

**FINANCIAL REPORT OF**  
**CITY OF HALLSVILLE**  
**HALLSVILLE, MISSOURI**  
**JUNE 30, 2025 AND 2024**



CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI

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CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Alderman  
City of Hallsville, Missouri

### Report on the Audit of the Financial Statements

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Columbia, MO 65201  
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#### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hallsville, Missouri, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hallsville, State of Missouri, as of June 30, 2025 and 2024, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Hallsville, 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 Matter -- Basis of Accounting

We draw attention to Note 1 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 the matter.

PARTNERS  
*Joseph E. Chitwood*  
*Travis W. Hundley*  
*Jeffrey A. Chitwood*  
*Amy L. Watson*  
*Benjamin E. Carrier*  
*Kaitlin M. Carrier*

PARTNERS EMERITI  
*Robert A. Gerding*  
*Fred W. Korte, Jr.*

### 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 1, and for 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.

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Hallsville, 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 Hallsville, 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.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hallsville, Missouri's basic financial statements. The budgetary comparison schedules and combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedules and combining non-major fund financial statements are presented on pages 27-33. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules and combining non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025 on our consideration of the City of Hallsville, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hallsville, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hallsville, Missouri's internal control over financial reporting and compliance.

December 9, 2025

*Gerding, Korte & Chitwood*

Gerding, Korte & Chitwood  
Certified Public Accountant  
Columbia, Missouri

**City of Hallsville, Missouri**  
**Statements of Net Position - Modified Cash Basis**  
**As of June 30, 2025 and 2024**

<b>2025</b>				
	<b>Primary Government</b>			<b>Component Unit</b>
	<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>	<b><u>Total</u></b>	<b><u>Grow Hallsville Parks Fd.</u></b>
<b>ASSETS</b>				
Cash	\$ 407,332	\$ 123,589	\$ 530,921	\$ 1,347
Investments	877,641	-	877,641	-
Restricted assets:				
Cash	-	58,229	58,229	-
Total assets	<u>\$ 1,284,973</u>	<u>\$ 181,818</u>	<u>\$ 1,466,791</u>	<u>\$ 1,347</u>
<b>NET POSITION</b>				
Restricted for:				
Water replacement	\$ -	\$ 23,374	\$ 23,374	\$ -
Meter deposits refundable	-	34,855	34,855	-
Unrestricted	1,284,973	123,589	1,408,562	1,347
Total net position	<u>\$ 1,284,973</u>	<u>\$ 181,818</u>	<u>\$ 1,466,791</u>	<u>\$ 1,347</u>
<b>2024</b>				
	<b>Primary Government</b>			<b>Component Unit</b>
	<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>	<b><u>Total</u></b>	<b><u>Grow Hallsville Parks Fd.</u></b>
<b>ASSETS</b>				
Cash	\$ 477,720	\$ 137,229	\$ 614,949	\$ 20,633
Investments	1,057,460	-	1,057,460	-
Restricted assets:				
Cash	86,736	40,496	127,232	-
Total assets	<u>\$ 1,621,916</u>	<u>\$ 177,725</u>	<u>\$ 1,799,641</u>	<u>\$ 20,633</u>
<b>NET POSITION</b>				
Restricted for:				
Water replacement	\$ -	\$ 1,395	\$ 1,395	\$ -
Meter deposits refundable	-	39,101	39,101	-
ARPA funds	86,736	-	86,736	-
Veterans Memorial	-	-	-	3,122
Unrestricted	1,535,180	137,229	1,672,409	17,511
Total net position	<u>\$ 1,621,916</u>	<u>\$ 177,725</u>	<u>\$ 1,799,641</u>	<u>\$ 20,633</u>

See Notes to Financial Statements

City of Hallsville, Missouri  
Statement of Activities - Modified Cash Basis  
For the Year Ended June 30, 2025

					Net (Expenditures) Revenue and Changes in Net Assets			
					Primary Government			Component Unit
		Charges for	Operating	Capital				
Functions/Programs	Expenditures	Services	Grants and	Grants and	Governmental	Business-type	Total	Grow Hallsville
Primary government			Contributions	Contributions	Activities	Activities		Parks Fd.
Governmental Activities								
Administration	\$ 940,927	\$ 23,995	\$ -	\$ 98,711	\$ (818,221)	\$ -	\$ (818,221)	\$ -
Public safety	359,275	68,400	7,881	-	(282,994)	-	(282,994)	-
Streets and roads	96,694	-	-	12,000	(84,694)	-	(84,694)	-
Community center	8,948	7,655	-	-	(1,293)	-	(1,293)	-
Park board	15,042	630	-	-	(14,412)	-	(14,412)	-
Historical society	2,181	-	-	-	(2,181)	-	(2,181)	-
Debt service:								
Principal	28,765	-	-	-	(28,765)	-	(28,765)	-
Interest	7,836	-	-	-	(7,836)	-	(7,836)	-
Total governmental activities	<u>\$ 1,459,668</u>	<u>\$ 100,680</u>	<u>\$ 7,881</u>	<u>\$ 110,711</u>	<u>\$ (1,240,396)</u>	<u>\$ -</u>	<u>\$ (1,240,396)</u>	<u>\$ -</u>
	-							
Business-type activities								
Water	\$ 393,365	\$ 366,049	\$ -	\$ 31,289	\$ -	\$ 3,973	\$ 3,973	\$ -
Solid waste	197,764	197,764	-	-	-	-	-	-
Total business-type activities	<u>\$ 591,129</u>	<u>\$ 563,813</u>	<u>\$ -</u>	<u>\$ 31,289</u>	<u>\$ -</u>	<u>\$ 3,973</u>	<u>\$ 3,973</u>	<u>\$ -</u>
Component Unit								
Grow Hallsville Parks Fd.	<u>\$ 21,706</u>	<u>\$ -</u>	<u>\$ 2,420</u>	<u>\$ -</u>				<u>\$ (19,286)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes					\$ 229,848	\$ -	\$ 229,848	\$ -
Sales taxes					360,509	-	360,509	-
Franchise taxes					139,070	-	139,070	-
Motor vehicle and gas taxes					90,943	-	90,943	-
Interest income					74,567	-	74,567	-
Miscellaneous					8,516	120	8,636	-
Total general revenues					<u>\$ 903,453</u>	<u>\$ 120</u>	<u>\$ 903,573</u>	<u>\$ -</u>
Change in net position					(336,943)	4,093	(332,850)	(19,286)
Net position, June 30, 2024					<u>1,621,916</u>	<u>177,725</u>	<u>1,799,641</u>	<u>20,633</u>
Net position, June 30, 2025					<u>\$ 1,284,973</u>	<u>\$ 181,818</u>	<u>\$ 1,466,791</u>	<u>\$ 1,347</u>

See Notes to Financial Statements



City of Hallsville, Missouri  
Statement of Activities - Modified Cash Basis  
For the Year Ended June 30, 2024

Functions/Programs	Expenditures	Program Revenue			Net (Expenditures) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental Activities								
Administration	\$ 492,891	\$ 29,942	\$ -	\$ -	\$ (462,919)	\$ -	\$ (462,919)	\$ -
Public safety	309,522	74,579	5,382	-	(229,561)	-	(229,561)	-
Streets and roads	60,790	-	-	-	(60,790)	-	(60,790)	-
Community center	6,991	4,125	-	-	(2,866)	-	(2,866)	-
Park board	14,792	300	20	-	(14,472)	-	(14,472)	-
Historical society	1,768	-	-	-	(1,768)	-	(1,768)	-
Total governmental activities	<u>\$ 886,754</u>	<u>\$ 108,946</u>	<u>\$ 5,402</u>	<u>\$ -</u>	<u>\$ (772,376)</u>	<u>\$ -</u>	<u>\$ (772,376)</u>	<u>\$ -</u>
Business-type activities								
Water	\$ 298,099	\$ 267,460	\$ -	\$ -	\$ -	\$ (30,639)	\$ (30,639)	\$ -
Solid waste	189,058	189,631	-	-	-	573	573	-
Total business-type activities	<u>\$ 487,157</u>	<u>\$ 457,091</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,066)</u>	<u>\$ (30,066)</u>	<u>\$ -</u>
<b>Component Unit</b>								
Grow Hallsville Parks Fd.	<u>\$ 252,107</u>	<u>\$ -</u>	<u>\$ 247,000</u>	<u>\$ -</u>				<u>\$ (5,107)</u>
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					\$ 215,347	\$ -	\$ 215,347	\$ -
Sales taxes					299,287	-	299,287	-
Franchise taxes					128,731	-	128,731	-
Motor vehicle and gas taxes					83,752	-	83,752	-
Interest income					82,086	-	82,086	-
Proceeds from loan					120,000	-	120,000	-
Miscellaneous					1,796	96	1,892	-
Loan to/(from)					(71,621)	-	(71,621)	71,621
Repayment/(proceeds received) of loan					71,621	-	71,621	(71,621)
Contribution to/(from)					(25,734)	-	(25,734)	25,734
Total general revenues					<u>\$ 905,265</u>	<u>\$ 96</u>	<u>\$ 905,361</u>	<u>\$ 25,734</u>
Change in net position					132,889	(29,970)	102,919	20,627
Net position, June 30, 2023					<u>1,489,027</u>	<u>207,695</u>	<u>1,696,722</u>	<u>6</u>
Net position, June 30, 2024					<u>\$ 1,621,916</u>	<u>\$ 177,725</u>	<u>\$ 1,799,641</u>	<u>\$ 20,633</u>

See Notes to Financial Statements

**City of Hallsville, Missouri  
Balance Sheets - Modified Cash Basis  
Governmental Funds  
As of June 30, 2025 and 2024**

<b>2025</b>						
	<b><u>General Fund</u></b>	<b><u>Public Safety Sales Tax</u></b>	<b><u>Road Grant Fund</u></b>	<b><u>Capital Improvement Sales Tax</u></b>	<b><u>Non-Major Funds</u></b>	<b><u>Total Governmental Funds</u></b>
ASSETS						
Cash and certificates of deposit	\$ 18,505	\$ 42,707	\$ 206,140	\$ 89,566	\$ 50,414	\$ 407,332
Restricted assets:						
Investments	877,641	-	-	-	-	877,641
Total assets	<u>\$ 896,146</u>	<u>\$ 42,707</u>	<u>\$ 206,140</u>	<u>\$ 89,566</u>	<u>\$ 50,414</u>	<u>\$ 1,284,973</u>
FUND BALANCES:						
Assigned	\$ 877,641	\$ 42,707	\$ 206,140	\$ 89,566	\$ 50,414	\$ 1,266,468
Unassigned	18,505	-	-	-	-	18,505
Total fund balances	<u>\$ 896,146</u>	<u>\$ 42,707</u>	<u>\$ 206,140</u>	<u>\$ 89,566</u>	<u>\$ 50,414</u>	<u>\$ 1,284,973</u>
<b>2024</b>						
	<b><u>General Fund</u></b>	<b><u>Public Safety Sales Tax</u></b>	<b><u>Road Grant Fund</u></b>	<b><u>Non-Major Funds</u></b>	<b><u>Total Governmental Funds</u></b>	
ASSETS						
Cash and certificates of deposit	\$ 80,097	\$ 46,688	\$ 190,496	\$ 247,175	\$ 564,456	
Restricted assets:						
Investments	1,057,460	-	-	-	1,057,460	
Total assets	<u>\$ 1,137,557</u>	<u>\$ 46,688</u>	<u>\$ 190,496</u>	<u>\$ 247,175</u>	<u>\$ 1,621,916</u>	
FUND BALANCES:						
Assigned	\$ 1,057,460	\$ 46,688	\$ 190,496	\$ 247,175	\$ 1,541,819	
Unassigned	80,097	-	-	-	80,097	
Total fund balances	<u>\$ 1,137,557</u>	<u>\$ 46,688</u>	<u>\$ 190,496</u>	<u>\$ 247,175</u>	<u>\$ 1,621,916</u>	

See Notes to Financial Statements

**City of Hallsville, Missouri**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Modified Cash Basis - Governmental Funds**  
**For the Year Ended June 30, 2025**

	<u>General</u> <u>Fund</u>	<u>Public</u> <u>Safety Sales</u> <u>Tax</u>	<u>Road Grant</u> <u>Fund</u>	<u>Capital</u> <u>Improvement</u> <u>Sales Tax</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES</b>						
Property taxes	\$ 161,966	\$ -	\$ 67,882	\$ -	\$ -	\$ 229,848
Sales taxes	138,428	135,564	-	69,214	17,302	360,508
Franchise taxes	139,070	-	-	-	-	139,070
Motor vehicle and gasoline taxes	90,943	-	-	-	-	90,943
Bonds, fees, fines and court costs	18,081	-	-	-	-	18,081
Charges for services	69,074	-	-	-	-	69,074
Rental income	13,525	-	-	-	-	13,525
Interest income	74,065	-	-	-	503	74,568
Grants	7,881	-	12,000	98,711	-	118,592
Miscellaneous	8,516	-	-	-	-	8,516
Total revenues	<u>721,549</u>	<u>135,564</u>	<u>79,882</u>	<u>167,925</u>	<u>17,805</u>	<u>1,122,725</u>
<b>EXPENDITURES</b>						
Administration	435,403	139,545	52,920	175,789	89,794	893,451
System improvements and repairs	-	-	11,318	16,271	7,472	35,061
Capital improvements	84,077	-	-	-	-	84,077
Public safety	359,275	-	-	-	-	359,275
Streets and roads	61,633	-	-	-	-	61,633
Community Center	8,948	-	-	-	-	8,948
Park board	15,042	-	-	-	-	15,042
Historical society	2,181	-	-	-	-	2,181
Total expenditures	<u>966,559</u>	<u>139,545</u>	<u>64,238</u>	<u>192,060</u>	<u>97,266</u>	<u>1,459,668</u>
Excess (deficiency) of revenues over expenditures	(245,010)	(3,981)	15,644	(24,135)	(79,461)	(336,943)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in/(out)	3,599	-	-	-	(3,599)	-
Fund balances - beginning	<u>1,137,557</u>	<u>46,688</u>	<u>190,496</u>	<u>113,701</u>	<u>133,474</u>	<u>1,621,916</u>
Fund balances - ending	<u>\$ 896,146</u>	<u>\$ 42,707</u>	<u>\$ 206,140</u>	<u>89,566</u>	<u>\$ 50,414</u>	<u>\$ 1,284,973</u>

See Notes to Financial Statements

**City of Hallsville, Missouri**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Modified Cash Basis - Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Public Safety Sales Tax</u>	<u>Road Grant Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Property taxes	\$ 158,362	\$ -	\$ 56,985	\$ -	\$ 215,347
Sales taxes	138,808	73,723	-	86,756	299,287
Franchise taxes	128,731	-	-	-	128,731
Motor vehicle and gasoline taxes	83,752	-	-	-	83,752
Bonds, fees, fines and court costs	10,001	-	-	-	10,001
Charges for services	77,758	-	-	-	77,758
Rental income	21,187	-	-	-	21,187
Interest income	80,873	-	-	1,213	82,086
Grants	5,402	-	-	-	5,402
Miscellaneous	1,796	-	-	-	1,796
Total revenues	<u>706,670</u>	<u>73,723</u>	<u>56,985</u>	<u>87,969</u>	<u>925,347</u>
<b>EXPENDITURES</b>					
Administration	242,052	147,035	27,947	32,061	449,095
System improvements and repairs	-	-	-	40,589	40,589
Public safety	312,699	-	-	-	312,699
Streets and roads	60,790	-	-	-	60,790
Community Center	6,991	-	-	-	6,991
Park board	14,792	-	-	-	14,792
Historical society	1,768	-	-	-	1,768
Total expenditures	<u>639,092</u>	<u>147,035</u>	<u>27,947</u>	<u>72,650</u>	<u>886,724</u>
Excess (deficiency) of revenues over expenditures	<u>67,578</u>	<u>(73,312)</u>	<u>29,038</u>	<u>15,319</u>	<u>38,623</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from loan	-	120,000	-	-	120,000
Loan to Grow Hallsville Parks Foundation	-	-	-	(71,621)	(71,621)
Repayment of loan from Grow Hallsville Parks Foundation	-	-	-	71,621	71,621
Contribution to Grow Hallsville Parks Foundation	-	-	-	(25,734)	(25,734)
Fund balances - beginning	<u>1,069,979</u>	<u>-</u>	<u>161,458</u>	<u>257,590</u>	<u>1,489,027</u>
Fund balances - ending	<u>\$ 1,137,557</u>	<u>\$ 46,688</u>	<u>\$ 190,496</u>	<u>\$ 247,175</u>	<u>\$ 1,621,916</u>

See Notes to Financial Statements

**City of Hallsville, Missouri**  
**Statements of Net Position - Modified Cash Basis**  
**Proprietary Funds**  
**As of June 30, 2025 and 2024**

<b>2025</b>			
<b>Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 69,964	\$ 53,625	\$ 123,589
Restricted Cash	58,229	-	58,229
Total assets	<u>\$ 128,193</u>	<u>\$ 53,625</u>	<u>\$ 181,818</u>
<b>NET POSITION</b>			
Restricted	\$ 58,229	\$ -	\$ 58,229
Unrestricted	69,964	53,625	123,589
Total net assets	<u>\$ 128,193</u>	<u>\$ 53,625</u>	<u>\$ 181,818</u>
<b>2024</b>			
<b>Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 83,604	\$ 53,625	\$ 137,229
Restricted Cash	40,496	-	40,496
Total assets	<u>\$ 124,100</u>	<u>\$ 53,625</u>	<u>\$ 177,725</u>
<b>NET POSITION</b>			
Restricted	\$ 40,496	\$ -	\$ 40,496
Unrestricted	83,604	53,625	137,229
Total net assets	<u>\$ 124,100</u>	<u>\$ 53,625</u>	<u>\$ 177,725</u>

See Notes to Financial Statements

**City of Hallsville, Missouri**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Modified Cash Basis - Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Charges for services			
Water	\$ 366,049	\$ -	\$ 366,049
Trash	-	197,764	197,764
Total operating revenues	<u>366,049</u>	<u>197,764</u>	<u>563,813</u>
<b>OPERATING EXPENSES</b>			
Salaries and payroll taxes	181,805	42,855	224,660
Trash hauling	-	148,391	148,391
Trash maintenance	-	-	-
Water purchase	132,594	-	132,594
Water maintenance	5,208	-	5,208
Administration/general	73,759	6,518	80,277
Total Operating Expenses	<u>393,366</u>	<u>197,764</u>	<u>591,130</u>
Operating (loss)	<u>(27,317)</u>	<u>-</u>	<u>(27,317)</u>
<b>NON-OPERATING REVENUES</b>			
Miscellaneous revenue	121	-	121
Grants	31,289	-	31,289
Total non-operating revenue	<u>31,410</u>	<u>-</u>	<u>31,410</u>
Change in net position	4,093	-	4,093
Net position beginning of year	124,100	53,625	177,725
Net position end of year	<u>\$ 128,193</u>	<u>\$ 53,625</u>	<u>\$ 181,818</u>

See Notes to Financial Statements

**City of Hallsville, Missouri**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Modified Cash Basis - Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Charges for services			
Water	\$ 267,460	\$ -	\$ 267,460
Trash	-	189,631	189,631
Total operating revenues	<u>267,460</u>	<u>189,631</u>	<u>457,091</u>
<b>OPERATING EXPENSES</b>			
Salaries and payroll taxes	118,359	41,484	159,843
Trash hauling	-	141,432	141,432
Trash maintenance	-	717	717
Water purchase	113,179	-	113,179
Water maintenance	34,164	-	34,164
Administration/general	32,397	5,425	37,822
Total Operating Expenses	<u>298,099</u>	<u>189,058</u>	<u>487,157</u>
Operating income (loss)	<u>(30,639)</u>	<u>573</u>	<u>(30,066)</u>
<b>NON-OPERATING REVENUES</b>			
Miscellaneous revenue	96	-	96
Total non-operating revenue	<u>96</u>	<u>-</u>	<u>96</u>
Change in net position	(30,543)	573	(29,970)
Net position beginning of year	154,643	53,052	207,695
Net position end of year	<u>\$ 124,100</u>	<u>\$ 53,625</u>	<u>\$ 177,725</u>

See Notes to Financial Statements

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Financial Reporting Entity

*Primary Government:*

The accompanying financial statements present the activity of the City of Hallsville. The City of Hallsville, Missouri, (the “City”) is a general purpose local government that is incorporated as a fourth-class city located in Boone County, Missouri. The City operates under a Mayor/Board of Aldermen form of government under the laws of the state and is exempt from federal and state income taxes as a political subdivision of the state of Missouri. The City is not a component unit of any other governmental entity. The City operates the general government activities of the community, including police protection, water and sewer maintenance, street and road maintenance, parks and other culture and recreation, and various administrative functions.

*Component Unit:*

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and (a) the City is able to significantly influence the programs or services performed or provided by the organization; or (b) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City is not a component unit of another reporting entity.

*Discretely presented component unit:* Grow Hallsville Parks Foundation (the “Foundation”) provides program grants to the City from funds raised through its own fundraising efforts. Modified cash basis accounting provides guidance to determine whether certain organizations for which the City is not financially accountable should be reported as a component unit based on the nature and significance of the relationship. The City has determined that the Foundation meets this definition for inclusion in the City’s financial statements as a component unit.

The Foundation is a legally separate nonprofit organization and prepares its financial statements in conformity with the modified cash basis of accounting. The Foundation’s fiscal year ends on June 30, and the accompanying financial statements include financial information for its fiscal years ended June 30, 2025 and 2024. Complete financial statements for the Foundation can be obtained from the Foundation’s treasurer, 202 Hwy 124 East, Hallsville, MO 65255.



CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

Measurement Focus and Basis of Accounting

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.

Measurement Focus

In the government-wide Statements of Net Position and Statements 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.

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 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), and financial position. All assets associated with their activities are reported within the limitations of the modified cash basis of accounting.

Basis of Accounting

As discussed further in Note 1, these financial statements are presented 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 (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements 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.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

The 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 accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the City utilized the basis of accounting recognized as generally accepted in the United States, 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 on the accrual basis of accounting.

Basis of Presentation

**Government-Wide Financial Statements:**

The Statements of Net Position and Statements 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. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed, in whole or in part, by fees charged to external parties for goods or services.

The Statements of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines and charges paid by recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**Fund Financial Statements:**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate reporting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, net position or fund balance, revenues, and expenditures within the limitations of the modified cash basis of accounting. The City's funds are organized into two major categories: governmental and proprietary. The City 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, revenues, expenditures or expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. Total assets, 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 below:

**Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may, or must, be used. Current liabilities (if any) are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

The General Fund includes the activities related to administration as well as the police department and for the repair, maintenance, and improvement of streets. The General Fund also includes the activities related to the Community Center, Park Board, and Court Education.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

*Special Revenue Funds:* Special Revenue Funds are used to account for and report the proceeds of the specific revenue sources that are legally restricted to expenditures for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue funds that are reported as major funds for the year ended June 30, 2025:

*Road Grant Fund:* Accounts for revenues received and expenditures paid for the upkeep of roads.

*Public Safety Sales Tax Fund:* Accounts for revenues received and expenditures paid for public safety.

*Capital Improvement Sales Tax Fund:* Accounts for revenues received and expenditures paid for capital improvements.

For the year ended June 30, 2024, the reporting entity included the *Road Grant Fund* and *Public Safety Sales Tax Fund* as major funds.

The reporting entity includes the following special revenue funds that are reported as non-major funds for the year ended June 30, 2025:

*Park Sales Tax Fund:* Accounts for revenues received and expenditures paid for local parks.

*Storm Water Sales Tax Fund:* Accounts for revenues received and expenditures paid for storm water control.

*ARPA Fund:* Accounts for revenues received and expenditures paid for American Rescue Plan Act funds.

For the year ended June 30, 2024, the reporting entity included the *Park Sales Tax Fund*, *Capital Improvement Sales Tax Fund*, *Storm Water Sales Tax Fund* and *ARPA Fund* as non-major funds.

**Proprietary Funds**

*Enterprise Funds:* Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The City's Water Fund, Solid Waste Fund, and Sewer Operation and Maintenance Fund operate as enterprise funds that are reported as a major proprietary fund. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

Cash and Investments

For the purpose of financial reporting, cash includes all demand and savings accounts, money market accounts, and short-term investments with an original maturity of three months or less.

At June 30, 2025 and 2024, the City has a checking account and a money market account. Details of cash balances are presented in Note 3 to the financial statements. Petty cash of \$200 is also included in the cash balance. Investments of the pooled accounts consist primarily of money market accounts. Interest income earned is allocated to contributing funds based on cash and temporary investments balances.

Capital Assets

Capital outlays are charged to expenditures as they are paid. Capital outlays represent the cost of property, plant, and equipment.

Long-Term Debt

Long-term debt arising from modified cash basis transactions to be repaid from governmental and business-type resources is not reported as a liability in the fund financial statements but is reported as restricted net position in the government-wide statements. The City did not have long-term debt at June 30, 2025 and 2024.

Net Position and Fund Balance Classifications

**Government-Wide Statements:**

Net position is classified and displayed in two components:

*Restricted:* Consists of restricted 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.

*Unrestricted:* Net amount of assets that are not included in the determination of net investment in capital assets or the restricted component of net position.

The City does not capitalize its capital assets and, therefore, does not display net position into net investment in capital assets.

The amounts reported as restricted net position are composed of amounts held for water meter deposits (refunded upon termination of service or applied to final bill).

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

It is the City's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

**Fund Financial Statements:**

The intention of GASB 54 is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the City's financial statement. The reporting standard establishes a hierarchy for fund balance classification and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances, which are non-spendable and spendable.

Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. The City has no non-spendable fund balances.

GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints. Governmental fund equity is classified as fund balance with further classifications of restricted, committed, assigned, or unassigned based on the respective level of constraint.

- *Restricted Fund Balance:* Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance:* Represent amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority should be reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (legislation, resolution, ordinance) it employed to previously commit those amounts.
- *Assigned Fund Balance:* Represent amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed.
- *Unassigned Fund Balance:* Unassigned fund balance is the residual classification for the general fund. The classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

At June 30, 2025 and 2024, the City had a restricted fund balance in the business-type activities, for water replacements and for meter deposits refundable. The City had a restricted fund balance in the governmental activities for ARPA funds as of June 30, 2024.

Revenues and Expenditures

*Program Revenues:* In the Statements 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:

*Administration:* Intergovernmental revenues, charges for services, and bonds, fees, fines and court costs.

*Police:* Intergovernmental revenues and grants.

*Public Works:* Intergovernmental revenues.

*Capital Outlay:* Intergovernmental revenues from Boone County.

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

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

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a governmental unit, the City is subject to various federal, state, and local laws and contractual regulations. The City had no noncompliance issues material to the financial statements.

*Publication of Financial Statements:* For the years ended June 30, 2025 and 2024, the City of Hallsville published its semi-annual financial statements in a local newspaper in accordance with applicable state law.

*Insured and Collateralized Deposits:* In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U. S. Government or Government Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

Missouri statutes also require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2025 and 2024, the City's bank deposits held by its funds were entirely insured and collateralized.

*Budgetary Compliance:* The City of Hallsville's Board of Aldermen is responsible for preparation and approval of the City's budget in accordance with RSMo, Section 67.010. The Board holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimates must be changed by an affirmative vote of a majority of the Board. The lowest level at which appropriations are adopted is the Board.

Expenditures may not legally exceed budgeted appropriations at the fund level. The Board must approve any revisions that alter the total appropriated expenditures. The Board of Aldermen approved the fiscal year 2025 budget document in the June 2024 board meeting. The Board of Aldermen approved the fiscal year 2024 budget document in the June 2023 board meeting.

On June 9, 2025, the Board of Aldermen approved the 2025-2026 (FY 26) budget. At the July 14, 2025 meeting, the Board of Aldermen also approved amending any expenditure line items in the 2024-2025 budget where actual amounts exceeded budgeted amounts.

On June 10, 2024, the Board of Aldermen approved the 2024-2025 (FY 25) budget. At the July 8, 2024 meeting, the Board of Aldermen also approved amending any expenditure line items in the 2023-2024 budget where actual amounts exceeded budgeted amounts.

**NOTE 3: DEPOSITS AND INVESTMENTS**

**Deposits:**

At June 30, 2025, the carrying value of the City's deposits was \$589,150, and the bank balance was \$609,534. At June 30, 2024, the carrying value of the City's deposits was \$742,181, and the bank balance was \$770,159.

In accordance with state law, funds in the form of cash on deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the City's name at third-party banking institutions. Acceptable collateral includes certain U.S. Government or government Agency securities, certain State or political subdivision debt obligations, surety bonds, or certain letters of credit. At June 30, 2025 and 2024, all the City's deposits were adequately secured with acceptable collateral.



CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

**Investments:**

The City may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities; obligations guaranteed by the full faith and credit of the state of Missouri; repurchase agreement, certificates of deposit; bankers' acceptances; and commercial paper. The Missouri Securities Investment Program also operate under state law. Details of investment balances are presented in Note 3 to the financial statements.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At June 30, 2025 and 2024, the City was not exposed to interest rate risk.

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Missouri Securities Investment Program (MOSIP) is rated AAA by Standard & Poor's. At June 30, 2025 and 2024, the City was not exposed to credit risk.

*Concentration of Credit Risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2025 and 2024 the City was not exposed to credit risk concentration.

*Custodial Credit Risk – deposits:* Custodial credit risk is the risk that, in the event of a depositor financial institution failure, the City will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

The City's total deposits at June 30, 2025 and 2024, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the City's custodial banks in the City's name.

*Custodial Credit Risk – investments:* For an investment, this is the risk that, in the event the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City categorizes its fair value measurements in accordance with Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

As of June 30, 2025 and 2024, the City had the following deposits and investments:

<u>Investment Type</u>	<u>Carrying Value</u>	
	<u>2025</u>	<u>2024</u>
MOSIP external investment pool (Level 1)	\$ 877,641	\$ 1,057,460
Total investments	877,641	1,057,460
Deposits	589,150	742,181
Total investments and deposits	<u>\$ 1,466,791</u>	<u>\$ 1,799,641</u>

Discretely Presented Component Unit

The Foundation's deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2025 and 2024, the Foundation's deposits were fully covered by FDIC. The Foundation did not have any investments as of June 30, 2025 and 2024.

**NOTE 4: LONG-TERM DEBT**

The reporting entity's long-term debt arising from modified cash transactions is reported as amounts to be repaid from business-type activities as follows:

*Refundable Deposits:* Refundable deposits reported as restricted assets within the Statement of Net Position are composed of Water Meter Deposits – Refundable in the amount of \$34,855 at June 30, 2025 and in the amount of \$39,101 at June 30, 2024.

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property.

The State Constitution also permits a city, by vote of two-thirds of the voting electorate, to incur additional assessed value of taxable tangible property, for the purpose of acquiring right-of-way, constructing, extending and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric or other light and plants, provided that the total general obligation indebtedness of the city does not exceed 20% of the assessed valuation of taxable property.

At June 30, 2025, based on the total assessed valuation as of December 31, 2024, of \$30,766,935 the constitutional general obligation debt limit was \$6,153,387.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 4: LONG-TERM DEBT (Continued)**

At June 30, 2024, based on the total assessed valuation as of December 31, 2023, of \$29,824,236 the constitutional general obligation debt limit was \$5,964,847.

**NOTE 5: LEASES**

The City has entered into agreements with its local bank facility for lease for two patrol cars. The lease expense was \$36,601 for the year ended June 30, 2025. There was no lease expense paid for the year ended **June 30, 2024**. Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 22,635	\$ 6,130	\$ 28,765
2027	24,033	4,732	28,765
2028	25,517	3,248	28,765
2029	27,089	1,677	28,766
Total	<u>\$ 99,274</u>	<u>\$ 15,787</u>	<u>\$ 115,061</u>

**NOTE 6: RETIREMENT PLAN**

The City participates in a cost-sharing retirement plan (Section 457(b)) on behalf of its employees. The City contributes four percent of each employee's gross pay each pay period, while employees are required to contribute 1 percent and may elect to contribute additional amounts. During the years ended June 30, 2025 and 2024, the City contributed \$9,191 and \$7,309, respectively, to this retirement plan.

On April 14, 2025, the City elected to become a participating employer in the Missouri Local Government Employees Retirement System (LAGERS), effective July 1, 2025. As part of the enrollment process, LAGERS determined an initial unfunded actuarial accrued liability (UAAL) related to prior service credits for the General and Police employee groups. On April 21, 2025, the City made a lump-sum cash payment of \$230,207 to LAGERS to pre-fund this initial UAAL. Because the City had not yet joined the plan, this payment represents a pre-funding of the City's future pension obligation and, under the modified cash basis of accounting, was recognized when disbursed. Beginning July 1, 2025, the City will contribute four percent of each employee's gross pay to LAGERS each pay period.

**NOTE 7: TAXES**

The City's *ad valorem* property tax is levied in August by the City's Board of Aldermen on the assessed value listed as of the prior January 1 for all real and personal property located in the City of Hallsville in Boone County. The Boone County Collector collects the property taxes and disburses the tax monies to the City. The City receives its property taxes monthly from the County Collector.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 7: TAXES (Continued)**

The assessed valuation of the tangible property in the City of Hallsville in Boone County for the year 2024 for purposes of local taxation was \$30,766,935 as provided by Boone County. The tax levy per \$100 of the assessed valuation of tangible property for the year 2024 for purposes of local taxation was \$0.5310 for the General tax levy and \$0 for the Debt Service tax levy, or a total of \$0.5310.

The assessed valuation of the tangible property in the City of Hallsville in Boone County for the year 2023 for purposes of local taxation was \$29,824,236 as provided by Boone County. The tax levy per \$100 of the assessed valuation of tangible property for the year 2023 for purposes of local taxation was \$0.5250 for the General tax levy and \$0 for the Debt Service tax levy, or a total of \$0.5250.

**NOTE 8: FINES**

Fines and penalties revenues as shown in the Statements of Revenues Collected, Expenditures Paid, and Changes in Fund Balances – Modified Cash Basis for the years ended June 30, 2025 and 2024, was \$17,581 and \$9,501, respectively, which is 2% of general fund revenue for 2025 and 1% of general funds revenue for 2024.

**NOTE 9: INTERFUND TRANSFERS**

Interfund transfers during the periods ended June 30, 2025 and 2024 were as follows:

	2025	2024
	Transfers	Transfers
	In/(Out)	In/(Out)
General Fund	\$ 3,599	\$ -
ARPA Fund	(3,599)	-
Total	\$ -	\$ -

Amounts were transferred from the General Fund to the ARPA Fund for system improvements.

**NOTE 10: RISK MANAGEMENT**

The City carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts, theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life.

CITY OF HALLSVILLE  
HALLSVILLE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

**NOTE 10: RISK MANAGEMENT (Continued)**

The City is a participant in the Missouri Public Entity Risk Management Fund (MoPERM), a body corporate and politic created and governed by Sections 537.700-537.756, RSMo. The purpose of the fund is to provide liability protection to participating public entities and their officials and employees. Annual contributions are collected based on actuarial projections sufficient to pay losses and expenses.

Should contributions not be sufficient to meet the fund's obligations, the fund's board can make special assessments. Participants are jointly and severally liable for all claims against the fund. City management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three years.

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

The City renewed its contract on October 16, 2023, for an initial 3-year term and another successive 3-year term until a party terminates the contract with the Public Water Supply District Number 4 for the purchase of water by the City.

**NOTE 12: SUBSEQUENT EVENT**

Subsequent events have been evaluated through December 9, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY  
INFORMATION

**City of Hallsville, Missouri**  
**Budgetary Comparison Schedule**  
**Modified Cash Basis - General Fund**  
**For the years ended June 30, 2025 and 2024**

	2025				2024			
	Budget		Actual	Variance with Final Budget	Budget		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES</b>								
Property Taxes	\$ 163,515	\$ 163,515	\$ 161,966	\$ (1,549)	\$ 142,470	\$ 142,470	\$ 158,362	\$ 15,892
Sales taxes	135,900	135,900	138,428	2,528	130,000	130,000	138,808	8,808
Franchise taxes	143,835	143,835	139,070	(4,765)	141,715	141,715	128,731	(12,984)
Motor vehicle and gasoline taxes	84,600	84,600	90,943	6,343	78,535	78,535	83,752	5,217
Bonds, fees, fines and court costs	20,500	20,500	18,081	(2,419)	20,500	20,500	10,001	(10,499)
Rental income	23,710	23,710	13,525	(10,185)	22,010	22,010	21,187	(823)
Charges for services	65,767	65,767	69,074	3,307	74,942	74,942	77,758	2,816
Interest income	78,000	78,000	74,065	(3,935)	69,400	69,400	80,873	11,473
Grants	7,500	7,500	7,881	381	7,500	7,500	5,402	(2,098)
Miscellaneous	8,921	8,921	8,516	(405)	1,150	1,150	1,796	646
Total revenues	732,248	732,248	721,549	(10,699)	688,222	688,222	706,670	18,448
<b>EXPENDITURES</b>								
Personnel Services								
Salaries	359,736	359,736	367,422	(7,686)	315,850	315,850	289,739	26,111
Insurance - health	16,407	16,407	22,599	(6,192)	11,028	17,339	17,339	-
Payroll taxes	27,520	27,520	28,406	(886)	24,025	24,025	23,162	863
Retirement	7,923	7,923	237,819	(229,896)	16,637	16,637	6,029	10,608
Training, travel, and mileage	8,000	8,000	3,900	4,100	3,000	4,236	4,236	-
Insurance	44,648	44,648	65,369	(20,721)	44,640	48,596	48,596	-
Maintenance	88,625	88,625	81,404	7,221	103,369	115,137	115,137	-
Service								
Professional services	74,000	80,200	81,673	(1,473)	57,875	61,634	61,634	-
Dues and memberships	1,595	1,595	3,706	(2,111)	2,520	2,520	1,720	800
Advertising	4,500	4,500	2,322	2,178	1,250	5,095	5,095	-
Election costs	1,700	1,700	4,704	(3,004)	1,200	1,957	1,957	-
Utilities	58,174	58,174	62,546	(4,372)	57,423	59,218	59,218	-
Miscellaneous	2,600	2,600	4,689	(2,089)	2,500	5,230	5,230	-
Total Expenditures	695,428	701,628	966,559	(264,931)	641,317	677,474	639,092	38,382
Excess (deficiency) of revenues over expenditures	36,820	30,620	(245,010)	(275,630)	46,905	10,748	67,578	56,830
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in/(out)	20,000	20,000	3,599	(16,401)	-	-	-	-
Fund balances - beginning	1,137,557	1,137,557	1,137,557	-	1,069,979	1,069,979	1,069,979	-
Fund balances - ending	\$ 1,194,377	\$ 1,188,177	\$ 896,146	\$ (292,031)	\$ 1,116,884	\$ 1,080,727	\$ 1,137,557	\$ 56,830

**City of Hallsville, Missouri**  
**Budgetary Comparison Schedule**  
**Modified Cash Basis - Public Safety Sales Tax**  
**For the years ended June 30, 2025 and 2024**

	2025				2024			
	Budget		Actual	Variance with Final Budget	Budget		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES</b>								
Sales Taxes	\$ 135,900	\$ 135,900	\$ 135,564	\$ (336)	\$ 80,000	\$ 80,000	\$ 73,723	\$ (6,277)
Total revenues	135,900	135,900	135,564	(336)	80,000	80,000	73,723	(6,277)
<b>EXPENDITURES</b>								
Personnel Services								
Salaries	72,800	72,800	62,196	10,604	26,723	-	-	-
Insurance - health	5,765	5,765	5,084	681	2,521	-	-	-
Payroll taxes	5,569	5,569	5,804	(235)	2,045	-	-	-
Maintenance	23,000	23,000	29,860	(6,860)	14,055	147,035	147,035	-
Debt Service	28,766	28,766	36,601	(7,835)	-	-	-	-
Total Expenditures	135,900	135,900	139,545	(3,645)	45,344	147,035	147,035	-
Excess (deficiency) of revenues over expenditures	-	-	(3,981)	(3,981)	34,656	(67,035)	(73,312)	(6,277)
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from loan	-	-	-	-	-	-	120,000	(120,000)
Fund balances - beginning	46,688	46,688	46,688	-	-	-	-	-
Fund balances - ending	<u>\$ 46,688</u>	<u>\$ 46,688</u>	<u>\$ 42,707</u>	<u>\$ (3,981)</u>	<u>\$ 34,656</u>	<u>\$ (67,035)</u>	<u>\$ 46,688</u>	<u>\$ (126,277)</u>



**City of Hallsville, Missouri**  
**Budgetary Comparison Schedule**  
**Modified Cash Basis - Capital Improvement Sales Tax Fund**  
**For the years ended June 30, 2025 and 2024**

	2025				2024			
	Budget		Actual	Variance with Final Budget	Budget		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES</b>								
Property Taxes	\$ 67,950	\$ 67,950	\$ 69,214	\$ 1,264	\$ 65,000	\$ 65,000	\$ 69,404	\$ 4,404
Grants	-	98,711	98,711	-	-	-	-	-
Total revenues	<u>67,950</u>	<u>166,661</u>	<u>167,925</u>	<u>1,264</u>	<u>65,000</u>	<u>65,000</u>	<u>69,404</u>	<u>4,404</u>
<b>EXPENDITURES</b>								
Equipment, vehicle purchases, fees	\$ 59,937	\$ 161,148	\$ 192,058	\$ (30,910)	\$ 39,000	\$ 42,496	\$ 27,817	\$ 14,679
Total Expenditures	<u>59,937</u>	<u>161,148</u>	<u>192,058</u>	<u>(30,910)</u>	<u>39,000</u>	<u>42,496</u>	<u>27,817</u>	<u>14,679</u>
Excess (deficiency) of revenues over expenditures	8,013	5,513	(24,133)	(29,646)	26,000	22,504	41,587	19,083
Fund balances - beginning	<u>113,699</u>	<u>113,699</u>	<u>113,699</u>	<u>-</u>	<u>72,112</u>	<u>72,112</u>	<u>72,112</u>	<u>-</u>
Fund balances - ending	<u>\$ 121,712</u>	<u>\$ 119,212</u>	<u>\$ 89,566</u>	<u>\$ (29,646)</u>	<u>\$ 98,112</u>	<u>\$ 94,616</u>	<u>\$ 113,699</u>	<u>\$ 19,083</u>

**City of Hallsville, Missouri**  
**Budgetary Comparison Schedule**  
**Modified Cash Basis - Road Grant Fund**  
**For the years ended June 30, 2025 and 2024**

	2025				2024			
	Budget			Variance with	Budget			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>REVENUES</b>								
Property Taxes	\$ 56,990	\$ 56,990	\$ 79,882	\$ 22,892	\$ 58,009	\$ 58,009	\$ 56,985	\$ (1,024)
Total revenues	56,990	56,990	79,882	22,892	58,009	58,009	56,985	(1,024)
<b>EXPENDITURES</b>								
Maintenance	\$ 20,875	\$ 20,875	\$ 23,406	\$ (2,531)	\$ 13,500	\$ 13,500	\$ 640	\$ 12,860
Street improvement	22,950	22,950	40,832	(17,882)	32,500	32,500	27,307	5,193
Total Expenditures	43,825	43,825	64,238	(20,413.00)	46,000	46,000	27,947	18,053
Excess (deficiency) of revenues over expenditures	13,165	13,165	15,644	2,479	12,009	12,009	29,038	17,029
Fund balances - beginning	190,496	190,496	190,496	-	161,458	161,458	161,458	-
Fund balances - ending	<u>\$ 203,661</u>	<u>\$ 203,661</u>	<u>\$ 206,140</u>	<u>\$ 2,479</u>	<u>\$ 173,467</u>	<u>\$ 173,467</u>	<u>\$ 190,496</u>	<u>\$ 17,029</u>

**City of Hallsville, Missouri**  
**Combining Balance Sheets - Modified Cash Basis**  
**Non-Major Governmental Funds**  
**As of June 30, 2025 and 2024**

<b>2025</b>			
<b>Special Revenue Funds</b>			<b><u>Total Non-Major Governmental Funds</u></b>
<b><u>Park Sales Tax Fund</u></b>	<b><u>Storm Water Sales Tax Fund</u></b>		
<b>ASSETS</b>			
Cash	\$ (361)	\$ 50,775	\$ 50,414
Total assets	<u>\$ (361)</u>	<u>\$ 50,775</u>	<u>\$ 50,414</u>
<b>FUND BALANCES</b>			
Assigned	\$ (361)	\$ 50,775	\$ 50,414
Total fund balances	<u>\$ (361)</u>	<u>\$ 50,775</u>	<u>\$ 50,414</u>

<b>2024</b>				
<b>Special Revenue Funds</b>				<b><u>Total Non-Major Governmental Funds</u></b>
<b><u>Park Sales Tax Fund</u></b>	<b><u>Capital Improvement Sales Tax Fund</u></b>	<b><u>Storm Water Sales Tax Fund</u></b>	<b><u>ARPA Fund</u></b>	
<b>ASSETS</b>				
Cash	\$ 4,616	\$ 113,699	\$ 42,124	\$ 86,736
Total assets	<u>\$ 4,616</u>	<u>\$ 113,699</u>	<u>\$ 42,124</u>	<u>\$ 86,736</u>
<b>FUND BALANCES</b>				
Restricted	\$ -	\$ -	\$ -	\$ 86,736
Assigned	4,616	113,699	42,124	-
Total fund balances	<u>\$ 4,616</u>	<u>\$ 113,699</u>	<u>\$ 42,124</u>	<u>\$ 86,736</u>

**City of Hallsville, Missouri**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2025**

	<b>Special Revenue Fund</b>			<b><u>Total Non-Major Governmental Funds</u></b>
	<b><u>Park Sales Tax Fund</u></b>	<b><u>Storm Water Sales Tax Fund</u></b>	<b><u>ARPA Fund</u></b>	
<b>REVENUES</b>				
Sales taxes	\$ 8,651	\$ 8,651	\$ -	\$ 17,302
Interest income	-	-	503	503
Total revenues	<u>8,651</u>	<u>8,651</u>	<u>503</u>	<u>17,805</u>
<b>EXPENDITURES</b>				
Administration	7,065	-	82,729	89,794
System improvements and repairs	<u>6,562</u>	<u>-</u>	<u>910</u>	<u>7,472</u>
Total expenditures	<u>13,627</u>	<u>-</u>	<u>83,639</u>	<u>97,266</u>
Excess (deficiency) of revenues over expenditures	(4,976)	8,651	(83,136)	(79,461)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in/(out)	-	-	(3,599)	(3,599)
Fund balances - beginning	<u>4,615</u>	<u>42,124</u>	<u>86,735</u>	<u>133,474</u>
Fund balances - ending	<u><u>\$ (361)</u></u>	<u><u>\$ 50,775</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,414</u></u>

**City of Hallsville, Missouri**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>Special Revenue Fund</u>				<u>Total Non-Major Governmental Funds</u>
	<u>Park Sales Tax Fund</u>	<u>Capital Improvement Sales Tax Fund</u>	<u>Storm Water Sales Tax Fund</u>	<u>ARPA Fund</u>	
<b>REVENUES</b>					
Sales taxes	\$ 8,676	\$ 69,404	\$ 8,676	\$ -	\$ 86,756
Interest income	-	-	-	1,213	1,213
Total revenues	<u>8,676</u>	<u>69,404</u>	<u>8,676</u>	<u>1,213</u>	<u>87,969</u>
<b>EXPENDITURES</b>					
Administration	6,214	25,817	-	30	32,061
System improvements and repairs	-	2,000	-	38,589	40,589
Total expenditures	<u>6,214</u>	<u>27,817</u>	<u>-</u>	<u>38,619</u>	<u>72,650</u>
Excess (deficiency) of revenues over expenditures	2,462	41,587	8,676	(37,406)	15,319
<b>OTHER FINANCING SOURCES (USES)</b>					
Loan to Grow Hallsville Parks Foundation	-	-	-	(71,621)	(71,621)
Repayment of loan from Grow Hallsville Parks Foundation	-	-	-	71,621	71,621
Contribution to Grow Hallsville Parks Foundation	-	-	-	(25,734)	(25,734)
Fund balances - beginning	<u>2,154</u>	<u>72,112</u>	<u>33,448</u>	<u>149,876</u>	<u>257,590</u>
Fund balances - ending	<u>\$ 4,616</u>	<u>\$ 113,699</u>	<u>\$ 42,124</u>	<u>\$ 86,736</u>	<u>\$ 247,175</u>

COMPLIANCE  
AND  
INTERNAL CONTROL

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Alderman  
City of Hallsville, Missouri

20 South Fifth Street  
Columbia, MO 65201  
(573) 449-1599  
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We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hallsville, Missouri as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Hallsville, Missouri's basic financial statements and have issued our report thereon dated December 9, 2025.

PARTNERS

Joseph E. Chitwood  
Travis W. Hundley  
Jeffrey A. Chitwood  
Amy L. Watson  
Benjamin E. Carrier  
Kaitlin M. Carrier

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Hallsville, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Hallsville, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hallsville, Missouri's internal control.

PARTNERS EMERITI

Robert A. Gerding  
Fred W. Korte, Jr.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2025-001 that we consider to be a significant deficiency.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hallsville, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### City of Hallsville, Missouri's Response to Findings

The City of Hallsville, Missouri's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Response. The City of Hallsville, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

#### Purpose of this Report

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

December 9, 2025



Gerding, Korte and Chitwood  
Certified Public Accountants  
Columbia, Missouri



CITY OF HALLSVILLE, MISSOURI  
SCHEDULE OF FINDING AND RESPONSE

**SECTION I: SIGNIFICANT DEFICIENCIES**

Finding 2025-001: Significant Deficiency - Lack of Required Dual Signatures on Disbursements

*Condition:* During our testing of cash disbursements, we identified multiple checks that did not contain the required dual signatures as outlined in the City of Hallsville, Missouri's (the "City") policies and procedures. The dual-signature requirement is an established internal control designed to ensure proper authorization and oversight of disbursements. The absence of one of the required signatures represents a deviation from the City's internal control policies.

*Criteria:* The City's written policies and procedures require that all disbursements made by check contain two authorized signatures.

*Cause:* Management indicated that the missing second signature resulted from oversight during the check issuance process.

*Effect:* Without adherence to the dual-signature requirement, there is an increased risk that unauthorized, unapproved, or improper disbursements could occur and not be detected in a timely manner.

*Recommendation:* We recommend the City reinforce adherence to its dual-signature requirement by reviewing current procedures, providing refresher training to staff involved in the disbursement process, and implementing monitoring controls to ensure that all checks are properly signed before issuance.

**Management's Response**

Management agrees with the finding. The City will reinforce the dual-signature requirement with all staff responsible for processing and approving disbursements. Additional review procedures will be implemented to ensure that no check is issued without meeting the required authorization controls. The City anticipates completing these corrective actions by June 30, 2026.