

**CITY OF CARTERVILLE,  
MISSOURI**

**FINANCIAL STATEMENTS  
(MODIFIED CASH BASIS)  
WITH SUPPLEMENTARY DATA  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
OCTOBER 31, 2025**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information, of the City of Carterville, Missouri, as of and for the year ended October 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Carterville, Missouri's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the City of Carterville, Missouri, as of October 31, 2025, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note A.

### ***Basis for Opinions***

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

### ***Emphasis of Mater-Basis of Accounting***

We draw your attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards,, we:

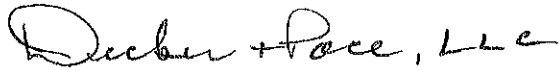
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining,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

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

### ***Other Matters***

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison information but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

A handwritten signature in black ink that reads "Decker & Pace, LLC". The signature is written in a cursive, flowing style.

Decker & Pace, LLC  
Springfield, Missouri  
September 10, 2026

**CITY OF CARTERVILLE, MISSOURI****STATEMENT OF NET POSITION****(MODIFIED CASH BASIS)****OCTOBER 31, 2025**

|                                                                     | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>        |
|---------------------------------------------------------------------|------------------------------------|-------------------------------------|---------------------|
| <b>ASSETS</b>                                                       |                                    |                                     |                     |
| Current Assets                                                      |                                    |                                     |                     |
| Cash and cash equivalents                                           | \$ 193,307                         | \$ 644,637                          | \$ 837,944          |
| Noncurrent assets                                                   |                                    |                                     |                     |
| Construction in progress                                            | 609,678                            | -                                   | 609,678             |
| Property, plant, and equipment<br>(Net of accumulated depreciation) | 1,230,882                          | 1,281,268                           | 2,512,150           |
| Total noncurrent assets                                             | <u>1,840,560</u>                   | <u>1,281,268</u>                    | <u>3,121,828</u>    |
| <b>TOTAL ASSETS</b>                                                 | <u>2,033,867</u>                   | <u>1,925,905</u>                    | <u>3,959,772</u>    |
| <b>LIABILITIES</b>                                                  |                                    |                                     |                     |
| Current Liabilities                                                 |                                    |                                     |                     |
| Current portion of long-term debt                                   | 111,529                            | 95,951                              | 207,480             |
| Total current liabilities                                           | <u>111,529</u>                     | <u>95,951</u>                       | <u>207,480</u>      |
| Long-term Liabilities                                               |                                    |                                     |                     |
| Revenue bonds                                                       | -                                  | 1,255,000                           | 1,255,000           |
| Meter loan                                                          | -                                  | 284,124                             | 284,124             |
| Bobcat loan                                                         | 12,790                             | 51,159                              | 63,949              |
| GO Bond                                                             | 165,000                            | -                                   | 165,000             |
| Total long-term liabilities                                         | <u>177,790</u>                     | <u>1,590,283</u>                    | <u>1,768,073</u>    |
| <b>TOTAL LIABILITIES</b>                                            | <u>289,319</u>                     | <u>1,686,234</u>                    | <u>1,975,553</u>    |
| <b>NET POSITION</b>                                                 |                                    |                                     |                     |
| Net investment in capital assets                                    | 1,551,241                          | -                                   | 1,551,241           |
| Restricted                                                          | -                                  | 320,466                             | 320,466             |
| Unrestricted (Deficit)                                              | 193,307                            | (80,795)                            | 112,512             |
| <b>Total Net Position</b>                                           | <u>\$ 1,744,548</u>                | <u>\$ 239,671</u>                   | <u>\$ 1,984,219</u> |

See accompanying notes to the financial statements.

**CITY OF CARTERVILLE, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**(MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED OCTOBER 31, 2025**

| 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                                | \$ 292,665   | \$ 63,483            | \$ 1,863                           | \$ 376,101                       | \$ 148,782                                        | \$ -                     | \$ 148,782   |
| Public safety                                     |              |                      |                                    |                                  |                                                   |                          |              |
| Police                                            | 378,738      | 77,231               | 43,937                             | -                                | (257,570)                                         | -                        | (257,570)    |
| Court                                             | 65,833       | -                    | -                                  | -                                | (65,833)                                          | -                        | (65,833)     |
| Sanitation                                        | 140,011      | 150,991              | -                                  | -                                | 10,980                                            | -                        | 10,980       |
| Park                                              | 21,422       | 2,940                | 1,947                              | -                                | (16,535)                                          | -                        | (16,535)     |
| Streets                                           | 135,669      | -                    | -                                  | 67,284                           | (68,385)                                          | -                        | (68,385)     |
| Interest                                          | 11,099       | -                    | -                                  | -                                | (11,099)                                          | -                        | (11,099)     |
| Total governmental activities                     | 1,045,437    | 294,645              | 47,747                             | 443,385                          | (259,660)                                         | -                        | (259,660)    |
| Business-type activities:                         |              |                      |                                    |                                  |                                                   |                          |              |
| Utility fund                                      | 756,074      | 906,704              | -                                  | 408,700                          | -                                                 | 559,330                  | 559,330      |
| Total business-type activities                    | 756,074      | 906,704              | -                                  | 408,700                          | -                                                 | 559,330                  | 559,330      |
| Total Government                                  | \$ 1,801,511 | \$ 1,201,349         | \$ 47,747                          | \$ 852,085                       | (259,660)                                         | 559,330                  | 299,670      |
| General Revenues and transfers                    |              |                      |                                    |                                  |                                                   |                          |              |
| Taxes:                                            |              |                      |                                    |                                  |                                                   |                          |              |
| Property taxes for general purposes               |              |                      |                                    |                                  | 88,483                                            | -                        | 88,483       |
| Property taxes for debt service purposes          |              |                      |                                    |                                  | 68,033                                            | -                        | 68,033       |
| Franchise taxes                                   |              |                      |                                    |                                  | 123,744                                           | -                        | 123,744      |
| Sales taxes                                       |              |                      |                                    |                                  | 308,221                                           | -                        | 308,221      |
| Missouri motor fuel taxes                         |              |                      |                                    |                                  | 106,941                                           | -                        | 106,941      |
| Interest on investments                           |              |                      |                                    |                                  | 31,370                                            | -                        | 31,370       |
| Miscellaneous                                     |              |                      |                                    |                                  | 14,316                                            | -                        | 14,316       |
| Transfers                                         |              |                      |                                    |                                  | (661)                                             | 661                      | -            |
| Total general revenues and transfers              |              |                      |                                    |                                  | 740,447                                           | 661                      | 741,108      |
| Change in net position                            |              |                      |                                    |                                  | 480,787                                           | 559,991                  | 1,040,778    |
| Correction of accounting classifications-(Note H) |              |                      |                                    |                                  | (178,000)                                         | (406,103)                | (584,103)    |
| Net position beginning                            |              |                      |                                    |                                  | 1,441,761                                         | 85,783                   | 1,527,544    |
| Net position ending                               |              |                      |                                    |                                  | \$ 1,744,548                                      | \$ 239,671               | \$ 1,984,219 |

See accompanying notes to the financial statements.

**CITY OF CARTERVILLE, MISSOURI**  
BALANCE SHEET  
(MODIFIED CASH BASIS)  
OCTOBER 31, 2025

|                           | General Fund      | Street Fund   | Debt Service Fund | Nonmajor Fund Capital Improvement Fund | Total Governmental Funds |
|---------------------------|-------------------|---------------|-------------------|----------------------------------------|--------------------------|
| <u>ASSETS</u>             |                   |               |                   |                                        |                          |
| Cash and cash equivalents | \$ 86,895         | \$ -          | \$ 67,436         | \$ 38,976                              | \$ 193,307               |
| Due from other funds      | 27,424            | -             | -                 | -                                      | 27,424                   |
| <b>TOTAL ASSETS</b>       | <b>\$ 114,319</b> | <b>\$ -</b>   | <b>\$ 67,436</b>  | <b>\$ 38,976</b>                       | <b>\$ 220,731</b>        |
| <u>LIABILITIES</u>        |                   |               |                   |                                        |                          |
| Due to other funds        | \$ -              | \$ 27,424     | \$ -              | \$ -                                   | \$ 27,424                |
| <b>TOTAL LIABILITIES</b>  | <b>-</b>          | <b>27,424</b> | <b>-</b>          | <b>-</b>                               | <b>27,424</b>            |

FUND BALANCES

|                             |                   |                    |                  |                  |                   |
|-----------------------------|-------------------|--------------------|------------------|------------------|-------------------|
| Fund Balances - Restricted- |                   |                    |                  |                  |                   |
| Capital Improvements        | -                 | -                  | -                | 38,976           | 38,976            |
| Debt Service                | -                 | -                  | 67,436           | -                | 67,436            |
| Unassigned (Deficit)        | 114,319           | (27,424)           | -                | -                | 86,895            |
| <b>TOTAL FUND BALANCES</b>  | <b>\$ 114,319</b> | <b>\$ (27,424)</b> | <b>\$ 67,436</b> | <b>\$ 38,976</b> | <b>\$ 193,307</b> |

**Reconciliation to Statement of Net Position**

|                                                                                                                                      |              |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Total Fund Balances - Total Government Funds                                                                                         | \$ 193,307   |
| Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds.     | 1,840,560    |
| Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the governmental funds. | (289,319)    |
| Net position of governmental activities                                                                                              | \$ 1,744,548 |

See accompanying notes to the financial statements.

**CITY OF CARTERVILLE, MISSOURI**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**(MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED OCTOBER 31, 2025**

|                                                          | General<br>Fund   | Street<br>Fund     | Debt Service<br>Fund | Nonmajor Fund<br>Capital<br>Improvement Fund | Total<br>Governmental<br>Funds |
|----------------------------------------------------------|-------------------|--------------------|----------------------|----------------------------------------------|--------------------------------|
| <b>REVENUES</b>                                          |                   |                    |                      |                                              |                                |
| Taxes:                                                   |                   |                    |                      |                                              |                                |
| Property taxes                                           | \$ 88,483         | \$ -               | \$ 68,033            | \$ -                                         | \$ 156,516                     |
| Franchise taxes                                          | 123,744           | -                  | -                    | -                                            | 123,744                        |
| Sales & Use taxes                                        | 212,527           | 41,870             | -                    | 53,824                                       | 308,221                        |
| Intergovernmental revenue:                               |                   |                    |                      |                                              |                                |
| Missouri motor fuel taxes                                | -                 | 106,941            | -                    | -                                            | 106,941                        |
| Licenses & permits                                       | 61,348            | -                  | -                    | -                                            | 61,348                         |
| Fines & fees                                             | 77,231            | -                  | -                    | -                                            | 77,231                         |
| Sanitation fees                                          | 150,991           | -                  | -                    | -                                            | 150,991                        |
| Interest                                                 | 31,311            | 59                 | -                    | -                                            | 31,370                         |
| Grants                                                   | 421,876           | 67,284             | -                    | -                                            | 489,160                        |
| Rent                                                     | 5,075             | -                  | -                    | -                                            | 5,075                          |
| Donations                                                | 1,972             | -                  | -                    | -                                            | 1,972                          |
| Miscellaneous                                            | 6,701             | 7,615              | -                    | -                                            | 14,316                         |
| Total Revenues                                           | <u>1,181,259</u>  | <u>223,769</u>     | <u>68,033</u>        | <u>53,824</u>                                | <u>1,526,885</u>               |
| <b>EXPENDITURES</b>                                      |                   |                    |                      |                                              |                                |
| Current:                                                 |                   |                    |                      |                                              |                                |
| General government                                       | 277,938           | -                  | -                    | -                                            | 277,938                        |
| Public Safety                                            |                   |                    |                      |                                              |                                |
| Police                                                   | 358,754           | -                  | -                    | -                                            | 358,754                        |
| Court                                                    | 65,833            | -                  | -                    | -                                            | 65,833                         |
| Sanitation                                               | 140,011           | -                  | -                    | -                                            | 140,011                        |
| Park                                                     | 15,904            | -                  | -                    | -                                            | 15,904                         |
| Streets                                                  | -                 | 109,488            | -                    | -                                            | 109,488                        |
| Capital outlay                                           | 358,397           | 252,191            | -                    | -                                            | 610,588                        |
| Debt Service                                             |                   |                    |                      |                                              |                                |
| Principal                                                | -                 | 938                | 60,000               | 51,552                                       | 112,490                        |
| Interest & fees                                          | -                 | 381                | 8,567                | 2,532                                        | 11,480                         |
| Total Expenditures                                       | <u>1,216,837</u>  | <u>362,998</u>     | <u>68,567</u>        | <u>54,084</u>                                | <u>1,702,486</u>               |
| <b>(DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b>       | <u>(35,578)</u>   | <u>(139,229)</u>   | <u>(534)</u>         | <u>(260)</u>                                 | <u>(175,601)</u>               |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                   |                    |                      |                                              |                                |
| Transfer in                                              | -                 | -                  | 534                  | 6,753                                        | 7,287                          |
| Transfer (out)                                           | (388)             | (7,560)            | -                    | -                                            | (7,948)                        |
| Loan proceeds                                            | -                 | 16,487             | -                    | -                                            | 16,487                         |
| Total other financing sources (uses)                     | <u>(388)</u>      | <u>8,927</u>       | <u>534</u>           | <u>6,753</u>                                 | <u>15,826</u>                  |
| <b>NET CHANGE IN FUND BALANCE</b>                        | <u>(35,966)</u>   | <u>(130,302)</u>   | <u>-</u>             | <u>6,493</u>                                 | <u>(159,775)</u>               |
| <b>CORRECTION OF ACCOUNTING CLASSIFICATIONS-(NOTE H)</b> | <u>(207,095)</u>  | <u>70,145</u>      | <u>(70,144)</u>      | <u>-</u>                                     | <u>(207,094)</u>               |
| <b>FUND BALANCE - BEGINNING</b>                          | <u>357,380</u>    | <u>32,733</u>      | <u>137,580</u>       | <u>32,483</u>                                | <u>560,176</u>                 |
| <b>FUND BALANCE - ENDING (DEFICIT)</b>                   | <u>\$ 114,319</u> | <u>\$ (27,424)</u> | <u>\$ 67,436</u>     | <u>\$ 38,976</u>                             | <u>\$ 193,307</u>              |

See accompanying notes to the financial statements.

**CITY OF CARTERVILLE, MISSOURI**  
**RECONCILIATION OF STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO STATEMENT OF ACTIVITIES**  
**(MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED OCTOBER 31, 2025**

|                                                                                                                                                                                                                 |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Net change in fund balances--local governmental funds                                                                                                                                                           | \$ (159,775)      |
| Amounts reported for <i>governmental activities</i> 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 is allocated over their estimated useful lives and reported as depreciation expense |                   |
| Capital outlays                                                                                                                                                                                                 | 610,588           |
| Depreciation expense                                                                                                                                                                                            | (66,029)          |
| Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.                                           |                   |
| Principal paid                                                                                                                                                                                                  | 112,490           |
| Loan proceeds                                                                                                                                                                                                   | <u>(16,487)</u>   |
| Change in net position of governmental activities                                                                                                                                                               | <u>\$ 480,787</u> |

See accompanying notes to the financial statements.

# CITY OF CARTERVILLE, MISSOURI

## STATEMENT OF NET POSITION

(MODIFIED CASH BASIS)

PROPRIETARY FUNDS

OCTOBER 31, 2025

### ASSETS

#### Current Assets:

|                           |            |
|---------------------------|------------|
| Cash and cash equivalents | \$ 644,637 |
|---------------------------|------------|

#### Noncurrent assets:

|                                   |           |
|-----------------------------------|-----------|
| Property, plant, and equipment    |           |
| (Net of accumulated depreciation) | 1,281,268 |

|                         |           |
|-------------------------|-----------|
| Total noncurrent assets | 1,281,268 |
|-------------------------|-----------|

|              |           |
|--------------|-----------|
| TOTAL ASSETS | 1,925,905 |
|--------------|-----------|

### LIABILITIES

#### Current Liabilities

|                                   |        |
|-----------------------------------|--------|
| Current portion of long-term debt | 95,951 |
|-----------------------------------|--------|

|                           |        |
|---------------------------|--------|
| Total current liabilities | 95,951 |
|---------------------------|--------|

#### Long-term Liabilities

|               |           |
|---------------|-----------|
| Revenue bonds | 1,255,000 |
|---------------|-----------|

|            |         |
|------------|---------|
| Meter loan | 284,124 |
|------------|---------|

|             |        |
|-------------|--------|
| Bobcat loan | 51,159 |
|-------------|--------|

|                             |           |
|-----------------------------|-----------|
| Total long-term liabilities | 1,590,283 |
|-----------------------------|-----------|

|                   |           |
|-------------------|-----------|
| TOTAL LIABILITIES | 1,686,234 |
|-------------------|-----------|

### NET POSITION

|                                  |         |
|----------------------------------|---------|
| Net investment in capital assets | -       |
| Restricted                       | 320,466 |

|                        |          |
|------------------------|----------|
| Unrestricted (Deficit) | (80,795) |
|------------------------|----------|

|                    |            |
|--------------------|------------|
| TOTAL NET POSITION | \$ 239,671 |
|--------------------|------------|

See accompanying notes to the financial statements.

**CITY OF CARTERVILLE, MISSOURI**  
**STATEMENT OF REVENUES,**  
**EXPENSES AND CHANGES IN NET POSITION -**  
**(MODIFIED CASH BASIS)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED OCTOBER 31, 2025**

|                                                   |                   |
|---------------------------------------------------|-------------------|
| OPERATING REVENUES:                               | Utility Fund      |
| Charges for Services                              | \$ 860,442        |
| Connection charges and miscellaneous income       | 46,262            |
| Total Operating Revenues                          | <u>906,704</u>    |
| OPERATING EXPENSES:                               |                   |
| Dues and subscriptions                            | 2,643             |
| Depreciation                                      | 50,874            |
| Group insurance and benefits                      | 40,747            |
| Insurance                                         | 30,181            |
| Lab testing                                       | 1,360             |
| Miscellaneous                                     | 3,545             |
| Office supplies and postage                       | 8,800             |
| Payroll taxes                                     | 21,142            |
| Professional fees                                 | 21,164            |
| Repairs & maintenance                             | 200,251           |
| Salaries                                          | 195,914           |
| Supplies                                          | 5,887             |
| Telephone                                         | 2,264             |
| Utilities                                         | 78,575            |
| Vehicle expense                                   | 29,550            |
| Total Operating Expenses                          | <u>692,897</u>    |
| OPERATING INCOME                                  | <u>213,807</u>    |
| NON-OPERATING (EXPENSES):                         |                   |
| Interest expense & agents fees                    | (63,177)          |
| Total Non-Operating (Expenses)                    | <u>(63,177)</u>   |
| NET INCOME BEFORE GRANTS & TRANSFERS              | 150,630           |
| Grants                                            | 408,700           |
| Transfer In                                       | <u>661</u>        |
| CHANGE IN NET POSITION                            | 559,991           |
| CORRECTION OF ACCOUNTING CLASSIFICATIONS-(NOTE H) | (406,103)         |
| TOTAL NET POSITION - BEGINNING                    | <u>85,783</u>     |
| TOTAL NET POSITION - ENDING                       | <u>\$ 239,671</u> |

See accompanying notes to the financial statements.

**CITY OF CARTERVILLE, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**(MODIFIED CASH BASIS)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED OCTOBER 31, 2025**

|                                                                                                | <u>Utility Fund</u>      |
|------------------------------------------------------------------------------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                    |                          |
| Receipts from customers                                                                        | \$ 906,704               |
| Payments to suppliers                                                                          | (384,220)                |
| Payments to employees                                                                          | <u>(257,803)</u>         |
| Net Cash Provided by Operating Activities                                                      | <u>264,681</u>           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                         |                          |
| Transfer in                                                                                    | <u>661</u>               |
| Net Cash Provided by Noncapital Financing Activities                                           | <u>661</u>               |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES:</b>                           |                          |
| Acquisition of capital assets                                                                  | (139,991)                |
| Grants                                                                                         | 408,700                  |
| Loan issuance                                                                                  | 65,949                   |
| Payment of Principal                                                                           | (117,718)                |
| Payment of Interest & fees                                                                     | <u>(63,177)</u>          |
| Net Cash Provided by Capital and<br>Related Financing Activities                               | <u>153,763</u>           |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                               | 419,105                  |
| <b>BALANCE - BEGINNING OF THE YEAR</b>                                                         | <u>225,532</u>           |
| <b>BALANCE - END OF THE YEAR</b>                                                               | <u><u>\$ 644,637</u></u> |
| <b>SUMMARY OF CASH AND CASH EQUIVALENTS</b>                                                    |                          |
| Cash and cash equivalents                                                                      | \$ 644,637               |
| Total cash and cash equivalents                                                                | <u><u>\$ 644,637</u></u> |
| <b>Reconciliation of operating income to net cash<br/>provided by operating activities:</b>    |                          |
| Operating income                                                                               | \$ 213,807               |
| Adjustments to reconcile net operating income<br>to net cash provided by operating activities: |                          |
| Depreciation expense                                                                           | <u>50,874</u>            |
| Net Cash Provided by Operating Activities                                                      | <u><u>\$ 264,681</u></u> |

See accompanying notes to the financial statements.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

**FINANCIAL REPORTING ENTITY**

The City of Carterville, Missouri, a City of the third class, was incorporated in 1882 and is governed by a Mayor and City Council elected by the citizens of the City and provides the following services: Public safety, public works, sanitation, recreation, public improvements, and general administration. Other services include water and sewerage utilities. These financial statements present the financial information of the City of Carterville, Missouri, the primary government.

Component units of the City are based on significant influence which the City exercises over such units. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). The City has no component units.

**BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of the modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or part, by fees charged to external parties for goods or services.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND FINANCIAL STATEMENTS**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance, revenues, and expenditures or expenses. The City's funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

The funds of the financial reporting entity are described subsequently:

**Governmental Fund:**

General Fund – The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

Street Fund – This fund is used to account for all financial resources (Missouri Motor Fuel taxes and a sales tax) that by law or Council designation is used for street repairs, maintenance, and capital improvements. The Street Fund is considered a major fund type.

Debt Service Fund – The debt service fund is used to collect property taxes assessed for debt service purposes and to pay principal and interest payments.

Non-Major – Capital Improvement Fund – The capital improvement fund is used to collect sales tax for capital improvement purposes and make any capital asset acquisitions, as well as service the debt on any capital asset related debt.

**Proprietary Fund:**

Water and Sewer Fund – This fund is used to account for operations of the City's water and sewer departments.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as subsequently defined in item (b).

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an economic resources measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

**BASIS OF ACCOUNTING**

The financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the modified cash basis of accounting to report in the statements of net position or balance sheets, cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING** - continued

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transactions or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the City utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

**FINANCIAL POSITION**

**CASH AND CASH EQUIVALENTS**

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificate of deposits or short-term investments with an original maturity of three months or less.

**INVESTMENTS**

Investments would be certificates of deposits acquired with cash whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value. As of October 31, 2025, the City had no investments.

**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. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**DUE FROM OTHER FUNDS**

Receivables and payables to other funds arising from cash transactions or events are recorded in the financial statements as a modification to the modified cash basis of accounting.

**INVENTORIES**

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

**RESTRICTED ASSETS**

The Water and Sewer Funds, because of certain bond covenants, are required to establish and maintain prescribed amount of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. The bond account is used only for the payment of principal and interest on revenue bonds. The depreciation and replacement account is to be expended only for repairs or replacements to the water and sewer funds. The bond reserve account is to be used only to pay bonds at maturity or interest as it becomes due and to the extent other funds are not available for this purpose.

**CAPITAL ASSETS**

The City's modified cash basis of accounting reports capital assets resulting from cash transactions or events and reports depreciation, when appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**Government-Wide Statements**

In the government-wide financial statements, capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-Wide Statements - continued**

Depreciation of all exhaustible capital assets arising from cash transactions or events is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$ 1,500 is used to report capital assets. The range of estimated useful lives by the type of asset is as follows:

|                              |             |
|------------------------------|-------------|
| Site improvements            | 10-50 years |
| Buildings and utility plants | 50 years    |
| Furniture and equipment      | 5-10 years  |
| Infrastructure               | 20-40 years |

**Fund Financial Statements**

In the fund financial statements, capital assets arising from cash transactions or events acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

**LONG-TERM DEBT**

All long-term bonds, notes, and other debt arising from cash transactions or events to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

Long-term debt arising from cash transactions or events of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payments of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in fund financial statements as the treatment in the government-wide statements.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**NET POSITION/FUND BALANCE CLASSIFICATIONS**

**Government-Wide Statements**

Net Position is classified and displayed in three components:

1. *Net investment in capital assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. *Restricted.* Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. *Unrestricted.* Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Fund Financial Statements**

**Governmental Funds**

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

**Nonspendable** - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

**Committed** - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the City's highest level of decision-making authority.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Governmental Funds - continued**

**Assigned** - Amounts constrained by the City's intent to be used for specific purposes but that are neither restricted nor committed.

**Unassigned** - The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to a specific purpose. The General Fund shall be the only fund to report a positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

It is the City's policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is also the City policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

The City has no formal minimum fund balance policies or any formal stabilization arrangements in place.

**Proprietary Funds**

The difference among assets, deferred outflows of resources, liabilities, and deferred inflows of resources of proprietary funds is reported as net position and classified in the same manner as the government-wide financial statements, as previously described.

**REVENUES, EXPENDITURES AND EXPENSES**

**PROGRAM REVENUES**

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

|                    |                                                  |
|--------------------|--------------------------------------------------|
| General government | Licenses and fees                                |
| Police             | Fines and forfeits, operating and capital grants |

All other governmental revenues are reported as general revenues. All taxes are classified as general revenue even if restricted for a specific purpose.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**OPERATING REVENUE AND EXPENSES**

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

**Revenues and expenditures/expenses**

Revenues for governmental activities and business-type activities are recorded when they are collected. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental activities and business-type activities are recorded when paid.

**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. Valuation for 2024 was \$ 14,041,636 assessed per \$100 with the levy at \$1.0909 broken down 0.6037 for the General Fund and 0.4872 for Debt service.

**Revenue - Sales Taxes and Use Tax**

The City has four sales tax authorizations. Recorded in the General Fund is a one cent General sales tax (\$ 107,648), 1/2 cent Capital Improvement sales tax (\$53,824), a 1/2 cent Transportation sales tax (\$ 41,870) and a use tax (\$ 104,879) for a total sales and use tax of (\$ 308,221).

**INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

**FUND FINANCIAL STATEMENTS**

Interfund activity resulting from cash transactions or events, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. *Interfund loans.* Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. *Interfund transfers.* Flow of assets from one fund to another when repayment is not expected and reported as transfers in and out.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Interfund activity and balances resulting from cash transaction or events, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- a. *Internal balances.* Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the “Governmental” and “Business-Type Activities” columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- b. *Internal activities.* Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities, except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of activities.

**USE OF ESTIMATES**

The preparation of financial statements in accordance with the modified cash basis of accounting used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The City is required by Missouri State Law RSMo 67.010 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 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 an other method of accounting (modified cash basis) for all governmental funds.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**Excess of expenditures over appropriations**

For the year ended October 31, 2025, expenditures exceed appropriations in the General Fund.

**Legal Debt Margin**

The City's assessed value supports a general obligation bond limit of \$ 1,404,164. The City has an outstanding G.O. Bond amounting to \$225,000.

**Bond Reserve Compliance**

The City was not in compliance with required bonded debt reserves for the year. As of October 31, 2025, there was no restricted cash set aside for the accounts below.

| <u>Account</u>               | <u>Required</u> |
|------------------------------|-----------------|
| Debt Service                 | 47,390          |
| Debt Service Reserve         | 119,106         |
| Depreciation and Replacement | 153,970         |
|                              | <u>320,466</u>  |

**DETAILED NOTES ON ALL FUNDS**

**NOTE B – DEPOSITS 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 deposits 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.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE B – DEPOSITS AND INVESTMENTS (Continued)**

As of October 31, 2025, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**Investment Policies**

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

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

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

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

**NOTE C – RESTRICTED ASSETS**

As of October 31, 2025, the City did not have any cash set aside to meet restriction requirements. Restriction requirements for bond reserves in the proprietary funds can be noted in Note A.

|                         | <u>Cash</u> | <u>Net Position</u> |
|-------------------------|-------------|---------------------|
| Proprietary Funds       |             |                     |
| Water & Sewer (Utility) | \$ -        | \$ 320,466          |
| Total Restricted        | <u>\$ -</u> | <u>\$ 320,466</u>   |

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
OCTOBER 31, 2025

**NOTE D – CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity resulting from modified cash basis transactions or events for the fiscal year ended October 31, 2025, was as follows:

Governmental Activities:

|                                             | Beginning<br>Balance | Increases         | Decreases   | Ending<br>Balance   |
|---------------------------------------------|----------------------|-------------------|-------------|---------------------|
| Capital assets not being depreciated:       |                      |                   |             |                     |
| Construction in Progress                    | <u>\$ 138,875</u>    | <u>\$ 470,803</u> | <u>\$ -</u> | <u>\$ 609,678</u>   |
| Capital assets being depreciated:           |                      |                   |             |                     |
| Buildings                                   | \$ 783,862           | \$ 50,000         | \$ -        | \$ 833,862          |
| Infrastructure                              | 942,478              | 14,000            | -           | 956,478             |
| Equipment                                   | 341,865              | 20,785            | -           | 362,650             |
| Vehicles                                    | 320,530              | 55,000            | -           | 375,530             |
| Total capital assets being depreciated      | <u>2,388,735</u>     | <u>139,785</u>    | <u>-</u>    | <u>2,528,520</u>    |
| Less: Accumulated depreciation for:         |                      |                   |             |                     |
| Buildings                                   | 582,901              | 12,540            | -           | 595,441             |
| Infrastructure                              | 63,220               | 27,105            | -           | 90,325              |
| Equipment                                   | 287,526              | 13,374            | -           | 300,900             |
| Vehicles                                    | 297,962              | 13,010            | -           | 310,972             |
| Total accumulated depreciation              | <u>1,231,609</u>     | <u>66,029</u>     | <u>-</u>    | <u>1,297,638</u>    |
| Total capital assets being depreciated, net | <u>\$ 1,157,126</u>  | <u>\$ 73,756</u>  | <u>\$ -</u> | <u>\$ 1,230,882</u> |
| Governmental activities capital assets, net | <u>\$ 1,157,126</u>  | <u>\$ 73,756</u>  | <u>\$ -</u> | <u>\$ 1,840,560</u> |

Depreciation expense was charged to functions as follows in the Statement of Activities:

Governmental Activities:

|                    |                  |
|--------------------|------------------|
| General government | \$ 12,727        |
| Park               | 5,518            |
| Street             | 25,800           |
| Police             | 19,984           |
| Public works       | <u>2,000</u>     |
|                    | <u>\$ 66,029</u> |

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
OCTOBER 31, 2025

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

**Business-type Activities**

|                                              | Beginning<br>Balance | Increases        | Decreases   | Ending<br>Balance   |
|----------------------------------------------|----------------------|------------------|-------------|---------------------|
| Capital assets being depreciated:            |                      |                  |             |                     |
| Buildings                                    | \$ 916,327           | \$ -             | \$ -        | \$ 916,327          |
| Infrastructure                               | 1,217,494            | -                | -           | 1,217,494           |
| Equipment                                    | -                    | 139,991          | -           | 139,991             |
| Total capital assets being depreciated       | <u>2,133,821</u>     | <u>139,991</u>   | <u>-</u>    | <u>2,273,812</u>    |
| Less: Accumulated depreciation               |                      |                  |             |                     |
| Buildings                                    | 915,031              | 251              | -           | 915,282             |
| Infrastructure                               | 26,639               | 40,583           | -           | 67,222              |
| Equipment                                    | -                    | 10,040           | -           | 10,040              |
| Total accumulated depreciation               | <u>941,670</u>       | <u>50,874</u>    | <u>-</u>    | <u>992,544</u>      |
| Total capital assets being depreciated, net  | <u>\$ 1,192,151</u>  | <u>\$ 89,117</u> | <u>\$ -</u> | <u>\$ 1,281,268</u> |
| Business-type activities capital assets, net | <u>\$ 1,192,151</u>  | <u>\$ 89,117</u> | <u>\$ -</u> | <u>\$ 1,281,268</u> |

Depreciation expense was charged to functions as follows in the Statement of Activities:

Business-type Activities:

|              |                  |
|--------------|------------------|
| Utility Fund | <u>\$ 50,874</u> |
|--------------|------------------|

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
OCTOBER 31, 2025

**NOTE D – LONG-TERM DEBT**

**Governmental Activities**

The following is a summary of debt transactions for the City for the year ended October 31, 2025, as it relates to the governmental activities:

|             | Beginning<br>Balance | Additions        | Reductions        | Ending<br>balance | Current<br>Portion |
|-------------|----------------------|------------------|-------------------|-------------------|--------------------|
| GO Bond     | \$ 285,000           | \$ -             | \$ 60,000         | \$ 225,000        | \$ 60,000          |
| Street Loan | 100,322              | -                | 51,552            | 48,770            | 48,770             |
| Bobcat Loan | -                    | 16,487           | 938               | 15,549            | 2,759              |
|             | <u>\$ 385,322</u>    | <u>\$ 16,487</u> | <u>\$ 112,490</u> | <u>\$ 289,319</u> | <u>\$ 111,529</u>  |

The governmental long-term debt as of October 31, 2025, consists of:

\$500,000 General Obligation Street Refunding Bonds, Series 2020, due in annual installments of \$50,000 to \$70,000. Final payment due March 1, 2029. Interest rate of 3.00% to 3.15%. \$ 225,000

Capital Lease of Real Estate (Gymnasium), dated September 17, 2021, payable in monthly installments of \$4,507. Final payment due September 17, 2026. Original balance of \$249,000. Interest rate of 3.25%. 48,770

\$16,487 Bobcat Mini Excavator Loan with Southwest Missouri Bank, payable in monthly installments of \$1,570.90. Final Payment due July 1, 2030. Interest rate of 5.25%. 15,549

\$ 289,319

The annual requirements to amortize bonded debt as of October 31, 2025, follows:

| Year Ending<br>October 31 | Principal         | Interest         | Total             |
|---------------------------|-------------------|------------------|-------------------|
| 2026                      | \$ 111,529        | \$ 7,647         | \$ 119,176        |
| 2027                      | 63,166            | 4,857            | 68,023            |
| 2028                      | 73,337            | 2,638            | 75,975            |
| 2029                      | 38,520            | 800              | 39,320            |
| 2030                      | <u>2,767</u>      | <u>62</u>        | <u>2,829</u>      |
|                           | <u>\$ 289,319</u> | <u>\$ 16,004</u> | <u>\$ 305,323</u> |

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
OCTOBER 31, 2025

**NOTE D – LONG TERM DEBT (Continued)**

**Business Type Activities**

The following is a summary of debt transactions of the City for the year ended October 31, 2025:

|                   | Beginning<br>Balance | Additions        | Reductions        | Ending<br>Balance   | Amount<br>Due Within<br>One Year |
|-------------------|----------------------|------------------|-------------------|---------------------|----------------------------------|
| 2020 Revenue Bond | \$ 705,000           | \$ -             | \$ 35,000         | \$ 670,000          | \$ 35,000                        |
| 2021 Revenue Bond | 720,000              | -                | 65,000            | 655,000             | 35,000                           |
| Meter Loan        | 313,003              | -                | 13,965            | 299,038             | 14,914                           |
| Bobcat Loan       | -                    | 65,949           | 3,753             | 62,196              | 11,037                           |
|                   | <u>\$ 1,738,003</u>  | <u>\$ 65,949</u> | <u>\$ 117,718</u> | <u>\$ 1,686,234</u> | <u>\$ 95,951</u>                 |

|                                |                     |
|--------------------------------|---------------------|
| Current portion long-term debt | \$ 95,951           |
| Revenue Bonds                  | 1,255,000           |
| Meter Loan                     | 284,124             |
| Bobcat Loan                    | 51,159              |
|                                | <u>\$ 1,686,234</u> |

**The Business-type long-term debt as of October 31, 2025, follows:**

\$845,000 Combines Waterworks and Sewerage System

Refunding Revenue Bonds, Series 2020, dated July 1, 2020

due in annual installments of \$35,000 to \$55,000.

Final payment due July 1, 2040. Interest rate of 2.25% to 3.40%. \$ 670,000

\$780,000 Combines Waterworks and Sewerage System Revenue

Bonds, Series 2021, dated October 1, 2021, due in installments

of \$30,000 to \$100,000. Final payment due December 1, 2041.

Interest rates of .80% to 2.20% 655,000

On November 14, 2023 the City received \$325,000 in the form

of a loan from Southwest Missouri Bank for Water Meters.

180 monthly payments of \$2,847.97. Interest rate of 6.5%

299,038

\$65,949 Bobcat Mini Excavator Loan with Southwest Missouri

Bank, payable in monthly installments of \$1,570.90. Final Payment

due July 1, 2030. Interest rate of 5.25%.

62,196

\$ 1,686,234

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
OCTOBER 31, 2025

**NOTE D – LONG TERM DEBT (Continued)**

**Business Type Activities (Continued)**

The annual requirements to amortize bonded debt as of October 31, 2025, follows:

| Year Ending<br>October 31 | Principal           | Interest          | Total               |
|---------------------------|---------------------|-------------------|---------------------|
| 2026                      | \$ 95,951           | \$ 55,823         | \$ 151,774          |
| 2027                      | 98,592              | 53,199            | 151,791             |
| 2028                      | 105,308             | 50,097            | 155,405             |
| 2029                      | 102,243             | 46,543            | 148,786             |
| 2030                      | 105,456             | 42,938            | 148,394             |
| 2031-2035                 | 518,575             | 163,513           | 682,088             |
| 2036-2040                 | 550,109             | 64,296            | 614,405             |
| 2041-2044                 | 110,000             | 3,795             | 113,795             |
|                           | <u>\$ 1,686,234</u> | <u>\$ 480,204</u> | <u>\$ 2,166,438</u> |

**NOTE E-- 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. In the past three years, the City has had no losses that exceeded commercial insurance coverage.

**NOTE F – 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 G – TRANSFERS**

Transfers between funds were for reimbursement of operating expenses.

**CITY OF CARTERVILLE, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2025**

**NOTE H – RESTATEMENT OF NET POSITION AND FUND BALANCES**

Beginning fund balance and net position were restated for the year ended October 31, 2025. The following changes were related to capital expenditures in the Utility fund that were later deemed as repairs and maintenance. Also, expenses were incorrectly classified in both the Utility fund and Governmental funds which led to the restatement of beginning net position and fund balances.

|                                             | Balance<br>October 31, 2024 | Error<br>Correction | Balance<br>October 31, 2025 |
|---------------------------------------------|-----------------------------|---------------------|-----------------------------|
| Net Position: Government-Wide Statements    |                             |                     |                             |
| Governmental Activities                     | 1,441,761                   | (178,000)           | 1,263,761                   |
| Business-Type Activities                    | 85,783                      | (406,103)           | (320,320)                   |
|                                             | <u>1,527,544</u>            | <u>(584,103)</u>    | <u>943,441</u>              |
| Fund Balance: Statement of Revenues         |                             |                     |                             |
| Expenditures, and Changes in Fund Balance - |                             |                     |                             |
| Governmental Funds                          |                             |                     |                             |
| General                                     | 357,380                     | (207,095)           | 150,285                     |
| Street                                      | 32,733                      | 70,145              | 102,878                     |
| Debt Service                                | 137,580                     | (70,144)            | 67,436                      |
|                                             | <u>527,693</u>              | <u>(207,094)</u>    | <u>320,599</u>              |

**NOTE I- SUBSEQUENT EVENTS**

Management has evaluated events and transactions for subsequent events disclosures occurring after October 31, 2025, through September 10, 2026, the date of the financial statements were available to be issued and there are no material events requiring recognition of disclosure.

**CITY OF CARTERVILLE, MISSOURI**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET TO ACTUAL - (MODIFIED CASH BASIS) UNAUDITED**  
**MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED OCTOBER 31, 2025**

| REVENUES                                   | General Fund       |                    |                   | Variance With<br>Budget |
|--------------------------------------------|--------------------|--------------------|-------------------|-------------------------|
|                                            | Budget<br>Original | Budget<br>Final    | Actual            |                         |
| Taxes:                                     |                    |                    |                   |                         |
| Property taxes                             | \$ 75,700          | \$ 88,483          | \$ 88,483         | \$ -                    |
| Franchise taxes                            | 134,525            | 123,744            | 123,744           | -                       |
| Sales & Use taxes                          | 202,000            | 212,527            | 212,527           | -                       |
| Licenses & permits                         | 26,800             | 61,348             | 61,348            | -                       |
| Fines & forfeitures                        | 85,800             | 77,231             | 77,231            | -                       |
| Sanitation fees                            | 139,300            | 150,991            | 150,991           | -                       |
| Interest                                   | 23,000             | 31,311             | 31,311            | -                       |
| Grants                                     | -                  | 421,876            | 421,876           | -                       |
| Rent                                       | 6,575              | 5,075              | 5,075             | -                       |
| Donations                                  | 3,280              | 1,972              | 1,972             | -                       |
| Miscellaneous                              | 1,900              | 6,701              | 6,701             | -                       |
| Total Revenues                             | <u>698,880</u>     | <u>1,181,259</u>   | <u>1,181,259</u>  | <u>-</u>                |
| EXPENDITURES                               |                    |                    |                   |                         |
| Current:                                   |                    |                    |                   |                         |
| General government                         | 571,900            | 277,938            | 277,938           | -                       |
| Public Safety                              |                    |                    |                   |                         |
| Police                                     | -                  | 358,754            | 358,754           | -                       |
| Court                                      | -                  | 65,833             | 65,833            | -                       |
| Sanitation                                 | 128,000            | 140,011            | 140,011           | -                       |
| Park                                       | 11,280             | 15,904             | 15,904            | -                       |
| Capital outlay                             | -                  | 358,397            | 358,397           | -                       |
| Total Expenditures                         | <u>711,180</u>     | <u>1,216,837</u>   | <u>1,216,837</u>  | <u>-</u>                |
| (DEFICIT) OF REVENUES<br>OVER EXPENDITURES | <u>(12,300)</u>    | <u>(35,578)</u>    | <u>(35,578)</u>   | <u>-</u>                |
| OTHER FINANCING (USES)                     |                    |                    |                   |                         |
| Transfer (out)                             | 12,300             | (388)              | (388)             | -                       |
| Total other financing (uses)               | <u>12,300</u>      | <u>(388)</u>       | <u>(388)</u>      | <u>-</u>                |
| NET CHANGE IN FUND BALANCE                 | <u>\$ -</u>        | <u>\$ (35,966)</u> | <u>(35,966)</u>   | <u>\$ -</u>             |
| CORRECTION OF ACCOUNTING CLASSIFICATION    |                    |                    | (207,095)         |                         |
| FUND BALANCES - BEGINNING                  |                    |                    | <u>357,380</u>    |                         |
| FUND BALANCES - ENDING                     |                    |                    | <u>\$ 114,319</u> |                         |

**CITY OF CARTERVILLE, MISSOURI**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET TO ACTUAL - (MODIFIED CASH BASIS) UNAUDITED**  
**MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED OCTOBER 31, 2025**

| REVENUES                                   | Street Fund |              | Actual      | Variance With<br>Budget |
|--------------------------------------------|-------------|--------------|-------------|-------------------------|
|                                            | Budget      |              |             |                         |
|                                            | Original    | Final        |             |                         |
| Taxes:                                     |             |              |             |                         |
| Sales taxes                                | 82,000      | 41,870       | 41,870      | \$ -                    |
| Intergovernmental revenue:                 |             |              |             |                         |
| Missouri motor fuel taxes                  | 71,500      | 106,941      | 106,941     | -                       |
| Interest                                   | -           | 59           | 59          | -                       |
| Grants                                     | -           | 67,284       | 67,284      | -                       |
| Miscellaneous                              | -           | 7,615        | 7,615       | -                       |
| Total Revenues                             | 153,500     | 223,769      | 223,769     | -                       |
| EXPENDITURES                               |             |              |             |                         |
| Current:                                   |             |              |             |                         |
| Streets                                    | 90,500      | 109,488      | 109,488     | -                       |
| Capital outlay                             | 63,000      | 252,191      | 252,191     | -                       |
| Debt Service                               |             |              |             | -                       |
| Principal                                  | -           | 938          | 938         | -                       |
| Interest                                   | -           | 381          | 381         | -                       |
| Total Expenditures                         | 153,500     | 362,998      | 362,998     | -                       |
| (DEFICIT) OF REVENUES<br>OVER EXPENDITURES | -           | (139,229)    | (139,229)   | -                       |
| OTHER FINANCING SOURCES (USES)             |             |              |             |                         |
| Transfer (out)                             | -           | (7,560)      | (7,560)     | -                       |
| Loan proceeds                              | -           | 16,487       | 16,487      | -                       |
| Total other financing sources (uses)       |             | 8,927        | 8,927       | -                       |
| NET CHANGE IN FUND BALANCE                 | \$ -        | \$ (130,302) | (130,302)   | \$ -                    |
| CORRECTION OF ACCOUNTING CLASSIFICATION    |             |              | 70,145      |                         |
| FUND BALANCES - BEGINNING                  |             |              | 32,733      |                         |
| FUND BALANCES - ENDING (DEFICIT)           |             |              | \$ (27,424) |                         |