

CITY OF PERRYVILLE, MISSOURI
Perryville, Missouri

For the Year Ended March 31, 2021

ANNUAL FINANCIAL REPORT

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

Certified Public Accountants

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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 modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perryville, Missouri, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perryville, Missouri as of March 31, 2021, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

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 budgetary comparison information and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information and 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 budgetary comparison information and 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 July 7, 2021, on our consideration of the City of Perryville, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of 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
July 7, 2021

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, 2021, 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 July 7, 2021.

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 2021-001, 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 Responses as item 2021-002.

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 of 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
July 7, 2021

BASIC FINANCIAL STATEMENTS

CITY OF PERRYVILLE, MISSOURI

GOVERNMENT-WIDE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS

	March 31, 2021		
<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Current Assets:</u>			
Cash and Cash Equivalents	\$ 4,459,369	\$ 7,670,940	\$ 12,130,309
Restricted Cash and Cash Equivalents	100,149	69,333	169,482
Prepaid Expenses	7,523	252	7,775
Total Current Assets	<u>\$ 4,567,041</u>	<u>\$ 7,740,525</u>	<u>\$ 12,307,566</u>
<u>Capital Assets:</u>			
Land	\$ 2,889,439	\$ 320,380	\$ 3,209,819
Construction in Progress	1,830,226	4,191,883	6,022,109
Other Capital Assets, Net	29,656,155	22,964,275	52,620,430
Total Capital Assets, Net	<u>\$ 34,375,820</u>	<u>\$ 27,476,538</u>	<u>\$ 61,852,358</u>
 TOTAL ASSETS	 <u>\$ 38,942,861</u>	 <u>\$ 35,217,063</u>	 <u>\$ 74,159,924</u>
 <u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Utility Refund Payable	\$ -	\$ 273	\$ 273
Accrued Payroll and Fringe Benefits	2,874	845	3,719
Sales Tax Payable	-	22,926	22,926
Gift Card Certificates	13,443	-	13,443
Total Current Liabilities	<u>\$ 16,317</u>	<u>\$ 24,044</u>	<u>\$ 40,361</u>
<u>Long-Term Liabilities:</u>			
Customer Deposits Payable	\$ 3,000	\$ 292,969	\$ 295,969
Total Long-Term Liabilities	<u>\$ 3,000</u>	<u>\$ 292,969</u>	<u>\$ 295,969</u>
 TOTAL LIABILITIES	 <u>\$ 19,317</u>	 <u>\$ 317,013</u>	 <u>\$ 336,330</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 34,375,820	\$ 27,476,538	\$ 61,852,358
Restricted for Specific Purposes	101,389	69,333	170,722
Unrestricted	4,446,335	7,354,179	11,800,514
 TOTAL NET POSITION	 <u>\$ 38,923,544</u>	 <u>\$ 34,900,050</u>	 <u>\$ 73,823,594</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

Year Ended March 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,208,233	\$ 164,709	\$ -	\$ -	\$ (2,043,524)	\$ -	\$ (2,043,524)
Public Safety	3,172,214	50,533	1,760	-	(3,119,921)	-	(3,119,921)
Public Works	2,303,697	74,848	215,022	-	(2,013,827)	-	(2,013,827)
Culture and Recreation	2,189,328	316,062	4,889	-	(1,868,377)	-	(1,868,377)
Capital Outlay	165,484	-	-	-	(165,484)	-	(165,484)
Total Governmental Activities	\$ 10,038,956	\$ 606,152	\$ 221,671	\$ -	\$ (9,211,133)	\$ -	\$ (9,211,133)
Business-Type Activities:							
Water and Sewer	\$ 4,007,002	\$ 5,008,752	\$ -	\$ -	\$ -	\$ 1,001,750	\$ 1,001,750
Gas	3,312,712	5,052,031	-	-	-	1,739,319	1,739,319
Refuse	686,296	877,122	-	-	-	190,826	190,826
Total Business-Type Activities	\$ 8,006,010	\$ 10,937,905	\$ -	\$ -	\$ -	\$ 2,931,895	\$ 2,931,895
Total Primary Government	\$ 18,044,966	\$ 11,544,057	\$ 221,671	\$ -	\$ (9,211,133)	\$ 2,931,895	\$ (6,279,238)
General Revenue:							
Taxes:							
Sales Tax					\$ 4,605,284	\$ -	\$ 4,605,284
Real Estate & Property Tax					914,257	-	914,257
Railroad and Utility Tax					1,553	-	1,553
Financial Institution Tax					2,083	-	2,083
Telecommunication Tax					1,047,433	-	1,047,433
Use Tax					341,573	-	341,573
County Pilot Tax					240,777	-	240,777
Interest Income					59,233	65,386	124,619
Other					463,871	92,627	556,498
Intergovernmental					656,019	-	656,019
Gain on Disposal of Capital Assets					89,453	-	89,453
Transfers - Internal Activities					994,022	(994,022)	-
Total General Revenues					\$ 9,415,558	\$ (836,009)	\$ 8,579,549
Change in Net Position					\$ 204,425	\$ 2,095,886	\$ 2,300,311
Net Position - April 1, 2020					38,719,119	32,804,164	71,523,283
Net Position - March 31, 2021					\$ 38,923,544	\$ 34,900,050	\$ 73,823,594

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURIBALANCE SHEET -
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

March 31, 2021

	General Fund	Perry Park Center Fund	Transportation Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
<u>CURRENT ASSETS:</u>						
Cash and Cash Equivalents	\$ 1,777,584	\$ 155,185	\$ 234,671	\$ 354,336	\$ 1,937,593	\$ 4,459,369
Restricted Cash and Cash Equivalents	78,895	-	-	-	21,254	100,149
Prepaid Expenses	-	7,523	-	-	-	7,523
Total Current Assets	<u>\$ 1,856,479</u>	<u>\$ 162,708</u>	<u>\$ 234,671</u>	<u>\$ 354,336</u>	<u>\$ 1,958,847</u>	<u>\$ 4,567,041</u>
TOTAL ASSETS	<u>\$ 1,856,479</u>	<u>\$ 162,708</u>	<u>\$ 234,671</u>	<u>\$ 354,336</u>	<u>\$ 1,958,847</u>	<u>\$ 4,567,041</u>
<u>LIABILITIES AND FUND BALANCE</u>						
<u>LIABILITIES:</u>						
Accrued Payroll and Fringe Benefits	\$ 2,782	\$ -	\$ 88	\$ -	\$ 4	\$ 2,874
Customer Deposits	-	-	-	-	3,000	3,000
Gift Card Certificates	-	13,443	-	-	-	13,443
TOTAL LIABILITIES	<u>\$ 2,782</u>	<u>\$ 13,443</u>	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ 3,004</u>	<u>\$ 19,317</u>
<u>FUND BALANCE:</u>						
Nonspendable	\$ -	\$ 7,523	\$ -	\$ -	\$ -	\$ 7,523
Restricted	78,895	-	-	-	22,495	101,390
Committed	-	-	234,583	354,336	640,579	1,229,498
Assigned	-	-	-	-	1,292,769	1,292,769
Unassigned	1,774,802	141,742	-	-	-	1,916,544
TOTAL FUND BALANCE	<u>\$ 1,853,697</u>	<u>\$ 149,265</u>	<u>\$ 234,583</u>	<u>\$ 354,336</u>	<u>\$ 1,955,843</u>	<u>\$ 4,547,724</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,856,479</u>	<u>\$ 162,708</u>	<u>\$ 234,671</u>	<u>\$ 354,336</u>	<u>\$ 1,958,847</u>	<u>\$ 4,567,041</u>

See Accompanying Notes to the Basic Financial Statements.

STATEMENT 3-A

CITY OF PERRYVILLE, MISSOURIRECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS

March 31, 2021

Total fund balance - total governmental funds (Statement 3)	\$ 4,547,724
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 \$28,840,029.	<u>34,375,820</u>
Net position of governmental activities (Statement 1)	<u>\$ 38,923,544</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

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

Year Ended March 31, 2021

	General Fund	Perry Park Center Fund	Transportation Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	\$ 3,770,021	\$ 1,332,543	\$ 1,034,778	\$ -	\$ 1,015,618	\$ 7,152,960
Licenses and Permits	66,527	-	-	-	-	66,527
Charges for Services	95,092	255,379	-	-	-	350,471
Intergovernmental	189,363	244,552	-	336,242	107,533	877,690
Fines	50,533	-	-	-	-	50,533
Rental	3,090	60,683	-	-	74,848	138,621
Interest Income	28,347	1,929	6,044	2,949	19,964	59,233
Other	15,831	27,890	-	760	419,390	463,871
TOTAL REVENUES	\$ 4,218,804	\$ 1,922,976	\$ 1,040,822	\$ 339,951	\$ 1,637,353	\$ 9,159,906
EXPENDITURES:						
General Government	\$ 2,208,774	\$ -	\$ -	\$ -	\$ -	\$ 2,208,774
Public Safety	3,418,081	-	-	-	-	3,418,081
Public Works	212,358	-	541,874	1,573,099	595,766	2,923,097
Culture and Recreation	-	2,390,409	-	-	9,255	2,399,664
Capital Outlay	37,513	-	-	-	135,311	172,824
TOTAL EXPENDITURES	\$ 5,876,726	\$ 2,390,409	\$ 541,874	\$ 1,573,099	\$ 740,332	\$ 11,122,440
REVENUES OVER (UNDER) EXPENDITURES	\$ (1,657,922)	\$ (467,433)	\$ 498,948	\$ (1,233,148)	\$ 897,021	\$ (1,962,534)
OTHER FINANCING SOURCES (USES):						
Transfers In	\$ 2,446,538	\$ 575,000	\$ -	\$ 975,500	\$ 30,000	\$ 4,027,038
Transfers Out	(605,000)	-	(1,171,901)	-	(1,256,115)	(3,033,016)
Sale of Capital Assets	11,743	-	14,210	-	63,500	89,453
TOTAL OTHER FINANCING SOURCES (USES)	\$ 1,853,281	\$ 575,000	\$ (1,157,691)	\$ 975,500	\$ (1,162,615)	\$ 1,083,475
NET CHANGE IN FUND BALANCES	\$ 195,359	\$ 107,567	\$ (658,743)	\$ (257,648)	\$ (265,594)	\$ (879,059)
FUND BALANCE, April 1, 2020	1,658,338	41,698	893,326	611,984	2,221,437	5,426,783
FUND BALANCE, March 31, 2021	\$ 1,853,697	\$ 149,265	\$ 234,583	\$ 354,336	\$ 1,955,843	\$ 4,547,724

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 - MODIFIED CASH BASIS

Year Ended March 31, 2021

Net Change in fund balances - total governmental funds (Statement 4)	\$	(879,059)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
		2,947,570
<p>In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds of the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the difference.</p>		
		(10,676)
<p>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.</p>		
		<u>(1,853,410)</u>
Change in net position of governmental activities (Statement 2)	\$	<u>204,425</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURISTATEMENT OF NET POSITION -
PROPRIETARY FUNDS - MODIFIED CASH BASIS

March 31, 2021

<u>ASSETS</u>	<u>Combined Waterworks and Sewerage Fund</u>	<u>Gas Operation Fund</u>	<u>Other Proprietary Funds</u>	<u>Total Proprietary Funds</u>
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 3,928,008	\$ 3,297,135	\$ 445,797	\$ 7,670,940
Restricted Cash and Cash Equivalents	68,605	728	-	69,333
Prepaid Expenses	-	-	252	252
Total Current Assets	<u>\$ 3,996,613</u>	<u>\$ 3,297,863</u>	<u>\$ 446,049</u>	<u>\$ 7,740,525</u>
<u>CAPITAL ASSETS:</u>				
Land	\$ 173,750	\$ 139,630	\$ 7,000	\$ 320,380
Construction in Progress	2,895,261	-	1,296,622	4,191,883
Plant and System Improvements	35,774,803	10,678,760	-	46,453,563
Machinery and Equipment	2,400,729	1,774,925	1,454,585	5,630,239
Accumulated Depreciation	(22,212,709)	(5,836,835)	(1,069,983)	(29,119,527)
Total Capital Assets, Net	<u>\$ 19,031,834</u>	<u>\$ 6,756,480</u>	<u>\$ 1,688,224</u>	<u>\$ 27,476,538</u>
TOTAL ASSETS	<u>\$ 23,028,447</u>	<u>\$ 10,054,343</u>	<u>\$ 2,134,273</u>	<u>\$ 35,217,063</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Utility Refund Payable	\$ 273	\$ -	\$ -	\$ 273
Accrued Payroll and Fringe Benefits	760	72	13	845
Sales Tax Payable	1,104	21,822	-	22,926
Total Current Liabilities	<u>\$ 2,137</u>	<u>\$ 21,894</u>	<u>\$ 13</u>	<u>\$ 24,044</u>
<u>LONG-TERM LIABILITIES:</u>				
Customer Deposits Payable	\$ 106,594	\$ 186,375	\$ -	\$ 292,969
Total Long-Term Liabilities	<u>\$ 106,594</u>	<u>\$ 186,375</u>	<u>\$ -</u>	<u>\$ 292,969</u>
TOTAL LIABILITIES	<u>\$ 108,731</u>	<u>\$ 208,269</u>	<u>\$ 13</u>	<u>\$ 317,013</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 19,031,834	\$ 6,756,480	\$ 1,688,224	\$ 27,476,538
Restricted	68,605	728	-	69,333
Unrestricted	3,819,277	3,088,866	446,036	7,354,179
TOTAL NET POSITION	<u>\$ 22,919,716</u>	<u>\$ 9,846,074</u>	<u>\$ 2,134,260</u>	<u>\$ 34,900,050</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

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

Year Ended March 31, 2021

	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Other Proprietary Funds	Total Proprietary Funds
<u>OPERATING REVENUES:</u>				
Charges for Services	\$ 5,008,752	\$ 5,052,031	\$ 877,122	\$ 10,937,905
Miscellaneous Income	83,060	8,309	1,258	92,627
TOTAL OPERATING REVENUES	<u>\$ 5,091,812</u>	<u>\$ 5,060,340</u>	<u>\$ 878,380</u>	<u>\$ 11,030,532</u>
<u>OPERATING EXPENSES:</u>				
General Operating Expense	\$ 2,768,436	\$ 2,956,975	\$ 523,711	\$ 6,249,122
Depreciation and Amortization	1,232,555	355,737	162,585	1,750,877
TOTAL OPERATING EXPENSES	<u>\$ 4,000,991</u>	<u>\$ 3,312,712</u>	<u>\$ 686,296</u>	<u>\$ 7,999,999</u>
NET OPERATING INCOME (LOSS)	<u>\$ 1,090,821</u>	<u>\$ 1,747,628</u>	<u>\$ 192,084</u>	<u>\$ 3,030,533</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Interest Income	\$ 32,438	\$ 26,339	\$ 6,609	\$ 65,386
Gain (Loss) on Disposal of Assets	(6,011)	-	-	(6,011)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ 26,427</u>	<u>\$ 26,339</u>	<u>\$ 6,609</u>	<u>\$ 59,375</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>\$ 1,117,248</u>	<u>\$ 1,773,967</u>	<u>\$ 198,693</u>	<u>\$ 3,089,908</u>
<u>OPERATING TRANSFERS IN (OUT):</u>				
Transfers In	\$ 300,000	\$ -	\$ 900,000	\$ 1,200,000
Transfers Out	(589,204)	(1,372,531)	(232,287)	(2,194,022)
TOTAL TRANSFERS IN (OUT)	<u>\$ (289,204)</u>	<u>\$ (1,372,531)</u>	<u>\$ 667,713</u>	<u>\$ (994,022)</u>
CHANGE IN NET POSITION	\$ 828,044	\$ 401,436	\$ 866,406	\$ 2,095,886
TOTAL NET POSITION, April 1, 2020	<u>22,091,672</u>	<u>9,444,638</u>	<u>1,267,854</u>	<u>32,804,164</u>
TOTAL NET POSITION, March 31, 2021	<u>\$ 22,919,716</u>	<u>\$ 9,846,074</u>	<u>\$ 2,134,260</u>	<u>\$ 34,900,050</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - MODIFIED CASH BASIS

Year Ended March 31, 2021

	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Other Proprietary Funds	Total Proprietary Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Receipts from Customers	\$ 5,008,752	\$ 5,052,031	\$ 877,122	\$ 10,937,905
Receipts from Other Sources	83,060	8,309	1,258	92,627
Payments to Suppliers	(1,841,575)	(2,655,564)	(281,721)	(4,778,860)
Payments to Employees	(930,197)	(302,446)	(242,570)	(1,475,213)
Receipt of Customer Utility Deposits	495	(868)	-	(373)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,320,535	\$ 2,101,462	\$ 354,089	\$ 4,776,086
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Operating Transfers from (to) Other Funds	\$ (289,204)	\$ (1,372,531)	\$ 667,713	\$ (994,022)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Acquisition of Capital Assets	\$ (918,855)	\$ (150,955)	\$ (1,152,196)	\$ (2,222,006)
Proceeds from Sale of Capital Assets	17,900	-	-	17,900
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (900,955)	\$ (150,955)	\$ (1,152,196)	\$ (2,204,106)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest on Cash	\$ 32,438	\$ 26,339	\$ 6,609	\$ 65,386
NET CHANGE IN CASH	\$ 1,162,814	\$ 604,315	\$ (123,785)	\$ 1,643,344
CASH, April 1, 2020	2,833,799	2,693,548	569,582	6,096,929
CASH, March 31, 2021	\$ 3,996,613	\$ 3,297,863	\$ 445,797	\$ 7,740,273
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ 1,090,821	\$ 1,747,628	\$ 192,084	\$ 3,030,533
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,232,555	355,737	162,585	1,750,877
Changes in Assets and Liabilities:				
Prepaid Expenses	-	-	(252)	(252)
Utility Refund Payable	50	-	-	50
Accrued Payroll and Fringe Benefits	(402)	(1,275)	(328)	(2,005)
Sales Tax Payable	(2,984)	240	-	(2,744)
Customer Deposits	495	(868)	-	(373)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,320,535	\$ 2,101,462	\$ 354,089	\$ 4,776,086

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2021

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.

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

A. 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. 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 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 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.
Transportation Fund	Accounts for the transportation sales tax received by the City. Funds are expended for street maintenance, airport maintenance, stormwater, and sidewalks.
Street Improvement Fund	Accounts for revenues received and expenditures paid for major street improvements.

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

<u>Fund</u>	<u>Description</u>
Airport Fund	Accounts for revenues received and expenditures related to the operation of the airport.
Veterans Memorial Field Fund	Accounts for sponsorships and donations received for work on the Veterans Memorial ball field.
Ball Field Improvement Fund	Accounts for sponsorships and donations received for work on the City’s ball fields.

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.
Wastewater Treatment Fund	Accounts for the transfers in and capital expenditures for the construction of the new Wastewater Treatment Plant.

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, within the limitations of the modified cash basis of accounting, as defined in item 2 below.

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

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

2. The proprietary 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 a modified cash basis of accounting. The basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures when they result from cash transactions with a provision for depreciation in the government-wide statement and the proprietary fund statements. This basis is a comprehensive basis of accounting other than principles generally accepted in the United States of America.

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

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

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 City’s modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. 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

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair market value at the date of donation. Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since January 1, 2004 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 arising from cash transactions 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

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

Long-term debt arising from cash basis transactions for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary 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 the modified cash basis of accounting used by the City 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:

Taxes Paid Under Protest	\$ 28,603
Police Training	707
Judicial Ed	933
Inmate Security	(1,348)
Fire Truck Escrow	50,000
Debt Service Fund	1,550
Veterans Memorial Field Fund	<u>20,945</u>
Total Restricted Net Position	<u>\$ 101,390</u>

Proprietary

CWSS -	\$ 68,605
Gas - 2006 Certificates of Participation	<u>728</u>
Total Restricted Net Position	<u>\$ 69,333</u>

I. Accumulated Compensated Absences:

It is the City's policy to permit employees to accumulate a limited amount of earned but unused paid time off, which will be paid to employees upon separation from the City's service. It is unlikely all employees would terminate at one time. At March 31, 2021, the liability is a contingency in the maximum amount of \$399,949.

J. Revenue Recognition – Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are due and payable at that time. All unpaid taxes become delinquent January 1 of the following year. Property tax revenues are recognized when they are collected.

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 (10th) 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 paid.

M. Subsequent Events:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through July 7, 2021, the date the financial statements were available to be issued.

2. DEPOSITS

At March 31, 2021, the carrying amount of the City's deposits was \$12,299,791 and the bank balances totaled \$12,649,462. 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, 2021 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, 2020, 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

4. CAPITAL ASSETS

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

	Primary Government			Balance March 31, 2021
	Balance March 31, 2020	Additions	Deletions	
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2,857,324	\$ 32,115	\$ -	\$ 2,889,439
Construction in Progress	1,492,058	2,377,130	(2,038,962)	1,830,226
Total	4,349,382	2,409,245	(2,038,962)	4,719,665
Capital Assets Being Depreciated:				
Buildings	\$ 14,724,810	\$ -	\$ -	\$ 14,724,810
Improvements Other Than Buildings	34,470,394	2,038,962	-	36,509,356
Machinery and Equipment	6,133,078	538,325	(323,971)	6,347,432
Pool and Bathhouse	914,586	-	-	914,586
Total	56,242,868	2,577,287	(323,971)	58,496,184

	Primary Government			Balance March 31, 2021
	Balance March 31, 2020	Additions	Deletions	
Governmental Activities				
Less Accumulated Depreciation for:				
Buildings	\$ (3,964,112)	\$ (450,731)	\$ -	\$ (4,414,843)
Improvements Other than Buildings	(17,768,142)	(1,056,534)	-	(18,824,676)
Machinery and Equipment	(4,733,705)	(333,017)	313,295	(4,753,427)
Pool and Bathhouse	(833,955)	(13,128)	-	(847,083)
Total	<u>(27,299,914)</u>	<u>(1,853,410)</u>	<u>313,295</u>	<u>(28,840,029)</u>
Capital Assets Being Depreciated, Net	28,942,954	723,877	(10,676)	29,656,155
Governmental Activities				
Capital Assets, Net	<u>\$ 33,292,336</u>	<u>\$ 3,133,122</u>	<u>\$ (2,049,638)</u>	<u>\$ 34,375,820</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 320,380	\$ -	\$ -	\$ 320,380
Construction in Progress	<u>2,864,551</u>	<u>1,780,226</u>	<u>(452,894)</u>	<u>4,191,883</u>
Total	3,184,931	1,780,226	(452,894)	4,512,263
Capital Assets Being Depreciated:				
Plant and System Improvements	\$ 46,059,586	\$ 393,977	\$ -	\$ 46,453,563
Machinery and Equipment	<u>5,229,224</u>	<u>520,201</u>	<u>(119,186)</u>	<u>5,630,239</u>
Total	51,288,810	914,178	(119,186)	52,083,802
Less Accumulated Depreciation for:				
Plant and System Improvements	\$(24,126,907)	\$ (1,200,913)	\$ -	\$(25,327,820)
Machinery and Equipment	<u>(3,317,514)</u>	<u>(569,445)</u>	<u>95,252</u>	<u>(3,791,707)</u>
Total	<u>(27,444,421)</u>	<u>(1,770,358)</u>	<u>95,252</u>	<u>(29,119,527)</u>
Capital Assets Being Depreciated, Net	<u>23,844,389</u>	<u>(856,180)</u>	<u>(23,934)</u>	<u>22,964,275</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 27,029,320</u>	<u>\$ 924,046</u>	<u>\$ (476,828)</u>	<u>\$ 27,476,538</u>

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

<u>Governmental Activities</u>	
General Government	\$ 98,704
Public Safety	217,970
Public Works	1,138,528
Culture and Recreation	<u>398,208</u>
Total	<u>\$ 1,853,410</u>
 <u>Business-Type Activities</u>	
Combined Waterworks and Sewerage System Fund	\$ 1,232,555
Gas Operation Fund	355,737
Refuse Fund	<u>162,585</u>
Total	<u>\$ 1,750,877</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, 2021, the City’s remaining legal debt margin was \$7,134,122.

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, 2021 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, 2021 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, 2021 is \$93,457,997.

6. PENSION PLAN

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.

Benefits provided. LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for Police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for Police) and receive a reduced allowance.

	<u>February 29, 2020 Valuation</u>
Benefit Multiplier:	2% for Life
Final Average Salary:	3 Years
Member Contributions:	0%

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 15.1% (General) and 13.0% (Police) of annual covered payroll. Contributions to the pension plan from the City were \$440,152 (General) and \$185,290 (Police) for the year ended March 31, 2021.

7. **INTEREST EXPENSE**

Interest cost totaling \$-0- was incurred during the year ended March 31, 2021. 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, 2021, the City incurred expenditures of \$812,917 for engineering services with an entity owned by a relative of the Mayor. 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 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	\$ 605,000	\$2,446,538
Airport Fund	56,115	30,000
Transportation Fund	1,171,901	-0-
Perry Park Fund	-0-	575,000
Street Improvement Fund	-0-	975,500
Capital Improvement Sales Tax Fund	900,000	-0-
Hwy 51/61 TIF Fund	300,000	-0-
Refuse Fund	232,287	-0-
CWSS Fund	589,204	300,000
Gas Fund	1,372,531	-0-
Wastewater Treatment Fund	-0-	900,000
	<u>\$5,227,038</u>	<u>\$5,227,038</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.

10. 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.

11. 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 establish 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, 2021, the taxes applicable to the City that were abated totaled \$54,084 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 2021.

12. SUBSEQUENT EVENTS

In May 2021, the City approved the purchase of construction material in the amount of \$149,099 for the impound shed.

In June 2021, the City awarded a bid to a company for the Perry Park Center Re-Roof Project in the amount of \$152,681.

13. COMMITMENTS

At March 31, 2021, the City was committed to the following significant projects:

<u>Project</u>	<u>Amount Committed</u>	<u>Expended by March 31, 2021</u>	<u>Remaining Commitment as of March 31, 2021</u>
Hwy E Sewer Trunk	\$4,086,681	\$ 2,739,319	\$ 1,347,362
Wastewater Facility Improvement	21,000,000	1,296,622	19,703,378

The City also had several smaller projects that were ongoing as of March 31, 2021.

In March 2021, the City entered into a lease agreement for six 2021 Ford Explorers for the Police Department in the amount of \$209,180.

14. DEFICIT FUND BALANCE

As of March 31, 2021, the Airport Fund had operations that resulted in a current year fund balance deficit of \$943.

SUPPLEMENTARY INFORMATION

CITY OF PERRYVILLE, MISSOURIBUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended March 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
<u>REVENUES:</u>				
Taxes and Special Assessments:				
Real Estate and Personal Property Tax	\$ 639,000	\$ 639,000	\$ 648,642	\$ 9,642
Railroad and Utility Tax	1,100	1,100	1,090	(10)
Gross Receipts Tax	1,150,000	1,150,000	1,047,433	(102,567)
Intangible Tax	2,000	2,000	2,083	83
Sales Tax	1,750,000	1,750,000	1,883,815	133,815
Local Use Tax	171,000	171,000	181,034	10,034
Tax Under Protest	5,800	5,800	5,924	124
Licenses and Permits:				
City Vehicle Licenses	19,000	19,000	21,008	2,008
Occupational Licenses	16,000	16,000	15,010	(990)
Liquor Licenses	13,000	13,000	13,020	20
Mobile Home Licenses	875	875	860	(15)
Building and Other Permits	10,350	10,350	16,629	6,279
Charges for Services:				
Fees and Services	10,000	10,000	17,076	7,076
Penalties	2,500	2,500	2,612	112
Cable TV Franchise Fees	63,000	63,000	75,404	12,404
Intergovernmental:				
Road District Contributions	105,000	105,000	113,351	8,351
Grants	1,750	1,750	1,760	10
County Business Surtax	65,000	65,000	74,252	9,252
Fines:				
Court Fines, Costs, and Police Training Fund	85,100	85,100	47,289	(37,811)
Inmate Security Fund	1,200	1,200	733	(467)
Crime Victim Compensation	5,000	5,000	2,452	(2,548)
Restitution Fund	1,000	1,000	49	(951)
Parking Tickets	200	200	10	(190)
Rental	2,760	2,760	3,090	330
Interest Income	55,000	55,000	28,347	(26,653)
Miscellaneous	18,000	18,000	15,831	(2,169)
Donations	4,000	4,000	-	(4,000)
TOTAL REVENUES	\$ 4,197,635	\$ 4,197,635	\$ 4,218,804	\$ 21,169

(Continued)

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURIBUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended March 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
<u>EXPENDITURES:</u>				
General Government:				
Mayor and Board	\$ 231,363	\$ 231,363	\$ 219,852	\$ 11,511
City Administrator's Office	257,192	257,192	188,201	68,991
Clerk/Finance	484,209	484,209	439,078	45,131
Municipal Court	113,754	113,754	66,741	47,013
Community Development	233,928	233,928	208,010	25,918
General Services	983,888	983,888	966,331	17,557
Port Authority/Economic Development	77,500	77,500	75,319	2,181
Cable Access/Levee District	38,500	38,500	45,242	(6,742)
Total General Government	<u>\$ 2,420,334</u>	<u>\$ 2,420,334</u>	<u>\$ 2,208,774</u>	<u>\$ 211,560</u>
Public Safety:				
Police Department	\$ 2,576,022	\$ 2,576,022	\$ 2,471,442	\$ 104,580
Fire Department	320,725	320,725	654,268	(333,543)
Emergency Response	-	-	292,371	(292,371)
Total Public Safety	<u>\$ 2,896,747</u>	<u>\$ 2,896,747</u>	<u>\$ 3,418,081</u>	<u>\$ (521,334)</u>
Public Works:				
Stormwater	\$ 212,915	\$ 212,915	\$ 212,358	\$ 557
Total Public Works	<u>\$ 212,915</u>	<u>\$ 212,915</u>	<u>\$ 212,358</u>	<u>\$ 557</u>
Capital Outlay	\$ -	\$ -	\$ 37,513	\$ (37,513)
TOTAL EXPENDITURES	<u>\$ 5,529,996</u>	<u>\$ 5,529,996</u>	<u>\$ 5,876,726</u>	<u>\$ (346,730)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>\$ (1,332,361)</u>	<u>\$ (1,332,361)</u>	<u>\$ (1,657,922)</u>	<u>\$ (325,561)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 3,053,632	\$ 3,053,632	\$ 2,446,538	\$ (607,094)
Transfers Out	(1,715,221)	(1,715,221)	(605,000)	1,110,221
Sale of Capital Assets	-	-	11,743	11,743
Total Other Financing Sources (Uses)	<u>\$ 1,338,411</u>	<u>\$ 1,338,411</u>	<u>\$ 1,853,281</u>	<u>\$ 514,870</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	<u>\$ 6,050</u>	<u>\$ 6,050</u>	<u>\$ 195,359</u>	<u>\$ 189,309</u>
FUND BALANCE, April 1, 2020			<u>1,658,338</u>	
FUND BALANCE, March 31, 2021			<u>\$ 1,853,697</u>	

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

BUDGETARY COMPARISON SCHEDULE -
PERRY PARK CENTER FUND

Year Ended March 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
REVENUES:				
Taxes and Special Assessments:				
Real Estate and Personal Property Tax	\$ 248,400	\$ 248,400	\$ 259,542	\$ 11,142
Railroad and Utility Tax	500	500	463	(37)
Sales Tax	940,000	940,000	1,072,538	132,538
Charges for Services:				
Concessions and Vending Machines	100,000	100,000	38,190	(61,810)
Tournament and Sports Fees	110,200	110,200	33,433	(76,767)
Admission Fees and Passes	356,500	356,500	182,746	(173,754)
Arcade, Fun Club, and Senior Olympics	6,500	6,500	1,010	(5,490)
Intergovernmental:				
County Business Tax	28,000	28,000	31,557	3,557
Grant Income	-	-	4,889	4,889
Trans. Alternative Program	288,863	288,863	208,106	(80,757)
Interest Income	1,000	1,000	1,929	929
Rental:				
Library Lease	31,000	31,000	29,100	(1,900)
Theater Rent	20,000	20,000	9,075	(10,925)
Pool and Gymnasium	13,000	13,000	10,138	(2,862)
Pavilions, Ball Fields, Community Center, and Meeting Room	20,800	20,800	12,370	(8,430)
Miscellaneous	3,150	3,150	27,890	24,740
TOTAL REVENUES	\$ 2,167,913	\$ 2,167,913	\$ 1,922,976	\$ (244,937)
EXPENDITURES:				
Leagues	\$ 128,068	\$ 128,068	\$ 90,691	\$ 37,377
Administration	528,655	528,655	459,180	69,475
Capital Projects	774,040	774,040	576,726	197,314
Community Center Maintenance	3,400	3,400	34,597	(31,197)
Concessions	101,237	101,237	81,343	19,894
Fitness Center	29,227	29,227	16,617	12,610
Activities and Marketing	188,592	188,592	137,753	50,839
Maintenance and Housekeeping	552,000	552,000	309,059	242,941
Park Maintenance	355,732	355,732	329,464	26,268
Performing Arts Center	144,452	144,452	90,702	53,750
Pool	362,731	362,731	264,277	98,454
TOTAL EXPENDITURES	\$ 3,168,134	\$ 3,168,134	\$ 2,390,409	\$ 777,725
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ (1,000,221)	\$ (1,000,221)	\$ (467,433)	\$ 532,788
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 1,015,221	\$ 1,015,221	\$ 575,000	\$ (440,221)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 1,015,221	\$ 1,015,221	\$ 575,000	\$ (440,221)
TOTAL REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)				
	\$ 15,000	\$ 15,000	\$ 107,567	\$ 92,567
FUND BALANCE, April 1, 2020			41,698	
FUND BALANCE, March 31, 2021			\$ 149,265	

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURIBUDGETARY COMPARISON SCHEDULE -
TRANSPORTATION FUND

Year Ended March 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
<u>REVENUES:</u>				
Taxes and Special Assessments:				
Sales Tax	\$ 860,859	\$ 860,859	\$ 942,553	\$ 81,694
Local Use Tax	85,000	85,000	92,225	7,225
Interest Income	20,000	20,000	6,044	(13,956)
Miscellaneous	5,000	5,000	-	(5,000)
TOTAL REVENUES	<u>\$ 970,859</u>	<u>\$ 970,859</u>	<u>\$ 1,040,822</u>	<u>\$ 69,963</u>
<u>EXPENDITURES:</u>				
Public Works - Stormwater	\$ -	\$ -	\$ 248	\$ (248)
Public Works - Street Maintenance	749,927	749,927	535,698	214,229
Public Works - Sidewalks	69,000	69,000	5,928	63,072
TOTAL EXPENDITURES	<u>\$ 818,927</u>	<u>\$ 818,927</u>	<u>\$ 541,874</u>	<u>\$ 277,053</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 151,932</u>	<u>\$ 151,932</u>	<u>\$ 498,948</u>	<u>\$ 347,016</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ 1,119,969	\$ 1,119,969	\$ -	\$ (1,119,969)
Transfers Out	(1,271,901)	(1,271,901)	(1,171,901)	100,000
Sale of Capital Assets	-	-	14,210	14,210
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (151,932)</u>	<u>\$ (151,932)</u>	<u>\$ (1,157,691)</u>	<u>\$ (1,005,759)</u>
TOTAL REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (658,743)</u>	<u>\$ (658,743)</u>
FUND BALANCE, April 1, 2020			<u>893,326</u>	
FUND BALANCE, March 31, 2021			<u>\$ 234,583</u>	

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURIBUDGETARY COMPARISON SCHEDULE -
STREET IMPROVEMENT FUND

Year Ended March 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
<u>REVENUES:</u>				
Intergovernmental:				
State Gasoline and Vehicle Tax	\$ 346,000	\$ 346,000	\$ 336,242	\$ (9,758)
Interest Income	5,000	5,000	2,949	(2,051)
Miscellaneous	500	500	760	260
TOTAL REVENUES	<u>\$ 351,500</u>	<u>\$ 351,500</u>	<u>\$ 339,951</u>	<u>\$ (11,549)</u>
<u>EXPENDITURES:</u>				
Street Maintenance	<u>\$ 1,427,000</u>	<u>\$ 1,573,068</u>	<u>\$ 1,573,099</u>	<u>\$ (31)</u>
TOTAL EXPENDITURES	<u>\$ 1,427,000</u>	<u>\$ 1,573,068</u>	<u>\$ 1,573,099</u>	<u>\$ (31)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,075,500)</u>	<u>\$ (1,221,568)</u>	<u>\$ (1,233,148)</u>	<u>\$ (11,580)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	<u>\$ 1,075,500</u>	<u>\$ 1,075,500</u>	<u>\$ 975,500</u>	<u>\$ (100,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 1,075,500</u>	<u>\$ 1,075,500</u>	<u>\$ 975,500</u>	<u>\$ (100,000)</u>
TOTAL REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ (146,068)</u>	<u>\$ (257,648)</u>	<u>\$ (111,580)</u>
FUND BALANCE, April 1, 2020			<u>611,984</u>	
FUND BALANCE, March 31, 2021			<u>\$ 354,336</u>	

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULES

March 31, 2021

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 17, 2020, a public hearing was held in connection with adoption of the proposed budget for 2021. The budget was amended on March 16, 2021.

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.

ADDITIONAL SUPPLEMENTARY INFORMATION

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

March 31, 2021

	<u>Special Revenue</u>			<u>Capital Projects</u>				<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>	
	<u>Airport Fund</u>	<u>Veterans Memorial Field Fund</u>	<u>Ball Field Improvements 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>ASSETS</u>										
<u>CURRENT ASSETS:</u>										
Cash and Cash Equivalents	\$ 2,061	\$ 20,945	\$ 4,706	\$ 615,562	\$ 141,242	\$ 4,599	\$ 133,405	\$ 1,013,523	\$ 1,550	\$ 1,937,593
Restricted Cash and Cash Equivalents	-	-	-	21,254	-	-	-	-	-	21,254
TOTAL CURRENT ASSETS	\$ 2,061	\$ 20,945	\$ 4,706	\$ 636,816	\$ 141,242	\$ 4,599	\$ 133,405	\$ 1,013,523	\$ 1,550	\$ 1,958,847
<u>LIABILITIES AND FUND BALANCE</u>										
<u>LIABILITIES:</u>										
Payroll Liabilities	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4
Customer Deposits	3,000	-	-	-	-	-	-	-	-	3,000
TOTAL LIABILITIES	\$ 3,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,004
<u>FUND BALANCE:</u>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	20,945	-	-	-	-	-	-	1,550	22,495
Committed	(943)	-	4,706	636,816	-	-	-	-	-	640,579
Assigned	-	-	-	-	141,242	4,599	133,405	1,013,523	-	1,292,769
TOTAL FUND BALANCE	\$ (943)	\$ 20,945	\$ 4,706	\$ 636,816	\$ 141,242	\$ 4,599	\$ 133,405	\$ 1,013,523	\$ 1,550	\$ 1,955,843
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,061	\$ 20,945	\$ 4,706	\$ 636,816	\$ 141,242	\$ 4,599	\$ 133,405	\$ 1,013,523	\$ 1,550	\$ 1,958,847

See Independent Auditors' Report.

CITY OF PERRYVILLE, MISSOURI

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

Year Ended March 31, 2021

	Special Revenue			Capital Projects					Debt Service Fund	Total Nonmajor Governmental Funds
	Airport Fund	Veterans Memorial Field Fund	Ball Field Improvements Fund	Capital Improvement Sales Tax Fund	Hwy 51/61 TIF Fund	Economic Development Fund	2012 Downtown TIF Fund	Rand Ave Extension TIF Fund		
REVENUES:										
Taxes	\$ -	\$ -	\$ -	\$ 774,692	\$ -	\$ -	\$ 6,799	\$ 233,978	\$ 149	\$ 1,015,618
Intergovernmental	-	-	-	-	101,025	-	6,508	-	-	107,533
Rental	74,813	-	-	-	-	-	-	35	-	74,848
Interest Income	669	211	56	8,114	1,506	47	1,154	8,192	15	19,964
Other	342,311	7,500	-	105	-	-	40,260	29,214	-	419,390
TOTAL REVENUES	\$ 417,793	\$ 7,711	\$ 56	\$ 782,911	\$ 102,531	\$ 47	\$ 54,721	\$ 271,419	\$ 164	\$ 1,637,353
EXPENDITURES:										
Public Works										
Airport Improvements	\$ 140,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,464
Airport Maintenance	455,302	-	-	-	-	-	-	-	-	455,302
Culture and Recreation	-	6,755	2,500	-	-	-	-	-	-	9,255
Capital Outlay	-	-	-	-	-	-	57,269	78,042	-	135,311
TOTAL EXPENDITURES	\$ 595,766	\$ 6,755	\$ 2,500	\$ -	\$ -	\$ -	\$ 57,269	\$ 78,042	\$ -	\$ 740,332
REVENUES OVER (UNDER) EXPENDITURES	\$ (177,973)	\$ 956	\$ (2,444)	\$ 782,911	\$ 102,531	\$ 47	\$ (2,548)	\$ 193,377	\$ 164	\$ 897,021
OTHER FINANCING SOURCES (USES):										
Transfers In	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Transfers Out	(56,115)	-	-	(900,000)	(300,000)	-	-	-	-	(1,256,115)
Sale of Capital Assets	63,500	-	-	-	-	-	-	-	-	63,500
TOTAL OTHER FINANCING SOURCES (USES)	\$ 37,385	\$ -	\$ -	\$ (900,000)	\$ (300,000)	\$ -	\$ -	\$ -	\$ -	\$ (1,162,615)
TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ (140,588)	\$ 956	\$ (2,444)	\$ (117,089)	\$ (197,469)	\$ 47	\$ (2,548)	\$ 193,377	\$ 164	\$ (265,594)
FUND BALANCE, April 1, 2020	139,645	19,989	7,150	753,905	338,711	4,552	135,953	820,146	1,386	2,221,437
FUND BALANCE, March 31, 2021	\$ (943)	\$ 20,945	\$ 4,706	\$ 636,816	\$ 141,242	\$ 4,599	\$ 133,405	\$ 1,013,523	\$ 1,550	\$ 1,955,843

See Independent Auditors' Report.

CITY OF PERRYVILLE, MISSOURICOMBINING STATEMENT OF NET POSITION -
NONMAJOR PROPRIETARY FUNDS - MODIFIED CASH BASIS

March 31, 2021

<u>ASSETS</u>	<u>Refuse Fund</u>	<u>Wastewater Treatment Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 412,576	\$ 33,221	\$ 445,797
Prepaid Expenses	252	-	252
Total Current Assets	<u>\$ 412,828</u>	<u>\$ 33,221</u>	<u>\$ 446,049</u>
<u>CAPITAL ASSETS:</u>			
Land	\$ 7,000	\$ -	\$ 7,000
Construction in Progress	-	1,296,622	1,296,622
Machinery and Equipment	1,454,585	-	1,454,585
Accumulated Depreciation	<u>(1,069,983)</u>	<u>-</u>	<u>(1,069,983)</u>
Total Capital Assets, Net	<u>\$ 391,602</u>	<u>\$ 1,296,622</u>	<u>\$ 1,688,224</u>
TOTAL ASSETS	<u>\$ 804,430</u>	<u>\$ 1,329,843</u>	<u>\$ 2,134,273</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Accrued Payroll and Fringe Benefits	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 13</u>
Total Current Liabilities	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 13</u>
<u>LONG-TERM LIABILITIES:</u>			
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 13</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 391,602	\$ 1,296,622	\$ 1,688,224
Restricted	-	-	-
Unrestricted	<u>412,815</u>	<u>33,221</u>	<u>446,036</u>
TOTAL NET POSITION	<u>\$ 804,417</u>	<u>\$ 1,329,843</u>	<u>\$ 2,134,260</u>

See Independent Auditors' Report.

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

Year Ended March 31, 2021

	<u>Refuse Fund</u>	<u>Wastewater Treatment Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
<u>OPERATING REVENUES:</u>			
Charges for Services	\$ 877,122	\$ -	\$ 877,122
Miscellaneous Income	1,258	-	1,258
TOTAL OPERATING REVENUES	<u>\$ 878,380</u>	<u>\$ -</u>	<u>\$ 878,380</u>
<u>OPERATING EXPENSES:</u>			
General Operating Expense	\$ 523,711	\$ -	\$ 523,711
Depreciation and Amortization	162,585	-	162,585
TOTAL OPERATING EXPENSES	<u>\$ 686,296</u>	<u>\$ -</u>	<u>\$ 686,296</u>
NET OPERATING INCOME (LOSS)	<u>\$ 192,084</u>	<u>\$ -</u>	<u>\$ 192,084</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Interest Income	\$ 2,705	\$ 3,904	\$ 6,609
Gain (Loss) on Disposal of Assets	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ 2,705</u>	<u>\$ 3,904</u>	<u>\$ 6,609</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>\$ 194,789</u>	<u>\$ 3,904</u>	<u>\$ 198,693</u>
<u>OPERATING TRANSFERS IN (OUT):</u>			
Transfers In	\$ -	\$ 900,000	\$ 900,000
Transfers Out	(232,287)	-	(232,287)
TOTAL TRANSFERS IN (OUT)	<u>\$ (232,287)</u>	<u>\$ 900,000</u>	<u>\$ 667,713</u>
CHANGE IN NET POSITION	\$ (37,498)	\$ 903,904	\$ 866,406
TOTAL NET POSITION, April 1, 2020	<u>841,915</u>	<u>425,939</u>	<u>1,267,854</u>
TOTAL NET POSITION, March 31, 2021	<u>\$ 804,417</u>	<u>\$ 1,329,843</u>	<u>\$ 2,134,260</u>

See Independent Auditors' Report.

CITY OF PERRYVILLE, MISSOURICOMBINING STATEMENT OF CASH FLOWS -
NONMAJOR PROPRIETARY FUNDS - MODIFIED CASH BASIS

Year Ended March 31, 2021

	<u>Refuse Fund</u>	<u>Waste Water Treatment Fund</u>	<u>Total Nonmajor Proprietary Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from Customers	\$ 877,122	\$ -	\$ 877,122
Receipts from Other Sources	1,258	-	1,258
Payments to Suppliers	(281,721)	-	(281,721)
Payments to Employees	<u>(242,570)</u>	<u>-</u>	<u>(242,570)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 354,089</u>	<u>\$ -</u>	<u>\$ 354,089</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Operating Transfers from (to) Other Funds	<u>\$ (232,287)</u>	<u>\$ 900,000</u>	<u>\$ 667,713</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition of Capital Assets	<u>\$ -</u>	<u>\$ (1,152,196)</u>	<u>\$ (1,152,196)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ -</u>	<u>\$ (1,152,196)</u>	<u>\$ (1,152,196)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest on Cash	<u>\$ 2,705</u>	<u>\$ 3,904</u>	<u>\$ 6,609</u>
Proceeds from Sale of Capital Assets			
NET CHANGE IN CASH	\$ 124,507	\$ (248,292)	\$ (123,785)
CASH, April 1, 2020	<u>288,069</u>	<u>281,513</u>	<u>569,582</u>
CASH, March 31, 2021	<u>\$ 412,576</u>	<u>\$ 33,221</u>	<u>\$ 445,797</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>			
Operating Income (Loss)	\$ 192,084	\$ -	\$ 192,084
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	162,585	-	162,585
Changes in Assets and Liabilities:			
Prepaid Expenses	(252)	-	(252)
Accrued Payroll and Fringe Benefits	<u>(328)</u>	<u>-</u>	<u>(328)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 354,089</u>	<u>\$ -</u>	<u>\$ 354,089</u>

See Independent Auditors' Report.

CITY OF PERRYVILLE, MISSOURI
Perryville, Missouri

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended March 31, 2021

2021-001 Internal Controls over Payroll

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

Condition: Three out of forty-one payroll transactions tested did not have documented approval noted on the timesheets by the various department heads.

Cause: Management oversight.

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

Recommendation: We recommend that all timesheets have documented approval by the Department heads before payroll can be processed.

Views of Responsible
Officials and Planned
Corrective Actions:

We will ensure that all timesheets are approved by each Department before payroll is processed each pay period.

2021-002 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 Wastewater Treatment Fund exceeded budgeted expenditures by \$204,674.

- Cause: The amended budget was approved in the middle of March 2021. After the budget was amended, other expenditures were approved. The budget was not amended again to reflect those expenditures.
- 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: It was a misunderstanding that the final budget amendment needed to be completed before fiscal year end. We will monitor actual expenditures closer through the fiscal year and amend the budgets accordingly. We will not complete the final budget amendment until after year end to ensure all expenses are accounted for.