

CITY OF POPLAR BLUFF, MISSOURI
Poplar Bluff, Missouri

For the Year Ended December 31, 2024

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 Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Poplar Bluff, Missouri as of December 31, 2024, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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 budgetary comparison information, combining nonmajor fund statements, combining Municipal Utilities statements, 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 budgetary comparison information, 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 July 16, 2025 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
July 16, 2025

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

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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, 2024, 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 July 16, 2025.

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 a certain deficiency in internal

control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-002 that we consider to be a material weakness.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

City of Poplar Bluff's Responses 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
July 16, 2025

BASIC FINANCIAL STATEMENTS

STATEMENT 1

CITY OF POPLAR BLUFF, MISSOURISTATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2024

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 1,108,473	\$ 15,543,202	\$ 16,651,675
Investments	-	1,067,488	1,067,488
Other Receivables	457,800	-	457,800
Inventories	-	2,141,527	2,141,527
Prepaid Expenses	-	1,841,757	1,841,757
Internal Balances	1,584,623	(1,584,623)	-
Total Current Assets	<u>\$ 3,150,896</u>	<u>\$ 19,009,351</u>	<u>\$ 22,160,247</u>
<u>RESTRICTED ASSETS:</u>			
Cash and Cash Equivalents	\$ 15,241,878	\$ 2,459,877	\$ 17,701,755
Total Restricted Assets	<u>\$ 15,241,878</u>	<u>\$ 2,459,877</u>	<u>\$ 17,701,755</u>
<u>NONCURRENT ASSETS:</u>			
Patronage Capital	\$ -	\$ 5,721	\$ 5,721
Capital Assets:			
Non-Depreciable	10,809,358	4,030,199	14,839,557
Depreciable, Net	38,908,084	75,578,842	114,486,926
Total Noncurrent Assets	<u>\$ 49,717,442</u>	<u>\$ 79,614,762</u>	<u>\$ 129,332,204</u>
TOTAL ASSETS	<u>\$ 68,110,216</u>	<u>\$ 101,083,990</u>	<u>\$ 169,194,206</u>

See Accompanying Notes to Basic Financial Statements.

STATEMENT 1

CITY OF POPLAR BLUFF, MISSOURI

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2024

<u>LIABILITIES</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>CURRENT LIABILITIES:</u>			
Other Liabilities	\$ 14,831	\$ -	\$ 14,831
Sales Tax Payable	-	727,111	727,111
Current Maturities of Long-Term Obligations	4,072,363	1,988,200	6,060,563
Total Current Liabilities	<u>\$ 4,087,194</u>	<u>\$ 2,715,311</u>	<u>\$ 6,802,505</u>
<u>NONCURRENT LIABILITIES:</u>			
Customer Meter Deposits	\$ -	\$ 553,970	\$ 553,970
Long-Term Obligations	49,901,671	23,223,500	73,125,171
Total Noncurrent Liabilities	<u>\$ 49,901,671</u>	<u>\$ 23,777,470</u>	<u>\$ 73,679,141</u>
TOTAL LIABILITIES	<u>\$ 53,988,865</u>	<u>\$ 26,492,781</u>	<u>\$ 80,481,646</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 22,282,923	\$ 51,893,362	\$ 74,176,285
Restricted for:			
Debt Service	2,803,404	2,219,877	5,023,281
Tax Increment Financing	2,529,397	-	2,529,397
Other	9,909,077	240,000	10,149,077
Unrestricted	<u>(23,403,450)</u>	<u>20,237,970</u>	<u>(3,165,480)</u>
TOTAL NET POSITION	<u>\$ 14,121,351</u>	<u>\$ 74,591,209</u>	<u>\$ 88,712,560</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURI

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended December 31, 2024

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		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities:							
General Government	\$ 4,329,439	\$ -	\$ -	\$ 232,692	\$ (4,096,747)	\$ -	\$ (4,096,747)
Public Safety	9,256,221	85,259	699,280	15,000	(8,456,682)	-	(8,456,682)
Transportation	15,472,170	-	-	2,930,316	(12,541,854)	-	(12,541,854)
Culture and Recreation	363,978	97,965	25,704	126,766	(113,543)	-	(113,543)
Interest on Long-Term Debt	1,469,984	-	-	-	(1,469,984)	-	(1,469,984)
Total Governmental Activities	\$ 30,891,792	\$ 183,224	\$ 724,984	\$ 3,304,774	\$ (26,678,810)	\$ -	\$ (26,678,810)
Business-Type Activities:							
Municipal Utilities	\$ 47,620,158	\$ 50,468,219	\$ -	\$ 76,488	\$ -	\$ 2,924,549	\$ 2,924,549
Black River Coliseum	1,386,918	576,123	-	-	-	(810,795)	(810,795)
Airport	1,172,993	684,022	58,444	-	-	(430,527)	(430,527)
Total Business-Type Activities	\$ 50,180,069	\$ 51,728,364	\$ 58,444	\$ 76,488	\$ -	\$ 1,683,227	\$ 1,683,227
Total City	\$ 81,071,861	\$ 51,911,588	\$ 783,428	\$ 3,381,262	\$ (26,678,810)	\$ 1,683,227	\$ (24,995,583)
General Revenues:							
Property Taxes					\$ 1,848,951	\$ -	\$ 1,848,951
Sales Taxes					16,088,846	-	16,088,846
Tourism Taxes					536,362	-	536,362
Gasoline Taxes					622,787	-	622,787
Cigarette Taxes					35,255	-	35,255
Marijuana Tax					23,587	-	23,587
Motor Vehicle Taxes					249,355	-	249,355
Utilities Taxes					2,373,862	-	2,373,862
Business and Occupation Licenses					753,773	-	753,773
Vehicle Licenses					73,316	-	73,316
Other Licenses and Permits					113,206	-	113,206
Interest Income					646,879	160,483	807,362
Other Income					609,188	1,292,180	1,901,368
Insurance Proceeds					37,818	-	37,818
Loss on Disposal of Capital Assets					(135,780)	-	(135,780)
Internal Balances					(1,377,228)	1,377,228	-
Total General Revenues					\$ 22,500,177	\$ 2,829,891	\$ 25,330,068
Change in Net Position					\$ (4,178,633)	\$ 4,513,118	\$ 334,485
Net Position - January 1, 2024					3,721,058	64,150,233	67,871,291
Prior Period Adjustment					14,578,926	5,927,858	20,506,784
Net Position - December 31, 2024					\$ 14,121,351	\$ 74,591,209	\$ 88,712,560

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURI

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

December 31, 2024

	General Fund	Highway 67 Tax Fund	Special Allocation Fund	Total Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>					
<u>CURRENT ASSETS:</u>					
Cash and Cash Equivalents	\$ 850	\$ -	\$ -	\$ 855,916	\$ 856,766
Other Receivables	457,800	-	-	-	457,800
Due from Other Funds	1,964,237	-	-	252,702	2,216,939
Restricted Assets:					
Cash and Cash Equivalents	835,344	7,791,408	4,523,973	2,091,153	15,241,878
Total Current Assets	<u>\$ 3,258,231</u>	<u>\$ 7,791,408</u>	<u>\$ 4,523,973</u>	<u>\$ 3,199,771</u>	<u>\$ 18,773,383</u>
TOTAL ASSETS	<u>\$ 3,258,231</u>	<u>\$ 7,791,408</u>	<u>\$ 4,523,973</u>	<u>\$ 3,199,771</u>	<u>\$ 18,773,383</u>
<u>LIABILITIES AND FUND BALANCE</u>					
<u>CURRENT LIABILITIES:</u>					
Due to Other Funds	\$ -	\$ -	\$ -	\$ 522,139	\$ 522,139
Other Liabilities	14,831	-	-	-	14,831
Total Current Liabilities	<u>\$ 14,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,139</u>	<u>\$ 536,970</u>
<u>FUND BALANCE:</u>					
Restricted	\$ 835,344	\$ 7,791,408	\$ 4,523,973	\$ 1,705,132	\$ 14,855,857
Assigned	-	-	-	1,108,368	1,108,368
Unassigned	2,408,056	-	-	(135,868)	2,272,188
Total Fund Balance	<u>\$ 3,243,400</u>	<u>\$ 7,791,408</u>	<u>\$ 4,523,973</u>	<u>\$ 2,677,632</u>	<u>\$ 18,236,413</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,258,231</u>	<u>\$ 7,791,408</u>	<u>\$ 4,523,973</u>	<u>\$ 3,199,771</u>	<u>\$ 18,773,383</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 - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

Fund Balances of Governmental Funds (Statement 3)	\$ 18,236,413
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.	49,717,442
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.	141,530
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.	<u>(53,974,034)</u>
Net Position of Government Activities (Statement 1)	<u>\$ 14,121,351</u>

CITY OF POPLAR BLUFF, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

	General Fund	Highway 67 Tax Fund	Special Allocation Fund	Total Nonmajor Funds	Total Governmental Funds
<u>REVENUES</u>					
Sales Tax	\$ 7,025,560	\$ 3,029,848	\$ 4,372,310	\$ 3,128,474	\$ 17,556,192
Property Taxes	1,555,607	-	-	293,344	1,848,951
Licenses and Permits	3,314,157	-	-	-	3,314,157
Fines, Forfeitures, and Violations	85,259	-	-	-	85,259
Use of Property	92,070	-	-	5,895	97,965
Donations	7,910	-	-	5,019	12,929
Grant Revenue	677,642	-	-	3,339,187	4,016,829
Interest Income	61,131	284,985	225,777	49,693	621,586
Miscellaneous	306,542	-	-	302,646	609,188
TOTAL REVENUES	<u>\$ 13,125,878</u>	<u>\$ 3,314,833</u>	<u>\$ 4,598,087</u>	<u>\$ 7,124,258</u>	<u>\$ 28,163,056</u>
<u>EXPENDITURES</u>					
General Government	\$ 3,432,342	\$ -	\$ 508,218	\$ 356,285	\$ 4,296,845
Public Safety	8,291,500	-	-	261,637	8,553,137
Transportation	1,395,916	11,666,044	-	1,421,891	14,483,851
Culture and Recreation	165,996	-	-	196,465	362,461
Capital Outlay	272,920	-	-	5,438,248	5,711,168
Debt service:					
Interest	38,708	103,722	896,484	372,951	1,411,865
Principal	-	1,366,143	2,890,000	677,299	4,933,442
TOTAL EXPENDITURES	<u>\$ 13,597,382</u>	<u>\$ 13,135,909</u>	<u>\$ 4,294,702</u>	<u>\$ 8,724,776</u>	<u>\$ 39,752,769</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (471,504)</u>	<u>\$ (9,821,076)</u>	<u>\$ 303,385</u>	<u>\$ (1,600,518)</u>	<u>\$ (11,589,713)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In (Out)	\$ (231,425)	\$ -	\$ -	\$ (1,145,803)	\$ (1,377,228)
Insurance Proceeds	-	-	-	37,818	37,818
Proceeds from Capital Lease	-	-	-	233,078	233,078
Loan Proceeds	-	11,612,043	-	-	11,612,043
Proceeds from Sale of Capital Assets	-	-	-	276,650	276,650
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (231,425)</u>	<u>\$ 11,612,043</u>	<u>\$ -</u>	<u>\$ (598,257)</u>	<u>\$ 10,782,361</u>
NET CHANGE IN FUND BALANCES	\$ (702,929)	\$ 1,790,967	\$ 303,385	\$ (2,198,775)	\$ (807,352)
FUND BALANCES, January 1, 2024	5,803,285	6,551,615	5,084,952	5,447,518	22,887,370
PRIOR PERIOD ADJUSTMENTS	<u>(1,856,956)</u>	<u>(551,174)</u>	<u>(864,364)</u>	<u>(571,111)</u>	<u>(3,843,605)</u>
FUND BALANCES, December 31, 2024	<u>\$ 3,243,400</u>	<u>\$ 7,791,408</u>	<u>\$ 4,523,973</u>	<u>\$ 2,677,632</u>	<u>\$ 18,236,413</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF
ACTIVITIES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

Net Change in Fund Balances (Statement 4)	\$	(807,352)
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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.		5,711,168
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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.		(1,897,190)
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The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(412,430)
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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.		171,676
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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.		(6,944,505)
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Change in Net Position of Government Activities (Statement 2)	\$	(4,178,633)
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See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURI

STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUNDS

December 31, 2024

	Business-Type Activities			Internal Service Fund
	Municipal Utilities Fund	Nonmajor Enterprise Funds	Total	
<u>ASSETS</u>				
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 15,304,885	\$ 238,317	\$ 15,543,202	\$ -
Investments	1,067,488	-	1,067,488	-
Inventories	2,141,527	-	2,141,527	-
Prepaid Expenses	1,841,757	-	1,841,757	-
Total Current Assets	<u>\$ 20,355,657</u>	<u>\$ 238,317</u>	<u>\$ 20,593,974</u>	<u>\$ -</u>
<u>RESTRICTED ASSETS:</u>				
Cash and Cash Equivalents	\$ 2,459,877	\$ -	\$ 2,459,877	\$ -
Total Restricted Assets	<u>\$ 2,459,877</u>	<u>\$ -</u>	<u>\$ 2,459,877</u>	<u>\$ -</u>
<u>NONCURRENT ASSETS:</u>				
Patronage Capital	\$ 5,721	\$ -	\$ 5,721	\$ -
Land	1,440,318	2,589,881	4,030,199	-
Capital Assets, Net of Accumulated Depreciation	64,696,852	10,881,990	75,578,842	-
Total Capital Assets, Net	<u>\$ 66,142,891</u>	<u>\$ 13,471,871</u>	<u>\$ 79,614,762</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 88,958,425</u>	<u>\$ 13,710,188</u>	<u>\$ 102,668,613</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Due to Other Funds	-	1,694,800	1,694,800	347,597
Sales Tax Payable	727,111	-	727,111	-
Current Maturities of Long Term Debt	1,988,200	-	1,988,200	-
Total Current Liabilities	<u>\$ 2,715,311</u>	<u>\$ 1,694,800</u>	<u>\$ 4,410,111</u>	<u>\$ 347,597</u>
<u>LONG-TERM LIABILITIES:</u>				
Customer Meter Deposits	553,970	-	553,970	-
Long Term Debt, Net of Current Maturities	23,223,500	-	23,223,500	-
Total Long-Term Liabilities	<u>\$ 23,777,470</u>	<u>\$ -</u>	<u>\$ 23,777,470</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 26,492,781</u>	<u>\$ 1,694,800</u>	<u>\$ 28,187,581</u>	<u>\$ 347,597</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 38,421,491	\$ 13,471,871	\$ 51,893,362	\$ -
Restricted for:				
Debt Service	2,219,877	-	2,219,877	-
Other	240,000	-	240,000	-
Unrestricted	21,584,276	(1,456,483)	20,127,793	(347,597)
TOTAL NET POSITION	<u>\$ 62,465,644</u>	<u>\$ 12,015,388</u>	<u>\$ 74,481,032</u>	<u>\$ (347,597)</u>
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.			110,177	
Net position of business-type activities			<u>\$ 74,591,209</u>	

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURI

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

For the Year Ended December 31, 2024

	Business-Type Activities			Internal Service Fund
	Municipal Utilities Fund	Nonmajor Enterprise Funds	Total	
<u>OPERATING REVENUE</u>				
Utility Service Sales	\$ 50,468,219	\$ -	\$ 50,468,219	\$ -
Charges for Services	-	662,952	662,952	3,912,405
Ticket Sales	-	254,307	254,307	-
Event Rentals	-	131,620	131,620	-
Property Rental	-	21,070	21,070	-
Concessions	-	60,358	60,358	-
Pool and Fitness Center	-	129,838	129,838	-
Free Municipal Services	-	-	-	-
Miscellaneous Income	1,260,822	31,358	1,292,180	-
TOTAL OPERATING REVENUE	\$ 51,729,041	\$ 1,349,947	\$ 53,078,988	\$ 3,912,405
<u>OPERATING EXPENSES</u>				
Personnel Services	\$ 2,559,268	\$ 808,454	\$ 3,367,722	\$ 4,212,057
Office Supplies	97,492	1,670	99,162	-
Operating Supplies	-	26,155	26,155	-
Repairs and Maintenance	253,422	53,455	306,877	-
Electric Transmission	30,513,259	-	30,513,259	-
Electric Distribution	4,201,651	-	4,201,651	-
Water Supply, Purification and Pumping	1,105,337	-	1,105,337	-
Water Distribution	1,015,664	-	1,015,664	-
Sewer Accumulation	1,629,388	-	1,629,388	-
Concessions	-	28,503	28,503	-
Event Expenses	-	316,945	316,945	-
Natural Gas	-	71,480	71,480	-
Utilities	-	14,808	14,808	-
Merchandise for Resale	-	438,256	438,256	-
Telephone	7,110	1,348	8,458	-
Books/Publications and Memberships	36,514	-	36,514	-
Travel and Training	-	4,640	4,640	-
Professional Fees	145,489	149,549	295,038	-
Advertising	3,479	1,201	4,680	-
Insurance	161,826	-	161,826	-
Uncollectable Accounts	117,862	-	117,862	-
Free Municipal Services	788,373	-	788,373	-
Small Tools and Equipment	-	707	707	-
Miscellaneous	523,300	30,790	554,090	-
Depreciation	3,979,397	619,168	4,598,565	-
TOTAL OPERATING EXPENSES	\$ 47,138,831	\$ 2,567,129	\$ 49,705,960	\$ 4,212,057
INCOME FROM OPERATIONS	\$ 4,590,210	\$ (1,217,182)	\$ 3,373,028	\$ (299,652)
<u>NON-OPERATING REVENUES AND EXPENSES</u>				
Interest Income	\$ 160,356	\$ 127	\$ 160,483	\$ -
Transfers In (Out)	-	1,377,228	1,377,228	-
Contributions in Aid of Construction	76,488	-	76,488	-
Interest Expense	(601,500)	(586)	(602,086)	-
TOTAL NON-OPERATING REVENUES AND EXPENSES, NET	\$ (364,656)	\$ 1,376,769	\$ 1,012,113	\$ -
CHANGE IN NET POSITION	\$ 4,225,554	\$ 159,587	\$ 4,385,141	\$ (299,652)
TOTAL NET POSITION, January 1, 2024	52,668,743	11,531,562	64,200,305	(129,482)
PRIOR PERIOD ADJUSTMENT	5,571,347	324,239	5,895,586	81,537
TOTAL NET POSITION, December 31, 2024	\$ 62,465,644	\$ 12,015,388	\$ 74,481,032	\$ (347,597)

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

(127,976)
\$ 4,257,165

See Accompanying Notes to Basic Financial Statements.

STATEMENT 7

CITY OF POPLAR BLUFF, MISSOURISTATEMENT OF FIDUCIARY NET POSITION

December 31, 2024

	<u>Pension Trust</u>
	<u>ASSETS</u>
Investments, at Fair Value	
Large U.S. Equity	\$ 7,175,169
Small/Mid Equity	1,051,373
International	780,341
Balanced/Asset Allocation	1,755,453
Fixed Income	3,256,295
Total Investments	<u>\$ 14,018,631</u>
 TOTAL ASSETS	 <u>\$ 14,018,631</u>
	 <u>LIABILITIES</u>
TOTAL LIABILITIES	<u>\$ -</u>
	 <u>NET POSITION</u>
Restricted for Pensions	<u>\$ 14,018,631</u>

See Accompanying Notes to Basic Financial Statements.

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

For the Year Ended December 31, 2024

	<u>Pension Trust</u>
<u>ADDITIONS</u>	
Contributions:	
Employer	\$ 320,420
Employee	211,312
Total Contributions	<u>\$ 531,732</u>
Net Appreciation in Fair Value of Investments, Interest, and Dividends	<u>2,225,859</u>
TOTAL ADDITIONS	<u>\$ 2,757,591</u>
<u>DEDUCTIONS</u>	
Benefit Payments	\$ 1,111,034
Administrative Expenses	<u>30,305</u>
TOTAL DEDUCTIONS	<u>\$ 1,141,339</u>
NET CHANGE IN NET POSITION	\$ 1,616,252
NET POSITION - January 1, 2024	<u>12,402,379</u>
NET POSITION - December 31, 2024	<u><u>\$ 14,018,631</u></u>

See Accompanying Notes to Basic Financial Statements.

CITY OF POPLAR BLUFF, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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 2024, 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, inter-governmental 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. 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 Fund as a major funds:

<u>Fund</u>	<u>Description</u>
Special Allocation Fund	Accounts for the revenues and expenditures related to the tax increment financing districts.

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

American Rescue Plan Act	Accounts for the revenues received and expenditures paid for the American Rescue Plan Act 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.
Task Force Fund	Accounts for revenues received and expenditures paid for the various SEMO Drug Task Force grants.
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.

Storm Water Fund	Accounts for receipts of Storm Water receipts grant monies received by the City and disbursed on Storm Water Improvement 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.
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.

Capital Project Funds – Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following Capital Projects Fund, which is reported as a major funds:

<u>Fund</u>	<u>Description</u>
Highway 67 Tax Fund	Accounts for monies received for the reconstruction of Highway 67.

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

CDBG Fund	Accounts for the revenues received and expenditures paid for the CDBG grant.
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.

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.
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.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item 2 below.

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

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental, business-type, and component unit activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures when they result from cash transactions with a provision for depreciation in the government-wide statement and the proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

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 and Capital Improvement Fund. At December 31, 2024, \$2,575,995 has been reclassified due to fund overdrafts. Fund overdrafts included: Black River Coliseum Fund - \$1,204,460, Airport Fund - \$490,340, Arts and Museum Fund - \$66,368, CDBG Fund - \$150, Health Insurance Fund - \$359,056, Storm Water Fund - \$6,047, Tourism Tax Fund - \$335,764, and Police Injury Fund - \$113,810.

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.

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.

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.

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, 2024 are:

	General Fund	Hwy 67 Fund	Special Allocation Fund	Non-Major Funds
Nonspendable:				
Prepays	\$ -	\$ -	\$ -	\$ -
Restricted:				
Historical Commission Fund	\$ -	\$ -	\$ -	\$ 1,196
Crime Reduction Fund	-	-	-	1,284
Storm Water Fund	-	-	-	11,848
Police and Fire Pension Fund	-	-	-	32,732
Tax Increment Financing	-	-	4,523,973	-
Police Injury Fund	-	-	-	646,986
Fire Injury Fund	-	-	-	1,010,986
Highway 67 Fund	-	7,791,408	-	-
CDBG	-	-	-	100
General Fund	835,344	-	-	-
Total	<u>\$ 835,344</u>	<u>\$ 7,791,408</u>	<u>\$ 4,523,973</u>	<u>\$ 1,705,132</u>
Assigned:				
Capital Improvements Fund	\$ -	\$ -	\$ -	\$ 785,197
American Rescue Plan Act Fund	-	-	-	323,171
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,108,368</u>
Unassigned				
General Fund	\$ 2,408,056	\$ -	\$ -	\$ -
Arts and Museum Fund	-	-	-	(66,368)
Promoting Convention and Tourism	-	-	-	(69,500)
Total	<u>\$ 2,408,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (135,868)</u>

E. Revenues, Expenditures, and Expenses:

Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid taxes levied November 1 become delinquent January 1 of the following year. Property tax rates for 2024 were levied on August 22, 2024. Taxes recorded in these financial statements are from the 2023 and prior tax levies.

The assessed valuation of the tangible taxable property for the calendar year 2024 for purposes of local taxation was \$289,751,650. The tax levy per \$100 of assessed valuation of tangible property for the calendar year 2024 was:

General Fund	\$ 0.5168
Police & Fire Pension Fund	<u>0.0975</u>
	<u>\$ 0.6143</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, and Operating Grants
Transportation	Capital Grants
Culture and Recreation	Recreation Fees, Specific Donations, Grave Opening/Closing Fees, Lot Sales, and Operating Grants

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 modified cash basis of accounting and are classified by function for both governmental and business-type activities.

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

- Governmental Funds - by character: current (further classified by activity); capital outlay; debt service
- Proprietary Fund - by operating and non-operating

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

Capital Contributions

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

F. Internal and Interfund Balances and Activities:

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

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 July 16, 2025, 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 \$35,441,792 at December 31, 2024. Of the bank balance, \$35,441,792 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	\$ 34,353,430
Investments	<u>15,086,119</u>
Total	<u>\$ 49,439,549</u>

Included in the following statement of net position captions:

Primary Government	
Current Assets:	
Cash and Cash Equivalents	\$ 16,643,815
Petty Cash	7,860
Investments	1,067,488
Restricted Assets:	
Cash and Cash Equivalents	<u>17,701,755</u>
Total Primary Government	\$ 35,420,918
Fiduciary Fund	
Investments	<u>14,018,631</u>
Total	<u>\$ 49,439,549</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 \$1,067,488 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, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fiduciary Funds				
Large U.S. Equity	\$ 7,175,169	\$ 7,175,169	\$ -	\$ -
Small/Mid Equity	1,051,373	1,051,373	-	-
International Equity	780,341	780,341	-	-
Balanced/Asset Allocation	1,755,453	1,755,453	-	-
Fixed Income	<u>3,256,295</u>	<u>3,256,295</u>	-	-
Total	<u>\$ 14,018,631</u>	<u>\$ 14,018,631</u>	<u>\$ -</u>	<u>\$ -</u>

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Deductions	Balance December 31, 2024
Government Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 6,720,431	\$ 25,000	\$ (18,434)	\$ 6,726,997
Works of Art	146,867	-	-	146,867
Construction in Progress	411,264	4,855,707	(1,331,477)	3,935,494
Total Capital Assets Not Being Depreciated	<u>\$ 7,278,562</u>	<u>\$ 4,880,707</u>	<u>\$ (1,349,911)</u>	<u>\$ 10,809,358</u>
Capital Assets Being Depreciated:				
Building and Improvements	\$ 12,649,603	\$ 39,526	\$ -	\$ 12,689,129
Furniture, Fixtures, and Equipment	6,889,780	267,320	(931,295)	6,225,805
Vehicles	6,329,091	497,922	(1,044,903)	5,782,110
Infrastructure	34,486,242	1,378,408	(25,000)	35,839,650
Total Capital Assets Being Depreciated	<u>\$ 60,354,716</u>	<u>\$ 2,183,176</u>	<u>\$ (2,001,198)</u>	<u>\$ 60,536,694</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ (3,733,456)	\$ (323,086)		\$ (4,056,542)
Furniture, Fixtures, and Equipment	(4,699,454)	(406,399)	781,403	(4,324,450)
Vehicles	(4,116,409)	(383,275)	804,561	(3,695,123)
Infrastructure	(8,768,065)	(784,430)	-	(9,552,495)
Total Accumulated Depreciation	<u>\$ (21,317,384)</u>	<u>\$ (1,897,190)</u>	<u>\$ 1,585,964</u>	<u>\$ (21,628,610)</u>
Total Net Capital Assets Being Depreciated	<u>\$ 39,037,332</u>	<u>\$ 285,986</u>	<u>\$ (415,234)</u>	<u>\$ 38,908,084</u>
Governmental Activities Net Capital Assets	<u>\$ 46,315,894</u>	<u>\$ 5,166,693</u>	<u>\$ (1,765,145)</u>	<u>\$ 49,717,442</u>

	Balance January 1, 2024	Additions	Deductions	Balance December 31, 2024
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land				
Electric	\$ 1,063,630	\$ 31	\$ -	\$ 1,063,661
Water-Sewer	376,513	144	-	376,657
Other Business -Type	2,171,645	-	-	2,171,645
Construction in Progress				
Other Business -Type	-	418,236	-	418,236
Total Capital Assets Not Being Depreciated	<u>\$ 3,611,788</u>	<u>\$ 418,411</u>	<u>\$ -</u>	<u>\$ 4,030,199</u>
Capital Assets Being Depreciated:				
Electric Plant	\$ 62,747,161	\$ 992,787	\$ (818,648)	\$ 62,921,300
Water-Sewer Plant	73,008,393	119,981	-	73,128,374
Buildings and Improvements				
Electric	4,429,816	-	-	4,429,816
Water-Sewer	577,572	-	-	577,572
Other Business -Type	13,682,449	-	-	13,682,449
Furniture, Fixtures, and Equipment				
Electric	502,986	1,707	-	504,693
Water-Sewer	101,153	-	-	101,153
Other Business -Type	1,544,731	100,541	(4,975)	1,640,297
Transportation and Work Equipment				
Water-Sewer	2,300,161	53,367	-	2,353,528
Other Business -Type	261,250	110,591	(7,299)	364,542
Infrastructure - Other Business -Type	9,518,790	-	-	9,518,790
Total Capital Assets Being Depreciated	<u>\$ 168,674,462</u>	<u>\$ 1,378,974</u>	<u>\$ (830,922)</u>	<u>\$ 169,222,514</u>
Less Accumulated Depreciation For:				
Electric Plant	\$ (41,036,868)	\$ (1,926,767)	\$ 818,648	\$ (42,144,987)
Water-Sewer Plant	(30,278,939)	(1,800,111)	-	(32,079,050)
Building and Improvements				
Electric	(2,085,226)	(123,727)	-	(2,208,953)
Water-Sewer	(439,247)	(9,453)	-	(448,700)
Other Business -Type	(8,689,119)	(314,606)	-	(9,003,725)
Furniture, Fixtures, and Equipment				
Electric	(377,221)	(13,725)	-	(390,946)
Water-Sewer	(93,854)	(1,788)	-	(95,642)
Other Business -Type	(851,630)	(57,566)	4,975	(904,221)
Transportation and Work Equipment				
Water-Sewer	(1,847,480)	(103,826)	-	(1,951,306)
Other Business -Type	(194,289)	(97,487)	7,299	(284,477)
Infrastructure - Other Business -Type	(3,908,479)	(223,186)	-	(4,131,665)
Total Accumulated Depreciation	<u>\$ (89,802,352)</u>	<u>\$ (4,672,242)</u>	<u>\$ 830,922</u>	<u>\$ (93,643,672)</u>
Total Net Capital Assets Being Depreciated	<u>\$ 78,872,110</u>	<u>\$ (3,293,268)</u>	<u>\$ -</u>	<u>\$ 75,578,842</u>
Business-Type Activities Net Capital Assets	<u>\$ 82,483,898</u>	<u>\$ (2,874,857)</u>	<u>\$ -</u>	<u>\$ 79,609,041</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 59,126
Public Safety	821,696
Transportation	1,011,632
Culture and Recreation	<u>3,078</u>
Total Depreciation Expense	<u>\$ 1,895,532</u>

Business-Type Activities:

Municipal Utilities	\$ 3,979,397
Black River Coliseum	333,162
Airport	<u>286,006</u>
Total Depreciation Expense	<u>\$ 4,598,565</u>

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances at December 31, 2024 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Funds:		
General Fund	\$ 1,964,237	\$ -0-
Nonmajor Governmental Funds:		
Special Revenue Funds	252,702	522,139
Enterprise Funds:		
Nonmajor Funds:		
Black River Coliseum	-0-	1,204,460
Airport	<u>-0-</u>	<u>490,340</u>
Total	<u>\$ 2,216,939</u>	<u>\$2,216,939</u>

Fund overdrafts of pooled cash account for \$2,575,995 of interfund payables and receivables in the General Fund. Detail by fund for these payables is included on page 22.

Interfund transfers consist of the following amounts:

	<u>Transfer From</u>	<u>Transfer To</u>
Major Governmental:		
General Fund	\$ 231,425	\$ -0-
Nonmajor Governmental Funds:		
Arts and Museum Fund	-0-	35,567
Tourism Fund	1,030,833	-0-
Capital Improvement Fund	150,537	-0-
Nonmajor Enterprise Funds:		
Coliseum	-0-	1,147,216
Airport Fund	<u>-0-</u>	<u>230,012</u>
Total	<u>\$1,412,795</u>	<u>\$1,412,795</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, 2023	Additions	Deductions	Balance December 31, 2024	Current Portion
Governmental Activities:					
Tax Increment Revenue Bonds:					
Series 2015A	\$ 9,910,000	\$ -	\$ (2,010,000)	\$ 7,900,000	\$ 1,105,000
Series 2017	9,230,000	-	(880,000)	8,350,000	690,000
Discount	(544,776)	-	58,119	(486,657)	-
TIF Developer Obligations	10,289,515	-	-	10,289,515	-
Total Bonds Payable	<u>\$ 28,884,739</u>	<u>\$ -</u>	<u>\$ (2,831,881)</u>	<u>\$ 26,052,858</u>	<u>\$ 1,795,000</u>
Certificates of Participation:					
2021 Certificates of Participation	\$ 12,740,000	\$ -	\$ -	\$ 12,740,000	\$ 390,000
Premium	581,748	-	(25,293)	556,455	-
Total Certificates of Participation	<u>\$ 13,321,748</u>	<u>\$ -</u>	<u>\$ (25,293)</u>	<u>\$ 13,296,455</u>	<u>\$ 390,000</u>
Missouri Transportation Finance Corp:					
Route 67, Phase 1	\$ 4,195,399	\$ 3,196,236	\$ (613,732)	\$ 6,777,903	\$ 565,432
Route 67, Phase 2	-	\$ 8,415,807	(752,411)	7,663,396	651,656
Total Notes Payable	<u>\$ 4,195,399</u>	<u>\$ 11,612,043</u>	<u>\$ (1,366,143)</u>	<u>\$ 14,441,299</u>	<u>\$ 1,217,088</u>
Southern Bank - Various Equipment	\$ 500,000	\$ -	\$ (500,000)	\$ -	\$ -
Clayton Holdings - Fire Trucks	92,303	-	(92,303)	-	-
Clayton Holdings - Skid Cutter & JD Tractor	-	233,078	(49,656)	183,422	42,632
Bank of Missouri - Tractors	35,340	-	(35,340)	-	-
Total Capital Lease Obligations	<u>\$ 627,643</u>	<u>\$ 233,078</u>	<u>\$ (677,299)</u>	<u>\$ 183,422</u>	<u>\$ 42,632</u>
Total Governmental Activities	<u>\$ 47,029,529</u>	<u>\$ 11,845,121</u>	<u>\$ (4,900,616)</u>	<u>\$ 53,974,034</u>	<u>\$ 3,444,720</u>
Business-Type Activities:					
Combined Waterworks and Sewer System Revenue Bonds:					
Series 2008 - Direct Loan	\$ 2,110,000	\$ -	\$ (335,000)	\$ 1,775,000	\$ 340,000
Series 2012 - Direct Loan	680,000	-	(66,000)	614,000	68,000
Series 2016 - Direct Loan	721,100	-	(50,400)	670,700	51,200
Series 2019 - Direct Loan	17,848,000	-	(891,000)	16,957,000	909,000
Total Bonds Payable	<u>\$ 21,359,100</u>	<u>\$ -</u>	<u>\$ (1,342,400)</u>	<u>\$ 20,016,700</u>	<u>\$ 1,368,200</u>
Capital Lease Obligation:					
Electric Department - Plant Addition	\$ 5,790,000	\$ -	\$ (595,000)	\$ 5,195,000	\$ 620,000
Total Capital Lease Obligation	<u>\$ 5,790,000</u>	<u>\$ -</u>	<u>\$ (595,000)</u>	<u>\$ 5,195,000</u>	<u>\$ 620,000</u>
Total Business-Type Activities	<u>\$ 27,149,100</u>	<u>\$ -</u>	<u>\$ (1,937,400)</u>	<u>\$ 25,211,700</u>	<u>\$ 1,988,200</u>

Debt Service Requirements to Maturity

The annual requirements to amortize all long-term debt as of December 31, 2024 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>
2025	\$ 3,012,087	\$ 1,113,206	\$ 432,632	\$ 410,776	\$ 344,720	\$ 1,523,982
2026	3,148,354	1,008,142	449,713	393,096	3,598,067	1,401,238
2027	3,290,005	897,386	466,894	374,714	3,756,899	1,272,100
2028	3,447,046	780,587	489,183	355,625	3,936,229	1,136,212
2029	3,599,486	654,219	455,000	335,625	4,054,486	989,844
2030-2034	12,928,506	1,224,268	2,565,000	1,390,125	15,493,506	2,614,393
2035-2039	1,265,814	21,945	3,065,000	890,625	4,330,814	912,570
2040-2044	-	-	3,480,000	475,619	3,480,000	475,619
2045-2046	-	-	1,520,000	60,113	1,520,000	60,113
	<u>\$30,691,298</u>	<u>\$ 5,699,753</u>	<u>\$ 12,923,422</u>	<u>\$ 4,686,318</u>	<u>\$40,514,721</u>	<u>\$10,386,071</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>
2025	\$ 1,368,200	\$ 244,844	\$ 620,000	\$ 199,134	\$ 1,988,200	\$ 443,978
2026	1,398,000	226,041	650,000	173,997	2,048,000	400,038
2027	1,428,800	206,582	680,000	149,924	2,108,800	356,506
2028	1,450,700	186,784	715,000	122,393	2,165,700	309,177
2029	1,477,600	166,677	750,000	93,566	2,227,600	260,243
2030-2034	5,716,700	614,034	1,780,000	98,354	7,496,700	712,388
2035-2039	5,954,700	266,062	-	-	5,954,700	266,062
2040	1,222,000	10,821	-	-	1,222,000	10,821
	<u>\$20,016,700</u>	<u>\$1,921,845</u>	<u>\$ 5,195,000</u>	<u>\$ 837,368</u>	<u>\$25,211,700</u>	<u>\$2,759,213</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 2022

On February 1, 2022, the City approved the issuance of the Series 2022 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 \$15,057,179 and \$10,793,874, respectively, at December 31, 2024.

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 \$4,953,793, respectively, at December 31, 2024.

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 \$443,708 and \$221,854, respectively, at December 31, 2024.

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, 2022. The total cost of the street sweeper and accumulated depreciation was \$203,625 and \$179,869, respectively, at December 31, 2024.

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 \$151,604, respectively, at December 31, 2024.

The City has entered into a lease agreement with Clayton Holdings for the purchase of a skid cutter, a utility tractor, and two mowers, payable in annual payments including annual interest at 4.89%, maturing May12, 2028. The total cost of the equipment and accumulated depreciation was \$233,078 and \$24,522, respectively, at December 31, 2024.

Notes Payable

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 (Phase II) to a divided, multi-lane interstate facility from Route 160 to County Road 338. The note bears interest at 1.45 percent and the City shall repay the direct loan to MTFC on an annual basis beginning September 1, 2022 and continue through 2035.

On July 7, 2022, 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 (Phase I) 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, 2022 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.

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*.

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>2024 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.

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 19.7 percent (General), 22.5 percent (Police) and 20.2 percent (Fire) of annual covered payroll.

B. 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>2024 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 Years
Member Contribution:	6.00%

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%.

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.

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 \$1,598,138 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 \$38,300 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 \$28,724 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 \$554,715 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 \$240,000 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 \$1,233,027 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 \$759,605 restricted cash in the escrow accounts for this bond.

The City issued Series 2021 bonds during the year ended December 31, 2022, in the amount of \$12,740,000. The City has \$808,829 restricted cash in the escrow accounts for this bond.

9. NEGATIVE FUND BALANCE NET POSITION

The Arts and Museum Fund, Tourism Tax Fund, and the Health Insurance Fund have negative net positions at December 31, 2024. 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, 2024, there were four series of industrial revenue bonds outstanding. The aggregate principal amount payable at December 31, 2024, 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, 2024, the City abated taxes as follows:

<u>Tax Abatement Programs</u>	<u>Amount Abated</u>
Enhancement Enterprise Zone Program	\$249,939
Industrial Development Program	\$ 38,796

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

13. COMMITMENT

On August 17, 2023, the City entered into a contract for a new police radio system. The contract is \$1,197,020 with \$1,017,467 expended as of December 31, 2024. The system is expected to be completed in 2025.

On April 1, 2024, the City entered into a contract for the Storm Water Improvement Project. The contract is \$2,799,777 with \$1,799,134 expended as of December 31, 2024. The project is expected to be completed in 2025.

On May 6, 2024, the City entered into a contract for Black River Coliseum renovations. The contract amount is \$416,179 with \$382,059 remaining as of December 31, 2025. The project is expected to be completed in 2025.

14. SUBSEQUENT EVENTS

On February 19, 2025, the City approved grant award agreement between the City of Poplar Bluff and the Delta Regional Authority for \$1,900,000 for improvements to Butzen Drive. The city’s contribution is \$219,938 of in-kind work. On March 3, 2025, the City awarded a contract for engineering and inspection services relative to this grant award agreement.

On March 17, 2025, the City had a proposal from People’s Community Bank for the financing of two Rosenbauer Pumper Fire Trucks under a lease purchase agreement for approximately \$860,000 at an interest rate of 4.0 percent for 10 years.

On April 1, 2024, the City entered into a contract for the Storm Water Improvement Project. The contract is \$2,799,777 with \$1,799,134 expended as of December 31, 2024. The project is expected to be completed in 2025.

On May 6, 2024, the City entered into a contract for Black River Coliseum renovations. The contract amount is \$416,179 with \$382,059 remaining as of December 31, 2025. The project is expected to be completed in 2025.

15. PRIOR PERIOD ADJUSTMENTS

In previous years, the government-wide statements and fund financial statements were reported on the accrual basis of accounting. The governmental funds were reported on the modified accrual basis of accounting. In fiscal year 2024, the financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Management also believes that the modified cash basis of accounting more accurately reflects the City’s financial position and results of operations. Net positions and fund balances have been adjusted as of January 1, 2024 for the effect of retroactive application of the new basis of accounting as follows:

<u>Opinion Unit</u>	<u>Change in Assets</u>	<u>Change in Liabilities</u>	<u>Change in Net Position</u>
Governmental Activities	\$ (12,238,819)	\$ (26,817,745)	\$ 14,578,926
Business Type Activities	(5,275,092)	(11,202,970)	5,927,878
General Fund	(3,451,319)	(1,594,363)	(1,856,956)
Highway 67 Fund	(609,275)	(58,101)	(551,174)
Special Allocation Fund	(878,478)	(14,114)	(864,364)
Municipal Utilities Fund	(5,055,636)	(10,626,983)	5,571,347
Internal Service Fund	(1,308)	(82,845)	81,537
Aggregate Remaining Funds	(1,347,167)	(1,100,295)	(246,872)

SUPPLEMENTAL INFORMATION

CITY OF POPLAR BLUFF, MISSOURI

BUDGETARY COMPARISON SCHEDULE - MODIFIED
CASH BASIS - GENERAL FUND

For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES:</u>				
Sales Tax	\$ 7,387,143	\$ 7,387,143	\$ 7,025,560	\$ (361,583)
Property Taxes	2,108,459	2,108,459	1,555,607	(552,852)
Licenses and Permits	3,441,026	3,441,026	3,314,157	(126,869)
Fines, forfeitures, and Violations	136,500	136,500	85,259	(51,241)
Use of Property	101,719	101,719	92,070	(9,649)
Donations	6,608	6,608	7,910	1,302
Grant Income	645,341	645,341	677,642	32,301
Interest Income	55,650	55,650	61,131	5,481
Miscellaneous	138,471	138,471	306,542	168,071
TOTAL REVENUES	\$ 14,020,917	\$ 14,020,917	\$ 13,125,878	\$ (895,039)
<u>EXPENDITURES:</u>				
General Government	\$ 3,521,088	\$ 3,731,758	\$ 3,432,342	\$ 299,416
Public Safety	9,047,856	9,253,984	8,291,500	962,484
Transportation	1,461,398	1,461,398	1,395,916	65,482
Culture and Recreation	164,873	165,996	165,996	-
Capital Outlay	-	-	272,920	(272,920)
Debt Service:				
Interest	-	-	38,708	(38,708)
TOTAL EXPENDITURES	\$ 14,195,215	\$ 14,613,136	\$ 13,597,382	\$ 1,015,754
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (174,298)	\$ (592,219)	\$ (471,504)	\$ 120,715
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In (Out)	\$ (231,425)	\$ (213,696)	\$ (231,425)	\$ (17,729)
Proceeds from Sale of Capital Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ (231,425)	\$ (213,696)	\$ (231,425)	\$ (17,729)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (405,723)	\$ (805,915)	\$ (702,929)	\$ 102,986
FUND BALANCE, January 1, 2024			5,803,285	
PRIOR PERIOD ADJUSTMENT			(1,856,956)	
FUND BALANCE, December 31, 2024			<u>\$ 3,243,400</u>	

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI

BUDGETARY COMPARISON SCHEDULE - MODIFIED
CASH BASIS - SPECIAL ALLOCATION FUND

For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES:</u>				
Sales Tax	\$ -	\$ -	\$ 4,372,310	\$ 4,372,310
Interest Income	-	-	225,777	225,777
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,598,087</u>	<u>\$ 4,598,087</u>
<u>EXPENDITURES:</u>				
General Government	\$ -	\$ -	508,218	\$ (508,218)
Debt Service:				
Principal	-	-	2,890,000	(2,890,000)
Interest	-	-	896,484	(896,484)
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,294,702</u>	<u>\$ (4,294,702)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,385</u>	<u>\$ 303,385</u>
FUND BALANCE, January 1, 2024			5,084,952	
PRIOR PERIOD ADJUSTMENT			<u>(864,364)</u>	
FUND BALANCE, December 31, 2024			<u>\$ 4,523,973</u>	

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2024

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 cash basis of accounting which differs from the basis used to prepare the financial statements. Revenues and expenditures are reported when they result from cash transactions. An adjustment is shown to reconcile fund balances to the modified accrual basis of accounting as reported in the basic financial statements. All unexpended appropriations lapse at year-end.

On December 18, 2023, a public hearing was held in connection with adoption of the proposed budget for 2024. Excess disbursements and transfers were formally approved by budget amendments by the City Council on various dates during 2024.

For the year ended December 31, 2024, expenditures for the American Rescue Plan Act Fund, Black River Coliseum Fund, Airport Fund, Arts and Museum Fund, Highway 67 Fund, SEMO Drug Task Force Fund, Special Allocation Fund, Police Injury Fund, and Health Insurance Fund exceeded their approved budgets by \$524,411, \$54,366, \$93,129, \$4,184, \$10,822,916, \$393,479, \$4,294,702, \$120,331, and \$4,212,057, respectively.

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

December 31, 2024

	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>ASSETS</u>													
<u>CURRENT ASSETS:</u>													
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 532,495	\$ 323,171	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ 855,916
Due from Other Funds	-	-	-	-	-	252,702	-	-	-	-	-	-	252,702
Restricted Assets:													
Cash and cash equivalents	-	1,284	1,196	266,264	32,732	-	-	-	17,895	760,796	1,010,986	-	2,091,153
TOTAL ASSETS	\$ -	\$ 1,284	\$ 1,196	\$ 266,264	\$ 32,732	\$ 785,197	\$ 323,171	\$ 250	\$ 17,895	\$ 760,796	\$ 1,010,986	\$ -	\$ 3,199,771
<u>LIABILITIES AND FUND BALANCE</u>													
<u>LIABILITIES:</u>													
Due to Other Funds	\$ 66,368	\$ -	\$ -	\$ 335,764	\$ -	\$ -	\$ -	\$ 150	\$ 6,047	\$ 113,810	\$ -	\$ -	522,139
TOTAL LIABILITIES	\$ 66,368	\$ -	\$ -	\$ 335,764	\$ -	\$ -	\$ -	\$ 150	\$ 6,047	\$ 113,810	\$ -	\$ -	\$ 522,139
<u>FUND BALANCE:</u>													
Restricted	\$ -	\$ 1,284	\$ 1,196	\$ -	\$ 32,732	\$ -	\$ -	\$ 100	\$ 11,848	\$ 646,986	\$ 1,010,986	\$ -	\$ 1,705,132
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	785,197	323,171	-	-	-	-	-	1,108,368
Unassigned	(66,368)	-	-	(69,500)	-	-	-	-	-	-	-	-	(135,868)
TOTAL FUND BALANCE	\$ (66,368)	\$ 1,284	\$ 1,196	\$ (69,500)	\$ 32,732	\$ 785,197	\$ 323,171	\$ 100	\$ 11,848	\$ 646,986	\$ 1,010,986	\$ -	\$ 2,677,632
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 1,284	\$ 1,196	\$ 266,264	\$ 32,732	\$ 785,197	\$ 323,171	\$ 250	\$ 17,895	\$ 760,796	\$ 1,010,986	\$ -	\$ 3,199,771

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI

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

For the Year Ended December 31, 2024

	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
<u>REVENUES:</u>													
Sales Tax	\$ -	\$ -	\$ -	\$ 536,362	\$ -	\$ 2,592,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,128,474
Property Taxes	-	-	-	-	293,344	-	-	-	-	-	-	-	293,344
Use of Money and Property	5,895	-	-	-	-	-	-	-	-	-	-	-	5,895
Donations	5,019	-	-	-	-	-	-	-	-	-	-	-	5,019
Grant Revenue	20,685	-	-	-	-	222,707	-	1,244,913	1,457,403	-	-	393,479	3,339,187
Interest Income	-	6	-	1,997	-	5,939	2,514	-	2,946	15,606	20,685	-	49,693
Miscellaneous	4,349	-	-	-	217,831	78,916	-	-	1,550	-	-	-	302,646
TOTAL REVENUES	\$ 35,948	\$ 6	\$ -	\$ 538,359	\$ 511,175	\$ 2,899,674	\$ 2,514	\$ 1,244,913	\$ 1,461,899	\$ 15,606	\$ 20,685	\$ 393,479	\$ 7,124,258
<u>EXPENDITURES:</u>													
Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,951	\$ -	\$ 2,590	\$ 12,744	\$ -	\$ -	\$ -	\$ 356,285
Culture and Recreation	77,826	-	-	170,000	-	13,811	-	-	-	-	-	-	261,637
Public Safety	-	-	-	-	490,310	537,473	-	-	-	629	-	393,479	1,421,891
General Government	-	-	-	-	-	12,949	183,516	-	-	-	-	-	196,465
Capital Outlay	-	-	-	-	-	1,231,488	340,895	1,242,323	2,503,840	119,702	-	-	5,438,248
Debt Service:													
Principal	-	-	-	-	-	677,299	-	-	-	-	-	-	677,299
Interest	-	-	-	-	-	372,951	-	-	-	-	-	-	372,951
TOTAL EXPENDITURES	\$ 77,826	\$ -	\$ -	\$ 170,000	\$ 490,310	\$ 3,186,922	\$ 524,411	\$ 1,244,913	\$ 2,516,584	\$ 120,331	\$ -	\$ 393,479	\$ 8,724,776
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (41,878)	\$ 6	\$ -	\$ 368,359	\$ 20,865	\$ (287,248)	\$ (521,897)	\$ -	\$ (1,054,685)	\$ (104,725)	\$ 20,685	\$ -	\$ (1,600,518)
<u>OTHER FINANCING SOURCES (USES):</u>													
Insurance Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,818
Proceeds from Capital Lease	-	-	-	-	-	233,078	-	-	-	-	-	-	233,078
Proceeds from Sale of Capital Assets	-	-	-	-	-	276,650	-	-	-	-	-	-	276,650
Operating Transfers In (Out)	35,567	-	-	(1,030,833)	-	(150,537)	-	-	-	-	-	-	(1,145,803)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 35,567	\$ -	\$ -	\$ (1,030,833)	\$ -	\$ 397,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (598,257)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (6,311)	\$ 6	\$ -	\$ (662,474)	\$ 20,865	\$ 109,761	\$ (521,897)	\$ -	\$ (1,054,685)	\$ (104,725)	\$ 20,685	\$ -	\$ (2,198,775)
FUND BALANCE, January 1, 2024	(62,008)	1,278	1,196	725,236	-	1,138,910	845,068	100	1,054,533	752,224	990,981	-	5,447,518
PRIOR PERIOD ADJUSTMENT	1,951	-	-	(132,262)	11,867	(463,474)	-	-	12,000	(513)	(680)	-	(571,111)
FUND BALANCE, December 31, 2024	\$ (66,368)	\$ 1,284	\$ 1,196	\$ (69,500)	\$ 32,732	\$ 785,197	\$ 323,171	\$ 100	\$ 11,848	\$ 646,986	\$ 1,010,986	\$ -	\$ 2,677,632

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI

COMBINING STATEMENT OF NET POSITION -
MODIFIED CASH BASIS - NONMAJOR PROPRIETARY FUNDS

December 31, 2024

	<u>Black River Coliseum Fund</u>	<u>Airport Fund</u>	<u>Total</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 238,317	\$ -	\$ 238,317
Total Current Assets	<u>\$ 238,317</u>	<u>\$ -</u>	<u>\$ 238,317</u>
<u>NONCURRENT ASSETS:</u>			
Land and Construction in Progress	\$ 1,455,638	\$ 1,134,243	\$ 2,589,881
Capital Assets, Net of Accumulated Depreciation	<u>4,845,425</u>	<u>6,036,565</u>	<u>10,881,990</u>
Total Capital Assets, Net	<u>\$ 6,301,063</u>	<u>\$ 7,170,808</u>	<u>\$ 13,471,871</u>
TOTAL ASSETS	<u>\$ 6,539,380</u>	<u>\$ 7,170,808</u>	<u>\$ 13,710,188</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Due to Other Funds	\$ 1,204,460	\$ 490,340	\$ 1,694,800
Total Current Liabilities	<u>\$ 1,204,460</u>	<u>\$ 490,340</u>	<u>\$ 1,694,800</u>
<u>LONG-TERM LIABILITIES:</u>			
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 1,204,460</u>	<u>\$ 490,340</u>	<u>\$ 1,694,800</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 6,301,063	\$ 7,170,808	\$ 13,471,871
Unrestricted	<u>(966,143)</u>	<u>(490,340)</u>	<u>(1,456,483)</u>
TOTAL NET POSITION	<u>\$ 5,334,920</u>	<u>\$ 6,680,468</u>	<u>\$ 12,015,388</u>

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI
Poplar Bluff, Missouri

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

For the Year Ended December 31, 2024

<u>OPERATING REVENUE:</u>	Black River Coliseum Fund	Airport Fund	Total
Charges for Services	\$ -	\$ 662,952	\$ 662,952
Ticket Sales	254,307	-	254,307
Event Rentals	131,620	-	131,620
Property Rental	-	21,070	21,070
Concessions	60,358	-	60,358
Pool and Fitness Center	129,838	-	129,838
Grant Income	-	58,444	58,444
Miscellaneous Income	30,021	1,337	31,358
TOTAL OPERATING REVENUE	\$ 606,144	\$ 743,803	\$ 1,349,947
<u>OPERATING EXPENSES:</u>			
Personnel Services	\$ 571,383	\$ 237,071	\$ 808,454
Office Supplies	1,670	-	1,670
Operating Supplies	13,651	12,504	26,155
Repairs and Maintenance	36,137	17,318	53,455
Concessions	28,503	-	28,503
Event Expenses	316,945	-	316,945
Natural Gas	64,613	6,867	71,480
Utilities	-	14,808	14,808
Merchandise for Resale	-	438,256	438,256
Telephone	252	1,096	1,348
Travel and Training	1,782	2,858	4,640
Professional Fees	7,350	142,199	149,549
Advertising	1,199	2	1,201
Small Tools and Equipment	642	65	707
Miscellaneous	12,751	18,039	30,790
Depreciation	333,162	286,006	619,168
TOTAL OPERATING EXPENSES	\$ 1,390,040	\$ 1,177,089	\$ 2,567,129
INCOME FROM OPERATIONS	\$ (783,896)	\$ (433,286)	\$ (1,217,182)
<u>NON-OPERATING REVENUES AND EXPENSES:</u>			
Interest Income	\$ 127	\$ -	\$ 127
Transfers In (Out)	1,147,216	230,012	1,377,228
Interest Expense	-	(586)	(586)
TOTAL NON-OPERATING REVENUES AND EXPENSES, NET	\$ 1,147,343	\$ 229,426	\$ 1,376,769
CHANGES IN NET POSITION	\$ 363,447	\$ (203,860)	\$ 159,587
TOTAL NET POSITION, January 1, 2024	4,735,440	6,796,122	11,531,562
PRIOR PERIOD ADJUSTMENT	236,033	88,206	324,239
TOTAL NET POSITION, December 31, 2024	\$ 5,334,920	\$ 6,680,468	\$ 12,015,388

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI

COMBINING STATEMENT OF NET POSITION- MODIFIED CASH BASIS - MUNICIPAL UTILITIES

December 31, 2024

<u>ASSETS</u>	Electric Department	Water/Sewer Department	Total
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 12,988,660	\$ 2,316,225	\$ 15,304,885
Investments	1,067,488	-	1,067,488
Inventories	1,799,937	341,590	2,141,527
Prepaid Expenses	1,454,172	387,585	1,841,757
Total Current Assets	<u>\$ 17,310,257</u>	<u>\$ 3,045,400</u>	<u>\$ 20,355,657</u>
<u>RESTRICTED ASSETS:</u>			
Cash and Cash Equivalents	\$ 240,000	\$ 2,219,877	\$ 2,459,877
Total Restricted Assets	<u>\$ 240,000</u>	<u>\$ 2,219,877</u>	<u>\$ 2,459,877</u>
<u>NONCURRENT ASSETS:</u>			
Patronage Capital	\$ 5,721	\$ -	\$ 5,721
Due from Other Funds	1,925,101	-	1,925,101
Land and Land Rights	1,063,661	376,657	1,440,318
Capital Assets, Net of Accumulated Depreciation	23,110,923	41,585,929	64,696,852
Total Noncurrent Assets	<u>\$ 26,105,406</u>	<u>\$ 41,962,586</u>	<u>\$ 68,067,992</u>
TOTAL ASSETS	<u>\$ 43,655,663</u>	<u>\$ 47,227,863</u>	<u>\$ 90,883,526</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Sales Tax Payable	\$ 684,170	\$ 42,941	\$ 727,111
Current Maturities of Long-Term Debt	620,000	1,368,200	1,988,200
Total Current Liabilities	<u>\$ 1,304,170</u>	<u>\$ 1,411,141</u>	<u>\$ 2,715,311</u>
Customer Meter Deposits	\$ 464,010	\$ 89,960	\$ 553,970
Due to Other Funds	-	1,925,101	1,925,101
Long-Term Debt	4,575,000	18,648,500	23,223,500
Total Noncurrent Liabilities	<u>\$ 5,039,010</u>	<u>\$ 20,663,561</u>	<u>\$ 25,702,571</u>
TOTAL LIABILITIES	<u>\$ 6,343,180</u>	<u>\$ 22,074,702</u>	<u>\$ 28,417,882</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 16,852,262	\$ 21,569,229	\$ 38,421,491
Restricted for:			
Debt Service	-	2,219,877	2,219,877
Other	240,000	-	240,000
Unrestricted Net Position	20,220,221	1,364,055	21,584,276
TOTAL NET POSITION	<u>\$ 37,312,483</u>	<u>\$ 25,153,161</u>	<u>\$ 62,465,644</u>

See Independent Auditors' Report.

CITY OF POPLAR BLUFF, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - MODIFIED CASH BASIS - MUNICIPAL UTILITIES

For the Year Ended December 31, 2024

	Electric Department	Water/Sewer Department	Total
OPERATING REVENUE			
Utility Service Sales	\$ 43,016,822	\$ 7,451,397	\$ 50,468,219
Miscellaneous Income	1,105,133	155,689	1,260,822
Total Operating Revenue	\$ 44,121,955	\$ 7,607,086	\$ 51,729,041
OPERATING EXPENSES			
Personnel Services	\$ 1,423,677	\$ 1,135,591	\$ 2,559,268
Office Supplies	96,271	1,221	97,492
Shared Office Expense	(444,088)	444,088	-
Repairs and Maintenance	249,672	3,750	253,422
Electric Transmission	30,513,259	-	30,513,259
Electric Distribution	4,201,651	-	4,201,651
Water Supply, Purification and Pumping	-	1,105,337	1,105,337
Water Distribution	-	1,015,664	1,015,664
Sewer Collection and Treatment	-	1,629,388	1,629,388
Telephone	4,413	2,697	7,110
Books/Publications and Memberships	36,514	-	36,514
Professional Fees	52,334	93,155	145,489
Advertising	2,983	496	3,479
Insurance	102,498	59,328	161,826
Uncollectible Accounts	98,549	19,313	117,862
Free Municipal Services	744,419	43,954	788,373
Miscellaneous	518,705	4,595	523,300
Depreciation	2,064,219	1,915,178	3,979,397
Total Operating Expenses	\$ 39,665,076	\$ 7,473,755	\$ 47,138,831
Income from Operations	\$ 4,456,879	\$ 133,331	\$ 4,590,210
NON-OPERATING REVENUES AND EXPENSES			
Interest Income	\$ 125,077	\$ 35,279	\$ 160,356
Contributions in Aid of Construction	-	76,488	76,488
Interest Expense	(274,615)	(326,885)	(601,500)
Total Non-Operating Revenues and Expenses, Net	\$ (149,538)	\$ (215,118)	\$ (364,656)
Change in Net Position	\$ 4,307,341	\$ (81,787)	\$ 4,225,554
Total Net Position, January 1	29,665,418	23,003,325	52,668,743
Prior Period Adjustment	3,339,724	2,231,623	5,571,347
Total Net Position, December 31	\$ 37,312,483	\$ 25,153,161	\$ 62,465,644

See Independent Auditors' Report.

ADDITIONAL SUPPLEMENTARY INFORMATION

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

For the Year Ended December 31, 2024

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential						
No. of permits	118	159	110	93	112	107
Estimated cost	\$ 1,763,432	\$ 4,422,401	\$ 1,768,610	\$ 2,266,571	\$ 3,163,782	\$ 3,688,624
Commercial						
No. of permits	69	26	46	45	65	49
Estimated cost	\$13,773,953	\$ 6,347,755	\$13,372,915	\$38,998,370	\$14,565,439	\$19,057,105

FINANCIAL INFORMATION CONCERNING THE CITY:

Retail Sales Taxes

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

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

<u>Year</u>	<u>General</u>	<u>Capital Improvement</u>	<u>Economic Development</u>	<u>Park Dept.</u>	<u>Totals</u>
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
2022	6,612,385	3,226,791	3,226,782	1,613,486	14,679,444
2023	6,597,715	3,229,065	3,229,065	1,164,533	14,670,378
2024	6,867,890	3,353,563	3,353,563	1,676,782	15,251,798

Major Sales Taxpayers

The eight largest sales taxpayers for the year ended December 31, 2024, are as follows:

<u>Company</u>	<u>Business</u>	<u>Percentage of Sales Tax</u>
1. Walmart	Retail & Grocery	17.46%
2. Menards, Inc.	Retail	7.23%
3. Walmart Neighborhood Market	Retail & Grocery	5.47%
4. The Home Depot	Retail	3.06%
5. Academy Sports	Retail	2.13%
6. Aldi, Inc.	Grocery	2.31%
7. Kroger Partnership	Grocery	1.93%
8. Gamblin Lumber Co.	Retail	2.02%
9. Harp's Food Stores	Grocery	1.51%

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, 2024 (the last completed assessment):

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$ 88,705,240	19%	\$ 461,267,248
Commercial	142,012,480	32%	440,238,688
Agriculture	109,380	12%	907,854
State Assessed	<u>1,259,080</u>	32%	<u>3,934,625</u>
Sub-Total	232,086,180		906,348,415
Personal Property:			
State Assesd	57,694,002	33.30%	173,255,261
Mobile Home	<u>524,042</u>	32.00%	<u>1,637,631</u>
Sub-Total	56,880	33.30%	<u>170,811</u>
	58,274,924		175,063,703
Total	\$ 290,361,104		<u>\$ 1,081,412,118</u>
TIF Valuation	<u>18,726,520</u>		
Total Excluding TIF Valuation	<u>\$ 271,634,585</u>		

Tax Rates

Tax Collection Record:

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

<u>Year Ended</u>	<u>Total Levy</u>	<u>Taxes Levied</u>	<u>Current and Delinquent Taxes Collected</u>	
			<u>Amounts</u>	<u>%</u>
2024	0.61	1,659,889	1,773,312	105%
2023	0.61	1,695,889	1,773,312	105%
2022	0.61	1,588,128	1,853,069	117%
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%

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, 2024:

<u>Name of Taxpayer</u>	<u>Local Assessed Valuation</u>	<u>Description of Business</u>	<u>% of Total Local Assessed Valuation</u>
1. MPT of Poplar Bluff LLC	\$ 4,593,520	Health Care	1.99%
2. Southern Bank	3,961,080	Banking	1.72%
3. Nortrek Global Hvac LLC	3,958,270	Contractor	1.71%
4. Menards, Inc.	3,596,530	Retail	1.56%
5. Spire Missouri Inc	3,455,380	Industrial	1.50%
6. Walmart	2,765,180	Retail	1.20%
7. Poplar Bluff Reg Med Ctr LLC	2,505,150	Health Care	1.09%
8. Starting USA	2,330,660	Retail	1.00%
9. Eight Points Shopping Center	2,240,200	Retail	0.97%
10. Home Depot	2,184,940	Banking	0.95%
Total	<u>\$ 31,590,910</u>		<u>13.69%</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 the City of Poplar Bluff, Missouri's major federal program for the year ended December 31, 2024. The City of Poplar Bluff, Missouri's major federal program is 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 its major federal program for the year ended December 31, 2024.

Basis for Opinion on the 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 the 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 the 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

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 and therefore, material weakness or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Question Costs as item 2024-003 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Poplar Bluff, Missouri's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule Findings and Questioned Costs. City of Poplar Bluff, Missouri's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
July 16, 2025

CITY OF POPLAR BLUFF, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Provided to Subrecipients	Expenditures
<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	2019-LR-08 2021-GI-28 2020-PF-20	\$ - - -	\$ 717,833 524,491 2,590
				<u>\$ 1,244,914</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>\$ 1,244,914</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed-Through Missouri Department of Transportation - COVID- 19 Airport Improvement Program	20.106	19-075A-1	\$ -	\$ 102,078
Passed-Through Missouri Department of Transportation - Highway Planning and Construction	20.205	TAP-5100(013)	-	189,639
Passed-Through Missouri Department of Transportation - Highway Planning and Construction		TAP-5100(012)	-	126,766
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>\$ 418,483</u>
<u>U.S. DEPARTMENT OF TREASURY:</u>				
Direct Program				
- COVID 19 - State and Local Fiscal Recovery Fund (1)	21.027	N/A	\$ -	\$ 524,412
Passed-Through Missouri Department of Natural Resources - COVID 19 - State and Local Fiscal Recovery Fund (1)	21.027	DNR-SW-3AED5D54A52F	-	2,437,155
Passed-Through Missouri Department of Public Safety - COVID 19 - State and Local Fiscal Recovery Fund (1)	21.027	SLFRP4542	\$ -	229,500
TOTAL U.S. DEPARTMENT OF TREASURY				<u>\$ 3,191,067</u>
<u>DELTA REGIONAL AUTHORITY</u>				
Strategic Planning Program	90.200	DRA23-MO141-BILSPG	\$ -	\$ 9,985
TOTAL DELTA REGIONAL AUTHORITY				<u>\$ 9,985</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT:</u>				
High Intensity Drug Trafficking Areas Program	95.001	JLEO-20-011	\$ -	\$ 10,611
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT				<u>\$ 10,611</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Assistance to Firefighters Grant	97.044	EMW-2022-FG-04822	\$ -	\$ 16,908
TOTAL DEPARTMENT OF HOMELAND SECURITY				<u>\$ 16,908</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 4,891,968</u>

(1) Denotes Major Program.

CITY OF POPLAR BLUFF, MISSOURI

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2024

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, 2024. 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 position, 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:

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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, 2024

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting: 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? X yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? X yes 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)? X yes no

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.027	Covid 19 – Coronavirus State and Local Fiscal Recovery Funds

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:

2024-001 Budgetary Compliance

Criteria: According to Chapter 67, RSMo, the City is required to amend the budget prior to actual expenditures for a given fund being made that exceed the officially approved budget for that fund.

Condition: Actual expenditures exceeded budgetary limits for the American Rescue Plan Act Fund, Black River Coliseum Fund, Airport Fund, Arts and Museum Fund, Highway 67 Fund, SEMO Drug Task Force Fund, Special Allocation Fund, Police Injury Fund, and Health Insurance Fund by \$524,411, \$54,366, \$93,129, \$4,184, \$10,822,916, \$393,479, \$4,294,702, \$120,331, and \$4,212,057, respectively.

Cause: It appears that not all funds had budgets. Other funds had additional costs that were necessary, but the budget was not amended accordingly.

Effect: The City is not in compliance with State Statute.

Recommendation: We recommend the City refrain from authorizing expenditures that exceed budgetary limits. If additional expenditures become necessary, the budget should be amended in accordance with the provisions of Chapter 67, RSMo.

Views of Responsible
Officials and Planned
Corrective Actions: We will amend the budget as necessary to include all necessary expenditures of the City.

2024-002 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 record debt proceeds and capital totaling \$233,078 in the Capital Improvements Fund. An adjustment was also needed to record proceeds for the Missouri Transportation Finance Corporation loan and project expenses paid with the proceeds totaling \$11,612,043 in the Highway 67 Fund.
Cause:	The City was unaware these transactions needed to be recorded.
Effect:	In the Capital Improvement Fund, revenues, expenditures, assets, and liabilities were understated by \$233,078. In the Highway 67 Fund, revenues, expenditures, assets, and liabilities were understated by \$11,612,043.
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.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

2024-003 Internal Controls over Suspension and Debarment

Federal Program:	Coronavirus State and Local Fiscal Recovery Funds (21.027).
Criteria:	According to 2 CFR Section 180.300, when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended, debarred, or otherwise excluded.
Condition:	The City had transactions in excess of \$25,000 with five vendors in which they did not verify that the entities were not suspended, debarred, or otherwise excluded.
Cause:	The City had inadequate oversight of this requirement.
Effect:	The City was at risk of making material payments to a vendor who is not allowed to do business with the federal government. There was no noncompliance, but there was inadequate internal control in place to prevent noncompliance.
Questioned Costs:	None.
Context:	Payments to five vendors totaled \$2,731,850. Total payments from the program totaled \$3,191,067. As noted above, there was no noncompliance, but there was not internal controls in place to ensure noncompliance.
Repeat Finding:	No.
Recommendation:	We recommend the City check the excluded parties list system or collect certifications from the entity for any vendor in which the City expects to spend more than \$25,000 of federal grant funds for the year.
Views of Responsible Officials and Planned Corrective Actions:	We will ensure we comply going forward.

CITY OF POPLAR BLUFF, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2023

1. FINANCIAL STATEMENT FINDINGS:

2023-001 Budgetary Compliance

Criteria: According to Chapter 67, RSMo, the City is required to amend the budget prior to actual expenditures for a given fund being made that exceed the officially approved budget for that fund.

Recommendation: We recommend the City refrain from authorizing expenditures that exceed budgetary limits. If additional expenditures become necessary, the budget should be amended in accordance with the provisions of Chapter 67, RSMo.

Status: Not implemented. See Finding 2024-001.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

2023-002 Internal Controls over Suspension and Debarment

Criteria: Per Title 2 CFR.180.300, when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended, debarred, or otherwise excluded.

Recommendation: We recommend the City check the excluded parties list system or collect certifications from the entity for any vendor in which the City expects to spend more than \$25,000 of federal grant funds for the year.

Status: Not fully implemented. See Finding 2024-003.



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

CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2024

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: 2024-001 Budgetary Compliance

Finding Type: Compliance related to financial reporting.

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

Recommendation: We recommend that the City refrain from authorizing expenditures that exceed budgetary limits.

Corrective Action: If expenditures are required in excess of budgetary limits, we will amend the budget in accordance with statutory requirements.

Proposed
Completion Date: Immediately

Finding: 2024-002 Significant Audit Adjustments

Finding Type: Internal Control over financial reporting.

Name of
Contact Person: Mr. Robert Knodell, 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: 2024-003 Internal Controls over Suspension and Debarment

Finding Type: Internal Controls over Federal Programs.

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

Recommendation: We recommend that the City check the Excluded Parties List System or collect certification from the entity for any vendor in which the City expects to spend more than \$25,000 of federal grant funds for the year.

Corrective Action: We will ensure we comply going forward.

Proposed
Completion Date: Immediately