

CITY OF MARSHFIELD, MISSOURI



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
December 31, 2018

BUILDING COMMUNITY *Together*

CITY OF MARSHFIELD, MISSOURI
Comprehensive Annual Finance Report
For the Fiscal Year Ended December 31, 2018

TABLE OF CONTENTS

	Pages
SECTION I – INTRODUCTORY SECTION	
Letter of Transmittal	i-vi
Certificate of Achievement for Excellence in Financial Reporting	vii
Principal Officials	viii
Organizational Chart	ix
SECTION II – FINANCIAL SECTION	
Independent Auditor’s Report	1-2
Management’s Discussion and Analysis	3-11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	17
Statement of Net Position – Proprietary Funds	18
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Notes to Financial Statements	21-49
Required Supplementary Information	
Notes to Budgetary Comparison Information	50
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Budgetary Basis) Major Governmental Funds	51-52
Schedule of Changes in Net Pension Liability and Related Ratios	53
Schedule of Pension Plan Contributions	54

Other Supplementary Information

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

SECTION III – STATISTICAL SECTION (UNAUDITED)

Statistical Section Overview	58
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Financial Trends

Net Position by Component	59
Changes in Net Position	60
Fund Balances in Governmental Funds	62
Changes in Fund Balances of Governmental Funds	63

Revenue Capacity

Tax Revenues by Source, Governmental Funds	65
Property Tax Rates, Direct and Overlapping Governments	66
Assessed and Estimated Actual Value of Property	67
Direct City Sales Tax Revenues by Type	68
Direct and Overlapping Sales Tax Rates	69

Debt Capacity

Ratios of Outstanding Debt by Type	70
Ratios of General Bonded Debt Outstanding	71
Legal Debt Margin Information	72
Pledged Revenue Coverage by Fund	73

Demographic and Economic Information

Demographic and Economic Statistics	74
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Operating Information

Full-Time Equivalent Employees by Function/Program	75
Operating Indicators by Function	76
Capital Asset Statistics by Function	77

SECTION I – INTRODUCTORY SECTION

June 24, 2019

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 (CAFR) for the fiscal year that ended December 31, 2018. 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.

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.

BUILDING COMMUNITY *Together*
Mayor Robert Williams

Aldermen Rob Foster, Mark Bowers, Vicki Montgomery & Stacy Lee

CITY OF MARSHFIELD, MISSOURI

Marshfield is located in southwest Missouri, is the county seat of Webster County has approximately 7,245 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 and fire protection, 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 is currently working with an engineering firm to improve the quality of the City's water system by adding more storage for the water supply, re-plumbing and re-piping our current elevated storage tanks and augment the city's existing disinfection equipment. 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, Fire Chief, 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 Committee, which is comprised of citizens appointed by the Mayor as well as one Board of Aldermen member; City Administrator; department supervisors; and ultimately the Mayor and Board of Aldermen. The Board of Aldermen must approve the annual budget no later than December 31st preceding the beginning of the new fiscal year.

LOCAL ECONOMY

The total tax revenue for the City rose by 3.5% in 2018 and sales tax revenue increased by 4.8%. 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 2018, the City of Marshfield completed and continued work on the following major initiatives:

- Completed final design and awarded a contract for construction of a new \$5.3 million outdoor Aquatic Pool, which will be completed in May 2019.
- Finalized design for development of a second interchange on I-44 near mile marker 1.03.
- Finalized design for improvements to the Highway CC-Banning Street -Buffalo Street intersection to address transportation safety issues.

- Continued work designing improvements to the city's water system.
- Continued work designing improvements to the city's waste water systems.
- Began development of a long-range 'Growth Plan' for the community that is scheduled to be completed and adopted in 2019.
- Began development of a long-range Parks & Recreation Master Plan for the City's park facilities and recreational programs that is scheduled to be completed and adopted in 2019.

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 also 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, 2018, the City of Marshfield had an outstanding debt balance of \$15,352,274 compared to a balance of \$1,730,397 on December 31, 2017. Of this balance, \$10,155,000 is general obligation debt. The remainder of the debt balance is comprised of the following:

- General Leasehold Agreements - \$82,120
- General Certificates of Participation - \$3,985,000
- Enterprise Revenue Bonds - \$1,120,000
- Enterprise Leasehold Agreements - \$10,154

OTHER INFORMATION

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

- Economic Development
- Activities / Entertainment
- Employment Opportunities

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

ACKNOWLEDGEMENTS

We would like to extend our appreciation to the Mayor, the Board of Aldermen, the department directors, all city employees and those volunteers who serve on the City's Finance 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,



John Benson
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, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF MARSHFIELD, MISSOURI

Principal Officials

As of December 31, 2018

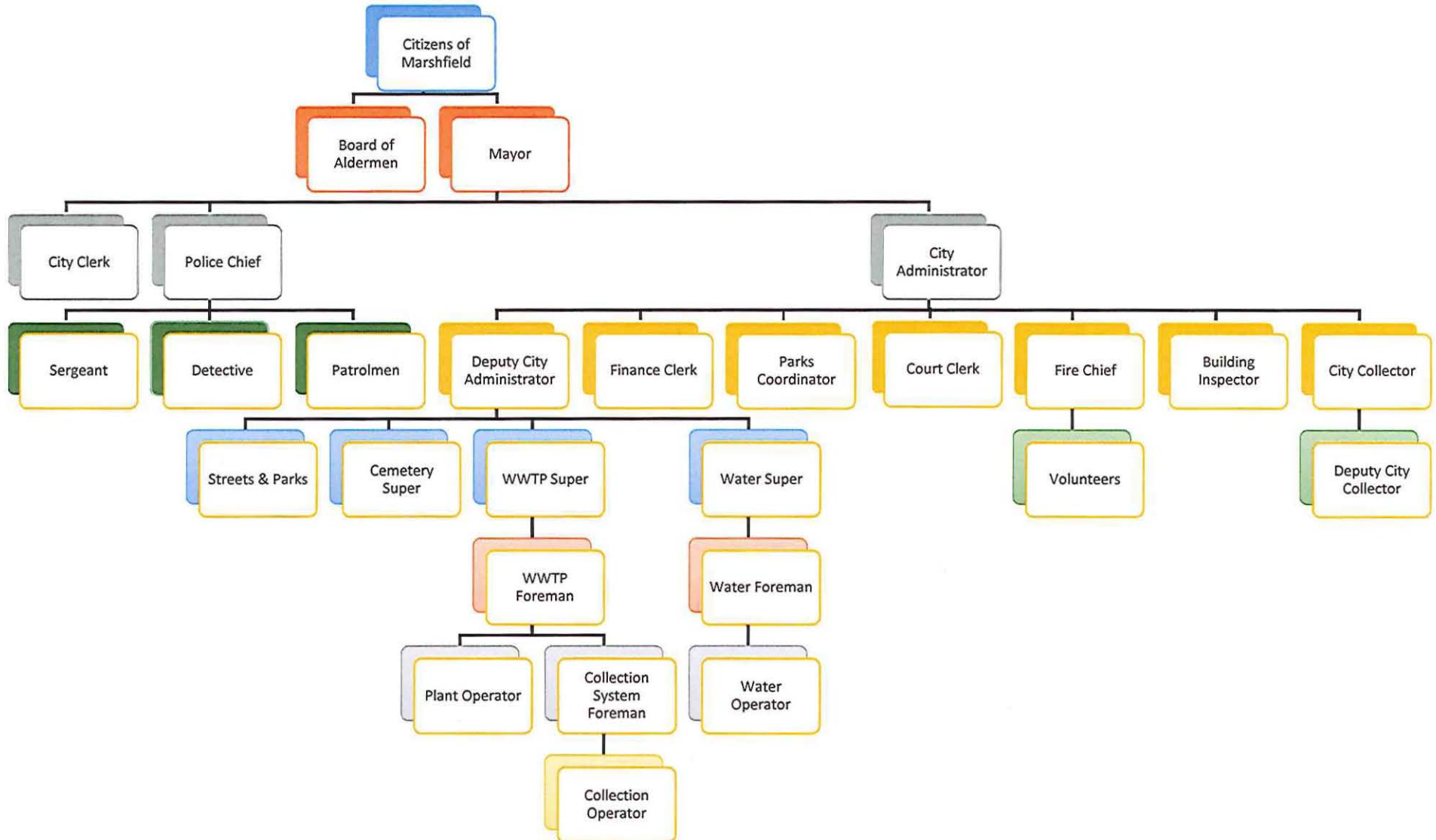
Mayor and Board of Aldermen

Mayor	Robert Williams
East Ward	Rob Foster
East Ward	Jeremy Loftin
West Ward	Vicki Montgomery
West Ward	Stacy Lee

City Administration

City Administrator	John Benson
Deputy City Administrator	Sam Rost
City Clerk	Karen Rost
City Collector	Julie Rieke
Finance Director	Monica Robinson
City Attorney	Paul Link
WWTP Superintendent	John O'Dell
Water Superintendent	Richard Nevills
Police Chief	Doug Fannen
Fire Chief	Michael Taylor

Organizational Chart



SECTION II – FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
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, 2018, 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. 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, 2018, 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's basic financial statements. The other supplementary information and introductory and statistical section, 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 other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We have applied certain limited procedures to the other 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

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 provided any assurance on them.



Decker & DeGood
Springfield, Missouri
May 10, 2019

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, 2018. 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 \$ 26,066,553. The City has unrestricted net position totaling \$ 5,830,979 which can be used to fund the City's functions/programs.
- As of December 31, 2018, governmental activities and business-type activities had net positions of \$ 13,088,937 and \$ 12,977,616, respectively.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$ 17,002,249, an increase of \$ 12,823,144 in comparison with the prior year. Approximately 9.58 percent or \$ 1,629,996 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, \$ 1,629,996 is 73.9% 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 \$ 14,014,088 or 809.9% as compared to fiscal year 2017.

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 51-52 and 57.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balance) can be found on pages 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 21-49 of this report.

Required Supplemental Information

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

Government-Wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$ 26,066,553 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 \$ 23,059,701. 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	
	2018	2017	2017	2017	2018	2017
Current Assets and other assets	\$ 17,129,719	\$ 4,329,323	\$ 3,718,246	\$ 3,432,741	\$ 20,847,965	\$ 7,762,064
Capital Assets	11,924,394	8,521,104	11,135,307	10,885,473	23,059,701	19,406,577
Total Assets	29,054,113	12,850,427	14,853,553	14,318,214	43,907,666	27,168,641
Deferred Outflows of Resources						
Deferred pension related	228,738	318,413	120,713	201,986	349,451	520,399
Total Deferred Outflows	228,738	318,413	120,713	201,986	349,451	520,399
Current Liabilities	718,345	230,797	759,842	321,791	1,478,187	552,588
Long-term Debt	14,235,445	714,100	1,097,417	2,013,632	15,332,862	2,727,732
Total Liabilities	14,953,790	944,897	1,857,259	2,335,423	16,811,049	3,280,320
Deferred Inflows						
Deferred gain on debt	1,026,175	-	-	-	1,026,175	-
Deferred pension related	213,949	131,036	139,391	82,860	353,340	213,896
Total Deferred Inflows	1,240,124	131,036	139,391	82,860	1,379,515	213,896
Net Position:						
Invested in capital assets-net	6,443,366	8,354,813	9,993,060	9,226,957	16,436,426	17,581,770
Restricted	2,454,175	-	1,344,973	1,012,282	3,799,148	1,012,282
Unrestricted	4,191,396	3,738,094	1,639,583	1,862,678	5,830,979	5,600,772
Total net position	<u>\$ 13,088,937</u>	<u>\$ 12,092,907</u>	<u>\$ 12,977,616</u>	<u>\$ 12,101,917</u>	<u>\$ 26,066,553</u>	<u>\$ 24,194,824</u>

**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 \$ 5,830,979 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 \$ 1,871,729. 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	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charge for services	\$ 287,919	\$ 208,862	\$ 2,704,076	\$ 2,611,808	\$ 2,991,995	\$ 2,820,670
Operating grants and contributions	3,381	-	-	-	3,381	-
Capital grants and contributions	1,669	469,104	-	-	1,669	469,104
General Revenues:						
Taxes	4,095,417	3,989,182	-	2,450	4,095,417	3,991,632
Interest	167,524	28,369	77,045	117,709	244,569	146,078
Other	33,900	15,771	-	-	33,900	15,771
Gain on sale of asset	-	149,625	-	-	-	149,625
Total Revenue	<u>4,589,810</u>	<u>4,860,913</u>	<u>2,781,121</u>	<u>2,731,967</u>	<u>7,370,931</u>	<u>7,592,880</u>

City of Marshfield's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Expenses:						
Administration	358,317	292,370	-	-	358,317	292,370
Law and public safety	926,558	802,788	-	-	926,558	802,788
Streets	841,089	774,105	-	-	841,089	774,105
Fire	290,488	263,854	-	-	290,488	263,854
Municipal court	50,393	60,223	-	-	50,393	60,223
Building inspection	69,233	59,740	-	-	69,233	59,740
Economic development	-	1,239	-	-	-	1,239
Animal control	31,930	29,892	-	-	31,930	29,892
Cemetery	105,400	98,929	-	-	105,400	98,929
Park	441,200	269,325	-	-	441,200	269,325
Interest	427,505	17,729	-	-	427,505	17,729
Water	-	-	965,875	920,987	965,875	920,987
Sewer	-	-	991,214	948,630	991,214	948,630
Total Expense	<u>3,542,113</u>	<u>2,670,194</u>	<u>1,957,089</u>	<u>1,869,617</u>	<u>5,499,202</u>	<u>4,539,811</u>
Increase (decrease) in net position before transfers	1,047,697	2,190,719	824,032	862,350	1,871,729	3,053,069
Transfers	<u>(51,667)</u>	<u>(57,081)</u>	<u>51,667</u>	<u>57,081</u>	<u>-</u>	<u>-</u>
Change in Net Position	996,030	2,133,638	875,699	919,431	1,871,729	3,053,069
Net Position, beginning	<u>12,092,907</u>	<u>9,959,269</u>	<u>12,101,917</u>	<u>11,182,486</u>	<u>24,194,824</u>	<u>21,141,755</u>
Net Position, ending	<u>\$ 13,088,937</u>	<u>\$ 12,092,907</u>	<u>\$ 12,977,616</u>	<u>\$ 12,101,917</u>	<u>\$ 26,066,553</u>	<u>\$ 24,194,824</u>

Governmental activities. Governmental activities increased the City's net position by \$ 996,030, thereby accounting for 53.2% of the total growth in the net position of the City. Compared to last year's growth for Governmental activities, this was a decrease of \$ 1,137,608, which was most notable due to an increase in operating cost of major departments.

Business-type activities. Business-type activities increased the City's net position by \$ 875,699, thereby accounting for 46.8% of the total growth in the net position of the City. This was a decrease of \$ 43,732 over the prior year. This was due to modest increase in operating expenses offset by a modest increase in revenue.

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

	2018	2017	Change	
			Amount	%
Water Fund				
Revenue	\$ 1,438,541	\$ 1,387,632	\$ 50,909	3.67%
Expense net of Depreciation	696,722	575,024	121,698	21.16%
Operating Income	524,885	596,437	(71,552)	-12.00%
Sewer Fund				
Revenue	1,265,535	1,224,176	41,359	3.38%
Expense net of Depreciation	789,485	718,742	70,743	9.84%
Operating Income	274,321	275,546	(1,225)	-0.44%

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 \$ 17,002,249 with an increase of \$ 12,823,144 compared to the prior fiscal year. Of the total balance, \$ 68,030 is nonspendable, \$ 15,304,223 is restricted, and \$ 1,629,996 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 \$ 1,683,144 of which \$ 53,148 is nonspendable and \$ 1,629,996 is unassigned.

Fund balance of the General Fund increased \$ 222,948 over the prior year as compared to the prior year totals were approximately the same excluding the sale of a building in 2017.

The fund balance of the Transportation Sales Tax Fund increased by \$ 10,220,393 which was attributable G.O. Bond issue of \$ 10,000,000 for the I-44 project.

The Park Fund balance increased \$ 2,315,699 which was reflected by the issuance of Certificates of Participation of \$ 3,985,000 less \$ 2,226,571 of construction to date on the new water park.

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: \$ 909,200 in the Water Fund and \$ 730,383 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 2018 budget was adopted December 21, 2017. The General Fund expenditure budget, including transfers, was \$ 2,182,089. The amended year-end expenditure budget was increased by 1.05% to \$ 2,205,962. This increase includes the purchase of a new network server, postage machine, expenses related to the new City Hall building which included asbestos removal, soffit, water pipes and an interior door. The increase also includes some street paving projects, a Fire Department turn out gear/hose dryer and a radio tower generator. 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. Transportation and Park Fund budgets were amended for new debt issuance and capital improvements to year end.

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, 2018 amounts to \$ 23,059,700 (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 18.8%

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 899,533	\$ 899,533	\$ 612,433	\$ 442,295	\$ 1,511,966	\$ 1,341,828
Construction in Progress	4,552,879	1,102,070	603,789	625,147	5,156,668	1,727,217
Plant	-	-	9,694,488	9,574,965	9,694,488	9,574,965
Buildings	1,478,290	1,232,644	-	-	1,478,290	1,232,644
Infrastructure	4,046,433	4,240,106	-	-	4,046,433	4,240,106
Equipment	429,447	475,826	157,638	165,284	587,085	641,110
Vehicles	517,812	570,925	66,959	77,782	584,771	648,707
	<u>\$ 11,924,394</u>	<u>\$ 8,521,104</u>	<u>\$ 11,135,307</u>	<u>\$ 10,885,473</u>	<u>\$ 23,059,701</u>	<u>\$ 19,406,577</u>

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

- Start of construction on water plant expansions \$ 253,800
- Completion of sewer plant expansion \$ 495,542
- Land purchase for water and sewer funds \$ 170,138
- Start of construction on I-44 project \$ 1,470,244 and aqua park \$ 2,220,548

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 \$ 15,352,274 outstanding notes as compared to the prior year of \$ 1,730,397.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue Bonds	\$ -	\$ -	\$ 1,120,000	\$ 1,325,000	\$ 1,120,000	\$ 1,325,000
G.O. Bonds	10,000,000	-	155,000	305,000	10,155,000	305,000
Certificate of Part.	3,985,000	-	-	-	3,985,000	-
Lease Obligations	82,120	71,791	10,154	28,606	92,274	100,397
TOTALS	\$ 14,067,120	\$ 71,791	\$ 1,285,154	\$ 1,658,606	\$ 15,352,274	\$ 1,730,397

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 FY19 Budget identifies a total of \$7,290.929 in revenues and \$7,876,760 in expenses. The cost of the expenditures that exceed budgeted revenues are being funded from previous years' revenues that have been accumulating for upcoming projects. The FY19 Budget for the City's General Fund projects \$2,035,977 in revenues, including transfers in, and \$2,310,088 in expenses. Transfers in to 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, Fire Department, Building and Codes Department, Animal Control and a portion of the Parks Department.

The City's Administration Department is projected to expend \$376,353 for operations and maintenance. Revenue projections for the Street Department is \$264,482 and expenditures are \$602,696, which includes \$201,000 for paving projects and \$50,000 for the department's share of a new dump truck. The Police Department revenue projection is \$3,000 and the expenditures are \$1,026,460. The Police Department expenditures include employing a 12th officer, the lease purchase of two new patrol vehicles and the purchase and installation of each vehicle's their respective equipment. The Municipal Court revenues are budgeted at \$113,320 and expenditures are \$63,398. The Fire Department revenues are \$7,000 and expenditures are \$272,840. The \$7,000 revenue is for an EMT training class that will be offset by the expense of the class. Included in the Fire Department's expenditures is replacing a weather siren that is no longer reliable. The Building and Code Enforcement Department revenues are projected to be \$25,200 and the expenses as \$95,019.52 The Building and Code Enforcement Department includes contracting for a part-time building inspector and Planning & Zoning Commission consultant advisory

services. Animal Control Department revenue is budgeted as \$2,300 and expenditures are \$43,503.

The Parks Department is funded by both the General Fund and the Restricted Parks Fund. Through the General Fund, the Parks Department revenue is projected as \$103,213 and the expenditures are \$195,088. The Restricted Parks revenue is projected as \$885,824 and expenditures are \$1,974,445. Restricted Parks expense includes the full cost of the Pour-in-Place Grant \$225,060 and revenue of \$112,530 for the grant's matching reimbursement from the Missouri Department of Natural Resources. Restricted Parks revenues and expenses include operating the new aquatic pool set to open Memorial Day weekend. Also budgeted are the principal and interest payments for the outdoor aquatic pool Certificates of Participation (COPs) debt service.

The City's Waste Water Treatment Plant Fund revenues are budgeted as \$910,500 while expending \$974,649. Expenditures include the department's share of a new dump truck for \$50,000. The Water Department Fund revenues are budgeted as \$917,800 and expending \$948,482. The Water Department expenditures include hiring a full-time employee, cost sharing of a new dump truck for \$50,000 and water line replacement projects.

The Waste Water Treatment Plan Capital Improvement Projects (CIP) and the Water CIP are budgeted to be combined for FY19. Previously, the \$14.00 CIP charge per user was allocated as \$9.00 to Wastewater CIP and \$5.00 to Water CIP. This fee is to be used for capital projects and for debt service for capital projects. Both the Waste Water Treatment Plant and the Water Department are in the process of system improvements. The Combined Waste Water Treatment Plant and Water CIP budgeted revenue is \$728,704, which includes \$244,000 as a reimbursement from the State Revolving Fund (SRF) through Missouri Department of Natural Resources for Water System improvements. The expenditures in the amount of \$737,704 include a Vactor truck, GIS mapping of the Water and the Waste Water system and design fees for the north side expansion to the new I-44 interchange area.

The Transportation Fund revenues are budgeted as \$689,208 and expenditures are 705,414. The expenditures include a payment to MoDOT in the amount of \$651,900 for Highway CC/Hubble/Banning Street and Buffalo Street intersection improvements.

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, 2018

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 3,919,015	\$ 1,930,614	\$ 5,849,629
Investments	9,612,267	-	9,612,267
Receivables, net			
Taxes	1,065,559	-	1,065,559
Utilities	-	206,366	206,366
Restricted assets-Cash and cash equivalents			
Industrial Park	10,673	-	10,673
Debt reserves	-	341,680	341,680
Capital projects	2,454,175	1,202,066	3,656,241
Prepaid items	68,030	37,520	105,550
Capital assets:			
Land	899,533	612,433	1,511,966
Construction in progress	4,552,879	603,789	5,156,668
Other capital assets, net of accumulated depreciation	6,471,982	9,919,085	16,391,067
 Total Assets	 29,054,113	 14,853,553	 43,907,666
 DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow of resources related to pensions	228,738	120,713	349,451
 LIABILITIES			
Accounts payable	89,687	11,396	101,083
Accrued wages and payroll taxes	25,568	17,146	42,714
Accrued interest	196,932	31,230	228,162
Customer deposits	-	256,316	256,316
Noncurrent Liabilities:			
Due within one year:			
Compensated absences	124,017	68,600	192,617
Debt	282,141	375,154	657,295
Due in more than one year:			
Debt	13,784,979	910,000	14,694,979
Net pension liability	450,466	187,417	637,883
Total Liabilities	14,953,790	1,857,259	16,811,049
 DEFERRED INFLOW OF RESOURCES			
Deferred gain on debt issuance	1,026,175	-	1,026,175
Deferred inflow of resources related to pensions	213,949	139,391	353,340
Total Deferred Inflow of Resources	1,240,124	139,391	1,379,515
 NET POSITION			
Net investment in capital assets	6,443,366	9,993,060	16,436,426
Restricted			
Debt	-	142,907	142,907
Construction	2,454,175	1,202,066	3,656,241
Unrestricted	4,191,396	1,639,583	5,830,979
 Total Net Position	 \$ 13,088,937	 \$ 12,977,616	 \$ 26,066,553

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 358,317	\$ 56,892	\$ -	\$ -	\$ (301,425)	\$ -	\$ (301,425)
Law and public safety	926,558	-	-	-	(926,558)	-	(926,558)
Street	841,089	-	-	-	(841,089)	-	(841,089)
Fire	290,488	-	-	-	(290,488)	-	(290,488)
Municipal court	50,393	115,793	-	-	65,400	-	65,400
Building inspection	69,233	35,819	-	-	(33,414)	-	(33,414)
Animal control	31,930	2,102	3,381	-	(26,447)	-	(26,447)
Cemetery	105,400	39,400	-	1,669	(64,331)	-	(64,331)
Park	441,200	37,913	-	-	(403,287)	-	(403,287)
Interest on long-term debt	427,505	-	-	-	(427,505)	-	(427,505)
Total governmental activities	3,542,113	287,919	3,381	1,669	(3,249,144)	-	(3,249,144)
Business-type activities:							
Water	965,875	1,438,541	-	-	-	472,666	472,666
Sewer	991,214	1,265,535	-	-	-	274,321	274,321
Total business-type activities	1,957,089	2,704,076	-	-	-	746,987	746,987
Total Government	\$ 5,499,202	\$ 2,991,995	\$ 3,381	\$ 1,669	(3,249,144)	746,987	(2,502,157)
General Revenues							
Taxes:							
Property taxes levied for cemetery					118,491	-	118,491
Property taxes levied for debt service					336,560	-	336,560
Property taxes levied for parks					101,246	-	101,246
Franchise taxes					368,645	-	368,645
Sales taxes					2,902,905	-	2,902,905
Missouri motor fuel taxes					267,570	-	267,570
Interest and dividends					167,524	77,045	244,569
Miscellaneous					33,900	-	33,900
Transfers					(51,667)	51,667	-
Total general revenues and transfers					4,245,174	128,712	4,373,886
Change in net position					996,030	875,699	1,871,729
Net position beginning					12,092,907	12,101,917	24,194,824
Net position ending					\$ 13,088,937	\$ 12,977,616	\$ 26,066,553

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2018

ASSETS	General Fund	Transportation Sales Tax Fund	Park Fund	Total Nonmajor Funds	Total Governmental Funds
Cash and cash equivalents	\$ 1,348,829	\$ 698,989	\$ 1,202,331	\$ 668,866	\$ 3,919,015
Investments	-	9,612,267	-	-	9,612,267
Accounts receivable-					
Sales tax	260,740	124,661	124,660	-	510,061
Franchise tax	68,326	-	-	-	68,326
Motor fuel taxes	43,390	-	-	-	43,390
Property taxes-net	-	-	80,103	363,679	443,782
Restricted assets-cash and cash equivalents	10,673	269,437	2,184,738	-	2,464,848
Prepaid items	53,148	78	12,125	2,679	68,030
TOTAL ASSETS	\$ 1,785,106	\$ 10,705,432	\$ 3,603,957	\$ 1,035,224	\$ 17,129,719
LIABILITIES					
Accounts payable	\$ 79,519	\$ -	\$ 7,668	\$ 2,500	\$ 89,687
Accrued wages and benefits	22,443	-	1,856	1,269	25,568
Total Liabilities	101,962	-	9,524	3,769	115,255
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	-	-	2,216	9,999	12,215
FUND BALANCES					
Nonspendable	53,148	78	12,125	2,679	68,030
Restricted for:					
Debt	-	-	-	521,152	521,152
Streets	-	10,705,354	-	-	10,705,354
Cemetery	-	-	-	497,625	497,625
Parks	-	-	3,580,092	-	3,580,092
Unassigned	1,629,996	-	-	-	1,629,996
Total Fund Balances	1,683,144	10,705,432	3,592,217	1,021,456	17,002,249
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,785,106	\$ 10,705,432	\$ 3,603,957	\$ 1,035,224	\$ 17,129,719

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, 2018

Total Fund Balances-Governmental Funds	\$ 17,002,249
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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.

Non-depreciable assets	5,452,411	
Depreciable assets	<u>6,471,982</u>	
		11,924,393

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.	12,216
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Net pension liabilities are not due and payable in the current period and therefore are not reported in the funds.

Net pension liability	(450,466)	
Deferred outflows - pension related	228,738	
Deferred inflows - pension related	(213,949)	

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.

Lease payable	(82,120)	
Certificate of participation	(10,000,000)	
General Obligation bond	(3,985,000)	

Liabilities and premium on debt issuance are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.

Compensated absences	(124,017)	
Premium on debt issuance	(1,026,175)	
Accrued interest	<u>(196,932)</u>	

Net position of governmental activities	<u><u>\$ 13,088,937</u></u>
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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, 2018

	General Fund	Transportation Sales Tax Fund	Park Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property taxes	\$ 249	\$ -	\$ 105,968	\$ 478,865	\$ 585,082
Franchise taxes	368,645	-	-	-	368,645
Sales taxes	1,489,617	706,978	706,310	-	2,902,905
Intergovernmental:					
Missouri motor fuel taxes	267,570	-	-	-	267,570
Financial institutional tax	4,065	-	-	-	4,065
User charges:					
Cemetery-sale of plots & grave openings	-	-	-	37,400	37,400
Park activity fees	-	-	34,907	-	34,907
Licenses & permits	49,988	-	-	-	49,988
Fines & forfeitures	115,793	-	-	-	115,793
Interest and dividends	15,536	112,550	32,321	7,117	167,524
Grants	3,381	-	-	1,669	5,050
Rent	44,825	-	3,006	2,000	49,831
Miscellaneous	29,556	-	259	20	29,835
Total Revenues	2,389,225	819,528	882,771	527,071	4,618,595
EXPENDITURES					
Current:					
General government	321,971	-	-	-	321,971
Law and public safety-					
Police	906,063	-	-	-	906,063
Municipal court	50,871	-	-	-	50,871
Fire	219,879	-	-	-	219,879
Street	362,585	6,262	-	-	368,847
Building inspection	69,233	-	-	-	69,233
Animal control	30,981	-	-	-	30,981
Cemetery	-	-	-	94,339	94,339
Park	-	-	296,910	-	296,910
Capital outlay	222,301	1,470,244	2,226,571	28,923	3,948,039
Debt service:					
Principal	18,759	-	-	-	18,759
Interest and agents fees	3,319	-	37,549	189,705	230,573
Bond issuance costs	-	116,000	111,582	-	227,582
Total Expenditures	2,205,962	1,592,506	2,672,612	312,967	6,784,047
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	183,263	(772,978)	(1,789,841)	214,104	(2,165,452)
OTHER FINANCING SOURCES (USES)					
Transfers In	98,333	-	87,736	-	186,069
Transfers Out	(87,736)	-	-	(150,000)	(237,736)
Premium on bond issued	-	993,371	32,804	-	1,026,175
Issuance of lease obligation	29,088	-	-	-	29,088
Issuance of debt	-	10,000,000	3,985,000	-	13,985,000
CHANGES IN FUND BALANCE	222,948	10,220,393	2,315,699	64,104	12,823,144
FUND BALANCES - BEGINNING	1,460,196	485,039	1,276,518	957,352	4,179,105
FUND BALANCES - ENDING	\$ 1,683,144	\$ 10,705,432	\$ 3,592,217	\$ 1,021,456	\$ 17,002,249

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, 2018

Net change in fund balances--total governmental funds \$ 12,823,144

Amounts reported for *governmental activities* in the statement of activities are different because:

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.

Capital outlay	3,948,039
Depreciation expense	(544,748)

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

Change in pension expense	9,814
Change in compensated absences	7,002
Premium on bond issued	(1,026,175)
Change in accrued interest	(196,932)

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. (28,785)

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.

Issuance of lease obligation	(29,088)
Payment on long term debt	18,759
Issuance of G.O. Bonds and Certificate of Participation	<u>(13,985,000)</u>

Change in net position of governmental activities \$ 996,030

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2018

	Business-type Activities		Total
	Water	Sewer	Enterprise
	Fund	Fund	Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,144,644	\$ 785,970	\$ 1,930,614
Accounts receivable utilities, net	112,214	94,152	206,366
Prepaid items	13,480	24,040	37,520
Restricted Assets:			
Cash for debt service	341,680	-	341,680
Cash for capital improvements	226,198	975,868	1,202,066
Total Current Assets	<u>1,838,216</u>	<u>1,880,030</u>	<u>3,718,246</u>
Noncurrent Assets:			
Capital Assets:			
Land	105,543	506,890	612,433
Construction in progress	496,505	107,284	603,789
Other capital assets, net of accumulated depreciation	5,141,946	4,777,139	9,919,085
Total Noncurrent Assets	<u>5,743,994</u>	<u>5,391,313</u>	<u>11,135,307</u>
Total Assets	<u>7,582,210</u>	<u>7,271,343</u>	<u>14,853,553</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow of resources related to pensions	<u>48,910</u>	<u>71,803</u>	<u>120,713</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	9,138	2,258	11,396
Accrued wages	8,167	8,979	17,146
Accrued interest	31,230	-	31,230
Customer deposits	256,316	-	256,316
Compensated absences	28,648	39,952	68,600
Current portion of long-term debt	375,154	-	375,154
Total Current Liabilities	<u>708,653</u>	<u>51,189</u>	<u>759,842</u>
Noncurrent Liabilities:			
Revenue bonds	910,000	-	910,000
Net pension liability	75,937	111,480	187,417
Total Noncurrent Liabilities	<u>985,937</u>	<u>111,480</u>	<u>1,097,417</u>
Total Liabilities	<u>1,694,590</u>	<u>162,669</u>	<u>1,857,259</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow of resources related to pensions	<u>56,478</u>	<u>82,913</u>	<u>139,391</u>
NET POSITION			
Net investment in capital assets	4,601,747	5,391,313	9,993,060
Restricted-			
Debt reserves	142,907	-	142,907
Construction	226,198	975,868	1,202,066
Unrestricted	909,200	730,383	1,639,583
Total Net Position	<u>\$ 5,880,052</u>	<u>\$ 7,097,564</u>	<u>\$ 12,977,616</u>

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities		Total
	Water	Sewer	Enterprise
	Fund	Fund	Funds
OPERATING REVENUES:			
Charges for services	\$ 1,399,315	\$ 1,264,675	\$ 2,663,990
Tap fees	39,226	860	40,086
Total Operating Revenues	1,438,541	1,265,535	2,704,076
OPERATING EXPENSES:			
Chemicals	7,564	5,621	13,185
Computer software and expenses	14,160	12,251	26,411
Depreciation	216,934	201,729	418,663
Dues and training	4,469	6,384	10,853
Gas and oil	11,445	10,488	21,933
Group insurance	64,966	84,973	149,939
Insurance	21,288	29,682	50,970
Miscellaneous	3,995	2,873	6,868
Office supplies and postage	7,197	7,370	14,567
Payroll taxes	17,467	23,872	41,339
Professional fees	43,840	44,401	88,241
Repairs & maintenance	103,331	58,875	162,206
Retirement	38,663	57,753	96,416
Salaries	240,988	328,720	569,708
Supplies	43,654	14,201	57,855
Telephone	5,512	5,402	10,914
Tests and permits	1,948	4,178	6,126
Uniforms	3,588	4,240	7,828
Utilities	56,318	76,530	132,848
Vehicle expense	6,329	11,671	18,000
Total Operating Expenses	913,656	991,214	1,904,870
OPERATING INCOME	524,885	274,321	799,206
NON-OPERATING REVENUES (EXPENSES):			
Interest and dividend income	21,174	24,461	45,635
Interest earned on SRF accounts	31,410	-	31,410
Interest expense and agents fee	(52,219)	-	(52,219)
Total Non-operating Revenues (Expenses)	365	24,461	24,826
INCOME BEFORE TRANSFERS	525,250	298,782	824,032
Transfers in	150,000	-	150,000
Transfers (out)	(55,259)	(43,074)	(98,333)
CHANGE IN NET POSITION	619,991	255,708	875,699
TOTAL NET POSITION - BEGINNING	5,260,061	6,841,856	12,101,917
TOTAL NET POSITION - ENDING	\$ 5,880,052	\$ 7,097,564	\$ 12,977,616

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities		Total
	Water Fund	Sewer Fund	Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,436,902	\$ 1,266,185	\$ 2,703,087
Payments to suppliers	(342,378)	(244,020)	(586,398)
Payments to employees	(344,168)	(516,727)	(860,895)
Net Cash Provided by Operating Activities	750,356	505,438	1,255,794
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	150,000	-	150,000
Transfers (Out)	(55,259)	(43,074)	(98,333)
Net Cash Provided by (Used for) Noncapital Financing Activities	94,741	(43,074)	51,667
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(311,574)	(356,923)	(668,497)
Principal paid	(373,452)	-	(373,452)
Interest paid	(61,094)	-	(61,094)
Net Cash (Used for) Capital and Related Financing Activities	(746,120)	(356,923)	(1,103,043)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividend earned	52,584	24,461	77,045
Net Cash Provided by Investing Activities	52,584	24,461	77,045
NET CASH INCREASE FOR THE YEAR	151,561	129,902	281,463
CASH AT BEGINNING OF YEAR	1,560,961	1,631,936	3,192,897
CASH AT END OF YEAR	<u>\$ 1,712,522</u>	<u>\$ 1,761,838</u>	<u>\$ 3,474,360</u>
CASH SUMMARY			
Cash and cash equivalents	\$ 1,144,644	\$ 785,970	\$ 1,930,614
Restricted assets-cash and cash equivalents	567,878	975,868	1,543,746
Total	<u>\$ 1,712,522</u>	<u>\$ 1,761,838</u>	<u>\$ 3,474,360</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 524,885	\$ 274,321	\$ 799,206
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation expense	216,934	201,729	418,663
(Increase) Decrease in accounts receivable	(8,147)	650	(7,497)
(Increase) Decrease in prepaid items	1,431	2,024	3,455
(Increase) Decrease in deferred outflow of resources	33,384	47,889	81,273
(Decrease) Increase in accounts payable	(9,171)	2,258	(6,913)
(Decrease) Increase in accrued wages, taxes, etc.	2,032	1,545	3,577
(Decrease) Increase in compensated absences	5,043	6,002	11,045
(Decrease) Increase in deferred inflow of resources	22,718	33,813	56,531
(Decrease) Increase in pension liability	(45,261)	(64,793)	(110,054)
Increase in meter deposits	6,508	-	6,508
Net Cash Provided by Operating Activities	<u>\$ 750,356</u>	<u>\$ 505,438</u>	<u>\$ 1,255,794</u>

See the accompanying notes to the financial statements.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018

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 2018 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, 2018

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, 2018

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 \$ 9,612,267 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, 2018

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 \$ 2,877 for water, \$ 2,414 for sewer and a total of \$ 13,725 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, 2018

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/Gain on Debt Issuance

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, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources/Unavailable Revenue/Gain on Debt Issuance - continued

At this time, the City has two items 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. A deferred gain on debt issued results from the difference in the carrying value of the debt and the proceeds from the debt issuance. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second 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. As of December 31, 2018, the City had no outstanding arbitrage rebate liability.

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, 2018

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 \$ 429,405.

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, 2018

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 2018 was \$.6118 with a valuation base of \$ 88,417,818 broken down as follows: \$.1310 Cemetery, \$.1108 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, 2018

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, 2018, 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 at December 31, 2018, was:

Constitutional Debt Limit	\$ 17,683,564
Outstanding G.O. Bonds	<u>(10,155,000)</u>
Legal debt margin	<u><u>\$ 7,528,564</u></u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018, 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, 2018, 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 not 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 does not have a written investment policy covering interest rate risk.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have a written investment policy covering concentration of credit risk.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 not have a written investment policy on custodial credit risk. However, all of the City's 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, 2018:

	<u>Cash</u>	<u>Net Position</u>
Water Fund		
2003 C Principal	\$ 105,448	\$ 105,000
2003 C Interest	15,848	15,848
2003 B Principal and interest	220,384	22,059
	<u>\$ 341,680</u>	<u>\$ 142,907</u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE D – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2018 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 899,533	\$ -	\$ -	\$ 899,533
Construction in progress	1,102,070	3,690,792	239,983	4,552,879
Total capital assets, not being depreciated	<u>2,001,603</u>	<u>3,690,792</u>	<u>239,983</u>	<u>5,452,412</u>
Capital assets, being depreciated:				
Buildings	2,504,825	297,954	-	2,802,779
Infrastructure	13,163,074	145,019	-	13,308,093
Equipment	1,286,414	25,170	-	1,311,584
Vehicles	1,906,602	29,088	-	1,935,690
Total capital assets being depreciated	<u>18,860,915</u>	<u>497,231</u>	<u>-</u>	<u>19,358,146</u>
Less: Accumulated depreciation for:				
Buildings	1,272,183	52,306	-	1,324,489
Infrastructure	8,922,968	338,692	-	9,261,660
Equipment	810,588	71,549	-	882,137
Vehicles	1,335,677	82,201	-	1,417,878
Total accumulated depreciation	<u>12,341,416</u>	<u>544,748</u>	<u>-</u>	<u>12,886,164</u>
Capital assets being depreciated, net	<u>6,519,499</u>	<u>(47,517)</u>	<u>-</u>	<u>6,471,982</u>
Governmental activities capital assets, net	<u>\$ 8,521,102</u>	<u>\$ 3,643,275</u>	<u>\$ 239,983</u>	<u>\$ 11,924,394</u>

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

Governmental Activities:	
General government	\$ 30,243
Law and public safety	36,118
Street	365,492
Fire	69,780
Animal control	584
Cemetery	10,398
Parks	32,133
	<u>\$ 544,748</u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 442,295	\$ 170,138	\$ -	\$ 612,433
Construction in Progress	625,147	474,184	495,542	603,789
Total capital assets, not being depreciated	<u>1,067,442</u>	<u>644,322</u>	<u>495,542</u>	<u>1,216,222</u>
Capital assets, being depreciated:				
Plant	18,199,288	513,633	-	18,712,921
Equipment	459,999	6,084	-	466,083
Vehicles	370,065	-	-	370,065
Total capital assets, being depreciated	<u>19,029,352</u>	<u>519,717</u>	<u>-</u>	<u>19,549,069</u>
Less Accumulated depreciation for:				
Plant	8,624,323	394,110	-	9,018,433
Equipment	294,715	13,730	-	308,445
Vehicles	292,283	10,823	-	303,106
Total accumulated depreciation	<u>9,211,321</u>	<u>418,663</u>	<u>-</u>	<u>9,629,984</u>
Total capital assets being depreciated, net	<u>\$ 9,818,031</u>			<u>\$ 9,919,085</u>
Business-type activities capital assets, net	<u>\$ 10,885,473</u>			<u>\$ 11,135,307</u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 1,325,000	\$ -	\$ 205,000	\$ 1,120,000	\$ 210,000
General obligation	305,000	-	150,000	155,000	155,000
Lease payable	28,606	-	18,452	10,154	10,154
Compensated absences	57,555	77,420	66,375	68,600	68,600
Business-type activities long-term liabilities	<u>\$ 1,716,161</u>	<u>\$ 77,420</u>	<u>\$ 439,827</u>	<u>\$ 1,353,754</u>	<u>\$ 443,754</u>
				\$ 443,754	
				910,000	
				<u>\$ 1,353,754</u>	

The Proprietary Fund-Water Fund long-term debt as of December 31, 2018 follows:

On March 27, 2003, the City issued \$ 3,650,000 in Combined Waterworks and Sewerage System Revenue Bonds, State Revolving Fund Program Series 2003A, for the purpose of extending and improving the City's combined waterworks and sewerage system. Those bonds were refunded on November 20, 2003 with the issuance of the 2003 B Refunding Revenue Bonds paid the 2003A Revenue Bonds on November 20, 2003. The 2003 B Bonds bear interest at 2.00% to 5.00%. Principal payments are due annually July 1 with interest payments due semi-annually on January 1 and July 1 of each year. The bonds also require an administrative fee payable annually on July 1 of each year at 1.00% of the outstanding principal amount of the Revolving Fund Loan balance. Bonds maturing on or after July 1, 2016 are callable under various provisions of the bond ordinance.

\$ 1,120,000

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE E – LONG-TERM DEBT (Continued)

On November 20, 2003, the City issued \$ 2,660,000 in General Obligation Bonds, State Revolving Fund Program 2003 C, for the purpose of extending and improving the City's Combined Waterworks and Sewerage System. The bonds bear interest of 2.00% to 5.00% with principal payments due July 1 and interest payments due semi-annually on January 1 and July 1 of each year. The bonds also require an administrative fee payable annually on July 1 of each year at 1.00% of the outstanding principal amount of the Revolving Fund Loan balance. Bond maturing on July 1, 2016 are callable under various provisions of the bond ordinance.

155,000

\$ 1,275,000

The annual requirements to amortize Water Fund bonded debt as of December 31, 2018 follows:

Year Ending December 31,	Water Fund		Totals
	Principal	Interest	
2019	\$ 365,000	\$ 62,460	\$ 427,460
2020	215,000	44,210	259,210
2021	225,000	34,750	259,750
2022	230,000	23,500	253,500
2023	240,000	12,000	252,000
	<u>\$ 1,275,000</u>	<u>\$ 176,920</u>	<u>\$ 1,451,920</u>

On April 7, 2014, the City entered into a lease for \$ 87,000 for the purchase of two 2015 Silverado Pickups. Payments are \$ 1,582.86 per month at an interest rate of 3.50%.

\$ 10,154

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*.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE E – LONG-TERM DEBT (Continued)

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

Year Ending December 31,	Total
<u>2019</u>	
Total minimum lease payment	\$ 10,263
Less: amount representing interest	10,263
	<u>(109)</u>
Present value of minimum lease payments	<u>\$ 10,154</u>

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

Two Silverado Pickups	\$ 87,000
Less: Accumulated Depreciation	<u>(39,150)</u>
Net	<u>\$ 47,850</u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
2018 Ford Explorer	\$ -	\$ 29,088	\$ 3,099	\$ 25,989	\$ 5,957
2017 Vehicles	71,791	-	15,660	56,131	16,184
2018 Certificate of Participation	-	3,985,000	-	3,985,000	260,000
2018 G.O. Bond	-	10,000,000	-	10,000,000	-
Compensated Absences	133,832	110,868	120,683	124,017	124,017
Governmental activities long-term liabilities	<u>\$ 205,623</u>	<u>\$ 14,124,956</u>	<u>\$ 139,442</u>	<u>\$ 14,191,137</u>	<u>\$ 406,158</u>
Due and payable within one year				\$ 406,158	
Due and payable in more than one year:					
Vehicle lease				59,979	
Certificate of Participation				3,725,000	
General Obligation Bond				10,000,000	
				<u>\$ 14,191,137</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, 2018

NOTE E – LONG-TERM DEBT (Continued)

The Governmental-type Activities long-term debt as of December 31, 2018 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. \$ 3,985,000

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

\$ 13,985,000

The annual requirements to amortize Governmental-Type Activities bonded debt as of December 31, 2018 follows:

Year Ending December 31,	Principal	Interest	Totals
2019	\$ 260,000	\$ 585,594	\$ 845,594
2020	270,000	574,994	844,994
2021	670,000	558,144	1,228,144
2022	690,000	533,894	1,223,894
2023	715,000	506,794	1,221,794
2024-2028	2,840,000	2,190,370	5,030,370
2029-2033	3,435,000	1,575,474	5,010,474
2034-2038	4,280,000	691,313	4,971,313
2039-2043	<u>825,000</u>	<u>82,634</u>	<u>907,634</u>
	<u><u>\$ 13,985,000</u></u>	<u><u>\$ 7,299,211</u></u>	<u><u>\$ 21,284,211</u></u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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%. \$ 56,131

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%. 25,989

\$ 82,120

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 December 31,	Total
2019	\$ 24,573
2020	23,871
2021	24,221
2022	12,403
2023	<u>2,679</u>
Total minimum lease payment	87,747
Less: amount representing interest	<u>(5,627)</u>
Present value of minimum lease payments	<u><u>\$ 82,120</u></u>

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

Three 2017 Fords	\$ 81,904
One 2018 Ford Explorer Police car	29,088
Less: Accumulated Depreciation	<u>(26,797)</u>
Net	<u><u>\$ 84,195</u></u>

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE F – DEFINED BENEFIT PENSION PLAN

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

Plan description

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

Benefits provided

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

	<u>2018 Valuation</u>
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.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)

Employees covered by benefit terms

At June 30, 2018, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	23
Inactive employees entitled to but not yet receiving benefits	10
Active employees	<u>34</u>
 Total	 <u><u>67</u></u>

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 12.7 % General, 12.1% Fire and 16.5% Police of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial assumptions

The total pension liability in the February 28, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)

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 2018. 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	48.00%	4.81%
Fixed Income	28.50%	1.72%
Real Assets	23.50%	3.42%

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, 2018

NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 7/1/2017 Liability (Asset)	\$ 6,311,571	\$ (5,384,044)	\$ 927,527
Changes for the year:			
Service Cost	155,234	-	155,234
Interest	451,756	-	451,756
Difference between expected and actual experience	(20,905)	-	(20,905)
Contribution - employer	-	(189,961)	(189,961)
Contribution - employee	-	(57,172)	(57,172)
Net investment income	-	(656,331)	(656,331)
Benefit payments, including refunds	(318,998)	318,998	-
Administrative expense	-	5,207	5,207
Other changes	-	22,528	22,528
Net changes	267,087	(556,731)	(289,644)
Balances at 6/30/2018 Liability (Asset)	\$ 6,578,658	\$ (5,940,775)	\$ 637,883

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%
\$	1,622,901	\$ 637,883	\$ (162,972)

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018 the employer recognized pension expense of \$ 220,255. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 113,965	\$ (209,337)
Differences in assumptions	136,157	-
Excess(deficit) in investment returns	-	(144,003)
Contributions subsequent to the measurement date*	99,329	-
Total	<u>\$ 349,451</u>	<u>\$ (353,340)</u>

*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, 2019.

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

Year ended:	
2019	\$ 29,498
2020	(24,104)
2021	(77,574)
2022	(45,877)
2023	6,896
Thereafter	7,943
Total	<u>\$ (103,218)</u>

Payable to the Pension Plan

At December 31, 2018, 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, 2018.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

At December 31, 2018, 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, 2018, consisted of the following:

	<u>Transfers In</u>	<u>Transfer Out</u>
Debt Service Fund	\$ -	\$ 150,000
Water Fund	150,000	-
	<u>\$ 150,000</u>	<u>\$ 150,000</u>
General Fund	\$ -	\$ 87,736
Park Fund	87,736	-
	<u>\$ 87,736</u>	<u>\$ 87,736</u>
Water Fund	\$ -	\$ 55,259
Sewer Fund	-	43,074
General Fund	98,333	-
	<u>\$ 98,333</u>	<u>\$ 98,333</u>

Amounts of transfers from the Debt Service to the Water Fund represented payments of general obligation debt principal and interest. The amount from the General Fund to the Park Fund was for operation purposes. The transfers from the Water and Sewer Funds to the General Fund were a 5% fee in lieu of taxes based on customer sales.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018 is as follows:

<u>Project</u>	<u>Cost of Project</u>	<u>Construction in Progress</u>	<u>Remaining Cost to Complete</u>
Water Fund			
Water Improvements-Engineer fees	\$ 715,000	\$ 496,505	\$ 218,495
Sewer Fund			
Sewer Improvements-Engineer fees	<u>541,000</u>	<u>107,284</u>	<u>433,716</u>
Total Business-type Activities	<u>\$ 1,256,000</u>	<u>\$ 603,789</u>	<u>\$ 652,211</u>
Governmental Activities:			
Aquatic Pool	\$ 4,223,315	\$ 2,436,246	\$ 1,787,069
I-44 Exchange	<u>10,000,000</u>	<u>2,116,633</u>	<u>7,883,367</u>
Total Governmental Activities	<u>\$ 14,223,315</u>	<u>\$ 4,552,879</u>	<u>\$ 9,670,436</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.

The City adopted the following statements during the year ended December 31, 2018:

GASB Statement No. 75, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. This Statement replaces the requirements of Statements No. 45 and No. 57. The Statement is effective for periods beginning after June 15, 2018.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE K – FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 85, *Omnibus 2018 Activities*, issued March 2018, will be effective for the City beginning after June 15, 2018. This Statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2018, will be effective for the City beginning after June 15, 2018. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The City did not have any changes to report for the year ending December 31, 2018 upon adopting GASB 75, 85 and 86.

The Statements which might impact the City are as follows:

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, 2019. 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. 84, *Fiduciary Activities*, issued January 2018, will be effective for the City beginning after December 15, 2018. This Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases*, issued June 2018, will be effective for the City beginning after December 25, 2019. 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.

CITY OF MARSHFIELD, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE K – FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, issued April 2018, will be effective for the City for reporting periods beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

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, 2019. The primary objectives of this Statement are (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. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, issued August 2018, will be effective for the City for reporting periods beginning after December 15, 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organizations should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

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

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF MARSHFIELD, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON INFORMATION
DECEMBER 31, 2018

Explanation of Budgetary Process

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

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

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

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

For the year ended December 31, 2018, 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, 2018

	General Fund		Actual	Variance With Final Budget
	Budget			
REVENUES	Original	Final		
Franchise taxes	\$ 350,000	\$ 368,645	\$ 368,645	\$ -
Sales taxes	1,420,973	1,489,617	1,489,617	-
Missouri motor fuel taxes	260,956	267,570	267,570	-
Financial institutional tax	-	4,065	4,065	-
Licenses & permits	34,000	49,988	49,988	-
Fines & forfeitures	66,400	115,793	115,793	-
Grants	-	3,381	3,381	-
Interest	5,000	15,536	15,536	-
Rent	45,493	44,825	44,825	-
Miscellaneous	8,233	29,805	29,805	-
Total Revenues	<u>2,191,055</u>	<u>2,389,225</u>	<u>2,389,225</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	390,072	321,971	321,971	-
Law and public safety	929,837	906,063	906,063	-
Street	391,922	362,585	362,585	-
Fire	240,810	219,879	219,879	-
Municipal court	55,737	50,871	50,871	-
Building inspection	90,728	69,233	69,233	-
Animal control	32,936	30,981	30,981	-
Capital outlay	38,547	222,301	222,301	-
Debt service:				
Principal	11,500	18,759	18,759	-
Interest and fees	-	3,319	3,319	-
Total Expenditures	<u>2,182,089</u>	<u>2,205,962</u>	<u>2,205,962</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	8,966	183,263	183,263	-
OTHER FINANCING SOURCE (USES)				
Transfer In	-	98,333	98,333	-
Transfer (Out)	-	(87,736)	(87,736)	-
Issuance of lease obligation	-	29,088	29,088	-
CHANGES IN FUND BALANCE	<u>\$ 8,966</u>	<u>\$ 222,948</u>	<u>222,948</u>	<u>\$ -</u>
FUND BALANCES - BEGINNING			<u>1,460,196</u>	
FUND BALANCES - ENDING			<u>\$ 1,683,144</u>	

CITY OF MARSHFIELD, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
FOR THE YEAR ENDED DECEMBER 31, 2018

Transportation Sales Tax Fund			
REVENUES	Budget		Variance With Final Budget
	Original	Final	
Sales tax	\$ 682,030	\$ 706,978	\$ 706,978
Interest income	1,000	112,550	112,550
Total Revenues	683,030	819,528	819,528
EXPENDITURES			
Current expense-			
Streets	26,255	6,262	6,262
Capital Outlay	2,368,642	1,470,244	1,470,244
Debt service-bond issuance costs	223,750	116,000	116,000
Total Expenditures	2,618,647	1,592,506	1,592,506
EXCESS OF REVENUE OVER EXPENDITURES	(1,935,617)	(772,978)	(772,978)
OTHER SOURCES			
Premium on bond issued	-	993,371	993,371
Issuance of debt	-	10,000,000	10,000,000
NET CHANGE IN FUND BALANCE	\$ (1,935,617)	\$ 10,220,393	10,220,393
FUND BALANCES - BEGINNING			485,039
FUND BALANCES - ENDING			\$ 10,705,432

Park Fund			
REVENUES	Budget		Variance With Final Budget
	Original	Final	
Property taxes	\$ 97,356	\$ 105,968	\$ 105,968
Sales tax	680,153	706,310	706,310
Activity fees	27,000	34,907	34,907
Interest income	4,500	32,321	32,321
Rents	3,500	3,006	3,006
Grants	73,869	-	-
Miscellaneous	-	259	259
Total Revenues	886,378	882,771	882,771
EXPENDITURES			
Current expense-			
Park	287,751	296,910	296,910
Capital outlay	1,405,133	2,226,571	2,226,571
Debt service:			
Interest and agents fees	38,000	37,549	37,549
Bond issuance costs	112,000	111,582	111,582
Total Expenditures	1,842,884	2,672,612	2,672,612
(DEFICIT) OF REVENUE OVER EXPENDITURES	(956,506)	(1,789,841)	(1,789,841)
OTHER FINANCING SOURCE (USES)			
Transfer In	-	87,736	87,736
Premium on bond issued	-	32,804	32,804
Issuance of debt	-	3,985,000	3,985,000
CHANGES IN FUND BALANCES	\$ (956,506)	\$ 2,315,699	2,315,699
FUND BALANCES - BEGINNING			1,276,518
FUND BALANCES - ENDING			\$ 3,592,217

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

	2018	2017	2016	2015
Total Pension Liability				
Service costs	\$ 155,234	\$ 145,581	\$ 147,488	\$ 152,198
Interest on Total Pension Liability	451,756	429,522	404,521	396,287
Difference between expected and actual experience	(20,905)	51,323	(113,853)	(139,761)
Changes in Assumptions	-	-	240,266	-
Benefit payments, including refunds	(318,998)	(329,773)	(335,427)	(251,726)
Net change in total pension liability	267,087	296,653	342,995	156,998
Total Pension Liability-beginning	6,311,571	6,014,918	5,671,923	5,514,925
Total Pension Liability-ending	<u>\$ 6,578,658</u>	<u>\$ 6,311,571</u>	<u>\$ 6,014,918</u>	<u>\$ 5,671,923</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 189,961	\$ 168,259	\$ 155,315	\$ 174,617
Contributions - employee	57,172	54,578	50,787	53,923
Net investment income	656,331	563,255	5,595	108,433
Benefits payments, including refunds	(318,998)	(329,773)	(335,427)	(251,726)
Pension Plan Administrative Expense	(5,207)	(5,057)	(4,794)	(5,406)
Other (Net Transfer)	(22,528)	25,247	(166,710)	(163,589)
Net change in plan fiduciary net position	556,731	476,509	(295,234)	(83,748)
Plan Fiduciary Net Position-beginning	5,384,044	4,907,535	5,202,769	5,286,517
Plan Fiduciary Net Position-ending	<u>\$ 5,940,775</u>	<u>\$ 5,384,044</u>	<u>\$ 4,907,535</u>	<u>\$ 5,202,769</u>
Net Pension Liability	<u>\$ 637,883</u>	<u>\$ 927,527</u>	<u>\$ 1,107,383</u>	<u>\$ 469,154</u>
Plan fiduciary net position as a percentage of the total pension liability	90.30%	85.30%	81.59%	91.73%
Covered payroll	\$ 1,413,405	\$ 1,262,361	\$ 1,247,418	\$ 1,323,582
Net Pension liability as a percentage of covered payroll	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,

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contribution in Relation</u>	<u>Contribution Deficiency</u>	<u>Covered Employee Payroll</u>	<u>Contribution as Percentage</u>
2009	\$ 141,302	\$ 141,301	\$ 1	\$ 1,316,451	10.73%
2010	156,751	145,541	11,210	1,217,997	11.95%
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%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2018

Notes: The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 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 12 to 18 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, 2018

ASSETS	Debt Service Fund	Cemetery Fund	Total
Cash and cash equivalents	\$ 259,555	\$ 409,311	\$ 668,866
Accounts receivable-property taxes (net)	268,976	94,703	363,679
Prepaid items	-	2,679	2,679
 TOTAL ASSETS	 <u>\$ 528,531</u>	 <u>\$ 506,693</u>	 <u>\$ 1,035,224</u>
 LIABILITIES			
Accounts payable	\$ -	\$ 2,500	\$ 2,500
Accrued wages and benefits	-	1,269	1,269
 Total Liabilities	 <u>-</u>	 <u>3,769</u>	 <u>3,769</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	<u>7,379</u>	<u>2,620</u>	<u>9,999</u>
 FUND BALANCES			
Nonspendable	-	2,679	2,679
Restricted-			
Debt Service	521,152	-	521,152
Cemetery	-	497,625	497,625
Total Fund Balances	<u>521,152</u>	<u>500,304</u>	<u>1,021,456</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 528,531</u>	 <u>\$ 506,693</u>	 <u>\$ 1,035,224</u>

CITY OF MARSHFIELD, MISSOURI
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Debt Service Fund	Cemetery Fund	Total
REVENUES;			
Property taxes	\$ 354,365	\$ 124,500	\$ 478,865
User charges	-	37,400	37,400
Interest and dividends	3,187	3,930	7,117
Rents	-	2,000	2,000
Grants	-	1,669	1,669
Miscellaneous	-	20	20
Total Revenues	<u>357,552</u>	<u>169,519</u>	<u>527,071</u>
EXPENDITURES:			
Current: Administration	-	94,339	94,339
Capital outlay	-	28,923	28,923
Debt service:			
Interest and fees	189,705	-	189,705
Total Expenditures	<u>189,705</u>	<u>123,262</u>	<u>312,967</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	167,847	46,257	214,104
OTHER FINANCING SOURCES (USES)			
Transfers (to) other funds	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>
NET CHANGE IN FUND BALANCE	17,847	46,257	64,104
FUND BALANCES - BEGINNING	<u>503,305</u>	<u>454,047</u>	<u>957,352</u>
FUND BALANCES - ENDING	<u>\$ 521,152</u>	<u>\$ 500,304</u>	<u>\$ 1,021,456</u>

CITY OF MARSHFIELD, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cemetery Fund				
REVENUES	Budget		Actual	Variance With Final Budget
	Original	Final		
Property taxes	\$ 115,073	\$ 124,500	\$ 124,500	\$ -
Sale of plots and openings	27,000	37,400	37,400	-
Interest earned	2,600	3,930	3,930	-
Rent	-	2,000	2,000	-
Grants	-	1,669	1,669	-
Miscellaneous	-	20	20	-
Total Revenues	144,673	169,519	169,519	-
EXPENDITURES				
Current:				
Cemetery	107,585	94,339	94,339	-
Capital outlay	-	28,923	28,923	-
Total Expenditures	107,585	123,262	123,262	-
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	\$ 37,088	\$ 46,257	46,257	\$ -
FUND BALANCES - BEGINNING			454,047	
FUND BALANCES - ENDING			\$ 500,304	

Debt Service Fund				
REVENUES	Budget		Actual	Variance With Final Budget
	Original	Final		
Property taxes	\$ 326,809	\$ 354,365	\$ 354,365	\$ -
Interest earned	2,200	3,187	3,187	-
Total Revenues	329,009	357,552	357,552	-
EXPENDITURES				
Debt service:				
Interest and fees	30,967	189,705	189,705	-
Total Expenditures	30,967	189,705	189,705	-
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	298,042	167,847	167,847	-
OTHER FINANCING (USES)				
Transfers (to)	152,500	(150,000)	(150,000)	-
NET CHANGE IN FUND BALANCE	\$ 450,542	\$ 17,847	17,847	\$ -
FUND BALANCES - BEGINNING			503,305	
FUND BALANCES - ENDING			\$ 521,152	

SECTION III – STATISTICAL SECTION

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.

Contents	Pages
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Financial Trends	59 - 64
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	65 - 69
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These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity	70 - 73
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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.

Demographic and Economic Information	74
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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.

Operating Information	75 - 77
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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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$ 6,443,366	\$ 8,354,813	\$ 7,319,368	\$ 6,929,532	\$ 5,346,159	\$ 5,531,715	\$ 5,662,540	\$ 5,536,710	\$ 5,073,020	\$ 4,756,601
Restricted	2,454,175					641,862	86,652	87,612	94,184	1,594,844
Unrestricted	4,191,396	3,738,094	2,639,901	2,274,559	3,059,260	2,000,875	2,438,675	2,475,812	2,795,863	1,716,931
Total governmental activities net position	<u>\$ 13,088,937</u>	<u>\$ 12,092,907</u>	<u>\$ 9,959,269</u>	<u>\$ 9,204,091</u>	<u>\$ 8,405,419</u>	<u>\$ 8,174,452</u>	<u>\$ 8,187,867</u>	<u>\$ 8,100,134</u>	<u>\$ 7,963,067</u>	<u>\$ 8,068,376</u>
Business-type activities										
Net investment in capital assets	9,993,060	9,226,957	8,846,728	8,259,976	7,627,620	6,616,361	6,306,142	6,021,543	5,837,609	5,603,945
Restricted	1,344,973	1,012,282	857,852	472,327	905,972	137,244	106,685	107,822	108,872	392,725
Unrestricted	1,639,583	1,862,678	1,477,906	1,260,450	919,113	1,888,217	1,060,330	1,028,221	788,047	305,991
Total business-type activities net position	<u>\$ 12,977,616</u>	<u>\$ 12,101,917</u>	<u>\$ 11,182,486</u>	<u>\$ 9,992,753</u>	<u>\$ 9,452,705</u>	<u>\$ 8,641,822</u>	<u>\$ 7,473,157</u>	<u>\$ 7,157,586</u>	<u>\$ 6,734,528</u>	<u>\$ 6,302,661</u>
Primary government										
Net investment in capital assets	16,436,426	17,581,770	16,166,096	15,189,508	12,973,779	12,148,076	11,968,682	11,558,253	10,910,629	10,360,546
Restricted	3,799,148	1,012,282	857,852	472,327	905,972	779,106	193,337	195,434	203,056	1,987,569
Unrestricted	5,830,979	5,600,772	4,117,807	3,535,009	3,978,373	3,889,092	3,499,005	3,504,033	3,583,910	2,022,922
Total primary government net position	<u>\$ 26,066,553</u>	<u>\$ 24,194,824</u>	<u>\$ 21,141,755</u>	<u>\$ 19,196,844</u>	<u>\$ 17,858,124</u>	<u>\$ 16,816,274</u>	<u>\$ 15,661,024</u>	<u>\$ 15,257,720</u>	<u>\$ 14,697,595</u>	<u>\$ 14,371,037</u>

Source: Basic Financial Statements

CITY OF MARSHFIELD, MISSOURI

Changes in Net Position

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities										
General government	\$ 358,317	\$ 292,370	\$ 320,771	\$ 287,391	\$ 306,632	\$ 309,423	\$ 497,456	\$ 459,953	\$ 441,189	\$ 472,446
Law and public safety	926,558	802,788	795,362	854,715	852,759	764,936	741,880	696,236	688,264	721,680
Street	841,089	774,105	784,777	760,357	813,678	775,771	748,387	726,905	702,532	639,293
Fire	290,488	263,854	278,575	290,572	281,665	261,745	241,658	263,077	267,236	218,684
Municipal court	50,393	60,223	48,442	49,310	52,940	51,300	49,684	39,472	42,323	48,136
Transit	-	-	-	-	7,426	83,007	94,447	80,219	70,778	64,779
Building inspection	69,233	59,740	65,455	50,519	41,025	57,596	71,025	63,636	66,758	64,894
Economic Development	-	1,239	52,848	-	-	-	-	-	-	-
Animal control	31,930	29,892	30,677	27,611	54,113	62,298	77,492	67,154	55,652	43,435
Cemetery	105,400	98,929	144,423	111,315	103,005	93,613	92,360	78,996	76,663	76,344
Park	441,200	269,325	275,882	230,304	228,947	190,824	276,529	314,079	352,162	292,604
Interest on long-term debt	427,505	17,729	49,278	125,334	91,421	101,452	119,934	123,733	192,814	139,483
Total Governmental Activities	<u>3,542,113</u>	<u>2,670,194</u>	<u>2,846,490</u>	<u>2,787,428</u>	<u>2,833,611</u>	<u>2,751,965</u>	<u>3,010,852</u>	<u>2,913,460</u>	<u>2,956,371</u>	<u>2,781,778</u>
Business-type Activities										
Water	965,875	920,987	851,153	860,938	912,125	914,352	871,061	818,650	665,995	820,922
Sewer	991,214	948,630	983,341	909,371	1,016,222	1,009,104	1,160,693	1,017,861	947,565	1,042,155
Total Business-type Activities	<u>1,957,089</u>	<u>1,869,617</u>	<u>1,834,494</u>	<u>1,770,309</u>	<u>1,928,347</u>	<u>1,923,456</u>	<u>2,031,754</u>	<u>1,836,511</u>	<u>1,613,560</u>	<u>1,863,077</u>
Total Expenses	<u>\$ 5,499,202</u>	<u>\$ 4,539,811</u>	<u>\$ 4,680,984</u>	<u>\$ 4,557,737</u>	<u>\$ 4,761,958</u>	<u>\$ 4,675,421</u>	<u>\$ 5,042,606</u>	<u>\$ 4,749,971</u>	<u>\$ 4,569,931</u>	<u>\$ 4,644,855</u>
Program Revenues										
Governmental Activities										
General government	\$ 56,892	\$ 33,573	\$ 18,838	\$ 5,624	\$ 6,906	\$ 11,180	\$ 29,255	\$ 12,267	\$ 10,766	\$ 31,005
Law and public safety	-	-	-	18,572	-	-	-	-	40,155	51,493
Street	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Municipal court	115,793	78,504	50,923	47,986	58,154	45,597	40,797	32,209	-	-
Transit	-	-	-	-	25	6,447	6,806	7,194	5,986	9,353
Building inspection	35,819	25,872	28,712	23,478	36,432	45,332	-	23,808	13,527	-
Animal control	2,102	-	-	1,604	2,073	-	3,667	1,914	2,397	-
Cemetery	39,400	35,450	40,650	21,000	33,400	26,650	23,250	22,950	34,000	24,500
Park	37,913	35,463	32,920	2,823	34,057	27,450	56,386	65,485	79,676	69,145
Operating grants and contributions	3,381	-	20,782	13,776	300	29,429	26,616	-	5,278	38,582
Capital grants and contributions	1,669	469,104	269,432	48,205	-	18,594	283,725	153,079	83,109	260,217
Total Governmental Activities	<u>292,969</u>	<u>677,966</u>	<u>462,257</u>	<u>183,068</u>	<u>171,347</u>	<u>210,679</u>	<u>470,502</u>	<u>318,906</u>	<u>274,894</u>	<u>484,295</u>
Business-type Activities										
Charges for services										
Water	1,438,541	1,387,632	863,088	995,737	969,289	920,619	784,601	806,637	711,940	663,042
Sewer	1,265,535	1,224,176	1,112,637	1,065,899	1,062,235	1,035,210	673,289	677,510	532,027	482,242
Operating grants and contributions	-	-	-	-	-	-	-	-	2,400	-
Capital grants and contributions	-	-	-	-	-	-	-	18,735	12,404	10,584
Total Business-type Activities	<u>2,704,076</u>	<u>2,611,808</u>	<u>1,975,725</u>	<u>2,061,636</u>	<u>2,031,524</u>	<u>1,955,829</u>	<u>1,457,890</u>	<u>1,502,882</u>	<u>1,258,771</u>	<u>1,155,868</u>
Total Program Revenues	<u>\$ 2,997,045</u>	<u>\$ 3,289,774</u>	<u>\$ 2,437,982</u>	<u>\$ 2,244,704</u>	<u>\$ 2,202,871</u>	<u>\$ 2,166,508</u>	<u>\$ 1,928,392</u>	<u>\$ 1,821,788</u>	<u>\$ 1,533,665</u>	<u>\$ 1,640,163</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (3,249,144)	\$ (1,992,228)	\$ (2,384,233)	\$ (2,604,360)	\$ (2,662,264)	\$ (2,541,286)	\$ (2,540,350)	\$ (2,594,554)	\$ (2,681,477)	\$ (2,297,483)
Business-type Activities	746,987	742,191	141,231	291,327	103,177	32,373	(573,864)	(333,629)	(354,789)	(707,209)
Total Net Expense	<u>\$ (2,502,157)</u>	<u>\$ (1,250,037)</u>	<u>\$ (2,243,002)</u>	<u>\$ (2,313,033)</u>	<u>\$ (2,559,087)</u>	<u>\$ (2,508,913)</u>	<u>\$ (3,114,214)</u>	<u>\$ (2,928,183)</u>	<u>\$ (3,036,266)</u>	<u>\$ (3,004,692)</u>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues										
Governmental Activities										
Property taxes levied for cemetery	118,491	122,543	108,878	113,366	100,414	68,887	74,299	67,391	70,540	79,837
Property taxes levied for debt service	336,560	346,386	297,577	310,563	298,235	286,768	243,204	251,830	262,101	296,810
Property taxes levied for parks	101,246	104,368	92,157	96,275	88,516	69,182	73,799	67,691	70,540	79,838
Franchise taxes	368,645	377,160	364,332	418,209	386,455	377,803	393,911	389,248	585,402	383,122
Sales taxes	2,902,905	2,770,955	2,762,438	2,520,610	1,898,166	1,764,715	1,771,496	1,730,252	1,607,014	1,611,175
Lodging taxes	-	-	26,429	14,152	17,792	15,592	-	-	-	-
Missouri motor fuel taxes	267,570	267,770	264,748	259,949	252,424	240,312	237,741	216,789	218,844	210,050
Other taxes	-	-	-	-	-	-	-	-	-	-
Financial institutional tax	-	-	-	-	-	-	-	-	-	-
Interest on investments	167,524	28,369	15,454	14,876	12,142	12,366	22,473	29,233	30,221	54,582
Miscellaneous	33,900	15,771	27,398	42,527	29,052	45,121	19,238	10,218	11,334	28,777
Transfers	(51,667)	(57,081)	(820,000)	(140,000)	(185,643)	(362,920)	(185,709)	21,170	(214,646)	(217,046)
Developers fee	-	-	-	-	-	(104,635)	(49,338)	(64,525)	(92,397)	(228,064)
Insurance Claims	-	-	-	-	5,478	-	-	-	-	-
(Loss) on sale of assets	-	149,625	-	-	(48,966)	114,680	44,285	12,324	27,215	-
Penalty assessment	-	-	-	-	-	-	-	-	-	89,390
Total general revenues, transfers, and other special items	<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>	<u>2,576,168</u>	<u>2,388,471</u>
Business-type Activities										
Sales tax	-	2,450	177,860	10,491	497,053	599,182	600,834	586,412	545,242	556,295
Interest on investments	77,045	117,709	25,845	165,663	10,832	160,204	146,300	171,191	15,723	216,019
Miscellaneous	-	-	24,797	14,924	14,178	10,160	25,379	20,254	11,045	25,187
Transfers	51,667	57,081	820,000	140,000	185,643	362,920	185,709	(21,170)	214,646	217,046
(Loss) on sale of assets	-	-	-	-	-	3,826	-	-	-	-
Repayment of grant funds	-	-	-	(75,000)	-	-	-	-	-	-
Total Business-type activities	<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>	<u>786,656</u>	<u>1,014,547</u>
Total primary government	<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>	<u>\$ 3,362,824</u>	<u>\$ 3,403,018</u>
Change in Net Position										
Governmental Activities	\$ 996,030	\$ 2,133,638	\$ 755,178	\$ 1,046,167	\$ 191,801	\$ (13,415)	\$ 105,049	\$ 137,067	\$ (105,309)	\$ 90,988
Business Activities	875,699	919,431	1,189,733	547,405	810,883	1,168,665	384,358	423,058	431,867	307,338
Total Change in Net Position	<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>	<u>\$ 326,558</u>	<u>\$ 398,326</u>

Source: Basic Financial Statements

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Nonspendable	\$ 53,148	\$ 53,641	\$ 47,335	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	87,775	101,954	91,096	90,807	-	-
Unassigned	1,629,996	1,406,555	914,120	619,576	409,009	177,970	(56,819)	226,792	516,723	958,872
Total general fund	<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>	<u>\$ 516,723</u>	<u>\$ 958,872</u>
All other governmental funds										
Nonspendable	\$ 14,882	\$ 17,652	\$ 16,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	15,304,223	2,701,257	2,048,454	1,903,758	2,807,955	2,142,425	718,970	651,438	94,184	86,526
Committed	-	-	-	-	-	362,827	1,863,211	1,648,034	2,275,825	1,508,318
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	619,576	(131,406)	(87,698)	(24,550)	-	54,669	820,760
Total all other governmental funds	<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>	<u>\$2,424,678</u>	<u>\$2,415,604</u>

Source: Basic Financial Statements

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES										
Taxes:										
Property taxes	\$ 585,082	\$ 570,977	\$ 526,457	\$ 523,208	\$ 460,275	\$ 420,213	\$ 386,232	\$ 406,754	\$ 384,808	\$ 445,113
Franchise taxes	\$ 368,645	\$ 377,160	364,332	418,209	386,455	377,803	393,911	389,248	585,402	383,122
Sales taxes	2,902,905	2,770,955	2,762,438	2,520,610	1,898,166	1,764,715	1,771,496	1,730,252	1,607,014	1,611,175
Lodging tax	-	-	26,429	14,152	17,792	15,592	-	-	-	-
Intergovernmental:										
Missouri motor fuel taxes	267,570	267,770	264,748	259,949	252,424	240,312	237,741	216,789	218,844	210,050
Financial institutional tax	4,065	569	687	707	-	-	-	-	-	-
User charges:										
Activity fees	34,907	30,721	29,494	-	30,054	31,656	65,140	69,912	88,059	78,498
Cemetery-sale of plots & grave openings	37,400	35,250	39,050	21,000	31,700	26,650	23,250	21,350	34,000	24,500
Licenses & permits	49,988	37,797	39,466	30,206	45,248	56,512	29,255	37,989	24,293	31,005
Fines & forfeitures	115,793	78,504	50,923	66,558	58,154	45,597	40,797	32,209	40,155	51,493
Interest	167,524	28,369	15,454	14,875	12,142	12,366	22,473	29,233	30,221	54,582
Donations	-	-	4,000	-	-	-	-	-	-	96,424
Grants	5,050	469,104	286,214	61,981	-	48,023	310,341	153,079	88,387	202,375
Rent	49,831	26,590	13,110	3,323	5,728	2,241	1,719	4,367	-	-
Miscellaneous	29,835	15,202	12,381	41,820	29,352	45,121	19,238	10,218	11,088	28,777
Total Revenues	\$4,618,595	\$4,708,968	\$ 4,435,183	\$ 3,976,598	\$3,227,490	\$3,086,801	\$3,301,593	\$3,101,400	\$3,112,271	\$3,217,114
EXPENDITURES										
Current										
General government	\$ 321,971	\$ 260,572	\$ 274,030	\$ 257,716	\$ 281,451	\$ 284,754	\$ 473,689	\$ 435,586	\$ 432,762	\$ 440,492
Law and public safety:										
Police	906,063	772,802	765,567	838,086	784,313	720,103	690,410	648,294	650,576	679,110
Municipal court	50,871	58,994	43,739	47,982	52,780	51,300	49,684	40,009	42,323	48,136
Fire	219,879	208,656	207,691	217,055	208,658	189,690	169,982	188,441	192,296	165,585
Street	368,847	413,203	392,621	394,677	434,837	398,493	383,461	360,420	346,824	296,078
Transit	-	-	-	-	4,215	70,895	74,968	69,627	61,713	61,321
Building inspection	69,233	59,740	64,235	48,473	39,035	55,606	69,035	61,959	61,747	62,904
Animal control	30,981	28,589	26,529	27,550	53,536	61,722	76,915	65,260	56,286	43,435
Cemetery	94,339	87,379	123,059	98,070	92,233	84,076	83,608	69,207	70,942	71,767
Park	296,910	228,952	230,972	196,870	198,838	162,838	251,445	292,936	322,261	271,119
Economic Development	-	1,239	52,848	-	-	-	-	-	-	-
Capital outlay	3,948,039	1,718,143	897,576	77,518	82,985	145,627	425,896	862,779	578,453	1,568,295

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

Debt service:										
Principal	18,759	12,734	8,414	2,086,525	327,271	300,133	324,828	278,486	257,753	221,677
Interest and agent fees	230,573	17,729	49,278	131,963	92,338	103,119	119,934	122,585	191,582	138,252
Bond issuance costs	227,582									
Total Expenditures	<u>\$6,784,047</u>	<u>\$3,868,732</u>	<u>\$ 3,136,559</u>	<u>\$ 4,422,485</u>	<u>\$2,652,490</u>	<u>\$2,628,356</u>	<u>\$3,193,855</u>	<u>\$3,495,589</u>	<u>\$3,265,518</u>	<u>\$4,068,171</u>
Excess (Deficiency) of Revenues over Expenditures	(2,165,452)	840,236	1,298,624	(445,887)	575,000	458,445	107,738	(394,189)	(153,247)	(851,057)
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
OTHER FINANCING SOURCES (USES)										
Penalty assessment			-	-	-	-	-	-	-	89,390
Loan proceeds		81,904	-	-	-	-	-	-	-	152,994
Sale of assets		149,625	-	-	12,010	114,680	16,557	6,714	27,215	-
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)	(92,397)	(228,064)
Transfers In	186,069	143,316	33,957	225,460	-	-	134,533	366,765	-	-
Transfers (Out)	(237,736)	(200,397)	(853,957)	(365,460)	(185,643)	(362,920)	(320,242)	(345,595)	(214,646)	(217,046)
Premium on bond issued	1,026,175									
Issuance of debt	13,985,000									
Total Other Financing Sources (Uses)	<u>14,988,596</u>	<u>174,448</u>	<u>(805,670)</u>	<u>(140,000)</u>	<u>(138,312)</u>	<u>(352,875)</u>	<u>(132,901)</u>	<u>69,859</u>	<u>(279,828)</u>	<u>(202,726)</u>
Net change in fund balances	<u>12,823,144</u>	<u>1,014,684</u>	<u>492,954</u>	<u>(585,887)</u>	<u>436,688</u>	<u>105,570</u>	<u>(25,163)</u>	<u>(324,330)</u>	<u>(433,075)</u>	<u>(1,053,783)</u>
Debt service as a percentage of noncapital expenditures	8.79%	1.42%	2.58%	51.06%	16.33%	16.24%	16.07%	15.23%	16.72%	14.40%

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>
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
2010	384,808	1,607,014	585,402	218,844		2,796,068
2009	445,113	1,611,175	383,122	210,050		2,649,460

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
City of Marshfield	0.6118	0.6105	0.6202	0.6202	0.6200	0.5724	0.5200	0.5700	0.5700	0.5700
Marshfield Schools	3.8400	3.3500	3.3500	3.3500	3.3500	3.3500	3.3500	3.3500	3.2000	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	0.1882	0.1882	0.1882	0.1882	0.1874	0.1860	0.1831	0.1862
Sh/Wkshp	0.0757	0.0757	0.0793	0.0793	0.0793	0.0793	0.0789	0.0499	0.0771	0.0785
Senior	0.0477	0.0477	0.0500	0.0500	0.0500	0.0500	0.0500	0.0499	0.0500	0.0500
Health	0.1324	0.1324	0.1387	0.1387	0.1387	0.1387	0.1381	0.1371	0.1349	0.1374
Library	0.1133	0.1133	0.1188	0.1188	0.1188	0.1188	0.1184	0.1172	0.1158	0.1179
Junior College	0.2023	0.1498	0.1500	0.1494	0.1494	0.1479	0.1408	0.1405	0.1412	0.1396
Total District Overlapping	5.2329	4.6891	4.7252	4.7246	4.7244	4.6753	4.6136	4.6306	4.5021	4.6596

Commercial Surcharge (on Commercial Real Estate only):

0.3700

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
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
2010	36,183,620	49,040	21,602,510	43,290	509,801	12,500,784	\$70,889,045	297,624,917	23.8%	0.5700
2009	35,820,700	49,040	21,174,260	43,290	476,389	12,626,716	\$70,190,395	294,650,292	23.8%	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 City Sales Tax Revenue by Type
Last Ten Fiscal Years

Fiscal Year	Direct Sales Tax Rate	1% General	0.50% Transportation	0.50% Capital Improvement Water and Sewer (1)	0.50% Local Parks (2)	Total
2018	2.00%	1,438,687	682,985	203	682,294	2,804,168
2017	2.00%	1,440,532	690,924	2,450	688,391	2,822,297
2016	2.00%	1,385,069	665,357	1,052	663,270	2,714,749
2015	2.00%	1,374,459	653,347	10,491	379,937	2,418,235
2014	2.00%	1,277,924	601,112	591,120		2,470,156
2013	2.00%	1,198,440	566,717	599,182		2,364,338
2012	2.00%	1,201,736	570,478	600,837		2,373,051
2011	2.00%	1,172,861	554,652	586,412		2,313,925
2010	2.00%	1,074,089	507,773	536,985		2,118,847
2009	2.00%	1,112,846	527,516	556,295		2,196,657

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

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

Source: Missouri Department of Revenue

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

<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>
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%
2010	2.000%	1.500%	0.333%	4.225%	8.058%
2009	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) Governmental	Certificates of Participation (3)	Lease Obligations	General Obligation Bonds (2) Business-Type	Revenue Bonds	Total Outstanding Debt	Percentage of Personal Income	Debt Per Capita
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
2009	131,317	3,275,000			2,055,000	5,430,000	10,891,317	10.44%	\$ 1,649

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.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Fund Balance Debt Service Fund (2)</u>	<u>Net General Bonded Debt (3)</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Net Bonded Debt per Capita</u>
2018	\$ 10,155,000	\$ 528,531	9,626,469	2.62%	\$ 1,289.89
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
2010	5,005,000	574,448	4,430,552	1.49%	668
2009	5,330,000	599,833	4,730,167	1.61%	716

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
Legal Debt Margin Information
December 31, 2017

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	<u>\$ 88,417,818</u>
Debt limit (20% of assessed value)	<u>\$ 17,683,564</u>
City Debt applicable to debt limit:	
General obligation bonds	<u>9,626,469</u>
Total net debt applicable to limit	<u>9,626,469</u>
Legal debt margin	<u>\$ 8,057,095</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>	<u>2010</u>	<u>2009</u>
Assessed valuation	<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>	<u>\$ 70,889,045</u>	<u>\$ 70,190,395</u>
Debt limit	17,683,564	17,367,771	16,038,043	15,924,580	15,250,091	14,923,749	14,699,935	14,083,181	14,177,809	14,038,079
Total net debt applicable to limit	<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>	<u>4,730,167</u>	<u>4,730,167</u>
Legal Debt margin	<u>27,310,033</u>	<u>17,169,466</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>	<u>9,447,642</u>	<u>9,307,912</u>
Total net debt applicable to the limit as a percentage	35.25%	-1.15%	0.84%	2.59%	21.96%	27.87%	31.91%	45.90%	50.07%	50.82%

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			Coverage
				Principal	Interest	Total	
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
2009	663,042	597,095	65,947	165,000	125,308	290,308	0.23

Sewer system revenue bond coverage

Fiscal Year	Operating Revenues (1)	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2009	1,038,537	883,012	155,525	355,000	147,907	502,907	0.31

(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.

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>
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%
2009	6,603	34.4	15,793	31,895	4.2%

(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									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Government										
Administrative Services	2	2	2	2	3	2	2	2	2	2
Municipal Court	1	1	1	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	9	10	10	11	10	10	10	10	10
Fire	1	1	1	1	1	1	1	1	1	1
Parks & Recreation	1	1	2	3	3	4	4	4	6	5
Utility Billing	2	2	2	2	2	2	2	2	2	2
Public Works										
Street Maintenance	5	5	5	3	4	4	5	4	4	4
Water Maintenance	4	4	4	4	5	5	4	4	5	4
Wastewater Maintenance	6	6	6	7	7	7	7	7	7	7
Cemetery	1	1	1	1	1	1	1	1	1	1
Transit - Bus *						1	1	1	1	1
Total Full Time Employees	<u>36</u>	<u>34</u>	<u>36</u>	<u>36</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>39</u>	<u>42</u>	<u>40</u>

* The City discontinued transit services in 2013.

Source: City Clerk's Office

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

Function/Programs	Fiscal Year									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Government										
Business licenses issued	290	282	278	295	273	275	264	279	276	273
Residential building permits issued	28	17	8	15	26	11				
Nonresidential building permits issued	10	7	15	3	9	17				
Fire - Incidents Reports										
Fire/Rescue	243	274	288	239	161	121	125	138	132	142
EMS	635	657	581	679	603	568	523	465	415	389
Number of incident types	51	55	43	36	35	20	28	27	23	24
Fire - Mutual Aid										
Received	10	2	1	3	2	1	1	1	3	3
Given	2	2	9	7	4	0	1	1	1	0
Police										
Calls for Services (1)	14,763	8,619	11,435	8,625	7,180		9,731	12,992	961	
Number of Municipal Court Summons	2,235	1,359	914	609	528	502	385			
Water										
System use - gallons per day	531,136	506,235	501,173	481,474	482,106	487,523	548,145	534,405		
Sewer										
System use - gallons per day	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.

Source: City department records.

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

Function	Fiscal Year									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Government										
Area (square miles) (1)	5.111	5.111	5.031	5.031	5.031	5.031	5.031	5.031	4.800	4.800
Number of general governmental buildings	3	3	2	2	2	2	2	2	2	2
Public Safety										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Fire Stations	1	1	2	2	2	2	2	2	2	2
Recreation										
Number of parks	9	9	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.

Source: City department records.