

CITY OF PERRYVILLE, MISSOURI  
Perryville, Missouri

For the Year Ended March 31, 2019

ANNUAL FINANCIAL REPORT

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

*Certified Public Accountants*

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

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### INDEPENDENT AUDITORS' REPORT

To the Mayor and Board of Aldermen  
City of Perryville, Missouri

#### Report on the Financial Statements

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

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

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

#### Auditors' Responsibility

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

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

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

### Opinions

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

### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post-employment benefit information on pages 6 through 13 and 48 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

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

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

the combining 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 September 17, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Perryville, 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 Perryville, Missouri's internal control over financial reporting and compliance.

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

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

Cape Girardeau, Missouri  
September 17, 2019

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

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

To the Mayor and Board of Aldermen  
City of Perryville, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perryville, Missouri as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Perryville, Missouri's basic financial statements, and have issued our report thereon dated September 17, 2019.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Perryville, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Perryville, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Perryville, 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

identify a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2019-001 that we consider to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Perryville, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2019-002.

#### City of Perryville, Missouri's Response to Findings

City of Perryville, Missouri's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. City of Perryville, Missouri's responses were not subjected to the auditing procedures applied in the audit or the financial statements and, accordingly, we express no opinion on them.

#### 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Cape Girardeau, Missouri  
September 17, 2019



REQUIRED SUPPLEMENT INFORMATION

City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
(Unaudited)

The City of Perryville, Missouri (the City) has prepared financial statements in accordance with the guidelines prescribed in GASB Statement 34. This discussion and analysis is meant to provide an objective and easily readable analysis of the City's financial activities based on current facts and conditions. Please read this in conjunction with the accompanying basic financial statements.

#### FINANCIAL HIGHLIGHTS

- The City of Perryville, Missouri's net position increased \$3,184,535 or 4.7%. Governmental activities net position increased \$1,924,680 and business-type activities net position increased \$1,259,855.
- The City's governmental activities net position reported ending balance of \$39,628,989, an increase of \$1,924,680 from the prior year. Approximately 13.2% of this total amount, or \$5,226,063, is unrestricted and available for use within the City's designation and policies.
- The City's total debt decreased by \$1,387,705 (51.44%) during the current fiscal year.
- The City's property tax levy remained the same at 57 cents per \$100 assessed valuation.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Perryville, Missouri's basic financial statements. The City's basic financial statements consist of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

##### Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances using a governmental or business-type classification. The government-wide financial statements include a statement of net position and a statement of activities.

The statement of net position presents information on all assets and liabilities of the City, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Perryville, Missouri is improving or deteriorating.

The statement of activities presents information on all revenues and expenses of the City and the change in net position. This statement provides the expenses of a given function or activity offset by related program revenues resulting in the net expense or revenue for the function or activity.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are

City of Perryville, Missouri  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED  
(Unaudited)

intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, and capital projects. The business-type activities of the City include water and sewer, gas and refuse operations. The government-wide financial statements can be found on pages 14 – 15 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the City’s major funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements can be found on pages 16 – 22.

All of the funds of the City can be divided into two categories of funds:

- Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near term financing requirements.
- Proprietary funds – The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, gas and refuse operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 – 47.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 48 – 54.

The combining statements are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 55 - 56 of this report.

City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial report represents the new approach mandated by the Governmental Accounting Standards Board (GASB). GASB sets the uniform standards for presenting government financial reports.

**City of Perryville, Missouri's Net Position**

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 7,968,054	\$ 8,256,095	\$ 7,350,802	\$ 6,044,625	\$ 15,318,856	\$ 14,300,720
Capital assets	<u>33,767,923</u>	<u>26,633,961</u>	<u>25,410,332</u>	<u>25,012,433</u>	<u>59,178,255</u>	<u>51,646,394</u>
<b>Total assets</b>	<u>41,735,977</u>	<u>34,890,056</u>	<u>32,761,134</u>	<u>31,057,058</u>	<u>74,497,111</u>	<u>65,947,114</u>
Deferred outflows of resources	515,606	1,495,401	393,360	-	908,966	1,495,401
Long-term liabilities	2,550	377,705	485,710	960,000	488,260	1,337,705
Other liabilities	<u>1,877,877</u>	<u>2,044,947</u>	<u>1,726,429</u>	<u>1,646,258</u>	<u>3,604,306</u>	<u>3,691,205</u>
<b>Total liabilities</b>	<u>1,880,427</u>	<u>2,422,652</u>	<u>2,212,139</u>	<u>2,606,258</u>	<u>4,092,566</u>	<u>5,028,910</u>
Deferred inflows of resources	742,167	333,096	219,732	-	961,899	333,096
<b>Net position:</b>						
Invested in capital assets, net of related debt	33,417,923	25,601,256	24,450,332	23,347,433	57,868,255	48,948,689
Restricted	985,003	1,068,656	1,003,713	1,129,377	1,988,716	2,198,033
Unrestricted	<u>5,226,063</u>	<u>6,959,797</u>	<u>5,268,578</u>	<u>3,973,990</u>	<u>10,494,641</u>	<u>10,933,787</u>
<b>Total net position</b>	<u>\$ 39,628,989</u>	<u>\$ 33,629,709</u>	<u>\$ 30,722,623</u>	<u>\$ 28,450,800</u>	<u>\$ 70,351,612</u>	<u>\$ 62,080,509</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. The assets of the City of Perryville, Missouri exceeded liabilities by \$70,351,612 and \$62,080,509 as of March 31, 2019 and 2018, respectively.

The largest portion of the City's net position (78.8%) reflects the City's investment in capital assets (e.g., land, buildings, machinery, equipment, gas, and water and sewer lines), less any related debt still outstanding that was issued to acquire or build those items. The City of Perryville, Missouri uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Perryville, Missouri's investment in its capital assets is reported net of

City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
(Unaudited)

the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City of Perryville, Missouri's net position (2.8%) represents resources that are subject to restrictions on how they may be used. The largest portion of this is the cash restricted for the payment of debt service. The remaining balance of unrestricted net position of \$10,494,641 may be used to meet the government's ongoing obligation to citizens and creditors.

City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
(Unaudited)

City of Perryville, Missouri's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 836,667	\$ 675,394	\$ 12,514,376	\$ 10,849,510	\$ 13,351,043	\$ 11,524,904
Operating grants & contributions	-	235,680	-	-	-	235,680
Capital grants & contributions	-	248,655	-	-	-	248,655
<b>General revenues:</b>						
Property taxes	6,987,605	7,453,561	-	-	6,987,605	7,453,561
Investment revenue	200,813	66,680	96,943	62,463	297,756	129,143
Miscellaneous	522,990	618,694	49,877	299,774	572,867	918,468
Intergovernmental	988,978	-	-	-	988,978	-
<b>Total revenues</b>	<b>9,537,053</b>	<b>9,298,664</b>	<b>12,661,196</b>	<b>11,211,747</b>	<b>22,198,249</b>	<b>20,510,411</b>
<b>Expenses:</b>						
General government	2,072,175	2,303,636	-	-	2,072,175	2,303,636
Public safety	2,737,434	2,505,308	-	-	2,737,434	2,505,308
Airport operations	-	501,328	-	-	-	501,328
Public Works	2,262,770	-	-	-	2,262,770	-
Culture and recreation	2,081,036	2,121,342	-	-	2,081,036	2,121,342
Capital Outlay	158,856	-	-	-	158,856	-
Streets and improvements	-	1,170,851	-	-	-	1,170,851
Sidewalks	-	62,048	-	-	-	62,048
Field improvements	-	12,941	-	-	-	12,941
Storm water	-	190,651	-	-	-	190,651
Capital projects	-	260,629	-	-	-	260,629
Interest on long-term debt	45,477	85,390	-	-	45,477	85,390
Sanitation	-	(1,683)	748,306	671,806	748,306	670,123
Water and sewer	-	-	4,520,910	3,727,902	4,520,910	3,727,902
Gas	-	-	4,386,750	4,171,785	4,386,750	4,171,785
<b>Total expenses</b>	<b>9,357,748</b>	<b>9,212,441</b>	<b>9,655,966</b>	<b>8,571,493</b>	<b>19,013,714</b>	<b>17,783,934</b>
<b>Increase (decrease) in net position</b>						
before transfers	179,305	86,223	3,005,230	2,640,254	3,184,535	2,726,477
Transfers	1,745,375	2,909,994	(1,745,375)	(2,909,994)	-	-
<b>Increase (decrease) in net position</b>	<b>1,924,680</b>	<b>2,996,217</b>	<b>1,259,855</b>	<b>(269,740)</b>	<b>3,184,535</b>	<b>2,726,477</b>
<b>Net position at beginning of year</b>	<b>33,629,709</b>	<b>30,633,492</b>	<b>28,450,800</b>	<b>28,720,540</b>	<b>62,080,509</b>	<b>59,354,032</b>
Restatement of net position	4,074,600	-	1,011,968	-	5,086,568	-
<b>Net position at end of year</b>	<b>\$ 39,628,989</b>	<b>\$ 33,629,709</b>	<b>\$ 30,722,623</b>	<b>\$ 28,450,800</b>	<b>\$ 70,351,612</b>	<b>\$ 62,080,509</b>

City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
(Unaudited)

Governmental Activities

Governmental activities increased the City's net position by \$1,924,680 or 5.72%. Program revenues in the amount of \$844,298 were used to offset program expenses of \$9,357,748 resulting in a net program expense of \$8,513,450. General revenues in the amount of \$8,692,755 coupled with transfers in of \$1,745,375 resulted in a total net increase of \$1,924,680.

Business-Type Activities

Business-type activities increased the City's net position by \$1,259,855 or 4.43%. Program revenues in the amount of \$12,514,376 were used to offset program expenses of \$9,655,966 resulting in net program revenue of \$2,858,410. General revenues in the amount of \$146,820 coupled with transfers out of \$1,745,375 resulted in a total net increase of \$1,259,855.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Perryville, Missouri uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Perryville, Missouri's governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, committed, assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Perryville, Missouri's governmental funds reported combined ending fund balances of \$6,035,152. Approximately 82.5% of this total amount, \$4,978,875, constitutes committed, assigned and unassigned fund balances. The remainder of the fund balance \$1,056,277, is nonspendable or restricted to indicate that it is not available for new spending because it has already been delegated to pay for debt service and to pay for other activities.

Proprietary Funds

The City of Perryville, Missouri's proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

Unrestricted net position of the respective proprietary funds are Combined Waterworks and Sewerage System Fund - \$2,564,134, Gas Operation Fund - \$2,434,963, and Refuse Fund – \$269,481. Net position of the funds changed as follows: Combined Waterworks and Sewerage System Fund increased by \$746,729, Gas Operation Fund increased by \$367,925, and Refuse Fund increased by \$452,168.

City of Perryville, Missouri  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED  
(Unaudited)

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City made revisions to its original budget for various interfund transfers approved by the Board.

- Purchase of two automated trash trucks
- Final payment was received from the EDA for the Route AC Project
- Reimbursement was received from MODOT for the Route AC Project
- HVAC Project at Perry Park Center necessary due to concession stand renovations

**CAPITAL ASSETS**

The City of Perryville, Missouri’s investment in capital assets for its governmental and business-type activities as of March 31, 2019 totals \$59,178,255 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, pool and bathhouse, construction in progress, and infrastructure assets. The total increase in the City’s investment in capital assets for the current fiscal year was 14.58% (26.79% increase for governmental activities and 1.59% increase for business-type activities).

**City of Perryville, Missouri's Capital Assets  
Net of Accumulated Depreciation**

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Land	\$ 2,854,974	\$ 2,511,992	\$ 320,380	\$ 320,380	\$ 3,175,354	\$ 2,832,372
Buildings	9,086,901	8,786,919		-	9,086,901	8,786,919
Improvements other than buildings	15,848,840	12,762,004	22,612,229	18,408,548	38,461,069	31,170,552
Machinery and equipment	1,489,095	1,547,460	2,070,572	3,453,518	3,559,667	5,000,978
Pool and bathhouse	96,758	118,092		-	96,758	118,092
Construction in progress	4,391,355	907,494	407,151	2,829,987	4,798,506	3,737,481
<b>Total</b>	<b>\$ 33,767,923</b>	<b>\$ 26,633,961</b>	<b>\$ 25,410,332</b>	<b>\$ 25,012,433</b>	<b>\$ 59,178,255</b>	<b>\$ 51,646,394</b>

Major capital asset events during the current fiscal year included the following:

- Liberty Street and National Guard Water Towers
- Street Department Building at Public Works
- Edgemont Boulevard Extension
- Purchase of Two Automated Trash Trucks

Additional information on the City of Perryville, Missouri’s capital assets can be found in note 4 on pages 33 - 35 of this report.



City of Perryville, Missouri  
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED  
(Unaudited)

DEBT ADMINISTRATION

As of March 31, 2019, the City of Perryville, Missouri had total long-term debt outstanding of \$1,310,000. Of this amount, \$685,000 represents bonds secured solely by specified revenue sources (i.e. revenue bonds), and \$625,000 represents Certificates of Participation.

The City of Perryville, Missouri’s total debt decreased by \$1,387,705 during the past fiscal year.

Additional information regarding the City of Perryville, Missouri’s long-term debt can be found in note 5 on pages 35 - 37 of this report.

**City of Perryville, Missouri's Outstanding Debt**

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ -	\$ 347,705	\$ -	\$ -	\$ -	\$ 347,705
Revenue bonds	685,000	685,000	-	655,000	685,000	1,340,000
Certificates of Participation	-	-	625,000	1,010,000	625,000	1,010,000
Capital leases	-	-	-	-	-	-
<b>Total</b>	<b>\$ 685,000</b>	<b>\$ 1,032,705</b>	<b>\$ 625,000</b>	<b>\$ 1,665,000</b>	<b>\$ 1,310,000</b>	<b>\$ 2,697,705</b>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The economic indicators for Perryville and Perry County are very strong. At this writing, our unemployment rate is 2.8%, well below the State of Missouri’s 3.7% or Southeast Missouri region’s rate 4.4%. The community continues to work to address its housing shortage and has seen several apartments recently developed. In addition, city leaders worked with the Perryville Development Corporation to develop Red Bud Court which will be the City’s first new subdivision in several years, bringing upwards of 23 new homes to Perryville. In 2018, voters also approved a ballot issue to extend sales tax and property taxes to support the construction of a new wastewater treatment plant, replacing the City’s antiquated plant that is over four decades old. The City hopes to continue to build on this foundation of economic success in coming years.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City’s finances. If you have questions about this report or need any additional information, contact the City of Perryville, 215 N West Street, Perryville, Missouri, 63775.

BASIC FINANCIAL STATEMENTS

## CITY OF PERRYVILLE, MISSOURI

## STATEMENT OF NET POSITION

March 31, 2019

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Current Assets:</u>			
Cash and Cash Equivalents	\$ 6,143,223	\$ 4,844,641	\$ 10,987,864
Restricted Cash and Cash Equivalents	827,649	1,003,713	1,831,362
Receivables, Net of Allowance:			
Real Estate and Personal Property Taxes	23,486	-	23,486
Sales and Use Tax	382,661	-	382,661
Intergovernmental	25,242	1,543,278	1,568,520
Gross Net Receipts Tax	84,643	-	84,643
Franchise Fees	17,739	-	17,739
Other	1,812	-	1,812
Internal Balances	250	(250)	-
Prepaid Expenses	71,274	52,439	123,713
Net Pension Asset	390,075	(93,019)	297,056
Total Current Assets	<u>\$ 7,968,054</u>	<u>\$ 7,350,802</u>	<u>\$ 15,318,856</u>
<u>Capital Assets:</u>			
Land	\$ 2,854,974	\$ 320,380	\$ 3,175,354
Construction in Progress	4,391,355	407,151	4,798,506
Other Capital Assets, Net	26,521,594	24,682,801	51,204,395
Total Capital Assets, Net	<u>\$ 33,767,923</u>	<u>\$ 25,410,332</u>	<u>\$ 59,178,255</u>
<b>TOTAL ASSETS</b>	<u>\$ 41,735,977</u>	<u>\$ 32,761,134</u>	<u>\$ 74,497,111</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amounts Related to Pensions	\$ 515,606	\$ 393,360	\$ 908,966
<u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Accounts Payable	\$ 1,091,965	\$ 733,027	1,824,992
Accrued Liabilities	-	3,391	3,391
Accrued Payroll and Fringe Benefits	415,066	181,022	596,088
Accrued Interest Payable	9,746	5,929	15,675
Sales Tax Payable	-	33,060	33,060
Gift Card Certificates	11,100	-	11,100
Revenue Bonds Payable	350,000	335,000	685,000
Certificates of Participation Payable	-	435,000	435,000
Total Current Liabilities	<u>\$ 1,877,877</u>	<u>\$ 1,726,429</u>	<u>\$ 3,604,306</u>
<u>Long-Term Liabilities:</u>			
Customer Deposits Payable	\$ 2,550	\$ 295,710	\$ 298,260
Certificates of Participation Payable	-	190,000	190,000
Total Long-Term Liabilities	<u>\$ 2,550</u>	<u>\$ 485,710</u>	<u>\$ 488,260</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,880,427</u>	<u>\$ 2,212,139</u>	<u>\$ 4,092,566</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Amounts Related to Pensions	\$ 742,167	\$ 219,732	\$ 961,899
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 33,417,923	\$ 24,450,332	\$ 57,868,255
Restricted for Specific Purposes	985,003	1,003,713	1,988,716
Unrestricted	5,226,063	5,268,578	10,494,641
<b>TOTAL NET POSITION</b>	<u>\$ 39,628,989</u>	<u>\$ 30,722,623</u>	<u>\$ 70,351,612</u>

See Accompanying Notes to the Basic Financial Statements.

## CITY OF PERRYVILLE, MISSOURI

## STATEMENT OF ACTIVITIES

Year Ended March 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,072,175	\$ 152,535	\$ -	\$ -	\$ (1,919,640)	\$ -	\$ (1,919,640)
Public Safety	2,737,434	107,865	1,050	-	(2,628,519)	-	(2,628,519)
Public Works	2,262,770	71,678	-	-	(2,191,092)	-	(2,191,092)
Culture and Recreation	2,081,036	504,589	6,581	-	(1,569,866)	-	(1,569,866)
Capital Outlay	158,856	-	-	-	(158,856)	-	(158,856)
Debt Service							
Interest	45,477	-	-	-	(45,477)	-	(45,477)
Total Governmental Activities	<u>\$ 9,357,748</u>	<u>\$ 836,667</u>	<u>\$ 7,631</u>	<u>\$ -</u>	<u>\$ (8,513,450)</u>	<u>\$ -</u>	<u>\$ (8,513,450)</u>
Business-Type Activities:							
Water and Sewer	\$ 4,520,910	\$ 5,233,129	\$ -	\$ -	\$ -	\$ 712,219	\$ 712,219
Gas	4,386,750	6,420,912	-	-	-	2,034,162	2,034,162
Refuse	748,306	860,335	-	-	-	112,029	112,029
Total Business-Type Activities	<u>\$ 9,655,966</u>	<u>\$ 12,514,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,858,410</u>	<u>\$ 2,858,410</u>
Total Primary Government	<u>\$19,013,714</u>	<u>\$ 13,351,043</u>	<u>\$ 7,631</u>	<u>\$ -</u>	<u>\$ (8,513,450)</u>	<u>\$ 2,858,410</u>	<u>\$ (5,655,040)</u>
General Revenue:							
Taxes					\$ 6,987,605	\$ -	\$ 6,987,605
Interest Income					200,813	96,943	297,756
Other					516,409	49,877	566,286
Intergovernmental					987,928	-	987,928
Transfers - Internal Activities					1,745,375	(1,745,375)	-
Total General Revenues					<u>\$ 10,438,130</u>	<u>\$ (1,598,555)</u>	<u>\$ 8,839,575</u>
Change in Net Position					\$ 1,924,680	\$ 1,259,855	\$ 3,184,535
Net Position - April 1, 2018					33,629,709	28,450,800	62,080,509
PRIOR PERIOD ADJUSTMENT					<u>4,074,600</u>	<u>1,011,968</u>	<u>5,086,568</u>
Net Position - March 31, 2019					<u>\$ 39,628,989</u>	<u>\$ 30,722,623</u>	<u>\$ 70,351,612</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURIBALANCE SHEET -  
GOVERNMENTAL FUNDS

March 31, 2019

<u>ASSETS</u>	<u>General Fund</u>	<u>Perry Park Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 2,163,203	\$ 50,490	\$ 3,929,530	\$ 6,143,223
Restricted Cash and Cash Equivalents	297,611	-	530,038	827,649
Receivables, Net of Allowance:				
Real Estate and Personal Property Taxes	8,126	2,870	90	11,086
Sales and Use Tax	160,780	81,071	140,810	382,661
Intergovernmental	-	-	25,242	25,242
Gross Net Receipts Tax	84,643	-	-	84,643
Franchise Fees	17,739	-	-	17,739
Other	-	-	1,812	1,812
Due from Other Funds	250	-	-	250
Prepaid Expenses	40,648	15,686	14,940	71,274
Total Current Assets	<u>\$ 2,773,000</u>	<u>\$ 150,117</u>	<u>\$ 4,642,462</u>	<u>\$ 7,565,579</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,773,000</u>	<u>\$ 150,117</u>	<u>\$ 4,642,462</u>	<u>\$ 7,565,579</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES:</u>				
Accounts Payable	\$ 97,686	\$ 886,634	\$ 107,645	\$ 1,091,965
Accrued Payroll and Fringe Benefits	300,886	73,740	40,440	415,066
Accrued Interest	-	-	9,746	9,746
Customer Deposits	-	-	2,550	2,550
Gift Card Certificates	-	11,100	-	11,100
<b>TOTAL LIABILITIES</b>	<u>\$ 398,572</u>	<u>\$ 971,474</u>	<u>\$ 160,381</u>	<u>\$ 1,530,427</u>
<u>FUND BALANCE:</u>				
Nonspendable	\$ 40,648	\$ 15,686	\$ 14,940	\$ 71,274
Restricted	292,761	-	692,242	985,003
Committed	-	-	3,144,595	3,144,595
Assigned	-	-	630,304	630,304
Unassigned	2,041,019	(837,043)	-	1,203,976
<b>TOTAL FUND BALANCE</b>	<u>\$ 2,374,428</u>	<u>\$ (821,357)</u>	<u>\$ 4,482,081</u>	<u>\$ 6,035,152</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 2,773,000</u>	<u>\$ 150,117</u>	<u>\$ 4,642,462</u>	<u>\$ 7,565,579</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURIRECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION

March 31, 2019

Total fund balance - total governmental funds (Statement 3)	\$ 6,035,152
Amounts reported for governmental activities in the 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 balance sheet, net of accumulated depreciation of \$25,514,737.	33,767,923
Deferred inflows of resources in the governmental funds are used to offset real estate and personal property tax receivables not collected at year end. These receivable are a component of net position in the Statement of Net Position.	12,400
Assets, liabilities, and deferred inflows and outflows related to the City's employee retirement plan are reported on a net basis in government activities of the statement of net position but are not included in the governmental funds because they do not require the use of or provide current financial resources.	163,514
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	
Revenue Bonds Payable	<u>(350,000)</u>
Net position of governmental activities (Statement 1)	<u>\$ 39,628,989</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURISTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended March 31, 2019

	<u>General Fund</u>	<u>Perry Park Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>				
Taxes	\$ 3,811,321	\$ 1,252,967	\$ 1,946,679	\$ 7,010,967
Licenses and Permits	59,029	-	-	59,029
Charges for Services	90,402	432,436	114	522,952
Intergovernmental	175,043	30,032	783,903	988,978
Fines	107,865	-	-	107,865
Rental	2,990	72,153	71,678	146,821
Interest Income	82,804	729	117,280	200,813
Other	58,860	34,481	429,649	522,990
TOTAL REVENUES	<u>\$ 4,388,314</u>	<u>\$ 1,822,798</u>	<u>\$ 3,349,303</u>	<u>\$ 9,560,415</u>
<u>EXPENDITURES:</u>				
General Government	\$ 1,963,102	\$ -	\$ -	\$ 1,963,102
Public Safety	2,849,908	-	-	2,849,908
Public Works	161,468	-	2,650,558	2,812,026
Culture and Recreation	-	4,326,088	16,258	4,342,346
Capital Outlay	44,569	-	620,859	665,428
Debt Service:				
Principal	-	-	335,000	335,000
Interest and Fees	-	-	45,477	45,477
TOTAL EXPENDITURES	<u>\$ 5,019,047</u>	<u>\$ 4,326,088</u>	<u>\$ 3,668,152</u>	<u>\$ 13,013,287</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (630,733)</u>	<u>\$ (2,503,290)</u>	<u>\$ (318,849)</u>	<u>\$ (3,452,872)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ 2,978,229	\$ 1,605,160	\$ 961,557	\$ 5,544,946
Transfers Out	<u>(2,521,716)</u>	<u>-</u>	<u>(1,277,855)</u>	<u>(3,799,571)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 456,513</u>	<u>\$ 1,605,160</u>	<u>\$ (316,298)</u>	<u>\$ 1,745,375</u>
NET CHANGE IN FUND BALANCES	\$ (174,220)	\$ (898,130)	\$ (635,147)	\$ (1,707,497)
FUND BALANCE, April 1, 2018	2,438,798	76,773	5,117,228	7,632,799
PRIOR PERIOD ADJUSTMENT	<u>109,850</u>	<u>-</u>	<u>-</u>	<u>109,850</u>
FUND BALANCE, March 31, 2019	<u>\$ 2,374,428</u>	<u>\$ (821,357)</u>	<u>\$ 4,482,081</u>	<u>\$ 6,035,152</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

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

Year Ended March 31, 2019

Net Change in fund balances - total governmental funds (Statement 4)	\$ (1,707,497)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets expended in the current period.	
	4,996,784
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	
	(1,627,352)
Changes in unavailable revenue for real estate and personal property tax revenues.	
	(23,362)
Changes in the assets, liabilities, and deferred inflows and outflows related to the city's employee retirement plan that occurred during the current year that do not require current financial resources are reported on the statement of activities but not in the governmental funds.	
	(48,893)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, premium, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Revenue Bonds Payment	335,000
Change in net position of governmental activities (Statement 2)	\$ 1,924,680

See Accompanying Notes to the Basic Financial Statements.



CITY OF PERRYVILLE, MISSOURISTATEMENT OF NET POSITION -  
PROPRIETARY FUNDS

March 31, 2019

<u>ASSETS</u>	<u>Combined Waterworks and Sewerage Fund</u>	<u>Gas Operation Fund</u>	<u>Refuse Fund</u>	<u>Total Proprietary Funds</u>
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 2,664,543	\$ 1,990,014	\$ 190,084	\$ 4,844,641
Restricted Cash and Cash Equivalents	434,320	569,393	-	1,003,713
Accounts Receivable, Net of Allowance for Doubtful Accounts	442,103	1,006,027	95,148	1,543,278
Prepaid Expenses	21,239	11,280	19,920	52,439
Total Current Assets	<u>\$ 3,562,205</u>	<u>\$ 3,576,714</u>	<u>\$ 305,152</u>	<u>\$ 7,444,071</u>
<u>CAPITAL ASSETS:</u>				
Land	\$ 173,750	\$ 139,630	\$ 7,000	\$ 320,380
Construction in Progress	378,774	28,377	-	407,151
Plant and System Improvements	35,132,895	10,431,418	-	45,564,313
Machinery and Equipment	1,804,432	1,628,111	1,510,725	4,943,268
Accumulated Depreciation	(19,863,690)	(5,164,257)	(796,833)	(25,824,780)
Total Capital Assets, Net	<u>\$ 17,626,161</u>	<u>\$ 7,063,279</u>	<u>\$ 720,892</u>	<u>\$ 25,410,332</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,188,366</u>	<u>\$ 10,639,993</u>	<u>\$ 1,026,044</u>	<u>\$ 32,854,403</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Amounts Related to Pensions	\$ 233,835	\$ 88,443	\$ 71,082	\$ 393,360
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable	\$ 348,097	\$ 371,348	\$ 13,582	\$ 733,027
Accrued Liabilities	223	-	3,168	3,391
Accrued Payroll and Fringe Benefits	107,763	39,771	33,488	181,022
Accrued Interest	2,221	3,708	-	5,929
Sales Tax Payable	3,870	29,190	-	33,060
Due to Other Funds	38,995	(38,745)	-	250
Net Pension Liability	55,296	20,914	16,809	93,019
Revenue Bonds Payable	-	335,000	-	335,000
Certificates of Participation Payable	234,900	200,100	-	435,000
Total Current Liabilities	<u>\$ 791,365</u>	<u>\$ 961,286</u>	<u>\$ 67,047</u>	<u>\$ 1,819,698</u>
<u>LONG-TERM LIABILITIES:</u>				
Customer Deposits Payable	\$ 110,500	\$ 185,210	\$ -	\$ 295,710
Certificates of Participation Payable	102,600	87,400	-	190,000
Total Long-Term Liabilities	<u>\$ 213,100</u>	<u>\$ 272,610</u>	<u>\$ -</u>	<u>\$ 485,710</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,004,465</u>	<u>\$ 1,233,896</u>	<u>\$ 67,047</u>	<u>\$ 2,305,408</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Amounts Related to Pensions	\$ 130,621	\$ 49,405	\$ 39,706	\$ 219,732
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 17,288,661	\$ 6,440,779	\$ 720,892	\$ 24,450,332
Restricted	434,320	569,393	-	1,003,713
Unrestricted	2,564,134	2,434,963	269,481	5,268,578
<b>TOTAL NET POSITION</b>	<u>\$ 20,287,115</u>	<u>\$ 9,445,135</u>	<u>\$ 990,373</u>	<u>\$ 30,722,623</u>

See Accompanying Notes to the Basic Financial Statements.

## CITY OF PERRYVILLE, MISSOURI

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

Year Ended March 31, 2019

	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Refuse Fund	Total Proprietary Funds
<u>OPERATING REVENUES:</u>				
Charges for Services	\$ 5,233,129	\$ 6,420,912	\$ 860,335	\$ 12,514,376
Miscellaneous Income	19,546	29,343	988	49,877
TOTAL OPERATING REVENUES	<u>\$ 5,252,675</u>	<u>\$ 6,450,255</u>	<u>\$ 861,323</u>	<u>\$ 12,564,253</u>
<u>OPERATING EXPENSES:</u>				
General Operating Expense	\$ 3,158,308	\$ 3,980,598	\$ 638,117	\$ 7,777,023
Depreciation and Amortization	1,129,215	307,933	104,482	1,541,630
TOTAL OPERATING EXPENSES	<u>\$ 4,287,523</u>	<u>\$ 4,288,531</u>	<u>\$ 742,599</u>	<u>\$ 9,318,653</u>
NET OPERATING INCOME (LOSS)	<u>\$ 965,152</u>	<u>\$ 2,161,724</u>	<u>\$ 118,724</u>	<u>\$ 3,245,600</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Interest Income	\$ 56,713	\$ 34,040	\$ 6,190	\$ 96,943
Interest and Fees	(11,311)	(19,035)	-	(30,346)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ 45,402</u>	<u>\$ 15,005</u>	<u>\$ 6,190</u>	<u>\$ 66,597</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>\$ 1,010,554</u>	<u>\$ 2,176,729</u>	<u>\$ 124,914</u>	<u>\$ 3,312,197</u>
<u>OPERATING TRANSFERS IN (OUT):</u>				
Transfers In	\$ 325,000	\$ -	\$ 456,320	\$ 781,320
Transfers Out	(588,825)	(1,808,804)	(129,066)	(2,526,695)
TOTAL TRANSFERS IN (OUT)	<u>\$ (263,825)</u>	<u>\$ (1,808,804)</u>	<u>\$ 327,254</u>	<u>\$ (1,745,375)</u>
CHANGE IN NET POSITION	\$ 746,729	\$ 367,925	\$ 452,168	\$ 1,566,822
TOTAL NET POSITION, April 1, 2018	19,312,651	8,623,780	514,369	28,450,800
PRIOR PERIOD ADJUSTMENT	<u>227,735</u>	<u>453,430</u>	<u>23,836</u>	<u>705,001</u>
TOTAL NET POSITION, March 31, 2019	<u>\$ 20,287,115</u>	<u>\$ 9,445,135</u>	<u>\$ 990,373</u>	<u>\$ 30,722,623</u>

See Accompanying Notes to the Basic Financial Statements.

## CITY OF PERRYVILLE, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended March 31, 2019

	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Refuse Fund	Total Proprietary Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Receipts from Customers	\$ 5,201,651	\$ 6,308,843	\$ 848,360	\$ 12,358,854
Receipts from Other Sources	19,546	29,343	988	49,877
Payments to Suppliers	(1,834,289)	(3,487,677)	(308,032)	(5,629,998)
Payments to Employees	(1,020,120)	(418,284)	(310,764)	(1,749,168)
Receipt of Customer Utility Deposits	<u>(5,302)</u>	<u>1,664</u>	<u>-</u>	<u>(3,638)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,361,486</u>	<u>\$ 2,433,889</u>	<u>\$ 230,552</u>	<u>\$ 5,025,927</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Operating Transfers from (to) Other Funds	<u>\$ (263,825)</u>	<u>\$ (1,808,804)</u>	<u>\$ 327,254</u>	<u>\$ (1,745,375)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Retirement of Bonds	\$ (207,900)	\$ (497,100)	\$ -	\$ (705,000)
Interest Paid on Bonds	(12,466)	(21,787)	-	(34,253)
Acquisition of Capital Assets	<u>(928,889)</u>	<u>(240,573)</u>	<u>(767,521)</u>	<u>(1,936,983)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (1,149,255)</u>	<u>\$ (759,460)</u>	<u>\$ (767,521)</u>	<u>\$ (2,676,236)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest on Cash	<u>\$ 56,713</u>	<u>\$ 34,040</u>	<u>\$ 6,190</u>	<u>\$ 96,943</u>
NET CHANGE IN CASH	\$ 1,005,119	\$ (100,335)	\$ (203,525)	\$ 701,259
CASH, April 1, 2018	<u>2,093,744</u>	<u>2,659,742</u>	<u>393,609</u>	<u>5,147,095</u>
CASH, March 31, 2019	<u>\$ 3,098,863</u>	<u>\$ 2,559,407</u>	<u>\$ 190,084</u>	<u>\$ 5,848,354</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ 965,152	\$ 2,161,724	\$ 118,724	\$ 3,245,600
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,129,215	307,933	104,482	1,541,630
Changes in Assets and Liabilities:				
Accounts Receivable	(31,478)	(112,069)	(11,975)	(155,522)
Prepaid Expenses	6,585	4,341	1,629	12,555
Deferred Outflows	239,374	90,538	72,764	402,676
Accounts Payable	245,530	48,435	8,921	302,886
Accrued Liabilities	(99,605)	(62,136)	(36,801)	(198,542)
Accrued Payroll and Fringe Benefits	107,763	39,771	33,488	181,022
Sales Tax Payable	3,870	29,190	-	33,060
Customer Deposits	(5,302)	1,664	-	(3,638)
Net Pension Liability	(140,181)	(53,021)	(42,612)	(235,814)
Deferred Inflows	<u>(59,437)</u>	<u>(22,481)</u>	<u>(18,068)</u>	<u>(99,986)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,361,486</u>	<u>\$ 2,433,889</u>	<u>\$ 230,552</u>	<u>\$ 5,025,927</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Perryville, Missouri (the “City”) was incorporated in 1856 under the provisions of the State of Missouri.

The City operates by ordinance as a fourth-class city under a Mayor – Council form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture – recreation, public improvements, planning and zoning and general administrative services. The City complies with generally accepted accounting principles (GAAP).

Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Financial Reporting Entity:

The City’s reporting entity includes the City’s governing board and the operations of all related organizations for which the City exercises financial oversight. Oversight responsibility is derived from the governmental unit’s authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. There are no component units to be included with the City of Perryville, Missouri.

B. Basis of Presentation:

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

General Fund –The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

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

<u>Fund</u>	<u>Description</u>
Perry Park Center Fund	Accounts for all of the revenues and expenditures related to the operation of the Perry Park Center.

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

<u>Fund</u>	<u>Description</u>
Airport Fund	Accounts for revenues received and expenditures related to the operation of the airport.
Transportation Fund	Accounts for the transportation sales tax received by the City. Funds are expended for street maintenance, airport maintenance, stormwater, and sidewalks.
Ball Field Improvement Fund	Accounts for sponsorships and donations received for work on the City’s ball fields.
Veterans Memorial Field Fund	Accounts for grants and donations received for work on the Veterans Memorial ball field.
Street Improvement Fund	Accounts for revenues received and expenditures paid for major street improvements.

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

<u>Fund</u>	<u>Description</u>
Capital Improvement Sales Tax Fund	Accounts for the City enacted sales tax and expenditures for principal and interest of the Capital Improvement Sales Tax Bonds.
Hwy 51/61 TIF Fund	Accounts for financial resources allocated to the Highway 51/61 TIF activities of expansion in the industrial park.
Economic Development Fund	Accounts for monies set aside for economic development in the City.
2012 Downtown TIF Fund	Accounts for financial resources allocated to the “Redevelopment Plan for the I-55/Perryville Boulevard Tax Increment Financing District, Perryville, Missouri, 2012.”
Rand Avenue Extension TIF Fund	Accounts for revenues received and expenditures paid for major street improvements

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the repayment of, general long-term debt principal and interest. The reporting entity includes the following Debt Service Fund, which is reported as a nonmajor fund:

<u>Fund</u>	<u>Description</u>
Debt Service Fund	Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Proprietary Fund Types**

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>
Combined Waterworks and Sewer System (CWSS) Fund	Accounts for the billing and collection of charges for water and sewer service for City residents. Revenues are used to pay for both the operating expenses and capital expenditures to maintain these services.
Gas Fund	Accounts for the billing and collection of charges for gas service for City residents. Revenues are used to pay for both the operating expenses and capital expenditures to maintain these services.
Refuse Fund	Accounts for the billing and collection of charges for trash disposal service for City residents. Revenues are used to pay for both the operating expenses and capital expenditures to maintain these services.

C. Measurement Focus and Basis of Accounting

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

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item 2 below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
3. Fiduciary funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

## **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

All governmental fund type financial statements are presented on a modified accrual basis of accounting, which recognizes expenditures when liabilities for goods and services are incurred and revenues when they become available and measurable. Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset is used.

## D **Assets, Liabilities, and Equity**

### **Cash and Cash Equivalents**

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

### **Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

### **Government-Wide Statements**

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Prior to September 1, 2003, governmental funds’ infrastructure assets were not capitalized. Infrastructure assets acquired since September 1, 2003 are recorded at cost.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:



Gas, water, sewer lines	40-50 years
Site improvements	10-20 years
Buildings	25-50 years
Furniture and equipment	3-10 years
Vehicles	5-10 years

### **Fund Financial Statements**

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for in the same way as the government-wide statements.

### **Restricted Assets**

Restricted assets include cash and investments that are restricted as to their use.

### **Long-Term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of capital leases payable and certificates of participation payable.

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

### **Equity Classification**

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

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

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

Fund Financial Statements – The City uses clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

The City Board of Alderman establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

E. Revenues, Expenditures, and 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 Government	Licenses, Building Permits, and Fees
Public Safety	Court Cost and Fines

Public Works	Fuel and Rental Receipts
Culture and Recreation	Admission Fees, Concessions Receipts, and Rental Receipts
Water and Sewer	Water and Sewer Revenues
Gas	Gas Revenues
Refuse	Refuse Revenues

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

### **Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds 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.

#### F. **Internal and Interfund Balances and Activities:**

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

### **Fund Financial Statements**

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

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

## Government-Wide Financial Statements

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

1. Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities, except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

### G. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates

### H. Restricted Net Position:

A portion of net position has been reserved to represent the value of assets restricted for specific purposes as listed below.

#### Governmental

##### General Fund:

Crime Victims Compensation Fund	\$ 414
Taxes Paid Under Protest	15,876
Fire Truck Escrow	278,000
P.O.S.T. Commission	56
Police Training	377
Judicial Ed	1,030
Inmate Security	(3,386)
Domestic Shelter	220
Sheriff Retirement	174
Debt Service Fund	671,071
Veterans Memorial Field Fund	21,171
Total Restricted Net Position	<u>\$ 985,003</u>

<u>Proprietary</u>	
CWSS -	\$ 306,605
CWSS - 2012 Certificates of Participation Reserve	126,547
CWSS - 2012 Certificates of Participation	1,168
Gas -	459,871
Gas - 2012 Certificates of Participation Reserve	107,799
Gas - 2012 Certificates of Participation	995
Gas - 2006 Certificates of Participation	728
Total Restricted Net Position	<u>\$1,003,713</u>

I. Accumulated Compensated Absences

It is the City’s policy to permit employees to accumulate a limited amount of earned but unused vacation leave, which will be paid to employees upon separation from the City’s service. In the governmental funds, a liability of \$217,132 of accrued vacation leave at March 31, 2019, has been recorded. Proprietary funds accrue vacation leave in the period they are earned. For 2019, \$95,379 has been accrued for vacation leave in the enterprise funds.

J. Revenue Recognition – Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 10, and are due and payable at that time. All unpaid taxes levied November 1 become delinquent January 1, of the following year. An allowance is established for delinquent taxes not collected at year end.

Property tax revenues are recognized when they become available. They are recognized as available upon collection at year end.

K. Post – Employment Health Care Benefits

COBRA Benefits – Under the Consolidate Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium plus an administration fee is paid to the City’s health care provider by the insured on or before the tenth (10<sup>th</sup>) day of the month for the actual month covered. This program is offered for a duration of 19 months after the termination date. There is no associated cost to the City under this program, and there are currently no participants in the program.

L. 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.

M. Subsequent Events:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through September 17, 2019, the date the financial statements were available to be issued.

2. DEPOSITS

At March 31, 2019, the carrying amount of the City's deposits was \$13,198,087. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires that deposits be 100% secured by collateral valued at market, less the amount of Federal Deposit Insurance Corporation (FDIC) Insurance. The City's deposits at March 31, 2019 are not exposed to custodial credit risk.

3. PROPERTY TAXES

Property taxes attach as an enforceable lien on property. Taxes are levied on September 1, 2018, for collection during this year. The tax rates assessed at the time were as follows:

City Revenue	\$4,000/100.00 assessed valuation
Park Maintenance	\$.1700/100.00 assessed valuation
Debt Service	\$.0000/100.00 assessed valuation

Real Estate and personal property taxes outstanding at March 31, 2019, Totaled \$12,400. The City recognizes this amount as deferred inflows in the accompanying governmental funds financial statements.

4. CAPITAL ASSETS

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

	Primary Government			
	Balance March 31, 2018	Additions	Deletions	Balance March 31, 2019
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2,854,974	\$ -	\$ -	\$ 2,854,974
Construction in Progress	1,290,281	3,996,733	(895,659)	4,391,355
Total	4,145,255	3,996,733	(895,659)	7,246,329
Capital Assets Being Depreciated:				
Buildings	\$ 11,962,354	\$ 653,736	\$ -	\$ 12,616,090
Improvements Other Than Buildings	31,569,168	1,034,087	-	32,603,255
Machinery and Equipment	6,053,656	360,421	(431,383)	5,982,694
Pool and Bathhouse	914,586	-	-	914,586
Total	50,499,764	2,048,244	(431,383)	52,116,625

	Primary Government			
	Balance March 31, 2018	Additions	Deletions	Balance March 31, 2019
Governmental Activities				
Less Accumulated Depreciation for:				
Buildings	\$ (3,090,663)	\$ (438,526)	\$ -	\$ (3,529,189)
Improvements Other than Buildings	(15,891,681)	(862,734)	-	(16,754,415)
Machinery and Equipment	(4,469,868)	(302,579)	278,848	(4,493,599)
Pool and Bathhouse	(794,315)	(23,513)	-	(817,828)
Total	<u>(24,246,527)</u>	<u>(1,627,352)</u>	<u>278,848</u>	<u>(25,595,031)</u>
Capital Assets Being Depreciated, Net	26,253,237	420,892	(152,892)	26,521,594
Governmental Activities				
Capital Assets, Net	<u>\$ 30,398,492</u>	<u>\$ 4,417,625</u>	<u>\$ (1,048,194)</u>	<u>\$ 33,767,923</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 320,380	\$ -	\$ -	\$ 320,380
Construction in Progress	<u>2,850,719</u>	<u>386,416</u>	<u>(2,829,984)</u>	<u>407,151</u>
Total	3,171,099	386,416	(2,829,984)	727,531
Capital Assets Being Depreciated:				
Plant and System Improvements	\$ 42,040,139	\$ 3,524,174	\$ -	\$ 45,564,313
Machinery and Equipment	<u>4,187,657</u>	<u>1,237,905</u>	<u>(482,294)</u>	<u>4,943,268</u>
Total	43,227,796	4,762,079	(482,294)	50,507,581
Less Accumulated Depreciation for:				
Plant and System Improvements	\$ (21,804,990)	\$ (1,147,094)	\$ -	\$ (22,952,084)
Machinery and Equipment	<u>(2,500,390)</u>	<u>(394,964)</u>	<u>22,658</u>	<u>(2,872,696)</u>
Total	<u>(24,305,380)</u>	<u>(1,542,058)</u>	<u>22,658</u>	<u>(25,824,780)</u>
Capital Assets Being Depreciated, Net	<u>21,922,416</u>	<u>3,220,021</u>	<u>(459,636)</u>	<u>24,682,801</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 25,093,515</u>	<u>\$ 3,606,437</u>	<u>\$ (3,289,620)</u>	<u>\$ 25,410,332</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities</u>	
General Government	\$ 129,139
Public Safety	193,657
Public Works	1,110,913
Culture and Recreation	193,643
Total	<u>\$ 1,627,352</u>
 <u>Business-Type Activities</u>	
Major Funds:	
Combined Waterworks and Sewerage System Fund	\$ 1,129,215
Gas Operation Fund	307,933
Refuse Fund	104,482
Total	<u>\$ 1,541,630</u>

5. LONG-TERM OBLIGATIONS

Article VI, Section 26(b), Constitution of Missouri limits the outstanding amount of authorized general obligation bonds of a city to 5.0 percent of the assessed valuation of the City. At March 31, 2019, the City's remaining legal debt margin was \$6,890,956.

Following is a summary of bonds and notes payable transactions of the City for the year ended March 31, 2019:

	<u>Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Total</u>
Balance at April 1, 2018	\$ 1,340,000	\$ 1,010,000	\$ 2,350,000
Long-term obligations added	-	-	-
Long-term obligations retired	<u>(655,000)</u>	<u>(385,000)</u>	<u>(1,040,000)</u>
Balance at March 31, 2019	<u>\$ 685,000</u>	<u>\$ 625,000</u>	<u>\$ 1,310,000</u>

Long-term debt is recorded in the financial statements by activity as follows:

	<u>Total</u>	<u>Current Maturities</u>
Governmental activities:		
\$4,750,000 Capital Improvement Sales Tax Revenue		
Bonds due in annual installments of \$320,000 to \$350,000 through July 1, 2019; interest at 5.55 to 5.6 percent	<u>\$ 350,000</u>	<u>\$ 350,000</u>



Business-type activities:

\$2,080,000 Natural Gas System Refunding Revenue Bonds due in annual installments of \$315,000 to \$335,000 through July 1, 2019; interest at 2.125 to 2.25 percent	\$ 335,000	\$ 335,000
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Certificates of Participation:

\$2,225,000 Certificate of Participation, consists of term coupons due in semi-annual installments of \$210,000 to \$435,000 through July 1, 2020; interest at 2.125 to 2.65 percent	<u>625,000</u>	<u>435,000</u>
	<u>\$ 960,000</u>	<u>\$ 770,000</u>

During the year ended March 31, 2013, the City completed the issuance of Refunding Certificates of Participation 2012 which refinanced the City's outstanding Series 2005 and Series 2006 Certificates of Participation. As a result of the refinancing, the City anticipates a total debt services savings of \$116,394. These securities were deposited in an irrevocable trust to provide all future debt service on the refunded certificates. As a result, the City has removed the liability from its accounts. This resulted in an economic gain of \$144,202.

During the year ended March 31, 2013, the City completed the issuance of Natural Gas System Refunding Revenue Bonds Series 2012 which refinanced the City's Natural Gas Revenue Bonds outstanding. As a result of the refinancing, the City anticipates a total debt service savings of \$175,292. These securities were deposited in an irrevocable trust to provide all future debt service on the refunded certificates. As a result, the City has removed the liability from its accounts. This resulted in an economic gain of \$172,997.

During the year ended March 31, 2001, the City issued \$4,750,000 in Capital Improvement Sales Tax Revenue Bonds Series 2000, to fund the improvement and extension of the City's water system, including but not limited to the construction of a new water treatment facility and the acquisition of land. The City is participating with the State of Missouri in the State Revolving Fund Program. The bonds will be repaid through a 3/8 of 1% sales tax levied by the City.

During the year ended March 31, 2013, the City authorized the issuance of a ten-year, \$28,600,000 Industrial Development Revenue Bond to provide economic financial assistance to TG Missouri Corporation, a private entity. The debt service of these issues is paid solely from the private entity through lease agreements; therefore, the issues do not constitute a debt of the City and, accordingly, are not included in the City's Statement of Net Position. The principal balance outstanding as of March 31, 2019 is \$24,386,396.

During the year ended March 31, 2015, the City authorized the issuance of a ten-year, \$110,000,000 Industrial Development Revenue Bond to provide economic financial assistance to TG Missouri Corporation, a private entity. The debt service of these issues is paid solely from the private entity through lease agreements; therefore, the issues do not constitute a debt of the City and, accordingly, are not included in the City's Statement of Net Position. The principal balance outstanding as of March 31, 2019 is \$110,000,000.

During the year ended March 31, 2019, the City authorized the issuance of a ten-year, \$150,000,000 Industrial Development Revenue Bond to provide economic financial assistance to TG Missouri Corporation, a private entity. The debt service of these issues is paid solely from the private entity through lease agreements; therefore, the issues do not constitute a debt of the City and, accordingly, are not included in the City's Statement of Net Position. The principal balance outstanding as of March 31, 2019 is \$24,009,379.

At March 31, 2019, the State of Missouri had contributed \$448,289 to the debt service account for the Capital Improvement Sales Tax Revenue Bonds and the General Obligation Improvement Bonds through the state revolving fund.

Five-year current maturities of long-term obligations are as follows:

Year Ending <u>August 31</u>	<u>Principal</u>	<u>Interest</u>
2020	\$1,120,000	\$ 24,081
2021	<u>190,000</u>	<u>2,494</u>
	<u>\$1,310,000</u>	<u>\$ 26,575</u>

## 6. PENSION PLAN

### **Summary of Significant Accounting Policies**

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

### General Division

#### **General Information about the Pension Plan**

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

*Benefits provided.* LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service.

Employees who retire on or after age 60 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 and receive a reduced allowance.

**February 28, 2018 Valuation**

Benefit Multiplier:	2% for Life
Final Average Salary:	3 Years
Member Contributions:	0%

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

*Employees covered by benefit terms.* At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	38
Inactive employees entitled to but not yet receiving benefits	26
Active employees	<u>75</u>
	<u>139</u>

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 15.5% (General) and 13.7% (Police) of annual covered payroll.

*Net Pension Liability.* The employer’s net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

*Actuarial assumptions.* The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the February 28, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

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

## Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 6/30/2017	\$ 13,460,768	\$ 12,736,087	\$ 724,681
Changes for the year:			
Service Cost	338,825	-	338,825
Interest	971,861	-	971,861
Difference between expected and actual experience	(51,729)	-	(51,729)
Contributions - employer	-	442,194	(442,194)
Net investment income	-	1,532,361	(1,532,361)
Benefit payments, including refunds	(452,400)	(452,400)	-
Administrative expense	-	(11,270)	11,270
Other changes	-	(128,898)	128,898
Net Changes	<u>\$ 806,557</u>	<u>\$ 1,381,987</u>	<u>\$ (575,430)</u>
Balance at 6/30/2018	<u>\$ 14,267,325</u>	<u>\$ 14,118,074</u>	<u>\$ 149,251</u>

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

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
\$2,317,230	\$149,251	\$(1,626,734)

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

For the year ended June 30, 2018 the employer recognized pension expense of \$673,043. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 72,932	\$ (117,273)
Differences in assumptions	263,287	-
Excess (deficit) investment returns	-	(351,802)
Contributions subsequent to the measurement date*	<u>381,462</u>	<u>-</u>
Total	<u>\$ 717,681</u>	<u>\$ (469,075)</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending March 31, 2019.

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

<u>Year Ended:</u>	
2019	\$ 521,663
2020	19,830
2021	(154,556)
2022	(134,557)
2023	(3,774)
Thereafter	<u>-0-</u>
Total	<u>\$ 248,606</u>

### Police Division

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

*Benefits provided.* LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 55 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 50 and receive a reduced allowance.

	<u>February 28, 2018 Valuation</u>
Benefit Multiplier:	2% for Life
Final Average Salary:	3 Years
Member Contributions:	0%

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

*Employees covered by benefit terms.* At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	18
Active employees	<u>24</u>
	<u>54</u>

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute to the pension plan. Employer contribution rates are 15.5% (General) and 13.7% (Police) of annual covered payroll.

*Net pension liability.* The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

*Actuarial assumptions.* The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses

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

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

The actuarial assumptions used in the February 28, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

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

### Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance at 6/30/2017	<u>\$ 6,686,124</u>	<u>\$ 6,608,392</u>	<u>\$ 77,732</u>
Changes for the year:			
Service Cost	131,300	-	131,300
Interest	483,983	-	483,983
Difference between expected and actual experience	(82,395)	-	(82,395)
Contributions - employer	-	176,278	(176,278)
Net investment income	-	900,704	(900,704)
Benefit payments, including refunds	(152,675)	(152,675)	-
Administrative expense	-	(4,098)	4,098
Other changes	-	(15,957)	15,957
Net Changes	<u>\$ 380,213</u>	<u>\$ 904,252</u>	<u>\$ (524,039)</u>
Balance at 6/30/2018	<u>\$ 7,066,337</u>	<u>\$ 7,512,644</u>	<u>\$ (446,307)</u>



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

1% Decrease <u>6.25%</u>	Current Single Discount Rate Assumption <u>7.25%</u>	1% Increase <u>8.25%</u>
\$ 734,980	\$ (446,307)	\$(1,404,808)

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

For the year ended June 30, 2018, the employer recognized pension expense of \$116,909. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 3,942	\$ (227,570)
Differences in assumptions	67,323	-
Excess (deficit) investment returns	-	(265,254)
Contributions subsequent to the measurement date*	<u>120,020</u>	<u>-</u>
Total	<u>\$ 191,285</u>	<u>\$ (492,824)</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending March 31, 2019.

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

Year ended:	
2019	\$ 80,826
2020	(98,136)
2021	(185,759)
2022	(98,470)
2023	-0-
Thereafter	<u>-0-</u>
Total	<u>\$ (301,539)</u>

## 7. INTEREST EXPENSE

Interest cost totaling \$27,465, was incurred during the year ended March 31, 2019. No interest was capitalized as part of the cost of assets constructed during the period.

8. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2019, the City incurred expenses/expenditures of \$589,361 for engineering services with an entity owned by a relative of the Mayor. At March 31, 2019, \$43,185 was due to the related party. The entity has been providing engineering services to the City since January 2004 but did not become a related party to the City until April 2014 when the mayor assumed office.

9. INTERFUND RECEIVABLES AND PAYABLES

As of March 31, 2019, the City had \$38,745 due from the Combined Waterworks and Sewer System Fund to the Gas Fund and \$250 due from the Combined Waterworks and Sewer System Fund to the General Fund.

10. INTERFUND TRANSFERS

The following is a summary of the amounts transferred from and to other funds:

	<u>Transferred From</u>	<u>Transferred To</u>
General Fund	\$2,521,716	\$2,978,229
Airport Fund	-0-	410,236
Transportation Fund	206,506	348,171
Perry Park Fund	-0-	1,605,160
Debt Service Fund	328,150	3,150
Hwy 51/61 TIF Fund	743,199	-0-
Economic Development Fund	-0-	50,000
2012 Downtown TIF Fund	-0-	150,000
Refuse Fund	129,066	456,320
CWSS Fund	588,825	325,000
Gas Fund	<u>1,808,804</u>	<u>-0-</u>
	<u>\$6,326,266</u>	<u>\$6,326,266</u>

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

11. RISK OF LOSS

The City is exposed to risks of loss through claims on property owned, damage to property owned, official and employee liability, workers' compensation claims, and risk of loss of employee or individual injury. The City handles these risks of loss through the purchase of commercial insurance policies. No significant reduction in insurance coverage occurred during the year. Also, there have been no settlement amounts that have exceeded insurance coverage.

12. TAX ABATEMENT

The City is authorized under the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, RSMo to purchase and improve projects and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of the projects. So long as the City owns title to the project, the project will be exempt

from ad valorem taxes on real property. The City has issued such bonds for three separate projects on behalf of one taxpayer within the City. During the 10-year periods of tax abatements (2013 through 2022, 2015 through 2024, and 2019 through 2028) the lessee of the property has agreed to pay payments in lieu of taxes (PILOTS) equal to 50% for the first two projects, and 25% for the third project, of the actual real property taxes that would have otherwise been payable with respect to the project. In exchange for these considerations, the company agreed to create 200 new jobs by 2012 and another 150 new jobs by 2020. The agreements also establishes a “job floor” of 1,910 jobs by December 31, 2021, sets a “tax floor” of \$1,304,884, requires significant donations to District #32 and prohibits the company from protesting their tax assessments while the agreements are in effect.

During the year ended March 31, 2019, the taxes applicable to the City that were abated totaled \$68,466 under the agreements noted above. This lessee is the only company or individual with taxable property located within the City that received an abatement during 2019.

13. SUBSEQUENT EVENTS

In May 2019, the City awarded a bid to a construction company for the Northeast Outfall Sewer Replacement Project in the amount of \$2,111,000.

In August 2019, the city awarded a bid to a construction company in the amount of \$1,318,092 for the Sycamore Road Improvement Project.

The City also had several smaller projects that were ongoing as of March 31, 2019.

In November 2018, the City approved to purchase a fire truck in the amount of \$366,115

14. COMMITMENTS

At March 31, 2019, the City was committed to the following significant projects:

<u>Project</u>	<u>Amount Committed</u>	<u>Expended by March 31, 2019</u>	<u>Remaining Commitment as of March 31, 2019</u>
Splashpad	\$ 421,759	\$ 406,411	\$ 15,348
HVAC Upgrades	1,923,732	1,668,951	257,781
Sycamore Hills Subdivision	509,478	505,885	3,593
Hwy E Sewer Trunk	2,250,000	200,178	2,049,822

15. PRIOR PERIOD ADJUSTMENT

The beginning balances of capital assets were understated in the Statement of Net Position due to several assets not being capitalized in the prior year.

The beginning fund balance were understated due to revenue being recognized in the wrong period.

The beginning balance of Deferred Outflow of Resources and Deferred Inflow of Resources were overstated in the Governmental Activities and understated in the Business-Type activities due to not being allocated in the prior year.

The following fund balances increased:

General Fund	\$	109,850
CWSS Fund	\$	227,735
Gas Fund	\$	453,430
Refuse Fund	\$	23,836
Government Net Position	\$	4,074,600

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PERRYVILLE, MISSOURIBUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended March 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
<u>REVENUES:</u>				
Taxes and Special Assessments:				
Real Estate and Personal Property Tax	\$ 578,800	\$ 578,800	\$ 640,252	\$ 61,452
Railroad and Utility Tax	1,400	1,400	1,160	(240)
Gross Receipts Tax	1,186,000	1,186,000	1,189,894	3,894
Intangible Tax	1,000	1,000	1,703	703
Sales Tax	1,720,000	1,720,000	1,803,471	83,471
Local Use Tax	130,000	130,000	173,725	43,725
Tax Under Protest	3,600	3,600	6,078	2,478
Licenses and Permits:				
City Vehicle Licenses	18,000	18,000	20,400	2,400
Occupational Licenses	15,000	15,000	16,165	1,165
Liquor Licenses	13,000	13,000	12,798	(202)
Mobile Home Licenses	1,000	1,000	870	(130)
Building and Other Permits	6,100	6,100	8,796	2,696
Charges for Services:				
Fees and Services	10,000	10,000	15,889	5,889
Penalties	1,500	1,500	2,979	1,479
Cable TV Franchise Fees	63,000	63,000	70,533	7,533
Intergovernmental:				
Road District Contributions	104,785	104,785	103,330	(1,455)
Grants	1,900	1,900	1,050	(850)
County Business Surtax	48,000	48,000	70,663	22,663
Fines:				
Court Fines, Costs, and Police Training Fund	83,900	83,900	100,274	16,374
Inmate Security Fund	1,500	1,500	1,495	(5)
Crime Victim Compensation	5,000	5,000	5,352	352
Restitution Fund	1,000	1,000	564	(436)
Parking Tickets	300	300	180	(120)
Rental	2,760	2,760	2,990	230
Interest Income	20,030	20,030	82,804	62,774
Miscellaneous	24,700	24,700	61,164	36,464
<b>TOTAL REVENUES</b>	<b>\$ 4,042,275</b>	<b>\$ 4,042,275</b>	<b>\$ 4,394,579</b>	<b>\$ 352,304</b>

(Continued)

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended March 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
<u>EXPENDITURES:</u>				
General Government:				
Mayor and Board	\$ 205,893	\$ 205,893	\$ 180,419	\$ 25,474
City Administrators Office	180,267	180,267	185,068	(4,801)
Clerk/Finance	436,269	436,269	429,991	6,278
Municipal Court	115,392	115,392	105,868	9,524
Community Development	214,086	214,086	226,125	(12,039)
General Services	791,485	791,485	743,509	47,976
Port Authority/Economic Development	73,960	73,960	71,460	2,500
Cable Access/Levee District	38,000	38,000	42,320	(4,320)
Total General Government	<u>\$ 2,055,352</u>	<u>\$ 2,055,352</u>	<u>\$ 1,984,760</u>	<u>\$ 70,592</u>
Public Safety:				
Police Department	\$ 2,471,621	\$ 2,471,621	\$ 2,590,860	\$ (119,239)
Fire Department	599,615	599,615	235,768	363,847
Total Public Safety	<u>\$ 3,071,236</u>	<u>\$ 3,071,236</u>	<u>\$ 2,826,628</u>	<u>\$ 244,608</u>
Public Works:				
Stormwater	\$ 135,475	\$ 135,475	\$ 158,018	\$ (22,543)
Total Public Works	<u>\$ 135,475</u>	<u>\$ 135,475</u>	<u>\$ 158,018</u>	<u>\$ (22,543)</u>
Capital Outlay	\$ -	\$ 395,028	\$ 44,569	\$ 350,459
TOTAL EXPENDITURES	<u>\$ 5,262,063</u>	<u>\$ 5,657,091</u>	<u>\$ 5,013,975</u>	<u>\$ 643,116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,219,788)</u>	<u>\$ (1,614,816)</u>	<u>\$ (619,396)</u>	<u>\$ 995,420</u>
Other Financing Sources (Uses)				
Transfers In	\$ 2,583,201	\$ 2,978,229	\$ 2,978,229	\$ -
Transfers Out	(1,621,896)	(3,021,716)	(2,521,716)	500,000
Total Other Financing Sources (Uses)	<u>\$ 961,305</u>	<u>\$ (43,487)</u>	<u>\$ 456,513</u>	<u>\$ 500,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (258,483)</u>	<u>\$ (1,658,303)</u>	<u>\$ (162,883)</u>	<u>\$ 1,495,420</u>
FUND BALANCE, April 1, 2018			2,438,798	
RECONCILING ADJUSTMENT			<u>98,513</u>	
FUND BALANCE, March 31, 2019			<u>\$ 2,374,428</u>	

See Accompanying Notes to the Basic Financial Statements.

## CITY OF PERRYVILLE, MISSOURI

BUDGETARY COMPARISON SCHEDULE -  
PERRY PARK CENTER FUND

Year Ended March 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
<b>REVENUES:</b>				
Taxes and Special Assessments:				
Real Estate and Personal Property Tax	\$ 232,500	\$ 232,500	\$ 251,550	\$ 19,050
Railroad and Utility Tax	550	550	493	(57)
Sales Tax	928,000	928,000	996,531	68,531
Charges for Services:				
Concessions and Vending Machines	102,200	102,200	82,574	(19,626)
Tournament and Sports Fees	70,000	70,000	52,215	(17,785)
Admission Fees and Passes	359,500	359,500	289,260	(70,240)
Arcade, Fun Club, and Senior Olympics	8,000	8,000	7,036	(964)
Intergovernmental:				
County Business Tax	22,000	22,000	30,032	8,032
Grant Income	20,000	20,000	-	(20,000)
Interest Income	500	500	729	229
Rental:				
Library Lease	31,000	31,000	29,100	(1,900)
Theater Rent	15,000	15,000	20,290	5,290
Pool and Gymnasium	16,500	16,500	7,855	(8,645)
Pavilions, Ball Fields, Community Center, and Meeting Room	20,800	20,800	14,908	(5,892)
Miscellaneous	29,300	29,300	34,481	-
<b>TOTAL REVENUES</b>	<b>\$ 1,855,850</b>	<b>\$ 1,855,850</b>	<b>\$ 1,817,054</b>	<b>\$ (43,977)</b>
<b>EXPENDITURES:</b>				
Leagues	\$ 112,690	\$ 112,690	\$ 87,684	\$ 25,006
Administration	521,061	521,061	513,063	7,998
Capital Projects	435,000	1,078,500	1,208,485	(129,985)
Community Center Maintenance	9,400	9,400	11,643	(2,243)
Concessions	99,535	99,535	83,965	15,570
Fitness Center	29,268	29,268	20,640	8,628
Activities and Marketing	159,793	159,793	150,955	8,838
Maintenance and Housekeeping	540,986	540,986	519,686	21,300
Park Maintenance	530,145	530,145	516,792	13,353
Performing Arts Center	169,337	169,337	181,548	(12,211)
Pool	210,295	210,295	216,849	(6,554)
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,817,510</b>	<b>\$ 3,461,010</b>	<b>\$ 3,511,310</b>	<b>(50,300)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<b>\$ (961,660)</b>	<b>\$ (1,605,160)</b>	<b>\$ (1,694,256)</b>	<b>\$ (89,096)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	\$ 961,660	\$ 1,605,160	\$ 1,605,160	\$ -
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 961,660</b>	<b>\$ 1,605,160</b>	<b>\$ 1,605,160</b>	<b>\$ -</b>
<b>TOTAL REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)</b>				
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (89,096)</b>	<b>\$ (89,096)</b>
FUND BALANCE, April 1, 2018			76,773	
RECONCILING ADJUSTMENT			(809,034)	
FUND BALANCE, March 31, 2019			<b>\$ (821,357)</b>	

See Accompanying Notes to the Basic Financial Statements.



CITY OF PERRYVILLE, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULES

March 31, 2019

1. BUDGETARY INFORMATION

The Budgetary Comparison Schedules are presented as required supplementary information to present comparisons of legally adopted budgets with the actual data. Budgetary data is developed using the cash basis of accounting, which is an accounting basis other than accounting principles generally accepted in the United States of America.

On March 20, 2018, a public hearing was held in connection with adoption of the proposed budget for 2019. The budget was amended on March 19, 2019.

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

1. Prior to February 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of an ordinance.
4. The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
5. Formal budgetary integration is employed as a management control device during the year for all funds.

The city adopts its budget on the cash basis, which differs from accounting policies used to prepare Statement 4. The table below represents the reconciliation adjustments used to reconcile Schedule 1 & 2 to Statement 4.

	General Fund	Perry Park Center Fund
Accrual & Deferral of Revenues	\$ 33,395	\$ (15,663)
Accrual of Expenditures	<u>65,118</u>	<u>(793,371)</u>
	<u>\$ 98,513</u>	<u>\$(809,034)</u>

## CITY OF PERRYVILLE, MISSOURI

SUPPLEMENTARY INFORMATION  
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEMSCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
GENERAL DIVISION

March 31, 2019

Fiscal Year Ended June 30,	2018	2017	2016	2015
<b>Total Pension Liability</b>				
Service Costs	\$ 338,825	\$ 332,780	\$ 307,965	\$ 289,681
Interest on the Pension Liability	971,861	916,208	815,569	780,389
Differences Between Expected and Actual Experience of the Total Pension Liability	(51,729)	(17,626)	152,465	(182,641)
Changes of Assumptions	-	-	550,396	-
Benefit Payments, Including Refunds of Employee Contributions	(452,400)	(480,535)	(421,412)	(401,283)
<b>Net Change in Total Pension Liability</b>	\$ 806,557	\$ 750,827	\$ 1,404,983	\$ 486,146
<b>Total Pension Liability - Beginning</b>	13,460,768	12,709,941	11,304,958	10,818,812
<b>Total Pension Liability - Ending (A)</b>	\$ 14,267,325	\$ 13,460,768	\$ 12,709,941	\$ 11,304,958
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 442,194	\$ 387,984	\$ 402,768	\$ 384,133
Net Investment Income	1,532,361	1,362,351	(9,934)	219,157
Benefit Payments, Including Refunds of Employee Contributions	(452,400)	(480,535)	(421,412)	(401,283)
Pension Plan Administrative Expense	(11,270)	(10,368)	(10,349)	(10,532)
Other (Net Transfers)	(128,898)	(37,097)	(18,779)	83,098
<b>Net Change in Plan Fiduciary Net Position</b>	\$ 1,381,987	\$ 1,222,335	\$ (57,706)	\$ 274,573
<b>Plan Fiduciary Net Position - Beginning</b>	12,736,087	11,513,752	11,571,458	11,296,885
<b>Plan Fiduciary Net Position - Ending (B)</b>	\$ 14,118,074	\$ 12,736,087	\$ 11,513,752	\$ 11,571,458
<b>Net Pension Liability - Ending (A) - (B)</b>	\$ 149,251	\$ 724,681	\$ 1,196,189	\$ (266,500)
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	98.95%	94.62%	90.59%	102.36%
<b>Covered Valuation Payroll</b>	\$ 2,978,607	\$ 2,745,826	\$ 2,804,253	\$ 2,518,194
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	5.01%	26.39%	42.66%	-10.58%

**Notes to the Schedule:**

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

CITY OF PERRYVILLE, MISSOURISUPPLEMENTARY INFORMATION  
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEMSCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
POLICE DIVISION

March 31, 2019

Fiscal Year Ended June 30,	2018	2017	2016	2015
<b>Total Pension Liability</b>				
Service Costs	\$ 131,300	\$ 134,262	\$ 123,564	\$ 125,223
Interest on the Pension Liability	483,983	459,741	413,603	396,086
Differences Between Expected and Actual Experience of the Total Pension Liability	(82,395)	(148,312)	9,342	(205,180)
Changes of Assumptions	-	-	159,522	-
Benefit Payments, Including Refunds of Employee Contributions	(152,675)	(68,524)	(81,070)	(66,567)
<b>Net Change in Total Pension Liability</b>	\$ 380,213	\$ 377,167	\$ 624,961	\$ 249,562
<b>Total Pension Liability - Beginning</b>	6,686,124	6,308,957	5,683,996	5,434,434
<b>Total Pension Liability - Ending (A)</b>	\$ 7,066,337	\$ 6,686,124	\$ 6,308,957	\$ 5,683,996
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 176,278	\$ 170,826	\$ 183,771	\$ 170,829
Net Investment Income	900,704	696,014	(18,523)	106,043
Benefit Payments, Including Refunds of Employee Contributions	(152,675)	(68,524)	(81,070)	(66,567)
Pension Plan Administrative Expense	(4,098)	(4,131)	(3,871)	(4,008)
Other (Net Transfers)	(15,957)	(3,581)	(19,407)	141,815
<b>Net Change in Plan Fiduciary Net Position</b>	\$ 904,252	\$ 790,604	\$ 60,900	\$ 348,112
<b>Plan Fiduciary Net Position - Beginning</b>	6,608,392	5,817,788	5,756,888	5,408,776
<b>Plan Fiduciary Net Position - Ending (B)</b>	\$ 7,512,644	\$ 6,608,392	\$ 5,817,788	\$ 5,756,888
<b>Net Pension Liability - Ending (A) - (B)</b>	\$ (446,307)	\$ 77,732	\$ 491,169	\$ (72,892)
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	106.32%	98.84%	92.21%	101.28%
<b>Covered Valuation Payroll</b>	\$ 1,139,340	\$ 1,102,490	\$ 1,145,343	\$ 999,763
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-39.17%	7.05%	42.88%	-7.29%

**Notes to the Schedule:**

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

## CITY OF PERRYVILLE, MISSOURI

SUPPLEMENTARY INFORMATION  
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

March 31, 2019

Fiscal Year Ended June 30,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2018	\$ 629,170	\$ 605,735	\$ 23,435	\$ 4,120,002	14.70%
2017	549,227	549,227	-	3,974,450	13.82%
2016	586,100	586,099	1	3,825,066	15.32%
2015	599,814	554,424	45,390	3,627,258	15.28%
2014	571,757	2,902	568,855	3,525,905	0.08%
2013	566,088	452,805	113,283	3,400,020	13.32%
2012	589,894	440,233	149,661	3,579,951	12.30%
2011	530,042	394,902	135,140	3,492,616	11.31%
2010	341,122	341,122	-	3,309,389	10.31%
2009	335,257	335,257	-	3,125,322	10.73%

Notes to Schedule:

Valuation Date: February 28, 2018

Notes The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal and Modified Terminal Funding
Amortization Method:	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period:	Multiple bases from 11 to 16 years
Asset Valuation Method:	5-Year smoothed market, 20% corridor
Inflation:	3.25% wage inflation; 2.50% price inflation
Salary Increases:	3.25% to 6.55% including wage inflation
Investment Rate of Return:	7.25%, net of investment expenses
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

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

Other Information: None

See Accompanying Notes to the Basic Financial Statements.

SUPPLEMENTARY INFORMATION

CITY OF PERRYVILLE, MISSOURI  
COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS

March 31, 2019

	<u>Special Revenue</u>					<u>Capital Projects</u>					<u>Total Nonmajor Governmental Funds</u>	
	<u>Airport Fund</u>	<u>Transportation Fund</u>	<u>Veterans Memorial Field Fund</u>	<u>Ball Field Improvements Fund</u>	<u>Street Improvement Fund</u>	<u>Capital Improvement Sales Tax Fund</u>	<u>Hwy 51/61 TIF Fund</u>	<u>Economic Development Fund</u>	<u>2012 Downtown TIF Fund</u>	<u>Rand Ave Extension TIF Fund</u>		<u>Debt Service Fund</u>
<u>ASSETS</u>												
<u>CURRENT ASSETS:</u>												
Cash and Cash Equivalents	\$ 18,243	\$ 1,245,807	\$ 21,375	\$ 9,789	\$ 483,522	\$ 1,026,403	\$ 251,367	\$ 37,660	\$ 97,428	\$ 319,112	\$ 418,824	\$ 3,929,530
Restricted Cash and Cash Equivalents	-	-	-	-	-	273,079	-	-	-	-	256,959	530,038
Receivables:												
Real Estate and Personal Property Taxes	-	-	-	-	-	-	-	-	-	-	90	90
Sales and Use Tax	-	80,492	-	-	-	60,318	-	-	-	-	-	140,810
Intergovernmental	-	-	-	-	25,242	-	-	-	-	-	-	25,242
Other	1,812	-	-	-	-	-	-	-	-	-	-	1,812
Prepaid Expenses	1,245	13,695	-	-	-	-	-	-	-	-	-	14,940
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 21,300</b>	<b>\$ 1,339,994</b>	<b>\$ 21,375</b>	<b>\$ 9,789</b>	<b>\$ 508,764</b>	<b>\$ 1,359,800</b>	<b>\$ 251,367</b>	<b>\$ 37,660</b>	<b>\$ 97,428</b>	<b>\$ 319,112</b>	<b>\$ 675,873</b>	<b>\$ 4,642,462</b>
<u>LIABILITIES AND FUND BALANCE</u>												
<u>LIABILITIES:</u>												
Accounts Payable	12,809	\$ 17,875	\$ 204	\$ -	\$ 1,494	\$ -	\$ -	\$ -	\$ -	\$ 75,263	\$ -	\$ 107,645
Accrued Payroll and Fringe Benefits	3,197	37,243	-	-	-	-	-	-	-	-	-	40,440
Accrued Interest	-	-	-	-	-	4,944	-	-	-	-	4,802	9,746
Customer Deposits	2,550	-	-	-	-	-	-	-	-	-	-	2,550
<b>TOTAL LIABILITIES</b>	<b>\$ 18,556</b>	<b>\$ 55,118</b>	<b>\$ 204</b>	<b>\$ -</b>	<b>\$ 1,494</b>	<b>\$ 4,944</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,263</b>	<b>\$ 4,802</b>	<b>\$ 160,381</b>
<u>FUND BALANCE:</u>												
Nonspendable	\$ 1,245	\$ 13,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,940
Restricted	-	-	21,171	-	-	-	-	-	-	-	671,071	692,242
Committed	1,499	1,271,181	-	9,789	507,270	1,354,856	-	-	-	-	-	3,144,595
Assigned	-	-	-	-	-	-	251,367	37,660	97,428	243,849	-	630,304
<b>TOTAL FUND BALANCE</b>	<b>\$ 2,744</b>	<b>\$ 1,284,876</b>	<b>\$ 21,171</b>	<b>\$ 9,789</b>	<b>\$ 507,270</b>	<b>\$ 1,354,856</b>	<b>\$ 251,367</b>	<b>\$ 37,660</b>	<b>\$ 97,428</b>	<b>\$ 243,849</b>	<b>\$ 671,071</b>	<b>\$ 4,482,081</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 21,300</b>	<b>\$ 1,339,994</b>	<b>\$ 21,375</b>	<b>\$ 9,789</b>	<b>\$ 508,764</b>	<b>\$ 1,359,800</b>	<b>\$ 251,367</b>	<b>\$ 37,660</b>	<b>\$ 97,428</b>	<b>\$ 319,112</b>	<b>\$ 675,873</b>	<b>\$ 4,642,462</b>

See Independent Auditors' Report.

CITY OF PERRYVILLE, MISSOURI

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

Year Ended March 31, 2019

	Special Revenue					Capital Projects					Debt Service Fund	Total Nonmajor Governmental Funds
	Airport Fund	Transportation Fund	Veterans Memorial Field Fund	Ball Field Improvements Fund	Street Improvement Fund	Capital Improvement Sales Tax Fund	Hwy 51/61 TIF Fund	Economic Development Fund	2012 Downtown TIF Fund	Rand Ave Extension TIF Fund		
<b>REVENUES:</b>												
Taxes	\$ -	\$ 986,006	\$ -	\$ -	\$ -	\$ 737,647	\$ -	\$ -	\$ 21,859	\$ 200,275	\$ 892	\$ 1,946,679
Charges for Services	-	-	-	-	-	-	-	-	-	-	114	114
Intergovernmental	-	-	-	-	329,621	-	454,282	-	-	-	-	783,903
Rental	71,608	-	-	-	-	-	-	-	-	70	-	71,678
Interest Income	446	20,914	326	169	17,272	28,961	3,476	749	1,130	6,179	37,658	117,280
Other	331,245	2,902	24,737	6,400	910	-	-	-	27,881	35,574	-	429,649
<b>TOTAL REVENUES</b>	<b>\$ 403,299</b>	<b>\$ 1,009,822</b>	<b>\$ 25,063</b>	<b>\$ 6,569</b>	<b>\$ 347,803</b>	<b>\$ 766,608</b>	<b>\$ 457,758</b>	<b>\$ 749</b>	<b>\$ 50,870</b>	<b>\$ 242,098</b>	<b>\$ 38,664</b>	<b>\$ 3,349,303</b>
<b>EXPENDITURES:</b>												
Public Works												
Airport Improvements	\$ 128,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,953
Airport Maintenance	681,838	-	-	-	-	-	-	-	-	-	-	681,838
Sidewalks	-	53,703	-	-	-	-	-	-	-	-	-	53,703
Street Maintenance	-	899,068	-	-	886,996	-	-	-	-	-	-	1,786,064
Culture and Recreation	-	-	15,056	1,202	-	-	-	-	-	-	-	16,258
Capital Outlay	-	-	-	-	-	-	23,199	33,333	5,329	558,998	-	620,859
Principal	-	-	-	-	-	335,000	-	-	-	-	-	335,000
Interest and Fees	-	-	-	-	-	7,224	-	-	-	-	38,253	45,477
<b>TOTAL EXPENDITURES</b>	<b>\$ 810,791</b>	<b>\$ 952,771</b>	<b>\$ 15,056</b>	<b>\$ 1,202</b>	<b>\$ 886,996</b>	<b>\$ 342,224</b>	<b>\$ 23,199</b>	<b>\$ 33,333</b>	<b>\$ 5,329</b>	<b>\$ 558,998</b>	<b>\$ 38,253</b>	<b>\$ 3,668,152</b>
REVENUES OVER (UNDER) EXPENDITURES	\$ (407,492)	\$ 57,051	\$ 10,007	\$ 5,367	\$ (539,193)	\$ 424,384	\$ 434,559	\$ (32,584)	\$ 45,541	\$ (316,900)	\$ 411	\$ (318,849)
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers In	\$ 410,236	\$ 348,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 150,000	\$ 3,150	\$ 961,557
Transfers Out	-	(206,506)	-	-	-	(328,150)	(743,199)	-	-	-	-	(1,277,855)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 410,236</b>	<b>\$ 141,665</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (328,150)</b>	<b>\$ (743,199)</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ 3,150</b>	<b>\$ (316,298)</b>
TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ 2,744	\$ 198,716	\$ 10,007	\$ 5,367	\$ (539,193)	\$ 96,234	\$ (308,640)	\$ 17,416	\$ 45,541	\$ (166,900)	\$ 3,561	\$ (635,147)
FUND BALANCE, April 1, 2018	-	1,086,160	11,164	4,422	1,046,463	1,258,622	560,007	20,244	51,887	410,749	667,510	5,117,228
FUND BALANCE, March 31, 2019	\$ 2,744	\$ 1,284,876	\$ 21,171	\$ 9,789	\$ 507,270	\$ 1,354,856	\$ 251,367	\$ 37,660	\$ 97,428	\$ 243,849	\$ 671,071	\$ 4,482,081

See Independent Auditors' Report.

CITY OF PERRYVILLE, MISSOURI  
Perryville, Missouri

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended March 31, 2019

2019-001 Significant Audit Adjustment

Criteria: For year-end financial reporting to be relevant and reliable, all transactions should be recorded correctly in accordance with generally accepted accounting principles.

Condition: Several capital assets were not recorded, and depreciation was sometimes recorded incorrectly. Revenue was recorded incorrectly due to accruing the wrong month for accounts receivable. Deferred outflows of resources and deferred inflows of resources were not allocated between the government-wide and proprietary financial statements.

Cause: The City did not record several capital assets. The wrong month of revenues was recorded for accounts receivable. In addition, the City did not allocate deferred outflows of resources and deferred inflows of resources between the government-wide and proprietary financial statements.

Effect: Beginning fund balances were understated due to capital assets not being capitalized, revenue recognized in the wrong period, and the incorrect allocation of deferred outflows and inflows of resources as follows:

General Fund - \$109,850  
CWSS Fund - \$227,735  
Gas Fund - \$453,430  
Refuse Fund - \$23,836  
Government-wide Statements - \$4,074,600

Recommendation: Internal controls need to be put in place to ensure all transactions are recorded in the City's financial statements in accordance with generally accepted accounting principles.

Views of Responsible  
Officials and Planned  
Corrective Actions:

The City will record all transactions and activity in the accounting records by year end.



2019-003 Actual Fund Expenditures Exceeded Budgetary Limits

Criteria: According to Section 67.080, RSMo, no expenditure of public monies shall be made unless it is authorized in the budget.

Condition: Actual expenditures of the following funds exceeded their approved budgets:

Airport Fund	\$ 174,861
Perry Park Fund	50,300
TIF 51/61 TIF Fund	23,291
Rand Avenue Extension TIF Fund	284,833
Refuse Fund	155,742
Gas Fund	360,431

Cause: When additional expenditures are required that were not originally budgeted, the City has always addressed the amendments in two ways. If new monies are coming from new sources, the budget was amended to show the new source and the required new expenditure. If the unanticipated expenditure will be paid from cash reserves unused from previous years, the expenditure was approved by the Board of Aldermen, but the budget was not amended. During the year, many of these expenditures were approved, but the budget was not amended to reflect these approvals.

Effect: The City is not in compliance with state budgetary law.

Recommendation: We recommend that the City Council refrain from authorizing expenditures that exceed budgetary limits. If additional expenditures are necessary, the budget should be amended in accordance with the provision of Chapter 67 of the Revised Missouri Statutes.

Management's Response: The City will monitor actual expenditures closer through the fiscal year and amend the budgets accordingly.