

CITY OF MALDEN  
Malden, Missouri

June 30, 2020

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# Van de Ven, LLC

Certified Public Accountants & Advisors

1020 North Kingshighway  
Suite D • P.O. Box 1090  
Cape Girardeau, MO 63702-1090  
Phone: (573) 335-1231  
Fax: (573) 339-0163  
www.van-de-ven.com

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and the Board of Council Members  
City of Malden, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, blended component unit, each major fund, and the aggregate remaining fund information of the City of Malden, Missouri, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Malden, Missouri's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component unit, each major fund, and the aggregate remaining fund information of the City of Malden, Missouri, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 45-46, and the pension schedules on pages 47-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Malden, Missouri's basic financial statements. The introductory section, and combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2021, on our consideration of the City of Malden, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Malden, Missouri's internal control over financial reporting and compliance.

Van de Ven, LLC  
CPAs + Business Consultants

A handwritten signature in black ink that reads "Van de Ven, LLC CPAs". The signature is written in a cursive, flowing style.

Cape Girardeau, Missouri  
April 19, 2021



# Van de Ven, LLC

Certified Public Accountants & Advisors

1020 North Kingshighway  
Suite D • P.O. Box 1090  
Cape Girardeau, MO 63702-1090  
Phone: (573) 335-1231  
Fax: (573) 339-0163  
www.van-de-ven.com

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

To the Mayor and Board of Aldermen  
City of Malden, 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, the blended component unit, each major fund, and the aggregate remaining fund information of the City of Malden, Missouri, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Malden, Missouri's basic financial statements and have issued our report thereon dated April 19, 2021.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify a deficiency in internal control that we consider to be material weaknesses. We also did identify certain deficiencies in internal control financial reporting, described below, that we consider to be a significant deficiency:

#### *Fixed Asset Purchases and Related Notes Payable:*

While performing audit procedures related to notes payable it was determined that three police vehicles had been purchased through a tax-exempt lease purchase agreement but only one of them had been included on the depreciation schedule.

#### *Bank Account Reconciliations:*

While performing audit procedures related to cash balances, it was determined that the bank account reconciliations did not reconcile to the general ledger. The City's general fund and operations and maintenance bank accounts show a difference between the bank reconciliation and the general ledger every month and the differences are not the same amount rolling forward each month.

#### *Across Fund Posting:*

The trial balances for the water and sewer fund and the electric fund do not balance due to across fund posting of journal entries. We discovered that across fund posting occurs in other funds as well. Across fund posting prevents the financial statements from balancing and being presented accurately.

### **Compliance and Other Matters**

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

### **City of Malden, Missouri's Response to Findings**

City of Malden, Missouri's response to the findings identified in our audit is described above. City of Malden, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

Van de Ven, LLC  
CPAs + Business Consultants

Handwritten signature in black ink that reads "Van de Ven, LLC CPAs". The signature is stylized with a large, sweeping "V" and "V" for the first and last names.

Cape Girardeau, Missouri  
April 19, 2021

## EXHIBIT A

CITY OF MALDEN  
Malden, MissouriSTATEMENT OF NET POSITION

June 30, 2020

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash & Cash Equivalents	\$ 416,195	\$ 4,852,047	\$ 5,268,242
Restricted Cash	291,986	1,139,320	1,431,306
Cash in Bank - Certificates of Deposit	125,852	-	125,852
Accounts Receivable	278,923	745,257	1,024,180
Property Taxes Receivable, Net	47,147	-	47,147
Due From Other Funds	1,725	496,717	498,442
Prepaid Expenses	43,694	325,948	369,642
Inventory	-	1,135,329	1,135,329
Net Pension Asset	767,117	-	767,117
Total Current Assets	<u>\$ 1,972,639</u>	<u>\$ 8,694,618</u>	<u>\$ 10,667,257</u>
<u>NON-CURRENT ASSETS:</u>			
Capital Assets:			
Land, Improvements, and Construction in Progress	\$ 37,989	\$ 518,647	\$ 556,636
Other Capital Assets, Net	3,334,351	11,480,486	14,814,837
Total Capital Assets, Net	<u>\$ 3,372,340</u>	<u>\$ 11,999,133</u>	<u>\$ 15,371,473</u>
Total Non-Current Assets	<u>\$ 3,372,340</u>	<u>\$ 11,999,133</u>	<u>\$ 15,371,473</u>
Deferred Outflows of Resources			
Pension Related Deferred Outflows	\$ 618,567	\$ -	\$ 618,567
Total Assets & Deferred Outflows	<u>\$ 5,963,546</u>	<u>\$ 20,693,751</u>	<u>\$ 26,657,297</u>

CITY OF MALDEN  
Malden, Missouri

EXHIBIT A

STATEMENT OF NET POSITION

June 30, 2020

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payables	\$ 28,062	\$ 97,771	\$ 125,833
Accrued Interest	-	4,233	4,233
Accrued Salaries and Benefits	139,885	194,556	334,441
Sales Tax Payable	-	12,553	12,553
Primacy Fees Payable	-	2,017	2,017
Unearned Revenue	-	154,462	154,462
Court Payable	5,970	-	5,970
Fire Payable	2,700	-	2,700
Police Payable	24	-	24
Due to Other Funds	379	498,063	498,442
Current Portion Notes Payable	249,130	124,072	373,202
Total Current Liabilities	<u>\$ 426,150</u>	<u>\$ 1,087,727</u>	<u>\$ 1,513,877</u>
<u>NON-CURRENT LIABILITIES:</u>			
Security Deposits	\$ 350	\$ 127,565	\$ 127,915
Notes Payable, Net of Current Portion	1,833,094	1,146,891	2,979,985
Total Non-Current Liabilities	<u>\$ 1,833,444</u>	<u>\$ 1,274,456</u>	<u>\$ 3,107,900</u>
TOTAL LIABILITIES	<u>\$ 2,259,594</u>	<u>\$ 2,362,183</u>	<u>\$ 4,621,777</u>
Deferred Inflows of Resources	<u>\$ 85,186</u>	<u>\$ -</u>	<u>\$ 85,186</u>
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	<u>\$ 2,344,780</u>	<u>\$ 2,362,183</u>	<u>\$ 4,706,963</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 1,290,116	\$ 10,728,170	\$ 12,018,286
Restricted	1,939,201	1,139,320	3,078,521
Unrestricted	<u>389,449</u>	<u>6,464,078</u>	<u>6,853,527</u>
TOTAL NET POSITION	<u>\$ 3,618,766</u>	<u>\$ 18,331,568</u>	<u>\$ 21,950,334</u>



CITY OF MALDEN  
Malden, Missouri

EXHIBIT B

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Change in Net Assets		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business- Type Activities	Total
			Grants and Contributions	Grants and Contributions			
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	\$ 455,646	\$ 201,535	\$ -	\$ 23,447	\$ (230,664)	\$ -	\$ (230,664)
Municipal Court	73,977	6,471	-	-	(67,506)	-	(67,506)
Public Safety	1,467,261	63,577	-	-	(1,403,684)	-	(1,403,684)
Culture and Recreation	260,728	24,536	-	-	(236,192)	-	(236,192)
Transportation	437,123	-	-	15,184	(421,939)	-	(421,939)
Principal on Long-Term Debt	275,333	-	-	-	(275,333)	-	(275,333)
Interest on Long-Term Debt	79,946	-	-	-	(79,946)	-	(79,946)
Total Governmental Activities	<u>\$ 3,050,014</u>	<u>\$ 296,119</u>	<u>\$ -</u>	<u>\$ 38,631</u>	<u>\$ (2,715,264)</u>	<u>\$ -</u>	<u>\$ (2,715,264)</u>
Business-Type Activities:							
Electric	\$ 4,846,342	\$ 4,352,917	\$ -	\$ -	\$ -	\$ (493,425)	\$ (493,425)
Water & Sewer	1,451,529	1,369,383	-	-	-	(82,146)	(82,146)
Airport	740,404	554,518	-	97,165	-	(88,721)	(88,721)
Community Center	65,889	19,345	-	-	-	(46,544)	(46,544)
Senior Nutrition Center	47,569	40,987	-	-	-	(6,582)	(6,582)
Total Business -Type Activities	<u>\$ 7,151,733</u>	<u>\$ 6,337,150</u>	<u>\$ -</u>	<u>\$ 97,165</u>	<u>\$ -</u>	<u>\$ (717,418)</u>	<u>\$ (717,418)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 10,201,747</u>	<u>\$ 6,633,269</u>	<u>\$ -</u>	<u>\$ 38,631</u>	<u>\$ (2,715,264)</u>	<u>\$ (717,418)</u>	<u>\$ (3,432,682)</u>

General Revenues:

Taxes:

Real Estate Tax	\$ 170,571	\$ -	\$ 170,571
Personal Property Tax	81,454	-	81,454
Sales Tax	1,320,336	-	1,320,336
Franchise Tax	385,334	-	385,334
Fire Tax	-	-	-
Motor Fuel Tax	150,440	-	150,440
Surtax	20,247	-	20,247
Railroad/Utility Tax	14,392	-	14,392
Capital Improvement Tax	159,455	-	159,455
Other Income	245,554	210,186	455,740
Interest Income	20,656	61,669	82,325
Gain on Sale of Assets	-	117,756	117,756
Grant Revenues	-	-	-
Transfers - Internal Activities	(11,832)	11,832	-
Total General Revenues	<u>\$ 2,556,607</u>	<u>\$ 401,443</u>	<u>\$ 2,958,050</u>

Change in Net Position

Change in Net Position	\$ (158,657)	\$ (315,975)	\$ (474,632)
Net Position - June 30, 2019	<u>\$ 3,587,816</u>	<u>\$ 18,579,211</u>	<u>\$ 22,167,027</u>
Prior Period Adjustment	<u>\$ 189,607</u>	<u>\$ 68,332</u>	<u>\$ 257,939</u>
Net Position After Adjustment, July 1, 2019	<u>\$ 3,777,423</u>	<u>\$ 18,647,543</u>	<u>\$ 22,424,966</u>
Net Position - June 30, 2020	<u><u>\$ 3,618,766</u></u>	<u><u>\$ 18,331,568</u></u>	<u><u>\$ 21,950,334</u></u>

CITY OF MALDEN  
Malden, Missouri

EXHIBIT C

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2020

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 199,968	\$ -	\$ 216,227	\$ 416,195
Restricted Cash	116,206	105,546	70,234	291,986
Cash in Bank - CDs	-	-	125,852	125,852
Accounts Receivable	226,667	33,723	18,533	278,923
Property Taxes Receivable, Net	47,147	-	-	47,147
Due From Other Funds	1,725	-	-	1,725
Prepaid Expenses	33,080	3,804	6,810	43,694
<b>TOTAL ASSETS</b>	<u>\$ 624,793</u>	<u>\$ 143,073</u>	<u>\$ 437,656</u>	<u>\$ 1,205,522</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts Payable	\$ 1,758	\$ 17,211	\$ 9,093	\$ 28,062
Accrued Payroll and Benefits	119,300	13,337	7,248	139,885
Court Payable	5,970	-	-	5,970
Fire Payable	2,700	-	-	2,700
Police Payable	24	-	-	24
Security Deposits	-	-	350	350
Due To Other Funds	-	-	379	379
<b>TOTAL LIABILITIES</b>	<u>\$ 129,752</u>	<u>\$ 30,548</u>	<u>\$ 17,070</u>	<u>\$ 177,370</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Prepaid Expenses	\$ 33,080	\$ 3,804	\$ 6,810	\$ 43,694
Spendable:				
Restricted	116,206	108,721	413,776	638,703
Unassigned	345,755	-	-	345,755
<b>TOTAL FUND BALANCES</b>	<u>\$ 495,041</u>	<u>\$ 112,525</u>	<u>\$ 420,586</u>	<u>\$ 1,028,152</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 624,793</u>	<u>\$ 143,073</u>	<u>\$ 437,656</u>	<u>\$ 1,205,522</u>

CITY OF MALDEN  
Malden, Missouri

EXHIBIT C-1

RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2020

Fund Balances of Governmental Funds (Exhibit C) \$ 1,028,152

Pension related deferred outflows, deferred inflows, and  
net pension assets are not current financial resources and  
liabilities and therefore, are not reported in the funds.

Deferred Outflows	\$ 618,567	
Deferred Inflows	(85,186)	
Net Pension Asset	<u>767,117</u>	1,300,498

Amounts reported for *Governmental Activities*

Statement of Net Position are different because:

Capital assets used in governmental activities are not current  
financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 6,890,011	
Less accumulated depreciation	<u>(3,517,671)</u>	
		3,372,340

Non-Current liabilities are not payable in the current period and, therefore, are not reported in the funds.	(2,082,224)
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TOTAL NET POSITION (EXHIBIT A)	<u><u>\$ 3,618,766</u></u>
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CITY OF MALDEN  
Malden, Missouri

EXHIBIT D

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES –GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>				
Taxes	\$ 1,682,091	\$ 469,304	\$ 150,834	\$ 2,302,229
Intergovernmental Funds	23,447	15,184	-	38,631
Charges for Services	159,457	-	136,662	296,119
Interest Income	13,813	858	5,985	20,656
Miscellaneous Revenues	190,644	51,239	3,671	245,554
	<u>\$ 2,069,452</u>	<u>\$ 536,585</u>	<u>\$ 297,152</u>	<u>\$ 2,903,189</u>
<u>EXPENDITURES:</u>				
General Government	\$ 358,600	\$ -	\$ 48,922	\$ 407,522
Municipal Court	73,670	-	-	73,670
Department of Public Safety	1,500,224	-	-	1,500,224
Culture and Recreation	67,475	-	190,156	257,631
Transportation	-	244,795	-	244,795
Debt Service:				
Principal	49,748	198,475	27,110	275,333
Interest	2,270	54,878	22,798	79,946
	<u>\$ 2,051,987</u>	<u>\$ 498,148</u>	<u>\$ 288,986</u>	<u>\$ 2,839,121</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 17,465</u>	<u>\$ 38,437</u>	<u>\$ 8,166</u>	<u>\$ 64,068</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers (Out)	\$ (60,836)	\$ -	\$ -	\$ (60,836)
Operating Transfers In	-	47,119	1,885	49,004
	<u>\$ (60,836)</u>	<u>\$ 47,119</u>	<u>\$ 1,885</u>	<u>\$ (11,832)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES AND (USES) OVER EXPENDITURES	<u>\$ (43,371)</u>	<u>\$ 85,556</u>	<u>\$ 10,051</u>	<u>\$ 52,236</u>
FUND BALANCES, June 30, 2019	<u>538,412</u>	<u>26,969</u>	<u>410,535</u>	<u>975,916</u>
FUND BALANCES, June 30, 2020	<u><u>\$ 495,041</u></u>	<u><u>\$ 112,525</u></u>	<u><u>\$ 420,586</u></u>	<u><u>\$ 1,028,152</u></u>

CITY OF MALDEN  
Malden, Missouri

EXHIBIT D-1

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

For the Year Ended June 30, 2020

Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Exhibit D)	\$ 52,236
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Governmental funds report pension contributions as expenditures.  
However, in the government-wide Statement of Activities, expenses are  
increased or decreased by the Change in Net Pension Liability/Asset

	(9,715)
--	---------

Amounts reported for *governmental activities* on 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.

Capital Outlay	\$ 135,383	
Depreciation Expense	<u>(336,561)</u>	
		(201,178)

TOTAL CHANGE IN NET POSITION (Exhibit B)	<u>\$ (158,657)</u>
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CITY OF MALDEN  
Malden, Missouri

EXHIBIT E

STATEMENT OF NET POSITION –  
PROPRIETARY FUNDS

June 30, 2020

<u>ASSETS</u>	Electric Fund	Water and Sewer Fund	Airport Fund	Community Center Fund	Senior Nutrition	Total Proprietary Funds
<u>CURRENT ASSETS:</u>						
Cash	\$ 4,567,689	\$ 532	\$ 280,671	\$ 50	\$ 3,105	\$ 4,852,047
Restricted Cash	645,665	-	454,033	-	39,622	1,139,320
Accounts Receivable, Net	468,420	244,574	32,263	-	-	745,257
Prepaid Expenses	171,858	57,435	83,430	12,263	962	325,948
Due from Other Funds	496,717	-	-	-	-	496,717
Inventory	345,068	790,261	-	-	-	1,135,329
Total Current Assets	<u>\$ 6,695,417</u>	<u>\$ 1,092,802</u>	<u>\$ 850,397</u>	<u>\$ 12,313</u>	<u>\$ 43,689</u>	<u>\$ 8,694,618</u>
<u>CAPITAL ASSETS:</u>						
Land, Improvements, and Construction in Process	\$ 103,016	\$ 6,206	\$ 304,415	\$ 90,000	\$ 15,010	\$ 518,647
Other Capital Assets, Net	3,622,490	3,903,123	3,166,959	81,055	706,859	11,480,486
Total Capital Assets, Net	<u>3,725,506</u>	<u>\$ 3,909,329</u>	<u>\$ 3,471,374</u>	<u>\$ 171,055</u>	<u>\$ 721,869</u>	<u>\$ 11,999,133</u>
TOTAL ASSETS	<u>\$ 10,420,923</u>	<u>\$ 5,002,131</u>	<u>\$ 4,321,771</u>	<u>\$ 183,368</u>	<u>\$ 765,558</u>	<u>\$ 20,693,751</u>
<u>LIABILITIES</u>						
<u>CURRENT LIABILITIES:</u>						
Accounts Payable	\$ 66,440	\$ 20,637	\$ 8,103	\$ 1,006	\$ 1,585	\$ 97,771
Accrued Interest Payable	-	2,589	-	-	1,644	4,233
Accrued Salaries and Benefits	122,048	62,969	9,539	-	-	194,556
Sales Tax Payable	10,901	1,652	-	-	-	12,553
Primacy Fees Payable	-	2,017	-	-	-	2,017
Unearned Revenue	-	25,654	128,808	-	-	154,462
Due to Other Funds	-	498,063	-	-	-	498,063
Notes Payable, Net of Long-Term	-	104,975	-	-	19,097	124,072
Total Current Liabilities	<u>\$ 199,389</u>	<u>\$ 718,556</u>	<u>\$ 146,450</u>	<u>\$ 1,006</u>	<u>\$ 22,326</u>	<u>\$ 1,087,727</u>
<u>LONG-TERM LIABILITIES:</u>						
Security Deposits	\$ 121,705	\$ -	\$ 4,475	\$ 1,385	\$ -	\$ 127,565
Notes Payable, Net of Current Portion	-	716,929	-	-	429,962	1,146,891
Total Long-Term Liabilities	<u>\$ 121,705</u>	<u>\$ 716,929</u>	<u>\$ 4,475</u>	<u>\$ 1,385</u>	<u>\$ 429,962</u>	<u>\$ 1,274,456</u>
TOTAL LIABILITIES	<u>\$ 321,094</u>	<u>\$ 1,435,485</u>	<u>\$ 150,925</u>	<u>\$ 2,391</u>	<u>\$ 452,288</u>	<u>\$ 2,362,183</u>
<u>NET POSITION</u>						
Net Investment in Capital Assets, Net of Related Debt	\$ 3,725,506	\$ 3,087,425	\$ 3,471,374	\$ 171,055	\$ 272,810	\$ 10,728,170
Restricted	645,665	-	454,033	-	39,622	1,139,320
Unrestricted	5,728,658	479,221	245,439	9,922	838	6,464,078
TOTAL NET POSITION	<u>\$ 10,099,829</u>	<u>\$ 3,566,646</u>	<u>\$ 4,170,846</u>	<u>\$ 180,977</u>	<u>\$ 313,270</u>	<u>\$ 18,331,568</u>

CITY OF MALDEN  
Malden, Missouri

EXHIBIT F

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION – PROPRIETARY FUNDS

For the Year Ended June 30, 2020

	Electric Fund	Water and Sewer Fund	Airport Fund	Community Center Fund	Senior Nutrition	Total Proprietary Funds
<b>OPERATING REVENUES:</b>						
Customer Charges/Sales	\$ 4,287,411	\$ 1,343,030	\$ 553,372	\$ -	\$ -	\$ 6,183,813
Connection Charges	13,117	6,300	-	19,345	40,987	79,749
Penalties and Late Fees	52,389	20,053	1,146	-	-	73,588
Miscellaneous Revenues	22,255	66,556	48,533	72,842	-	210,186
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 4,375,172</b>	<b>\$ 1,435,939</b>	<b>\$ 603,051</b>	<b>\$ 92,187</b>	<b>\$ 40,987</b>	<b>\$ 6,547,336</b>
<b>OPERATING EXPENSES:</b>						
Salaries	\$ 649,405	\$ 129,703	\$ 154,649	\$ 10,850	\$ -	\$ 944,607
Payroll Taxes	45,755	34,567	11,247	803	-	92,372
Retirement	68,934	49,905	16,634	-	-	135,473
Distribution	2,485,095	2,526	-	-	-	2,487,621
Repairs and Maintenance	128,663	111,696	95,629	7,542	1,783	345,313
Supplies and Services	71,574	24,165	26,128	6,416	-	128,283
Utilities	166,844	85,553	1,415	(361)	-	253,451
Telephone and Internet	-	-	4,286	703	-	4,989
Employee Insurance	89,798	83,969	18,827	-	-	192,594
Insurance	61,021	46,717	111,469	11,310	1,513	232,030
Training	4,482	811	1,630	28	-	6,951
Travel and Meals	4,927	-	-	-	-	4,927
Advertising	-	-	472	-	-	472
Fuel and Oil	92,458	17,263	-	-	-	109,721
Chemicals	-	17,662	-	-	-	17,662
Refuse Collection Expense	230,364	-	-	-	-	230,364
Outside Services	17,088	338,993	-	7,833	-	363,914
Professional Services	-	-	13,021	-	-	13,021
Depreciation	452,512	372,840	258,740	20,555	25,286	1,129,933
Miscellaneous	44,519	28,370	22,167	210	-	95,266
Dues and Subscriptions	3,397	-	-	-	-	3,397
Donations	200	-	-	-	-	200
Taxes	193,508	67,749	4,090	-	-	265,347
Substation	13,645	-	-	-	-	13,645
Uncollectible Accounts	22,153	12,699	-	-	-	34,852
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,846,342</b>	<b>\$ 1,425,188</b>	<b>\$ 740,404</b>	<b>\$ 65,889</b>	<b>\$ 28,582</b>	<b>\$ 7,106,405</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (471,170)</b>	<b>\$ 10,751</b>	<b>\$ (137,353)</b>	<b>\$ 26,298</b>	<b>\$ 12,405</b>	<b>\$ (559,069)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Interest Income	\$ 54,729	\$ 5	\$ 6,515	\$ -	\$ 420	\$ 61,669
Gain on Sale of Assets	-	-	117,756	-	-	117,756
Interest Expense	-	(26,341)	-	-	(18,987)	(45,328)
Intergovernmental	-	-	97,165	-	-	97,165
Transfers In (Out)	440	(440)	-	11,832	-	11,832
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>\$ 55,169</b>	<b>\$ (26,776)</b>	<b>\$ 221,436</b>	<b>\$ 11,832</b>	<b>\$ (18,567)</b>	<b>\$ 243,094</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (416,001)</b>	<b>\$ (16,025)</b>	<b>\$ 84,083</b>	<b>\$ 38,130</b>	<b>\$ (6,162)</b>	<b>\$ (315,975)</b>
<b>FUND BALANCES, June 30, 2019</b>	<b>\$ 10,480,297</b>	<b>\$ 3,557,388</b>	<b>\$ 4,079,247</b>	<b>\$ 142,847</b>	<b>\$ 319,432</b>	<b>\$ 18,579,211</b>
Prior Period Adjustment	35,533	25,283	7,516	-	-	68,332
<b>NET POSITION After Adjustment, July 1, 2019</b>	<b>\$ 10,515,830</b>	<b>\$ 3,582,671</b>	<b>\$ 4,086,763</b>	<b>\$ 142,847</b>	<b>\$ 319,432</b>	<b>\$ 18,647,543</b>
<b>FUND BALANCES, June 30, 2020</b>	<b>\$ 10,099,829</b>	<b>\$ 3,566,646</b>	<b>\$ 4,170,846</b>	<b>\$ 180,977</b>	<b>\$ 313,270</b>	<b>\$ 18,331,568</b>

CITY OF MALDEN  
Malden, Missouri

EXHIBIT G

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the Year Ended June 30, 2020

	Electric Fund	Water and Sewer Fund	Airport Fund	Community Center Fund	Senior Nutrition	Total Proprietary Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>						
Receipts from Customers	\$ 4,605,348	\$ 1,519,177	\$ 588,907	\$ 92,022	\$ 40,987	\$ 6,846,441
Payments to Employees	(840,282)	(220,683)	(198,575)	(22,963)	-	\$ (1,282,503)
Payments to Suppliers	(3,661,663)	(1,196,838)	(313,799)	(23,947)	(3,296)	(5,199,543)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 103,403	\$ 101,656	\$ 76,533	\$ 45,112	\$ 37,691	\$ 364,395
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>						
Transfers in (out)	\$ 440	\$ (440)	\$ -	\$ 11,832	\$ -	\$ 11,832
Loans Between Funds	(223,788)	221,197	-	(60,861)	-	(63,452)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	\$ (223,348)	\$ 220,757	\$ -	\$ (49,029)	\$ -	\$ (51,620)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>						
Acquisition of Property and Equipment	\$ (50,212)	\$ (194,224)	\$ (147,805)	\$ -	\$ -	\$ (392,241)
Proceeds on Disposition of Property and Equipment	-	-	117,756	-	-	117,756
Capital Grant Proceeds	-	-	97,165	-	-	97,165
Retirement of Long-Term Debt	-	(101,848)	-	-	(18,274)	(120,122)
Interest Paid on Long-Term Debt	-	(26,341)	-	-	(18,987)	(45,328)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (50,212)	\$ (322,413)	\$ 67,116	\$ -	\$ (37,261)	\$ (342,770)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>						
Interest on Cash	\$ 54,729	\$ 5	\$ 6,515	\$ -	\$ 420	\$ 61,669
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ 54,729	\$ 5	\$ 6,515	\$ -	\$ 420	\$ 61,669
NET INCREASE IN CASH	\$ (115,428)	\$ 5	\$ 150,164	\$ (3,917)	\$ 850	\$ 31,674
CASH AND RESTRICTED CASH, July 1, 2019	5,328,782	527	584,540	3,967	41,877	5,959,693
CASH AND RESTRICTED CASH, June 30, 2020	\$ 5,213,354	\$ 532	\$ 734,704	\$ 50	\$ 42,727	\$ 5,991,367
DISPLAYED ON EXHIBIT E AS:						
Cash	\$ 4,567,689	\$ 532	\$ 280,671	\$ 50	\$ 3,105	\$ 4,852,047
Restricted Cash	645,665	-	454,033	-	39,622	\$ 1,139,320
TOTAL CASH AND RESTRICTED CASH	\$ 5,213,354	\$ 532	\$ 734,704	\$ 50	\$ 42,727	\$ 5,991,367
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>						
Operating Income (Loss)	\$ (471,170)	\$ 10,751	\$ (137,353)	\$ 26,298	\$ 12,405	\$ (559,069)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	452,512	372,840	258,740	20,555	25,286	1,129,933
Inventory	3,066	(290,481)	-	-	-	(287,415)
Unearned Revenue	-	(36,540)	(8,837)	-	-	(45,377)
Decrease in Prepaid Expense	(25,795)	(9,729)	(15,736)	(2,582)	-	(53,842)
Increase in Accounts Receivable	249,316	119,778	(5,232)	-	-	363,862
Decrease in Accounts Payable	(96,423)	(72,258)	(17,756)	1,006	-	(185,431)
Sales Tax Payable	(2,573)	1,652	-	-	-	(921)
Primacy Fees Payable	-	1	-	-	-	1
Increase in Accrued Expenses	13,610	5,642	2,782	-	-	22,034
Increase in Customer Deposits	(19,140)	-	(75)	(165)	-	(19,380)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 103,403	\$ 101,656	\$ 76,533	\$ 45,112	\$ 37,691	\$ 364,395



CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

The accounting methods and procedures adopted by the City of Malden conform to accounting principles generally accepted in the United States of America as applied to governmental entities. The following notes to the financial statements are an integral part of the City's general purpose financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Malden's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Financial Reporting Entity – Basis of Presentation:

The City of Malden operates under an elected Mayor/Council form of government. The City's major operations include public safety (police and fire), transportation, general administrative services, electric, water and sewer, airport, community center, and nutrition center.

Based on the criteria for inclusion as set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, there are component units, Malden Capital Improvement Corporation and the Malden Nutrition Center, Inc., included with the City of Malden. These component units are considered blended component units. These component units were incorporated exclusively for the benefit of the City. Although the City is not legally responsible for the debt of the Corporations, the Corporations' main sources of revenue are from lease payments received from the City. The Malden Capital Improvement Corporation has been included as a capital project fund. The Malden Nutrition Center Inc. has been included in the Malden Senior Citizens Nutrition Center. The financial statements for the component units are the responsibility of the City's management and can be obtained from them.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

B. Government-Wide Financial Statements:

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's public safety, municipal court, culture and recreation, transportation, and general administrative services are classified as governmental activities. The City's public works, airport, community center, and senior nutrition center are classified as business-type activities. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - invested in capital assets, net of related debt, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net costs of each of the City's functions and business-type activities (police, fire, municipal court, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, fire and municipal court, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants. The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

C. Fund Financial Statements:

The accounts of the City of Malden are organized on the basis of funds. The City has created several types of funds with at least one discrete fund within each fund type. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

The financial transactions of the City are reported in individual funds in the fund financial statements. The various funds are reported by generic classification within the financial statements. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. 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
- b. 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 following fund types are used by the City:

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.

Capital Project Funds – Capital Project Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities. The reporting entity includes the following Capital Project Fund, which is reported as a nonmajor fund:

<u>Fund</u>	<u>Description</u>
CIC Fund	Accounts for financial resources to be used for the acquisition or construction of major capital facilities by the Capital Improvement Corporation.

Special Revenue Funds – These funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes. The reporting entity includes the following special revenue fund which is reported as a major fund:

<u>Fund</u>	<u>Description</u>
Street Fund	Accounts for revenues received and expenditures paid for the maintenance and upkeep of local streets.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

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

<u>Fund</u>	<u>Description</u>
Park Fund	Accounts for revenues received and expenditures paid for recreational services provided by the Park and Recreation Board.
Cemetery Fund	Accounts for revenues received and expenditures paid for services provided by the Cemetery Department.
DED Fund	Accounts for revenues and expenditures paid for services provided by the Department of Economic Development.

Proprietary Funds

Enterprise Funds – 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>
Electric Fund	Accounts for the acquisition, operation, and maintenance of the City's electric utility facilities and services.
Water and Sewer Fund	Accounts for the acquisition, operation, and maintenance of the City's water and sanitary sewer utility facilities and services.
Airport Fund	Accounts for revenues and expenses derived primarily from a variety of rental activities associated with the airport and the industrial park.
Community Center Fund	Accounts for revenues and expenses for service provided for the citizens of the City associated with the Community Center.
Nutrition Center Fund	Accounts for revenues and expenses for meals provided by the nutrition center and thrift items sold to citizens.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

D. Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental fund can be spent. The classifications used in the governmental fund financial statement are as follows:

*Nonspendable* – The portion of fund balance that cannot be spent either because it is not in a spendable form or because it is legally or contractually required to remain intact.

*Restricted* – The portion of fund balance that has been set aside for a specific purpose by external parties.

*Committed* – The portion of fund balance that has been set aside for a specific purpose by the City's highest level of decision-making authority.

*Assigned* – The portion of fund balance that is intended to be used for a specific purpose. The intent to use a portion of the fund balance for a specific purpose may be expressed by either the city council or an official authorized by the city council.

*Unassigned* – The portion of the general fund balance that is available to be used for any purpose.

The details of the fund balances are included in the Fund Financial Statements – Balance Sheet – Governmental Funds (Exhibit C). Restricted fund balances are used first, as appropriate, followed by assigned resources, as appropriate opportunities arise. Assigned fund balances are reduced to the extent that expenditure authority has been budgeted or the assignment has been changed by the Board of Council Members. Decreases to fund balances first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Restricted Fund Balances are used in that order.

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
<u>FUND BALANCES:</u>				
Nonspendable:				
Prepaid Expenses	\$ 33,080	\$ 3,804	\$ 6,810	\$ 43,694
Spendable:				
Restricted	116,206	108,721	413,776	638,703
Unassigned	345,755	-	-	345,755
TOTAL FUND BALANCES	<u>\$ 495,041</u>	<u>\$ 112,525</u>	<u>\$ 420,586</u>	<u>\$ 1,028,152</u>

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

E. Basis of Accounting:

The government-wide statements and fund financial statements for proprietary funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when earned, including unbilled sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

All City funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes, intergovernmental revenues, and investment earnings are recorded when earned (when they are measurable and available). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, and other long-term obligations which are recognized when paid.

F. Equity Classification:

Equity reported in the Government Wide Statement of Net Position is classified as net position and displayed in three components:

*Invested in capital assets, net of related debt* – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any associated debt.

*Restricted net position* – consists of net position 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.

*Unrestricted net position* – consists of all other net position that does not meet the definition of *restricted* or *invested in capital assets, net of related debt*. The City applies restricted net position when a disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

G. Budgetary Data:

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the governmental and proprietary fund types, and the same basis of accounting is used to reflect actual revenues collected and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the departmental level or by projects. The budget was approved as required by state statute. All unencumbered budget appropriations, except capital budgets, lapse at the end of each fiscal year.

H. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives to determine depreciation expenses), accordingly, actual results could differ from those estimates.

I. Cash and Cash Equivalents:

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing certificates of deposit and disclosed as part of the City's cash. The City considers highly liquid debt instruments with a maturity of three months or less to be cash or cash equivalents.

J. Deferred Outflows of Resources:

The consumption of net position or fund balance in one period that is applicable to a future reporting period is recorded as a deferred outflow of resources. The City has deferred outflows of resources as of June 30, 2020, representative of the difference between projected and actual earnings on pension plan investments, the pension plan payments made subsequent to the pension plan measurement date of June 30, 2020. The balance as of June 30, 2020 was \$618,567.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

K. Deferred Inflows of Resources:

The acquisitions of assets which are applicable to a future reporting period are referred to as Deferred Inflow of Resources. Certain receipts of the City are applicable to services provided in future accounting periods and only become revenue upon the use of the service of commencement of contract. The deferred inflows realized by the City included the difference between expected and actual experience of the total pension liability. The balance as June 30, 2020 was \$85,186.

L. Receivables:

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

M. Inventories:

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost on a first-in first-out (FIFO) method and charged to operation and maintenance expense when used.

N. Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

O. Capital Assets and Depreciation:

Capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the governmental activities' column of the government-wide statement of net position. Capital assets used by proprietary funds are reported in both the business-type activities column of the government-wide statement of net position and in the individual proprietary funds.

The accounting and reporting treatment applies to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds.



CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

Infrastructure such as streets, traffic signals, and signs acquired after July 1, 2004 are capitalized. The valuation basis for capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund assets are the same as those used for other capital assets. Donated capital assets are capitalized at estimated fair value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and Leasehold Improvement	10-50 years
Furniture, Equipment, and Vehicles	3-20 years
Infrastructure	15-50 years

P. Revenues and Expenditures/Expenses:

Program Revenues

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

General Administration	City licenses and permits, municipal court fines, and bonds forfeited.
Public Safety	Fines and violations, fire calls, and police and fire reports.
Culture and Recreation	Grave opening/closing fees and recreation league fees.

Annual general revenues from fines and court costs due to traffic violations may not exceed 30% of total general operating revenues. Annual general operating revenues for 2020 totaled \$2,069,452, of this revenue \$52,217 was generated by fines and court costs from traffic violations. Fine and court cost revenue generated by traffic violations is within acceptable limits.

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

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

Operating Revenues and Expenses

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

Q. 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 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.
3. 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 inter-fund 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.

CITY OF MALDEN  
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NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

2. DEPOSITS AND INVESTMENTS:

The State of Missouri limits investments by cities to the kind and character set forth in the Revised Missouri Statutes. Deposits include all funds held in checking accounts, money market accounts, and cash on hand. Unrestricted investments include certificates of deposit with original maturities of greater than 3 months. Deposits and certificates of deposit are stated at cost which approximates market. Restricted investments include amounts held in trust as required by certain bond covenants.

Missouri statutes require that the depository institution must collateralize all funds on deposit in financial institutions with appropriate securities to the extent not covered by Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Missouri statutes, for the collateralization of state funds and held by either the city or a financial institution other than the depository bank.

Deposits in financial institutions, reported as components of cash and cash equivalents had a book balance of \$6,823,529 and a bank balance of \$6,183,527 at June 30, 2020. The entire bank balance was covered by federal depository insurance or collateralized by securities pledged by the City's agent in the City's name as of June 30, 2020. Of the bank balances, \$254,982 was covered by federal depository insurance, and \$5,928,545 was covered by collateral held in the City's name.

The City has adopted ordinance number 3149 that allows a maximum balance of \$160,000 in deposits and investments for the Perpetual Care Cemetery Fund.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a depository bank failure, the City will not be able to recover its deposits or recover collateral securities that are in an outside party's possession. The City does not have a deposit policy for custodial credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in 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 is not exposed to interest rate risk because all certificates of deposit are short term and approximate fair value. The City has not formally adopted a deposit and investment policy regarding interest rate risk.

Concentration of Credit Risk – The City's excess cash is invested in certificates of deposit which are short term and approximate fair value. Concentration of credit risk is not a factor and the City has not adopted a policy regarding this risk.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

3. RECEIVABLES:

Property taxes receivable and other receivables are shown at net on Exhibit A. The following table discloses gross receivables, allowance for uncollectible (those uncollected in sixty days) and net receivables at June 30, 2020:

	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>
Property Taxes Receivable			
General Fund	\$ 47,147	\$ -	\$ 47,147
Total Property Taxes Receivable, Net			<u>\$ 47,147</u>

The City records other types of receivables that are expected to be 100 percent collectible based on past experience. Therefore, an allowance for uncollectible accounts is not considered necessary for these other types of receivables.

4. PROPERTY TAXES:

The City is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of the levy year and are payable by December 31 of that year. 2020 taxes were levied on August 30, 2020, and were collected primarily in November and December 2020.

5. CAPITAL ASSETS:

Capital assets activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 37,989	\$ -	\$ -	\$ 37,989
Other Capital Assets Used for:				
General Government	1,341,672	-	-	1,341,672
Municipal Court	2,031	-	-	2,031
Public Safety	2,097,825	104,800	-	2,202,625
Culture and Recreation	192,381	6,640	-	199,021
Transportation	3,082,730	23,943	-	3,106,673
Total Assets at Historical Costs	\$ 6,754,628	\$ 135,383	\$ -	\$ 6,890,011
Less: Accumulated Depreciation	(3,181,109)	(336,561)	-	(3,517,670)
Capital Assets, Net	<u>\$ 3,573,519</u>	<u>\$ (201,178)</u>	<u>\$ -</u>	<u>\$ 3,372,341</u>

CITY OF MALDEN  
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NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

5. CAPITAL ASSETS - Continued:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 214,232	\$ -	\$ -	\$ 214,232
Construction in Progress	210,281	94,134	-	304,415
Other Capital Assets Used for:				
Electric	17,739,674	50,213	-	17,789,887
Water & Sewer	12,328,112	194,224	-	12,522,336
Airport	10,091,517	53,682	61,303	10,083,896
Community Center	513,647	-	-	513,647
Nutrition Center	1,172,888	-	-	1,172,888
Total Assets	\$ 42,270,351	\$ 392,253	\$ 61,303	\$ 42,601,301
Less: Accumulated Depreciation	(29,533,527)	(1,129,933)	(61,293)	(30,602,167)
Capital Assets, Net	<u>\$ 12,736,824</u>	<u>\$ (737,680)</u>	<u>\$ 10</u>	<u>\$ 11,999,134</u>

Depreciation was charged to functions as follows:

Governmental Activities	
General Government	\$ 38,409
Public Safety	71,837
Municipal Court	307
Culture and Recreation	9,737
Transportation	216,271
Total Depreciation Expense	<u>\$ 336,561</u>

Business-Type Activities:	
Electric	\$ 452,512
Water & Sewer	372,840
Airport	258,740
Community Center	20,555
Nutrition Center	25,286
Total Depreciation Expense	<u>\$ 1,129,933</u>

CITY OF MALDEN  
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NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

6. LONG-TERM DEBT:

Business-Type Long-Term Debt:

At June 30, 2020, the City had two business-type long-term debt issues outstanding.

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
USDA #1 Nutrition Center	\$ 467,332	\$ -	\$ 18,273	\$ 449,059
Sewer System Lease	923,753	-	101,849	821,904
	<u>\$ 1,391,085</u>	<u>\$ -</u>	<u>\$ 120,122</u>	<u>\$ 1,270,963</u>

On October 8, 2008, the Malden Nutrition Center, Inc. entered into an agreement for the construction of the Nutrition Center. Monthly principal and interest payments of \$3,105 are due on the first day of the month at 4.125 percent interest. Following are the annual cash flow requirements of bond principal and interest at June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 19,097	\$ 18,163	\$ 37,260
2022	19,900	17,360	37,260
2023	20,737	16,523	37,260
2024	21,608	15,652	37,260
2025	22,517	14,743	37,260
2026-2030	127,604	58,696	186,300
2031-2035	160,521	29,435	189,956
2036-2037	57,075	1,980	59,055
	<u>\$ 449,059</u>	<u>\$ 172,552</u>	<u>\$ 621,611</u>

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

6. LONG-TERM DEBT:

On September 20, 2012, the City entered into an agreement for the acquisition of a new wastewater treatment system. Principal and interest payment of \$10,683 is due on first of each month at 3.00 percent interest. Following are the annual cash flow requirements of bond principal and interest at June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 104,975	\$ 23,215	\$ 128,190
2022	108,167	20,023	128,190
2023	111,457	16,733	128,190
2024	114,847	13,343	128,190
2025	118,341	9,849	128,190
2026-2028	264,117	8,832	272,949
	<u>\$ 821,904</u>	<u>\$ 91,995</u>	<u>\$ 913,899</u>

The total interest incurred for business-type long-term debt for the year ended June 30, 2020 was \$45,328.

Governmental-Type Long-Term Debt:

At June 30, 2020, the City had four governmental-type long-term debt issues outstanding.

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
USDA #2 Police Station	\$ 363,235	\$ -	\$ 17,345	\$ 345,890
USDA #3 Police Station	195,924	-	9,765	186,159
Street Improvement Fund	1,709,092	-	198,475	1,510,617
Fire Truck Lease	29,186	-	29,186	-
Police Vehicles	60,120	-	20,562	39,558
	<u>\$ 2,357,557</u>	<u>\$ -</u>	<u>\$ 275,333</u>	<u>\$ 2,082,224</u>

On March 27, 2017, the City entered into a loan for a transportation renovation project. 120 principal and interest payments of \$21,113 are due on the 20th of each month at 3.40 percent interest. Following are the annual cash flow requirements of bond principal and interest at June 30, 2020:

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

6. LONG-TERM DEBT - Continued:

Street Improvement Fund			
Year Ending June 30,	Principal	Interest	Total
2021	\$ 200,996	\$ 52,357	\$ 253,353
2022	208,248	45,105	253,353
2023	215,763	37,590	253,353
2024	223,548	29,805	253,353
2025	231,615	21,738	253,353
2026-2027	430,447	17,932	448,379
	<u>\$ 1,510,617</u>	<u>\$ 204,527</u>	<u>\$ 1,715,144</u>

On February 8, 2006, the City entered into an agreement for the construction of the police station. Monthly principal and interest payments of \$2,667 are due on the first day of the month at 4.125 percent interest. Malden Capital Corporations, Inc. entered into the agreement with the United States Department of Agriculture. Following are the annual cash flow requirements of bond principal and interest at June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 18,076	\$ 13,928	\$ 32,004
2022	18,835	13,169	32,004
2023	19,627	12,377	32,004
2024	20,452	11,552	32,004
2025	21,312	10,692	32,004
2026-2030	120,778	39,242	160,020
2031-2035	126,810	11,889	138,699
	<u>\$ 345,890</u>	<u>\$ 112,849</u>	<u>\$ 458,739</u>



CITY OF MALDEN  
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NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

6. LONG-TERM DEBT - Continued:

On November 19, 2018 the City entered into a loan for the acquisition of three police vehicles that matures on August 25, 2021. Principal and interest payments of \$21,256.27 are due on annually on August 25 at 3.5 percent interest. Following are the annual cash flow requirements of bond principal and interest at June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 19,820	\$ 1,436	\$ 21,256
2022	19,738	728	20,466
	<u>\$ 39,558</u>	<u>\$ 2,164</u>	<u>\$ 41,722</u>

On February 8, 2006, the City entered into an agreement for the construction of the police station. Monthly principal and interest payments of \$1,492 are due on the first day of the month at 4.25 percent interest. Following are the annual cash flow requirements of bond principal and interest at June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 10,189	\$ 7,715	\$ 17,904
2022	10,631	7,273	17,904
2023	11,092	6,812	17,904
2024	11,572	6,332	17,904
2025	12,074	5,830	17,904
2026-2030	68,787	20,833	89,620
2031-2035	61,814	5,258	67,072
	<u>\$ 186,159</u>	<u>\$ 60,053</u>	<u>\$ 246,212</u>

On April 23, 2013, the City entered into a loan agreement for the acquisition of a fire truck. Seven principal and interest payments of \$30,644 are due on April 23 at 3.00 percent interest. This loan was paid in full on April 17, 2020.

The total interest incurred for governmental-type long-term debt for the year ended June 30, 2020 was \$79,946.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

7. INTERFUND TRANSACTIONS:

A. Transfers:

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis.

The following is a summary of the interfund transfers:

	Transferred Out	Transferred In
General Fund	\$ 60,836	\$ -
Street Fund	-	47,119
Cemetery Fund	-	1,885
Electric Fund	-	440
Water & Sewer Fund	440	-
Community Center Fund	-	11,832
	<u>\$ 61,276</u>	<u>\$ 61,276</u>

8. RISK OF LOSS:

The City is exposed to risks of loss through their property ownership, employee injury, and liability of employees and elected officials' actions. The City purchases commercial insurance policies to overcome the risk of loss due to property ownership. There have been no significant reductions in insurance coverage from the prior years. The other risks are overcome by the City's participation in insurance pools. These pools provide coverage like commercial companies, but can require additional payments if claims exceed premiums. No contingency has been established since these payments cannot be estimated, and none were required in the fiscal year ended June 30, 2020.

9. CONTINGENT LIABILITIES:

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

10. PENSION PLAN – LAGERS:

**General Information about the Pension Plan**

**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 refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Pension Plan**

**Plan description.** The City of Malden's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Malden participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly.

The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

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

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

10. PENSION PLAN – LAGERS - Continued:

	<u>2020 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 Years
Member Contributions:	4%

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

***Employees covered by benefit terms.*** At June 30, 2020, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Inactive employees or beneficiaries currently receiving benefits	44	14	2
Inactive employees entitled to but not yet receiving benefits	6	19	3
Active employees	33	16	4
	<u>83</u>	<u>49</u>	<u>9</u>

***Contributions.*** The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 13.4% (General), 2.8% (Police) and 1.0% (Fire) of annual covered payroll.

***Net Pension Liability.*** The employer's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2020.

CITY OF MALDEN  
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NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

10. PENSION PLAN – LAGERS - Continued:

**Actuarial assumptions.** The total pension liability in the February 29, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the February 29, 2020 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alpha Investments	15.00%	3.67%
Equity Investments	35.00%	4.78%
Fixed Income Investments	31.00%	1.41%
Real Asset/Return Investments	36.00%	3.29%
Strategic Investments	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

10. PENSION PLAN – LAGERS - Continued:

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

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
<b>General</b>			
<b>Balances at 6/30/2019</b>			
<b>Changes for the year:</b>			
Service Cost	180,912	-	180,912
Interest	654,717	-	654,717
Difference between expected and actual experience	95,435	-	95,435
Contributions - employer	-	178,455	(178,455)
Contributions - employee	-	62,616	(62,616)
Net investment income	-	114,823	(114,823)
Benefit payments, including refunds	(518,037)	(518,037)	-
Administrative expense	-	(10,617)	10,617
Other changes	-	11,388	(11,388)
<b>Net changes</b>	<b>413,027</b>	<b>(161,372)</b>	<b>574,399</b>
<b>Balances at 6/30/2020</b>	<b>\$ 9,609,225</b>	<b>\$ 9,089,308</b>	<b>\$ 519,917</b>

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
<b>Police</b>			
<b>Balances at 6/30/2019</b>			
<b>Changes for the year:</b>			
Service Cost	70,581	-	70,581
Interest	129,711	-	129,711
Difference between expected and actual experience	(73,069)	-	(73,069)
Contributions - employer	-	7,930	(7,930)
Contributions - employee	-	21,146	(21,146)
Net investment income	-	29,784	(29,784)
Benefit payments, including refunds	(85,814)	(85,814)	-
Administrative expense	-	(4,571)	4,571
Other changes	-	(79,177)	79,177
<b>Net changes</b>	<b>41,409</b>	<b>(110,702)</b>	<b>152,111</b>
<b>Balances at 6/30/2020</b>	<b>\$ 1,838,010</b>	<b>\$ 2,324,847</b>	<b>\$ (486,837)</b>

CITY OF MALDEN  
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NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

10. PENSION PLAN – LAGERS - Continued:

	<u>Fire</u>		
	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at 6/30/2019</b>	<u>\$ 870,339</u>	<u>\$ 1,742,787</u>	<u>\$ (872,448)</u>
<b>Changes for the year:</b>			
Service Cost	24,225	-	24,225
Interest	61,553	-	61,553
Difference between expected and actual experience	84,074	-	84,074
Contributions - employer	-	1,593	(1,593)
Contributions - employee	-	6,371	(6,371)
Net investment income	-	25,970	(25,970)
Benefit payments, including refunds	(67,659)	(67,659)	-
Administrative expense	-	(806)	806
Other changes	-	64,473	(64,473)
<b>Net changes</b>	<u>102,193</u>	<u>29,942</u>	<u>72,251</u>
<b>Balances at 6/30/2020</b>	<u><u>\$ 972,532</u></u>	<u><u>\$ 1,772,729</u></u>	<u><u>\$ (800,197)</u></u>

***Sensitivity of the net pension liability to changes in the discount rate.*** The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25% for General, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	<u>General</u>		
	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	<u>\$ 10,863,981</u>	<u>\$ 9,609,225</u>	<u>\$ 8,560,523</u>
Plan Fiduciary Net Position	<u>9,089,308</u>	<u>9,089,308</u>	<u>9,089,308</u>
Net Pension Liability/(Asset) (NPL)	<u><u>\$ 1,774,673</u></u>	<u><u>\$ 519,917</u></u>	<u><u>\$ (528,785)</u></u>

***Sensitivity of the net pension liability to changes in the discount rate.*** The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25% for Police and Fire, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

10. PENSION PLAN – LAGERS - Continued:

**Police**

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$ 2,149,886	\$ 1,838,010	\$ 1,589,054
Plan Fiduciary Net Position	2,324,847	2,324,847	2,324,847
Net Pension Liability/(Asset) (NPL)	<u>\$ (174,961)</u>	<u>\$ (486,837)</u>	<u>\$ (735,793)</u>

**Fire**

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$ 1,115,693	\$ 972,532	\$ 854,935
Plan Fiduciary Net Position	1,772,729	1,772,729	1,772,729
Net Pension Liability/(Asset) (NPL)	<u>\$ (657,036)</u>	<u>\$ (800,197)</u>	<u>\$ (917,794)</u>

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

For the year ended June 30, 2020 the employer recognized pension expense of \$176,630 for General, \$104,418 for Police, and \$(83,355) for Fire. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

**General**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Outflows of Resources</b>
Differences in experience	\$ 93,462	\$ (118,431)	\$ (24,969)
Differences in assumptions	10,382	-	10,382
Excess (deficit) investment returns	237,865	(158,053)	79,812
Contributions subsequent to the measurement date*	-	-	-
Total	<u>\$ 341,709</u>	<u>\$ (276,484)</u>	<u>\$ 65,225</u>



CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

10. PENSION PLAN – LAGERS - Continued:

	<u>Police</u>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Outflows of Resources</b>
Differences in experience	\$ 24,406	\$ (33,287)	\$ (8,881)
Differences in assumptions	-	-	-
Excess (deficit) investment returns	60,852	(38,873)	21,979
Contributions subsequent to the measurement date*	-	-	-
Total	<u>\$ 85,258</u>	<u>\$ (72,160)</u>	<u>\$ 13,098</u>

  

	<u>Fire</u>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Outflows of Resources</b>
Differences in experience	\$ 17,256	\$ (6,091)	\$ 11,165
Differences in assumptions	-	-	-
Excess (deficit) investment returns	43,348	(27,114)	16,234
Contributions subsequent to the measurement date*	-	-	-
Total	<u>\$ 60,604</u>	<u>\$ (33,205)</u>	<u>\$ 27,399</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2020.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

10. PENSION PLAN – LAGERS - Continued:

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

General	
Year Ending June 30,	Net Deferred Outflows of Resources
2021	\$ 32,562
2022	112,726
2023	165,264
2024	109,202
2025	-
Thereafter	-
<b>Total</b>	<b>\$ 419,754</b>

Police	
Year Ending June 30,	Net Deferred Outflows of Resources
2021	\$ (29,716)
2022	(11,124)
2023	20,999
2024	28,358
2025	-
Thereafter	-
<b>Total</b>	<b>\$ 8,517</b>

Fire	
Year Ending June 30,	Net Deferred Outflows of Resources
2020	\$ 9,205
2021	21,565
2022	39,186
2023	35,154
2024	-
Thereafter	-
<b>Total</b>	<b>\$ 105,110</b>

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

10. PENSION PLAN – LAGERS - Continued:

**Payable to the Pension Plan**

At June 30, 2020, the City of Malden reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

11. CHAPTER 67 RSMO (BUDGET STATUTE):

Chapter 67 RSMo requires that each political subdivision of the state adopt an annual budget itemized by fund. It further prohibits the budgeted expenditures and transfers out of public monies to exceed the estimated revenues, transfers-in, and beginning balances for the funds.

For the year ended June 30, 2020, the City's budgeted expenditures did not exceeded estimated revenues, transfers-in and beginning fund balance for an fund

For the year ended June 30, 2019, the City's actual expenditures exceeded budgeted expenditures by \$231,928 for the General Fund and by \$312,894 for the Street Fund.

12. **INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:**

Balances at June 30, 2020 of interfund receivables and payables were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Electric Utility Fund	Water & Sewer Utility Fund	496,717
General Fund	Economic Dev Fund	379
General Fund	Water & Sewer Utility Fund	1,346
Street Fund	Water & Sewer Utility Fund	432
		<u>498,874</u>

Interfund receivables resulted from the time between the receipt of good and the provision of services and the related reimbursement as a part of normal business operations. All balances are expected to be repaid within one year.

CITY OF MALDEN  
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NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

13. RESTRICTED ASSETS:

The Malden Capital Improvement Corporation was indebted for a loan insured through the United States Department of Agriculture. Funds are placed in a Debt Reserve Maintenance Account and shall be used for the purpose of paying the principal and interest on the indebtedness if the monies in the General Account are insufficient to pay the same as such principal and interest become due.

At June 30, 2020, restricted assets in the Debt Reserve Account include \$70,234.

At June 30, 2020, restricted assets include \$454,033 of money held by the City of Malden Airport. The restrictions are due to the provision of grant agreements agreed to when receiving Federal grant money to help pay for the various projects of the City's Airport.

At June 30, 2020, restricted assets include \$39,622 of restricted funds held by the Senior Nutrition Center.

At June 30, 2020, restricted assets include \$145,665 of restricted funds held by the Board of Public Works for purposes of residents' meter deposits payable balance.

At June 30, 2020, restricted assets include \$500,000 of restricted funds held by the Board of Public Works for purposes of paying out incentives for potential new business who want to purchase and develop land owned by the Department of Economic Development (DED). Once a company is interested in purchasing land from the DED, the Board of Public works would use these set aside monies to loan DED funds to improve property for the potential buyer.

At June 30, 2020, restricted assets include \$116,206 of restricted funds held by the General Fund.

At June 30, 2020, restricted assets include \$105,546 of money held by the City of Malden Street Project Fund account that is reserved to service the Street Project the city started in early 2017.

At June 30, 2020, restricted assets include \$1,300,498 of the net pension asset resulting from the City's implementation of GASB 68.

14. SUBSEQUENT EVENTS:

A non-recognized subsequent event occurred in late 2019 related to the COVID-19 outbreak that was declared a public health emergency by the World Health Organization on January 30, 2020. As a result, economic uncertainties have arisen affecting the community as a whole. This produced a significant decline in revenues and expenditures within the city. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

CITY OF MALDEN  
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

15. PRIOR PERIOD ADJUSTMENTS:

Certain prior period adjustments had to be made due to incorrect beginning balances for fixed assets and notes payable. Also, lagers information was removed from proprietary funds' statement of net position and combined to be reported on the governmental-wide statement of net position for governmental activities. These adjustments were necessary to conform to current years financial reporting.

CITY OF MALDEN  
Malden, Missouri

EXHIBIT H

GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Taxes	\$ 426,326	\$ 450,000	\$ 458,356	\$ 8,356
Intergovernmental	24,832	2,000	21,578	19,578
Charges for Services	136,295	171,200	160,928	(10,272)
Interest Income	4,733	3,000	5,873	2,873
Miscellaneous	10,382	100	13,703	13,603
TOTAL REVENUES	<u>\$ 602,568</u>	<u>\$ 626,300</u>	<u>\$ 660,438</u>	<u>\$ 34,138</u>
<u>EXPENDITURES:</u>				
General Administration	\$ 125,753	\$ 123,644	\$ 194,725	\$ (71,081)
Department of Public Safety	386,125	327,282	383,280	(55,998)
Street Department	288,954	304,500	287,545	16,955
Municipal Court	-	37,677	31,092	6,585
TOTAL EXPENDITURES	<u>\$ 800,832</u>	<u>\$ 793,103</u>	<u>\$ 896,642</u>	<u>\$ (103,539)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (198,264)</u>	<u>\$ (166,803)</u>	<u>\$ (236,204)</u>	<u>\$ (69,401)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from Sale of Assets	\$ -	\$ -	\$ 15,384	\$ 15,384
Operating Transfers In (Out)	(31,565)	-	(30,600)	(30,600)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (31,565)</u>	<u>\$ -</u>	<u>\$ (15,216)</u>	<u>\$ (15,216)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES AND (USES) OVER EXPENDITURES	<u>\$ (229,829)</u>	<u>\$ (166,803)</u>	<u>\$ (251,420)</u>	<u>\$ (84,617)</u>
FUND BALANCES, June 30, 2018			<u>(139,315)</u>	
FUND BALANCES, June 30, 2019			<u>\$ (390,735)</u>	

The accompanying notes to the financial statements  
are an integral part of this statement.

CITY OF MALDEN  
Malden, Missouri

EXHIBIT I

STREET FUND – STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Taxes	\$ 453,343	\$ 153,300	\$ 469,304	\$ 316,004
Intergovernmental	38,029	-	15,184	15,184
Interest Income	2,747	-	858	858
Miscellaneous	23,805	18,900	51,239	32,339
TOTAL REVENUES	<u>\$ 517,924</u>	<u>\$ 172,200</u>	<u>\$ 536,585</u>	<u>\$ 364,385</u>
<u>EXPENDITURES:</u>				
Transportation	<u>\$ 907,157</u>	<u>\$ 185,254</u>	<u>\$ 498,148</u>	<u>\$ (312,894)</u>
TOTAL EXPENDITURES	<u>\$ 907,157</u>	<u>\$ 185,254</u>	<u>\$ 498,148</u>	<u>\$ (312,894)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (389,233)</u>	<u>\$ (13,054)</u>	<u>\$ 38,437</u>	<u>\$ 51,491</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	<u>\$ 48,255</u>	<u>\$ -</u>	<u>\$ 47,119</u>	<u>\$ 47,119</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 48,255</u>	<u>\$ -</u>	<u>\$ 47,119</u>	<u>\$ 47,119</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES AND (USES) OVER EXPENDITURES	<u>\$ (340,978)</u>	<u>\$ (13,054)</u>	<u>\$ 85,556</u>	<u>\$ 98,610</u>
FUND BALANCES, June 30, 2019			<u>26,969</u>	
FUND BALANCES, June 30, 2020			<u>\$ 112,525</u>	

The accompanying notes to the financial statements  
are an integral part of this statement.

CITY OF MALDEN  
Malden, Missouri

EXHIBIT J

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RATIOS – GENERAL FUND

June 30, 2020

	2020	2019	2018	2017	2016	2015
<b><u>TOTAL PENSION LIABILITY:</u></b>						
Service Cost	\$ 180,912	\$ 184,561	\$ 180,947	\$ 177,602	\$ 171,702	\$ 172,273
Interest on the Total Pension Liability	654,717	615,454	594,172	605,310	566,525	554,906
Difference between expected and actual experience	95,435	250,141	50,119	(472,148)	(220,394)	(216,521)
Assumption Changes	-	-	-	-	374,606	-
Benefit Payments and Refunds	(518,037)	(495,954)	(569,682)	(365,966)	(354,959)	(345,438)
NET CHANGE IN TOTAL PENSION LIABILITY	\$ 413,027	\$ 554,202	\$ 255,556	\$ (55,202)	\$ 537,480	\$ 165,220
TOTAL PENSION LIABILITY, July 1, 2019	9,196,198	8,641,996	8,386,440	8,441,642	7,904,162	7,738,942
TOTAL PENSION LIABILITY, June 30, 2020 (a)	<u>\$ 9,609,225</u>	<u>\$ 9,196,198</u>	<u>\$ 8,641,996</u>	<u>\$ 8,386,440</u>	<u>\$ 8,441,642</u>	<u>\$ 7,904,162</u>
<b><u>PLAN FIDUCIARY NET POSITION:</u></b>						
Contributions-employer	\$ 178,455	\$ 165,540	\$ 185,960	\$ 156,922	\$ 141,744	\$ 127,044
Contributions-employee	62,616	63,669	65,249	60,355	60,304	60,497
Pension Plan Net Investment income	114,823	581,735	1,031,572	890,686	(23,040)	154,753
Benefit Payments and Refunds	(518,037)	(495,954)	(569,682)	(365,966)	(354,959)	(345,438)
Pension Plan Administrative expense	(10,617)	(9,532)	(6,828)	(6,742)	(6,643)	(7,269)
Other	11,388	80,063	(141,514)	(105,769)	(69,872)	(107,246)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	\$ (161,372)	\$ 385,521	\$ 564,757	\$ 629,486	\$ (252,466)	\$ (117,659)
PLAN FIDUCIARY NET POSITION, July 1, 2019	9,250,680	8,865,159	8,300,402	7,670,916	7,923,382	8,041,041
PLAN FIDUCIARY NET POSITION, June 30, 2020 (b)	<u>\$ 9,089,308</u>	<u>\$ 9,250,680</u>	<u>\$ 8,865,159</u>	<u>\$ 8,300,402</u>	<u>\$ 7,670,916</u>	<u>\$ 7,923,382</u>
EMPLOYER NET POSITION LIABILITY (a) - (b)	<u>\$ 519,917</u>	<u>\$ (54,482)</u>	<u>\$ (223,163)</u>	<u>\$ 86,038</u>	<u>\$ 770,726</u>	<u>\$ (19,220)</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	94.59%	100.59%	102.58%	98.97%	90.87%	100.24%
COVERED EMPLOYEE PAYROLL	\$ 1,555,045	\$ 1,524,433	\$ 1,579,125	\$ 1,520,125	\$ 1,505,224	\$ 1,433,890
EMPLOYER'S NET POSITION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	33.43%	(3.57)%	(14.13)%	5.66%	51.20%	(1.34)%

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

The accompanying notes to the financial statements  
are an integral part of this statement.



CITY OF MALDEN  
Malden, Missouri

EXHIBIT K

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RATIOS – POLICE FUND

June 30, 2020

	2020	2019	2018	2017	2016	2015
<b><u>TOTAL PENSION LIABILITY:</u></b>						
Service Cost	\$ 70,581	\$ 64,393	\$ 52,143	\$ 54,321	\$ 55,063	\$ 52,548
Interest on the Total Pension Liability	129,711	123,186	111,257	110,167	97,950	108,348
Difference between expected and actual experience	(73,069)	(6,673)	89,594	(63,765)	38,370	(221,123)
Assumption Changes	-	-	-	-	56,608	-
Benefit Payments and Refunds	(85,814)	(101,786)	(87,432)	(81,896)	(76,427)	(92,170)
NET CHANGE IN TOTAL PENSION LIABILITY	\$ 41,409	\$ 79,120	\$ 165,562	\$ 18,827	\$ 171,564	\$ (152,397)
TOTAL PENSION LIABILITY, July 1, 2019	1,796,601	1,717,481	1,551,919	1,533,092	1,361,528	1,513,925
TOTAL PENSION LIABILITY, June 30, 2020 (a)	<u>\$ 1,838,010</u>	<u>\$ 1,796,601</u>	<u>\$ 1,717,481</u>	<u>\$ 1,551,919</u>	<u>\$ 1,533,092</u>	<u>\$ 1,361,528</u>
<b><u>PLAN FIDUCIARY NET POSITION:</u></b>						
Contributions-employer	\$ 7,930	\$ 4,071	\$ 3,728	\$ 1,185	\$ 5,292	\$ 17,113
Contributions-employee	21,146	20,357	18,639	15,795	18,931	17,552
Pension Plan Net Investment income	29,784	149,537	259,238	226,017	(2,943)	37,341
Benefit Payments and Refunds	(85,814)	(101,786)	(87,432)	(81,896)	(76,427)	(92,170)
Pension Plan Administrative expense	(4,571)	(3,984)	(2,988)	(2,613)	(2,523)	(2,889)
Other	(79,177)	45,082	10,212	18,436	32,005	(152,539)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	\$ (110,702)	\$ 113,277	\$ 201,397	\$ 176,924	\$ (25,665)	\$ (175,592)
PLAN FIDUCIARY NET POSITION, July 1, 2019	2,435,549	2,322,272	2,120,875	1,943,951	1,969,616	2,145,208
PLAN FIDUCIARY NET POSITION, June 30, 2020 (b)	<u>\$ 2,324,847</u>	<u>\$ 2,435,549</u>	<u>\$ 2,322,272</u>	<u>\$ 2,120,875</u>	<u>\$ 1,943,951</u>	<u>\$ 1,969,616</u>
EMPLOYER NET POSITION LIABILITY (a) - (b)	<u>\$ (486,837)</u>	<u>\$ (638,948)</u>	<u>\$ (604,791)</u>	<u>\$ (568,956)</u>	<u>\$ (410,859)</u>	<u>\$ (608,088)</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	126.49%	135.56%	135.21%	136.66%	126.80%	144.66%
COVERED EMPLOYEE PAYROLL	\$ 556,584	\$ 506,639	\$ 466,301	\$ 351,312	\$ 464,264	\$ 443,882
EMPLOYER'S NET POSITION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	(87.47)%	(126.12)%	(129.70)%	(161.95)%	(88.50)%	(136.99)%

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

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are an integral part of this statement.

CITY OF MALDEN  
Malden, Missouri

EXHIBIT L

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RATIOS – FIRE FUND

June 30, 2020

	2020	2019	2018	2017	2016	2015
<u>TOTAL PENSION LIABILITY:</u>						
Service Cost	\$ 24,225	\$ 22,880	\$ 22,715	\$ 19,620	\$ 18,229	\$ 17,636
Interest on the Total Pension Liability	61,553	58,753	55,512	52,180	55,434	53,058
Difference between expected and actual experience	84,074	(1,305)	(15,863)	(9,977)	(118,315)	(18,391)
Assumption Changes	-	-	-	-	16,462	-
Benefit Payments and Refunds	(67,659)	(17,963)	(17,513)	(17,260)	(17,486)	(22,096)
NET CHANGE IN TOTAL PENSION LIABILITY	\$ 102,193	\$ 62,365	\$ 44,851	\$ 44,563	\$ (45,676)	\$ 30,207
TOTAL PENSION LIABILITY, July 1, 2019	870,339	807,974	763,123	718,560	764,236	734,029
TOTAL PENSION LIABILITY, June 30, 2020 (a)	<u>\$ 972,532</u>	<u>\$ 870,339</u>	<u>\$ 807,974</u>	<u>\$ 763,123</u>	<u>\$ 718,560</u>	<u>\$ 764,236</u>
<u>PLAN FIDUCIARY NET POSITION:</u>						
Contributions-employer	\$ 1,593	\$ 1,579	\$ 1,448	\$ 432	\$ 360	\$ 404
Contributions-employee	6,371	6,317	5,792	5,754	4,803	5,385
Pension Plan Net Investment income	25,970	107,212	180,314	157,626	(4,060)	26,983
Benefit Payments and Refunds	(67,659)	(17,963)	(17,513)	(17,260)	(17,486)	(22,096)
Pension Plan Administrative expense	(806)	(725)	(512)	(506)	(505)	(466)
Other	64,473	1,789	222	2,779	(96,410)	32,654
NET CHANGE IN PLAN FIDUCIARY NET POSITION	\$ 29,942	\$ 98,209	\$ 169,751	\$ 148,825	\$ (113,298)	\$ 42,864
PLAN FIDUCIARY NET POSITION, July 1, 2019	1,742,787	1,644,578	1,474,827	1,326,002	1,439,300	1,396,436
PLAN FIDUCIARY NET POSITION, June 30, 2020 (b)	<u>\$ 1,772,729</u>	<u>\$ 1,742,787</u>	<u>\$ 1,644,578</u>	<u>\$ 1,474,827</u>	<u>\$ 1,326,002</u>	<u>\$ 1,439,300</u>
EMPLOYER NET POSITION LIABILITY (a) - (b)	<u>\$ (800,197)</u>	<u>\$ (872,448)</u>	<u>\$ (836,604)</u>	<u>\$ (711,704)</u>	<u>\$ (607,442)</u>	<u>\$ (675,064)</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	182.28%	200.24%	203.54%	193.26%	184.54%	188.33%
COVERED EMPLOYEE PAYROLL	\$ 165,304	\$ 148,880	\$ 144,393	\$ 144,106	\$ 114,768	\$ 114,557
EMPLOYER'S NET POSITION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	(484.08)%	(586.01)%	(579.39)%	(493.88)%	(529.28)%	(589.28)%

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

The accompanying notes to the financial statements  
are an integral part of this statement.

CITY OF MALDEN  
Malden, Missouri

EXHIBIT M

SCHEDULE OF CONTRIBUTIONS

June 30, 2020

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
6/30/2020	\$ 198,936	\$ 187,978	\$ 10,958	\$ 2,253,323	8.34%
6/30/2019	171,191	171,191	-	2,258,580	7.58%
6/30/2018	199,791	191,135	8,156	2,241,975	8.53%
6/30/2017	169,101	158,539	10,562	2,047,600	7.74%
6/30/2016	186,812	147,535	39,277	2,100,938	7.02%
6/30/2015	216,871	144,422	72,449	2,085,840	6.92%
6/30/2014	206,254	120,379	85,875	1,995,765	6.03%
6/30/2013	189,249	102,928	86,322	2,053,878	5.01%
6/30/2012	168,033	81,918	86,115	1,913,206	4.28%
6/30/2011	168,689	71,960	96,729	2,008,303	3.58%

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are an integral part of this statement.

CITY OF MALDEN  
Malden, Missouri

EXHIBIT N

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/ (ASSET)  
AND RELATED RATIOS

June 30, 2020

<i>Fiscal year ending June 30,</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service Cost	\$ 275,718	\$ 271,834	\$ 255,805	\$ 251,543	\$ 244,994	\$ 242,457
Interest on the Total Pension Liability	845,981	797,393	760,941	767,657	719,909	716,312
Difference between Expected and Actual Experience	(205,516)	242,163	123,850	(545,890)	(300,339)	(456,035)
Assumption Changes	-	-	-	-	447,676	-
Benefit Payments	<u>(671,510)</u>	<u>(615,703)</u>	<u>(674,627)</u>	<u>(465,122)</u>	<u>448,872</u>	<u>459,704</u>
Net Change in Total Pension Liability	\$ 244,673	\$ 695,687	\$ 465,969	\$ 8,188	\$ 1,561,112	\$ 962,438
Total Pension Liability Beginning	<u>10,123,206</u>	<u>11,167,451</u>	<u>10,701,482</u>	<u>10,693,294</u>	<u>10,029,926</u>	<u>9,986,896</u>
Total Pension Liability Ending	<u>\$ 10,238,222</u>	<u>\$ 11,863,138</u>	<u>\$ 11,167,451</u>	<u>\$ 10,701,482</u>	<u>\$ 10,693,294</u>	<u>\$ 10,029,926</u>
Plan Fiduciary Net Pension						
Contributions-Employer	\$ 187,978	\$ 171,190	\$ 191,136	\$ 158,539	\$ 147,396	\$ 144,561
Contributions-Employee	90,133	90,343	89,680	81,904	84,038	83,434
Pension Plan Net Investment Income	170,577	838,484	1,471,124	1,274,329	(30,043)	219,077
Benefit Payments	(671,510)	(615,703)	(674,627)	(465,122)	448,872	459,704
Pension Plan Administrative Expense	(15,994)	(14,241)	(10,328)	(9,861)	9,671	10,624
Other	<u>(3,314)</u>	<u>126,934</u>	<u>(131,080)</u>	<u>(84,554)</u>	<u>(134,277)</u>	<u>(227,131)</u>
Net Change in Plan Fiduciary Net Position	\$ (242,130)	\$ 597,007	\$ 935,905	\$ 955,235	\$ 525,657	\$ 690,269
Plan Fiduciary Net Position Beginning	<u>13,429,016</u>	<u>12,832,009</u>	<u>11,896,104</u>	<u>10,940,869</u>	<u>11,332,298</u>	<u>11,582,685</u>
Plan Fiduciary Net Position Ending	<u>\$ 12,020,958</u>	<u>\$ 13,429,016</u>	<u>\$ 12,832,009</u>	<u>\$ 11,896,104</u>	<u>\$ 10,940,896</u>	<u>\$ 11,332,298</u>
Employer Net Pension Liability (Asset)	(1,782,736)	(1,565,878)	(1,664,558)	(1,194,622)	(247,602)	(1,302,372)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	117.41%	113.20%	114.91%	111.16%	102.32%	112.98%
Covered Employee Payroll	\$ 2,155,778	\$ 2,179,592	\$ 2,189,819	\$ 2,015,543	\$ 2,084,256	\$ 1,992,329
Employer's Net Pension Liability as a Percentage of Covered Employee Payroll	-82.70%	-71.84%	-76.01%	-59.27%	-11.88%	-65.37%

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

The accompanying notes to the financial statements  
are an integral part of this statement.

CITY OF MALDEN  
Malden, Missouri

SCHEDULE 1

COMBINING BALANCE SHEET –  
OTHER GOVERNMENTAL FUNDS

June 30, 2020

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Park Fund</u>	<u>Cemetery Fund</u>	<u>DED Fund</u>	<u>CIC Fund</u>	
<u>ASSETS:</u>					
Cash	\$ 44,630	36,149	\$ 116,510	\$ 18,938	\$ 216,227
Restricted Cash	-	-	-	70,234	70,234
Cash in Bank - CDs	-	125,852	-	-	125,852
Accounts Receivable, Net	16,948	-	-	1,585	18,533
Prepaid Expenses	5,104	496	-	1,210	6,810
 TOTAL ASSETS	 \$ 66,682	 \$ 162,497	 \$ 116,510	 \$ 91,967	 \$ 437,656
 <u>LIABILITIES AND FUND BALANCES:</u>					
<u>CURRENT LIABILITIES:</u>					
Accounts Payable	\$ 6,089	\$ 3,004	\$ -	\$ -	\$ 9,093
Accrued Salaries and Benefits	6,275	973	-	-	7,248
Security Deposits	350	-	-	-	350
Due to Other Funds	-	-	379	-	379
 TOTAL LIABILITIES	 \$ 12,714	 \$ 3,977	 \$ 379	 \$ -	 \$ 17,070
 FUND BALANCES	 \$ 53,968	 \$ 158,520	 \$ 116,131	 \$ 91,967	 \$ 420,586
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 66,682	 \$ 162,497	 \$ 116,510	 \$ 91,967	 \$ 437,656

The accompanying notes to the financial statements  
are an integral part of this statement.

CITY OF MALDEN  
Malden, Missouri

SCHEDULE 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

	Park Fund	Cemetery Fund	DED Fund	CIC Fund	Total Other Governmental Funds
<u>REVENUES:</u>					
Taxes	\$ 150,834	\$ -	\$ -	\$ -	\$ 150,834
Charges for Services	24,536	52,126	-	60,000	136,662
Interest Income	645	3,319	1,186	835	5,985
Miscellaneous Revenues	1,637	-	2,034	-	3,671
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	\$ 177,652	\$ 55,445	\$ 3,220	\$ 60,835	\$ 297,152
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES:</u>					
Current:					
General Government	\$ -	\$ 46,330	\$ 754	\$ 1,838	\$ 48,922
Culture and Recreation	190,156	-	-	-	190,156
Debt Service:					
Principal	-	-	-	27,110	27,110
Interest	-	-	-	22,798	22,798
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 190,156	\$ 46,330	\$ 754	\$ 51,746	\$ 288,986
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (12,504)	\$ 9,115	\$ 2,466	\$ 9,089	\$ 8,166
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>OTHER FINANCING SOURCES (USES):</u>					
Operating Transfers In	\$ -	\$ 1,885	\$ -	\$ -	\$ 1,885
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES AND USES	\$ -	\$ 1,885	\$ -	\$ -	\$ 1,885
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES AND (USES) OVER EXPENDITURES	\$ (12,504)	\$ 11,000	\$ 2,466	\$ 9,089	\$ 10,051
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, June 30, 2019	66,472	147,520	113,665	82,878	410,535
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, June 30, 2020	\$ 53,968	\$ 158,520	\$ 116,131	\$ 91,967	\$ 420,586
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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