

CITY OF POPLAR BLUFF, MISSOURI  
Poplar Bluff, Missouri

For the Year Ended December 31, 2021

ANNUAL FINANCIAL REPORT

**BEUSSINK, HEY, ROE & STRODER, L.L.C.**

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council  
City of Poplar Bluff, Missouri

### Report on the Financial Statements

#### Opinions

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, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2021, 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.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Poplar Bluff, Missouri and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 55 through 56, the schedule of changes in total OPEB liability and related ratios on page 57, and the schedules of changes in pension liability, the schedules of contributions, and the notes to the schedules of changes in net pension liability on pages 58 through 61 be presented to supplement the basic financial statements. Such information is the responsibility of management, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

## Supplementary 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 accompanying combining nonmajor fund statements and combining Municipal Utilities and the schedule of expenditures of federal awards 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements, the combining Municipal Utilities 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.

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Operating Data Required by Bond, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Poplar Bluff, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Poplar Bluff, Missouri's internal control over financial reporting and compliance.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

*Beussink, Hey, Roe & Stroder, L.L.C.*

Cape Girardeau, Missouri  
January 11, 2023



# BEUSSINK, HEY, ROE & STRODER, L.L.C.

## *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

Honorable Mayor and Members of the City Council  
City of Poplar Bluff, Missouri

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 the City of Poplar Bluff, Missouri, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Poplar Bluff, Missouri's basic financial statements, and have issued our report thereon dated January 11, 2023.

#### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Poplar Bluff, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal

control, described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001, 2021-002 and 2021-003 that we consider to be material weaknesses.

#### Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### City of Poplar Bluff's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Poplar Bluff, Missouri's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The of City of Poplar Bluff, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

#### 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.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

*Beussink, Hey, Roe & Stroder, L.L.C.*

Cape Girardeau, Missouri  
January 11, 2023

BASIC FINANCIAL STATEMENTS

## STATEMENT 1

CITY OF POPLAR BLUFF, MISSOURISTATEMENT OF NET POSITION

December 31, 2021

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 1,035,595	\$ 17,431,004	\$ 18,466,599
Investments	-	1,072,696	1,072,696
Taxes Receivable, Net	3,361,883	-	3,361,883
Accounts Receivable, Net	-	3,056,853	3,056,853
Grants Receivable	153,951	301,918	455,869
Interest Receivable	195	21,421	21,616
Other Receivables	260,511	-	260,511
Inventory	-	1,481,413	1,481,413
Prepaid Expenses	126,013	1,456,908	1,582,921
Internal Balances	2,457,023	(2,457,023)	-
Total Current Assets	<u>\$ 7,395,171</u>	<u>\$ 22,365,190</u>	<u>\$ 29,760,361</u>
<u>RESTRICTED ASSETS:</u>			
Cash and Cash Equivalents	\$ 18,280,949	\$ 2,119,755	\$ 20,400,704
Taxes Receivable, Net	1,298,666	-	1,298,666
Interest Receivable	411	-	411
Grants Receivable	58,520	-	58,520
Total Restricted Assets	<u>\$ 19,638,546</u>	<u>\$ 2,119,755</u>	<u>\$ 21,758,301</u>
<u>NONCURRENT ASSETS:</u>			
Patronage Capital	\$ -	\$ 15,400	\$ 15,400
Net Pension Asset	-	3,034,946	3,034,946
Capital Assets:			
Non-Depreciable	12,603,032	3,606,306	16,209,338
Depreciable, Net	26,761,471	85,122,468	111,883,939
Total Noncurrent Assets	<u>\$ 39,364,503</u>	<u>\$ 91,779,120</u>	<u>\$ 131,143,623</u>
<b>TOTAL ASSETS</b>	<u>\$ 66,398,220</u>	<u>\$ 116,264,065</u>	<u>\$ 182,662,285</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflow from Pension Plan	\$ 1,989,019	\$ 982,803	\$ 2,971,822
Deferred Outflow from OPEB	1,099,770	659,114	1,758,884
Total Deferred Outflows of Resources	<u>\$ 3,088,789</u>	<u>\$ 1,641,917</u>	<u>\$ 4,730,706</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURISTATEMENT OF NET POSITION

December 31, 2021

<u>LIABILITIES</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>CURRENT LIABILITIES:</u>			
Accounts Payable	\$ 1,987,120	\$ 2,249,650	\$ 4,236,770
Accrued Payroll and Benefits	633,230	707,940	1,341,170
Sales Tax Payable	-	682,587	682,587
Accrued Interest	2,822,522	186,624	3,009,146
Due to Others	80,060	-	80,060
Other Liabilities	77,666	-	77,666
Unearned Revenues	288,435	10,512	298,947
Current Maturities of Long-Term Obligations	3,102,048	2,190,486	5,292,534
Total Current Liabilities	<u>\$ 8,991,081</u>	<u>\$ 6,027,799</u>	<u>\$ 15,018,880</u>
<u>NONCURRENT LIABILITIES:</u>			
Customer Meter Deposits	\$ -	\$ 525,371	\$ 525,371
Long-Term Obligations	47,243,164	32,955,281	80,198,445
Net Pension Liability	1,500,841	-	1,500,841
Total OPEB Liability	6,748,348	4,614,788	11,363,136
Total Noncurrent Liabilities	<u>\$ 55,492,353</u>	<u>\$ 38,095,440</u>	<u>\$ 93,587,793</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 64,483,434</u>	<u>\$ 44,123,239</u>	<u>\$ 108,606,673</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflow from Pension Plan	\$ 7,884,030	\$ 5,174,785	\$ 13,058,815
Deferred Inflow from OPEB	1,253,354	811,664	2,065,018
Total Deferred Inflows of Resources	<u>\$ 9,137,384</u>	<u>\$ 5,986,449</u>	<u>\$ 15,123,833</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 23,928,806	\$ 56,583,301	\$ 80,512,107
Restricted for:			
Debt Service	10,046,437	1,879,749	11,926,186
Customer Deposits	-	14,156	14,156
Tax Increment Financing	2,071,803	-	2,071,803
Other	7,414,076	240,006	7,654,082
Unrestricted	(47,594,931)	9,079,082	(38,515,849)
<b>TOTAL NET POSITION</b>	<u>\$ (4,133,809)</u>	<u>\$ 67,796,294</u>	<u>\$ 63,662,485</u>

See Accompanying Notes to Basic Financial Statements.

## CITY OF POPLAR BLUFF, MISSOURI

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 2,114,470	\$ -	\$ 1,708,821	\$ -	\$ (405,649)	\$ -	\$ (405,649)
Public Safety	8,489,222	176,266	711,385	119,800	(7,481,771)	-	(7,481,771)
Transportation	3,697,437	-	-	7,293	(3,690,144)	-	(3,690,144)
Culture and Recreation	346,829	89,218	15,398	-	(242,213)	-	(242,213)
Interest on Long-Term Debt	2,432,516	-	-	-	(2,432,516)	-	(2,432,516)
Total Governmental Activities	\$ 17,080,474	\$ 265,484	\$ 2,435,604	\$ 127,093	\$ (14,252,293)	\$ -	\$ (14,252,293)
<b>Business-Type Activities:</b>							
Municipal Utilities	\$ 54,097,667	\$ 47,869,519	\$ -	\$ 105,136	\$ -	\$ (6,123,012)	\$ (6,123,012)
Black River Coliseum	1,370,420	620,659	481,226	-	-	(268,535)	(268,535)
Airport	710,720	430,477	3,340,388	-	-	3,060,145	3,060,145
Total Business-Type Activities	\$ 56,178,807	\$ 48,920,655	\$ 3,821,614	\$ 105,136	\$ -	\$ (3,331,402)	\$ (3,331,402)
<b>Total City</b>	<b>\$ 73,259,281</b>	<b>\$ 49,186,139</b>	<b>\$ 6,257,218</b>	<b>\$ 232,229</b>	<b>\$ (14,252,293)</b>	<b>\$ (3,331,402)</b>	<b>\$ (17,583,695)</b>
<b>General Revenues:</b>							
Property Taxes					\$ 1,603,111	\$ -	\$ 1,603,111
Sales Taxes					14,114,126	-	14,114,126
Tourism Taxes					409,566	-	409,566
Gasoline Taxes					475,242	-	475,242
Cigarette Taxes					56,398	-	56,398
Motor Vehicle Taxes					267,859	-	267,859
Utilities Taxes					2,212,414	-	2,212,414
Business and Occupation Licenses					624,486	-	624,486
Vehicle Licenses					72,140	-	72,140
Other Licenses and Permits					144,217	-	144,217
Interest Income					54,728	102,816	157,544
Other Income					498,508	1,489,161	1,987,669
Free Municipal Services					309,913	-	309,913
Loss on Disposal of Capital Assets					(757,662)	-	(757,662)
Internal Balances					(1,067,343)	1,067,343	-
Total General Revenues					\$ 19,017,703	\$ 2,659,320	\$ 21,677,023
Change in Net Position					\$ 4,765,410	\$ (672,082)	\$ 4,093,328
Net Position - January 1, 2021, restated, See Note 16					(9,514,984)	68,468,376	58,953,392
Prior Period Adjustment					615,765	-	615,765
Net Position - December 31, 2021					\$ (4,133,809)	\$ 67,796,294	\$ 63,662,485

See Accompanying Notes to Basic Financial Statements.

## CITY OF POPLAR BLUFF, MISSOURI

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
GOVERNMENTAL FUNDS

December 31, 2021

	General Fund	Total Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 1,264,467	\$ 201,946	\$ 1,466,413
Taxes Receivable, Net	2,851,678	510,205	3,361,883
Grants Receivable	153,951	-	153,951
Other Receivables	260,511	-	260,511
Accrued Interest Receivable	-	195	195
Due from Other Funds	2,097,577	710,731	2,808,308
Prepaid Expense	62,240	63,773	126,013
Restricted Assets:			
Cash and Cash Equivalents	8,126,391	10,154,558	18,280,949
Interest Receivable	-	411	411
Taxes Receivable, Net	-	1,298,666	1,298,666
Grant Receivable	-	58,520	58,520
Total Current Assets	<u>\$ 14,816,815</u>	<u>\$ 12,999,005</u>	<u>\$ 27,815,820</u>
<b>TOTAL ASSETS</b>	<u>\$ 14,816,815</u>	<u>\$ 12,999,005</u>	<u>\$ 27,815,820</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>CURRENT LIABILITIES:</u>			
Accounts Payable	\$ 1,647,513	\$ 339,607	\$ 1,987,120
Due to Other Funds	288,600	232,601	521,201
Due to Others	-	80,060	80,060
Accrued Payroll and Benefits	737,135	439	737,574
Other Liabilities	2,952	-	2,952
Unearned Revenues	288,435	-	288,435
Total Current Liabilities	<u>\$ 2,964,635</u>	<u>\$ 652,707</u>	<u>\$ 3,617,342</u>
<u>FUND BALANCE:</u>			
Nonspendable	\$ 62,240	\$ 63,773	\$ 126,013
Restricted	8,126,391	11,405,925	19,532,316
Assigned	-	926,835	926,835
Unassigned	3,663,549	(50,235)	3,613,314
Total Fund Balance	<u>\$ 11,852,180</u>	<u>\$ 12,346,298</u>	<u>\$ 24,198,478</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 14,816,815</u>	<u>\$ 12,999,005</u>	<u>\$ 27,815,820</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURI

RECONCILIATION OF THE STATEMENT OF ASSETS,  
LIABILITIES, AND FUND BALANCES TO THE  
STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

Fund Balances of Governmental Funds (Statement 3)	\$	24,198,478
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		39,364,503
Internal service funds are used by management to charge the costs of self insurance to the individual funds. Their assets and liabilities are included in governmental activities in the statement of net position.		(335,616)
Assets, liabilities, and deferred inflows and outflows related to the City's employee retirement plan are reported on a net basis in government activities of the statement of net position but are not included in the governmental funds because they do not require the use of or provide current financial resources.		(7,395,852)
Accrued expenses which are included in governmental activities in the statement of net position are not included in the governmental funds because they are not payable from current financial resources.		(2,822,522)
Long-term debts are included in the governmental activities in the statement of net position but not in governmental funds because they are not due and payable in the current period.		(50,240,868)
Non-current Net OPEB obligation included in governmental activities of the statement of net position for employee post-retirement healthcare benefits is not included in governmental funds because it does not require the use of current financial resources.		<u>(6,901,932)</u>
Net Position of Government Activities (Statement 1)	\$	<u><u>(4,133,809)</u></u>

See Accompanying Notes to Basic Financial Statements.



CITY OF POPLAR BLUFF, MISSOURISTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Sales Tax	\$ 6,539,014	\$ 8,727,779	\$ 15,266,793
Property Taxes	1,349,482	253,629	1,603,111
Licenses and Permits	3,109,655	-	3,109,655
Fines, Forfeitures, and Violations	176,266	-	176,266
Use of Property	74,656	14,562	89,218
Donations	3,800	5,405	9,205
Grant Revenue	485,147	2,068,345	2,553,492
Interest Income	2,153	27,282	29,435
Free Municipal Services	278,450	31,463	309,913
Miscellaneous	492,858	5,650	498,508
TOTAL REVENUES	<u>\$ 12,511,481</u>	<u>\$ 11,134,115</u>	<u>\$ 23,645,596</u>
<u>EXPENDITURES</u>			
General Government	\$ 2,210,122	\$ 595,111	\$ 2,805,233
Public Safety	7,793,940	869,015	8,662,955
Transportation	1,824,383	1,872,740	3,697,123
Culture and Recreation	170,500	207,533	378,033
Capital Outlay	4,567,371	932,042	5,499,413
Debt service:			
Interest	276,378	1,245,793	1,522,171
Principal	1,000,000	2,994,411	3,994,411
TOTAL EXPENDITURES	<u>\$ 17,842,694</u>	<u>\$ 8,716,645</u>	<u>\$ 26,559,339</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (5,331,213)</u>	<u>\$ 2,417,470</u>	<u>\$ (2,913,743)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)	\$ (316,150)	\$ (144,406)	\$ (460,556)
Premium on Bond	657,627	-	657,627
Bond Issuance Costs	(350,603)	-	(350,603)
Proceeds from Sale of Capital Assets	-	200,000	200,000
Debt Proceeds	12,740,000	1,498,166	14,238,166
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 12,730,874</u>	<u>\$ 1,553,760</u>	<u>\$ 14,284,634</u>
NET CHANGE IN FUND BALANCES	\$ 7,399,661	\$ 3,971,230	\$ 11,370,891
FUND BALANCES, January 1, 2021, restated, See Note 16	4,452,519	7,759,303	12,211,822
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>615,765</u>	<u>615,765</u>
FUND BALANCES, December 31, 2021	<u>\$ 11,852,180</u>	<u>\$ 12,346,298</u>	<u>\$ 24,198,478</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURIRECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

Net Change in Fund Balances (Statement 4)	\$ 11,370,891
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets expended in the current period.	4,892,626
Depreciation expense on capital assets is reported in the statement of activities and changes in net position, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(1,158,702)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(957,662)
Changes in the assets, liabilities, and deferred inflows and outflows related to the City's employee retirement plan that occurred during the current year that do not require current financial resources are reported on the statement of activities but not in the governmental funds.	1,596,148
Changes in the Net OPEB obligation related to the cost of providing future post-retirement healthcare costs to the City's employees that do not require current financial resources are reported on the statement of activities but not in governmental funds.	874,565
Interest expense on long-term debt is not accrued in governmental funds, but rather is recognized as an expense when due.	(868,414)
Internal service funds are used by management to charge the costs of self insurance to the individual funds. Their assets and liabilities are included in governmental activities in the statement of net position.	(70,222)
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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, premium, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long debt and related items.	(10,913,820)
Change in Net Position of Government Activities (Statement 2)	<u>\$ 4,765,410</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURI

STATEMENT 5

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2021

	Business-Type Activities			Internal Service Fund
	Municipal Utilities Fund	Nonmajor Enterprise Funds	Total	
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and Cash Equivalents	\$ 17,336,546	\$ 94,458	\$ 17,431,004	\$ -
Investments	1,072,696	-	1,072,696	-
Accounts Receivable, Net	3,050,279	6,574	3,056,853	-
Grants Receivable	-	301,918	301,918	-
Accrued Interest Receivable	21,421	-	21,421	-
Inventories	1,419,670	61,743	1,481,413	-
Prepaid Expenses	1,399,132	57,776	1,456,908	-
Total Current Assets	\$ 24,299,744	\$ 522,469	\$ 24,822,213	\$ -
<b>RESTRICTED ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,119,755	\$ -	\$ 2,119,755	\$ -
Total Restricted Assets	\$ 2,119,755	\$ -	\$ 2,119,755	\$ -
<b>NONCURRENT ASSETS:</b>				
Patronage Capital	\$ 15,400	\$ -	\$ 15,400	\$ -
Net Pension Asset	2,956,647	78,299	3,034,946	-
Land	1,434,661	2,171,645	3,606,306	-
Capital Assets, Net of Accumulated Depreciation	73,777,778	11,344,690	85,122,468	-
Total Capital Assets, Net	\$ 78,184,486	\$ 13,594,634	\$ 91,779,120	\$ -
<b>TOTAL ASSETS</b>	<b>\$ 104,603,985</b>	<b>\$ 14,117,103</b>	<b>\$ 118,721,088</b>	<b>\$ -</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pension Deferrals	\$ 957,443	\$ 25,360	\$ 982,803	\$ -
OPEB Deferrals	631,620	27,494	659,114	-
Total Deferred Outflows of Resources	\$ 1,589,063	\$ 52,854	\$ 1,641,917	\$ -
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts Payable	\$ 2,177,444	\$ 22,398	\$ 2,199,842	\$ 124,523
Due to Other Funds	-	1,945,337	1,945,337	430,818
Accrued Payroll and Benefits	684,234	23,706	707,940	-
Sales Tax Payable	682,587	-	682,587	-
Accrued Interest Payable	186,624	-	186,624	-
Unearned Revenue	-	10,512	10,512	-
Accrued Compensated Absences	35,604	-	35,604	-
Current Maturities of Advances from Other Funds	150,000	-	150,000	-
Current Maturities of Long Term Debt	2,154,882	-	2,154,882	-
Total Current Liabilities	\$ 6,071,375	\$ 2,001,953	\$ 8,073,328	\$ 555,341
<b>LONG-TERM LIABILITIES:</b>				
Accrued Compensated Absences	678,988	19,198	698,186	-
Customer Meter Deposits	525,371	-	525,371	-
Advances from Other Funds	191,770	-	191,770	-
Net Pension Liability	-	-	-	-
Total OPEB Liability	4,446,080	168,708	4,614,788	-
Long Term Debt, Net of Current Maturities	32,257,095	-	32,257,095	-
Total Long-Term Liabilities	\$ 38,099,304	\$ 187,906	\$ 38,287,210	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ 44,170,679</b>	<b>\$ 2,189,859</b>	<b>\$ 46,360,538</b>	<b>\$ 555,341</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Pension Deferrals	\$ 5,041,258	\$ 133,527	\$ 5,174,785	\$ -
OPEB Deferrals	780,330	31,334	811,664	-
Total Deferred Inflows of Resources	\$ 5,821,588	\$ 164,861	\$ 5,986,449	\$ -
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 42,988,668	\$ 13,594,634	\$ 56,583,302	\$ -
Restricted for:				
Debt Service	1,879,749	-	1,879,749	-
Customer Deposits	14,156	-	14,156	-
Other	240,006	-	240,006	-
Unrestricted	11,078,202	(1,779,397)	9,298,805	(555,341)
<b>TOTAL NET POSITION</b>	<b>\$ 56,200,781</b>	<b>\$ 11,815,237</b>	<b>\$ 68,016,018</b>	<b>\$ (555,341)</b>

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.

Net position of business-type activities \$ 67,796,294 (219,724)

See Accompanying Notes to Basic Financial Statements.

## CITY OF POPLAR BLUFF, MISSOURI

STATEMENT OF REVENUE, EXPENSES, AND  
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	Business-Type Activities			Internal Service Fund
	Municipal Utilities Fund	Nonmajor Enterprise Funds	Total	
<u>OPERATING REVENUE</u>				
Utility Service Sales	\$ 47,869,519	\$ -	\$ 47,869,519	\$ -
Charges for Services	-	406,781	406,781	4,329,870
Ticket Sales	-	374,652	374,652	-
Event Rentals	-	90,176	90,176	-
Property Rental	-	23,696	23,696	-
Admission Fees	-	1,835	1,835	-
Concessions	-	64,304	64,304	-
Pool and Fitness Center	-	89,692	89,692	-
Grant Income	-	3,487,827	3,487,827	-
Free Municipal Services	-	333,787	333,787	-
Miscellaneous Income	1,462,608	26,553	1,489,161	-
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 49,332,127</b>	<b>\$ 4,899,303</b>	<b>\$ 54,231,430</b>	<b>\$ 4,329,870</b>
<u>OPERATING EXPENSES</u>				
Personnel Services	\$ 2,845,397	\$ 353,891	\$ 3,199,288	\$ 4,446,908
Office Supplies	82,577	738	83,315	-
Operating Supplies	-	17,114	17,114	-
Repairs and Maintenance	201,012	53,288	254,300	-
Electric Transmission	37,339,063	-	37,339,063	-
Electric Distribution	3,497,055	-	3,497,055	-
Water Supply, Purification and Pumping	877,409	-	877,409	-
Water Distribution	752,169	-	752,169	-
Sewer Accumulation	1,571,526	-	1,571,526	-
Concessions	-	25,626	25,626	-
Event Expenses	-	303,989	303,989	-
Natural Gas	-	42,054	42,054	-
Utilities	-	346,866	346,866	-
Merchandise for Resale	-	303,901	303,901	-
Telephone	10,461	5,855	16,316	-
Books/Publications and Memberships	30,818	70	30,888	-
Travel and Training	-	5,231	5,231	-
Professional Fees	295,377	19,933	315,310	-
Advertising	1,918	387	2,305	-
Insurance	690,972	126,935	817,907	-
Uncollectable Accounts	113,707	-	113,707	-
Free Municipal Services	675,518	-	675,518	-
Small Tools and Equipment	-	660	660	-
Miscellaneous	234,967	16,472	251,439	-
Depreciation	4,150,538	455,772	4,606,310	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 53,370,484</b>	<b>\$ 2,078,782</b>	<b>\$ 55,449,266</b>	<b>\$ 4,446,908</b>
<b>INCOME FROM OPERATIONS</b>	<b>\$ (4,038,357)</b>	<b>\$ 2,820,521</b>	<b>\$ (1,217,836)</b>	<b>\$ (117,038)</b>
<u>NON-OPERATING REVENUES AND EXPENSES</u>				
Interest Income	\$ 102,780	\$ 36	\$ 102,816	\$ -
Transfer of Capital Assets	-	606,787	606,787	-
Transfers In (Out)	-	460,556	460,556	-
Contributions in Aid of Construction	105,136	-	105,136	-
Interest Expense	(682,124)	(602)	(682,726)	-
<b>TOTAL NON-OPERATING REVENUES AND EXPENSES, NET</b>	<b>\$ (474,208)</b>	<b>\$ 1,066,777</b>	<b>\$ 592,569</b>	<b>\$ -</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (4,512,565)</b>	<b>\$ 3,887,298</b>	<b>\$ (625,267)</b>	<b>\$ (117,038)</b>
<b>TOTAL NET POSITION, January 1, restated, See Note 16</b>	<b>60,713,346</b>	<b>7,927,939</b>	<b>68,641,285</b>	<b>(438,303)</b>
<b>TOTAL NET POSITION, December 31</b>	<b>\$ 56,200,781</b>	<b>\$ 11,815,237</b>	<b>\$ 68,016,018</b>	<b>\$ (555,341)</b>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities.

Change in net position of business-type activities See Accompanying Notes to Basic Financial Statements.

(46,815)  
\$ (672,082)

## CITY OF POPLAR BLUFF, MISSOURI

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Municipal Utilities Fund	Non-Major Enterprise Fund - Black River Coliseum Fund	Non-Major Enterprise Fund - Airport Fund	Total	
<b>CASH FLOWS FROM OPERATING</b>					
Cash Received from Customers	\$ 46,847,423	\$ 963,745	\$ 432,905	\$ 48,244,073	\$ 4,329,870
Cash Received from Other Sources	1,462,608	173,549	3,038,913	4,675,070	-
Cash Payments for Other Expenses	(2,539,553)	(1,016,020)	(105,915)	(3,661,488)	(4,329,870)
Cash Payments to Suppliers	(43,657,894)	-	-	(43,657,894)	-
Cash Payments for Employees and Benefits	(2,982,543)	(383,888)	(127,295)	(3,493,726)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (869,959)	\$ (262,614)	\$ 3,238,608	\$ 2,106,035	\$ -
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In (Out)	\$ -	\$ 360,002	\$ 137,534	\$ 497,536	\$ -
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ -	\$ 360,002	\$ 137,534	\$ 497,536	\$ -
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Debt Service - Interest Payments	\$ (667,371)	\$ -	\$ (602)	\$ (667,973)	\$ -
Debt Service - Principal Payments	(1,363,200)	-	(2,538)	(1,365,738)	-
Proceeds from Long-Term Debt	3,555,077	-	-	3,555,077	-
Proceeds from Sale of Capital Assets	35,976	-	-	35,976	-
Purchase of Capital Assets	(1,136,706)	(10,550)	(3,373,002)	(4,520,258)	-
Payments of Advance	(150,000)	-	-	(150,000)	-
Proceeds from Contributions in Aid of Construction	105,136	-	-	105,136	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ 378,912	\$ (10,550)	\$ (3,376,142)	\$ (3,007,780)	\$ -
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	\$ 102,780	\$ 36	\$ -	\$ 102,816	\$ -
Investments Released	624	-	-	624	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 103,404	\$ 36	\$ -	\$ 103,440	\$ -
NET CHANGE IN CASH	\$ (387,643)	\$ 86,874	\$ -	\$ (300,769)	\$ -
CASH, January 1, 2021	19,843,944	7,584	-	19,851,528	-
CASH, December 31, 2021	\$ 19,456,301	\$ 94,458	\$ -	\$ 19,550,759	\$ -
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income/(Loss)	\$ (4,038,357)	\$ (241,254)	\$ 3,061,775	\$ (1,217,836)	\$ (117,038)
Non-Cash Expense Included in Net Income:					
Depreciation	4,150,538	299,028	156,744	4,606,310	-
(Increase) Decrease in Assets:					
Accounts Receivable	(1,037,789)	(1,213)	(299,490)	(1,338,492)	-
Prepaid Expenses	(19,131)	(28,103)	(3,069)	(50,303)	-
Inventory	127,855	-	7,595	135,450	-
Net Pension Asset	(2,956,647)	(55,899)	(22,400)	(3,034,946)	-
Patronage Capital	3,149	-	-	3,149	-
(Increase) Decrease in Deferred Outflows:					
Pension Expense	943,814	38,873	6,672	989,359	-
OPEB Expense	(430,817)	(6,806)	(5,402)	(443,025)	-
Increase (Decrease) in Liabilities:					
Accounts Payable	270,604	(163,658)	334,419	441,365	117,038
Accrued Payroll and Benefits	98,429	(7,539)	1,025	91,915	-
Meter Deposit Payable	15,693	-	-	15,693	-
Sales Tax Payable	12,750	-	-	12,750	-
Unearned Revenue	-	10,512	-	10,512	-
Other Long-Term Liability	(218,124)	-	-	(218,124)	-
Total OPEB Liability	1,013,873	(80,470)	(8,078)	925,325	-
Net Pension Liability	(4,401,919)	(132,465)	(32,245)	(4,566,629)	-
Increase (Decrease) in Deferred Inflows:					
Pension Expense	4,980,617	93,503	37,755	5,111,875	-
OPEB Expense	615,503	12,877	3,307	631,687	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (869,959)	\$ (262,614)	\$ 3,238,608	\$ 2,106,035	\$ -

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURISTATEMENT OF FIDUCIARY NET POSITION

December 31, 2021

	<u>Pension Trust</u>
	<u>ASSETS</u>
Investments, at Fair Value	
Large U.S. Equity	\$ 4,933,359
Small/Mid Equity	951,965
International	941,032
Balanced/Asset Allocation	1,204,951
Fixed Income	6,782,679
Total Investments	<u>\$ 14,813,986</u>
 TOTAL ASSETS	 <u>\$ 14,813,986</u>
	 <u>LIABILITIES</u>
 TOTAL LIABILITIES	 <u>\$ -</u>
	 <u>NET POSITION</u>
Restricted for Pensions	<u>\$ 14,813,986</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURISTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

December 31, 2021

	<u>Pension Trust</u>
<u>ADDITIONS</u>	
Contributions:	
Employer	\$ 265,576
Employee	<u>190,656</u>
Total Contributions	\$ 456,232
Net Appreciation in Fair Value of Investments, Interest, and Dividends	<u>2,019,113</u>
TOTAL ADDITIONS	<u>\$ 2,475,345</u>
<u>DEDUCTIONS</u>	
Benefit Payments	\$ 1,026,490
Administrative Expenses	<u>23,415</u>
TOTAL DEDUCTIONS	<u>\$ 1,049,905</u>
NET CHANGE IN NET POSITION	\$ 1,425,440
NET POSITION - January 1, 2021	<u>13,388,546</u>
NET POSITION - December 31, 2021	<u>\$ 14,813,986</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

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 principals 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. The 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; public safety; transportation; and culture and recreation. Enterprise operations owned by the City include Municipal Utilities, the Black River Coliseum, 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 organizations have been excluded from the accompanying financial statements:

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

Blended Component Unit – The basic financial statements include the financial statements of the Poplar Bluff, Missouri Public Building Corporation (Building Corporation) as a blended component unit. A blended component unit is a separate legal entity that meets the component unity criteria described above and whose governing body is the same or substantially the same as the City Council, the component unity provides services entirely to the City, or the component unit's total outstanding debt 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.



Poplar Bluff, Missouri Public Building Corporation was incorporated exclusively for the benefit of the City. The Building Corporation's sole source of revenue is from lease payments received from the City. However, the City is not legally responsible for the debt of the Building Corporation.

The City entered into an intergovernmental cooperation agreement along with two other political subdivisions to establish the Poplar Bluff Regional Transportation Development District (the 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 2021, the District reimbursed the City \$-0- 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.

**Fund Financial Statements**

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

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise 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 is 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 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 City reports the following Special Revenue Funds as nonmajor funds:

<u>Fund</u>	<u>Description</u>
Highway 67 Tax Fund	Accounts for monies received for the reconstruction of Highway 67.
Special Allocation Fund	Accounts for the revenues and expenditures related to the tax increment financing districts.
American Rescue Plan Act	Accounts for the revenues received and expenditures paid for the American Rescue Plan Act grant.
CDBG Fund	Accounts for the revenues received and expenditures paid for the CDBG grant.
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 receipt of 6% of Police and Fire personnel gross salaries. All funds are to be invested for pension benefits.

Housing Infrastructure Grant Fund	Accounts for receipts of property taxes and receipt grant monies received by the City and disbursed on Community Development Grant projects.
Historical Commission Fund	Accounts for revenues collected from donations Commission Fund and/or grants for the purpose of historic preservation projects of the City.
Tourism Tax Trust Fund	Accounts for the four percent tax levied on the Trust Fund 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 ½ cent sales tax Improvements Fund 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.
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.

**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 that are reported as major funds:

<u>Fund</u>	<u>Description</u>
Municipal Utilities	Accounts for revenues and expenses for services provided for which participants are charged fees for use of electricity and water.

The reporting entity includes the following Enterprise Funds that are reported as nonmajor funds:

Black River Coliseum	Accounts for revenues and expenses for services provided by the coliseum and fitness center for which participants are charged fees.
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Airport

Accounts for the resources used in the operation and maintenance of the airport facilities.

### **Fiduciary Funds**

Pension Trust Fund – Pension Trust Funds are used to account for monies held in a trustee capacity for the City’s eligible employees.

#### C. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

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 *non-operating* 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.

D. Assets, Liabilities, and Equity:

**Cash and Cash Equivalents**

For the purpose of financial reporting, “cash and cash equivalents” include all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

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 interfund receivable in the General Fund. At December 31, 2021, \$1,840,655 has been reclassified due to fund overdrafts. Fund overdrafts included: Black River Coliseum Fund - \$1,310,687, Golf Course Fund - \$634,650, Arts and Museum Fund - \$42,781, and CDBG Fund - \$150.

**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 deposits.

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.

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 6 and 7.

### **Long-Term Debt**

All long-term debt arising from cash transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. Long-term debt arising from cash basis transactions of 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 the treatment in the government-wide statements.

### **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 or retirements.

## **Fund Equity**

Government-Wide Statements - Equity is classified as net position and displayed in three components:

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net position - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Fund Financial Statements - The City uses the following classifications of fund balance to describe the relative strength of spending constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaids) or are required to be maintained intact;
2. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bond holders, and higher levels of government), through constitutional provisions, or by enabling legislation;
3. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
4. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
5. Unassigned fund balance - amounts that are available for any purpose; positive amounts reported only in the general fund.

The fund balance classifications for the governmental fund at December 31, 2021 are:

	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total Govt. Funds</u>
Nonspendable:			
Prepays	\$ 62,240	\$ 63,773	\$ 126,013
Restricted:			
Historical Commission Fund	\$ -	\$ 1,196	\$ 1,196
Crime Reduction Fund	-	4,534	4,534
Storm Water Fund	-	82,235	82,235
Promoting Convention and Tourism	-	419,994	419,994
Tax Increment Financing	-	4,039,011	4,039,011
Police Injury Fund	-	1,035,756	1,035,756
Fire Injury Fund	-	964,835	964,835
Highway 67 Fund	-	3,260,640	3,260,640
American Rescue Plan Act Fund	-	1,597,724	1,597,724
General Fund	<u>8,126,391</u>	<u>-</u>	<u>8,126,391</u>
Total	<u>\$ 8,126,391</u>	<u>\$ 11,405,925</u>	<u>\$ 19,532,316</u>
Assigned:			
Capital Improvements Fund	<u>\$ -</u>	<u>\$ 926,835</u>	<u>\$ 926,835</u>
Total	<u>\$ -</u>	<u>\$ 926,835</u>	<u>\$ 926,835</u>
Unassigned			
General Fund	\$ 3,663,549	\$ -	\$ 3,663,549
CDBG Fund	-	(6,828)	(6,828)
Arts and Museum Fund	<u>-</u>	<u>(43,407)</u>	<u>(43,407)</u>
Total	<u>\$ 3,663,549</u>	<u>(50,235)</u>	<u>3,613,314</u>

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 2021 was 2% in January and increases each month by 2% thereafter.



The assessed valuation of the tangible taxable property for the calendar year 2021 for purposes of local taxation was \$264,280,545. The tax levy per \$100 of assessed valuation of tangible property for the calendar year 2021 was:

General Fund	\$ 0.5162
Police & Fire Pension Fund	<u>0.0974</u>
	<u>\$ 0.6136</u>

**Program Revenues**

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

<u>Revenue</u>	<u>Source</u>
General Government Administration	Licenses and Permits
Public Safety	Fines and Violations, Court Fees, Operating Grants, and Capital Contributions
Transportation	Street Paving Charges
Culture and Recreation	Recreation Fees, Specific Donations, Grave Opening/Closing Fees, and Lot Sales

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

**Operating Revenue and Expenses**

Operating revenues and expenses for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, non-capital 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 Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

### **Fund Financial Statements**

Interfund activity, 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.

### **Government-Wide Financial Statements**

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 effects of interfund services between funds, if any, 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.

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. Subsequent Events:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through January 11, 2023, the date the financial statements were available to be issued.

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 \$26,133,688 at December 31, 2021. Of the bank balance, \$26,133,688 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	\$ 38,867,303
Investments	<u>15,886,682</u>
Total	<u>\$ 54,753,985</u>

Included in the following statement of net position captions:

Primary Government	
Current Assets:	
Cash and Cash Equivalents	\$ 18,458,739
Petty Cash	7,860
Investments	1,072,696
Restricted Assets:	
Cash and Cash Equivalents	<u>20,400,704</u>
Total Primary Government	\$ 39,939,999
Fiduciary Fund	
Investments	<u>14,813,986</u>
Total	<u>\$ 54,753,985</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:

Investments of \$1,072,696 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, 2021:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fiduciary Funds				
Large U.S. Equity	\$ 4,933,359	\$ 4,933,359	\$ -	\$ -
Small/Mid Equity	951,965	951,965	-	-
International Equity	941,032	941,032	-	-
Balanced/Asset Allocation	1,204,951	1,204,951	-	-
Fixed Income	<u>6,782,679</u>	<u>6,782,679</u>	-	-
Total	<u>\$ 14,813,986</u>	<u>\$ 14,813,986</u>	<u>\$ -</u>	<u>\$ -</u>

### 3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Deductions	Balance 31-Dec-21
Government Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 7,318,941	\$ 73,295	\$ (3,000)	\$ 7,389,236
Works of Art	146,867	-	-	146,867
Construction in Progress	788,513	4,278,416	-	5,066,929
Total Capital Assets Not Being Depreciated	<u>\$ 8,254,321</u>	<u>\$ 4,351,711</u>	<u>\$ (3,000)</u>	<u>\$ 12,603,032</u>
Capital Assets Being Depreciated:				
Building and Improvements	\$ 6,684,679	\$ 9,904	\$ (2,820,218)	\$ 3,874,365
Furniture, Fixtures, and Equipment	6,140,721	315,064	(473,784)	5,982,001
Vehicles	4,835,246	176,740	(163,504)	4,848,482
Infrastructure	31,950,153	39,207	-	31,989,360
Total Capital Assets Being Depreciated	<u>\$ 49,610,799</u>	<u>\$ 540,915</u>	<u>\$ (3,457,506)</u>	<u>\$ 46,694,208</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ (5,516,217)	\$ (56,232)	\$ 1,877,621	\$ (3,694,828)
Furniture, Fixtures, and Equipment	(5,350,765)	(222,497)	461,719	(5,111,543)
Vehicles	(3,687,935)	(223,989)	163,504	(3,748,420)
Infrastructure	(6,721,962)	(655,984)	-	(7,377,946)
Total Accumulated Depreciation	<u>\$ (21,276,879)</u>	<u>\$ (1,158,702)</u>	<u>\$ 2,502,844</u>	<u>\$ (19,932,737)</u>
Total Net Capital Assets Being Depreciated	<u>\$ 28,333,920</u>	<u>\$ (617,787)</u>	<u>\$ (954,662)</u>	<u>\$ 26,761,471</u>
Governmental Activities Net Capital Assets	<u>\$ 36,588,241</u>	<u>\$ 3,733,924</u>	<u>\$ (957,662)</u>	<u>\$ 39,364,503</u>

	Balance January 1, 2021	Additions	Deductions	Balance December 31, 2021
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land				
Electric	\$ 1,063,546	\$ 28	\$ -	\$ 1,063,574
Water-Sewer	371,087	-	-	371,087
Other Business-Type	2,171,645	-	-	2,171,645
Total Capital Assets Not Being Depreciated	<u>\$ 3,606,278</u>	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 3,606,306</u>
Capital Assets Being Depreciated:				
Electric Plant	\$ 63,444,031	\$ 541,970	\$ (924,366)	\$ 63,061,635
Water-Sewer Plant	72,277,004	577,990	(22,202)	72,832,792
Buildings and Improvements				
Electric	4,625,875	-	(206,184)	4,419,691
Water-Sewer	565,450	-	-	565,450
Other Business-Type	13,212,859	34,790	-	13,247,649
Furniture, Fixtures, and Equipment				
Electric	522,557	10,481	-	533,038
Water-Sewer	92,215	-	-	92,215
Other Business-Type	816,380	10,550	-	826,930
Transportation and Work Equipment				
Water-Sewer	2,331,108	6,265	(65,473)	2,271,900
Other Business-Type	152,332	39,824	-	192,156
Infrastructure - Other Business-Type	5,607,481	3,897,286	-	9,504,767
Total Capital Assets Being Depreciated	<u>\$ 163,647,292</u>	<u>\$ 5,119,156</u>	<u>\$ (1,218,225)</u>	<u>\$ 167,548,223</u>
Less Accumulated Depreciation For:				
Electric Plant	\$ (37,706,643)	\$ (2,035,551)	\$ 924,366	\$ (38,817,828)
Water-Sewer Plant	(24,997,286)	(1,799,134)	22,202	(26,774,218)
Building and Improvements				
Electric	(1,898,033)	(150,930)	166,910	(1,882,053)
Water-Sewer	(412,496)	(8,269)	-	(420,765)
Other Business-Type	(7,702,577)	(302,338)	-	(8,004,915)
Furniture, Fixtures, and Equipment				
Electric	(368,881)	(13,019)	-	(381,900)
Water-Sewer	(91,907)	(308)	-	(92,215)
Other Business-Type	(771,172)	(8,296)	-	(779,468)
Transportation and Work Equipment				
Water-Sewer	(1,552,110)	(143,327)	65,473	(1,629,964)
Other Business-Type	(136,194)	(43,662)	-	(179,856)
Infrastructure - Other Business-Type	(3,321,273)	(141,300)	-	(3,462,573)
Total Accumulated Depreciation	<u>\$ (78,958,572)</u>	<u>\$ (4,646,134)</u>	<u>\$ 1,178,951</u>	<u>\$ (82,425,755)</u>
Total Net Capital Assets Being Depreciated	<u>\$ 84,688,720</u>	<u>\$ 473,022</u>	<u>\$ (39,274)</u>	<u>\$ 85,122,468</u>
Business-Type Activities Net Capital Assets	<u>\$ 88,294,998</u>	<u>\$ 473,050</u>	<u>\$ (39,274)</u>	<u>\$ 88,728,774</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 31,589
Public Safety	292,367
Transportation	784,257
Culture and Recreation	<u>50,489</u>
Total Depreciation Expense	<u>\$ 1,158,702</u>

Business-Type Activities:

Municipal Utilities	\$ 4,150,538
Black River Coliseum	299,028
Airport	<u>156,744</u>
Total Depreciation Expense	<u>\$ 4,606,310</u>

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances at December 31, 2021 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Funds:		
General Fund	\$ 2,097,577	\$ 288,600
Nonmajor Governmental Funds:		
Special Revenue Funds	710,731	232,601
Enterprise Funds:		
Major Funds:		
Municipal Utilities	-0-	341,770
Nonmajor Funds:		
Black River Coliseum	-0-	1,310,687
Airport	<u>-0-</u>	<u>634,650</u>
Total	<u>\$ 2,808,308</u>	<u>\$2,808,308</u>

Fund overdraws of pooled cash account for \$1,988,268 of interfund payables and receivables in the General Fund. Detail by fund for these payables is included on page 23.



Interfund transfers consist of the following amounts:

	<u>Transfer From</u>	<u>Transfer To</u>
Major Governmental:		
General Fund	\$316,150	\$ -0-
Nonmajor Governmental Funds:		
Arts and Museum Fund	-0-	30,659
Tourism Fund	175,065	-0-
Nonmajor Enterprise Funds:		
Coliseum	-0-	349,452
Airport Fund	<u>-0-</u>	<u>111,104</u>
Total	<u>\$491,215</u>	<u>\$491,215</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

5. LONG-TERM OBLIGATIONS

Changes in long-term obligations:

	Balance December 31, 2020	Additions	Deductions	Balance December 31, 2021	Current Portion
<b>Governmental Activities:</b>					
Tax Increment Revenue Bonds:					
Series 2015A	\$ 13,740,000	\$ -	\$ (1,110,000)	\$ 12,630,000	\$ 850,000
Series 2017	10,880,000	-	(585,000)	10,295,000	560,000
Discount	(719,133)	-	58,119	(661,014)	-
TIF Developer Obligations	<u>10,289,515</u>	<u>-</u>	<u>-</u>	<u>10,289,515</u>	<u>-</u>
Total Bonds Payable	<u>\$ 34,190,382</u>	<u>\$ -</u>	<u>\$ (1,636,881)</u>	<u>\$ 32,553,501</u>	<u>\$ 1,410,000</u>
<b>Certificates of Participation:</b>					
2021 Certificates of Participation	\$ -	\$ 12,740,000	\$ -	\$ 12,740,000	\$ -
Premium	<u>-</u>	<u>657,627</u>	<u>(25,293)</u>	<u>632,334</u>	<u>-</u>
Total Certificates of Participation	<u>\$ -</u>	<u>\$ 13,397,627</u>	<u>\$ (25,293)</u>	<u>\$ 13,372,334</u>	<u>\$ -</u>
<b>Missouri Transportation Finance Corp:</b>					
First Midwest Bank:					
Route 67, Phase 1	\$ -	\$ 1,498,166	\$ (136,957)	\$ 1,361,209	\$ 647,198
Shelby Road	1,000,000	-	(1,000,000)	-	-
Oak Grove Road	<u>885,736</u>	<u>-</u>	<u>(500,916)</u>	<u>384,820</u>	<u>384,820</u>
Total Notes Payable	<u>\$ 1,885,736</u>	<u>\$ 1,498,166</u>	<u>\$ (1,637,873)</u>	<u>\$ 1,746,029</u>	<u>\$ 1,032,018</u>
Southern Bank - Various Equipment	\$ 2,000,000	\$ -	\$ (500,000)	\$ 1,500,000	\$ 500,000
Southern Bank - Street Sweeper	42,327	-	(42,327)	-	-
Clayton Holdings - Fire Trucks	363,049	-	(88,805)	274,244	90,464
Bank of Missouri - Tractors	<u>130,898</u>	<u>-</u>	<u>(30,406)</u>	<u>100,492</u>	<u>31,937</u>
Total Capital Lease Obligations	<u>\$ 2,536,274</u>	<u>\$ -</u>	<u>\$ (661,538)</u>	<u>\$ 1,874,736</u>	<u>\$ 622,401</u>
Accrued Compensated Absences	<u>\$ 784,386</u>	<u>\$ 14,226</u>	<u>\$ -</u>	<u>\$ 798,612</u>	<u>\$ 37,629</u>
Total Governmental Activities	<u>\$ 39,396,778</u>	<u>\$ 14,910,019</u>	<u>\$ (3,961,585)</u>	<u>\$ 50,345,212</u>	<u>\$ 3,102,048</u>
<b>Business-Type Activities:</b>					
Combined Waterworks and Sewer System Revenue Bonds:					
Series 2008 - Direct Loan	\$ 3,070,000	\$ -	\$ (315,000)	\$ 2,755,000	\$ 320,000
Series 2012 - Direct Loan	871,000	-	(62,000)	809,000	64,000
Series 2016 - Direct Loan	868,100	-	(48,200)	819,900	49,000
Series 2019 - Direct Loan	<u>20,000,000</u>	<u>-</u>	<u>(422,000)</u>	<u>19,578,000</u>	<u>856,000</u>
Total Bonds Payable	<u>\$ 24,809,100</u>	<u>\$ -</u>	<u>\$ (847,200)</u>	<u>\$ 23,961,900</u>	<u>\$ 1,289,000</u>
<b>Capital Lease Obligation:</b>					
Electric Department - Plant Addition	\$ 7,410,000	\$ -	\$ (515,000)	\$ 6,895,000	\$ 540,000
Airport Fund - Refueling Truck	<u>2,538</u>	<u>-</u>	<u>(2,538)</u>	<u>-</u>	<u>-</u>
Total Capital Lease Obligation	<u>\$ 7,412,538</u>	<u>\$ -</u>	<u>\$ (517,538)</u>	<u>\$ 6,895,000</u>	<u>\$ 540,000</u>
Note Payable	\$ -	\$ 3,555,077	\$ -	\$ 3,555,077	\$ 325,882
Settlement Agreement	218,124	-	(218,124)	-	-
Accrued Compensated Absences	<u>722,128</u>	<u>11,662</u>	<u>-</u>	<u>733,790</u>	<u>35,604</u>
Total Other	<u>\$ 940,252</u>	<u>\$ 3,566,739</u>	<u>\$ (218,124)</u>	<u>\$ 4,288,867</u>	<u>\$ 361,486</u>
Total Business-Type Activities	<u>\$ 33,161,890</u>	<u>\$ 3,566,739</u>	<u>\$ (1,582,862)</u>	<u>\$ 35,145,767</u>	<u>\$ 2,190,486</u>

## Debt Service Requirements to Maturity

The annual requirements to amortize all long-term debt as of December 31, 2021 are as follows:

Year Ending December 31	<u>Governmental Activities</u>					
	<u>Bonds</u>		<u>Notes and Capital Leases</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,410,000	\$ 1,484,019	\$ 1,654,419	\$ 61,704	\$ 3,064,419	\$ 1,545,723
2023	1,495,000	1,426,788	1,190,956	53,077	2,685,956	1,479,865
2024	1,585,000	1,360,219	775,390	23,037	2,360,390	1,383,256
2025	2,075,000	1,288,997	-	-	2,075,000	1,288,997
2026	2,200,000	1,192,713	-	-	2,200,000	1,192,713
2027-2031	14,160,000	4,668,277	-	-	14,160,000	4,668,277
2032-2036	5,850,000	1,444,300	-	-	5,850,000	1,444,300
2037-2041	3,230,000	726,625	-	-	3,230,000	726,625
2042-2046	3,660,000	293,081	-	-	3,660,000	293,081
	<u>\$ 35,665,000</u>	<u>\$ 13,885,019</u>	<u>\$ 3,620,765</u>	<u>\$ 137,818</u>	<u>\$ 39,285,765</u>	<u>\$ 14,022,837</u>

Year Ending December 31	<u>Business-Type Activities</u>					
	<u>Bonds</u>		<u>Notes and Capital Leases</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,289,000	\$ 402,671	\$ 865,882	\$ 343,351	\$ 2,154,882	\$ 746,022
2023	1,313,800	376,291	920,508	337,199	2,234,308	713,490
2024	1,342,400	346,482	950,508	303,591	2,292,908	650,073
2025	1,368,200	315,822	975,508	268,902	2,343,708	584,724
2026	1,398,000	284,246	1,005,508	233,100	2,403,508	517,346
2027-2031	6,648,700	965,084	5,527,538	583,814	12,176,238	1,548,898
2032-2036	5,845,800	536,188	204,625	2,909	6,050,425	539,097
2037-2040	4,756,000	193,833	-	-	4,756,000	193,833
	<u>\$ 23,961,900</u>	<u>\$ 3,420,617</u>	<u>\$ 10,450,077</u>	<u>\$ 2,072,866</u>	<u>\$ 34,411,977</u>	<u>\$ 5,493,483</u>

### A. 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 will 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.

### **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 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.

### **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.

### **Certificates of Participation – Section 2021**

On February 1, 2021, the City approved the issuance of the Series 2021 Certificates of Participation. The issuance amount of these bonds totaled \$12,740,000. The bonds bear interest at a range of 2.50 percent to 4.00 percent and are due in semiannual installments beginning October 1, 2021. Principal maturities began October 1, 2025 and continue until 2046. Proceeds from the issuance of these bonds were used to pay certain costs in connections with the acquisition of certain real estate and the construction, furnishing and equipping of a building and improvements located thereon to serve as the City's policy facility.

### **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 \$15,053,830 and \$9,283,301, respectively, at December 31, 2021.

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 percent maturing February 14, 2024. The total cost of the equipment and accumulated depreciation was \$4,983,900 and \$3,328,504, respectively, at December 31, 2021.

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 \$310,596, respectively, at December 31, 2021.

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 \$118,781, respectively, at December 31, 2021.

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 \$69,533, respectively, at December 31, 2021.

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 \$11,250, respectively, at December 31, 2021.

### **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 percent and the City shall repay the direct loan to MTFC on an annual basis beginning March 1, 2013 and continue through 2022.

On March 4, 2020, the City entered into a note agreement with First Midwest Bank for the purchase of land for the purpose of building a new Police Station. The note bears interest at 3.65 percent. The note was paid in full during the year ended December 31, 2021.

The Electric Department has entered into a note payable agreement with Grand River Dam Authority for the repayment of costs associated with the February 2021 Winter Storm Uri, payable in fixed monthly principal payments of \$29,626, plus carrying cost of 3 percent, maturing January 2032.

On July 7, 2021, 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 the reconstruction of Route 67 to a divided, multi-lane interstate facility from Route 160 to County Road 338. The note bears interest at 2.09 percent and the City shall repay the direct loan to MTFC on an annual basis beginning September 1, 2021 and continue through 2035.

### **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.

### **Deferred Debt Income**

Bond premiums, 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. **DEFINED BENEFIT PENSION PLANS**

### A. **Summary of Significant Accounting Policies:**

#### **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.

#### **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](http://www.molagers.org).

#### **Benefits Provided**

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees 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>2021 Valuation</u>
Benefit Multiplier	2.00% for Life
Final Average Salary	5 years
Member Contribution	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.

**Employees Covered By Benefit Terms**

At December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	234
Inactive employees entitled to but not yet receiving benefits	55
Active employees	<u>247</u>
	<u>536</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 19.2 percent (General), 21.4 percent (Police) and 22.1 percent (Fire) of annual covered payroll.

**Net Pension Liability**

The employer's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2021.

**Actuarial Assumptions**

The total pension liability in the February 28, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary Increases	2.75% to 7.15% including wage inflation
Investment Rate of Return	7.00%, net of investment expense



The healthy mortality tables, for post-retirement mortality, were 115 percent of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were 115 percent of the PUBNS-2010 Disable Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75 percent of the PubG-2010 Employee Mortality Table for males and females of general groups and 75 percent of the PubS2010 Employee Mortality Table for males and females of police, fire, and public safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables. The actuarial assumptions used in the February 28, 2021 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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%
Alpha	15.00%	3.67%
Cash/Leverage	(25.00%)	(0.29%)

### **Discount Rate**

The discount rate used to measure the total pension liability is 7.00 percent. 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.

B. Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2020	<u>\$ 76,038,260</u>	<u>\$ 66,558,308</u>	<u>\$ 9,479,952</u>
Changes for the year:			
Service cost	828,089	-	828,089
Interest	5,427,647	-	5,427,647
Difference between expected and actual experience	(1,589,236)	-	(1,589,236)
Change in Assumptions	(1,347,788)	-	(1,347,788)
Contributions - Employer	-	2,269,000	(2,269,000)
Contributions - Employee	-	-	-
Net Investment Income	-	17,597,836	(17,597,836)
Benefit payments, including refunds	(3,535,523)	(3,535,523)	-
Administrative expense	-	(49,149)	49,149
Other changes	-	23,725	(23,725)
Net changes	<u>(216,811)</u>	<u>16,305,889</u>	<u>(16,522,700)</u>
Balance at December 31, 2021	<u>\$ 75,821,449</u>	<u>\$ 82,864,197</u>	<u>\$ (7,042,748)</u>

**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 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Single Discount Rate	1% Increase
	6.00%	Assumption 7.00%	8.00%
Total Pension Liability	<u>\$ 86,621,924</u>	<u>\$ 75,821,449</u>	<u>\$ 67,599,252</u>
Plan Fiduciary Net Pension	<u>82,863,698</u>	<u>82,864,197</u>	<u>82,863,698</u>
Net Pension Liability/(Asset)	<u>\$ 3,758,226</u>	<u>\$ (7,042,748)</u>	<u>\$ (15,264,446)</u>

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended December 31, 2021, the employer recognized pension expense/(income) of \$(989,679). 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	\$1,190,697	\$ (1,385,057)
Differences in assumptions	34,703	(1,048,294)
Excess (deficit) investment returns	-0-	(8,705,006)
Contributions subsequent to the measurement date *	<u>1,230,278</u>	<u>-0-</u>
Total	<u>\$2,455,678</u>	<u>\$(11,138,357)</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, 2022.

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

Year ended:	
2022	\$ (1,320,323)
2023	(2,023,490)
2024	(2,338,263)
2025	(2,849,733)
2026	(149,621)
Thereafter	<u>(1,249)</u>
	<u>\$ (8,682,679)</u>

D. Payable to the Pension Plan:

The City reported a payable of \$144,097 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

E. Summary of Significant Accounting Policies for Police and Fire Pension Plan:

**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.

**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>2021 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 Years
Member Contribution:	6.00%

**Employees Covered by Benefit Terms**

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees	78
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>71</u>
	<u><u>156</u></u>

**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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020.

## **Actuarial Assumptions**

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25% increase per year
Salary Increases	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, 2020 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) 2021. 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	37.97%	6.20%
US Equity – Mid Cap	6.43%	6.20%
Non – US Equity	6.35%	6.20%
TIPS	16.73%	2.15%
Core Bond	32.52%	2.55%

## **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.

F. Changes in Net Police & Fire Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2020	<u>\$ 19,891,479</u>	<u>\$ 13,388,546</u>	<u>\$ 6,502,932</u>
Changes for the year:			
Service cost	\$ 370,390	\$ -	\$ 370,390
Interest	1,035,328	-	1,035,328
Difference between expected and actual experience	110,856	-	110,856
Changes in assumptins	(58,933)	-	(58,933)
Contributions - Employer	-	265,576	(265,576)
Contributions - Employee	-	190,656	(190,656)
Net Investment Income	-	2,019,113	(2,019,113)
Benefit payments, including refunds	(1,026,490)	(1,026,490)	-
Administrative expense	-	(23,415)	23,415
Other changes	-	-	-
Net changes	<u>\$ 431,151</u>	<u>\$ 1,425,440</u>	<u>\$ (994,289)</u>
Balance at December 31, 2021	<u>\$ 20,322,630</u>	<u>\$ 14,813,986</u>	<u>\$ 5,508,643</u>

**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.

	Current Single Discount Rate	
1% Decrease 4.25%	Assumption 5.25%	1% Increase 6.25%
<u>\$8,170,654</u>	<u>\$5,508,644</u>	<u>\$3,307,036</u>

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Police and Fire Pensions

For the year ended December 31, 2021 the employer recognized pension expense of \$264,125. 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	\$ 280,598	\$ (107,772)
Differences in assumptions	192,170	(238,061)
Excess (deficit) investment returns	-0-	(1,574,625)

Contributions subsequent to the measurement date *	<u>43,377</u>	<u>-0-</u>
Total	<u>\$ 516,145</u>	<u>\$(1,920,458)</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, 2022.

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

Year ended:	
2021	\$ (238,163)
2022	(356,886)
2023	(562,197)
2024	(251,705)
2025	4,638
Thereafter	<u>-0-</u>
	<u>\$(1,404,313)</u>

H. Payable to the Police and Fire Pension Plan

The City reported a payable of \$247,157 for the outstanding amount of contributions to the Plan for the year ended December 31, 2021.

7. POST-EMPLOYMENT HEALTH BENEFITS

A. Plan Descriptions

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.

B. 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 66.67% of the employee's family medical coverage after retirement.

### C. Participants

The number of participants that either are, or potentially could be covered by the City's plan as of December 31, 2021, 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	208
Retirees & covered spouses of retirees	61
Total participants	<u>269</u>

### D. 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 the year	<u>\$ 11,600,064</u>
Service cost	470,063
Interest	253,826
Effect of plan changes	(22,539)
Effect of economic/demographic gains/losses	(169,540)
Effect of changes in assumptions and inputs	205,252
Benefit payments, including refunds	<u>(973,990)</u>
Net changes	<u>(236,928)</u>
Total OPEB liability – end of year	<u>\$ 11,363,136</u>
Covered payroll	\$ 11,519,282
Total OPEB liability as a % of covered payroll	98.64%

### E. Total OPEB Liability

The City's total OPEB liability of \$11,363,136 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, 2021
Measurement Date	December 31, 2021
Discount Rate	2.06% Measurement Date 2.12% 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	5.30% gradually decreasing to an ultimate rate of 3.70%
Mortality Rate	PUB-10 Mortality for employees and Health Annuitants, with generational projection per Scale MP-2021



F. 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 2.06%, as well as what the total OPEB liability would be using a discount rate that is one percentage point lower (1.06%) or one percentage point higher (3.06%) than the current rate.

	Current Single Discount Rate	
1% Decrease	Assumption	1% Increase
<u>1.06%</u>	<u>2.06%</u>	<u>3.06%</u>
\$12,523,613	\$ 11,363,136	\$ 10,339,869

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.

	Current Healthcare Cost Trend	
1% Decrease	Rate Assumption	1% Increase
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$10,100,221	\$11,363,136	\$12,866,289

G. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB:

For the year ended December 31, 2021 the employer recognized OPEB expense/(income) of \$(236,928). The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability gains or losses	\$ -0-	\$ (2,017,320)
Change of assumptions	2,037,964	(385,394)
Recognition of liability gain or losses	-0-	263,866
Recognition of assumption change or inputs	<u>(279,080)</u>	<u>73,830</u>
Total	<u>\$1,758,884</u>	<u>\$(2,065,018)</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:	
2022	\$ (58,222)
2023	(58,222)
2024	(58,222)
2025	(58,222)
2026	(3,028)
Thereafter	<u>(70,218)</u>
	<u>\$(306,134)</u>

## 8. 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 \$1,272,632 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 \$37,422 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 \$28,172 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 \$426,013 restricted cash in the escrow accounts for this bond.

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 \$240,006 restricted cash in the MISO 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 \$1,216,420 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 \$750,788 restricted cash in the escrow accounts for this bond.

The City issued Series 2021 bonds during the year ended December 31, 2021, in the amount of \$12,740,000. The City has \$8,079,229 restricted cash in the escrow accounts for this bond.

## 9. NEGATIVE FUND BALANCE NET POSITION

The Arts and Museum Fund, CDBG Fund, Black River Coliseum Fund, Airport Fund, and the Health Insurance Fund have negative net positions at December 31, 2021. An operating transfer from the General Fund will be required to increase the fund balance to a positive balance.

## 10. 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.

11. 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.

As of December 31, 2021, there were four series of industrial revenue bonds outstanding. The aggregate principal amount payable at December 31, 2021, could not be determined; however, their original issue amounts were not to exceed \$24 million.

12. 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, 2021, the City abated taxes as follows:

<u>Tax Abatement Programs</u>	<u>Amount Abated</u>
Enhancement Enterprise Zone Program	\$250,521
Industrial Development Program	\$27,662

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

13. COMMITMENT

On February 1, 2021, the City entered into a contract for the construction of the police department building project in the amount of \$8,133,171. As of December 31, 2021, \$4,736,812 has been spent on the project. It is expected to be completed in late 2022.

14. SUBSEQUENT EVENTS

On April 19, 2022, the City entered into two contracts for the Poplar Bluff Manufacturing Infrastructure Project. The contracts total \$1,192,533 and are expected to be completed in 2022.

On May 17, 2022, the City entered into a contract for the downtown parking garage demolition. The contract is \$193,140 and is expected to be completed in 2022.

On August 16, 2022, the City entered into a contract for the Shelby Road Phase II improvements. The contract is \$252,106 and is expected to be completed in 2022.

15. PRIOR PERIOD ADJUSTMENT

The net position of the Governmental Funds and fund balance of the Government Funds was increased by \$615,765 due to revenue that should have been recognized in the prior year.

16. RESTATEMENT BEGINNING BALANCES

The net position of the Governmental Funds as of January 1, 2021 has decreased by \$5,224,443 due to the Park Fund and the Park/Golf Capital Fund no longer being included in the City's financial statements. The net position of the Business-Type Activities (Enterprise Funds) as of January 1, 2021 has decreased by \$2,109,281 due to the Golf Fund no longer being included in the City's financial statements. The total fund balances of the Nonmajor Proprietary Funds as of January 1, 2021 has decreased by \$931,307.

REQUIRED SUPPLEMENTAL INFORMATION

## CITY OF POPLAR BLUFF, MISSOURI

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Sales Tax	\$ 5,988,055	\$ 5,988,055	\$ 6,539,014	\$ 550,959
Property Taxes	1,480,576	1,480,576	1,349,482	(131,094)
Licenses and Permits	3,393,227	3,393,227	3,109,655	(283,572)
Fines, forfeitures, and Violations	157,063	157,063	176,266	19,203
Use of Property	149,543	149,543	74,656	(74,887)
Donations	10,069	10,069	3,800	(6,269)
Grant Income	188,990	188,990	485,147	296,157
Interest Income	6,180	6,180	2,153	(4,027)
Free Municipal Services	-	-	278,450	278,450
Miscellaneous	301,360	301,360	492,858	191,498
<b>TOTAL REVENUES</b>	<b>\$ 11,675,063</b>	<b>\$ 11,675,063</b>	<b>\$ 12,511,481</b>	<b>\$ 836,418</b>
<b>EXPENDITURES:</b>				
General Government	\$ 1,889,809	\$ 1,889,809	\$ 2,210,122	\$ (320,313)
Public Safety	7,517,339	7,517,339	7,793,940	(276,601)
Transportation	1,767,219	1,946,219	1,824,383	121,836
Culture and Recreation	167,882	167,882	170,500	(2,618)
Capital Outlay	8,118,029	8,118,029	4,567,371	3,550,658
Debt Service:				
Principal	1,000,000	1,000,000	1,000,000	-
Interest	123,926	123,926	276,378	(152,452)
<b>TOTAL EXPENDITURES</b>	<b>\$ 19,460,278</b>	<b>\$ 19,639,278</b>	<b>\$ 17,842,694</b>	<b>\$ 1,796,584</b>
<b>EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>\$ (7,785,215)</b>	<b>\$ (7,964,215)</b>	<b>\$ (5,331,213)</b>	<b>\$ 2,633,002</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Out)	\$ (556,737)	\$ (556,737)	\$ (316,150)	\$ 240,587
Premium on Bond	-	-	657,627	657,627
Bond Issuance Costs	-	-	(350,603)	(350,603)
Bond Proceeds	-	-	12,740,000	12,740,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (556,737)</b>	<b>\$ (556,737)</b>	<b>\$ 12,730,874</b>	<b>\$ 240,587</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ (8,341,952)</b>	<b>\$ (8,520,952)</b>	<b>\$ 7,399,661</b>	<b>\$ (1,121,291)</b>
FUND BALANCE, January 1, 2021			4,452,519	
FUND BALANCE, December 31, 2021			<u>\$ 11,852,180</u>	

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2021

1. BUDGETARY INFORMATION

The Budgetary Comparison Schedule presented as supplemental information presents comparisons of legally adopted budgets with the actual data. 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.

On December 21, 2020, a public hearing was held in connection with adoption of the proposed budget for 2021. Excess disbursements and transfers were formally approved by budget amendment by the City Council on September 20, 2021.

CITY OF POPLAR BLUFF, MISSOURISCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - OTHER POST-EMPLOYMENT BENEFITS

December 31, 2021

Calendar Year Ended December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service Costs	\$ 470,063	\$ 497,868	\$ 402,666	\$ 484,997
Interest on Total OPEB Liability	253,826	328,953	476,752	421,152
Effect of Plan Changes	(22,539)	-	-	-
Economic/Demographic Gains or Losses	(169,540)	-	(175,723)	-
Changes of Assumptions or Other Inputs	205,252	561,358	324,064	(646,292)
Benefit Payments, Including Refunds	<u>(973,990)</u>	<u>(785,598)</u>	<u>(703,697)</u>	<u>(880,174)</u>
<b>Net Change in Total OPEB Liability</b>	\$ (236,928)	\$ 602,581	\$ 324,062	\$ (620,317)
<b>Total OPEB Liability - Beginning</b>	<u>11,600,064</u>	<u>11,897,876</u>	<u>11,573,814</u>	<u>12,194,131</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 11,363,136</u>	<u>\$ 12,500,457</u>	<u>\$ 11,897,876</u>	<u>\$ 11,573,814</u>
<b>Covered Employee Payroll</b>	\$ 11,519,282	\$ 12,207,000	\$ 11,950,000	\$ 11,480,000
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	98.64%	102.40%	99.56%	100.82%

**Notes to the Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.



## CITY OF POPLAR BLUFF, MISSOURI

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - LAGERS

December 31, 2021

Fiscal Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service Costs	\$ 828,089	\$ 1,344,632	\$ 1,299,313	\$ 1,291,619	\$ 1,281,614	\$ 1,290,406	\$ 1,357,952
Interest on the Pension Liability	5,427,647	5,359,945	5,091,722	4,860,531	4,663,283	4,305,991	4,231,445
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(1,589,236)	1,356,399	807,732	104,851	(396,739)	(594,738)	(1,921,521)
Changes of Assumptions	(1,347,788)	-	-	-	(59,329)	2,748,912	-
Benefit Payments, Including Refunds of Employee Contributions	(3,535,523)	(3,804,197)	(3,248,350)	(2,901,576)	(2,767,761)	(2,747,946)	(2,469,874)
<b>Net Change in Total Pension Liability</b>	\$ (216,811)	\$ 4,256,779	\$ 3,950,417	\$ 3,355,425	\$ 2,721,068	\$ 5,002,625	\$ 1,198,002
<b>Total Pension Liability - Beginning</b>	<u>76,038,260</u>	<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>	<u>58,910,998</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 75,821,449</u>	<u>\$ 79,395,314</u>	<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>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 2,269,000	\$ 2,214,653	2,155,426	2,073,844	2,027,900	1,974,943	2,096,005
Contributions - Employees	-	-	103,668	-	-	-	-
Net Investment Income	17,597,836	913,625	4,273,780	7,540,523	6,404,098	(66,177)	1,125,169
Benefit Payments, Including Refunds of Employee Contributions	(3,535,523)	(3,804,197)	(3,248,350)	(2,901,576)	(2,767,761)	(2,747,946)	(2,469,874)
Pension Plan Administrative Expense	(49,149)	(69,226)	(60,233)	(41,824)	(40,789)	(41,043)	(44,829)
Other (Net Transfers)	23,725	284,865	(192,131)	516,109	132,777	(263,569)	299,197
<b>Net Change in Plan Fiduciary Net Position</b>	\$ 16,305,889	\$ (460,280)	\$ 3,032,160	\$ 7,187,076	\$ 5,756,225	\$ (1,143,792)	\$ 1,005,668
<b>Plan Fiduciary Net Position - Beginning</b>	<u>66,558,308</u>	<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>	<u>54,093,914</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 82,864,197</u>	<u>\$ 69,470,971</u>	<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>
<b>Net Pension Liability - Ending (A) - (B)</b>	\$ (7,042,748)	\$ 9,924,343	\$ 5,207,284	\$ 4,289,027	\$ 8,120,678	\$ 11,155,835	\$ 5,009,418
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	109.29%	87.50%	93.07%	93.98%	88.03%	82.87%	91.67%
<b>Covered Valuation Payroll</b>	\$ 11,952,540	\$ 11,826,679	\$ 11,329,192	\$ 11,078,698	\$ 11,191,244	\$ 11,043,578	\$ 11,397,861
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-58.92%	83.91%	45.96%	38.71%	72.56%	101.02%	43.95%

**Notes to the Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

## CITY OF POPLAR BLUFF, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICEMEN'S & FIREMEN'S PENSION PLAN

December 31, 2020

Fiscal Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service Costs	\$ 370,390	\$ 390,814	\$ 405,112	\$ 387,805	\$ 322,344	\$ 325,476	\$ 308,503
Interest on the Pension Liability	1,035,328	1,009,285	947,661	941,708	941,155	916,725	904,823
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	110,856	154,865	130,795	(304,620)	159,836	13,934	12,903
Changes of Assumptions	(58,933)	(108,429)	(246,359)	-	1,162,730	-	477,493
Benefit Payments, Including Refunds of Employee Contributions	(1,026,490)	(825,975)	(1,019,862)	(956,692)	(831,708)	(790,402)	(771,054)
<b>Net Change in Total Pension Liability</b>	\$ 431,151	\$ 620,560	\$ 217,347	\$ 68,201	\$ 1,754,357	\$ 465,733	\$ 932,668
<b>Total Pension Liability - Beginning</b>	<u>19,891,478</u>	<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>	<u>15,832,612</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 20,322,629</u>	<u>\$ 19,891,478</u>	<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>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 190,656	\$ 259,573	\$ 253,165	\$ 266,067	\$ 301,740	\$ 273,373	\$ 200,120
Contributions - Employees	265,576	194,077	188,762	187,270	189,797	181,985	236,540
Net Investment Income	2,019,113	2,046,227	(604,398)	1,312,197	759,927	(70,777)	647,641
Benefit Payments, Including Refunds of Employee Contributions	(1,026,490)	(825,975)	(1,019,862)	(956,692)	(831,708)	(790,402)	(771,054)
Pension Plan Administrative Expense	(23,415)	(19,965)	(23,535)	(23,195)	(26,865)	(19,955)	(19,995)
Other (Net Transfers)	-	-	-	(3,051)	(7,046)	-	(10,270)
<b>Net Change in Plan Fiduciary Net Position</b>	\$ 1,425,440	\$ 1,653,937	\$ (1,205,868)	\$ 782,596	\$ 385,845	\$ (425,776)	\$ 282,982
<b>Plan Fiduciary Net Position - Beginning</b>	<u>13,388,546</u>	<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>	<u>11,914,830</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 14,813,986</u>	<u>\$ 13,388,546</u>	<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>
<b>Net Pension Liability - Ending (A) - (B)</b>	\$ 5,508,643	\$ 6,502,932	\$ 7,536,309	\$ 6,113,094	\$ 6,827,489	\$ 5,458,977	\$ 4,567,468
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	72.89%	67.31%	60.89%	67.92%	64.04%	68.32%	72.76%
<b>Covered Valuation Payroll</b>	\$ 4,318,956	\$ 4,080,554	\$ 4,064,100	\$ 4,123,926	\$ 4,059,566	\$ 4,046,610	\$ 3,914,805
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	127.55%	159.36%	185.44%	148.23%	168.18%	134.90%	116.67%

**Notes to the Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

## CITY OF POPLAR BLUFF, MISSOURI

## SCHEDULE OF EMPLOYERS CONTRIBUTIONS - LAGERS

December 31, 2021

Fiscal Year Ended June 30,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2021	\$ 2,505,313	\$ 2,447,942	\$ 57,371	\$ 12,233,564	20.01%
2020	2,321,248	2,321,248	-	12,158,150	19.09%
2019	2,174,080	2,174,080	-	11,669,921	18.63%
2018	2,121,436	2,114,271	7,165	11,260,662	18.78%
2017	2,145,926	2,051,503	94,423	11,396,692	18.00%
2016	1,931,038	1,931,038	-	11,367,195	16.99%
2015	2,094,812	2,094,812	-	11,338,625	18.48%
2014	2,145,027	2,145,027	-	11,503,535	18.65%
2013	1,644,018	1,570,121	73,897	11,892,721	13.20%
2012	1,613,782	1,423,514	190,268	11,655,588	12.21%

**Notes to Schedule:****Valuation Date:**

February 28, 2021

**Notes**

The roll-forward of total pension liability from February 28, 2021 to June 30, 2021 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 22 years
Asset Valuation Method:	5-year smoothed market, 20% corridor
Inflation:	2.75% wage inflation, 2.25% price inflation
Salary Increases:	2.75% to 7.15%, including wage inflation
Investment Rate of Return:	7.00%, net of investment expenses
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

**Other Information:**

None

CITY OF POPLAR BLUFF, MISSOURISCHEDULE OF EMPLOYERS CONTRIBUTIONS  
POLICEMEN'S AND FIREMEN'S PENSION PLAN

December 31, 2021

Fiscal Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2021	\$ 938,667	\$ 265,576	\$ 673,091	\$ 4,318,956	6%
2020	912,881	259,573	653,308	4,080,554	6.36%
2019	850,408	253,165	597,243	4,064,100	6.23%
2018	811,036	266,067	544,969	4,123,926	6.45%
2017	579,058	301,740	277,318	4,059,566	7.43%
2016	543,721	273,373	270,348	4,046,610	6.76%
2015	507,503	236,540	270,963	3,914,805	6.04%

**Notes to Schedule:****Valuation Date:** December 31, 2020**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

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF POPLAR BLUFF, MISSOURI  
 COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND  
 BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2021

<u>ASSETS</u>	Highway 67 Tax Fund	Special Allocation Fund	Arts and Museum Fund	Crime Reduction Fund	Historical Commission Fund	Tourism Tax Fund	Police & Fire Pension Fund	Capital Improvement Fund	American Rescue Plan Act Fund	CDBG Fund	Storm Water Fund	Police Injury Fund	Fire Injury Fund	Task Force Fund	Total
<u>CURRENT ASSETS:</u>															
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,696	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ 201,946
Taxes Receivable, Net	-	-	-	-	-	-	-	510,205	-	-	-	-	-	510,205	
Due from Other Funds	-	232,073	-	-	-	-	2,542	476,116	-	-	-	-	-	710,731	
Accrued Interest	-	-	-	-	-	-	-	-	-	-	102	93	-	195	
Prepaid Insurance	-	-	659	-	-	-	-	63,114	-	-	-	-	-	63,773	
Restricted Assets:															
Cash and cash equivalents	2,781,317	3,339,204	-	4,534	1,196	336,085	9,325	-	1,600,266	-	82,235	1,035,654	964,742	-	10,154,558
Interest Receivable	411	-	-	-	-	-	-	-	-	-	-	-	-	411	
Tax Receivable, Net	510,196	467,734	-	-	-	85,446	235,290	-	-	-	-	-	-	1,298,666	
Grant receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	58,520	
<b>TOTAL ASSETS</b>	<b>\$ 3,291,924</b>	<b>\$ 4,039,011</b>	<b>\$ 659</b>	<b>\$ 4,534</b>	<b>\$ 1,196</b>	<b>\$ 421,531</b>	<b>\$ 247,157</b>	<b>\$ 1,251,131</b>	<b>\$ 1,600,266</b>	<b>\$ 250</b>	<b>\$ 82,235</b>	<b>\$ 1,035,756</b>	<b>\$ 964,835</b>	<b>\$ 58,520</b>	<b>\$ 12,999,005</b>
<u>LIABILITIES AND FUND BALANCE</u>															
<u>LIABILITIES:</u>															
Accounts payable	\$ -	\$ -	\$ 187	\$ -	\$ -	\$ 1,537	\$ 247,157	\$ 25,278	\$ -	\$ 6,928	\$ -	\$ -	\$ -	\$ 58,520	\$ 339,607
Due to Other Funds	31,284	-	42,781	-	-	-	-	155,844	2,542	150	-	-	-	-	232,601
Due to Others	-	-	-	-	-	-	-	80,060	-	-	-	-	-	-	80,060
Accrued Payroll and Benefits	-	-	439	-	-	-	-	-	-	-	-	-	-	-	439
<b>TOTAL LIABILITIES</b>	<b>\$ 31,284</b>	<b>\$ -</b>	<b>\$ 43,407</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,537</b>	<b>\$ 247,157</b>	<b>\$ 261,182</b>	<b>\$ 2,542</b>	<b>\$ 7,078</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 58,520</b>	<b>\$ 652,707</b>
<u>FUND BALANCE:</u>															
Restricted	\$ 3,260,640	\$ 4,039,011	\$ -	\$ 4,534	\$ 1,196	\$ 419,994	\$ -	\$ -	\$ 1,597,724	\$ -	\$ 82,235	\$ 1,035,756	\$ 964,835	\$ -	\$ 11,405,925
Nonspendable	-	-	659	-	-	-	-	63,114	-	-	-	-	-	63,773	
Assigned	-	-	-	-	-	-	-	926,835	-	-	-	-	-	926,835	
Unassigned	-	-	(43,407)	-	-	-	-	-	-	(6,828)	-	-	-	(50,235)	
<b>TOTAL FUND BALANCE</b>	<b>\$ 3,260,640</b>	<b>\$ 4,039,011</b>	<b>\$ (42,748)</b>	<b>\$ 4,534</b>	<b>\$ 1,196</b>	<b>\$ 419,994</b>	<b>\$ -</b>	<b>\$ 989,949</b>	<b>\$ 1,597,724</b>	<b>\$ (6,828)</b>	<b>\$ 82,235</b>	<b>\$ 1,035,756</b>	<b>\$ 964,835</b>	<b>\$ -</b>	<b>\$ 12,346,298</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,291,924</b>	<b>\$ 4,039,011</b>	<b>\$ 659</b>	<b>\$ 4,534</b>	<b>\$ 1,196</b>	<b>\$ 421,531</b>	<b>\$ 247,157</b>	<b>\$ 1,251,131</b>	<b>\$ 1,600,266</b>	<b>\$ 250</b>	<b>\$ 82,235</b>	<b>\$ 1,035,756</b>	<b>\$ 964,835</b>	<b>\$ 58,520</b>	<b>\$ 12,999,005</b>

CITY OF POPLAR BLUFF, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2021

	Highway 67 Tax Fund	Special Allocation Fund	Arts and Museum Fund	Crime Reduction Fund	Historical Commission Fund	Tourism Tax Fund	Police & Fire Pension Fund	Capital Improvement Fund	American Rescue Plan Act Fund	CDBG Fund	Storm Water Fund	Police Injury Fund	Fire Injury Fund	Task Force Fund	Totals
<b>REVENUES:</b>															
Sales Tax	\$ 2,859,477	\$ 2,934,511	\$ -	\$ -	\$ -	\$ 409,566	\$ -	\$ 2,524,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,727,779
Property Taxes	-	-	-	-	-	-	253,629	-	-	-	-	-	-	-	253,629
Use of Money and Property	-	-	14,562	-	-	-	-	-	-	-	-	-	-	-	14,562
Donations	-	-	5,405	-	-	-	-	-	-	-	-	-	-	-	5,405
Grant Revenue	-	-	-	-	-	-	-	-	1,708,821	7,293	-	-	-	352,231	2,068,345
Interest Income	9,274	380	6	3	-	30	-	10,924	56	-	27	3,489	3,093	-	27,282
Free Municipal Services	-	-	31,463	-	-	-	-	-	-	-	-	-	-	-	31,463
Miscellaneous	-	2,939	1,775	-	-	-	761	-	-	-	175	-	-	-	5,650
<b>TOTAL REVENUES</b>	<b>\$ 2,868,751</b>	<b>\$ 2,937,830</b>	<b>\$ 53,211</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ 409,596</b>	<b>\$ 254,390</b>	<b>\$ 2,535,149</b>	<b>\$ 1,708,877</b>	<b>\$ 7,293</b>	<b>\$ 202</b>	<b>\$ 3,489</b>	<b>\$ 3,093</b>	<b>\$ 352,231</b>	<b>\$ 11,134,115</b>
<b>EXPENDITURES:</b>															
Transportation	\$ 1,579,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,661	\$ -	\$ 13,313	\$ -	\$ -	\$ -	\$ -	\$ 1,872,740
Culture and Recreation	-	-	99,228	-	-	-	-	6,323	-	-	-	-	-	-	207,533
Public Safety	-	-	-	6,970	-	101,982	254,390	254,616	-	808	-	-	-	352,231	869,015
General Government	-	413,290	-	-	-	-	-	70,142	111,153	-	526	-	-	-	595,111
Capital Outlay	-	-	-	-	-	-	-	915,188	-	-	12,554	4,300	-	-	932,042
Debt Service:															
Principal	136,957	1,695,000	-	-	-	-	-	1,162,454	-	-	-	-	-	-	2,994,411
Interest	5,319	1,145,938	-	-	-	-	-	94,536	-	-	-	-	-	-	1,245,793
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,722,042</b>	<b>\$ 3,254,228</b>	<b>\$ 99,228</b>	<b>\$ 6,970</b>	<b>\$ -</b>	<b>\$ 101,982</b>	<b>\$ 254,390</b>	<b>\$ 2,782,920</b>	<b>\$ 111,153</b>	<b>\$ 14,121</b>	<b>\$ 13,080</b>	<b>\$ 4,300</b>	<b>\$ -</b>	<b>\$ 352,231</b>	<b>\$ 8,716,645</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,146,709</b>	<b>\$ (316,398)</b>	<b>\$ (46,017)</b>	<b>\$ (6,967)</b>	<b>\$ -</b>	<b>\$ 307,614</b>	<b>\$ -</b>	<b>\$ (247,771)</b>	<b>\$ 1,597,724</b>	<b>\$ (6,828)</b>	<b>\$ (12,878)</b>	<b>\$ (811)</b>	<b>\$ 3,093</b>	<b>\$ -</b>	<b>\$ 2,417,470</b>
<b>OTHER FINANCING SOURCES (USES):</b>															
Loan Proceeds	\$ 1,498,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,498,166
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	200,000	-	-	-	-	-	-	200,000
Operating Transfers In (Out)	-	-	30,659	-	-	(175,065)	-	-	-	-	-	-	-	-	(144,406)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 1,498,166</b>	<b>\$ -</b>	<b>\$ 30,659</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (175,065)</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,553,760</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ 2,644,875</b>	<b>\$ (316,398)</b>	<b>\$ (15,358)</b>	<b>\$ (6,967)</b>	<b>\$ -</b>	<b>\$ 132,549</b>	<b>\$ -</b>	<b>\$ (47,771)</b>	<b>\$ 1,597,724</b>	<b>\$ (6,828)</b>	<b>\$ (12,878)</b>	<b>\$ (811)</b>	<b>\$ 3,093</b>	<b>\$ -</b>	<b>\$ 3,971,230</b>
FUND BALANCE, January 1, 2021, restated, See Note 16	-	4,355,409	(27,390)	11,501	1,196	287,445	-	1,037,720	-	-	95,113	1,036,567	961,742	-	7,759,303
PRIOR PERIOD ADJUSTMENT	615,765	-	-	-	-	-	-	-	-	-	-	-	-	-	615,765
<b>FUND BALANCE, December 31, 2021</b>	<b>\$ 3,260,640</b>	<b>\$ 4,039,011</b>	<b>\$ (42,748)</b>	<b>\$ 4,534</b>	<b>\$ 1,196</b>	<b>\$ 419,994</b>	<b>\$ -</b>	<b>\$ 989,949</b>	<b>\$ 1,597,724</b>	<b>\$ (6,828)</b>	<b>\$ 82,235</b>	<b>\$ 1,035,756</b>	<b>\$ 964,835</b>	<b>\$ -</b>	<b>\$ 12,346,298</b>

See Independent Auditors' Report.

## CITY OF POPLAR BLUFF, MISSOURI

COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS

December 31, 2021

	Black River Coliseum Fund	Airport Fund	Total
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 94,458	\$ -	\$ 94,458
Accounts Receivable, Net	1,213	5,361	6,574
Grants Receivable	-	301,918	301,918
Inventories	-	61,743	61,743
Prepaid Expenses	29,635	28,141	57,776
Total Current Assets	<u>\$ 125,306</u>	<u>\$ 397,163</u>	<u>\$ 522,469</u>
<u>NONCURRENT ASSETS:</u>			
Net Pension Asset	\$ 55,899	\$ 22,400	\$ 78,299
Land	1,037,402	1,134,243	2,171,645
Capital Assets, Net of Accumulated Depreciation	5,147,878	6,196,812	11,344,690
Total Capital Assets, Net	<u>\$ 6,241,179</u>	<u>\$ 7,353,455</u>	<u>\$ 13,594,634</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 6,366,485</b></u>	<u><b>\$ 7,750,618</b></u>	<u><b>\$ 14,117,103</b></u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Pension Deferrals	\$ 18,105	\$ 7,255	\$ 25,360
OPEB Deferrals	18,329	9,165	27,494
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 36,434</b></u>	<u><b>\$ 16,420</b></u>	<u><b>\$ 52,854</b></u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Accounts Payable	\$ 18,353	\$ 4,045	\$ 22,398
Due to Other Funds	1,310,687	634,650	1,945,337
Accrued Payroll and Benefits	17,728	5,978	23,706
Unearned Revenue	10,512	-	10,512
Total Current Liabilities	<u>\$ 1,357,280</u>	<u>\$ 644,673</u>	<u>\$ 2,001,953</u>
<u>LONG-TERM LIABILITIES:</u>			
Accrued Compensated Absences	\$ 13,424	\$ 5,774	\$ 19,198
Total OPEB Liability	112,472	56,236	168,708
Total Long-Term Liabilities	<u>\$ 125,896</u>	<u>\$ 62,010</u>	<u>\$ 187,906</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 1,483,176</b></u>	<u><b>\$ 706,683</b></u>	<u><b>\$ 2,189,859</b></u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension Deferrals	\$ 95,328	\$ 38,199	\$ 133,527
OPEB Deferrals	20,889	10,445	31,334
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>\$ 116,217</b></u>	<u><b>\$ 48,644</b></u>	<u><b>\$ 164,861</b></u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 6,241,179	\$ 7,353,455	\$ 13,594,634
Unrestricted	(1,437,653)	(341,744)	(1,779,397)
<b>TOTAL NET POSITION</b>	<u><b>\$ 4,803,526</b></u>	<u><b>\$ 7,011,711</b></u>	<u><b>\$ 11,815,237</b></u>

See Independent Auditors' Report.



CITY OF POPLAR BLUFF, MISSOURI  
Poplar Bluff, Missouri

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION - NONMAJOR PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	Black River Coliseum Fund	Airport Fund	Total
<u>OPERATING REVENUE:</u>			
Charges for Services	\$ -	\$ 406,781	\$ 406,781
Ticket Sales	374,652	-	374,652
Event Rentals	90,176	-	90,176
Property Rental	-	23,696	23,696
Admission Fees	1,835	-	1,835
Concessions	64,304	-	64,304
Pool and Fitness Center	89,692	-	89,692
Grant Income	147,439	3,340,388	3,487,827
Free Municipal Services	333,787	-	333,787
Miscellaneous Income	26,110	443	26,553
	<u>1,127,995</u>	<u>3,771,308</u>	<u>4,899,303</u>
TOTAL OPERATING REVENUE	\$ 1,127,995	\$ 3,771,308	\$ 4,899,303
<u>OPERATING EXPENSES:</u>			
Personnel Services	\$ 245,962	\$ 107,929	\$ 353,891
Office Supplies	738	-	738
Operating Supplies	13,081	4,033	17,114
Repairs and Maintenance	41,176	12,112	53,288
Concessions	25,626	-	25,626
Event Expenses	303,989	-	303,989
Natural Gas	29,482	12,572	42,054
Utilities	333,787	13,079	346,866
Merchandise for Resale	-	303,901	303,901
Telephone	3,537	2,318	5,855
Books/Publications and Memberships	-	70	70
Travel and Training	3,815	1,416	5,231
Professional Fees	7,254	12,679	19,933
Advertising	185	202	387
Insurance	53,803	73,132	126,935
Small Tools and Equipment	360	300	660
Miscellaneous	7,426	9,046	16,472
Depreciation	299,028	156,744	455,772
	<u>1,369,249</u>	<u>709,533</u>	<u>2,078,782</u>
TOTAL OPERATING EXPENSES	\$ 1,369,249	\$ 709,533	\$ 2,078,782
INCOME FROM OPERATIONS	\$ (241,254)	\$ 3,061,775	\$ 2,820,521
<u>NON-OPERATING REVENUES AND EXPENSES:</u>			
Interest Income	\$ 36	\$ -	\$ 36
Transfer of Capital Assets	10,550	596,237	606,787
Transfers In (Out)	349,452	111,104	460,556
Interest Expense	-	(602)	(602)
	<u>360,038</u>	<u>706,739</u>	<u>1,066,777</u>
TOTAL NON-OPERATING REVENUES AND EXPENSES, NET	\$ 360,038	\$ 706,739	\$ 1,066,777
CHANGES IN NET POSITION	\$ 118,784	\$ 3,768,514	\$ 3,887,298
TOTAL NET POSITION, January 1, 2021, restated, See Note 16	<u>4,684,742</u>	<u>3,243,197</u>	<u>7,927,939</u>
TOTAL NET POSITION, December 31, 2021	<u>\$ 4,803,526</u>	<u>\$ 7,011,711</u>	<u>\$ 11,815,237</u>

See Independent Auditors' Report.

## CITY OF POPLAR BLUFF, MISSOURI

## COMBINING STATEMENT OF NET POSITION - MUNICIPAL UTILITIES

December 31, 2021

<u>ASSETS</u>	Electric Department	Water/Sewer Department	Cable Department	Total
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 15,237,535	\$ 2,099,011	\$ -	\$ 17,336,546
Investments	1,072,696	-	-	1,072,696
Accounts Receivable, Net	2,190,577	859,702	-	3,050,279
Accrued Interest Receivable	21,421	-	-	21,421
Inventories	1,116,396	303,274	-	1,419,670
Prepaid Expenses	1,126,326	272,806	-	1,399,132
Total Current Assets	<u>\$ 20,764,951</u>	<u>\$ 3,534,793</u>	<u>\$ -</u>	<u>\$ 24,299,744</u>
<u>RESTRICTED ASSETS:</u>				
Cash and Cash Equivalents	\$ 240,006	\$ 1,879,749	\$ -	\$ 2,119,755
Total Restricted Assets	<u>\$ 240,006</u>	<u>\$ 1,879,749</u>	<u>\$ -</u>	<u>\$ 2,119,755</u>
<u>NONCURRENT ASSETS:</u>				
Patronage Capital	\$ 15,400	\$ -	\$ -	\$ 15,400
Due from Other Funds	1,025,101	-	-	1,025,101
Net Pension Asset	1,827,706	1,128,941	-	2,956,647
Land and Land Rights	1,063,574	371,087	-	1,434,661
Capital Assets, Net of Accumulated Depreciation	26,932,583	46,845,195	-	73,777,778
Total Noncurrent Assets	<u>\$ 30,864,364</u>	<u>\$ 48,345,223</u>	<u>\$ -</u>	<u>\$ 79,209,587</u>
TOTAL ASSETS	<u>\$ 51,869,321</u>	<u>\$ 53,759,765</u>	<u>\$ -</u>	<u>\$ 105,629,086</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>				
Pension Deferrals	\$ 591,799	\$ 365,644	\$ -	\$ 957,443
OPEB Deferrals	388,689	242,931	-	631,620
Total Deferred Outflows of Resources	<u>\$ 980,488</u>	<u>\$ 608,575</u>	<u>\$ -</u>	<u>\$ 1,589,063</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable	\$ 1,993,928	\$ 183,516	\$ -	\$ 2,177,444
Accrued Payroll and Benefits	449,474	234,760	-	684,234
Sales Tax Payable	651,963	30,624	-	682,587
Accrued Interest Payable	14,580	172,044	-	186,624
Accrued Compensated Absences	14,529	21,075	-	35,604
Current Maturities of Advances from the City	-	150,000	-	150,000
Current Maturities of Long-Term Debt	865,882	1,289,000	-	2,154,882
Total Current Liabilities	<u>\$ 3,990,356</u>	<u>\$ 2,081,019</u>	<u>\$ -</u>	<u>\$ 6,071,375</u>
<u>NONCURRENT LIABILITIES:</u>				
Accrued Compensated Absences	\$ 443,191	\$ 235,797	\$ -	\$ 678,988
Customer Meter Deposits	438,735	86,636	-	525,371
Due to Other Funds	-	1,025,101	-	1,025,101
Advances from the City	-	191,770	-	191,770
Long-Term Debt	9,584,195	22,672,900	-	32,257,095
Total OPEB Liability	2,736,049	1,710,031	-	4,446,080
Total Noncurrent Liabilities	<u>\$ 13,202,170</u>	<u>\$ 25,922,235</u>	<u>\$ -</u>	<u>\$ 39,124,405</u>
TOTAL LIABILITIES	<u>\$ 17,192,526</u>	<u>\$ 28,003,254</u>	<u>\$ -</u>	<u>\$ 45,195,780</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Pension Deferrals	\$ 3,116,021	\$ 1,925,237	\$ -	\$ 5,041,258
OPEB Deferrals	480,203	300,127	-	780,330
Total Deferred Inflows of Resources	<u>\$ 3,596,224</u>	<u>\$ 2,225,364</u>	<u>\$ -</u>	<u>\$ 5,821,588</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 21,101,157	\$ 21,887,511	\$ -	\$ 42,988,668
Restricted for:				
Debt Service	-	1,879,749	-	1,879,749
Customer Deposits	14,156	-	-	14,156
Other	240,006	-	-	240,006
Unrestricted Net Position	<u>10,705,740</u>	<u>372,462</u>	<u>-</u>	<u>11,078,202</u>
TOTAL NET POSITION	<u>\$ 32,061,059</u>	<u>\$ 24,139,722</u>	<u>\$ -</u>	<u>\$ 56,200,781</u>

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION - MUNICIPAL UTILITIES

For the Year Ended December 31, 2021

	<u>Electric Department</u>	<u>Water/Sewer Department</u>	<u>Cable Department</u>	<u>Total</u>
<b><u>OPERATING REVENUE:</u></b>				
Utility Service Sales	\$ 41,178,556	\$ 6,690,963	\$ -	\$ 47,869,519
Other Income	742,416	720,192	-	1,462,608
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 41,920,972</b>	<b>\$ 7,411,155</b>	<b>\$ -</b>	<b>\$ 49,332,127</b>
<b><u>OPERATING EXPENSES:</u></b>				
Personnel Services	\$ 1,626,365	\$ 1,219,032	\$ -	\$ 2,845,397
Office Supplies	80,488	2,089	-	82,577
Shared Office Expense	(349,950)	349,950	-	-
Repairs and Maintenance	198,512	2,500	-	201,012
Electric Transmission	37,339,063	-	-	37,339,063
Electric Distribution	3,497,055	-	-	3,497,055
Water Supply, Purification and Pumping	-	877,409	-	877,409
Water Distribution	-	752,169	-	752,169
Sewer Accumulation	-	1,571,526	-	1,571,526
Telephone	6,501	3,960	-	10,461
Books/Publications and Memberships	30,818	-	-	30,818
Professional Fees	140,034	155,343	-	295,377
Advertising	1,856	62	-	1,918
Insurance	378,834	312,138	-	690,972
Uncollectible Accounts	96,155	17,552	-	113,707
Free Municipal Services	646,186	29,332	-	675,518
Miscellaneous	190,360	44,607	-	234,967
Depreciation	2,199,500	1,951,038	-	4,150,538
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 46,081,777</b>	<b>\$ 7,288,707</b>	<b>\$ -</b>	<b>\$ 53,370,484</b>
<b>INCOME FROM OPERATIONS</b>	<b>\$ (4,160,805)</b>	<b>\$ 122,448</b>	<b>\$ -</b>	<b>\$ (4,038,357)</b>
<b><u>NON-OPERATING REVENUES AND EXPENSES:</u></b>				
Interest Income	\$ 84,186	\$ 17,125	\$ 1,469	\$ 102,780
Transfers In	204,677	-	-	204,677
Transfers Out	-	-	(204,677)	(204,677)
Contributions in Aid of Construction	-	105,136	-	105,136
Interest Expense	(354,379)	(327,745)	-	(682,124)
<b>TOTAL NON-OPERATING REVENUES AND EXPENSES, NET</b>	<b>\$ (65,516)</b>	<b>\$ (205,484)</b>	<b>\$ (203,208)</b>	<b>\$ (474,208)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (4,226,321)</b>	<b>\$ (83,036)</b>	<b>\$ (203,208)</b>	<b>\$ (4,512,565)</b>
<b>TOTAL NET POSITION, January 1, 2021</b>	<b>36,287,380</b>	<b>24,222,758</b>	<b>203,208</b>	<b>60,713,346</b>
<b>TOTAL NET POSITION, December 31, 2021</b>	<b>\$ 32,061,059</b>	<b>\$ 24,139,722</b>	<b>\$ -</b>	<b>\$ 56,200,781</b>

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI  
OPERATING DATA REQUIRED BY BOND (UNAUDITED)

For the Year Ended December 31, 2021

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential						
No. of permits	118	127	240	118	159	110
Estimated cost	\$ 883,294	\$ 1,323,807	\$ 2,347,704	\$ 1,763,432	\$ 4,422,401	\$ 1,768,610
Commercial						
No. of permits	69	90	92	69	26	46
Estimated cost	\$ 21,983,833	\$ 35,850,077	\$ 11,777,179	\$ 13,773,953	\$ 6,347,755	\$ 13,372,915

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:

Year	General	Capital Improvement	Economic Development	Park Dept.	Totals
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
2020	5,669,781	2,763,435	2,763,433	1,381,717	12,578,366
2021	6,373,587	3,115,156	3,115,147	1,557,578	14,161,468

Major Sales Taxpayers

The eight largest sales taxpayers for the year ended December 31, 2021, are as follows:

<u>Company</u>	<u>Business</u>	<u>Percentage of Sales Tax</u>
1. Walmart	Retail & Grocery	17.00%
2. Menards, Inc.	Retail	6.86%
3. The Home Depot	Retail	4.92%
4. Walmart Neighborhood Market	Retail & Grocery	4.86%
5. Academy Sports	Retail	2.47%
6. Kroger Partnership	Grocery	1.92%
7. Hefner Furniture	Retail	1.84%
8. Gamblin Lumber Co.	Retail	1.61%

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, 2021 (the last completed assessment):

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$ 85,175,300	19%	\$ 448,291,053
Commercial	126,744,560	32%	396,076,750
Agriculture	119,920	12%	999,333
Sub-Total	212,039,780		845,367,136
Personal Property	50,743,687	33.33%	152,246,286
Total	<u>\$ 262,783,467</u>		<u>\$ 997,613,422</u>

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	%
2021	\$ 0.61	\$ 1,570,688	\$ 1,734,588	110%
2020	0.61	1,537,818	1,655,310	108%
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%

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, 2021:

<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 Center	\$ 4,918,010	Retail	2.35%
2. Southern Bank	4,361,240	Banking	2.06%
3. MPT of Poplar Bluff LLC	4,166,840	Health Care	1.97%
4. Nortrek Global Hvac LLC	3,530,390	Contractor	1.67%
5. Menards, Inc.	3,147,820	Retail	1.49%
6. Poplar Bluff Reg Med Ctr LLC	3,036,090	Health Care	1.44%
7. Walmart	2,564,310	Retail	1.21%
8. Eagle Investment Corporation	2,277,430	Industrial	1.08%
9. First Missouri State Bank	2,105,110	Banking	1.00%
10. HD Development of Maryland Inc.	<u>2,015,730</u>	Retail	<u>0.95%</u>
Total	<u>\$ 32,182,970</u>		<u>15.22%</u>

FEDERAL COMPLIANCE SECTION

# BEUSSINK, HEY, ROE & STRODER, L.L.C.

## *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

To the City Council  
City of Poplar Bluff, Missouri

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

#### Opinion on Each Major Federal Program

We have audited the City of Poplar Bluff, Missouri's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Poplar Bluff, Missouri's major federal programs for the year ended December 31, 2021. 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.

In our opinion, the City of Poplar Bluff, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

#### Basis for Opinion on Each Major Federal Program

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 the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Poplar Bluff, Missouri and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Poplar Bluff, Missouri's compliance with the compliance requirements referred to above.



## Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to of the City of Poplar Bluff, Missouri's federal programs.

## Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Poplar Bluff, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Poplar Bluff, Missouri's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Poplar Bluff, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Poplar Bluff, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Poplar Bluff, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

*Beussink, Hey, Roe & Stroder, L.L.C.*

Cape Girardeau, Missouri  
January 11, 2023

## CITY OF POPLAR BLUFF, MISSOURI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Provided to Subrecipients	Expenditures
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Passed-Through Missouri Department of Public Safety - Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-MU-BX-0110-014 2020-MU-BX-0059-F-14	\$ 186,485 <u>66,263</u>	\$ 186,485 <u>66,263</u> <u>252,748</u>
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>\$ 252,748</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD):</u>				
Passed-Through Missouri Department of Economic Development - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	2018-ED-01 18-DP-MIT18 2020-PF-20	\$ - - <u>-</u>	\$ 4,007 6,120 <u>7,193</u> <u>\$ 17,320</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>\$ 17,320</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed-Through Missouri Department of Transportation - Airport Improvement Program (CARES) (1)	20.106	20-075A-2	\$ -	\$ 3,348,901
Highway Safety Cluster: Passed-Through Missouri Department of Transportaion - Highway Planning and Construction	20.205	TAP-5100(012)	<u>-</u>	<u>22,164</u> <u>\$ 22,164</u>
Total Highway Safety Cluster				<u>\$ 22,164</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>\$ 3,371,065</u>
<u>U.S. NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION:</u>				
Passed-Through Missouri Department of Public Safety - New General 911	20.615	69N37619300000911MOO	<u>\$ -</u>	<u>\$ 128,307</u>
TOTAL U.S. DEPARTMENT OF HIGHWAY TRAFFIC SAFETY ADMINISTRATION				<u>\$ 128,307</u>
<u>U.S. DEPARTMENT OF TREASURY:</u>				
Direct Program - COVID 19 - State and Local Fiscal Recovery Fund	21.027	N/A	<u>\$ -</u>	<u>\$ 108,611</u>
TOTAL U.S. DEPARTMENT OF TREASURY				<u>\$ 108,611</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>				
Passed-Through Missouri Department of Health and Human Services - State Physical Activity and Nutrition	93.439	NU58DP0065806-01-00	<u>\$ -</u>	<u>\$ 9,993</u>
TOTAL U.S. HEALTH AND HUMAN SERVICES				<u>\$ 9,993</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT:</u>				
High Intensity Drug Trafficking Areas Program	95.001	JLEO-20-011	<u>\$ -</u>	<u>\$ 18,842</u>
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT				<u>\$ 18,842</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 296,633</u>	<u>\$ 3,906,886</u>

(1) Denotes Major Program.

The Accompanying Notes to Schedule of Expenditures of Federal Awards  
are an Integral Part of the Report.

CITY OF POPLAR BLUFF, MISSOURI

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Purpose of Schedule and Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the City of Poplar Bluff, Missouri under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Poplar Bluff, Missouri.

B. Basis of Presentation:

The Schedule is presented in accordance with the Uniform Guidance, which defines federal financial assistance “...assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.”

C. Basis of Accounting:

The Schedule is presented on the modified accrual basis of accounting, which recognizes expenditures only when incurred for goods and services. This is the same basis of accounting presented in the financial statements.

D. Indirect Cost Rate:

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF POPLAR BLUFF, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2021

1. SUMMARY OF AUDITORS' RESULTS:

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified?                      X   yes                    \_\_\_\_\_ no
- Significant deficiencies identified?                    \_\_\_\_\_ yes                      X   none reported

Noncompliance material to financial statements noted?                    \_\_\_\_\_ yes                      X   no

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified?                    \_\_\_\_\_ yes                      X   no
- Significant deficiencies identified?                    \_\_\_\_\_ yes                      X   none reported

Type of Auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                    \_\_\_\_\_ yes                      X   no

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.106	Airport Improvement Program

Dollar threshold used to distinguish  
between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee: \_\_\_\_\_ yes  X  no

2. FINANCIAL STATEMENT FINDINGS:

2021-001 Significant Audit Adjustments

Criteria: For the financial statements to be relevant and reliable, all activity should be recorded timely and accurately.

Condition: Significant audit adjustments were needed to correct Fund Balance in the Highway 67 Fund for revenue totaling \$615,765 that should have been recognized in the prior year, and to record the proceeds for the Missouri Transportation Finance Corporation loan and project expenses paid with the proceeds totaling \$1,498,166 in the current year.

Cause: The City was unaware these transactions needed to be recorded.

Effect: In the Highway 67 Fund, revenues were understated by \$882,401, expenses were understated by \$1,498,166, and Fund balance was understated by \$615,765.

Recommendation: We recommend that the City record all transactions timely and accurately to ensure the financial statements are relevant and reliable.

Views of Responsible Officials and Planned Corrective Actions: We will ensure that all transactions are recorded properly going forward.

2021-002 Internal Controls over Payroll

Criteria: According to the City's procedure manual all timesheets are to be approved by each department head before payroll can be processed.

Condition: Certain departments did not have approval noted on the timesheets from January through May 2021 by the various department heads.

Cause: In an effort to get payroll processed in a timely manner, the approval process was skipped by certain departments until they were made aware of the importance.

Effect: There is increased risk that improper payroll expenditures could be made and go undetected.

Recommendation: We recommend that all timesheets show documentation of approval by the Department heads before payroll can be processed.

Views of Responsible Officials and Planned Corrective Actions: Beginning in May 2021, all timesheets are approved by each Department before payroll is processed each pay period.

2021-003 Internal Controls over Bank Reconciliations

Criteria: For good internal controls, the balance of cash on the bank reconciliation should be agreed to the amounts recorded in the financial statements.

Condition: There was an operational weakness in the bank reconciliations performed by the accounting manager for December 31, 2021. The bank reconciliations were prepared, but the balances of pooled cash on the bank reconciliation did not agree to the total of pooled cash on the financial statements.

Cause: The former accounting manager was unaware that she needed to compare the bank reconciliation to the total amount of pooled cash accounts on the financial statements to ensure they agreed.

Effect: There was an unknown cash difference between the bank reconciliation and the financial statements of \$228,637.

Recommendation: We recommend that each month when the bank reconciliation of pooled cash is completed, the balance should be agreed to the total balances of pooled cash on the financial statements. Any discrepancies should be resolved timely.

Views of Responsible  
Officials and Planned  
Corrective Actions:

The bank reconciliation was corrected to agree to the financial statements. The new accounting manager is aware that the bank reconciliation for pooled cash should be compared to the total of pooled cash on the financial statements to ensure they agree each month.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

There were no federal award finding or questioned costs.



CITY OF POPLAR BLUFF, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2021

1. FINANCIAL STATEMENT FINDINGS:

2020-001 Internal Controls over Credit Card Transactions:

Criteria: The City's internal control process is that every expenditure is supported by an invoice and all credit card transactions over \$500 are approved by the Department head.

Recommendation: We recommend that the City follows the internal control procedures that have put in place by maintaining supporting documentation for all transactions and approving all transaction over \$500.

Status: Implemented.

2020-002 Internal Controls over Payroll:

Criteria: All timesheets are to be approved by each department head before payroll can be processed.

Recommendation: We recommend that all timesheets are approved by the Department heads before payroll can be processed for that employee.

Status: Not implemented. See Finding 2021-002.

2020-004 Procurement Policies:

Criteria: All purchases and agreements should be made according to the procurement policy formally adopted by the City Government Code Section 140.030 which states "Contracts for equipment, goods, rolling stock, construction materials or supplies amounting to more than \$5,000 shall not be let without being budgeted or prior approval of the City Council."

Recommendation: We recommend that all purchases or agreements of \$5,000 or more follow the City's procurement process as set forth in their Government Code.

Status: Implemented.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

2020-003 Written Policies and Procedures:

Criteria: Uniform Guidance requires written policies related to cash management, cost allowability, procurement, and conflict of interest provisions, along with appropriate financial management systems and internal controls over federal awards to safeguard federal funds.

Recommendation: We recommend the City develop written policies and procedures related to cash management, cost allowability, procurement, and conflict of interest provisions for federal funds it receives.

Status: Implemented.



**CITY OF POPLAR BLUFF**  
CITY HALL, 501 VINE STREET  
POPLAR BLUFF, MISSOURI 63901

CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2021

The City of Poplar Bluff, Missouri respectfully submits the following corrective action plan for its findings in the Schedule of Finding and Questioned Costs.

Finding: 2021-001 Significant Audit Adjustments

Finding Type: Internal Control over financial reporting.

Name of  
Contact Person: Mr. Matt Winters, City Manager, (573) 686-8620.

Recommendation: We recommend that the City record all transactions timely and accurately to ensure the financial statements are relevant and reliable.

Corrective Action: We will ensure that all transactions are recorded properly going forward.

Proposed  
Completion Date: Immediately

Finding: 2021-002 Internal Controls Over Payroll

Finding Type: Internal Control over payroll timesheets.

Name of  
Contact Person: Mr. Matt Winters, City Manager, (573) 686-8620.

Recommendation: We recommend that all timesheets are approved by the Department heads before payroll can be processed for that employee.

Corrective Action: Beginning in May 2021, we have ensured that all timesheets are approved by each Department head before payroll is processed each pay period.

Proposed  
Completion Date: Immediately

Finding: 2021-003 Internal Controls Over Bank Reconciliations

Finding Type: Internal Control over bank reconciliations.

Name of  
Contact Person: Mr. Matt Winters, City Manager, (573) 686-8620.

Recommendation: We recommend that each month when the bank reconciliation of pooled cash is completed, the balance should be agreed to the total balances of pooled cash on the financial statements. Any discrepancies should be resolved timely.

Corrective Action: The bank reconciliation was corrected to agree to the financial statements. The new accounting manager is aware that the bank reconciliation for pooled cash should be compared to the total of pooled cash on the financial statements to ensure they agree each month.

Proposed  
Completion Date: Immediately