

CITY OF POPLAR BLUFF
POPLAR BLUFF, MISSOURI
FINANCIAL STATEMENTS
DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

The City Council
City of Poplar Bluff
Poplar Bluff, Missouri 63901

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Poplar Bluff, Missouri, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Poplar Bluff, Missouri, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the Poplar Bluff, Missouri, Public Building Corporation has been included as a component unit of the reporting entity for the year ended December 31, 2019. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the budgetary comparison information on pages 66 through 69, the schedule of changes in total OPEB liability and related ratios on page 70, and the schedules of changes in net pension liability, the schedules of contributions, and the notes to the schedules of contributions on pages 71 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Poplar Bluff, Missouri's, basic financial statements. The combining nonmajor fund statements and combining Municipal Utilities statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the combining Municipal Utilities financial statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the combining Municipal Utilities financial statements, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The operating data required by bond has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2020, on our consideration of the City of Poplar Bluff, 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 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 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 Poplar Bluff, Missouri's internal control over financial reporting and compliance.

Kraft, Miles & Tatum, LLC

Certified Public Accountants

July 8, 2020

City of Poplar Bluff, Missouri
Management's Discussion and Analysis
(Unaudited)

As management of the City of Poplar Bluff, Missouri, we offer readers this narrative overview and analysis of the financial activities of the City of Poplar Bluff, Missouri (the City) for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements and footnotes, which follow this section.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$61 million (net position). The City's total net position increased by \$1.7 million. Governmental activities net position decreased by \$700 thousand, while business-type activities net position increased by \$2.4 million.
- The City saw a slight decrease to sales tax revenue during the current year. Sales tax continues to be impacted by on-line sales versus local retail. The City does not collect a use tax for on-line sales of goods delivered to the City residents. This continues to impact receipts as the consumers economy continues to evolve.

Overview of the Financial Statements

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are a broad overview of the City's finances in a manner similar to a private business.

The *statement of net position* presents all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements divide the City into the following:

- **Governmental activities** – All of the City’s basic services are considered to be governmental activities, including general government, police and fire protection, streets, cemetery and motor pool, and culture and recreation. These activities are supported primarily with general City revenue such as sales taxes, gross receipts taxes, property taxes, fines and specific program revenue (i.e. permit fees and grants).
- **Business-type activities** – All of the City’s enterprise activities are included here. These operations derive revenue from user charges for services that are intended to recover the full costs of operations.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City’s near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary funds. The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City uses internal service funds to account for its self-insurance (health) activities. Because these services predominately benefit governmental rather than business-type functions, they have been primarily included within the *governmental activities* in the government-wide financial statements.

Fiduciary funds. These statements include activity of funds that report trust responsibilities of the City, which is a pension fund. These assets are restricted in purpose and do not represent discretionary assets of the City. Therefore, these assets are not presented as a part of the government-wide financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding budgetary, pension and postretirement benefits information. The combining statements for the nonmajor funds and Municipal Utilities are presented immediately following the required supplementary information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The following table reflects the condensed schedule of net position (in thousands) as of December 31, 2019 and 2018:

City of Poplar Bluff Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 17,363	20,869	26,351	22,469	43,714	43,338
Capital assets	37,050	36,682	78,480	74,527	115,530	111,209
Total assets	<u>54,413</u>	<u>57,551</u>	<u>104,831</u>	<u>96,996</u>	<u>159,244</u>	<u>154,547</u>
Deferred outflows of resources	<u>3,701</u>	<u>3,361</u>	<u>1,117</u>	<u>989</u>	<u>4,818</u>	<u>4,350</u>
Long-term debt outstanding	38,246	40,037	19,500	14,587	57,746	54,624
Other long-term liabilities	18,439	15,890	7,166	7,173	25,605	23,063
Other liabilities	8,186	10,177	7,907	6,869	16,093	17,046
Total liabilities	<u>64,871</u>	<u>66,104</u>	<u>34,573</u>	<u>28,629</u>	<u>99,444</u>	<u>94,733</u>
Deferred inflows of resources	<u>2,303</u>	<u>3,167</u>	<u>1,248</u>	<u>1,627</u>	<u>3,551</u>	<u>4,794</u>
Net position:						
Net investment in capital assets	32,488	31,190	59,111	60,443	91,599	91,633
Restricted	6,414	5,920	1,569	2,221	7,983	8,141
Unrestricted	<u>(47,962)</u>	<u>(45,469)</u>	<u>9,447</u>	<u>5,065</u>	<u>(38,515)</u>	<u>(40,404)</u>
Total net position	\$ <u><u>(9,060)</u></u>	<u><u>(8,359)</u></u>	<u><u>70,127</u></u>	<u><u>67,729</u></u>	<u><u>61,067</u></u>	<u><u>59,370</u></u>

Net position may serve as a useful indicator of the City's financial position. As of December 31, 2019, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$61 million. This is an increase of \$1.7 million from the prior year. The largest portion of the City's net position, \$91.6 million, reflects its investment in capital assets, less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

In accordance with GASB Statements No. 68, No. 71, and No.75 which established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources and expenses related to pension and OPEB plans, the City reported a net pension liability on the Statement of Net Position as well as related deferred outflows and inflows of resources related to its defined benefit

plan with the Missouri Local Government Employees Retirement System (LAGERS). The total net pension liability for LAGERS as of December 31, 2019 was \$5.2 million. The OPEB plan reported a liability of \$11.9 million as well as related deferred outflows and inflows.

The City's total assets increased \$4.7 million during the current fiscal year, while the total liabilities also increased \$4.7 million. Governmental activities total assets decreased \$3.1 million. Business-type activities assets increased \$7.8, while the total liabilities increased \$5.9 million.

Change in Net Position

The following table reflects the revenues and expenses from the City's activities (in thousands) as of December 31, 2019 and 2018:

	City of Poplar Bluff Changes in Net Position					
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2019	2018
Revenues:	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Program revenues:						
Charges for services	\$ 334	613	45,364	47,485	45,698	48,098
Operating grants and contributions	1,617	1,236			1,617	1,236
Capital grants and contributions	583	7,787	49		632	7,787
General revenues:						
Property taxes	1,972	1,978			1,972	1,978
Sales and use taxes	15,810	15,959			15,810	15,959
Other revenues	1,852	2,513	472	480	2,324	2,993
Total revenues	<u>22,168</u>	<u>30,086</u>	<u>45,885</u>	<u>47,965</u>	<u>68,053</u>	<u>78,051</u>
Expenses:						
General government	5,727	5,237			5,727	5,237
Police and fire protection	9,881	8,732			9,881	8,732
Streets, cemetery and motor pool	3,125	2,580			3,125	2,580
Culture and recreation	1,650	1,646			1,650	1,646
Economic development		14,109				14,109
Interest	2,181	1,462			2,181	1,462
Municipal utilities			41,038	43,670	41,038	43,670
Coliseum			1,343	1,447	1,343	1,447
Airport			834	858	834	858
Golf			577	515	577	515
Total expenses	<u>22,564</u>	<u>33,766</u>	<u>43,792</u>	<u>46,490</u>	<u>66,356</u>	<u>80,256</u>
Change in net position before transfers	(396)	(3,680)	2,093	1,475	1,697	(2,205)
Transfers	(305)	(2,060)	305	2,060		
Change in net position	(701)	(5,740)	2,398	3,535	1,697	(2,205)
Net position, restated	(8,359)	(2,619)	67,729	64,194	59,370	61,575
Net position, ending	\$ <u>(9,060)</u>	<u>(8,359)</u>	<u>70,127</u>	<u>67,729</u>	<u>61,067</u>	<u>59,370</u>

Total revenues decreased \$10 million, business-type activities decreased \$2.1 million, and governmental revenues decreased \$7.9 million. The decrease in capital grants and contributions for the governmental activities of \$7.2 million is primarily due to the completion of construction of the extension of Shelby Road to Highway 53. The decrease in charges for services for business-type activities of \$2.1 million is due to weather conditions, which impact charges for services for the Municipal Utilities Funds.

Total expenses decreased \$13.9 million, governmental expenses decreased \$11.2 million and business-type expenses decreased \$2.7 million. The decrease in economic development in the governmental activities of \$14.1 million is due to the Eight Point Development Project.

The following table shows expenses and program revenues of the governmental activities (in thousands) as of December 31, 2019 and 2018:

Net Cost of City of Poplar Bluff’s Governmental Activities

	Total cost of service		Net cost of service	
	2019	2018	2019	2018
General government	\$ 5,727	5,237	5,131	(2,571)
Police and fire protection	9,881	8,732	8,200	7,661
Streets, cemetery and motor pool	3,125	2,580	3,079	2,476
Culture and recreation	1,650	1,646	1,438	993
Economic development		14,109		14,109
Interest on long term debt	2,181	1,462	2,181	1,462
	\$ 22,564	33,766	20,029	24,130

Expenses from governmental activities total \$22.5 million. However, net costs of these services were \$20 million. The difference represents direct revenues received from charges for services of \$334 thousand, operating grants and contributions of \$1.6 million, and capital grants and contributions of \$583 thousand. Taxes and other revenues of \$19.6 million were collected to cover these net costs.

Business-type Activities

Business-type activities increased the City’s net position by \$2.4 million, due to normal operations.

Financial Analysis of the City’s Funds

As of December 31, 2019, the City’s governmental funds report a combined fund balance of \$12.7 million, and a net decrease in combined fund balance of \$2.6 million.

General Fund Budgetary Highlights

Actual revenues were \$2.6 million less than the original or amended budget. Actual expenses were \$2.5 million less than the original or amended budget.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$115 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

Major capital events during the year ended December 31, 2019 included the following:

- Additions to the infrastructure of \$6.7 million for the Wastewater System Improvements Project. The total anticipated cost of this project is \$20 million.

City of Poplar Bluff Capital Assets (amounts expressed in thousands, net of accumulated depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 5,810	5,655	4,406	4,406	10,216	10,061
Works of art	143	132			143	132
Buildings and improvements	3,191	3,175	10,280	10,388	13,471	13,563
Furniture, fixtures and equipment	1,401	1,498	433	395	1,834	1,893
Vehicles	1,346	1,420	571	683	1,917	2,103
Infrastructure	25,159	24,802	62,790	58,655	87,949	83,457
Total	\$ <u>37,050</u>	<u>36,682</u>	<u>78,480</u>	<u>74,527</u>	<u>115,530</u>	<u>111,209</u>

For additional information on capital assets, see note 3 in the notes to financial statements.

Debt Administration

As of December 31, 2019, the City had a total of \$61.1 million of outstanding debt.

City of Poplar Bluff Outstanding Debt (amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue bonds	\$ 35,282	35,944	11,418	5,625	46,700	41,569
Capital lease obligations	3,195	3,664	7,951	8,459	11,146	12,123
Notes payable	1,366	1,828			1,366	1,828
Other	815	864	1,109	1,438	1,924	2,302
Total	\$ <u>40,658</u>	<u>42,300</u>	<u>20,478</u>	<u>15,522</u>	<u>61,136</u>	<u>57,822</u>

For additional information on debt administration, see note 5 in the notes to financial statements.

Requests for Information

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to the Director of Finance, City of Poplar Bluff, 101 Oak Street, Poplar Bluff, MO 63901.

City of Poplar Bluff, Missouri
Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,403,273	16,135,250	18,538,523
Investments		2,068,965	2,068,965
Taxes receivable, net	3,024,636		3,024,636
Accounts receivable, net		3,368,219	3,368,219
Grant receivable	28,267		28,267
Interest receivable	5,179	8,904	14,083
Other receivables	239,067		239,067
Inventories		1,391,752	1,391,752
Prepaid expenses	81,127	1,340,464	1,421,591
Due from other funds	2,379,341		2,379,341
Total current assets	<u>8,160,890</u>	<u>24,313,554</u>	<u>32,474,444</u>
Restricted assets:			
Cash and cash equivalents	7,855,499	2,017,789	9,873,288
Taxes receivable, net	668,518		668,518
Interest receivable	2,945		2,945
Grant receivable	29,912		29,912
Other receivables	645,017		645,017
Total restricted assets	<u>9,201,891</u>	<u>2,017,789</u>	<u>11,219,680</u>
Noncurrent assets:			
Patronage capital		19,133	19,133
Capital assets:			
Non-depreciable	5,953,512	4,406,485	10,359,997
Depreciable, net	31,096,355	74,073,885	105,170,240
Total noncurrent assets	<u>37,049,867</u>	<u>78,499,503</u>	<u>115,549,370</u>
Total assets	<u>54,412,648</u>	<u>104,830,846</u>	<u>159,243,494</u>
Deferred Outflows of Resources:			
Pension deferrals	3,507,216	1,027,539	4,534,755
OPEB deferrals	193,664	89,119	282,783
Total deferred outflows of resources	<u>3,700,880</u>	<u>1,116,658</u>	<u>4,817,538</u>
Total assets and deferred outflows of resources	<u>\$ 58,113,528</u>	<u>105,947,504</u>	<u>164,061,032</u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 3,405,739	3,582,559	6,988,298
Accrued payroll and benefits	599,806	703,496	1,303,302
Sales tax payable		686,380	686,380
Accrued interest	1,131,369	61,781	1,193,150
Other liabilities	331,216		331,216
Due to other funds		1,887,571	1,887,571
Unearned revenue	304,306	7,530	311,836
Current maturities of long-term obligations	<u>2,412,899</u>	<u>978,120</u>	<u>3,391,019</u>
Total current liabilities	<u>8,185,335</u>	<u>7,907,437</u>	<u>16,092,772</u>
Noncurrent liabilities:			
Customer meter deposits		471,287	471,287
Due to other funds		491,770	491,770
Long-term obligations	38,245,933	19,500,029	57,745,962
Net pension liability	10,290,789	2,452,804	12,743,593
Total OPEB liability	<u>8,148,259</u>	<u>3,749,617</u>	<u>11,897,876</u>
Total noncurrent liabilities	<u>56,684,981</u>	<u>26,665,507</u>	<u>83,350,488</u>
Total liabilities	<u>64,870,316</u>	<u>34,572,944</u>	<u>99,443,260</u>
Deferred Inflows of Resources:			
Pension deferrals	1,881,030	1,027,070	2,908,100
OPEB deferrals	<u>421,730</u>	<u>220,653</u>	<u>642,383</u>
Total deferred inflows of resources	<u>2,302,760</u>	<u>1,247,723</u>	<u>3,550,483</u>
Net Position:			
Net investment in capital assets	32,487,981	59,111,229	91,599,210
Restricted for:			
Debt service	1,977,192	1,130,827	3,108,019
Tax increment financing	1,983,843		1,983,843
Other purposes	2,453,354	437,968	2,891,322
Unrestricted	<u>(47,961,918)</u>	<u>9,446,813</u>	<u>(38,515,105)</u>
Total net position	<u>(9,059,548)</u>	<u>70,126,837</u>	<u>61,067,289</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 58,113,528</u>	<u>105,947,504</u>	<u>164,061,032</u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Activities
For the Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Business-type Activities</u>	
<u>Governmental activities:</u>							
General government administration	\$ (5,727,073)	25,182	9,089	561,079	(5,131,723)		(5,131,723)
Police and fire protection	(9,881,334)	179,533	1,479,940	22,110	(8,199,751)		(8,199,751)
Streets, cemetery and motor pool	(3,124,822)	45,748			(3,079,074)		(3,079,074)
Culture and recreation	(1,649,933)	83,523	128,465		(1,437,945)		(1,437,945)
Interest on long term debt	(2,180,708)				(2,180,708)		(2,180,708)
Total governmental activities	<u>(22,563,870)</u>	<u>333,986</u>	<u>1,617,494</u>	<u>583,189</u>	<u>(20,029,201)</u>		<u>(20,029,201)</u>
<u>Business-type activities:</u>							
Municipal Utilities	(41,038,276)	44,124,645				3,086,369	3,086,369
Black River Coliseum	(1,342,886)	445,323				(897,563)	(897,563)
Airport	(834,352)	590,606		49,438		(194,308)	(194,308)
Golf Course	(577,627)	203,517				(374,110)	(374,110)
Total business-type activities	<u>(43,793,141)</u>	<u>45,364,091</u>		<u>49,438</u>		<u>1,620,388</u>	<u>1,620,388</u>
Total City	<u>\$ (66,357,011)</u>	<u>45,698,077</u>	<u>1,617,494</u>	<u>632,627</u>	<u>(20,029,201)</u>	<u>1,620,388</u>	<u>(18,408,813)</u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Activities
For the Year Ended December 31, 2019

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>General revenues:</u>			
Property taxes	\$ 1,971,762		1,971,762
Sales tax	12,541,931		12,541,931
Tourism tax	329,499		329,499
Gasoline tax	461,105		461,105
Cigarette tax	53,048		53,048
Motor vehicle tax	233,986		233,986
Utilities tax	2,190,954		2,190,954
Business and occupation licenses	604,786		604,786
Vehicle licenses	69,316		69,316
Other licenses and permits	188,506		188,506
Investment income	112,452	168,102	280,554
Miscellaneous income	281,868		281,868
Net health insurance fund	247,960		247,960
Contributions in aid of construction		80,593	80,593
Transfers in - utilities	346,010	223,807	569,817
Transfers	(304,897)	304,897	
Total general revenues and transfers	19,328,286	777,399	20,105,685
Change in net position	(700,915)	2,397,787	1,696,872
Net position - December 31, 2018	(8,358,633)	67,729,050	59,370,417
Net position - December 31, 2019	\$ (9,059,548)	70,126,837	61,067,289

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri

Balance Sheet

Governmental Funds

December 31, 2019

	<u>Major Fund General</u>	<u>Major Fund Hwy. 67 Tax</u>	<u>Major Fund Special Allocation</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 237,016			1,891,713	2,128,729
Taxes receivable, net	2,419,858			604,778	3,024,636
Grant receivable	28,267				28,267
Other receivables	238,731			336	239,067
Accrued interest	2,996			2,183	5,179
Due from other funds			175,978	641,770	817,748
Accounts receivable - other funds	1,877,901				1,877,901
Prepaid insurance	75,948			5,179	81,127
Restricted assets:					
Cash and cash equivalents	1,988,888	2,351,943	3,140,040	374,628	7,855,499
Interest receivable	568	2,377			2,945
Taxes receivable, net		403,185		265,333	668,518
Other receivables			645,017		645,017
Grant receivable				29,912	29,912
Total assets	\$ 6,870,173	2,757,505	3,961,035	3,815,832	17,404,545
Liabilities:					
Accounts payable	\$ 257,828	2,730,871		417,040	3,405,739
Accounts payable - general fund				140,330	140,330
Accrued payroll and benefits	618,470			34,603	653,073
Due to other funds	90,749	26,634		58,595	175,978
Unearned revenue	304,306				304,306
Total liabilities	1,271,353	2,757,505		650,568	4,679,426
Fund Balances:					
Nonspendable	75,948			5,179	81,127
Restricted	1,988,260		3,961,035	383,967	6,333,262
Assigned				2,776,118	2,776,118
Unassigned	3,534,612				3,534,612
Total fund balances	5,598,820		3,961,035	3,165,264	12,725,119
Total liabilities and fund balances	\$ 6,870,173	2,757,505	3,961,035	3,815,832	17,404,545

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2019

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

Total fund balance - total governmental funds		\$ 12,725,119
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 59,288,627	
Less: accumulated depreciation	<u>(22,238,760)</u>	
		37,049,867
Internal service funds are used by management to charge the costs of self insurance and therefore the assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		(56,672)
Certain long-term liabilities of notes and bonds payable, capital lease obligations, and accrued compensated absences are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.		(40,625,958)
Certain assets and liabilities of total OPEB liability, net pension liability, deferred outflows/inflows of resources are not financial resources (uses) and, therefore, are not reported in the governmental funds.		(17,020,535)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		<u>(1,131,369)</u>
Net position of governmental activities		<u><u>\$ (9,059,548)</u></u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	Major Fund <u>General</u>	Major Fund <u>Hwy. 67 Tax</u>	Major Fund <u>Special Allocation</u>	Non-Major <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:					
General property taxes	\$ 1,383,653		343,247	259,413	1,986,313
Sales tax	5,370,735	2,330,112	2,105,176	3,431,000	13,237,023
Licenses and permits	3,095,391				3,095,391
Fines, forfeitures, and violations	193,055			6,200	199,255
Use of property	171,960			53,443	225,403
Other revenues	184,967			41,930	226,897
Special revenues	825,289			337,499	1,162,788
Investment income	29,253	23,612	49,414	10,172	112,451
Grant income	891,199			437,162	1,328,361
	<u>12,145,502</u>	<u>2,353,724</u>	<u>2,497,837</u>	<u>4,576,819</u>	<u>21,573,882</u>
Expenditures:					
Current					
General government	2,466,386	2,353,724	11,542	399,385	5,231,037
Police and fire protection	7,736,103			836,804	8,572,907
Streets, cemetery and motor pool	2,039,316			280,558	2,319,874
Culture and recreation	163,320			1,141,364	1,304,684
Capital outlay	791,846			1,323,666	2,115,512
Debt service					
Principal			720,000	1,097,047	1,817,047
Interest			1,222,975	159,451	1,382,426
	<u>13,196,971</u>	<u>2,353,724</u>	<u>1,954,517</u>	<u>5,238,275</u>	<u>22,743,487</u>
(Deficiency) excess of revenues over expenditures	(1,051,469)		543,320	(661,456)	(1,169,605)
Other Financing Sources (Uses):					
Transfers in - utilities	342,064			3,946	346,010
Transfers out	(1,347,280)			(632,480)	(1,979,760)
Loan proceeds				160,000	160,000
	<u>(1,005,216)</u>			<u>(468,534)</u>	<u>(1,473,750)</u>
Net change in fund balance	(2,056,685)		543,320	(1,129,990)	(2,643,355)
Fund balance, December 31, 2018	<u>7,655,505</u>		<u>3,417,715</u>	<u>4,295,254</u>	<u>15,368,474</u>
Fund balance, December 31, 2019	<u>\$ 5,598,820</u>		<u>3,961,035</u>	<u>3,165,264</u>	<u>12,725,119</u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2019

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

Net change in fund balance - total governmental funds	\$ (2,643,355)
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.	367,883
In the statement of activities, OPEB liabilities, net pension liabilities, and deferred outflows/inflows are accrued whereas in the governmental funds an expenditure is reported when due.	(1,343,646)
Internal service funds are used by management to charge the costs of self insurance. The net revenue of internal service funds is reported with governmental activities.	2,080,961
The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	1,636,217
Interest expense on long-term debt is not accrued in governmental funds, but rather is recognized as an expense when due.	<u>(798,975)</u>
Change in net position of governmental activities	<u><u>\$ (700,915)</u></u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Net Position
Proprietary Funds
December 31, 2019

	Major Enterprise <u>Fund</u> Municipal Utilities <u>Fund</u>	Major Enterprise <u>Fund</u> Black River Coliseum <u>Fund</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Internal Service <u>Fund</u>
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 16,041,622	50,439	43,189	16,135,250	274,544
Investments	2,068,965			2,068,965	
Accounts receivable, net	3,354,131		14,088	3,368,219	
Accrued interest receivable	8,904			8,904	
Inventories	1,345,652		46,100	1,391,752	
Prepaid expenses	<u>1,313,640</u>	<u>1,688</u>	<u>25,136</u>	<u>1,340,464</u>	
Total current assets	<u>24,132,914</u>	<u>52,127</u>	<u>128,513</u>	<u>24,313,554</u>	<u>274,544</u>
Restricted Assets:					
Cash and cash equivalents	<u>2,017,789</u>			<u>2,017,789</u>	
Total restricted assets	<u>2,017,789</u>			<u>2,017,789</u>	
Noncurrent Assets:					
Patronage capital	19,133			19,133	
Capital assets:					
Capital assets, net	64,185,541	5,732,205	4,156,139	74,073,885	
Land	<u>1,434,840</u>	<u>1,037,402</u>	<u>1,934,243</u>	<u>4,406,485</u>	
Total noncurrent assets	<u>65,639,514</u>	<u>6,769,607</u>	<u>6,090,382</u>	<u>78,499,503</u>	
Total assets	<u>91,790,217</u>	<u>6,821,734</u>	<u>6,218,895</u>	<u>104,830,846</u>	<u>274,544</u>
Deferred Outflows of Resources:					
Pension deferrals	956,593	29,157	41,789	1,027,539	
OPEB deferrals	<u>77,642</u>	<u>4,304</u>	<u>7,173</u>	<u>89,119</u>	
Total deferred outflows of resources	<u>1,034,235</u>	<u>33,461</u>	<u>48,962</u>	<u>1,116,658</u>	
Total assets and deferred outflows of resources	<u>\$92,824,452</u>	<u>6,855,195</u>	<u>6,267,857</u>	<u>105,947,504</u>	<u>274,544</u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri

Statement of Net Position

Proprietary Funds

December 31, 2019

	Major Enterprise <u>Fund</u> Municipal Utilities <u>Fund</u>	Major Enterprise <u>Fund</u> Black River Coliseum <u>Fund</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Internal Service <u>Fund</u>
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 3,556,851	14,224	11,484	3,582,559	331,216
Accounts payable - general fund		1,318,405	419,166	1,737,571	
Accrued payroll and benefits	662,924	21,339	19,233	703,496	
Sales tax payable	686,380			686,380	
Accrued interest	61,740		41	61,781	
Current maturities of advance from other funds	150,000			150,000	
Current maturities of long term obligations	934,547		43,573	978,120	
Unearned revenue		<u>7,530</u>		<u>7,530</u>	
Total current liabilities	<u>6,052,442</u>	<u>1,361,498</u>	<u>493,497</u>	<u>7,907,437</u>	<u>331,216</u>
Noncurrent Liabilities:					
Customer meter deposits	471,287			471,287	
Advance from other funds	491,770			491,770	
Long term obligations	19,444,859	21,734	33,436	19,500,029	
Net pension liability	2,283,453	69,599	99,752	2,452,804	
Total OPEB liability	<u>3,266,758</u>	<u>181,072</u>	<u>301,787</u>	<u>3,749,617</u>	
Total noncurrent liabilities	<u>25,958,127</u>	<u>272,405</u>	<u>434,975</u>	<u>26,665,507</u>	
Total liabilities	<u>32,010,569</u>	<u>1,633,903</u>	<u>928,472</u>	<u>34,572,944</u>	<u>331,216</u>
Deferred Inflows of Resources:					
Pension deferrals	956,156	29,144	41,770	1,027,070	
OPEB deferrals	<u>195,661</u>	<u>9,372</u>	<u>15,620</u>	<u>220,653</u>	
Total deferred inflows of resources	<u>1,151,817</u>	<u>38,516</u>	<u>57,390</u>	<u>1,247,723</u>	
Net Position:					
Net investment in capital assets	46,297,351	6,769,607	6,044,271	59,111,229	
Restricted for:					
Debt service	1,130,827			1,130,827	
Other	437,968			437,968	
Unrestricted	<u>11,795,920</u>	<u>(1,586,831)</u>	<u>(762,276)</u>	<u>9,446,813</u>	<u>(56,672)</u>
Total net position	<u>59,662,066</u>	<u>5,182,776</u>	<u>5,281,995</u>	<u>70,126,837</u>	<u>(56,672)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$92,824,452</u>	<u>6,855,195</u>	<u>6,267,857</u>	<u>105,947,504</u>	<u>274,544</u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Major Enterprise <u>Fund</u> Municipal <u>Utilities Fund</u>	Major Enterprise <u>Fund</u> Black River <u>Coliseum Fund</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Internal Service <u>Fund</u>
Operating Revenues:					
Charges for services	\$		765,995	765,995	3,630,367
Ticket sales		156,605		156,605	
Utility service sales	37,888,223			37,888,223	
Event rentals		122,671		122,671	
Property rentals			24,644	24,644	
Grant income			49,438	49,438	
Admission fees		2,995		2,995	
Concessions		36,659		36,659	
Novelty sales		5,562		5,562	
Advertising sales		3,150		3,150	
Pool and fitness center		117,681		117,681	
Other miscellaneous	6,236,422		3,484	6,239,906	
Total operating revenues	<u>44,124,645</u>	<u>445,323</u>	<u>843,561</u>	<u>45,413,529</u>	<u>3,630,367</u>
Operating Expenses:					
Personnel services	1,912,401	393,978	450,821	2,757,200	3,382,406
Office supplies	89,220	2,117	21	91,358	
Operating supplies		21,245	77,086	98,331	
Repairs and maintenance	184,174	106,001	121,969	412,144	
Natural gas		32,144	17,310	49,454	
Utilities		212,257	41,413	253,670	
Merchandise for resale			374,596	374,596	
Electric transmission	26,751,915			26,751,915	
Electric distribution	3,648,134			3,648,134	
Water supply, purification & pumping	832,218			832,218	
Water distribution	639,553			639,553	
Sewer accumulation	1,225,192			1,225,192	
Telephone	11,225	4,329	4,662	20,216	
Books/publications and memberships	30,445	45	1,160	31,650	
Travel and training		2,792	5,409	8,201	
Professional fees	350,843	15,207	13,691	379,741	
Advertising	8,487	2,660	914	12,061	
Equipment rent		20		20	
Insurance	563,324	89,012	71,902	724,238	
Concession		14,793		14,793	
Event expenses		140,729		140,729	
Uncollectible accounts	76,144			76,144	
Free municipal services	597,189			597,189	
Small tools and equipment		348	3,657	4,005	
Miscellaneous	200,623	6,492	8,298	215,413	
Depreciation	3,408,357	298,717	218,413	3,925,487	
Total operating expenses	<u>40,529,444</u>	<u>1,342,886</u>	<u>1,411,322</u>	<u>43,283,652</u>	<u>3,382,406</u>
Operating income (loss)	3,595,201	(897,563)	(567,761)	2,129,877	247,961

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Revenues, Expenses, and Changes in Fund Net Position - Continued
Proprietary Funds
For the Year Ended December 31, 2019

	Major Enterprise <u>Fund</u> Municipal <u>Utilities Fund</u>	Major Enterprise <u>Fund</u> Black River <u>Coliseum Fund</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Internal Service <u>Fund</u>
Nonoperating Revenues (Expenses):					
Investment income	\$ 167,957	123	22	168,102	
Interest expense	<u>(508,832)</u>	<u> </u>	<u>(657)</u>	<u>(509,489)</u>	<u> </u>
Total nonoperating revenues (expenses)	<u>(340,875)</u>	<u>123</u>	<u>(635)</u>	<u>(341,387)</u>	<u> </u>
Income (loss) before special items contributions and transfers	3,254,326	(897,440)	(568,396)	1,788,490	247,961
Contributions and Transfers					
Transfers in		402,393	562,384	964,777	1,833,000
Transfers in - utilities		212,257	11,550	223,807	
Transfers out	(623,220)		(36,660)	(659,880)	
Contributions in aid of construction	<u>80,593</u>	<u> </u>	<u> </u>	<u>80,593</u>	<u> </u>
Changes in net position	2,711,699	(282,790)	(31,122)	2,397,787	2,080,961
Net position, December 31, 2018	<u>56,950,367</u>	<u>5,465,566</u>	<u>5,313,117</u>	<u>67,729,050</u>	<u>(2,137,633)</u>
Net position, December 31, 2019	<u>\$59,662,066</u>	<u>5,182,776</u>	<u>5,281,995</u>	<u>70,126,837</u>	<u>(56,672)</u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Major Enterprise <u>Fund</u> Municipal Utilities <u>Fund</u>	Major Enterprise <u>Fund</u> Black River Coliseum <u>Fund</u>	Nonmajor Enterprise <u>Fund</u> Golf Course <u>Fund</u>	Nonmajor Enterprise <u>Fund</u> Airport <u>Fund</u>	Total Enterprise <u>Funds</u>	Internal Service <u>Fund</u>
Cash Flows from Operating Activities:						
Cash received from customers	\$ 37,033,623	445,323	203,517	588,220	38,270,683	1,772,941
Cash received from other sources	5,796,523			49,438	5,845,961	
Cash payments for other expenses	(2,621,202)	(682,555)	(157,797)	(592,177)	(4,053,731)	(3,382,406)
Cash payments to suppliers	(28,255,210)				(28,255,210)	
Cash payments for employee benefits	(5,608,020)	(471,845)	(301,780)	(121,537)	(6,503,182)	
Net cash provided by/(used in) operating activities	<u>6,345,714</u>	<u>(709,077)</u>	<u>(256,060)</u>	<u>(76,056)</u>	<u>5,304,521</u>	<u>(1,609,465)</u>
Cash Flows from Noncapital Financing Activities:						
Transfers in		614,650	486,337	87,597	1,188,584	1,833,000
Transfers out	(623,220)		(36,660)		(659,880)	
Net cash provided by/(used in) financing activities	<u>(623,220)</u>	<u>614,650</u>	<u>449,677</u>	<u>87,597</u>	<u>528,704</u>	<u>1,833,000</u>
Cash Flows from Capital and Related Financing Activities:						
Debt service - interest payments	(508,547)			(685)	(509,232)	
Debt service - principal payments	(866,800)		(36,210)	(7,006)	(910,016)	
Proceeds from long-term debt	6,194,530				6,194,530	
Proceeds from sale of capital assets	108,597				108,597	
Acquisition of capital assets	(7,825,886)		(157,408)	(3,850)	(7,987,144)	
Payments of advance	(635,983)				(635,983)	
Proceeds from contribution in aid of construction	80,593				80,593	
Proceeds from customer deposits	471,287				471,287	
Refunds of customer deposits	(444,828)				(444,828)	
Net cash used in capital and related financing activities	<u>(3,427,037)</u>		<u>(193,618)</u>	<u>(11,541)</u>	<u>(3,632,196)</u>	
Cash Flows from Investing Activities:						
Interest received	163,207	123	22		163,352	
Purchase of investments	(1,032,572)				(1,032,572)	
Net cash provided by/(used in) investing activities	<u>(869,365)</u>	<u>123</u>	<u>22</u>		<u>(869,220)</u>	
Net change in cash and cash equivalents	1,426,092	(94,304)	21		1,331,809	223,535
Cash, beginning of year	<u>16,633,319</u>	<u>144,743</u>	<u>43,168</u>		<u>16,821,230</u>	<u>51,009</u>
Cash, end of year	<u>\$ 18,059,411</u>	<u>50,439</u>	<u>43,189</u>		<u>18,153,039</u>	<u>274,544</u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Cash Flows - Continued
Proprietary Funds
For the Year Ended December 31, 2019

	Major Enterprise <u>Fund</u> Municipal Utilities <u>Fund</u>	Major Enterprise <u>Fund</u> Black River Coliseum <u>Fund</u>	Nonmajor Enterprise <u>Fund</u> Golf Course <u>Fund</u>	Nonmajor Enterprise <u>Fund</u> Airport <u>Fund</u>	Total Enterprise <u>Funds</u>	Internal Service <u>Fund</u>
Displayed as:						
Cash and cash equivalents	\$ 16,041,622	50,439	43,189		16,135,250	274,544
Restricted cash and cash equivalents	<u>2,017,789</u>				<u>2,017,789</u>	
	<u>\$ 18,059,411</u>	<u>50,439</u>	<u>43,189</u>		<u>18,153,039</u>	<u>274,544</u>
Reconciliation of operating income/(loss) to net cash provided by/(used in) operating activities						
Operating income/(loss)	\$ 3,595,201	(897,563)	(374,110)	(193,651)	2,129,877	247,961
Adjustments to reconcile operating income to net cash provided by						
Depreciation	3,408,357	298,717	51,180	167,233	3,925,487	
(Increase)/decrease in:						
Accounts receivable	(1,296,595)			(2,386)	(1,298,981)	76,549
Inventory	(147,455)			(2,830)	(150,285)	
Prepaid expenses	(65,589)	341	72	(96)	(65,272)	
Patronage capital	2,096				2,096	
Deferred outflows - pension deferrals	(42,996)	6,452	(1,253)	(636)	(38,433)	
Deferred outflows - OPEB deferrals	(77,642)	(4,304)	(5,738)	(1,435)	(89,119)	
Increase/(decrease) in:						
Accounts payable	1,475,767	(36,776)	22,039	(27,071)	1,433,959	(1,933,975)
Accrued payroll and benefits	16,258	(690)	1,235	(439)	16,364	
Accrued compensated absences		(1,202)	1,573		371	
Unearned revenue		4,071			4,071	
Total OPEB liability	(367,419)	(54,375)	43,432	(17,244)	(395,606)	
Other long term liability	(308,782)				(308,782)	
Net pension liability	490,581	(281)	17,061	4,391	511,752	
Deferred inflows - OPEB deferrals	17,413	(1,297)	1,827	457	18,400	
Deferred inflows - pension deferrals	(360,387)	(22,170)	(13,378)	(2,349)	(398,284)	
Sales tax payable	<u>6,906</u>				<u>6,906</u>	
Net cash provided by/(used in) operating activities	<u>\$ 6,345,714</u>	<u>(709,077)</u>	<u>(256,060)</u>	<u>(76,056)</u>	<u>5,304,521</u>	<u>(1,609,465)</u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Fiduciary Net Position
December 31, 2019

	<u>Pension Trust</u>
Assets:	
Investments, at fair value	
Large U.S. equity	\$ 4,328,327
Small/Mid equity	671,567
International	687,032
Balanced/Asset allocation	1,268,593
Fixed income	<u>6,433,027</u>
Total investments	<u>13,388,546</u>
Total assets	<u>13,388,546</u>
Liabilities:	-
Net Position:	
Restricted for pensions	<u><u>\$ 13,388,546</u></u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Statement of Changes in Fiduciary Net Position
December 31, 2019

	<u>Pension Trust</u>
Additions:	
Contributions:	
Employer	\$ 257,476
Employee	196,174
Other	<u>108,411</u>
Total contributions	<u>562,061</u>
Net appreciation in fair value of investments, interest, and dividends	<u>2,029,739</u>
Total additions	<u>2,591,800</u>
Deductions:	
Benefits payments	906,829
Administration expenses	<u>31,034</u>
Total deductions	<u>937,863</u>
Net change in net position	1,653,937
Net position - beginning	<u>11,734,609</u>
Net position - ending	<u><u>\$ 13,388,546</u></u>

The accompanying notes are an integral part of these financial statements.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Poplar Bluff, Missouri, conform to accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Poplar Bluff, Missouri, (the City) operates under a City Manager/Council form of government. The City's basic financial statements include the accounts of all City operations: General government administration; Police and fire protection; Streets, cemetery and motor pool; and Culture and recreation. Enterprise operations owned by the City include Municipal Utilities, the Black River Coliseum, the Ozark Ridge Golf Course, and Poplar Bluff Municipal Airport.

The City's relationship to other legally separate organizations has been examined to determine if their inclusion in the City's basic financial statements is necessary to fairly present the financial position and activities of the City. The criteria used in this determination included an examination of the nature and significance of the organization's relationship with the City, financial benefit or burden to the City, the ability of the City Council to appoint members of the entity's governing board, and the level of influence the City has over the activities of the organization. Based on these criteria, the following related organization has been excluded from the accompanying financial statements:

Poplar Bluff Regional Library District (District) - The City Council appoints all members to the Library District's board on a staggering-term basis, and a board member cannot be removed except for specific acts (illegal acts, etc.). The District is able to establish and approve its own budget. Therefore, although the City appoints all members of the District's board, the entity is able to act independently without City oversight.

On June 24, 2014 the City entered into a lease agreement with the District. The agreement allows the Library District to use City property exclusively in connection with a public library and related purposes. The lease will be in effect for a period of six months and will automatically renew every six months without further action by either party.

Blended Component Unit

A blended component unit is a separate legal entity that meets the component unit criteria described above and whose governing body is the same or substantially the same as the City Council, the component unit provides services entirely to the City, or the component unit's total debt outstanding, including leases, is expected to be repaid entirely with the resources of the City. The component unit's fund is blended into those of the City by appropriate fund type to comprise the primary government presentation.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Poplar Bluff, Missouri, Public Building Corporation (Building Corporation) has been included in these financial statements as a blended component unit. This component unit was incorporated exclusively for the benefit of the City. Although the City is not legally responsible for the debt of the Corporation, the Corporation's sole source of revenue is from lease payments received from the City. The Building Corporation has been included in the Black River Coliseum, the Golf Course, and Culture and Recreation.

Joint Venture

The City entered into an intergovernmental cooperation agreement along with two other political subdivisions to establish the Poplar Bluff Regional Transportation Development District (District) for the purpose of funding certain transportation-related improvements. On November 6, 2012, the qualified voters of the District approved the imposition of a sales tax at the rate of one percent (1.0%) for the purpose of paying the costs of these transportation projects. In 2019, the District reimbursed the City \$561,079 for the District's portion of the transportation projects. Audited financial statements of the District can be received from the District's Executive Director.

B. 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. 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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are presented instead as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental and business-type function is self-financing or draws from the general revenues of the City.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and 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 and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

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 activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The reporting entity includes the following special revenue funds:

Fund

Park Fund

Brief Description

Accounts for revenues received and expenditures paid for recreational services provided by the Park and Recreational Board.

Park/Golf Capital Fund

Accounts for the city-enacted twelve and a half percent of the 1/2 cent capital improvement sales tax revenues and capital expenditures for the local parks and golf course.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Arts & Museum Fund	Accounts for revenues received and expenditures paid for cultural services provided by the Arts & Museum Board.
Crime Reduction Fund	Accounts for revenues collected by municipal court in certain criminal proceedings and transfers these revenues to the police department for narcotics investigation, prevention and intervention.
Police and Fire Pension Fund	Accounts for receipts of property taxes and receipts of 6% of Police and Fire personnel gross salaries. All funds are to be invested for pension benefits.
Housing Infrastructure Grant Fund	Accounts for grant monies received by the City and disbursed on Community Development Grant projects.
Historical Commission Fund	Accounts for revenues collected from donations and/or grants for the purpose of historic preservation projects in the City.
Tourism Tax Trust Fund	Accounts for the four percent tax levied on the gross daily rental receipts due from or paid by transient guests at hotels and motels. The revenues are used by the City for the purpose of promoting convention and tourism in the City of Poplar Bluff.
Capital Improvements Fund	Accounts for 87.5% of the 1/2 cent sales tax approved by the voters in 1998 to be collected for funding of capital improvement projects and capital equipment. The Park/Golf Capital Fund receives 12.5% of this tax.
Highway 67 Tax Fund	Accounts for monies received for the reconstruction of Highway 67.
Police Injury Fund	Accounts for monies received from a gift that were put into an investment for the police injury fund.
Fire Injury Fund	Accounts for monies received from a gift that were put into an investment for the fire injury fund.
Special Allocation Fund	Accounts for the revenues and expenditures related to the tax increment financing districts.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Proprietary Funds

Enterprise Fund

Enterprise funds are used to account for business-type 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 reporting entity includes the following enterprise funds:

<u>Fund</u>	<u>Brief Description</u>
Municipal Utilities	Accounts for revenues and expenses for services provided for which participants are charged fees for use of electricity and water.
Black River Coliseum	Accounts for revenues and expenses for services provided by the coliseum and fitness center for which participants are charged fees.
Golf Course	Accounts for revenues and expenses for services provided by the golf course for which participants are charged fees.
Airport	Accounts for the resources used in the operation and maintenance of the airport facilities.

Major and Nonmajor Funds

The funds are classified as major and nonmajor as follows:

Major Funds

General Fund
Highway 67 Tax Fund
Special Allocation Fund

Proprietary Funds:

Municipal Utilities
Black River Coliseum

Nonmajor Funds

Special Revenue Funds:

Park/Golf Capital Fund
Arts & Museum Fund
Crime Reduction Fund
Police and Fire Pension Fund
Housing Infrastructure Fund
Historical Commission Fund
Tourism Tax Trust Fund
Storm Water Fund
Police Injury Fund
Fire Injury Fund
Park Fund
Capital Improvements Fund

Proprietary Funds:

Golf Course Fund
Airport Fund

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Fiduciary Funds

Pension Trust Fund

Pension Trust Funds are used to account for moneys held in a trustee capacity for the City's eligible employees.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property tax, sales tax, gasoline tax, motor vehicle tax, interest, and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

D. Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

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

Cash resources of certain individual funds are combined to form a pool of cash and investments. Interest income earned as a result of pooling is distributed to the appropriate funds based on the ending monthly balance of cash of each fund.

When a fund overdraws its share of pooled cash, the overdraft is reported as an interfund payable in that fund and an interfund receivable in the General Fund. At December 31, 2019, \$1,877,901 has been reclassified due to fund overdrafts. Fund overdrafts included: Black River Coliseum Fund - \$964,768, Park - \$53,673, Park/Golf Capital - \$1,197, Airport - \$395,325, Golf Course - \$23,841, Capital Improvement Fund - \$85,460, and Pool/Fitness Fund - \$353,637.

Investments

The Revised Missouri Statutes allow funds belonging to the City to be invested. Investments are limited to interest bearing demand accounts, time deposits, and certificates of deposit. All investments are carried at cost. The only investments held during the year were certificates of deposit.

The Pension Trust Fund, which is managed by a board of trustees, is also authorized to invest in U.S. Treasury and Government securities, corporate equities, fixed income securities, mutual funds, corporate bonds, and other fixed income accounts.

Inventory

Inventory of the enterprise funds consists of fuel and the electric, water and sanitary sewer utility materials and is valued at average cost.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$1,500 or more and an estimated useful life in excess of one year. Such assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 1996.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Electric plant	10-33 years
Water/Sewer plant	20-99 years
Structures and improvements	10-50 years
Furniture, fixtures, and equipment	3-20 years
Transportation and work equipment	5-10 years
Infrastructure	15-50 years

In the fund financial statements, capital assets 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.

Restricted Assets

Restricted assets include assets that are legally restricted as to their use. The primary restricted assets are related to the monies held in escrow accounts for bond payments, and unspent capital lease proceeds.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The City has two items that meet the criterion for this category. In addition to liabilities, the statement of net position will sometimes report a separation section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has two items that meet the criterion for this category. See Notes 7 and 8.

Long-Term Debt

All long-term debt arising from cash transactions to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Presently, the City's long-term debt consists primarily of bonds payable by Municipal Utilities and tax increment revenue bonds.

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

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Compensated Absences

All vested or accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of anticipated or actual employee resignations and retirements.

Fund Equity

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net investment in capital assets - consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - all other net assets that do not meet the definition of "restricted" or "net investment in capital assets."

There are five classifications of fund balance in the governmental fund financial statements. These classifications are based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the City governmental funds.

Non-spendable fund balances - include amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balances - include amounts that are restricted to specific purposes either by a) constraints placed on the use of the resources by external resource providers such as creditors, grantors, contributors, or laws or regulation of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances - include amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution.

Assigned fund balances - includes amounts for which it is the City's intent that the funds be used for specific purposes but there exists no legal or binding restrictions or commitments. Assignments are made by City management.

Unassigned fund balances - is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned balances represent the amount available for budgeting future operations.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

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

The fund balance classifications for the governmental fund at December 31, 2019 are:

	General <u>Fund</u>	Hwy. 67 <u>Fund</u>	Special Allocation <u>Fund</u>	Non-Major <u>Funds</u>	Total Govt. <u>Funds</u>
Nonspendable:					
Prepays	\$ 75,948			5,179	81,127
Restricted:					
Crime reduction fund	\$			11,501	11,501
Storm water fund				101,304	101,304
Promoting convention and tourism				271,162	271,162
Tax increment financing			3,961,035		3,961,035
Police injury fund	1,031,242				1,031,242
Fire injury fund	957,018				957,018
Total	<u>\$ 1,988,260</u>		<u>3,961,035</u>	<u>383,967</u>	<u>6,333,262</u>
Assigned:					
Park fund	\$			719,141	719,141
Capital projects				168,320	168,320
Capital improvements fund				1,888,657	1,888,657
Total	<u>\$</u>			<u>2,776,118</u>	<u>2,776,118</u>
Unassigned:					
General fund	<u>\$ 3,534,612</u>				<u>3,534,612</u>

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

E. Revenues, Expenditures and Expenses

Property Tax

Property tax revenue is recognized independent of receivable recognition in the fiscal year for which the taxes have been levied (budgeted). Property tax revenue becomes available with the fiscal year of the levy. Delinquent taxes expected to be received later than 60 days after the close of the fiscal year are classified as unearned revenue within the governmental fund financial statements.

The City's property tax is levied each November 1 on the assessed valuation of property located within the City as of the preceding January 1, the lien date. Taxes are due in full on December 31 and become delinquent on January 1. The delinquent penalty for 2019 was 2% in January and increases each month by 2% thereafter.

The assessed valuation of the tangible taxable property for the calendar year 2019 for purposes of local taxation was \$257,772,620. The tax levy per \$100 of assessed valuation of tangible property for the calendar year 2019 was:

General Fund	\$ 0.5172
Police & Fire Pension Fund	<u>0.0976</u>
	<u>\$ 0.6148</u>

Program Revenues

In the Statement of Activities, 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 administration	Licenses and permits; salary reimbursements; operating grants include U.S. Department of Justice, Department of Transportation, Department of Interior, and Department of Commerce; capital grants include Federal Emergency Management Agency.
Police and fire protection	Fines and violations; court fees; operating grants include U.S. Department of Justice and Homeland Security.
Streets, cemetery and motor pool	Grave opening/closing fees and lot sales; street paving charges.
Culture and recreation	Rental income, recreation fees, concession sales and specific donations.

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

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are reported on the accrual basis and are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by character: current (further classified by activity); capital outlay; debt service

Proprietary Fund - by operating and non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Capital Contributions

Capital contributions represent government grants and other aid used to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement.

F. 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.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

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

1. 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.
2. 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 effect of interfund services between funds are not eliminated in the Statement of Activities.

3. Primary government and component unit activity and balances - resource flows between the primary government (the City and Building Corporation) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

H. Budgetary Requirements

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to December 2, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
- (2) Public hearings are conducted to obtain taxpayer comment.
- (3) Prior to December 31, the budget is legally enacted through passage of an ordinance.
- (4) Subsequent to its formal approval of the budget, the City Council has the authority to make necessary adjustments to the budget by formal vote of the Council. Adjustments made during the year are reflected in the final budget information included in the required supplementary information.

I. New Accounting Pronouncements

In 2019, the City adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of Statement 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. As a result of this adoption, the City reports a Pension Trust Fund related to its Policemen and Firemen's Pension Plan.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

2. DEPOSITS, INVESTMENTS, AND FAIR VALUE

a) Deposits and Investments

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Missouri or political subdivision debt obligations or surety bonds. As required by 12 U.S.C.A., Section 1823 (e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

Custodial credit risk - Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$30,382,788 at December 31, 2019, the was fully insured by depository insurance or secured with collateral held by the City's agents in its name.

Interest rate risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has a formal investment policy that limits investment maturities as a mean of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk and concentration of credit risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The City's investment policy states it minimizes credit risk by pre-qualifying the financial institutions, intermediaries, and advisors with which they will do business. The City's investment policy also states it minimizes concentration of credit risk by diversifying the portfolio so potential losses on individual securities will be minimized.

Summary of carrying values - The carrying values of deposits and investments shown above are included in the statement of net position as follows:

Carrying value	
Deposits	\$ 28,411,811
Investments	<u>15,457,511</u>
	<u>\$ 43,869,322</u>

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
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Included in the following statement of net position captions:

Primary Government	
Current assets:	
Cash and cash equivalents	\$ 18,538,523
Investments	2,068,965
Restricted assets:	
Cash and cash equivalents	9,873,288
Fiduciary Fund	
Investments	13,388,546
	<u>\$ 43,869,322</u>

b) Fair Value Measurement

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are prices quoted in active markets for these securities; Level 2 inputs are quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are observable; and Level 3 inputs are significant unobservable inputs.

Primary Government

Certificates of deposit of \$2,068,965 are not subject to fair value classification

Fiduciary Fund

The following table sets forth by level within the fair value hierarchy, the City's fiduciary activity investments at fair values as of December 31, 2019.

	Fair Value	Level 1	Level 2	Level 3
Fiduciary Funds:				
U.S. Equity	\$ 4,999,894	4,999,894		
International Equity	687,032	687,032		
Balanced/Asset Allocation	1,268,593	1,268,593		
Fixed Income	6,433,027	6,433,027		
Total	\$ 13,388,546	13,388,546		

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2019</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,655,108	155,037		5,810,145
Works of art	131,917	11,450		143,367
Total capital assets, not being depreciated	<u>5,787,025</u>	<u>166,487</u>		<u>5,953,512</u>
Capital assets, being depreciated:				
Buildings and improvements	9,877,107	253,705		10,130,812
Furniture, fixtures and equipment	6,760,063	465,645	225,151	7,000,557
Vehicles	4,874,132	189,202	37,082	5,026,252
Infrastructure	30,288,726	888,769		31,177,495
Total capital assets being depreciated	<u>51,800,028</u>	<u>1,797,321</u>	<u>262,233</u>	<u>53,335,116</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,702,348)	(237,983)		(6,940,331)
Furniture, fixtures and equipment	(5,261,718)	(562,798)	(225,151)	(5,599,365)
Vehicles	(3,454,324)	(262,640)	(37,082)	(3,679,882)
Infrastructure	(5,486,679)	(532,504)		(6,019,183)
Total accumulated depreciation	<u>(20,905,069)</u>	<u>(1,595,925)</u>	<u>(262,233)</u>	<u>(22,238,761)</u>
Total capital assets being depreciated, net	<u>30,894,959</u>	<u>201,396</u>		<u>31,096,355</u>
Governmental activities capital assets, net	<u>\$ 36,681,984</u>	<u>367,883</u>		<u>37,049,867</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land				
Other business-type	\$ 2,971,645			2,971,645
Electric	1,063,434	56		1,063,490
Water-sewer	370,949	401		371,350
Total capital assets, not being depreciated	<u>4,406,028</u>	<u>457</u>		<u>4,406,485</u>

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
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	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2019</u>
Capital assets, being depreciated:				
Electric plant	62,339,326	823,894	417,972	62,745,248
Water-sewer plant	51,020,764	6,669,254	14,075	57,675,943
Building and improvements				
Other business-type	14,792,659	45,780		14,838,439
Electric	4,320,144	282,505		4,602,649
Water-sewer	559,200	6,250		565,450
Furnitures, fixtures, and equipment				
Other business-type	1,634,152	111,628	3,800	1,741,980
Electric	582,387	8,404	88,366	502,425
Water-sewer	92,215			92,215
Transportation and work equipment				
Other business-type	208,668	3,850		212,518
Water-sewer	2,172,752	35,122	25,143	2,182,731
Infrastructure - Other business-type	<u>5,445,459</u>			<u>5,445,459</u>
Total capital assets, being depreciated	<u>143,167,726</u>	<u>7,986,687</u>	<u>549,356</u>	<u>150,605,057</u>
Less accumulated depreciation for:				
Electric plant	(34,262,753)	(2,017,950)	(309,375)	(35,971,328)
Water-sewer plant	(22,848,886)	(1,091,018)	(14,075)	(23,925,829)
Building and improvements				
Other business-type	(7,229,982)	(316,604)		(7,546,586)
Electric	(1,658,992)	(117,556)		(1,776,548)
Water-sewer	(395,107)	(8,690)		(403,797)
Furnitures, fixtures, and equipment				
Other business-type	(1,378,594)	(56,157)	(3,800)	(1,430,951)
Electric	(445,023)	(24,376)	(88,366)	(381,033)
Water-sewer	(90,419)	(744)		(91,163)
Transportation and work equipment				
Other business-type	(189,474)	(3,068)		(192,542)
Water-sewer	(1,508,542)	(148,023)	(25,143)	(1,631,422)
Infrastructure - Other business-type	<u>(3,038,672)</u>	<u>(141,301)</u>		<u>(3,179,973)</u>
Total accumulated depreciation	<u>(73,046,444)</u>	<u>(3,925,487)</u>	<u>(440,759)</u>	<u>(76,531,172)</u>
Total capital assets, being depreciated, net	<u>70,121,282</u>	<u>4,061,200</u>	<u>108,597</u>	<u>74,073,885</u>
Business-type activities capital assets, net	<u>\$ 74,527,310</u>	<u>4,061,657</u>	<u>108,597</u>	<u>78,480,370</u>

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government administration	\$ 379,043
Police and fire protection	314,319
Streets, cemetery, and motor pool	664,488
Culture and recreation	<u>238,075</u>
Total depreciation expense - governmental-type activities	<u>\$ 1,595,925</u>
Business-type activities:	
Municipal Utilities	\$ 3,408,357
Black River Coliseum	298,717
Golf Course	51,180
Airport	<u>167,233</u>
Total depreciation expense - business-type activities	<u>\$ 3,925,487</u>

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances at December 31, 2019, are as follows:

	Interfund <u>Receivables</u>	Interfund <u>Payables</u>
Major Governmental Funds:		
General Fund	\$ 1,877,901	90,749
Highway 67 Fund		26,634
Special Allocation Fund	175,978	
Nonmajor Governmental Funds -		
Special Revenue Funds	641,770	198,925
Enterprise Funds:		
Major Funds:		
Municipal Utilities		641,770
Black River Coliseum		1,318,405
Nonmajor Funds:		
Airport		395,325
Golf Course		23,841
Internal Services Funds		
Total	<u>\$ 2,695,649</u>	<u>2,695,649</u>

Fund overdraws of pooled cash account for \$1,877,901, of interfund payables and receivables in the General Fund. Detail by fund for these payables is included on page 33.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
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Interfund transfers consisted of the following amounts:

	Transfers From:				
	General Fund	Capital Improvements Fund	Park/Golf Capital Fund	Park Fund	Crime Reduction Fund
<u>Transfers to:</u>					
Major Governmental					
General Fund	\$	1,859,624			
Nonmajor Governmental Funds			222,853		
Major Enterprise Funds:					
Coliseum	153,832				
Nonmajor Enterprise Funds	75,318	11,542	182,804	292,720	
Internal Service Fund	1,118,130			54,990	
Blended Component Unit					
Total	<u>\$ 1,347,280</u>	<u>1,871,166</u>	<u>405,657</u>	<u>347,710</u>	

	Transfers From:				
	Golf Fund	Airport Fund	Municipal Utilities Fund	Tourism Tax Trust Fund	Total
<u>Transfers to:</u>					
Major Governmental					
General Fund	\$		342,064		2,201,688
Nonmajor Governmental Funds			3,946		237,612
Major Enterprise Funds:					
Coliseum			212,257	248,561	614,649
Nonmajor Enterprise Funds			11,550		563,121
Internal Service Fund	36,660		623,220		1,833,000
Blended Component Unit					
Total	<u>\$ 36,660</u>		<u>1,193,037</u>	<u>248,561</u>	<u>5,450,070</u>

Transfers are used to (1) move revenues from the fund that budgets or ordinance requires to collect them to the fund that budgets or ordinance requires to expend them, (2) move the bond payments from the funds that make the payment to the funds that maintain the debt, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) transfer of capital assets between governmental and business type activities.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
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5. LONG-TERM OBLIGATIONS

Changes in long-term obligations

	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2019</u>	<u>Current Portion</u>
Governmental activities:					
Tax increment revenue bonds,					
Series 2015A	\$ 15,105,000		525,000	14,580,000	710,000
Series 2017	11,385,000		195,000	11,190,000	530,000
Discount	(835,371)		(58,119)	(777,252)	
TIF developer obligations	<u>10,289,515</u>			<u>10,289,515</u>	
Total bonds payable	<u>35,944,144</u>		<u>661,881</u>	<u>35,282,263</u>	<u>1,240,000</u>
Missouri Transportation Finance Corp.					
Oak Grove Road	<u>1,828,343</u>		<u>461,799</u>	<u>1,366,544</u>	<u>480,808</u>
Total notes payable	<u>1,828,343</u>		<u>461,799</u>	<u>1,366,544</u>	<u>480,808</u>
Southern Bank - various equipment	3,000,000		500,000	2,500,000	500,000
Southern Bank - street sweeper	124,581		40,758	83,823	41,523
Clayton Holdings - fire trucks	539,010		87,490	451,520	88,471
Bank of Missouri - tractors		<u>160,000</u>		<u>160,000</u>	<u>29,223</u>
Total capital lease obligation	<u>3,663,591</u>	<u>160,000</u>	<u>628,248</u>	<u>3,195,343</u>	<u>659,217</u>
Accrued compensated absences	<u>864,227</u>		<u>49,545</u>	<u>814,682</u>	<u>32,874</u>
Total governmental activities	<u>\$ 42,300,305</u>	<u>160,000</u>	<u>1,801,473</u>	<u>40,658,832</u>	<u>2,412,899</u>
Business-type activities:					
Combined waterworks and sewerage system revenue bonds,					
Series 2008 - Direct Loan	\$ 3,670,000		295,000	3,375,000	305,000
Series 2012 - Direct Loan	993,000		60,000	933,000	62,000
Series 2016 - Direct Loan	962,300		46,800	915,500	47,400
Series 2019 - Direct Loan		<u>6,194,530</u>		<u>6,194,530</u>	
Total bonds payable	<u>5,625,300</u>	<u>6,194,530</u>	<u>401,800</u>	<u>11,418,030</u>	<u>414,400</u>
Capital lease obligation					
Electric department - plant addition	8,370,000		465,000	7,905,000	495,000
Airport fund - refueling truck	16,907		7,006	9,901	7,364
Golf fund - irrigation system	<u>72,419</u>		<u>36,210</u>	<u>36,209</u>	<u>36,209</u>
Total capital lease obligation	<u>8,459,326</u>		<u>508,216</u>	<u>7,951,110</u>	<u>538,573</u>
Settlement agreement	738,143		308,782	429,361	
Accrued compensated absences	<u>699,480</u>		<u>19,832</u>	<u>679,648</u>	<u>25,147</u>
Total other	<u>1,437,623</u>		<u>328,614</u>	<u>1,109,009</u>	<u>25,147</u>
Total business-type activities	<u>\$ 15,522,249</u>	<u>6,194,530</u>	<u>1,238,630</u>	<u>20,478,149</u>	<u>978,120</u>

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
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Debt Service Requirements to Maturity

The annual requirements to amortize all long-term debt as of December 31, 2019, including interest payments of \$15,154,411 are as follows:

Year Ending December 31	<u>Governmental Activities</u>				<u>Total</u>	
	<u>Bonds</u>		<u>Notes and Capital Lease</u>		<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2020	\$ 1,240,000	1,190,569	1,140,025	130,282	2,380,025	1,320,851
2021	1,310,000	1,145,194	1,163,229	93,722	2,473,229	1,238,916
2022	1,390,000	1,096,169	1,007,221	56,385	2,397,221	1,152,554
2023	1,470,000	1,044,250	624,864	27,152	2,094,864	1,071,402
2024	1,555,000	984,675	626,548	118,356	2,181,548	1,103,031
2025-2029	9,420,000	3,695,373			9,420,000	3,695,373
2030-2034	9,385,000	1,003,291			9,385,000	1,003,291
2035-2039	10,289,515				10,289,515	
	<u>\$ 36,059,515</u>	<u>10,159,521</u>	<u>4,561,887</u>	<u>425,897</u>	<u>40,621,402</u>	<u>10,585,418</u>

Year Ending December 31	<u>Business-Type Activities</u>				<u>Total</u>	
	<u>Bonds</u>		<u>Notes and Capital Lease</u>		<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2020	\$ 414,400	202,831	538,573	435,828	952,973	638,659
2021	425,200	183,319	517,537	410,694	942,737	594,013
2022	433,000	164,969	540,000	385,401	973,000	550,370
2023	439,800	146,078	565,000	358,623	1,004,800	504,701
2024	451,400	136,425	595,000	330,683	1,046,400	467,108
2025-2029	2,390,300	314,391	3,415,000	1,186,377	5,805,300	1,500,768
2030-2034	548,600	20,015	1,780,000	291,963	2,328,600	311,978
2035-2039	120,800	1,396			120,800	1,396
	<u>\$ 5,223,500</u>	<u>1,169,424</u>	<u>7,951,110</u>	<u>3,399,569</u>	<u>13,174,610</u>	<u>4,568,993</u>

The business-type activities amortization will not match the long-term liabilities schedule until the entire Series 2019 State of Missouri Direct Loan Program funds have been drawn down, which is expected to occur in 2021.

Bonds Payable

Waterworks and Sewerage System Revenue Bonds - Series 2008

On October 30, 2008, the City of Poplar Bluff, Missouri issued \$6,195,000 of Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri - Direct Loan Program). The bonds bear interest at 4.0% to 5.75%. Principal maturities began on January 1, 2010, and continue until 2029. Proceeds from the issuance of these bonds were used for the purpose of extending and improving the waterworks portion of the City's combined waterworks and sewerage system. The bonds are secured by a pledge of net revenues.

City of Poplar Bluff, Missouri
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Waterworks and Sewerage System Revenue Bonds - Series 2012

On July 1, 2012, the City approved the issuance of the Series 2012 Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri - Direct Loan Program). The issuance amount of these bonds totaled \$1,273,742. The bonds bear interest at 1.34% and are due in semiannual installments beginning January 1, 2013. Principal maturities began January 1, 2014 and continue until 2033. Proceeds from the issuance of these bonds were used for the purpose of extending and improving the waterworks portion of the City's combined waterworks and sewerage system. The bonds are secured by a pledge of net revenues.

Waterworks and Sewerage System Revenue Bonds - Series 2016

On August 22, 2016, the City approved the issuance of the Series 2016 Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri - Direct Loan Program). The issuance amount of these bonds totaled \$1,031,000. The bonds bear interest at 0.92% and are due in semiannual installments beginning January 1, 2017. Principal maturities began July 1, 2017 and continue until 2036. Proceeds from the issuance of these bonds were used for the purpose of extending and improving the City's combined waterworks and sewerage system. The bonds are secured by a pledge of net revenues.

Waterworks and Sewerage System Revenue Bonds - Series 2019

On August 22, 2016, the City approved the issuance of the Series 2019 Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri - Direct Loan Program). The issuance amount of these bonds is not to exceed \$20,000,000. The bonds bear interest at 1.18% and are due in semiannual installments beginning January 1, 2020. Principal maturities will begin on July 1, 2021 and continue until 2040. Proceeds from the issuance of these bonds were used for the purpose of extending and improving the City's combined waterworks and sewerage system. The bonds are secured by a pledge of net revenues.

Tax Increment Refunding Revenue Bonds, Series 2015A

On August 3, 2015, the City issued \$16,900,000 of Tax Increment Refunding Revenue Bonds which are special limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property and incremental increases in economic activity taxes from projected areas. The bonds bear interest at 4.00% to 5.125%. Principal maturities begin on March 1, 2016 and continue until 2032. Proceeds from the issuance of these bonds were issued to refinance the Tax Increment Revenue Note.

Tax Increment Revenue Bonds, Series 2017

On July 12, 2017, the City issued \$11,670,000 of Tax Increment Revenue Bonds which are special limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property and incremental increases in economic activity taxes from projected areas. The bonds bear interest at 3.25% to 5.00%. Principal maturities will begin on May 1, 2018 and continue until 2033.

City of Poplar Bluff, Missouri
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TIF Developer Obligations

TIF Developer obligations represents developer project costs that have been certified by the City as eligible for reimbursement from tax increment financing revenues attributable to each respective project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from incremental taxes during a period not to exceed 23 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as long-term obligations. TIF revenues were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligations are limited solely to the amount of incremental taxes received attributable to each project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation to the City. These developer obligations were authorized with the issuance of Taxable Subordinate Tax Increment Revenue Bonds, Series 2015B. These obligations are subordinate to the outstanding Series 2015A and Series 2017 listed above. The Series 2015B Subordinate Bonds carry a termination date of August 5, 2035.

Capital Lease

The Electric department has entered into a lease agreement with the Missouri Association of Municipal Utilities for the construction of a generating plant, payable in variable monthly payments including interest at 4.84% maturing May 13, 2033. The total cost and accumulated depreciation of this generating plant was \$15,053,820 and \$7,276,013, respectively, at December 31, 2019.

The City has entered into a lease agreement with the Southern Bank for the purchase of various equipment, payable in annual payments including semi-annual interest at 2.46% maturing February 14, 2024. The total cost of the equipment and accumulated depreciation was \$4,983,900 and \$2,244,978, respectively, at December 31, 2019.

The City has entered into a lease agreement with Clayton Holdings for the purchase of two fire trucks, payable in annual payments including semi-annual interest at 2.24% maturing February 15, 2024. The total cost of the fire trucks and accumulated depreciation was \$887,416 and \$221,854, respectively, at December 31, 2019.

The City has entered into a lease agreement with Southern Bank for the purchase of a street sweeper, payable in annual payments including annual interest at 2.00% maturing March 4, 2021. The total cost of the street sweeper and accumulated depreciation was \$203,625 and \$78,056, respectively, at December 31, 2019.

The City has entered into a lease agreement with Bank of Missouri for the purchase of two John Deere Tractors, payable in annual payments including annual interest at 4.54% maturing September 1, 2024. The total cost of the tractors and accumulated depreciation was \$191,500 and \$14,818, respectively, at December 31, 2019.

The City has entered into a lease agreement with Eastern Aviation Fuels, Inc. for the purchase of a refueling truck, payable in monthly payments including interest at 9.54% maturing April 11, 2021. The total cost of the refueling truck and accumulated depreciation was \$21,477 and \$5,113, respectively, at December 31, 2019.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
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The City has entered into a lease agreement with TCF Equipment for the purchase of an irrigation system, payable in monthly payments, maturing April 11, 2021. The total cost of the irrigation system and accumulated depreciation was \$108,628 and \$4,828, respectively, at December 31, 2019.

Notes Payable

On March 1, 2012, the City entered into a note and a cost-share agreement with the Missouri Transportation Finance Corporation (MTFC) and the Missouri Highways and Transportation Commission (MHTC) for improvements on the Interchange at Route 67 and Oak Grove Road and the Intersection at Business Route 67 and Oak Grove Road. The note bears interest at 4.15% and the City shall repay the direct loan to MTFC on an annual basis beginning March 1, 2013 and continue through 2022.

Deferred Debt Expense

Bond discounts, and the difference between the reacquisition price and the net carrying value of the refunded debt are capitalized and amortized over the remaining life of the original debt using the straight-line method.

Settlement Agreement

In December 2015, the City entered into a post reconciliation and settlement agreement with the purchasers of the City's Cable Department. In accordance with the agreement, the City agreed to refund a portion of the purchase price received for the sale of the Cable Department under the Asset Purchase Agreement entered into by the City dated March 31, 2014. Each month the City will provide to the purchaser credits equal to the amount that would otherwise be due on the purchaser's monthly water and electric bills and the amount the purchaser has collected in surcharges for City franchise fees.

6. CONTINGENCIES

Litigation

Various claims and lawsuits are pending against the City. In the opinion of the City attorney, the potential loss on all claims will not have a material effect on the financial position of the City.

Grants

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2019.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

7. DEFINED BENEFIT PENSION PLANS

a) Summary of Significant Accounting Principles

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

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

	<u>2019 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	228
Inactive employees entitled to but not yet receiving benefits	67
Active Employees	<u>225</u>
	<u><u>520</u></u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 17.6% (General), 19.9% (Police) and 17.6% (Fire) of annual covered payroll.

Net pension liability. The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

Actuarial assumptions. The total pension liability in the February 28, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expense

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

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

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
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The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%

Discount Rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at December 31, 2018	\$ 71,188,118	66,899,091	4,289,027
Changes for the year:			
Service Cost	1,299,313		1,299,313
Interest	5,091,722		5,091,722
Difference between expected and actual experience	807,732		807,732
Contributions - employer		2,155,426	(2,155,426)
Contributions - employee		103,668	(103,668)
Net investment income		4,273,780	(4,273,780)
Benefit payments, including refunds	(3,248,350)	(3,248,350)	
Administrative expense		(60,233)	60,233
Other changes		(192,131)	192,131
Net changes	3,950,417	3,032,160	918,257
Balances at December 31, 2019	\$ 75,138,535	69,931,251	5,207,284

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 85,734,374	75,138,535	66,375,908
Plan Fiduciary Net Position	<u>69,931,251</u>	<u>69,931,251</u>	<u>69,931,251</u>
Net Pension Liability	<u>\$ 15,803,123</u>	<u>5,207,284</u>	<u>(3,555,343)</u>

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

For the year ended December 31, 2019, the employer recognized pension expense of \$2,193,482. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 997,339	(764,636)
Differences in assumptions	719,220	(22,729)
Excess (deficit) investment returns		(1,710,293)
Contributions subsequent to the measurement date*	<u>1,088,820</u>	
Total	<u>\$ 2,805,379</u>	<u>(2,497,658)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2020.

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

Year ended:	
2020	\$ 82,160
2021	(810,309)
2022	(327,492)
2023	221,300
2024	49,863
Thereafter	3,379

Payable to the Pension Plan

The City reported a payable of \$173,190 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

b) Summary of Significant Accounting Principles

Pensions Investments are valued as of the measurement date. Investments in separate accounts held at The Principal Financial Group are commingled pools, rather than individual securities and are valued at fair market value. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense for City of Poplar Bluff, the information about the fiduciary net position of the City of Poplar Bluff Policemen's and Firemen's Pension Plan and additions to/deductions from City of Poplar Bluff Policemen's and Firemen's Pension Plan's fiduciary net position have been determined on the same basis.

General Information about the Pension Plan

Plan Description The City of Poplar Bluff contributes to a single-employer defined benefit pension plan, City of Poplar Bluff Policemen's and Firemen's Pension Plan (the Plan). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The City of Poplar Bluff Policemen's and Firemen's Pension Plan was created and is governed by City Ordinance Section 30-115. The plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan.

City of Poplar Bluff Policemen's and Firemen's
Pension Plan
Principal Financial Group
711 High Street
Des Moines, Iowa 50392-0001
(515) 248-2947

Benefits provided. The Plan provides retirement, death and disability benefits. All benefits vest after 5 years of credited service. Employees who retire on or after age 55 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees can retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 50 and receive a reduced allowance. There have been no changes in plan provisions since the measurement date.

	<u>2019 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 Years
Member Contributions:	6.00%

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	80
Inactive employees entitled to but not yet receiving benefits	5
Active Employees	64
	149

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Contributions. The employer contributes to the Plan based on an actuarially determined amount recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with additional amounts to finance any unfunded accrued liability and plan administrative expenses. In accordance with City Ordinance Section 30-115, plan members are required to contribute 6.00% of salary up to a maximum of \$1,650 per month. After reaching the maximum, plan members are required to contribute 1.00%.

Net pension liability. The employer's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018.

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25% increase per year
Salary Increase	3.00% increase each year until retirement
Investment rate of return	5.25%

Mortality rates were based on the IRS Prescribed Mortality - Generational Annuitant, male and female.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of recent experience analysis and anticipated future experience.

The long-term expected rate of return on plan assets assumption was developed as a weighted average rate based on the target asset allocation of the plan and the Long-Term Capital Market Assumptions (CMA) 2014. The capital market assumptions were developed with a primary focus on forward-looking valuation models and market indicators. The key fundamental economic inputs for these models are future inflation, economic growth, and interest rate environment. In addition to forward-looking models, historical analysis of market data and trends was reflected, as well as the outlook of recognized economists, organizations and consensus CMA from other credible sources. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity-Large Cap	34.45%	6.35%
US Equity-Mid Cap	4.68%	6.35%
Non-US Equity	4.78%	6.35%
TIPS	15.71%	3.35%
Core Bond	40.38%	3.90%

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Discount Rate. The discount rate used to measure the total pension liability is 5.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2018	\$ 19,053,571	12,940,477	6,113,094
Changes for the year:			
Service Cost	405,112		405,112
Interest	947,661		947,661
Difference between expected and actual experience	130,795		130,795
Changes in assumptions	(246,359)		(246,359)
Contributions - employer		253,165	(253,165)
Contributions - employee		188,762	(188,762)
Net investment income		(604,398)	604,398
Benefit payments, including refunds	(1,019,862)	(1,019,862)	
Administrative expense		(23,535)	23,535
Net changes	217,347	(1,205,868)	1,423,215
Balances at December 31, 2019	\$ 19,270,918	11,734,609	7,536,309

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 5.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (4.25%) or one percentage point higher (6.25%) than the current rate.

	1% Decrease 4.25%	Current Single Discount Rate Assumption 5.25%	1% Increase 6.25%
\$	10,098,273	7,536,309	5,417,614

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

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

For the year ended December 31, 2019 the employer recognized pension expense of \$1,018,369. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Differences in experience	\$ 195,358	(206,196)
Differences in assumptions	671,567	(204,246)
Excess (deficit) investment returns	661,450	
Contributions subsequent to the measurement date*	<u>201,001</u>	
Total	<u>\$ 1,729,376</u>	<u>(410,442)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2020.

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

Year ended:	
2020	\$ 460,975
2021	249,404
2023	254,518
2024	179,172
Thereafter	(26,137)

Payable to the Pension Plan

The City reported a payable of \$160,033 for the outstanding amount of contributions to the Plan for the year ended December 31, 2019.

8. POST-EMPLOYMENT HEALTH BENEFITS

Plan Description

The City has adopted the provisions of GASB Statement No. 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This Statement replaces the requirements of GASB Statement No. 45. The City's defined benefit OPEB plan, a single-employer health benefit plan provides OPEB for all active and retired employees and their eligible dependents. The plan is administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a stand-alone financial report.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Benefits Provided

The City, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a single-employer defined benefit plan. The City of Poplar Bluff provided certain postretirement benefits for retired employees. The City will pay 100% of the employee's health insurance for employees who retire from age 55 to 65. The City will provide this benefit until the retiree reaches age 65 and becomes eligible for Medicare or upon the death of the employee. The City provides 66 2/3% of the employee's family medical coverage after retirement.

Participants

The number of participants that either are, or potentially could be covered by the City's plan as of December 31, 2018, which is the effective date of the current OPEB actuarial valuation is listed below. There have been no significant changes in the number of covered participants or the type of coverage since that date.

Active employees	220
Retirees & covered spouses of retirees	<u>126</u>
Total participants	<u><u>346</u></u>

Changes in the Total OPEB Liability

The following table shows the components of the changes in total OPEB liability for the year:

Changes for the year:

Total OPEB Liability - beginning of year	\$ 11,573,814
Service Cost	402,666
Interest	476,752
Difference between actual & expected experience	(175,723)
Changes in assumptions & inputs	324,064
Benefit payments, including refunds	<u>(703,697)</u>
Net changes	324,062
Total OPEB Liability - end of year	<u><u>\$ 11,897,876</u></u>

Covered payroll	11,950,000
Total OPEB liability as a % of covered payroll	99.56%

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Total OPEB Liability

The City's total OPEB liability of \$11,897,876 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	December 31, 2018
Measurement Date	December 31, 2019
Discount rate	2.74% Measurement Date 4.10% Year Preceding Measurement Date The discount rate was based on 20 Year Bond GO Index
Inflation	2.30% increase per year
Salary scale	3.00%
Healthcare Cost Trend Rate	6.00%, gradually decreasing to an ultimate rate of 4.00%
Mortality	RP-2014 Mortality for employees and Healthy Annuitants, with generational projection per Scale MP-2017

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.74%, as well as what the total OPEB liability would be using a discount rate that is one percentage point lower (1.74%) or one percentage point higher (3.74%) than the current rate.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	1.74%	2.74%	3.74%
\$	12,821,823	11,897,876	11,040,699

The following presents the total OPEB liability of the City, calculated using the current healthcare trend rates as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or higher than the current trend rates.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$	10,717,949	11,897,876	13,289,908

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019 the employer recognized OPEB expense of \$819,693. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$	(153,338)
Changes in assumptions	282,783	(489,045)
Total	<u>\$ 282,783</u>	<u>(642,383)</u>

Amounts reported as deferred outflows and inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended:	
2020	\$ (59,727)
2021	(59,727)
2022	(59,727)
2023	(59,727)
2024	(59,727)
Thereafter	(60,965)

9. RESTRICTED ASSETS

Municipal Utilities issued Series 2008 bonds during the year ended December 31, 2008, in the amount of \$6,195,000 for extending and improving the waterworks system. Municipal Utilities has \$1,061,476 restricted cash in the escrow accounts for this bond.

Municipal Utilities issued Series 2012 bonds during the year ended December 31, 2012, in the amount of \$1,273,742 for extending and improving the combined waterworks and sewerage system. Municipal Utilities has \$37,298 restricted cash in the escrow accounts for this bond.

Municipal Utilities issued Series 2016 bonds during the year ended December 31, 2016, in the maximum principal amount of \$1,031,000 for extending and improving the combined waterworks and sewerage system. Municipal Utilities has \$27,846 restricted cash in the escrow accounts for this bond.

Municipal Utilities issued Series 2019 bonds during the year ended December 31, 2019, in the maximum principal amount not to exceed \$20,000,000 for extending and improving the combined waterworks and sewerage system. Municipal Utilities had \$4,207 restricted cash in the escrow accounts for this bond.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Municipal Utilities is under a cash collateral agreement with Midcontinent Independent System Operator, Inc. (MISO) to secure Municipal Utilities' performance related to the purchase and/or sale of electric capacity, energy, ancillary services, and related products or services. Municipal Utilities has \$240,036 restricted cash in the MISO account for this agreement.

Municipal Utilities entered into a settlement agreement with the purchasers of the City's Cable Department in December 2015 to refund a portion of the purchase price received for the sale of the Cable Department. Municipal Utilities has \$646,926 restricted cash in the Cable Department's cash account for this agreement.

The City issued Series 2015A bonds during the year ended December 31, 2015, in the amount of \$16,900,000 for the refinancing of the Tax Increment Revenue Note. The City has \$2,383,570 restricted cash in the escrow accounts for this bond.

The City issued Series 2017 bonds during the year ended December 31, 2017, in the amount of \$11,670,000. The City has \$756,470 restricted cash in the escrow accounts for this bond.

10. NEGATIVE FUND BALANCE/NET POSITION

The Pool/Fitness Fund and the Health Insurance Fund have negative net positions at December 31, 2019. An operating transfer from the General Fund will be required to increase the fund balance to a positive balance.

11. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has effectively managed risk through its insurance coverage and various educational and prevention programs. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City.

12. INDUSTRIAL REVENUE BONDS

From time to time, the City has issued industrial revenue bonds to provide capital financing for specific third parties that are not part of the City's financial reporting entity. At the same time, the City entered into lease agreements with the purchasers which contains provisions allowing the lessee to purchase the leased property for a nominal amount at the end of the lease term, or at earlier dates upon payment of amounts sufficient to redeem the entire related bond issued by the City, which are then outstanding. Capital outlay is earmarked to have been purchased with these bonds to keep from having to pay property taxes on the items purchased. Instead of paying property taxes on this property, Payments in Lieu of Taxes are paid to the City for a twenty year period. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. The City is not obligated in any manner for repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

As of December 31, 2019, there were four series of industrial revenue bonds outstanding. The aggregate principal amount payable at December 31, 2019, could not be determined; however, their original issue amounts were not to exceed \$24 million.

13. TAX ABATEMENT

The City has two programs through which tax abatements are provided:

Enhanced Enterprise Zone Program. This program is authorized by Revised Statutes of Missouri Sections 135.950 to 135.970 and City Ordinance No. 7258 to enter into property tax abatement agreements for the purpose of attracting or retaining businesses. The amount of abatement is achieved through a reduction of assessed valuation.

Industrial Development Program. This program is authorized by the Revised Statutes of Missouri Sections 100.010 through 100.200 to purchase, construct, extend, equip, and improve certain projects and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease such projects to private persons or corporations for industrial development purposes. The private persons/corporations make a commitment to maintain manufacturing operations and in turn receive the incentive of property tax relief. The amount of the abatements are achieved through a reduction of assessed valuation.

For the year ended December 31, 2019, the City abated taxes as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated</u>
Enhancement Enterprise Zone Program	\$ 251,011
Industrial Development Program	\$ 28,253

The City is not subject to any tax abatement agreements entered into by other governmental entities.

City of Poplar Bluff, Missouri
Notes to the Basic Financial Statements
December 31, 2019

14. SUBSEQUENT EVENT

On March 4, 2020, the City borrowed \$1,000,000 for the purchase of property. The loan has a fixed rate of 3.65% interest and is due in one principal payment plus interest to First Missouri Bank of Poplar Bluff on March 4, 2021.

The City's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. On April 3, 2020, the Governor of Missouri declared a health emergency and issued an order to close all nonessential business until further notice. Due to the City providing essential services pursuant to the government order, we have reduced the scope of our operations and where possible, certain workers are telecommuting from their homes. However, there has been no reduction in providing police and fire protection, or providing electric, water and sewer, and other similar services to the residents of the City.

The City receives a significant amount of its funding from sales taxes and gasoline and motor vehicle taxes. Due to residents sheltering in place, it is expected that these revenues will suffer significant declines in 2020. However, the total impact on the City's revenues cannot be reasonably estimated at this time.

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2019

	Budgeted Amounts <u>Original</u>	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget - Over <u>(Under)</u>
Revenues:				
General property taxes	\$ 1,431,764	1,431,764	1,383,653	(48,111)
Sales tax	5,791,098	5,791,098	5,370,735	(420,363)
Licenses and permits	3,461,997	3,461,997	3,095,391	(366,606)
Fines, forfeitures, and violations	248,232	248,232	193,055	(55,177)
Use of property	69,660	69,660	171,960	102,300
Other revenues	278,329	278,329	184,967	(93,362)
Special revenues	3,180,930	3,180,930	825,289	(2,355,641)
Investment income	6,200	6,200	29,253	23,053
Grant income	308,628	308,628	891,199	582,571
Total revenues	<u>14,776,838</u>	<u>14,776,838</u>	<u>12,145,502</u>	<u>(2,631,336)</u>
Expenditures:				
Current				
General government administration	4,128,630	4,128,630	2,466,386	(1,662,244)
Police and fire protection Streets, cemetery and motor pool	7,587,101	7,587,101	7,736,103	149,002
Culture and recreation	1,998,347	1,998,347	2,039,316	40,969
Capital outlay	107,391	107,391	163,320	55,929
Debt service	1,904,159	1,904,159	791,846	(1,112,313)
Interest				
Total expenditures	<u>15,725,628</u>	<u>15,725,628</u>	<u>13,196,971</u>	<u>(2,528,657)</u>
(Deficiency) excess of revenues over expenditures	(948,790)	(948,790)	(1,051,469)	(102,679)
Other Financing Sources (Uses):				
Transfers in	18,200	18,200		(18,200)
Transfer in-utilities			342,064	342,064
Transfers out	<u>(229,180)</u>	<u>(229,180)</u>	<u>(1,347,280)</u>	<u>(1,118,100)</u>
Total other funding sources (uses)	<u>(210,980)</u>	<u>(210,980)</u>	<u>(1,005,216)</u>	<u>(794,236)</u>
Net change in fund balance	<u>\$ (1,159,770)</u>	<u>(1,159,770)</u>	(2,056,685)	<u>(896,915)</u>
Fund balance, December 31, 2018			<u>7,655,505</u>	
Fund balance, December 31, 2019			<u>5,598,820</u>	

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Budgetary Comparison Schedule
 Hwy. 67 Tax Fund
 For the Year Ended December 31, 2019

	Budgeted Amounts <u>Original</u>	Budgeted Amounts <u>Final</u>	Actual <u>Amounts</u>	Variance with Final Budget - Over <u>(Under)</u>
Revenues:				
Sales tax	\$ 2,511,957	2,511,957	2,330,112	(181,845)
Investment income	<u>15,900</u>	<u>15,900</u>	<u>23,612</u>	<u>7,712</u>
Total Revenues	<u>2,527,857</u>	<u>2,527,857</u>	<u>2,353,724</u>	<u>(174,133)</u>
Expenditures:				
Current				
General government administration	<u>2,527,857</u>	<u>2,527,857</u>	<u>2,353,724</u>	<u>(174,133)</u>
Total Expenditures	<u>2,527,857</u>	<u>2,527,857</u>	<u>2,353,724</u>	<u>(174,133)</u>
Excess (Deficiency) of				
Other Financing Sources (Uses):				
Transfers in				
Transfers out	_____	_____	_____	_____
Total Other Financing Sources (Uses)	_____	_____	_____	_____
Net Change in Fund Balance	<u>\$ _____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Fund Balance, December 31, 2018			_____	
Fund Balance, December 31, 2019			<u>_____</u>	

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Budgetary Comparison Schedule
 Special Allocation Fund
 For the Year Ended December 31, 2019

	Budgeted Amounts <u>Original</u>	Budgeted Amounts <u>Final</u>	Actual <u>Amounts</u>	Variance with Final Budget - Over <u>(Under)</u>
Revenues:				
General property taxes	\$ 215,000	215,000	343,247	128,247
Sales tax	1,137,071	1,137,071	2,105,176	968,105
Investment income	18,000	18,000	49,414	31,414
Total Revenues	<u>1,370,071</u>	<u>1,370,071</u>	<u>2,497,837</u>	<u>1,127,766</u>
Expenditures:				
Current				
General government administration	2,508,447	2,508,447	11,542	(2,496,905)
Principal	800,000	800,000	720,000	(80,000)
Interest			1,222,975	1,222,975
Total Expenditures	<u>3,308,447</u>	<u>3,308,447</u>	<u>1,954,517</u>	<u>(1,353,930)</u>
Excess (Deficiency) of Revenues over Expenditures	(1,938,376)	(1,938,376)	543,320	2,481,696
Other Financing Sources (Uses):				
Transfers in				
Transfers out				
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	<u>\$ (1,938,376)</u>	<u>(1,938,376)</u>	543,320	<u>2,481,696</u>
Fund Balance, December 31, 2018			<u>3,417,715</u>	
Fund Balance, December 31, 2019			<u>3,961,035</u>	

City of Poplar Bluff, Missouri
Notes to Required Supplementary Information
Budgetary Comparison Schedule
For the Year Ended December 31, 2019

Budgetary Accounting

The City prepares its budget for all Funds on the modified accrual basis of accounting. This basis is consistent with the basis of accounting used in presenting the Funds in the basic financial statements. All unexpended appropriations lapse at year-end.

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Schedule of Changes in Total OPEB Liability and Related Ratios
 For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Service cost	\$ 402,666	484,997
Interest	476,752	421,152
Difference between expected and actual experience	(175,723)	
Changes of assumptions or other inputs	324,064	(646,292)
Benefit payments, including refunds	<u>(703,697)</u>	<u>(880,174)</u>
Net change in total pension liability	324,062	(620,317)
Total OPEB liability, beginning	<u>11,573,814</u>	<u>12,194,131</u>
Total OPEB liability, ending	<u>\$11,897,876</u>	<u>11,573,814</u>
Covered employee payroll	\$11,950,000	11,480,000
Total OPEB liability as a percentage of covered employee payroll	99.56%	100.82%

Notes to Schedule:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Changes in assumptions or other inputs reflect the effects of changes in the discount rate each period.

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Schedule of Changes in Net Pension Liability
 LAGERS
 For the Year Ended December 31, 2019

<i>Fiscal year ending December 31,</i>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability					
Service cost	\$ 1,299,313	1,291,619	1,281,614	1,290,406	1,357,952
Interest on the total pension liability	5,091,722	4,860,531	4,663,283	4,305,991	4,231,445
Difference between expected and actual experience	807,732	104,851	(396,739)	(594,738)	(1,921,521)
Assumption changes			(59,329)	2,748,912	
Benefit payments	<u>(3,248,350)</u>	<u>(2,901,576)</u>	<u>(2,767,761)</u>	<u>(2,747,946)</u>	<u>(2,469,874)</u>
Net change in total pension liability	3,950,417	3,355,425	2,721,068	5,002,625	1,198,002
Total pension liability, beginning	<u>71,188,118</u>	<u>67,832,693</u>	<u>65,111,625</u>	<u>60,109,000</u>	<u>58,910,998</u>
Total pension liability, ending	<u>75,138,535</u>	<u>71,188,118</u>	<u>67,832,693</u>	<u>65,111,625</u>	<u>60,109,000</u>
Plan Fiduciary Net Position					
Contributions-employer	2,155,426	2,073,844	2,027,900	1,974,943	2,096,005
Contributions-employee	103,668				
Pension plan net investment income	4,273,780	7,540,523	6,404,098	(66,177)	1,125,169
Benefit payments	(3,248,350)	(2,901,576)	(2,767,761)	(2,747,946)	(2,469,874)
Pension plan administrative expense	(60,233)	(41,824)	(40,789)	(41,043)	(44,829)
Other	<u>(192,131)</u>	<u>516,109</u>	<u>132,777</u>	<u>(263,569)</u>	<u>299,197</u>
Net change in plan fiduciary net position	3,032,160	7,187,076	5,756,225	(1,143,792)	1,005,668
Plan fiduciary net position, beginning	<u>66,899,091</u>	<u>59,712,015</u>	<u>53,955,790</u>	<u>55,099,582</u>	<u>54,093,914</u>
Plan fiduciary net position, ending	<u>69,931,251</u>	<u>66,899,091</u>	<u>59,712,015</u>	<u>53,955,790</u>	<u>55,099,582</u>
Employer net pension liability	<u>\$ 5,207,284</u>	<u>4,289,027</u>	<u>8,120,678</u>	<u>11,155,835</u>	<u>5,009,418</u>
Plan fiduciary net position as a percentage of the total pension liability	93.07%	93.98%	88.03%	82.87%	91.67%
Covered employee payroll	\$ 11,329,192	11,078,698	11,191,244	11,043,578	11,397,861
Employer's net pension liability as a percentage of covered employee payroll	45.96%	38.71%	72.56%	101.02%	43.95%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Schedule of Contributions
 LAGERS
 For the Year Ended December 31, 2019

<i>Fiscal year ending December 31,</i>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,174,080	2,121,436	2,145,926	1,931,038	2,094,812
Contributions in relation to the actuarially determined contribution	<u>2,174,080</u>	<u>2,114,271</u>	<u>2,051,503</u>	<u>1,931,038</u>	<u>2,094,812</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>7,165</u>	<u>94,423</u>	<u>-</u>	<u>-</u>
 Covered employee payroll	 \$11,669,921	 11,260,662	 11,396,692	 11,367,195	 11,338,625
 Contributions as a percentage of covered employee payroll	 18.63%	 18.78%	 18.00%	 16.99%	 18.48%
 <i>Fiscal year ending December 31,</i>	 <u>2014</u>	 <u>2013</u>	 <u>2012</u>	 <u>2011</u>	 <u>2010</u>
Actuarially determined contribution	\$ 2,145,027	1,644,018	1,613,782	1,473,956	1,488,030
Contributions in relation to the actuarially determined contribution	<u>2,145,027</u>	<u>1,570,121</u>	<u>1,423,514</u>	<u>1,269,219</u>	<u>1,132,330</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>73,897</u>	<u>190,268</u>	<u>204,737</u>	<u>355,700</u>
 Covered employee payroll	 \$11,506,535	 11,892,721	 11,655,588	 11,310,794	 11,113,802
 Contributions as a percentage of covered employee payroll	 18.64%	 13.20%	 12.21%	 11.22%	 10.19%

See Independent Auditors' Report

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Notes to Schedule of Contributions
 LAGERS
 December 31, 2019

Valuation Date:	February 28, 2019
Notes:	The roll-forward of total pension liability from February 28, 2019 to June 30, 2019 reflects expected service cost and interest reduced by actual benefit payments.
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 15 to 25 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increases	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	<p>The healthy retire mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.</p> <p>Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.</p>
Other Information:	None

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Schedule of Changes in Net Pension Liability
 City of Poplar Bluff Policemen's and Firemen's Pension Plan
 For the Year Ended December 31, 2019

<i>Fiscal year ending December 31,</i>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability					
Service cost	\$ 405,112	\$ 387,805	322,344	325,476	308,503
Interest on the total pension liability	947,661	941,708	941,155	916,725	904,823
Difference between expected and actual experience	130,795	(304,620)	159,836	13,934	12,903
Assumption changes	(246,359)		1,162,730		477,493
Benefit payments	<u>(1,019,862)</u>	<u>(956,692)</u>	<u>(831,708)</u>	<u>(790,402)</u>	<u>(771,054)</u>
Net change in total pension liability	217,347	68,201	1,754,357	465,733	932,668
Total pension liability, beginning	<u>19,053,571</u>	<u>18,985,370</u>	<u>17,231,013</u>	<u>16,765,280</u>	<u>15,832,612</u>
Total pension liability, ending	<u>19,270,918</u>	<u>19,053,571</u>	<u>18,985,370</u>	<u>17,231,013</u>	<u>16,765,280</u>
Plan Fiduciary Net Position					
Contributions-employer	253,165	266,067	301,740	273,373	200,120
Contributions-employee	188,762	187,270	189,797	181,985	236,540
Pension plan net investment income	(604,398)	1,312,197	759,927	(70,777)	647,641
Benefit payments	(1,019,862)	(956,692)	(831,708)	(790,402)	(771,054)
Pension plan administrative expense	(23,535)	(23,195)	(26,865)	(19,955)	(19,995)
Other		<u>(3,051)</u>	<u>(7,046)</u>		<u>(10,270)</u>
Net change in plan fiduciary net position	(1,205,868)	782,596	385,845	(425,776)	282,982
Plan fiduciary net position, beginning	<u>12,940,477</u>	<u>12,157,881</u>	<u>11,772,036</u>	<u>12,197,812</u>	<u>11,914,830</u>
Plan fiduciary net position, ending	<u>11,734,609</u>	<u>12,940,477</u>	<u>12,157,881</u>	<u>11,772,036</u>	<u>12,197,812</u>
Employer net pension liability	<u>\$ 7,536,309</u>	<u>\$ 6,113,094</u>	<u>6,827,489</u>	<u>5,458,977</u>	<u>4,567,468</u>
Plan fiduciary net position as a percentage of the total pension liability	60.89%	67.92%	64.04%	68.32%	72.76%
Covered employee payroll	\$ 4,064,100	\$ 4,123,926	4,059,566	4,046,610	3,914,805
Employer's net pension liability as a percentage of covered employee payroll	185.44%	148.23%	168.18%	134.90%	116.67%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Schedule of Contributions
 City of Poplar Bluff Policemen's and Firemen's Pension Plan
 For the Year Ended December 31, 2019

<i>Fiscal year ending December 31,</i>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 850,408	811,036	579,058	543,721	507,503
Contributions in relation to the actuarially determined contribution	<u>253,165</u>	<u>266,067</u>	<u>301,740</u>	<u>273,373</u>	<u>236,540</u>
Contribution deficiency (excess)	<u>\$ 597,243</u>	<u>544,969</u>	<u>277,318</u>	<u>270,348</u>	<u>270,963</u>
Covered employee payroll	\$ 4,064,100	4,123,926	4,059,566	4,046,610	3,914,805
Contributions as a percentage of covered employee payroll	6.23%	6.45%	7.43%	6.76%	6.04%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Poplar Bluff, Missouri
 Required Supplementary Information (Unaudited)
 Notes to Schedule of Contributions
 City of Poplar Bluff Policemen's and Firemen's Pension Plan
 December 31, 2019

Valuation Date:	December 31, 2018
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age cost method
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	15 years
Asset Valuation Method	Market value of assets, as of the measurement date
Inflation	2.25% increase per year
Salary Increases	3.00% increase each year until retirement
Investment Rate of Return	5.25%, net of investment and administrative expenses
Retirement Age	Active and inactive participants are assumed to retire at normal retirement age, or current age if later.
Mortality	IRS Prescribed Mortality - Generational Annuitant, male and female, with no further assumed improvements for mortality.
Disability	1987 Commissioner's Group Disability Table, six month elimination period, male and female.
Other Information:	No benefit changes during the year

City of Poplar Bluff, Missouri
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Park/Golf Capital <u>Fund</u>	Park <u>Fund</u>	Crime Reduction <u>Fund</u>
Assets:			
Cash and cash equivalents	\$ 124,597	636,324	
Taxes receivable, net	50,398	201,593	
Other receivable			
Due from other funds			
Accrued interest	182	727	
Prepaid insurance		5,179	
Restricted assets:			
Cash and cash equivalents			11,501
Tax receivable, net			
Grant receivable			
 Total assets	 <u>\$ 175,177</u>	 <u>843,823</u>	 <u>11,501</u>
 Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$	17,910	
Accounts payable - general fund	1,197	53,673	
Due to other funds	5,660	13,317	
Accrued payroll and benefits		34,603	
 Total liabilities	 <u>6,857</u>	 <u>119,503</u>	 <u></u>
 Fund Balance:			
Nonspendable		5,179	
Restricted			11,501
Assigned	168,320	719,141	
Unassigned			
 Total fund balance	 <u>168,320</u>	 <u>724,320</u>	 <u>11,501</u>
 Total liabilities and fund balance	 <u>\$ 175,177</u>	 <u>843,823</u>	 <u>11,501</u>

City of Poplar Bluff, Missouri
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Tourism Tax <u>Fund</u>	Police & Fire Pension <u>Fund</u>	Capital Improvement <u>Fund</u>
Assets:			
Cash and cash equivalents	\$		1,130,792
Taxes receivable, net			352,787
Other receivable			336
Due from other funds			641,770
Accrued interest			1,274
Prepaid insurance			
Restricted assets:			
Cash and cash equivalents	206,041	55,782	
Tax receivable, net	65,121	200,212	
Grant receivable			
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 271,162</u>	<u>255,994</u>	<u>2,126,959</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$	255,994	113,224
Accounts payable - general fund			85,460
Due to other funds			39,618
Accrued payroll and benefits			
	<hr/>	<hr/>	<hr/>
Total liabilities	<hr/>	<u>255,994</u>	<u>238,302</u>
Fund Balance:			
Nonspendable			
Restricted	271,162		
Assigned			1,888,657
Unassigned			
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>271,162</u>	<hr/>	<u>1,888,657</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 271,162</u>	<u>255,994</u>	<u>2,126,959</u>

City of Poplar Bluff, Missouri
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Storm Water <u>Fund</u>	Task Force <u>Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$		1,891,713
Taxes receivable, net			604,778
Other receivables			336
Due from other funds			641,770
Accrued interest			2,183
Prepaid insurance			5,179
Restricted assets:			
Cash and cash equivalents	101,304		374,628
Tax receivable, net			265,333
Grant receivable		29,912	29,912
Total assets	<u>\$ 101,304</u>	<u>29,912</u>	<u>3,815,832</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$	29,912	417,040
Accounts payable - general fund			140,330
Due to other funds			58,595
Accrued payroll and benefits			34,603
Total liabilities		<u>29,912</u>	<u>650,568</u>
Fund Balance:			
Nonspendable			5,179
Restricted	101,304		383,967
Assigned			2,776,118
Unassigned			
Total fund balance	<u>101,304</u>		<u>3,165,264</u>
Total liabilities and fund balance	<u>\$ 101,304</u>	<u>29,912</u>	<u>3,815,832</u>

City of Poplar Bluff, Missouri
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Park/Golf Capital <u>Fund</u>	Park <u>Fund</u>	Crime Reduction <u>Fund</u>
Revenues:			
General property taxes	\$		
Sales tax	283,778	1,165,056	
Fines, forfeitures, and violations			
Use of property		53,443	
Other revenues		21,055	
Special revenues			
Investment income	207	3,827	11
Grant income		115,017	
Total revenues	<u>283,985</u>	<u>1,358,398</u>	<u>11</u>
Expenditures:			
Current			
General government administration			
Police and fire protection			
Streets, cemetery and motor pool			
Culture and recreation	17,133	1,107,349	
Capital outlay	369,448	168,228	
Debt service			
Principal			
Interest			
Total expenditures	<u>386,581</u>	<u>1,275,577</u>	<u> </u>
Excess (deficiency) of revenues over expenditures	(102,596)	82,821	11
Other Financing Sources (Uses):			
Transfers in			
Transfer in-utilities		3,946	
Transfers out	(36,209)	(347,710)	
Loan proceeds			
Total other financing sources (uses)	<u>(36,209)</u>	<u>(343,764)</u>	<u> </u>
Net change in fund balance	(138,805)	(260,943)	11
Fund balance, December 31, 2018	<u>307,125</u>	<u>985,263</u>	<u>11,490</u>
Fund balance, December 31, 2019	<u>\$ 168,320</u>	<u>724,320</u>	<u>11,501</u>

City of Poplar Bluff, Missouri
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Tourism Tax <u>Fund</u>	Police & Fire Pension <u>Fund</u>	Capital Improvement <u>Fund</u>
Revenues:			
General property taxes	\$	259,413	
Sales tax			1,982,166
Fines, forfeitures, and violations			
Use of property			
Other revenues			20,875
Special revenues	329,499		8,000
Investment income	311		5,734
Grant income			
Total revenues	<u>329,810</u>	<u>259,413</u>	<u>2,016,775</u>
Expenditures:			
Current			
General government administration	127,836		271,549
Police and fire protection		259,413	255,246
Streets, cemetery and motor pool			280,558
Culture and recreation			16,882
Capital outlay			774,668
Debt service			
Principal			1,097,047
Interest			159,451
Total expenditures	<u>127,836</u>	<u>259,413</u>	<u>2,855,401</u>
Excess (deficiency) of revenues over expenditures	201,974		(838,626)
Other Financing Sources (Uses):			
Transfers in			
Transfer in-utilities			
Transfers out	(248,561)		
Loan proceeds			160,000
Total other financing sources (uses)	<u>(248,561)</u>		<u>160,000</u>
Net change in fund balance	(46,587)		(678,626)
Fund balance, December 31, 2018	<u>317,749</u>		<u>2,567,283</u>
Fund balance, December 31, 2019	<u>\$ 271,162</u>		<u>1,888,657</u>

City of Poplar Bluff, Missouri
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Storm Water <u>Fund</u>	Task Force <u>Fund</u>	<u>Total</u>
Revenues:			
General property taxes	\$		259,413
Sales tax			3,431,000
Fines, forfeitures, and violations	6,200		6,200
Use of property			53,443
Other revenues			41,930
Special revenues			337,499
Investment income	82		10,172
Grant income		322,145	437,162
Total revenues	<u>6,282</u>	<u>322,145</u>	<u>4,576,819</u>
Expenditures:			
Current			
General government administration			399,385
Police and fire protection		322,145	836,804
Streets, cemetery and motor pool			280,558
Culture and recreation			1,141,364
Capital outlay	11,322		1,323,666
Debt service			
Principal			1,097,047
Interest			159,451
Total expenditures	<u>11,322</u>	<u>322,145</u>	<u>5,238,275</u>
Excess (deficiency) of revenues over expenditures	(5,040)		(661,456)
Other Financing Sources (Uses):			
Transfers in			
Transfer in-utilities			3,946
Transfers out			(632,480)
Loan proceeds			160,000
Total other financing sources (uses)			<u>(468,534)</u>
Net change in fund balance	(5,040)		(1,129,990)
Fund balance, December 31, 2018	<u>106,344</u>		<u>4,295,254</u>
Fund balance, December 31, 2019	<u>\$ 101,304</u>		<u>3,165,264</u>

City of Poplar Bluff, Missouri
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2019

	Golf Course Fund	Airport Fund	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 43,189		43,189
Accounts receivable, net		14,088	14,088
Inventories		46,100	46,100
Prepaid expenses	873	24,263	25,136
Total current assets	<u>44,062</u>	<u>84,451</u>	<u>128,513</u>
Noncurrent Assets:			
Capital assets:			
Capital assets, net	1,747,012	2,409,127	4,156,139
Land	800,000	1,134,243	1,934,243
Total noncurrent assets	<u>2,547,012</u>	<u>3,543,370</u>	<u>6,090,382</u>
Total assets	<u>2,591,074</u>	<u>3,627,821</u>	<u>6,218,895</u>
Deferred Outflows of Resources:			
Pension deferrals	34,390	7,399	41,789
OPEB deferrals	5,738	1,435	7,173
Total deferred outflows of resources	<u>40,128</u>	<u>8,834</u>	<u>48,962</u>
Liabilities:			
Current Liabilities:			
Accounts payable	7,697	3,787	11,484
Accounts payable - general fund	23,841	395,325	419,166
Accrued payroll and benefits	13,606	5,627	19,233
Accrued interest		41	41
Current maturities of long term debt	36,209	7,364	43,573
Total current liabilities	<u>81,353</u>	<u>412,144</u>	<u>493,497</u>
Noncurrent Liabilities:			
Long-term obligations	24,911	8,525	33,436
Net pension liability	82,090	17,662	99,752
Total OPEB liability	241,430	60,357	301,787
Total noncurrent liabilities	<u>348,431</u>	<u>86,544</u>	<u>434,975</u>
Total liabilities	<u>429,784</u>	<u>498,688</u>	<u>928,472</u>
Deferred Inflows of Resources:			
Pension deferrals	34,374	7,396	41,770
OPEB deferrals	12,496	3,124	15,620
Total deferred inflows of resources	<u>46,870</u>	<u>10,520</u>	<u>57,390</u>
Net Position:			
Net investment in capital assets	2,510,803	3,533,468	6,044,271
Unrestricted	<u>(356,255)</u>	<u>(406,021)</u>	<u>(762,276)</u>
Total net position	<u>\$ 2,154,548</u>	<u>3,127,447</u>	<u>5,281,995</u>

City of Poplar Bluff, Missouri
Combining Statement of Revenues,
Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2019

	Golf Course <u>Fund</u>	Airport <u>Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 200,033	565,962	765,995
Property rental		24,644	24,644
Grant income		49,438	49,438
Miscellaneous	<u>3,484</u>		<u>3,484</u>
Total operating revenues	<u>203,517</u>	<u>640,044</u>	<u>843,561</u>
Operating Expenses:			
Personnel services	346,539	104,282	450,821
Office supplies	21		21
Operating supplies	71,271	5,815	77,086
Repairs and maintenance	49,987	71,982	121,969
Natural gas	3,072	14,238	17,310
Utilities	26,810	14,603	41,413
Merchandise for resale		374,596	374,596
Telephone	2,635	2,027	4,662
Books/publications and memberships	955	205	1,160
Travel and training	4,072	1,337	5,409
Professional fees	5,066	8,625	13,691
Advertising	172	742	914
Insurance	12,838	59,064	71,902
Small tools and equipment	3,009	648	3,657
Miscellaneous		8,298	8,298
Depreciation	<u>51,180</u>	<u>167,233</u>	<u>218,413</u>
Total operating expenses	<u>577,627</u>	<u>833,695</u>	<u>1,411,322</u>
Income (loss) from operations	<u>(374,110)</u>	<u>(193,651)</u>	<u>(567,761)</u>
Nonoperating Revenues (Expenses):			
Investment income	22		22
Interest expense		<u>(657)</u>	<u>(657)</u>
Total nonoperating revenues (expenses)	<u>22</u>	<u>(657)</u>	<u>(635)</u>
Income (loss) before contributions and transfers	(374,088)	(194,308)	(568,396)
Contributions and Transfers:			
Transfers in	475,524	86,860	562,384
Transfers in - utilities	10,813	737	11,550
Transfers out	<u>(36,660)</u>		<u>(36,660)</u>
Changes in net position	75,589	(106,711)	(31,122)
Net position, December 31, 2018	<u>2,078,959</u>	<u>3,234,158</u>	<u>5,313,117</u>
Net position, December 31, 2019	<u>\$ 2,154,548</u>	<u>3,127,447</u>	<u>5,281,995</u>

City of Poplar Bluff, Missouri
Combining Statement of Net Position - Municipal Utilities
December 31, 2019

	<u>Electric Department</u>	<u>Water/Sewer Department</u>	<u>Cable Department</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 13,530,224	2,511,398		16,041,622
Investments	2,068,965			2,068,965
Accounts receivable, net	1,696,271	1,656,586	1,274	3,354,131
Accrued interest receivable	8,904			8,904
Inventories	1,045,557	300,095		1,345,652
Prepaid expenses	1,152,414	161,226		1,313,640
Total current assets	<u>19,502,335</u>	<u>4,629,305</u>	<u>1,274</u>	<u>24,132,914</u>
Restricted assets:				
Cash and cash equivalents	240,036	1,130,827	646,926	2,017,789
Total restricted assets	<u>240,036</u>	<u>1,130,827</u>	<u>646,926</u>	<u>2,017,789</u>
Noncurrent assets:				
Patronage capital	19,133			19,133
Capital assets, net	29,721,413	34,464,128		64,185,541
Land	1,063,490	371,350		1,434,840
Total noncurrent assets	<u>30,804,036</u>	<u>34,835,478</u>		<u>65,639,514</u>
Total assets	<u>50,546,407</u>	<u>40,595,610</u>	<u>648,200</u>	<u>91,790,217</u>
Deferred Outflows of Resources:				
Pension deferrals	600,328	356,265		956,593
OPEB deferrals	48,400	29,242		77,642
Total deferred outflows of resources	<u>648,728</u>	<u>385,507</u>		<u>1,034,235</u>
Liabilities:				
Current liabilities:				
Accounts payable	1,725,761	1,811,457	19,633	3,556,851
Accrued payroll and benefits	431,248	231,676		662,924
Sales tax payable	658,561	27,819		686,380
Accrued interest payable	16,182	45,558		61,740
Current maturities of advances from other funds		150,000		150,000
Current maturities of long-term obligations	520,147	414,400		934,547
Total current liabilities	<u>3,351,899</u>	<u>2,680,910</u>	<u>19,633</u>	<u>6,052,442</u>
Noncurrent liabilities:				
Customer meter deposits	392,190	79,097		471,287
Advance from other funds		491,770		491,770
Long-term obligations	7,809,031	11,206,467	429,361	19,444,859
Total OPEB liability	2,036,421	1,230,337		3,266,758
Net pension liability	1,433,024	850,429		2,283,453
Total noncurrent liabilities	<u>11,670,666</u>	<u>13,858,100</u>	<u>429,361</u>	<u>25,958,127</u>
Total liabilities	<u>15,022,565</u>	<u>16,539,010</u>	<u>448,994</u>	<u>32,010,569</u>
Deferred Inflows of Resources:				
Pension deferrals	600,054	356,102		956,156
OPEB deferrals	121,970	73,691		195,661
Total deferred inflows of resources	<u>722,024</u>	<u>429,793</u>		<u>1,151,817</u>
Net Position:				
Net investment in capital assets	22,879,903	23,417,448		46,297,351
Restricted for:				
Debt service		1,130,827		1,130,827
Other	240,036		197,932	437,968
Unrestricted	12,330,607	(535,961)	1,274	11,795,920
Total net position	<u>\$ 35,450,546</u>	<u>24,012,314</u>	<u>199,206</u>	<u>59,662,066</u>

City of Poplar Bluff, Missouri
Combining Statement of Revenues, Expenses, and Changes in Net Position
Municipal Utilities
Year Ended December 31, 2019

	<u>Electric Department</u>	<u>Water/Sewer Department</u>	<u>Cable Department</u>	<u>Total</u>
Operating revenues:				
Utility services sales	\$ 32,496,985	5,391,238		37,888,223
Other miscellaneous	<u>6,149,413</u>	<u>87,009</u>		<u>6,236,422</u>
Total operating revenues	<u>38,646,398</u>	<u>5,478,247</u>		<u>44,124,645</u>
Operating expenses:				
Personnel services	1,137,946	774,455		1,912,401
Office supplies	88,127	1,093		89,220
Shared office expense	(282,187)	282,187		
Repairs and maintenance	173,727	10,447		184,174
Electric transmission	26,751,915			26,751,915
Electric distribution	3,648,134			3,648,134
Water supply, purification and pumping		832,218		832,218
Water distribution		639,553		639,553
Sewer accumulation		1,225,192		1,225,192
Telephone	6,256	4,969		11,225
Books/publications and memberships	30,445			30,445
Professional fees	168,376	182,017	450	350,843
Advertising	6,925	1,562		8,487
Insurance	368,105	195,219		563,324
Uncollectible accounts	68,917	7,227		76,144
Free municipal services	570,136	27,053		597,189
Miscellaneous	142,360	58,263		200,623
Depreciation	<u>2,159,882</u>	<u>1,248,475</u>		<u>3,408,357</u>
Total operating expenses	<u>35,039,064</u>	<u>5,489,930</u>	<u>450</u>	<u>40,529,444</u>
Income (loss) from operations	<u>3,607,334</u>	<u>(11,683)</u>	<u>(450)</u>	<u>3,595,201</u>
Nonoperating revenues (expenses):				
Interest income	133,110	28,916	5,931	167,957
Interest expense	<u>(403,059)</u>	<u>(105,773)</u>		<u>(508,832)</u>
Total nonoperating revenues (expenses)	<u>(269,949)</u>	<u>(76,857)</u>	<u>5,931</u>	<u>(340,875)</u>
Gain (loss) before contributions and transfers	3,337,385	(88,540)	5,481	3,254,326
Contributions and Transfers				
Transfers in				
Transfers out	(390,369)	(232,851)		(623,220)
Contributions in aid of construction	<u>23,617</u>	<u>56,976</u>		<u>80,593</u>
Change in net position	2,970,633	(264,415)	5,481	2,711,699
Net position, December 31, 2018	<u>32,479,913</u>	<u>24,276,729</u>	<u>193,725</u>	<u>56,950,367</u>
Net position, December 31, 2019	<u>\$ 35,450,546</u>	<u>24,012,314</u>	<u>199,206</u>	<u>59,662,066</u>

City of Poplar Bluff, Missouri
 Operating Data Required by Bond (Unaudited)
 For the Year Ended December 31, 2019

ECONOMIC INFORMATION CONCERNING THE CITY-

Building Construction

The following table indicates the number of building permits and total estimated valuation of these permits issued within the City over a six-year period. These numbers reflect permits issued either for new construction or for major renovation.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential						
No. of permits	134	118	118	127	240	118
Estimated cost	\$1,149,526	\$1,160,473	\$883,294	\$1,323,807	2,347,704	\$1,763,432
Commercial						
No. of permits	76	69	69	90	92	69
Estimated cost	\$16,690,769	\$36,292,972	\$21,983,833	\$35,850,077	11,777,179	\$13,773,953

FINANCIAL INFORMATION CONCERNING THE CITY-

Retail Sales Taxes

A one percent sales tax approved by the voters of the City on December 15, 1970, is levied on receipts from the sale at retail of all tangible property or taxable services, if such property and services are subject to the sales tax imposed by the State of Missouri. Upon termination of the Federal Revenue Sharing funds in 1986, a new source of revenue for capital improvement projects and needs became increasingly urgent leading ultimately to the election and citizen approval of the one-half cent Capital Improvement Sales Tax on April 4, 1989, to be collected for a period of ten years. Voter approval on August 8, 1995, eliminated the sunset provision of the one-half cent Capital Improvement Sales Tax, thus providing continuing support for capital improvement needs of the City. The voters of the City approved a one-half cent sales tax for Economic Development in April 2005. A one-quarter cent Park Department Sales Tax was approved by voters of the City in November 1999.

The following table shows the retail sales tax collections for the city for the last five fiscal years:

<u>Year</u>	<u>General</u>	<u>Capital Improvement</u>	<u>Economic Development</u>	<u>Park Dept.</u>	<u>Totals</u>
2015	\$ 5,001,473	2,420,901	2,420,774	1,210,419	11,053,567
2016	5,035,716	2,445,448	2,445,371	1,222,700	11,149,235
2017	5,063,510	2,462,599	2,462,409	1,231,262	11,219,780
2018	5,244,455	2,543,547	2,543,487	1,271,748	11,603,237
2019	5,224,109	2,536,374	2,536,373	1,268,187	11,565,043

City of Poplar Bluff, Missouri
 Operating Data Required by Bond (Unaudited)
 For the Year Ended December 31, 2019

Major Sales Tax Payers

The ten largest sales tax payers for the year ended December 31, 2019, are as follows:

<u>Company</u>	<u>Business</u>	<u>Percentage of Sales Tax</u>
1. Walmart	Retail & Grocery	19.54%
2. Menard Inc.	Retail	7.00
3. The Home Depot	Retail	5.03
4. Kroger Partnership	Grocery	4.86
5. Walmart Neighborhood Market	Retail & Grocery	4.68
6. Harps Food Stores	Grocery	2.44
7. Gamblin Lumber Co.	Lumber	2.38
8. Aldi	Grocery	2.26
9. Academy Sports	Retail	2.10
10. Hefner Furniture	Retail	1.64

Property valuations- Current Assessed Valuation

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City according to the assessment of January 1, 2019 (the last completed assessment):

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$ 81,060,640	19%	\$ 426,634,947
Commercial	122,835,890	32	383,862,156
Agriculture	121,940	12	1,016,167
Sub-total	<u>204,018,470</u>		<u>811,513,270</u>
Personal Property	<u>50,930,736</u>	33 1/3%	<u>152,792,208</u>
Total	<u><u>\$ 254,949,206</u></u>		<u><u>\$ 964,305,478</u></u>

City of Poplar Bluff, Missouri
 Operating Data Required by Bond (Unaudited)
 For the Year Ended December 31, 2019

Tax Rates

Tax Collection Record:

The following table sets forth tax collection information for the City for the last five fiscal years.

Year Ended	Total Levy	Taxes Levied	Current and Delinquent Taxes Collected	
			Amounts	%
2019	\$0.61	\$1,526,012	\$1,693,153	111%
2018	0.61	1,510,727	1,732,739	115%
2017	0.61	1,498,555	1,622,034	108%
2016	0.61	1,504,978	1,550,691	103%
2015	0.61	1,429,445	1,756,964	123%

Major Property Taxpayers

The following table sets forth the ten largest real property taxpayers in the City based upon local assessed valuation as of January 1, 2019.

<u>Name of Taxpayer</u>	<u>Local Assessed Valuation</u>	<u>Description of Business</u>	<u>% of Total Local Assessed Valuation</u>
1. Eight Points Shopping Cent	\$ 5,081,140	Retail	2.49%
2. Southern Bank	4,359,140	Banking	2.13%
3. MPT of Poplar Bluff LLC	4,166,840	Health Care	2.04%
4. Nortek Global Hvac LLC	3,214,710	Contractor	1.57%
5. Menard Inc.	3,147,990	Retail	1.54%
6. Poplar Bluff Regional Med Ctr LLC	3,036,110	Health Care	1.49%
7. Walmart	2,564,310	Retail	1.26%
8. Scotty's Brewhouse, Rhodes, Fairfield Inn	2,306,850	Retail/Hotel	1.13%
9. First Missouri State Bank	2,190,310	Banking	1.07%
10. Eagle Investment Corporation	<u>2,131,370</u>	Industrial	<u>1.04%</u>
Total	<u>\$ 32,198,770</u>		<u>15.76%</u>



KRAFT, MILES & TATUM, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' 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*

The City Council
City of Poplar Bluff
Poplar Bluff, Missouri 63901

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Poplar Bluff, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City of Poplar Bluff, Missouri's, basic financial statements, and have issued our report thereon dated July 8, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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.

Kraft, Miles & Tatum, LLC

Certified Public Accountants

July 8, 2020



KRAFT, MILES & TATUM, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

The City Council
City of Poplar Bluff
Poplar Bluff, Missouri

Report on Compliance for Each Major Federal Program

We have audited the City of Poplar Bluff, Missouri's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Poplar Bluff, Missouri's major federal programs for the year ended December 31, 2019. The City of Poplar Bluff, Missouri's, major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Poplar Bluff, Missouri's, major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Poplar Bluff, Missouri's, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Poplar Bluff, Missouri, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the City of Poplar Bluff, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Poplar Bluff, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Poplar Bluff, Missouri's, internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Kraft, Miles & Tatum, LLC

Certified Public Accountants

July 8, 2020

City of Poplar Bluff, Missouri
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2019

Federal Grantor Pass-Through Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Disbursements/ Expenditures</u>	<u>Amount Provided to Subrecipients</u>
U.S. Department of Justice				
Pass through: Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAG-015	\$ 164,665	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-JAG-016	<u>152,580</u>	\$ 317,245
Direct Program				
Equitable Sharing Program	16.922	MO0120200	<u>21,867</u>	<u>317,245</u>
Total U.S. Department of Justice			<u>339,112</u>	<u>317,245</u>
U.S. Department of Health and Human Services				
Pass through: Southeast Missouri Behavioral Health				
Substance Abuse & Mental Health Services Projects	93.243	SDA420P1208	<u>786</u>	
Total U.S. Department of Health and Human Services			<u>786</u>	
Environmental Protection Agency				
Pass through: Missouri Department of Natural Resources				
Capitalization Grants for Clean Water State Revolving Fund	66.458	C295671-01	<u>6,508,106</u>	
Total Environmental Protection Agency			<u>6,508,106</u>	
U.S. Department of Housing and Urban Development (HUD)				
Pass through: Missouri Dept. of Economic Development				
Community Development Block Grants	14.228	2017-PF-25	334,650	
Community Development Block Grants	14.228	2018-ED-01	<u>344,801</u>	<u>679,451</u>
Total U.S. Department of Housing and Urban Development (HUD)			<u>679,451</u>	

The accompanying notes are an integral part of this schedule

City of Poplar Bluff, Missouri
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2019

Federal Grantor Pass-Through Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Disbursements/ Expenditures</u>	<u>Amount Provided to Subrecipients</u>
U.S. Department of Transportation				
Pass through: Missouri Department of Transportation				
Airport Improvement Program	20.106	19-075A-1	49,438	
Highway Planning and Construction Cluster				
Highway Planning and Construction (Federal-Aid Hwy Program)	20.205	TAP-5100(011)	22,523	
Pass through: Missouri Department of Natural Resources				
Highway Planning and Construction Cluster				
Recreational Trails Program	20.219	RT17018	<u>92,494</u>	
Total Highway Planning and Construction Cluster			115,017	
Pass through: University of Central Missouri				
Highway Safety Cluster				
State and Community Highway Safety	20.600	19-PT-02-067	<u>1,159</u>	
Total Highway Safety Cluster			1,159	
Alcohol Open Container Requirement	20.607	19-154-AL-019	<u>1,965</u>	
Total U.S. Department of Transportation			<u>167,579</u>	
Other				
Direct Program				
High Intensity Drug Trafficking Areas Program	95.001	D-19-SL-0030	16,207	
High Intensity Drug Trafficking Areas Program	95.001	D-20-SL-0049	4,733	
High Intensity Drug Trafficking Areas Program	95.001	G18MW001A	<u>4,900</u>	<u>25,840</u>
Total Other			<u>25,840</u>	
Total Federal Financial Assistance			<u>\$ 7,720,874</u>	<u>\$ 317,245</u>

The accompanying notes are an integral part of this schedule

City of Poplar Bluff, Missouri

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Poplar Bluff, Missouri, under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Poplar Bluff, Missouri, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Poplar Bluff, Missouri.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Pass-through entity identifying numbers are presented where available.

3. INDIRECT COST RATE

The City did not elect to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

City of Poplar Bluff, Missouri
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2019

Part I - Summary of Auditors' Results

An unmodified opinion was issued on the financial statements of the City of Poplar Bluff, Missouri, for the year ended December 31, 2019.

No material weaknesses in internal control over financial reporting of the City of Poplar Bluff, Missouri, were disclosed.

The audit did not disclose any noncompliance which is material to the financial statements of the City of Poplar Bluff, Missouri.

No material weaknesses in internal control over major programs of the City of Poplar Bluff, Missouri, were disclosed.

An unmodified opinion was issued on compliance for major programs.

The audit did not disclose any audit findings which are required to be reported in accordance with 2 CFR 200.516(a).

The major programs and CFDA numbers tested during the year ended December 31, 2019 were:

Capitalization Grants for Clean Water State Revolving Fund	66.458
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The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

The City of Poplar Bluff, Missouri, was not determined to be a low-risk auditee.

Part II - Findings Related to the Financial Statements

There were no findings for the financial statements for the year ended December 31, 2019.

Part III - Findings Related to Federal Awards

There were no findings for federal awards for the year ended December 31, 2019.

City of Poplar Bluff, Missouri
Schedule of Resolution of Prior Year Audit Findings
For the Year Ended December 31, 2019

No unresolved findings or questioned costs remain from the previous year.