

CITY OF MALDEN
Malden, Missouri

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Malden, Missouri, as of and for the year ended June 30, 2022, 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.

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Malden, Missouri, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 3 to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 51-52, and the pension schedules on pages 53-57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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 March 31, 2023, 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 the effectiveness of the City of Malden, Missouri’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Malden, Missouri’s internal control over financial reporting and compliance.

Van de Ven, LLC
CPAs + Business Consultants

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Cape Girardeau, Missouri
March 31, 2023



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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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Malden, Missouri, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Malden, Missouri's basic financial statements, and have issued our report thereon dated March 31, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

City of 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

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Cape Girardeau, Missouri
March 31, 2023

CITY OF MALDEN
Malden, Missouri

STATEMENT OF NET POSITION

June 30, 2022

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash & Cash Equivalents	\$ 786,541	\$ 5,374,884	\$ 6,161,425
Restricted Cash	777,201	813,855	1,591,056
Cash in Bank - Certificates of Deposit	126,735	-	126,735
Accounts Receivable	299,619	790,948	1,090,567
Lease Recievable, Net of Non-Current	-	424,768	424,768
Property Taxes Receivable, Net	31,719	-	31,719
Due From Other Funds	2,027	389,984	392,011
Prepaid Expenses	45,778	406,336	452,114
Inventory	-	1,111,890	1,111,890
Net Pension Asset	2,951,996	-	2,951,996
Total Current Assets	<u>\$ 5,021,616</u>	<u>\$ 9,312,665</u>	<u>\$ 14,334,281</u>
<u>NON-CURRENT ASSETS:</u>			
Lease Receivable, Net of Current Portion	\$ -	\$ 2,850,800	2,850,800
Right to Use Leased Assets, Net of Amortization	-	204,910	204,910
Capital Assets:			
Land, Improvements, and Construction in Progress	37,989	353,930	391,919
Other Capital Assets, Net	3,268,488	14,226,294	17,494,782
Total Capital Assets, Net	<u>\$ 3,306,477</u>	<u>\$ 14,580,224</u>	<u>\$ 20,942,411</u>
Total Non-Current Assets	<u>\$ 3,306,477</u>	<u>\$ 17,635,934</u>	<u>\$ 20,942,411</u>
Deferred Outflows of Resources			
Pension Related Deferred Outflows	\$ 306,105	\$ -	\$ 306,105
Total Assets & Deferred Outflows	<u>\$ 8,634,198</u>	<u>\$ 26,948,599</u>	<u>\$ 35,582,797</u>

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

CITY OF MALDEN
Malden, Missouri

Exhibit A

STATEMENT OF NET POSITION

June 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payables	\$ 41,935	\$ 166,780	\$ 208,715
Accrued Salaries and Benefits	151,959	178,047	330,006
Sales Tax Payable	-	13,889	13,889
Primacy Fees Payable	-	2,021	2,021
Unearned Revenue	-	149,925	149,925
Court Payable	3,146	-	3,146
Fire Payable	4,800	-	4,800
Police Payable	2	-	2
Due to Other Funds	379	394,002	394,381
Leases Payable, Net of Long-Term	-	36,573	36,573
Current Portion Notes Payable	300,580	561,424	862,004
Total Current Liabilities	\$ 502,801	\$ 1,502,661	\$ 2,005,462
<u>NON-CURRENT LIABILITIES:</u>			
Security Deposits	\$ -	\$ 148,125	\$ 148,125
Leases Payable, Net of Current Portion	-	168,337	168,337
Notes Payable, Net of Current Portion	1,586,870	1,847,264	3,434,134
Total Non-Current Liabilities	\$ 1,586,870	\$ 2,163,726	\$ 3,750,596
 TOTAL LIABILITIES	 \$ 2,089,671	 \$ 3,666,387	 \$ 5,756,058
 Deferred Inflows of Resources			
Pension Related Deferred Inflows	\$ 702,233	\$ -	\$ 702,233
Leases	-	3,275,568	3,275,568
Total Deferred Inflows of Resources	\$ 702,233	\$ 3,275,568	\$ 3,977,801
 TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	 \$ 2,791,904	 \$ 6,941,955	 \$ 9,733,859
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 1,419,027	\$ 12,171,536	\$ 13,590,563
Restricted	3,568,158	813,855	4,382,013
Unrestricted	855,109	7,021,253	7,876,362
 TOTAL NET POSITION	 \$ 5,842,294	 \$ 20,006,644	 \$ 25,848,938

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

CITY OF MALDEN
Malden, Missouri

Exhibit B

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	\$ 226,435	\$ 145,525	\$ -	\$ 36,645	\$ (44,265)	\$ -	\$ (44,265)
Municipal Court	72,632	5,328	-	-	(67,304)	-	(67,304)
Public Safety	1,305,364	63,595	-	-	(1,241,769)	-	(1,241,769)
Culture and Recreation	209,783	31,744	-	-	(178,039)	-	(178,039)
Transportation	522,526	-	-	394	(522,132)	-	(522,132)
Principal on Long-Term Debt	298,645	-	-	-	(298,645)	-	(298,645)
Interest on Long-Term Debt	62,250	-	-	-	(62,250)	-	(62,250)
Total Governmental Activities	<u>\$ 2,697,635</u>	<u>\$ 246,192</u>	<u>\$ -</u>	<u>\$ 37,039</u>	<u>\$ (2,414,404)</u>	<u>\$ -</u>	<u>\$ (2,414,404)</u>
Business-Type Activities:							
Electric	\$ 4,840,793	\$ 5,263,503	\$ -	\$ 6,022	\$ -	\$ 428,732	\$ 428,732
Water & Sewer	1,616,138	1,371,233	-	3,600	-	(241,305)	(241,305)
Airport	1,169,006	517,833	-	3,389,964	-	2,738,791	2,738,791
Community Center	65,498	6,300	-	-	-	(59,198)	(59,198)
Senior Nutrition Center	45,224	-	-	-	-	(45,224)	(45,224)
Total Business -Type Activities	<u>\$ 7,736,659</u>	<u>\$ 7,158,869</u>	<u>\$ -</u>	<u>\$ 3,399,586</u>	<u>\$ -</u>	<u>\$ 2,821,796</u>	<u>\$ 2,821,796</u>
TOTAL PRIMARY GOVERNMENT	<u><u>\$ 10,434,294</u></u>	<u><u>\$ 7,405,061</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,436,625</u></u>	<u><u>\$ (2,414,404)</u></u>	<u><u>\$ 2,821,796</u></u>	<u><u>\$ 407,392</u></u>

General Revenues:

Taxes:

Real Estate Tax	\$ 171,351	\$ -	\$ 171,351
Personal Property Tax	76,533	-	76,533
Sales Tax	1,469,533	-	1,469,533
Franchise Tax	419,326	-	419,326
Motor Fuel Tax	167,167	-	167,167
Surtax	20,041	-	20,041
Railroad/Utility Tax	13,984	-	13,984
Capital Improvement Tax	170,371	-	170,371
Other Income	552,491	390,517	943,008
Increase in Net Pension Asset	728,379	-	728,379
Interest Income	15,663	28,546	44,209
Gain on Sale of Assets	19,475	5,500	24,975
Transfers - Internal Activities	(92,070)	92,070	-
Total General Revenues	<u>\$ 3,732,244</u>	<u>\$ 516,633</u>	<u>\$ 4,248,877</u>

Change in Net Position

Change in Net Position	\$ 1,317,840	\$ 3,338,429	\$ 4,656,269
Net Position - June 30, 2021	<u>\$ 4,524,454</u>	<u>\$ 16,668,215</u>	<u>\$ 21,192,669</u>
Net Position - June 30, 2022	<u><u>\$ 5,842,294</u></u>	<u><u>\$ 20,006,644</u></u>	<u><u>\$ 25,848,938</u></u>

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

CITY OF MALDEN
Malden, Missouri

Exhibit C

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2022

	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 682,605	\$ -	\$ 103,936	\$ 786,541
Restricted Cash	541,887	235,300	14	777,201
Cash in Bank - CDs	-	-	126,735	126,735
Accounts Receivable	247,219	35,906	16,494	299,619
Property Taxes Receivable, Net	31,719	-	-	31,719
Due From Other Funds	2,027	-	-	2,027
Prepaid Expenses	36,362	3,761	5,655	45,778
TOTAL ASSETS	<u>\$ 1,541,819</u>	<u>\$ 274,967</u>	<u>\$ 252,834</u>	<u>\$ 2,069,620</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts Payable	\$ 23,805	\$ 5,939	\$ 12,191	\$ 41,935
Accrued Payroll and Benefits	122,486	19,000	10,473	151,959
Court Payable	3,146	-	-	3,146
Fire Payable	4,800	-	-	4,800
Police Payable	2	-	-	2
Due To Other Funds	-	-	379	379
TOTAL LIABILITIES	<u>\$ 154,239</u>	<u>\$ 24,939</u>	<u>\$ 23,043</u>	<u>\$ 202,221</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Prepaid Expenses	\$ 36,362	\$ 3,761	\$ 5,655	\$ 45,778
Spendable:				
Restricted	541,887	246,267	224,136	1,012,290
Unassigned	809,331	-	-	809,331
TOTAL FUND BALANCES	<u>\$ 1,387,580</u>	<u>\$ 250,028</u>	<u>\$ 229,791</u>	<u>\$ 1,867,399</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,541,819</u>	<u>\$ 274,967</u>	<u>\$ 252,834</u>	<u>\$ 2,069,620</u>

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

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

June 30, 2022

Fund Balances of Governmental Funds (Exhibit C)		\$ 1,867,399
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	\$ 306,105	
Deferred Inflows	(702,233)	
Net Pension Asset	<u>2,951,996</u>	2,555,868
Amounts reported for <i>Governmental Activities</i>		
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	\$ 7,612,774	
Less accumulated depreciation	<u>(4,306,297)</u>	3,306,477
Non-Current liabilities are not payable in the current period and, therefore, are not reported in the funds.		
		(1,887,450)
TOTAL NET POSITION (EXHIBIT A)		<u><u>\$ 5,842,294</u></u>

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

CITY OF MALDEN
Malden, Missouri

Exhibit D

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

For the Year Ended June 30, 2022

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>				
Taxes	\$ 1,838,889	\$ 507,874	\$ 161,543	\$ 2,508,306
Intergovernmental Funds	36,645	394	-	37,039
Charges for Services	175,295	-	70,897	246,192
Interest Income	13,926	1,035	702	15,663
Miscellaneous Revenues	504,260	22,775	25,456	552,491
TOTAL REVENUES	\$ 2,569,015	\$ 532,078	\$ 258,598	\$ 3,359,691
<u>EXPENDITURES:</u>				
General Government	\$ 408,182	\$ -	\$ 71,032	\$ 479,214
Municipal Court	72,632	-	-	72,632
Department of Public Safety	1,366,898	-	-	1,366,898
Culture and Recreation	-	-	217,630	217,630
Transportation	-	253,972	-	253,972
Debt Service:				
Principal	19,614	212,240	66,791	298,645
Interest	707	41,113	20,430	62,250
TOTAL EXPENDITURES	\$ 1,868,033	\$ 507,325	\$ 375,883	\$ 2,751,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 700,982	\$ 24,753	\$ (117,285)	\$ 608,450
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from Sale of Assets	\$ 17,950	\$ -	\$ 1,525	\$ 19,475
Operating Transfers (Out)	(195,194)	-	(36,000)	(231,194)
Operating Transfers In	-	32,714	106,410	139,124
TOTAL OTHER FINANCING SOURCES (USES)	\$ (177,244)	\$ 32,714	\$ 71,935	\$ (72,595)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES AND (USES) OVER EXPENDITURES	\$ 523,738	\$ 57,467	\$ (45,350)	\$ 535,855
FUND BALANCES, June 30, 2021	863,842	192,561	275,141	1,331,544
FUND BALANCES, June 30, 2022	\$ 1,387,580	\$ 250,028	\$ 229,791	\$ 1,867,399

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

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, 2022

Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Exhibit D)	\$ 535,855
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	728,379
Amounts reported for <i>governmental activities</i> 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	\$ 242,197
Depreciation Expense	<u>(439,499)</u>
	(197,302)
Proceeds from Capital Leases are shown as revenue. However, on the government-wide Statement of Activities, proceeds are shown as an increase in debt.	(47,737)
Principal payments on long-term liabilities of governmental funds are expensed. However, on the government-wide Statement of Activities, they are shown as a reduction of debt.	298,645
TOTAL CHANGE IN NET POSITION (Exhibit B)	<u><u>\$ 1,317,840</u></u>

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

CITY OF MALDEN
Malden, Missouri

Exhibit E

STATEMENT OF NET POSITION –
PROPRIETARY FUNDS

June 30, 2022

<u>ASSETS</u>	<u>Electric Fund</u>	<u>Water and Sewer Fund</u>	<u>Airport Fund</u>	<u>Community Center Fund</u>	<u>Senior Nutrition</u>	<u>Total Proprietary Funds</u>
<u>CURRENT ASSETS:</u>						
Cash	\$ 4,963,925	\$ 788	\$ 410,119	\$ 50	\$ 2	\$ 5,374,884
Restricted Cash	645,525	-	168,322	-	8	813,855
Accounts Receivable, Net	526,324	261,861	2,763	-	-	790,948
Lease Receivable, Net of Non-Current	-	82,556	342,212	-	-	424,768
Prepaid Expenses	214,083	60,315	119,327	12,611	-	406,336
Due from Other Funds	389,984	-	-	-	-	389,984
Inventory	365,763	746,127	-	-	-	1,111,890
Total Current Assets	<u>\$ 7,105,604</u>	<u>\$ 1,151,647</u>	<u>\$ 1,042,743</u>	<u>\$ 12,661</u>	<u>\$ 10</u>	<u>\$ 9,312,665</u>
<u>NON-CURRENT ASSETS:</u>						
Lease Receivable, Net of Current Portion	\$ -	\$ 379,989	\$ 2,470,811	\$ -	\$ -	\$ 2,850,800
Right to Use Leased Assets, Net of Amortization	-	204,910	-	-	-	204,910
Capital Assets						
Land, Improvements, and Construction in Process	103,016	6,206	139,698	90,000	15,010	353,930
Other Capital Assets, Net	3,216,489	3,514,962	6,711,541	123,640	659,662	14,226,294
Total Capital Assets, Net	<u>\$ 3,319,505</u>	<u>\$ 3,521,168</u>	<u>\$ 6,851,239</u>	<u>\$ 213,640</u>	<u>\$ 674,672</u>	<u>\$ 14,580,224</u>
Total Non-Current Assets	<u>\$ 3,319,505</u>	<u>\$ 4,106,067</u>	<u>\$ 9,322,050</u>	<u>\$ 213,640</u>	<u>\$ 674,672</u>	<u>\$ 17,635,934</u>
TOTAL ASSETS	<u>\$ 10,425,109</u>	<u>\$ 5,257,714</u>	<u>\$ 10,364,793</u>	<u>\$ 226,301</u>	<u>\$ 674,682</u>	<u>\$ 26,948,599</u>
<u>LIABILITIES</u>						
<u>CURRENT LIABILITIES:</u>						
Accounts Payable	\$ 21,642	\$ 6,269	\$ 137,496	\$ 1,373	\$ -	\$ 166,780
Accrued Salaries and Benefits	98,281	63,241	16,024	501	-	178,047
Sales Tax Payable	12,266	1,623	-	-	-	13,889
Primacy Fees Payable	-	2,021	-	-	-	2,021
Unearned Revenue	-	25,654	124,271	-	-	149,925
Due to Other Funds	-	394,002	-	-	-	394,002
Leases Payable, Net of Long-Term	-	36,573	-	-	-	36,573
Notes Payable, Net of Long-Term	449,967	111,457	-	-	-	561,424
Total Current Liabilities	<u>\$ 582,156</u>	<u>\$ 640,840</u>	<u>\$ 277,791</u>	<u>\$ 1,874</u>	<u>\$ -</u>	<u>\$ 1,502,661</u>
<u>LONG-TERM LIABILITIES:</u>						
Security Deposits	\$ 142,350	\$ -	\$ 4,575	\$ 1,200	\$ -	\$ 148,125
Leases Payable, Net of Current Portion	-	168,337	-	-	-	168,337
Notes Payable, Net of Current Portion	1,349,902	497,362	-	-	-	1,847,264
Total Long-Term Liabilities	<u>\$ 1,492,252</u>	<u>\$ 665,699</u>	<u>\$ 4,575</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 2,163,726</u>
TOTAL LIABILITIES	<u>\$ 2,074,408</u>	<u>\$ 1,306,539</u>	<u>\$ 282,366</u>	<u>\$ 3,074</u>	<u>\$ -</u>	<u>\$ 3,666,387</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Leases	\$ -	\$ 462,545	2,813,023	\$ -	\$ -	\$ 3,275,568
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 462,545</u>	<u>\$ 2,813,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,275,568</u>
<u>NET POSITION</u>						
Net Investment in Capital Assets, Net of Related Debt	\$ 1,519,636	\$ 2,912,349	\$ 6,851,239	\$ 213,640	\$ 674,672	\$ 12,171,536
Restricted	645,525	-	168,322	-	8	813,855
Unrestricted	6,185,540	576,281	249,843	9,587	2	7,021,253
TOTAL NET POSITION	<u>\$ 8,350,701</u>	<u>\$ 3,488,630</u>	<u>\$ 7,269,404</u>	<u>\$ 223,227</u>	<u>\$ 674,682</u>	<u>\$ 20,006,644</u>

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

CITY OF MALDEN
Malden, Missouri

Exhibit F

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

For the Year Ended June 30, 2022

	Electric Fund	Water and Sewer Fund	Airport Fund	Community Center Fund	Senior Nutrition	Total Proprietary Funds
<u>OPERATING REVENUES:</u>						
Customer Charges/Sales	\$ 5,181,043	\$ 1,350,178	\$ 515,464	\$ -	\$ -	\$ 7,046,685
Connection Charges	12,071	1,685	-	6,300	-	20,056
Penalties and Late Fees	70,389	19,370	2,369	-	-	92,128
Grants	6,022	3,600	3,389,964	-	-	3,399,586
Miscellaneous Revenues	127,490	200,799	58,819	185	3,224	390,517
TOTAL OPERATING REVENUES	<u>\$ 5,397,015</u>	<u>\$ 1,575,632</u>	<u>\$ 3,966,616</u>	<u>\$ 6,485</u>	<u>\$ 3,224</u>	<u>\$ 10,948,972</u>
<u>OPERATING EXPENSES:</u>						
Salaries	\$ 674,732	\$ 117,889	\$ 170,953	\$ 13,990	\$ -	\$ 977,564
Payroll Taxes	49,682	40,793	12,655	1,063	-	104,193
Retirement	80,714	68,394	19,750	-	-	168,858
Distribution	2,224,279	7,174	-	-	-	2,231,453
Repairs and Maintenance	178,017	131,496	69,463	12,737	9,042	400,755
Supplies and Services	143,133	51,553	385,525	3,564	-	583,775
Utilities	189,962	77,152	4,381	111	3,019	274,625
Telephone and Internet	-	-	4,418	146	-	4,564
Employee Insurance	104,316	107,891	27,862	-	-	240,069
Insurance	63,224	47,174	103,894	11,978	6,954	233,224
Training	10,308	1,043	773	15	-	12,139
Travel and Meals	3,371	-	-	-	-	3,371
Advertising	69	-	113	-	-	182
Fuel and Oil	129,074	29,424	-	-	-	158,498
Chemicals	-	32,335	-	-	-	32,335
Refuse Collection Expense	239,516	-	-	-	-	239,516
Outside Services	17,360	428,265	-	-	-	445,625
Professional Services	-	-	13,106	-	-	13,106
Depreciation	462,336	366,896	280,931	21,384	26,209	1,157,756
Miscellaneous	23,788	23,568	70,573	510	-	118,439
Dues and Subscriptions	4,846	-	-	-	-	4,846
Donations	5,057	-	-	-	-	5,057
Taxes	209,654	58,505	3,409	-	-	271,568
Substation	9,432	-	-	-	-	9,432
Uncollectible Accounts	17,923	9,184	1,200	-	-	28,307
TOTAL OPERATING EXPENSES	<u>\$ 4,840,793</u>	<u>\$ 1,598,736</u>	<u>\$ 1,169,006</u>	<u>\$ 65,498</u>	<u>\$ 45,224</u>	<u>\$ 7,719,257</u>
OPERATING INCOME (LOSS)	<u>\$ 556,222</u>	<u>\$ (23,104)</u>	<u>\$ 2,797,610</u>	<u>\$ (59,013)</u>	<u>\$ (42,000)</u>	<u>\$ 3,229,715</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>						
Interest Income	\$ 24,583	\$ 253	\$ 3,710	\$ -	\$ -	\$ 28,546
Gain on Sale of Assets	-	5,500	-	-	-	5,500
Interest Expense	-	(17,402)	-	-	-	(17,402)
Transfers In (Out)	-	-	-	74,012	18,058	92,070
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 24,583</u>	<u>\$ (11,649)</u>	<u>\$ 3,710</u>	<u>\$ 74,012</u>	<u>\$ 18,058</u>	<u>\$ 108,714</u>
CHANGE IN NET POSITION	<u>\$ 580,805</u>	<u>\$ (34,753)</u>	<u>\$ 2,801,320</u>	<u>\$ 14,999</u>	<u>\$ (23,942)</u>	<u>\$ 3,338,429</u>
FUND BALANCES, June 30, 2021	<u>7,769,896</u>	<u>3,523,383</u>	<u>4,468,084</u>	<u>208,228</u>	<u>698,624</u>	<u>16,668,215</u>
FUND BALANCES, June 30, 2022	<u>\$ 8,350,701</u>	<u>\$ 3,488,630</u>	<u>\$ 7,269,404</u>	<u>\$ 223,227</u>	<u>\$ 674,682</u>	<u>\$ 20,006,644</u>

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

CITY OF MALDEN
Malden, Missouri

Exhibit G

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the Year Ended June 30, 2022

	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	\$ 5,407,535	\$ 1,586,921	\$ 3,978,986	\$ 6,375	\$ 3,224	\$ 10,983,041
Payments to Employees	(928,564)	(241,012)	(228,425)	(26,942)	-	(1,424,943)
Payments to Suppliers	(3,608,193)	(774,428)	(553,341)	(17,445)	(21,282)	(4,974,689)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 870,778</u>	<u>\$ 571,481</u>	<u>\$ 3,197,220</u>	<u>\$ (38,012)</u>	<u>\$ (18,058)</u>	<u>\$ 4,583,409</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>						
Transfers in (out)	\$ -	\$ -	\$ -	\$ 74,012	\$ 18,058	\$ 92,070
Loans Between Funds	4,420	(1,590)	-	-	-	2,830
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>\$ 4,420</u>	<u>\$ (1,590)</u>	<u>\$ -</u>	<u>\$ 74,012</u>	<u>\$ 18,058</u>	<u>\$ 94,900</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>						
Acquisition of Property and Equipment	\$ (271,845)	\$ (244,878)	\$ (3,499,427)	\$ (36,000)	\$ -	\$ (4,052,150)
Proceeds on Disposition of Property and Equipment	-	5,500	-	-	-	5,500
Acquisition of Right of Use Leased Assets	-	(204,910)	-	-	-	(204,910)
Acquisition of Notes Payable	(449,968)	-	-	-	-	(449,968)
Retirement of Long-Term Debt	-	(108,200)	-	-	-	(108,200)
Interest Paid on Long-Term Debt	-	(17,402)	-	-	-	(17,402)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (721,813)</u>	<u>\$ (569,890)</u>	<u>\$ (3,499,427)</u>	<u>\$ (36,000)</u>	<u>\$ -</u>	<u>\$ (4,827,130)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>						
Interest on Cash	\$ 24,583	\$ 253	\$ 3,710	\$ -	\$ -	\$ 28,546
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>\$ 24,583</u>	<u>\$ 253</u>	<u>\$ 3,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,546</u>
NET INCREASE (DECREASE) IN CASH	\$ 177,968	\$ 254	\$ (298,497)	\$ -	\$ -	\$ (120,275)
CASH AND RESTRICTED CASH, July 1, 2021	5,431,482	534	876,938	50	10	6,309,014
CASH AND RESTRICTED CASH, June 30, 2022	<u>\$ 5,609,450</u>	<u>\$ 788</u>	<u>\$ 578,441</u>	<u>\$ 50</u>	<u>\$ 10</u>	<u>\$ 6,188,739</u>
DISPLAYED ON EXHIBIT E AS:						
Cash	\$ 4,963,925	\$ 788	\$ 410,119	\$ 50	\$ 2	\$ 5,374,884
Restricted Cash	645,525	-	168,322	-	8	813,855
TOTAL CASH AND RESTRICTED CASH	<u>\$ 5,609,450</u>	<u>\$ 788</u>	<u>\$ 578,441</u>	<u>\$ 50</u>	<u>\$ 10</u>	<u>\$ 6,188,739</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>						
Operating Income (Loss)	\$ 556,222	\$ (23,104)	\$ 2,797,610	\$ (59,013)	\$ (42,000)	\$ 3,229,715
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	462,336	366,896	280,931	21,384	26,209	1,157,756
Inventory	(46,452)	39,702	-	-	-	(6,750)
Unearned Revenue	-	-	131	-	-	131
Deferred Inflows	-	462,545	2,813,023	-	-	3,275,568
Decrease in Prepaid Expense	(48,505)	(5,378)	(5,449)	(636)	962	(59,006)
Decrease in Accounts Receivable	8,320	11,289	12,364	-	-	31,973
Increase in Lease Receivable	-	(462,545)	(2,813,023)	-	-	(3,275,568)
Increase (Decrease) in Accounts Payable	(43,591)	(12,770)	108,963	274	(1,585)	51,291
Sales Tax Payable	(632)	79	-	-	-	(553)
Primacy Fees Payable	-	1	-	-	-	1
Increase (Decrease) in Accrued Expenses	(19,120)	(10,144)	2,795	89	(1,644)	(28,024)
Increase in Lease Payable	-	204,910	-	-	-	204,910
Increase (Decrease) in Customer Deposits	2,200	-	(125)	(110)	-	1,965
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 870,778</u>	<u>\$ 571,481</u>	<u>\$ 3,197,220</u>	<u>\$ (38,012)</u>	<u>\$ (18,058)</u>	<u>\$ 4,583,409</u>

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

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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, 2022

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, 2022

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, 2022

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 services 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, 2022

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	\$ 36,362	\$ 3,761	\$ 5,655	\$ 45,778
Spendable:				
Restricted	541,887	246,267	224,136	1,012,290
Unassigned	809,331	-	-	809,331
TOTAL FUND BALANCES	\$ 1,387,580	\$ 250,028	\$ 229,791	\$ 1,867,399

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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 accrual basis of accounting. Under this method, 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, 2022

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, 2022, 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, 2022. The balance as of June 30, 2022 was \$306,105.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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 or commencement of contract. The balance as of June 30, 2022 was \$3,977,801, which includes pension related deferred inflows of \$702,233, and leases of \$3,275,568.

Deferred inflows realized by the City included the difference between expected and actual experience of the total pension liability and leases where City is the lessor. Leases are amortized over the life of the lease as payments are received from the lessees.

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.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

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.

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 2022 totaled \$2,569,015, of this revenue \$53,844 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, 2022

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
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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 \$7,879,215 and a bank balance of \$8,237,370 at June 30, 2022. Each political subdivision is covered by separate FDIC coverage. For the General and Board of Public Works subdivisions, 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, 2022. For the Airport subdivisions, \$373,101 was uncollateralized as of June 30, 2022. Of the bank balances, \$750,000 was covered by federal depository insurance, and \$7,114,269 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, 2022

3. CHANGE IN ACCOUNTING PRINCIPLES:

Beginning July 1, 2021, the City implemented Government Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's June 30, 2022 financial statements and had no effect on the City's beginning net position.

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. 2022 taxes were levied on August 30, 2022, and were collected primarily in November and December 2022.

5. 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, 2022:

	Gross	Allowance	Net
Property Taxes Receivable			
General Fund	\$ 31,719	\$ -	\$ 31,719
Special Revenue Funds			-
Total Property Taxes Receivable, Net	\$ 31,719	\$ -	\$ 31,719

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.

Leases Receivable

The City is required to recognize lease receivables under GASB Statement 87, that was implemented during the current fiscal year. At June 30, 2022, the Airport Fund and Water & Sewer Fund recognized Leases Receivable of \$2,813,023 and \$462,545, respectively.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

5. RECEIVABLES - Continued:

The Airport leases are summarized as follows:

Description	Lease Receivable	Lease Revenue	Lease Interest Revenue
#1026 East 451A-B Plaza Circle	\$ 50,682	\$ 6,875	\$ 1,225
Building #360	17,312	6,657	471
Building #1252	56,724	6,400	1,354
#1026 West 451D Plaza Circle	15,017	2,037	363
903 Falcon Drive	137,414	2,797	3,127
999 Arnold Blvd	7,273	431	169
Tracts of Farmland-Lowery Farms	1,186,817	207,119	29,236
Tracts of Farmland-Dawson Planting Co.	288,521	50,351	7,108
BPW Wastewater Land	204,910	35,761	5,047
Old Runways, Portion of Park, and Building #354	585,224	4,774	13,226
Hangar #162	59,455	2,235	1,365
507 Arnold Blvd	1,249	516	34
Building #105	17,210	803	397
#1026 Center West 451C Plaza Circle	8,695	2,771	229
Building #253 South Half	6,879	1,626	174
Land	56,766	569	928
Building #352	56,874	570	930
Building #361 and Parking Lots	56,001	293	457
Total	<u>\$ 2,813,023</u>	<u>\$ 332,585</u>	<u>\$ 65,840</u>

The Water & Sewer Department leases are summarized as follows:

Description	Lease Receivable	Lease Revenue	Lease Interest Revenue
Tracts of Farmland	\$ 409,821	\$ 71,520	\$ 10,096
Irrigation System	52,724	9,201	1,299
Total	<u>\$ 462,545</u>	<u>\$ 80,721</u>	<u>\$ 11,395</u>

See Note 9 – Leases for details of each lease.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

6. CAPITAL ASSETS:

Capital assets activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 37,989	\$ -	\$ -	\$ 37,989
Other Capital Assets Used for:				
General Government	1,384,560	47,111	22,856	1,408,815
Municipal Court	2,031	-	-	2031
Public Safety	2,243,926	138,793	74,695	2,308,024
Culture and Recreation	213,530	20,615	-	234,145
Transportation	3,586,092	35,678	-	3,621,770
Total Assets at Historical Costs	\$ 7,468,128	\$ 242,197	\$ 97,551	\$ 7,612,774
Less: Accumulated Depreciation	(3,964,349)	(439,499)	(97,551)	(4,306,297)
Capital Assets, Net	\$ 3,503,779	\$ (197,302)	\$ -	\$ 3,306,477

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

6. 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	671,821	139,698	671,821	139,698
Other Capital Assets Used for:				
Electric	18,020,772	271,844	-	18,292,616
Water & Sewer	12,647,061	244,879	45,625	12,846,315
Airport	10,133,906	4,031,549	15,600	14,149,855
Community Center	561,807	36,000	-	597,807
Nutrition Center	1,092,835	-	-	1,092,835
Total Assets	\$ 43,342,434	\$ 4,723,970	\$ 733,046	\$ 47,333,358
Less: Accumulated Depreciation	(31,656,604)	(1,157,755)	(61,225)	(32,753,134)
Capital Assets, Net	\$ 11,685,830	\$ 3,566,215	\$ 671,821	\$ 14,580,224

Depreciation was charged to functions as follows:

Governmental Activities	
General Government	\$ 45,241
Public Safety	77,258
Culture and Recreation	12,768
Transportation	304,232
Total Depreciation Expense	\$ 439,499

Business-Type Activities:	
Electric	\$ 462,336
Water & Sewer	366,896
Airport	280,931
Community Center	21,384
Nutrition Center	26,209
Total Depreciation Expense	\$ 1,157,756

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

7. LONG-TERM DEBT:

Business-Type Long-Term Debt:

At June 30, 2022, the City had two business-type long-term debt issues outstanding.

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Sewer System Lease	\$ 717,019	\$ -	\$ 108,200	\$ 608,819
Muni. Utility Emergency Loan	2,249,837	-	449,968	1,799,869
	\$ 2,966,856	\$ -	\$ 558,168	\$ 2,408,688

On June 21, 2021, the City's Board of Public Works entered into an agreement with the Missouri Department of Natural Resources' Division of Energy to cover the utility costs incurred as a result of extraordinary prices between February 10, 2021 and February 20, 2021. Principal payments of \$224,984 are due on January 1st and July 1st each year with a zero percent interest rate. Following are the annual cash flow requirements of principal and interest at June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 224,984	\$ -	\$ 224,984
2024	449,967	-	449,967
2025	449,967	-	449,967
2026	449,967	-	449,967
2027	224,984	-	224,984
	\$ 1,799,869	\$ -	\$ 1,799,869

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

7. LONG-TERM DEBT - Continued:

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, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 111,457	\$ 16,733	\$ 128,190
2024	114,847	13,343	128,190
2025	118,341	9,849	128,190
2026	121,940	6,250	128,190
2027	125,905	2,285	128,190
2028	16,329	41	16,370
	\$ 608,819	\$ 48,501	\$ 657,320

The total interest incurred for business-type long-term debt for the year ended June 30, 2022 was \$19,991.

Governmental-Type Long-Term Debt:

At June 30, 2022, the City had four governmental-type long-term debt issues outstanding.

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Street Improvement Fund	\$ 1,305,469	\$ -	\$ 212,240	\$ 1,093,229
Nutrition Ctr & Police Station	813,276	-	66,792	746,484
Police Vehicles	19,613	47,737	19,613	47,737
	\$ 2,138,358	\$ 47,737	\$ 298,645	\$ 1,887,450

On November 19, 2018 the City entered into a loan for the acquisition of three police vehicles that matured on August 25, 2021. Principal and interest payments of \$21,256 are due annually on August 25 at 3.5 percent interest. This loan was paid in full on July 20, 2021.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

7. LONG-TERM DEBT - Continued:

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, 2022:

Street Improvement Fund			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 216,401	\$ 36,952	\$ 253,353
2024	224,210	29,143	253,353
2025	232,300	21,053	253,353
2026	240,682	12,671	253,353
2027	179,636	4,866	184,502
	\$ 1,093,229	\$ 104,685	\$ 1,197,914

On October 15, 2020, the City entered into an agreement with First State Community Bank to refinance the Nutrition Center and Police Station construction. Monthly principal and interest payments of \$7,264 are due on the first day of the month at 2.61 percent interest. Following are the annual cash flow requirements of bond principal and interest at June 30, 2022:

Nutrition Center & Police Station			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 68,499	\$ 18,669	\$ 87,168
2024	70,308	16,860	87,168
2025	72,166	15,002	87,168
2026	74,072	13,096	87,168
2027	76,028	11,140	87,168
2028-2032	344,388	22,177	366,565
2033-2034	41,023	649	41,672
	\$ 746,484	\$ 97,593	\$ 844,077

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

7. LONG-TERM DEBT - Continued:

On July 26, 2021 the City entered into a loan for the acquisition of a 2021 Chevrolet Tahoe police vehicle that matures on August 3, 2024. Principal and interest payments of \$16,778 are due annually on August 3 at 2.25 percent interest. Following are the annual cash flow requirements of bond principal and interest at June 30, 2022:

Police Vehicles			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 15,680	\$ 1,098	\$ 16,778
2024	16,038	740	16,778
2025	16,019	375	16,394
	\$ 47,737	\$ 2,213	\$ 49,950

The total interest incurred for governmental-type long-term debt for the year ended June 30, 2022 was \$62,251.

8. 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	\$ 195,194	\$ -
Street Fund	-	32,714
Cemetery Fund	-	19,189
Capital Improvements Fund	-	87,221
Economic Dev. Fund	36,000	-
Community Center Fund	-	74,012
Senior Nutrition Center Fund	-	18,058
	\$ 231,194	\$ 231,194

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

9. LEASES:

Lessor Leases

The Airport and Board of Public Works lease land, buildings, and equipment around the Airport and Industrial Park. Not all leases held are considered significant or meet the reporting requirements of GASB Statement No. 87. Only those that are significant and required to be reported are described below:

On April 1, 2009, the Airport entered into a five-year lease agreement with Southern Missouri Truck Driving School, Inc. for the lease of Building #1026 East/partial Center 451 A-B Plaza Circle for a monthly fee of \$675. Lessor will also allow Lessee to jointly use the skills test area at 3215 Federal Drive, Malden, MO 63863 and jointly use the inactive Runways 22R-4L and 13R-31L. Based on this agreement, the Airport is receiving monthly payments through fiscal year 2029. There are options to renew the lease for three additional terms of five-years each.

On April 1, 2012, the Airport entered into a two-year lease agreement with Southern Missouri Truck Driving School, Inc. for the lease of Building #1026 West at 451 D Plaza Circle for a monthly fee of \$200. Based on this agreement, the Airport can receive monthly payments through fiscal year 2029. There are options to renew the lease for two additional terms of five-years each.

On January 1, 2010, the Airport entered into a five-year lease agreement with Cherokee Fabrication Company, Inc. for the lease of Building No. 360, 3211 Federal Drive, Malden, MO 63863. Based on this agreement, the Airport is receiving monthly payments through fiscal year 2025. There are options to renew the lease for two additional terms of five-years each.

On July 1, 2010, the Airport entered into a five-year lease agreement with Lanco Portable Buildings, LLC for the lease of Building No. 1252 at 4001 North Douglass Drive, Malden, MO 63863 for a monthly fee of \$646. Based on this agreement, the Airport is receiving monthly payments through fiscal year 2030. There are options to renew the lease for three additional terms of five-years each.

On May 1, 2015, the Airport entered into a twenty-five-year lease agreement with Weaver Real Estate, LLC for the lease of approximately 10 acres of land located at 903 Falcon Drive, Malden, MO 63863 on the Malden Regional Airport & Industrial Park complex for an annual fee of \$5,924. Based on this agreement, the Airport is receiving annual payments through fiscal year 2055. There are options to renew the lease for three additional terms of five-years each.

On September 1, 2016, the Airport entered into a five-year lease agreement with Lion of Judah for the lease of property located at 999 Arnold Blvd, Malden, MO 63863 for an annual fee of \$600. Based on this agreement, the Airport is receiving annual payments through fiscal year 2037. There are options to renew the lease for three additional terms of five-years each.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

9. LEASES - Continued:

On November 1, 2017, the Airport entered into a five-year lease agreement with Lowery Farms for the lease of individual tracts of farmland in Malden, MO for an annual fee of \$236,355 from November 1, 2017 to October 31, 2022 and \$244,624 from November 1, 2022 to October 31, 2027. Based on this agreement, the Airport is receiving annual payments through fiscal year 2028. There are options to renew the lease for one additional term of five-years.

On November 1, 2017, the Airport entered into a five-year lease agreement with Bruce Dawson Planting Company for the lease of individual tracts of farmland in Malden, MO for an annual fee of \$57,459 from November 1, 2017 to October 31, 2022 and \$59,471 from November 1, 2022 to October 31, 2027. Based on this agreement, the Airport is receiving annual payments through fiscal year 2028. There are options to renew the lease for one additional term of five-years.

On January 1, 2014, the Airport entered into a five-year lease agreement with the Board of Public Works for the lease of an individual tract of land consisting of approximately 398 acres, with 385.81 useable acres, for 50% of the rent from a 3rd Party, annually, during the term of this lease. Based on this agreement, the Airport is receiving annual payments through fiscal year 2028. There are options to renew the lease in five-year increments until the Board of Public Works no longer requires the usage of the land for wastewater treatment.

On January 1, 2018, the Airport entered into a three-year lease agreement with ASUSA Worldwide LLC (Asymmetric Solutions) for the lease of the closed aviation areas, approximately 48.75 acres of the Malden Recreation Park, and Building No. 354 for a monthly fee of \$1,500. There is also a fee of \$250 per day of use of the closed aviation areas. Based on this agreement, the Airport is receiving monthly payments through fiscal year 2081. There are options to renew the lease for twelve additional terms of five-years each.

On March 1, 2018, the Airport entered into a one-year lease agreement with Tango Charlie Aviation, LLC for the lease of Hanger No. 162 located at 3093 Mitchell Drive, Malden, MO 63863 for a monthly fee of \$300. Based on this agreement, the Airport is receiving monthly payments through fiscal year 2043. There are options to renew the lease for four additional terms of five-years each.

On November 18, 2019, the Airport entered into a five-year lease agreement with DAEOC – Malden Head Start for the lease of the property located at 507 Arnold Blvd, Malden, MO 63863 for an annual fee of \$550. Based on this agreement, the Airport is receiving annual payments through fiscal year 2025. There are no options to renew.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

9. LEASES - Continued:

On November 18, 2019, the Airport entered into a five-year lease agreement with Voice of Zion/Messiah's House for the lease of the property located at 1200 Vandenberg Avenue, Malden, MO 63863 also known as Building No. 105 for a monthly fee of \$100. Rent is being waived due to lessee paying for improvements to the property through July 2024. Based on this agreement, the Airport is receiving monthly payments through fiscal year 2040. There are options to renew the lease three times for a term of five-years each.

On July 1, 2020, the Airport entered into a five-year lease agreement with Department of Public Safety, Missouri State Highway Patrol for the lease of office and CDL testing space at Arnold Boulevard, Malden, MO 63863 for a monthly fee of \$250. Based on this agreement, the Airport is receiving monthly payments through 2025. There are no options to renew.

On July 1, 2021, the Airport entered into a three-year lease agreement with Burge Excavating, Custom Hauling and Perkins Transportation for the lease of the property located at 2991 Mitchell Drive, Malden, MO 63863, also known as Building No. 253, for a monthly fee of \$150. Based on this agreement, the Airport is receiving monthly payments through 2024. There are options to renew the lease for two additional terms of one-year each.

On January 1, 2022, the Airport entered into a five-year lease agreement GreenPoint Ag. for the lease of approximately 4.14 acres of land within the Malden Industrial Park for an annual fee of \$2,994. Based on this agreement, the Airport is receiving annual payments through 2027. There are options to renew the lease for five additional terms of five-years each.

On January 1, 2022, the Airport entered into a five-year lease agreement Aycorp Logistics, LLC for the lease of Building No. 352 at 3213 Federal Drive/1297 Harper Drive, Malden, MO 63863 for a monthly fee of \$250. Based on this agreement, the Airport is receiving monthly payments through fiscal year 2026. There are options to renew the lease for five additional terms of five-years each.

On April 1, 2022, the Airport entered into a five-year lease agreement Bernie Farms Gin Holdings LLC for the lease of Building No. 361 and parking lot at 3213 Federal Drive/1297 Harper Drive, Malden, MO 63863 for a monthly fee of \$250. Based on this agreement, the Airport is receiving monthly payments through fiscal year 2026. There is an option to renew the lease for five additional terms of five-years each.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

9. LEASES - Continued:

On November 1, 2017, the Board of Public Works entered into a five-year lease agreement with Lowery Farms for the lease of 385.8 acres of land for an annual fee of \$81,616 from November 1, 2017 to October 31, 2022 and \$84,471 from November 1, 2022 to October 31, 2027. Based on this agreement, the Board of Public Works is receiving annual payments through fiscal year 2028. There is an option to renew the lease for one additional term of five years.

On November 1, 2022, the Board of Public Works entered into a five-year lease agreement with Lowery Farms for the lease of Center-Pivot Irrigation System(s) for an annual fee of \$10,500. Based on this agreement, the Board of Public Works is receiving semi-annual payments through 2027 with payments due January 31st and June 30th of each year. There is an option to renew the lease for one additional term of five years.

The Airport's future minimum rentals to be received from the existing operating leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ 403,672
2024	403,671
2025	399,740
2026	392,994
2027	391,194
2028-2032	344,768
2033-2037	191,089
2038-2042	185,388
2043-2047	166,989
2048-2052	157,844
2053-2055	106,784
2058-2062	90,000
2063-2067	90,000
2068-2072	90,000
2073-2077	90,000
2078-2081	63,000
Total minimum lease rentals	<u>\$ 3,567,133</u>

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

9. LEASES - Continued:

The Board of Public Works' future minimum rentals to be received from the existing operating leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ 92,116
2024	92,116
2025	92,116
2026	92,116
2027	92,116
2028-2032	30,706
Total minimum lease rentals	<u>\$ 491,286</u>

These future minimum rentals are based upon annual rates and charges currently agreed to by the Airport, Board of Public Works, and tenants.

Lessee Leases

The Board of Public Works leases land from the Airport for the use of a wastewater treatment plant they built on the leased land and for the sublease of the surrounding farmland. The lease liability balance as of June 30, 2022 is \$204,910.

On January 1, 2014, the Board of Public Works entered into a five-year lease agreement with the Airport for the lease of an individual tract of land consisting of approximately 398 acres in exchange for 50% of the rent from a 3rd Party, annually, received during the term of this lease. For November 1, 2017 through October 30, 2022 the annual fee was \$40,808 and for November 1, 2022 through October 30, 2027 the annual fee will be \$42,236 with a discount interest rate of 2.25%. Based on this agreement, the Board of Public Works is making annual payments through fiscal year 2028. There are options to renew the lease in five-year increments until the Board of Public Works no longer requires the usage of the land for wastewater treatment.

The Board of Public Works requirements to amortize long-term obligations and related interest are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 36,573	\$ 4,235	\$ 40,808
2024	37,405	3,403	40,808
2025	38,255	2,553	40,808
2026	39,125	1,683	40,808
2027	40,014	794	40,808
2028-2032	13,538	64	13,602
	<u>\$ 204,910</u>	<u>\$ 12,732</u>	<u>\$ 217,642</u>

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

10. 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, 2022.

11. 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.

12. 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.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

12. PENSION PLAN – LAGERS (Continued):

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.

	2022 Valuation
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, 2022, the following employees were covered by the benefit terms:

	General	Police	Fire
Inactive employees or beneficiaries currently receiving benefits	44	15	3
Inactive employees entitled to but not yet receiving benefits	7	22	4
Active employees	36	10	2
	87	47	9

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2022.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

12. PENSION PLAN – LAGERS (Continued):

Actuarial assumptions. The total pension liability in the February 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increases	2.75% to 7.15% including inflation
Investment rate of return	7.00%

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The preretirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

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

The actuarial assumptions used in the February 28, 2022 valuation were based on the results of an actuarial experience study for the period March 1, 2016 through February 28, 2022.

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>Weighted Average 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, 2022

12. PENSION PLAN – LAGERS (Continued):

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

<u>General</u>	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2021	\$ 9,554,375	\$ 11,107,754	\$ (1,553,379)
Changes for the year:			
Service Cost	189,272	-	189,272
Interest	654,730	-	654,730
Difference between expected and actual experience	317,123	-	317,123
Changes of Assumptions	-	-	-
Contributions - employer	-	235,431	(235,431)
Contributions - employee	-	70,278	(70,278)
Net investment income	-	7,307	(7,307)
Benefit payments, including refunds	(598,384)	(598,384)	-
Administrative expense	-	(8,727)	8,727
Other changes	-	121,327	(121,327)
Net changes	562,741	(172,768)	735,509
Balances at 6/30/2022	\$ 10,117,116	\$ 10,934,986	\$ (817,870)

<u>Police</u>	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2021	\$ 1,894,608	\$ 2,914,353	\$ (1,019,745)
Changes for the year:			
Service Cost	60,703	-	60,703
Interest	130,758	-	130,758
Difference between expected and actual experience	(98,955)	-	(98,955)
Changes of Assumptions	-	-	-
Contributions - employer	-	11,447	(11,447)
Contributions - employee	-	16,353	(16,353)
Net investment income	-	2,043	(2,043)
Benefit payments, including refunds	(114,880)	(114,880)	-
Administrative expense	-	(3,204)	3,204
Other changes	-	13,798	(13,798)
Net changes	(22,374)	(74,443)	52,069
Balances at 6/30/2022	\$ 1,872,234	\$ 2,839,910	\$ (967,676)

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

12. PENSION PLAN – LAGERS (Continued):

	<u>Fire</u>		
		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2021	\$ 970,339	\$ 2,155,210	\$ (1,184,871)
Changes for the year:			
Service Cost	16,811	-	16,811
Interest	66,778	-	66,778
Difference between expected and actual experience	(67,757)	-	(67,757)
Changes of Assumptions	-	-	-
Contributions - employer	-	895	(895)
Contributions - employee	-	3,581	(3,581)
Net investment income	-	1,310	(1,310)
Benefit payments, including refunds	(50,122)	(50,122)	-
Administrative expense	-	(773)	773
Other changes	-	(7,602)	7,602
Net changes	(34,290)	(52,711)	18,421
Balances at 6/30/2022	\$ 936,049	\$ 2,102,499	\$ (1,166,450)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00% for General, Police and Fire, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	<u>General</u>		
		Current Single Discount	
	1% Decrease 6.00%	Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability (TPL)	\$ 11,386,698	\$ 10,117,116	\$ 9,047,078
Plan Fiduciary Net Position	10,934,986	10,934,986	10,934,986
Net Pension Liability/(Asset) (NPL)	<u>\$ 451,712</u>	<u>\$ (817,870)</u>	<u>\$ (1,887,908)</u>

	<u>Police</u>		
		Current Single Discount	
	1% Decrease 6.00%	Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability (TPL)	\$ 2,187,132	\$ 1,872,234	\$ 1,622,798
Plan Fiduciary Net Position	2,839,910	2,839,910	2,839,910
Net Pension Liability/(Asset) (NPL)	<u>\$ (652,778)</u>	<u>\$ (967,676)</u>	<u>\$ (1,217,112)</u>

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

12. PENSION PLAN – LAGERS (Continued):

	<u>Fire</u>		
	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Total Pension Liability (TPL)	\$ 1,062,271	\$ 936,049	\$ 831,641
Plan Fiduciary Net Position	2,102,499	2,102,499	2,102,499
Net Pension Liability/(Asset) (NPL)	<u>\$ (1,040,228)</u>	<u>\$ (1,166,450)</u>	<u>\$ (1,270,858)</u>

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

For the year ended June 30, 2022 the employer recognized pension expense of \$(224,642) for General, \$(150,293) for Police, and \$(105,671) for Fire. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>General</u>		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences in experience	\$ 273,799	\$ (98,711)	\$ 175,088
Differences in assumptions	-	(116,137)	(116,137)
Excess (deficit) investment returns	-	(194,593)	(194,593)
Contributions subsequent to the measurement date*	-	-	-
Total	<u>\$ 273,799</u>	<u>\$ (409,441)</u>	<u>\$ (135,642)</u>

	<u>Police</u>		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences in experience	\$ -	\$ (99,575)	\$ (99,575)
Differences in assumptions	-	(6,734)	(6,734)
Excess (deficit) investment returns	-	(56,030)	(56,030)
Contributions subsequent to the measurement date*	-	-	-
Total	<u>\$ -</u>	<u>\$ (162,339)</u>	<u>\$ (162,339)</u>

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

12. PENSION PLAN – LAGERS (Continued):

	<u>Fire</u>		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences in experience	\$ 32,306	\$ (77,881)	\$ (45,575)
Differences in assumptions	-	(9,808)	(9,808)
Excess (deficit) investment returns	-	(42,764)	(42,764)
Contributions subsequent to the measurement date*	-	-	-
Total	\$ 32,306	\$ (130,453)	\$ (98,147)

*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, 2022.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

12. 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
2023	\$ (61,881)
2024	(85,739)
2025	(140,830)
2026	152,808
2027	-
Thereafter	-
Total	\$ (135,642)

Police	
Year Ending June 30,	Net Deferred Outflows of Resources
2023	\$ (81,311)
2024	(68,854)
2025	(52,040)
2026	39,866
2027	-
Thereafter	-
Total	\$ (162,339)

Fire	
Year Ending June 30,	Net Deferred Outflows of Resources
2023	\$ (27,427)
2024	(31,459)
2025	(62,920)
2026	23,659
2027	-
Thereafter	-
Total	\$ (98,147)

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

12. PENSION PLAN – LAGERS (Continued):

Payable to the Pension Plan

At June 30, 2022, 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, 2022.

13. 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, 2022, the City's budgeted expenditures did not exceed estimated revenues, transfers-in and beginning fund balance for any fund.

For the year ended June 30, 2022, the City's actual expenditures exceeded budgeted expenditures by \$4,014 for the General Fund.

For the year ended June 30, 2022, the City's actual expenditures exceeded budgeted expenditures by \$17,071 for the Street Fund.

14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Balances at June 30, 2022 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	\$ 389,984
General Fund	Economic Dev Fund	379
General Fund	Water & Sewer Utility Fund	1,648
Street Fund	Water & Sewer Utility Fund	2,370
		<u>\$ 394,381</u>

Interfund receivables resulted from the time between the receipt of goods 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
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

15. 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, 2022, restricted assets in the Debt Reserve Account include \$14.

At June 30, 2022, restricted assets include \$168,322 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, 2022, restricted assets include \$8 of restricted funds held by the Senior Nutrition Center.

At June 30, 2022, restricted assets include \$145,525 of restricted funds held by the Board of Public Works for purposes of residents' meter deposits payable balance.

At June 30, 2022, 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, 2022, restricted assets include \$541,887 of restricted funds held by the General Fund.

At June 30, 2022, restricted assets include \$235,300 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, 2022, restricted assets include \$2,555,868 of the net pension asset resulting from the City's implementation of GASB 68.

CITY OF MALDEN
Malden, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

16. RELATED PARTIES:

The City provides management duties for the Dunklin County Reorganized Common Sewer District #1. They handle all the daily activities of the Sewer District while charging the District a monthly fee for water treatment. The Sewer District is not owned by the City but was put under the receivership by the State of Missouri. The City collected \$63,074 from the Sewer District during the year and the Sewer District owed the City \$112,527 as of June 30, 2022.

The City owns the building that houses the Nutrition Center. The Nutrition Center is owned and operated by the Malden Chamber of Commerce; however, they do not have a system to track their assets. Therefore, the City uses their fixed asset program on behalf of the Malden Chamber of Commerce. The City does not charge the Malden Chamber of Commerce any rent to occupy the building.

17. SUBSEQUENT EVENTS:

For the year-ended June 30, 2022, the City has evaluated subsequent events for potential recognition and disclosure through March 31, 2023, which is the date the financial statements were available to be issued.

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>REVENUES:</u>				
Taxes	\$ 1,729,055	\$ 1,663,500	\$ 1,838,889	\$ 175,389
Intergovernmental	20,411	13,000	36,645	23,645
Charges for Services	195,756	182,280	175,295	(6,985)
Interest Income	10,757	11,300	13,926	2,626
Miscellaneous	289,324	83,434	504,260	420,826
TOTAL REVENUES	\$ 2,245,303	\$ 1,953,514	\$ 2,569,015	\$ 615,501
<u>EXPENDITURES:</u>				
General Administration	\$ 349,337	\$ 440,015	\$ 408,182	\$ 31,833
Municipal Court	69,936	72,010	72,632	(622)
Department of Public Safety	1,298,985	1,351,994	1,387,219	(35,225)
TOTAL EXPENDITURES	\$ 1,718,258	\$ 1,864,019	\$ 1,868,033	\$ (4,014)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 527,045	\$ 89,495	\$ 700,982	\$ 611,487
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from Sale of Assets	\$ 5,500	\$ -	\$ 17,950	\$ 17,950
Operating Transfers In (Out)	(163,744)	-	(195,194)	(195,194)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (158,244)	\$ -	\$ (177,244)	\$ (177,244)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES AND (USES) OVER EXPENDITURES	\$ 368,801	\$ 89,495	\$ 523,738	\$ 434,243
FUND BALANCES, June 30, 2021			863,842	
FUND BALANCES, June 30, 2022			\$ 1,387,580	

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Taxes	\$ 487,572	\$ 454,300	\$ 507,874	\$ 53,574
Intergovernmental	481,457	-	394	394
Interest Income	551	-	1,035	1,035
Miscellaneous	29,306	18,600	22,775	4,175
TOTAL REVENUES	\$ 998,886	\$ 472,900	\$ 532,078	\$ 59,178
<u>EXPENDITURES:</u>				
Transportation	\$ 930,076	\$ 490,254	\$ 507,325	\$ (17,071)
TOTAL EXPENDITURES	\$ 930,076	\$ 490,254	\$ 507,325	\$ (17,071)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 68,810	\$ (17,354)	\$ 24,753	\$ 42,107
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	\$ 11,225	\$ -	\$ 32,714	\$ 32,714
TOTAL OTHER FINANCING SOURCES (USES)	\$ 11,225	\$ -	\$ 32,714	\$ 32,714
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES AND (USES) OVER EXPENDITURES	\$ 80,035	\$ (17,354)	\$ 57,467	\$ 74,821
FUND BALANCES, June 30, 2021			192,561	
FUND BALANCES, June 30, 2022			\$ 250,028	

CITY OF MALDEN
Malden, Missouri

Exhibit J

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

June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY:								
Service Cost	\$ 189,272	\$ 184,536	\$ 180,912	\$ 184,561	\$ 180,947	\$ 177,602	\$ 171,702	\$ 172,273
Interest on Total Pension Liability	654,730	686,709	654,717	615,454	594,172	605,310	566,525	554,906
Difference between expected and actual experience	317,123	(212,219)	95,435	250,141	50,119	(472,148)	(220,394)	(216,521)
Assumption Changes	-	(249,681)	-	-	-	-	374,606	-
Benefit Payments and Refunds	(598,384)	(464,195)	(518,037)	(495,954)	(569,682)	(365,966)	(354,959)	(345,438)
NET CHANGE IN TOTAL PENSION LIABILITY	\$ 562,741	\$ (54,850)	\$ 413,027	\$ 554,202	\$ 255,556	\$ (55,202)	\$ 537,480	\$ 165,220
TOTAL PENSION LIABILITY, July 1, 2021	9,554,375	9,609,225	9,196,198	8,641,996	8,386,440	8,441,642	7,904,162	7,738,942
TOTAL PENSION LIABILITY, June 30, 2022 (a)	\$ 10,117,116	\$ 9,554,375	\$ 9,609,225	\$ 9,196,198	\$ 8,641,996	\$ 8,386,440	\$ 8,441,642	\$ 7,904,162
PLAN FIDUCIARY NET POSITION:								
Contributions-employer	\$ 235,431	\$ 196,708	\$ 178,455	\$ 165,540	\$ 185,960	\$ 156,922	\$ 141,744	\$ 127,044
Contributions-employee	70,278	63,454	62,616	63,669	65,249	60,355	60,304	60,497
Pension Plan Net Investment income	7,307	2,371,455	114,823	581,735	1,031,572	890,686	(23,040)	154,753
Benefit Payments and Refunds	(598,384)	(464,195)	(518,037)	(495,954)	(569,682)	(365,966)	(354,959)	(345,438)
Pension Plan Administrative Expense	(8,727)	(8,213)	(10,617)	(9,532)	(6,828)	(6,742)	(6,643)	(7,269)
Other	121,327	(140,763)	11,388	80,063	(141,514)	(105,769)	(69,872)	(107,246)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	\$ (172,768)	\$ 2,018,446	\$ (161,372)	\$ 385,521	\$ 564,757	\$ 629,486	\$ (252,466)	\$ (117,659)
PLAN FIDUCIARY NET POSITION, July 1, 2021	11,107,754	9,089,308	9,250,680	8,865,159	8,300,402	7,670,916	7,923,382	8,041,041
PLAN FIDUCIARY NET POSITION, June 30, 2022 (b)	\$ 10,934,986	\$ 11,107,754	\$ 9,089,308	\$ 9,250,680	\$ 8,865,159	\$ 8,300,402	\$ 7,670,916	\$ 7,923,382
EMPLOYER NET POSITION LIABILITY (a) - (b)	\$ (817,870)	\$ (1,553,379)	\$ 519,917	\$ (54,482)	\$ (223,163)	\$ 86,038	\$ 770,726	\$ (19,220)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	108.08%	116.26%	94.59%	100.59%	102.58%	98.97%	90.87%	100.24%
COVERED EMPLOYEE PAYROLL	\$ 1,694,939	\$ 1,537,356	\$ 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	(48.25)%	(101.04)%	33.43%	(03.57)%	(14.13)%	5.66%	51.20%	(01.34)%

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

CITY OF MALDEN
Malden, Missouri

Exhibit K

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

June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY:								
Service Cost	\$ 60,703	\$ 69,847	\$ 70,581	\$ 64,393	\$ 52,143	\$ 54,321	\$ 55,063	\$ 52,548
Interest on Total Pension Liability	130,758	132,788	129,711	123,186	111,257	110,167	97,950	108,348
Difference between expected and actual experience	(98,955)	(49,117)	(73,069)	(6,673)	89,594	(63,765)	38,370	(221,123)
Assumption Changes	-	(13,942)	-	-	-	-	56,608	-
Benefit Payments and Refunds	(114,880)	(82,978)	(85,814)	(101,786)	(87,432)	(81,896)	(76,427)	(92,170)
NET CHANGE IN TOTAL PENSION LIABILITY	\$ (22,374)	\$ 56,598	\$ 41,409	\$ 79,120	\$ 165,562	\$ 18,827	\$ 171,564	\$ (152,397)
TOTAL PENSION LIABILITY, July 1, 2021	1,894,608	1,838,010	1,796,601	1,717,481	1,551,919	1,533,092	1,361,528	1,513,925
TOTAL PENSION LIABILITY, June 30, 2022 (a)	\$ 1,872,234	\$ 1,894,608	\$ 1,838,010	\$ 1,796,601	\$ 1,717,481	\$ 1,551,919	\$ 1,533,092	\$ 1,361,528
PLAN FIDUCIARY NET POSITION:								
Contributions-employer	\$ 11,447	\$ 8,703	\$ 7,930	\$ 4,071	\$ 3,728	\$ 1,185	\$ 5,292	\$ 17,113
Contributions-employee	16,353	19,339	21,146	20,357	18,639	15,795	18,931	17,552
Pension Plan Net Investment income	2,043	626,755	29,784	149,537	259,238	226,017	(2,943)	37,341
Benefit Payments and Refunds	(114,880)	(82,978)	(85,814)	(101,786)	(87,432)	(81,896)	(76,427)	(92,170)
Pension Plan Administrative Expense	(3,204)	(2,875)	(4,571)	(3,984)	(2,988)	(2,613)	(2,523)	(2,889)
Other	13,798	20,562	(79,177)	45,082	10,212	18,436	32,005	(152,539)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	\$ (74,443)	\$ 589,506	\$ (110,702)	\$ 113,277	\$ 201,397	\$ 176,924	\$ (25,665)	\$ (175,592)
PLAN FIDUCIARY NET POSITION, July 1, 2021	2,914,353	2,324,847	2,435,549	2,322,272	2,120,875	1,943,951	1,969,616	2,145,208
PLAN FIDUCIARY NET POSITION, June 30, 2022 (b)	\$ 2,839,910	\$ 2,914,353	\$ 2,324,847	\$ 2,435,549	\$ 2,322,272	\$ 2,120,875	\$ 1,943,951	\$ 1,969,616
EMPLOYER NET POSITION LIABILITY (a) - (b)	\$ (967,676)	\$ (1,019,745)	\$ (486,837)	\$ (638,948)	\$ (604,791)	\$ (568,956)	\$ (410,859)	\$ (608,088)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	151.69%	153.82%	126.49%	135.56%	135.21%	136.66%	126.80%	144.66%
COVERED EMPLOYEE PAYROLL	\$ 400,028	\$ 444,104	\$ 556,584	\$ 506,639	\$ 466,301	\$ 351,312	\$ 464,264	\$ 443,882
EMPLOYER'S NET POSITION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	(241.90)%	(229.62)%	(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.

CITY OF MALDEN
Malden, Missouri

Exhibit L

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

June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY:								
Service Cost	\$ 16,811	\$ 23,882	\$ 24,225	\$ 22,880	\$ 22,715	\$ 19,620	\$ 18,229	\$ 17,636
Interest on Total Pension Liability	66,778	70,093	61,553	58,753	55,512	52,180	55,434	53,058
Difference between expected and actual experience	(67,757)	(43,567)	84,074	(1,305)	(15,863)	(9,977)	(118,315)	(18,391)
Assumption Changes	-	(17,040)	-	-	-	-	16,462	-
Benefit Payments and Refunds	(50,122)	(35,561)	(67,659)	(17,963)	(17,513)	(17,260)	(17,486)	(22,096)
NET CHANGE IN TOTAL PENSION LIABILITY	\$ (34,290)	\$ (2,193)	\$ 102,193	\$ 62,365	\$ 44,851	\$ 44,563	\$ (45,676)	\$ 30,207
TOTAL PENSION LIABILITY, July 1, 2021	970,339	972,532	870,339	807,974	763,123	718,560	764,236	734,029
TOTAL PENSION LIABILITY, June 30, 2022 (a)	\$ 936,049	\$ 970,339	\$ 972,532	\$ 870,339	\$ 807,974	\$ 763,123	\$ 718,560	\$ 764,236
PLAN FIDUCIARY NET POSITION:								
Contributions-employer	\$ 895	\$ 1,215	\$ 1,593	\$ 1,579	\$ 1,448	\$ 432	\$ 360	\$ 404
Contributions-employee	3,581	4,860	6,371	6,317	5,792	5,754	4,803	5,385
Pension Plan Net Investment income	1,310	464,709	25,970	107,212	180,314	157,626	(4,060)	26,983
Benefit Payments and Refunds	(50,122)	(35,561)	(67,659)	(17,963)	(17,513)	(17,260)	(17,486)	(22,096)
Pension Plan Administrative Expense	(773)	(616)	(806)	(725)	(512)	(506)	(505)	(466)
Other	(7,602)	(52,126)	64,473	1,789	222	2,779	(96,410)	32,654
NET CHANGE IN PLAN FIDUCIARY NET POSITION	\$ (52,711)	\$ 382,481	\$ 29,942	\$ 98,209	\$ 169,751	\$ 148,825	\$ (113,298)	\$ 42,864
PLAN FIDUCIARY NET POSITION, July 1, 2021	2,155,210	1,772,729	1,742,787	1,644,578	1,474,827	1,326,002	1,439,300	1,396,436
PLAN FIDUCIARY NET POSITION, June 30, 2022 (b)	\$ 2,102,499	\$ 2,155,210	\$ 1,772,729	\$ 1,742,787	\$ 1,644,578	\$ 1,474,827	\$ 1,326,002	\$ 1,439,300
EMPLOYER NET POSITION LIABILITY (a) - (b)	\$ (1,166,450)	\$ (1,184,871)	\$ (800,197)	\$ (872,448)	\$ (836,604)	\$ (711,704)	\$ (607,442)	\$ (675,064)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY								
	224.61%	222.11%	182.28%	200.24%	203.54%	193.26%	184.54%	188.33%
COVERED EMPLOYEE PAYROLL	\$ 75,326	\$ 123,403	\$ 165,304	\$ 148,880	\$ 144,393	\$ 144,106	\$ 114,768	\$ 114,557
EMPLOYER'S NET POSITION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL								
	(1,548.54)%	(960.16)%	(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.

CITY OF MALDEN
Malden, Missouri

Exhibit M

SCHEDULE OF CONTRIBUTIONS

June 30, 2022

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
6/30/2022	\$ 248,182	\$ 247,773	\$ 409	\$ 2,255,292	10.99%
6/30/2021	209,799	206,626	3,173	2,191,336	9.43%
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%

CITY OF MALDEN
Malden, Missouri

Exhibit N

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

June 30, 2022

<i>Fiscal year ending June 30,</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability								
Service Cost	\$266,786	\$ 278,265	\$ 275,718	\$ 271,834	\$ 255,805	\$ 251,543	\$ 244,994	\$ 242,457
Interest on the Total Pension Liability	852,266	889,590	845,981	797,393	760,941	767,657	719,909	716,312
Difference between Expected and Actual Experience	150,411	(304,903)	106,440	242,163	123,850	(545,890)	(300,339)	(456,035)
Assumption Changes	-	(280,663)	-	-	-	-	447,676	-
Benefit Payments	(763,386)	(582,734)	(671,510)	(615,703)	(674,627)	(465,122)	(448,872)	(459,704)
Net Change in Total Pension Liability	\$ 506,077	\$ (445)	\$ 556,629	\$ 695,687	\$ 465,969	\$ 8,188	\$ 663,368	\$ 43,030
Total Pension Liability Beginning	<u>12,419,322</u>	<u>12,419,767</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>	<u>9,986,896</u>
Total Pension Liability Ending	<u>\$ 12,925,399</u>	<u>\$ 12,419,322</u>	<u>\$ 12,419,767</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	\$247,773	\$ 206,626	\$ 187,978	\$ 171,190	\$ 191,136	\$ 158,539	\$ 147,396	\$ 144,561
Contributions-Employee	90,212	87,653	90,133	90,343	89,680	81,904	84,038	83,434
Pension Plan Net Investment Income	10,660	3,462,919	170,577	838,484	1,471,124	1,274,329	(30,043)	219,077
Benefit Payments	(763,386)	(582,734)	(671,510)	(615,703)	(674,627)	(465,122)	(448,872)	(459,704)
Pension Plan Administrative Expense	127,523	(11,704)	(15,994)	(14,241)	(10,328)	(9,861)	(9,671)	(10,624)
Other	-	(172,327)	(3,316)	126,934	(131,080)	(84,554)	(134,277)	(227,131)
Net Change in Plan Fiduciary Net Position	\$ (299,922)	\$ 2,990,433	\$ (242,132)	\$ 597,007	\$ 935,905	\$ 955,235	\$ (391,429)	\$ (250,387)
Plan Fiduciary Net Position Beginning	<u>16,177,317</u>	<u>13,186,884</u>	<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>\$ 15,877,395</u>	<u>\$ 16,177,317</u>	<u>\$ 13,186,884</u>	<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>
Employer Net Pension Liability (Asset)	\$ (2,951,996)	\$ (3,757,995)	\$ (767,117)	\$ (1,565,878)	\$ (1,664,558)	\$ (1,194,622)	\$ (247,575)	\$ (1,302,372)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	122.84%	130.26%	106.18%	113.20%	114.91%	111.16%	102.32%	112.98%
Covered Employee Payroll	\$2,170,293	\$ 2,104,863	\$ 2,276,933	\$ 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	(136.02)%	(178.54)%	(33.69)%	(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.

CITY OF MALDEN
Malden, Missouri

Schedule 1

COMBINING BALANCE SHEET –
OTHER GOVERNMENTAL FUNDS

June 30, 2022

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Park Fund	Cemetery Fund	DED Fund	CIC Fund	
<u>ASSETS:</u>					
Cash	\$ 28,707	27,054	\$ 39,833	\$ 8,342	\$ 103,936
Restricted Cash	-	-	-	14	14
Cash in Bank - CDs	-	126,735	-	-	126,735
Accounts Receivable, Net	16,494	-	-	-	16,494
Prepaid Expenses	5,146	509	-	-	5,655
TOTAL ASSETS	\$ 50,347	\$ 154,298	\$ 39,833	\$ 8,356	\$ 252,834
 <u>LIABILITIES AND FUND BALANCES:</u>					
 <u>CURRENT LIABILITIES:</u>					
Accounts Payable	\$ 11,428	\$ 763	\$ -	\$ -	\$ 12,191
Accrued Salaries and Benefits	7,787	2,686	-	-	10,473
Due to Other Funds	-	-	379	-	379
TOTAL LIABILITIES	\$ 19,215	\$ 3,449	\$ 379	\$ -	\$ 23,043
FUND BALANCES	\$ 31,132	\$ 150,849	\$ 39,454	\$ 8,356	\$ 229,791
TOTAL LIABILITIES AND FUND BALANCES	\$ 50,347	\$ 154,298	\$ 39,833	\$ 8,356	\$ 252,834

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, 2022

	Park Fund	Cemetery Fund	DED Fund	CIC Fund	Total Other Governmental Funds
<u>REVENUES:</u>					
Taxes	\$ 161,543	\$ -	\$ -	\$ -	\$ 161,543
Charges for Services	31,744	39,153	-	-	70,897
Interest Income	153	316	220	13	702
Miscellaneous Revenues	15,446	10,010	-	-	25,456
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	\$ 208,886	\$ 49,479	\$ 220	\$ 13	\$ 258,598
<u>EXPENDITURES:</u>					
Current:					
General Government	\$ -	\$ 67,824	\$ 457	\$ 2,751	\$ 71,032
Culture and Recreation	217,630	-	-	-	217,630
Debt Service:					
Principal	-	-	-	66,791	66,791
Interest	-	-	-	20,430	20,430
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 217,630	\$ 67,824	\$ 457	\$ 89,972	\$ 375,883
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/> <u>\$ (8,744)</u>	<hr/> <u>\$ (18,345)</u>	<hr/> <u>\$ (237)</u>	<hr/> <u>\$ (89,959)</u>	<hr/> <u>\$ (117,285)</u>
<u>OTHER FINANCING SOURCES (USES):</u>					
Proceeds from Sale of Assets	\$ -	\$ 1,525	\$ -	\$ -	\$ 1,525
Operating Transfers (Out)	-	-	(36,000)	-	(36,000)
Operating Transfers In	-	19,189	-	87,221	106,410
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES AND USES	\$ -	\$ 20,714	\$ (36,000)	\$ 87,221	\$ 71,935
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES AND (USES) OVER EXPENDITURES	<hr/> <u>\$ (8,744)</u>	<hr/> <u>\$ 2,369</u>	<hr/> <u>\$ (36,237)</u>	<hr/> <u>\$ (2,738)</u>	<hr/> <u>\$ (45,350)</u>
FUND BALANCES, June 30, 2021	<hr/> <u>39,876</u>	<hr/> <u>148,480</u>	<hr/> <u>75,691</u>	<hr/> <u>11,094</u>	<hr/> <u>275,141</u>
FUND BALANCES, June 30, 2022	<hr/> <u>\$ 31,132</u>	<hr/> <u>\$ 150,849</u>	<hr/> <u>\$ 39,454</u>	<hr/> <u>\$ 8,356</u>	<hr/> <u>\$ 229,791</u>



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Malden, Missouri's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Malden, MO's major federal programs for the year ended June 30, 2022. The City of Malden, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Malden, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Malden, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Malden, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Malden, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal

program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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
March 31, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
Highway Safety Cluster-Cluster			
Department of Transportation			
State and Community Highway Safety			
State and Community Highway Safety	20.600	MO Highway Safety and Traffic Division	\$ 3,329
State and Community Highway Safety	20.600	Missouri Department of Public Safety	422
Total State and Community Highway Safety			<u>\$ 3,751</u>
<i>Total Department of Transportation</i>			<u>\$ 3,751</u>
Total Highway Safety Cluster-Cluster			<u>\$ 3,751</u>
Other Programs			
Department of Transportation			
Airport Improvement Program			
Airport Improvement Program	20.106	Missouri Department of Transportation	<u>\$ 3,389,964</u>
Total Airport Improvement Program			<u>\$ 3,389,964</u>
E-911 Grant Program			
E-911 Grant Program	20.615	Missouri Department of Public Safety	<u>\$ 8,492</u>
Total E-911 Grant Program			<u>\$ 8,492</u>
<i>Total Department of Transportation</i>			<u>\$ 3,398,456</u>
Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)			
Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)	21.027	ARPA	<u>\$ 65,446</u>
Total Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)			<u>\$ 65,446</u>
<i>Total Department of the Treasury</i>			<u>\$ 65,446</u>
Total Other Programs			<u>\$ 3,463,902</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,467,653</u></u>

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

NOTE A – BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Malden under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirement of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of City of Malden, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Malden.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where certain types of expenditures are not allowable or are limited as reimbursement.

NOTE C – INDIRECT COST RATE:

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

CITY OF MALDEN
Malden, Missouri

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? ___ Yes X No

Significant deficiency identified that is not considered to
be material weakness? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness identified? ___ Yes X No

Significant deficiency identified that is not considered to
be material weakness? ___ Yes X None Reported

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

Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance? ___ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
20.106	Airport Improvement Program	<u>\$3,389,964</u>

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

Auditee qualified as low-risk auditee? ___ Yes X No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

B. Findings - Financial Statement

There were no audit findings related to the financial statements for the year ended June 30, 2022.

C. Findings and Questioned Costs - Federal Awards

There were no audit findings related to federal awards for the year ended June 30, 2022.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2022

D. Findings - Financial Statement Audit

2021-001 Management Oversight.

Status: Finding has been corrected. Management is verifying all changes made after completion of bank reconciliations.