

CITY OF PERRYVILLE, MISSOURI
Perryville, Missouri

For the Year Ended March 31, 2022

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 Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perryville, Missouri, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perryville, Missouri as of March 31, 2022, 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 for Opinions

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

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Perryville, Missouri's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information 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 August 30, 2022, 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
August 30, 2022

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, 2022, 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 August 30, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of 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. Given these limitations,

during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2022-001 and 2022-002.

City of Perryville, Missouri's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Perryville, Missouri's responses to the findings identified in our audit and 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
August 30, 2022

BASIC FINANCIAL STATEMENTS

CITY OF PERRYVILLE, MISSOURI

GOVERNMENT-WIDE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS

March 31, 2022

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Current Assets:</u>			
Cash and Cash Equivalents	\$ 6,226,350	\$ 8,457,787	\$ 14,684,137
Restricted Cash and Cash Equivalents	135,716	633,103	768,819
Prepaid Expenses	5,767	9,851	15,618
Internal Balances	231,050	(231,050)	-
Total Current Assets	<u>\$ 6,598,883</u>	<u>\$ 8,869,691</u>	<u>\$ 15,468,574</u>
<u>Capital Assets:</u>			
Land	\$ 2,889,439	\$ 320,380	\$ 3,209,819
Construction in Progress	2,827,195	11,424,992	14,252,187
Other Capital Assets, Net	29,820,639	21,431,692	51,252,331
Total Capital Assets, Net	<u>\$ 35,537,273</u>	<u>\$ 33,177,064</u>	<u>\$ 68,714,337</u>
TOTAL ASSETS	<u>\$ 42,136,156</u>	<u>\$ 42,046,755</u>	<u>\$ 84,182,911</u>
 <u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Utility Refund Payable	\$ -	\$ 273	\$ 273
Accrued Payroll and Fringe Benefits	780	776	1,556
Sales Tax Payable	-	35,186	35,186
Gift Card Certificates	14,593	-	14,593
Capital Lease, Current	68,437	-	68,437
General Obligation Bonds Payable, Current	-	217,000	217,000
Revenue Bonds Payable, Current	-	105,470	105,470
Total Current Liabilities	<u>\$ 83,810</u>	<u>\$ 358,705</u>	<u>\$ 442,515</u>
<u>Long-Term Liabilities:</u>			
Customer Deposits Payable	\$ 3,600	\$ 295,200	\$ 298,800
Capital Lease	69,755	-	69,755
Revenue Bonds Payable	-	145,220	145,220
General Obligation Bonds Payable	-	3,473,706	3,473,706
Total Long-Term Liabilities	<u>\$ 73,355</u>	<u>\$ 3,914,126</u>	<u>\$ 3,987,481</u>
TOTAL LIABILITIES	<u>\$ 157,165</u>	<u>\$ 4,272,831</u>	<u>\$ 4,429,996</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 35,399,081	\$ 33,031,844	\$ 68,430,925
Restricted for Specific Purposes	359,551	633,103	992,654
Unrestricted	6,220,359	4,108,977	10,329,336
TOTAL NET POSITION	<u>\$ 41,978,991</u>	<u>\$ 37,773,924</u>	<u>\$ 79,752,915</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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 2,314,574	\$ 162,259	\$ -	\$ -	\$ (2,152,315)	\$ -	\$ (2,152,315)
Public Safety	3,163,830	34,225	720	-	(3,128,885)	-	(3,128,885)
Public Works	2,427,855	213,400	-	-	(2,214,455)	-	(2,214,455)
Culture and Recreation	2,345,682	438,604	-	-	(1,907,078)	-	(1,907,078)
Capital Outlay	190,511	-	-	804,057	613,546	-	613,546
Debt Service:							
Interest	10,897	-	-	-	(10,897)	-	(10,897)
Total Governmental Activities	\$ 10,453,349	\$ 848,488	\$ 720	\$ 804,057	\$ (8,800,084)	\$ -	\$ (8,800,084)
Business-Type Activities:							
Water and Sewer	\$ 4,176,163	\$ 5,382,751	\$ -	\$ 1,865,445	\$ -	\$ 3,072,033	\$ 3,072,033
Gas	4,269,063	6,058,265	-	-	-	1,789,202	1,789,202
Refuse	741,784	907,422	-	-	-	165,638	165,638
Total Business-Type Activities	\$ 9,187,010	\$ 12,348,438	\$ -	\$ 1,865,445	\$ -	\$ 5,026,873	\$ 5,026,873
Total Primary Government	\$ 19,640,359	\$ 13,196,926	\$ 720	\$ 2,669,502	\$ (8,800,084)	\$ 5,026,873	\$ (3,773,211)
General Revenue:							
Taxes:							
Sales Tax					\$ 5,035,030	\$ -	\$ 5,035,030
Real Estate & Property Tax					1,218,058	-	1,218,058
Railroad and Utility Tax					1,322	-	1,322
Financial Institution Tax					8,962	-	8,962
Telecommunication Tax					1,103,442	-	1,103,442
Use Tax					349,651	-	349,651
County Pilot Tax					250,366	-	250,366
Interest Income					55,586	68,606	124,192
Other					678,050	168,479	846,529
Intergovernmental					676,188	-	676,188
Gain on Disposal of Capital Assets					48,367	40,425	88,792
Transfers - Internal Activities					2,430,509	(2,430,509)	-
Total General Revenues					\$ 11,855,531	\$ (2,152,999)	\$ 9,702,532
Change in Net Position					\$ 3,055,447	\$ 2,873,874	\$ 5,929,321
Net Position - April 1, 2021					38,923,544	34,900,050	73,823,594
Net Position - March 31, 2022					\$ 41,978,991	\$ 37,773,924	\$ 79,752,915

See Accompanying Notes to the Basic Financial Statements.

STATEMENT 3

CITY OF PERRYVILLE, MISSOURI

BALANCE SHEET -
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

March 31, 2022

	General Fund	Perry Park Center Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 2,649,754	\$ 356,287	\$ 3,220,309	\$ 6,226,350
Restricted Cash and Cash Equivalents	135,716	-	-	135,716
Due from Other Funds	-	-	524,422	524,422
Prepaid Expenses	437	5,330	-	5,767
Total Current Assets	<u>\$ 2,785,907</u>	<u>\$ 361,617</u>	<u>\$ 3,744,731</u>	<u>\$ 6,892,255</u>
TOTAL ASSETS	<u>\$ 2,785,907</u>	<u>\$ 361,617</u>	<u>\$ 3,744,731</u>	<u>\$ 6,892,255</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES:</u>				
Accrued Payroll and Fringe Benefits	\$ -	\$ -	\$ 780	\$ 780
Due to Other Funds	-	-	293,372	293,372
Customer Deposits	-	-	3,600	3,600
Gift Card Certificates	-	14,593	-	14,593
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 14,593</u>	<u>\$ 297,752</u>	<u>\$ 312,345</u>
<u>FUND BALANCE:</u>				
Nonspendable	\$ 437	\$ 5,330	\$ -	\$ 5,767
Restricted	78,895	-	223,836	302,731
Committed	-	341,694	1,961,357	2,303,051
Assigned	-	-	1,261,786	1,261,786
Unassigned	2,706,575	-	-	2,706,575
TOTAL FUND BALANCE	<u>\$ 2,785,907</u>	<u>\$ 347,024</u>	<u>\$ 3,446,979</u>	<u>\$ 6,579,910</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,785,907</u>	<u>\$ 361,617</u>	<u>\$ 3,744,731</u>	<u>\$ 6,892,255</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 - MODIFIED CASH BASIS

March 31, 2022

Total fund balance - total governmental funds (Statement 3)	\$ 6,579,910
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 \$30,619,957.	35,537,273
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	
Capital Lease Payable	<u>(138,192)</u>
Net position of governmental activities (Statement 1)	<u>\$ 41,978,991</u>

See Accompanying Notes to the Basic Financial Statements.

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

Year Ended March 31, 2022

	<u>General Fund</u>	<u>Perry Park Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>				
Taxes	\$ 4,071,450	\$ 1,450,795	\$ 2,444,586	\$ 7,966,831
Licenses and Permits	63,928	-	-	63,928
Charges for Services	95,801	360,863	-	456,664
Intergovernmental	195,415	31,588	1,253,962	1,480,965
Fines	34,225	-	-	34,225
Rental	2,530	77,741	213,400	293,671
Interest Income	28,571	1,010	26,005	55,586
Other	29,382	24,452	624,216	678,050
TOTAL REVENUES	<u>\$ 4,521,302</u>	<u>\$ 1,946,449</u>	<u>\$ 4,562,169</u>	<u>\$ 11,029,920</u>
<u>EXPENDITURES:</u>				
General Government	\$ 2,195,858	\$ -	\$ -	\$ 2,195,858
Public Safety	3,445,721	-	-	3,445,721
Public Works	130,316	-	2,378,017	2,508,333
Culture and Recreation	-	2,253,426	11,955	2,265,381
Capital Outlay	34,372	-	1,225,228	1,259,600
Debt Service:				
Interest and Fees	-	-	10,897	10,897
TOTAL EXPENDITURES	<u>\$ 5,806,267</u>	<u>\$ 2,253,426</u>	<u>\$ 3,626,097</u>	<u>\$ 11,685,790</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,284,965)</u>	<u>\$ (306,977)</u>	<u>\$ 936,072</u>	<u>\$ (655,870)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ 3,427,605	\$ 504,736	\$ 953,297	\$ 4,885,638
Transfers Out	(1,453,297)	-	(1,001,832)	(2,455,129)
Capital Lease Proceeds	209,180	-	-	209,180
Sale of Capital Assets	33,687	-	14,680	48,367
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 2,217,175</u>	<u>\$ 504,736</u>	<u>\$ (33,855)</u>	<u>\$ 2,688,056</u>
NET CHANGE IN FUND BALANCES	\$ 932,210	\$ 197,759	\$ 902,217	\$ 2,032,186
FUND BALANCE, April 1, 2021	<u>1,853,697</u>	<u>149,265</u>	<u>2,544,762</u>	<u>4,547,724</u>
FUND BALANCE, March 31, 2022	<u>\$ 2,785,907</u>	<u>\$ 347,024</u>	<u>\$ 3,446,979</u>	<u>\$ 6,579,910</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 - MODIFIED CASH BASIS

Year Ended March 31, 2022

Net Change in fund balances - total governmental funds (Statement 4)	\$	2,032,186
<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>		
		3,134,156
<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>		
		(1,972,703)
<p>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.</p>		
Capital Lease Proceeds		(209,180)
Capital Lease Payment		70,988
		70,988
Change in net position of governmental activities (Statement 2)	\$	3,055,447

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

STATEMENT OF NET POSITION -
PROPRIETARY FUNDS - MODIFIED CASH BASIS

March 31, 2022

<u>ASSETS</u>	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Refuse Fund	Total Proprietary Funds
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 4,304,147	\$ 3,720,419	\$ 433,221	\$ 8,457,787
Restricted Cash and Cash Equivalents	632,375	728	-	633,103
Prepaid Expenses	9,599	-	252	9,851
Total Current Assets	<u>\$ 4,946,121</u>	<u>\$ 3,721,147</u>	<u>\$ 433,473</u>	<u>\$ 9,100,741</u>
<u>CAPITAL ASSETS:</u>				
Land	\$ 173,750	\$ 139,630	\$ 7,000	\$ 320,380
Construction in Progress	11,424,992	-	-	11,424,992
Plant and System Improvements	35,844,340	10,773,449	-	46,617,789
Machinery and Equipment	2,364,499	1,774,925	1,474,854	5,614,278
Accumulated Depreciation	(23,374,510)	(6,199,243)	(1,226,622)	(30,800,375)
Total Capital Assets, Net	<u>\$ 26,433,071</u>	<u>\$ 6,488,761</u>	<u>\$ 255,232</u>	<u>\$ 33,177,064</u>
TOTAL ASSETS	<u>\$ 31,379,192</u>	<u>\$ 10,209,908</u>	<u>\$ 688,705</u>	<u>\$ 42,277,805</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Utility Refund Payable	\$ 273	\$ -	\$ -	\$ 273
Accrued Payroll and Fringe Benefits	753	10	13	776
Sales Tax Payable	-	35,186	-	35,186
Due to Other Funds	231,050	-	-	231,050
General Obligation Bonds Payable, Current	217,000	-	-	217,000
Capital Improvement Sales Tax Bonds Payable, Current	105,470	-	-	105,470
Total Current Liabilities	<u>\$ 554,546</u>	<u>\$ 35,196</u>	<u>\$ 13</u>	<u>\$ 589,755</u>
<u>LONG-TERM LIABILITIES:</u>				
Customer Deposits Payable	\$ 109,150	\$ 186,050	\$ -	\$ 295,200
Revenue Bonds Payable	145,220	-	-	145,220
General Obligation Bonds Payable	3,473,706	-	-	3,473,706
Total Long-Term Liabilities	<u>\$ 3,728,076</u>	<u>\$ 186,050</u>	<u>\$ -</u>	<u>\$ 3,914,126</u>
TOTAL LIABILITIES	<u>\$ 4,282,622</u>	<u>\$ 221,246</u>	<u>\$ 13</u>	<u>\$ 4,503,881</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 26,538,541	\$ 6,488,761	\$ 255,232	\$ 33,282,534
Restricted	632,375	728	-	633,103
Unrestricted	(74,346)	3,499,173	433,460	3,858,287
TOTAL NET POSITION	<u>\$ 27,096,570</u>	<u>\$ 9,988,662</u>	<u>\$ 688,692</u>	<u>\$ 37,773,924</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, 2022

	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Refuse Fund	Total Proprietary Funds
<u>OPERATING REVENUES:</u>				
Charges for Services	\$ 5,382,751	\$ 6,058,265	\$ 907,422	\$ 12,348,438
Miscellaneous Income	120,839	43,146	4,494	168,479
TOTAL OPERATING REVENUES	\$ 5,503,590	\$ 6,101,411	\$ 911,916	\$ 12,516,917
<u>OPERATING EXPENSES:</u>				
General Operating Expense	\$ 2,603,872	\$ 3,906,655	\$ 585,145	\$ 7,095,672
Depreciation and Amortization	1,241,791	362,408	156,639	1,760,838
TOTAL OPERATING EXPENSES	\$ 3,845,663	\$ 4,269,063	\$ 741,784	\$ 8,856,510
NET OPERATING INCOME (LOSS)	\$ 1,657,927	\$ 1,832,348	\$ 170,132	\$ 3,660,407
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Interest Income	\$ 30,103	\$ 34,560	\$ 3,943	\$ 68,606
Bond Issuance Fees	(330,500)	-	-	(330,500)
Grants	1,865,445	-	-	1,865,445
Gain (Loss) on Disposal of Assets	31,650	-	8,775	40,425
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 1,596,698	\$ 34,560	\$ 12,718	\$ 1,643,976
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ 3,254,625	\$ 1,866,908	\$ 182,850	\$ 5,304,383
<u>OPERATING TRANSFERS IN (OUT):</u>				
Transfers In	\$ 1,383,946	\$ -	\$ -	\$ 1,383,946
Transfers Out	(1,791,560)	(1,724,320)	(298,575)	(3,814,455)
TOTAL TRANSFERS IN (OUT)	\$ (407,614)	\$ (1,724,320)	\$ (298,575)	\$ (2,430,509)
CHANGE IN NET POSITION	\$ 2,847,011	\$ 142,588	\$ (115,725)	\$ 2,873,874
TOTAL NET POSITION, April 1, 2021	24,249,559	9,846,074	804,417	34,900,050
TOTAL NET POSITION, March 31, 2022	\$ 27,096,570	\$ 9,988,662	\$ 688,692	\$ 37,773,924

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, 2022

	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Refuse Fund	Total Proprietary Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Receipts from Customers	\$ 5,382,751	\$ 6,058,265	\$ 907,422	\$ 12,348,438
Receipts from Other Sources	120,839	43,146	4,494	168,479
Payments to Suppliers	(1,696,564)	(3,561,886)	(328,240)	(5,586,690)
Payments to Employees	(918,018)	(331,467)	(256,905)	(1,506,390)
Receipt of Customer Utility Deposits	2,556	(325)	-	2,231
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,891,564	\$ 2,207,733	\$ 326,771	\$ 5,426,068
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Operating Transfers from (to) Other Funds	\$ (407,614)	\$ (1,724,320)	\$ (298,575)	\$ (2,430,509)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Acquisition of Capital Assets	\$ (7,115,356)	\$ (94,689)	\$ (20,269)	\$ (7,230,314)
Bond Proceeds	3,941,396	-	-	3,941,396
Bond Issuance Fees	(330,500)	-	-	(330,500)
Grants	1,865,445	-	-	1,865,445
Proceeds from Sale of Capital Assets	31,650	-	8,775	40,425
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (1,607,365)	\$ (94,689)	\$ (11,494)	\$ (1,713,548)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest on Cash	\$ 30,103	\$ 34,560	\$ 3,943	\$ 68,606
NET CHANGE IN CASH	\$ 906,688	\$ 423,284	\$ 20,645	\$ 1,350,617
CASH, April 1, 2021	4,029,834	3,297,863	412,576	7,740,273
CASH, March 31, 2022	\$ 4,936,522	\$ 3,721,147	\$ 433,221	\$ 9,090,890
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ 1,657,927	\$ 1,832,348	\$ 170,132	\$ 3,660,407
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,241,791	362,408	156,639	1,760,838
Changes in Assets and Liabilities:				
Prepaid Expenses	(9,599)	-	-	(9,599)
Accrued Payroll and Fringe Benefits	(7)	(62)	-	(69)
Sales Tax Payable	(1,104)	13,364	-	12,260
Customer Deposits	2,556	(325)	-	2,231
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,891,564	\$ 2,207,733	\$ 326,771	\$ 5,426,068

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2022

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.

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.
Transportation Fund	Accounts for the transportation sales tax received by the City. Funds are expended for street maintenance, airport maintenance, stormwater, and sidewalks.
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.
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.”

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:

<u>Fund</u>	<u>Description</u>
Combined Waterworks and Sewer System (CWSS) Fund (Major)	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 (Major)	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, 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

The City maintains several cash pools for various funds. Each fund's portion of the pool is displayed on the Balance Sheet and Statement of Net Position as "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	\$ 34,047
Police Training	1,396
Judicial Ed	933
Inmate Security	(661)
Fire Truck Escrow	100,000
Debt Service Fund	201,158
Veterans Memorial Field Fund	<u>22,678</u>
Total Restricted Net Position	<u>\$ 359,551</u>

Proprietary

CWSS -	\$ 69,655
CWSS – 2021 Debt Service	562,720
Gas - 2006 Certificates of Participation	<u>728</u>
Total Restricted Net Position	<u>\$ 633,103</u>

The following Government Fund Balance constraints are also in effect:

Nonspendable

Airport Fund	\$ 437
Perry Park Center Fund	<u>5,330</u>
Total Nonspendable	<u>\$ 5,767</u>

Committed

Airport Fund	\$ 71,027
Transportation Fund	534,806
Street Improvement Fund	451,209
Capital Improvement Sales Tax Fund	904,315
Perry Park Center Fund	<u>341,694</u>
Total Committed	<u>\$2,303,051</u>

Assigned

Highway 51/61 TIF Fund	\$ 233,422
Economic Development Fund	(187,139)
2012 Downtown TIF Fund	85,475
Rand Ave Extension TIF Fund	<u>1,130,028</u>
Total Assigned	<u>\$1,261,786</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, 2022, the liability is a contingency in the maximum amount of \$382,276.

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 August 30, 2022, the date the financial statements were available to be issued.

2. DEPOSITS

At March 31, 2022, the carrying amount of the City's deposits was \$15,452,956 and the bank balances totaled \$15,675,487. 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, 2022 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, 2021, for collection during this year. The tax rates assessed at the time were as follows:

City Revenue	\$.3696/100.00 assessed valuation
Park Maintenance	\$.1571/100.00 assessed valuation
Debt Service	\$.2000/100.00 assessed valuation

4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022 was as follows:

	Primary Government			Balance March 31, 2022
	Balance March 31, 2021	Additions	Deletions	
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2,889,439	\$ -	\$ -	\$ 2,889,439
Construction in Progress	1,830,226	2,829,807	(1,832,838)	2,827,195
Total	4,719,665	2,829,807	(1,832,838)	5,716,634
Capital Assets Being Depreciated:				
Buildings	\$ 14,724,810	\$ 308,449	\$ (1,853)	\$ 15,031,406
Improvements Other Than Buildings	36,509,356	1,564,283	-	38,073,639
Machinery and Equipment	6,347,432	264,455	(190,922)	6,420,965
Pool and Bathhouse	914,586	-	-	914,586
Total	58,496,184	2,137,187	(192,775)	60,440,596

	Primary Government			Balance March 31, 2022
	Balance March 31, 2021	Additions	Deletions	
Governmental Activities				
Less Accumulated Depreciation for:				
Buildings	\$ (4,414,843)	\$ (463,903)	1,853	\$ (4,876,893)
Improvements Other than Buildings	(18,824,676)	(1,127,358)	-	(19,952,034)
Machinery and Equipment	(4,753,427)	(369,019)	190,922	(4,931,524)
Pool and Bathhouse	(847,083)	(12,423)	-	(859,506)
Total	<u>(28,840,029)</u>	<u>(1,972,703)</u>	<u>192,775</u>	<u>(30,619,957)</u>
Capital Assets Being Depreciated, Net	<u>29,656,155</u>	<u>164,484</u>	<u>-</u>	<u>29,820,639</u>
Governmental Activities				
Capital Asses, Net	<u>\$ 34,375,820</u>	<u>\$ 2,994,291</u>	<u>\$ (1,832,838)</u>	<u>\$ 35,537,273</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 320,380	\$ -	\$ -	\$ 320,380
Construction in Progress	<u>4,191,883</u>	<u>7,302,646</u>	<u>(69,537)</u>	<u>11,424,992</u>
Total	<u>4,512,263</u>	<u>7,302,646</u>	<u>(69,537)</u>	<u>11,745,372</u>
Capital Assets Being Depreciated:				
Plant and System Improvements	\$ 46,453,563	\$ 164,226	\$ -	\$ 46,617,789
Machinery and Equipment	<u>5,630,239</u>	<u>64,029</u>	<u>(79,990)</u>	<u>5,614,278</u>
Total	<u>52,083,802</u>	<u>228,255</u>	<u>(79,990)</u>	<u>52,232,067</u>
Less Accumulated Depreciation for:				
Plant and System Improvements	\$ (25,327,820)	\$ (1,207,338)	\$ -	\$ (26,535,158)
Machinery and Equipment	<u>(3,791,707)</u>	<u>(553,500)</u>	<u>79,990</u>	<u>(4,265,217)</u>
Total	<u>(29,119,527)</u>	<u>(1,760,838)</u>	<u>79,990</u>	<u>(30,800,375)</u>
Capital Assets Being Depreciated, Net	<u>22,964,275</u>	<u>(1,532,583)</u>	<u>-</u>	<u>21,431,692</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 27,476,538</u>	<u>\$ 5,770,063</u>	<u>\$ (69,537)</u>	<u>\$ 33,177,064</u>

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

<u>Governmental Activities</u>	
General Government	\$ 132,734
Public Safety	249,245
Public Works	1,169,619
Culture and Recreation	<u>421,105</u>
Total	<u>\$ 1,972,703</u>
 <u>Business-Type Activities</u>	
Combined Waterworks and Sewerage System Fund	\$ 1,241,791
Gas Operation Fund	362,408
Refuse Fund	<u>156,639</u>
Total	<u>\$ 1,760,838</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, 2022, the City's remaining legal debt margin was \$4,203,717.

A. Governmental Funds Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended March 31, 2022:

Long-Term Debt, April 1, 2021	\$ -0-
Additions	209,180
Retirements	<u>(70,988)</u>
Long-Term Debt, March 31, 2022	<u>\$ 138,192</u>

In April 2021, the City entered into a capital lease agreement for the use of six 2021 Ford Explorers. Principal and interest payments of \$71,099 are due annually at 1.90 percent interest. Amortization of assets under the capital lease is included in depreciation expense. Following are the annual requirements to amortize the capital lease at March 31, 2022:

<u>Ending</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
<u>March 31</u>			
2023	\$ 2,662	\$ 68,437	\$ 71,099
2024	<u>1,344</u>	<u>69,755</u>	<u>71,099</u>
	<u>\$ 4,006</u>	<u>\$ 138,192</u>	<u>\$ 142,198</u>

B. Enterprise Funds Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended March 31, 2022:

	Capital Improvement Sales Tax Revenue Bonds	General Obligation Bonds	Waterworks & Sewerage Revenue Bonds	Total
Balance at April 1, 2021	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Additions	105,470	3,690,706	145,220	3,941,396
Retirements	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Balance at March 31, 2022	<u>\$ 105,470</u>	<u>\$ 3,690,706</u>	<u>\$ 145,220</u>	<u>\$ 3,941,396</u>

On September 24, 2021, the City of Perryville, Missouri issued \$8,495,000 of Capital Improvement Sales Tax Revenue Bonds (State of Missouri – Direct Loan Program) Series 2021C. The bonds bear interest at 0.75%. Principal maturities begin on July 1, 2022 and will continue until 2039. Proceeds from the issuance of these bonds are for the purpose of constructing a new Wastewater Treatment Plant. The bonds are secured by a pledge of tax revenues.

On September 24, 2021, the City of Perryville, Missouri issued \$5,135,000 of General Obligation Bonds (State of Missouri – Direct Loan Program) Series 2021B. The bonds bear interest at 0.75%. Principal maturities begin on July 1, 2022 and will continue until 2041. Proceeds from the issuance of these bond are for the purpose of constructing a new Wastewater Treatment Plant. The bonds are secured by a pledge of tax revenues.

On September 24, 2021, the City of Perryville, Missouri issued \$12,370,000 of Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2021A. The bonds bear interest at 0.75%. Principal maturities begin on July 1, 2023 and will continue until 2042. Proceeds from the issuance of these bond are for the purpose of constructing a new Wastewater Treatment Plant. The bonds are secured by a pledge of net revenues.

At March 31, 2022, the annual cash flow requirements of bond principal and interest are as follows:

Year Ended	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 31,			
2023	\$ 322,470	\$ 246,417	\$ 568,887
2024	380,220	128,179	508,399
2025	238,000	34,676	272,676
2026	241,000	32,888	273,888
2027	245,000	31,072	276,072
2028-2032	1,272,000	127,267	1,399,267
2033-2037	<u>1,242,706</u>	<u>78,049</u>	<u>1,320,755</u>
Total	<u>\$ 3,941,396</u>	<u>\$ 678,548</u>	<u>\$ 4,619,944</u>

C. Conduit Debt:

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, 2022 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, 2022 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, 2022 is \$120,746,020.

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.

February 28, 2021 Valuation

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 14.9% (General) and 12.0% (Police) of annual covered payroll. Contributions to the pension plan from the City were \$426,472 (General) and \$178,266 (Police) for the year ended March 31, 2022.

7. INTEREST EXPENSE

Interest cost totaling \$-0- was incurred during the year ended March 31, 2022. 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, 2022, the City incurred expenditures of \$808,710 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	\$1,453,297	\$3,427,605
Airport Fund	123,945	200,000
Transportation Fund	289,205	-0-
Perry Park Fund	-0-	504,736
Street Improvement Fund	-0-	753,297
Capital Improvement Sales Tax Fund	583,946	-0-
Ball Field Improvements Fund	4,736	-0-
Refuse Fund	298,575	-0-
CWSS Fund	1,791,560	1,383,946
Gas Fund	<u>1,724,320</u>	<u>-0-</u>
	<u>\$6,269,584</u>	<u>\$6,269,584</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. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of the amount due from and to other funds:

	<u>Due to</u>	<u>Due From</u>
Transportation Fund	\$106,233	\$ -0-
Street Improvement Fund	231,050	106,233
Economic Development Fund	-0-	187,139
Rand Ave Extension TIF Fund	187,139	-0-
CWSS Fund	<u>-0-</u>	<u>231,050</u>
	<u>\$524,422</u>	<u>\$ 524,422</u>

These interfund accruals are to account for expenses paid out of the Transportation Fund and Street Improvement Fund, which will be reimbursed by the Street Improvement Fund and CWSS Fund in the following fiscal year. Rand Ave Extension TIF Fund loaned funds to the Economic Development Fund for cash flow needs.

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 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, 2022, the taxes applicable to the City that were abated totaled \$62,706 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 2022.

13. SUBSEQUENT EVENTS

In May 2022, the City sold a building for the amount of \$178,500.

14. COMMITMENTS

At March 31, 2022, the City was committed to the following significant projects:

<u>Project</u>	<u>Amount Committed</u>	<u>Expended by March 31, 2022</u>	<u>Remaining Commitment as of March 31, 2022</u>
Hwy E Sewer Trunk	\$4,086,681	\$ 3,583,587	\$ 503,094
Wastewater Facility Improvement	21,000,000	7,366,169	13,633,831
Technical Education Center	8,830,000	998,396	7,831,604

The City also had several smaller projects that were ongoing as of March 31, 2022.

15. DEFICIT FUND BALANCE

As of March 31, 2022, the Economic Development Fund had operations that resulted in a current year fund balance deficit of \$187,139.

SUPPLEMENTARY INFORMATION

CITY OF PERRYVILLE, MISSOURI

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended March 31, 2022

	<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	\$ 703,482	\$ 64,482
Railroad and Utility Tax	1,100	1,100	928	(172)
Gross Receipts Tax	1,140,000	1,140,000	1,103,442	(36,558)
Intangible Tax	2,000	2,000	8,962	6,962
Sales Tax	1,800,681	1,800,681	2,064,228	263,547
Local Use Tax	164,148	164,148	185,315	21,167
Tax Under Protest	5,800	5,800	5,093	(707)
Licenses and Permits:				
City Vehicle Licenses	19,000	19,000	21,306	2,306
Occupational Licenses	16,000	16,000	15,715	(285)
Liquor Licenses	13,000	13,000	13,130	130
Mobile Home Licenses	875	875	790	(85)
Building and Other Permits	10,350	10,350	12,987	2,637
Charges for Services:				
Fees and Services	10,000	10,000	20,831	10,831
Penalties	2,500	2,500	2,626	126
Cable TV Franchise Fees	63,000	63,000	72,344	9,344
Intergovernmental:				
Road District Contributions	105,000	105,000	120,369	15,369
Grants	1,750	1,750	720	(1,030)
County Business Surtax	65,000	65,000	74,326	9,326
Fines:				
Court Fines, Costs, and Police Training Fund	78,000	78,000	33,317	(44,683)
Inmate Security Fund	1,200	1,200	688	(512)
Parking Tickets	200	200	220	20
Rental	2,760	2,760	2,530	(230)
Interest Income	55,100	55,100	28,571	(26,529)
Miscellaneous	18,000	18,000	26,982	8,982
Donations	4,000	4,000	2,400	(1,600)
TOTAL REVENUES	\$ 4,218,464	\$ 4,218,464	\$ 4,521,302	\$ 302,838

(Continued)

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended March 31, 2022

	<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	\$ 255,403	\$ 255,403	\$ 245,437	\$ 9,966
City Administrator's Office	268,090	268,090	301,215	(33,125)
Clerk/Finance	484,008	484,008	460,956	23,052
Municipal Court	15,000	15,000	21,203	(6,203)
Community Development	234,754	234,754	198,976	35,778
General Services	930,750	930,750	843,709	87,041
Port Authority/Economic Development	76,275	76,275	80,956	(4,681)
Cable Access/Levee District	45,000	45,000	43,406	1,594
Total General Government	<u>\$ 2,309,280</u>	<u>\$ 2,309,280</u>	<u>\$ 2,195,858</u>	<u>\$ 113,422</u>
Public Safety:				
Police Department	\$ 2,671,565	\$ 2,671,565	\$ 3,176,070	\$ (504,505)
Fire Department	389,225	389,225	269,481	119,744
Emergency Response	-	-	170	(170)
Total Public Safety	<u>\$ 3,060,790</u>	<u>\$ 3,060,790</u>	<u>\$ 3,445,721</u>	<u>\$ (384,931)</u>
Public Works:				
Stormwater	\$ 232,885	\$ 232,885	\$ 130,316	\$ 102,569
Total Public Works	<u>\$ 232,885</u>	<u>\$ 232,885</u>	<u>\$ 130,316</u>	<u>\$ 102,569</u>
Capital Outlay	\$ -	\$ -	\$ 34,372	\$ (34,372)
TOTAL EXPENDITURES	<u>\$ 5,602,955</u>	<u>\$ 5,602,955</u>	<u>\$ 5,806,267</u>	<u>\$ (203,312)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>\$ (1,384,491)</u>	<u>\$ (1,384,491)</u>	<u>\$ (1,284,965)</u>	<u>\$ 99,526</u>
Other Financing Sources (Uses)				
Transfers In	\$ 4,033,731	\$ 4,033,731	\$ 3,427,605	\$ (606,126)
Transfers Out	(2,649,140)	(2,649,140)	(1,453,297)	1,195,843
Capital Lease Proceeds	-	-	209,180	209,180
Sale of Capital Assets	-	-	33,687	33,687
Total Other Financing Sources (Uses)	<u>\$ 1,384,591</u>	<u>\$ 1,384,591</u>	<u>\$ 2,217,175</u>	<u>\$ 832,584</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 932,210</u>	<u>\$ 932,110</u>
FUND BALANCE, April 1, 2021			<u>1,853,697</u>	
FUND BALANCE, March 31, 2022			<u>\$ 2,785,907</u>	

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

BUDGETARY COMPARISON SCHEDULE -
PERRY PARK CENTER FUND

Year Ended March 31, 2022

	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	\$ 285,800	\$ 37,400
Railroad and Utility Tax	500	500	394	(106)
Sales Tax	999,459	999,459	1,164,601	165,142
Charges for Services:				
Concessions and Vending Machines	100,000	100,000	72,349	(27,651)
Tournament and Sports Fees	110,200	110,200	56,413	(53,787)
Admission Fees and Passes	356,500	356,500	227,526	(128,974)
Arcade, Fun Club, and Senior Olympics	6,500	6,500	4,575	(1,925)
Intergovernmental:				
County Business Tax	28,000	28,000	31,588	3,588
Trans. Alternative Program	367,187	367,187	-	(367,187)
Interest Income	1,000	1,000	1,010	10
Rental:				
Library Lease	31,000	31,000	29,100	(1,900)
Theater Rent	20,000	20,000	18,886	(1,114)
Pool and Gymnasium	13,000	13,000	13,465	465
Pavilions, Ball Fields, Community Center, and Meeting Room	20,800	20,800	16,290	(4,510)
Miscellaneous	3,150	3,150	24,452	24,740
TOTAL REVENUES	\$ 2,305,696	\$ 2,305,696	\$ 1,946,449	\$ (355,809)
EXPENDITURES:				
Leagues	\$ 118,319	\$ 118,319	\$ 101,702	\$ 16,617
Administration	571,140	571,140	415,593	155,547
Capital Projects	790,570	790,570	209,239	581,331
Community Center Maintenance	3,150	3,150	4,400	(1,250)
Concessions	101,543	101,543	93,697	7,846
Fitness Center	29,777	29,777	8,356	21,421
Activities and Marketing	133,681	133,681	170,777	(37,096)
Maintenance and Housekeeping	616,650	616,650	514,052	102,598
Park Maintenance	392,328	392,328	317,451	74,877
Performing Arts Center	151,220	151,220	139,900	11,320
Pool	287,696	287,696	278,259	9,437
TOTAL EXPENDITURES	\$ 3,196,074	\$ 3,196,074	\$ 2,253,426	\$ 942,648
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ (890,378)	\$ (890,378)	\$ (306,977)	\$ 583,401
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 890,378	\$ 890,378	\$ 504,736	\$ (385,642)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 890,378	\$ 890,378	\$ 504,736	\$ (385,642)
TOTAL REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)				
	\$ -	\$ -	\$ 197,759	\$ 197,759
FUND BALANCE, April 1, 2021			149,265	
FUND BALANCE, March 31, 2022			<u>\$ 347,024</u>	

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULES

March 31, 2022

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 2, 2021, a public hearing was held in connection with adoption of the proposed budget for 2022. The budget was amended on March 1, 2022.

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, 2022

	<u>Special Revenue</u>				<u>Street Improvement Fund</u>	<u>Capital Projects</u>					<u>Debt Service Fund</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>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	\$ 74,632	\$ 429,348	\$ 22,678	\$ -	\$ 326,392	\$ 904,315	\$ 233,422	\$ -	\$ 85,475	\$ 942,889	\$ 201,158	\$ 3,220,309
Due from Other Funds	-	106,233	-	-	231,050	-	-	-	-	187,139	-	524,422
TOTAL CURRENT ASSETS	\$ 74,632	\$ 535,581	\$ 22,678	\$ -	\$ 557,442	\$ 904,315	\$ 233,422	\$ -	\$ 85,475	\$ 1,130,028	\$ 201,158	\$ 3,744,731
<u>LIABILITIES AND FUND BALANCE</u>												
<u>LIABILITIES:</u>												
Payroll Liabilities	\$ 5	\$ 775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Customer Deposits	3,600	-	-	-	-	-	-	-	-	-	-	3,600
Due to Other Funds	-	-	-	-	106,233	-	-	187,139	-	-	-	293,372
TOTAL LIABILITIES	\$ 3,605	\$ 775	\$ -	\$ -	\$ 106,233	\$ -	\$ -	\$ 187,139	\$ -	\$ -	\$ -	\$ 297,752
<u>FUND BALANCE:</u>												
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	22,678	-	-	-	-	-	-	-	201,158	223,836
Committed	71,027	534,806	-	-	451,209	904,315	-	-	-	-	-	1,961,357
Assigned	-	-	-	-	-	-	233,422	(187,139)	85,475	1,130,028	-	1,261,786
TOTAL FUND BALANCE	\$ 71,027	\$ 534,806	\$ 22,678	\$ -	\$ 451,209	\$ 904,315	\$ 233,422	\$ (187,139)	\$ 85,475	\$ 1,130,028	\$ 201,158	\$ 3,446,979
TOTAL LIABILITIES AND FUND BALANCE	\$ 74,632	\$ 535,581	\$ 22,678	\$ -	\$ 557,442	\$ 904,315	\$ 233,422	\$ -	\$ 85,475	\$ 1,130,028	\$ 201,158	\$ 3,744,731

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, 2022

	Special Revenue					Capital Projects					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		Debt Service Fund
REVENUES:												
Taxes	\$ -	\$ 1,126,520	\$ -	\$ -	\$ -	\$ 844,016	\$ -	\$ -	\$ 6,553	\$ 243,815	\$ 223,682	\$ 2,444,586
Intergovernmental	-	-	-	-	359,242	-	90,663	804,057	-	-	-	1,253,962
Rental	213,365	-	-	-	-	-	-	-	-	35	-	213,400
Interest Income	888	2,266	188	-	3,655	7,703	1,517	26	872	8,544	346	26,005
Other	583,318	1,601	13,500	30	1,401	-	-	2,576	21,460	330	-	624,216
TOTAL REVENUES	\$ 797,571	\$ 1,130,387	\$ 13,688	\$ 30	\$ 364,298	\$ 851,719	\$ 92,180	\$ 806,659	\$ 28,885	\$ 252,724	\$ 224,028	\$ 4,562,169
EXPENDITURES:												
Public Works												
Airport Improvements	\$ 228,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,019
Airport Maintenance	573,637	-	-	-	-	-	-	-	-	-	-	573,637
Sidewalks	-	11,203	-	-	-	-	-	-	-	-	-	11,203
Stormwater	-	194	-	-	-	-	-	-	-	-	-	194
Street Maintenance	-	544,242	-	-	1,020,722	-	-	-	-	-	-	1,564,964
Culture and Recreation	-	-	11,955	-	-	-	-	-	-	-	-	11,955
Capital Outlay	-	-	-	-	-	-	-	998,397	76,815	136,219	13,797	1,225,228
Debt Service	-	-	-	-	-	274	-	-	-	-	10,623	10,897
Interest and Fees	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 801,656	\$ 555,639	\$ 11,955	\$ -	\$ 1,020,722	\$ 274	\$ -	\$ 998,397	\$ 76,815	\$ 136,219	\$ 24,420	\$ 3,626,097
REVENUES OVER (UNDER) EXPENDITURES	\$ (4,085)	\$ 574,748	\$ 1,733	\$ 30	\$ (656,424)	\$ 851,445	\$ 92,180	\$ (191,738)	\$ (47,930)	\$ 116,505	\$ 199,608	\$ 936,072
OTHER FINANCING SOURCES (USES):												
Transfers In	\$ 200,000	\$ -	\$ -	\$ -	\$ 753,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 953,297
Transfers Out	(123,945)	(289,205)	-	(4,736)	-	(583,946)	-	-	-	-	-	(1,001,832)
Sale of Capital Assets	-	14,680	-	-	-	-	-	-	-	-	-	14,680
TOTAL OTHER FINANCING SOURCES (USES)	\$ 76,055	\$ (274,525)	\$ -	\$ (4,736)	\$ 753,297	\$ (583,946)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (33,855)
TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ 71,970	\$ 300,223	\$ 1,733	\$ (4,706)	\$ 96,873	\$ 267,499	\$ 92,180	\$ (191,738)	\$ (47,930)	\$ 116,505	\$ 199,608	\$ 902,217
FUND BALANCE, April 1, 2021	(943)	234,583	20,945	4,706	354,336	636,816	141,242	4,599	133,405	1,013,523	1,550	2,544,762
FUND BALANCE, March 31, 2022	\$ 71,027	\$ 534,806	\$ 22,678	\$ -	\$ 451,209	\$ 904,315	\$ 233,422	\$ (187,139)	\$ 85,475	\$ 1,130,028	\$ 201,158	\$ 3,446,979

See Independent Auditors' Report.

CITY OF PERRYVILLE, MISSOURI
Perryville, Missouri

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended March 31, 2022

2022-001 Compliance with Purchas Policy

Criteria: According to the City's purchasing policy, routine monthly purchases are required to be presented to the Finance Department in requisition form for payment processing.

Condition: Seven out of twenty-five expenditure transactions tested did not have the required requisition forms. In addition, while checks and invoices are being reviewed, there is no documentation of the review.

Cause: Management oversight.

Effect: Inappropriate disbursements could be made and go undetected.

Recommendation: We recommend that the City follow their written purchase policy and have adequate documentation of all approvals of purchases.

Views of Responsible Officials and Planned Corrective Actions: We agree with the audit finding. We have already amended the purchasing policy to reflect city procedures. We will also ensure there is proper documentation of approval of expenditures.

2022-002 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 Economic Development Fund and the Gas Fund exceeded budgeted expenditures by \$87,481 and \$299,078, respectively.

- Cause: The amended budget was approved in the middle of March 2022. 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.