total Expenditures of Federal Awards			<u>\$ 4,556,269</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, 2020. 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, 2020

**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, 2020**

<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.	