

CITY OF PERRYVILLE, MISSOURI  
Perryville, Missouri

For the Year Ended March 31, 2024

ANNUAL FINANCIAL REPORT

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

*Certified Public Accountants*

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

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the 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, 2024, 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, 2024, 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 opinions are 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, combining fund financial statements, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits* 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, combining fund financial statement, and the Schedule of Expenditures of Federal Awards 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 22, 2024, 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 22, 2024

BASIC FINANCIAL STATEMENTS

CITY OF PERRYVILLE, MISSOURI  
 GOVERNMENT-WIDE  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS

March 31, 2024

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Current Assets:</u>			
Cash and Cash Equivalents	\$ 6,632,258	\$ 7,704,918	\$ 14,337,176
Restricted Cash and Cash Equivalents	1,754,027	1,089,770	2,843,797
Prepaid Expenses	-	2,283	2,283
Lease Receivable	1,398,662	-	1,398,662
Total Current Assets	<u>\$ 9,784,947</u>	<u>\$ 8,796,971</u>	<u>\$ 18,581,918</u>
<u>Capital Assets:</u>			
Land	\$ 4,449,560	\$ 320,380	\$ 4,769,940
Construction in Progress	6,976,689	35,795,280	42,771,969
Other Capital Assets, Net	32,535,744	19,698,629	52,234,373
Total Capital Assets, Net	<u>\$ 43,961,993</u>	<u>\$ 55,814,289</u>	<u>\$ 99,776,282</u>
<u>Other Assets:</u>			
Right of Use Assets, Net	\$ 97,608	\$ -	\$ 97,608
Ranken Building	8,675,402	-	8,675,402
Total Other Assets	<u>\$ 8,773,010</u>	<u>\$ -</u>	<u>\$ 8,773,010</u>
<b>TOTAL ASSETS</b>	<u>\$ 62,519,950</u>	<u>\$ 64,611,260</u>	<u>\$ 127,131,210</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows	\$ -	\$ -	\$ -
<u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Utility Refund Payable	\$ -	\$ 273	\$ 273
Accrued Payroll and Fringe Benefits	50,147	26,228	76,375
Sales Tax Payable	-	9,741	9,741
Gift Card Certificates	19,760	-	19,760
Capital Lease, Current	59,200	-	59,200
Lease Liability, Current	19,917	-	19,917
Revenue Bonds Payable, Current	-	566,000	566,000
General Obligation Bonds Payable, Current	-	238,000	238,000
Capital Improvement Sales Tax Bonds Payable, Current	-	460,000	460,000
Total Current Liabilities	<u>\$ 149,024</u>	<u>\$ 1,300,242</u>	<u>\$ 1,449,266</u>
<u>Long-Term Liabilities:</u>			
Customer Deposits Payable	\$ 6,540	\$ 312,386	\$ 318,926
Lease Liability	72,066	-	72,066
Revenue Bonds Payable	-	11,246,000	11,246,000
General Obligation Bonds Payable	-	4,445,000	4,445,000
Capital Improvement Sales Tax Bonds Payable	-	7,159,000	7,159,000
Total Long-Term Liabilities	<u>\$ 78,606</u>	<u>\$ 23,162,386</u>	<u>\$ 23,240,992</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 227,630</u>	<u>\$ 24,462,628</u>	<u>\$ 24,690,258</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Leases	\$ 1,228,950	\$ -	\$ 1,228,950
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 43,902,793	\$ 37,409,289	\$ 81,312,082
Restricted for Specific Purposes	2,003,967	1,089,770	3,093,737
Unrestricted	15,156,610	1,649,573	16,806,183
<b>TOTAL NET POSITION</b>	<u>\$ 61,063,370</u>	<u>\$ 40,148,632</u>	<u>\$ 101,212,002</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, 2024

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		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,735,416	\$ 181,855	\$ 14,011	\$ -	\$ (2,539,550)	\$ -	\$ (2,539,550)
Public Safety	3,052,253	32,007	370	-	(3,019,876)	-	(3,019,876)
Public Works	2,982,727	929,646	-	4,042,818	1,989,737	-	1,989,737
Culture and Recreation	2,989,597	602,998	-	333,266	(2,053,333)	-	(2,053,333)
Total Governmental Activities	\$ 11,759,993	\$ 1,746,506	\$ 14,381	\$ 4,376,084	\$ (5,623,022)	\$ -	\$ (5,623,022)
Business-Type Activities:							
Water and Sewer	\$ 4,001,707	\$ 5,783,419	\$ -	\$ -	\$ -	\$ 1,781,712	\$ 1,781,712
Gas	3,878,732	5,752,443	-	-	-	1,873,711	1,873,711
Refuse	721,657	971,466	-	-	-	249,809	249,809
Total Business-Type Activities	\$ 8,602,096	\$ 12,507,328	\$ -	\$ -	\$ -	\$ 3,905,232	\$ 3,905,232
Total Primary Government	\$ 20,362,089	\$ 14,253,834	\$ 14,381	\$ 4,376,084	\$ (5,623,022)	\$ 3,905,232	\$ (1,717,790)
General Revenue:							
Taxes:							
Sales Tax					\$ 4,992,345	\$ -	\$ 4,992,345
Real Estate & Property Tax					1,393,138	-	1,393,138
Railroad and Utility Tax					1,200	-	1,200
Financial Institution Tax					233	-	233
Telecommunication Tax					1,132,203	-	1,132,203
Use Tax					600,858	-	600,858
County Pilot Tax					323,826	-	323,826
Interest Income					451,462	433,612	885,074
Other					294,779	78,246	373,025
Intergovernmental					793,477	-	793,477
Gain on Disposal of Capital Assets					46,426	11,468	57,894
Transfers - Internal Activities					4,136,900	(4,136,900)	-
Total General Revenues					\$ 14,166,847	\$ (3,613,574)	\$ 10,553,273
Change in Net Position					\$ 8,543,825	\$ 291,658	\$ 8,835,483
Net Position - April 1, 2023					52,519,545	39,856,974	92,376,519
Net Position - March 31, 2024					\$ 61,063,370	\$ 40,148,632	\$ 101,212,002

See Accompanying Notes to the Basic Financial Statements.

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

March 31, 2024

	<u>General Fund</u>	<u>Airport Fund</u>	<u>Perry Park Center Fund</u>	<u>Economic Development Fund</u>	<u>Street Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>							
<u>CURRENT ASSETS:</u>							
Cash and Cash Equivalents	\$ 2,270,157	\$ 10,618	\$ 199,575	\$ 426,191	\$ 241,064	\$ 3,484,653	\$ 6,632,258
Restricted Cash and Cash Equivalents	1,754,027	-	-	-	-	-	1,754,027
Total Current Assets	<u>\$ 4,024,184</u>	<u>\$ 10,618</u>	<u>\$ 199,575</u>	<u>\$ 426,191</u>	<u>\$ 241,064</u>	<u>\$ 3,484,653</u>	<u>\$ 8,386,285</u>
TOTAL ASSETS	<u>\$ 4,024,184</u>	<u>\$ 10,618</u>	<u>\$ 199,575</u>	<u>\$ 426,191</u>	<u>\$ 241,064</u>	<u>\$ 3,484,653</u>	<u>\$ 8,386,285</u>
<u>LIABILITIES AND FUND BALANCE</u>							
<u>LIABILITIES:</u>							
Accrued Payroll and Fringe Benefits	\$ 42,487	\$ 772	\$ 2,862	\$ -	\$ -	\$ 4,026	\$ 50,147
Customer Deposits	-	6,540	-	-	-	-	6,540
Gift Card Certificates	-	-	19,760	-	-	-	19,760
TOTAL LIABILITIES	<u>\$ 42,487</u>	<u>\$ 7,312</u>	<u>\$ 22,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,026</u>	<u>\$ 76,447</u>
<u>FUND BALANCE:</u>							
Restricted	\$ 1,754,027	\$ -	\$ -	\$ -	\$ -	\$ 249,940	\$ 2,003,967
Committed	-	3,306	176,953	-	241,064	1,967,904	2,389,227
Assigned	-	-	-	426,191	-	1,262,783	1,688,974
Unassigned	2,227,670	-	-	-	-	-	2,227,670
TOTAL FUND BALANCE	<u>\$ 3,981,697</u>	<u>\$ 3,306</u>	<u>\$ 176,953</u>	<u>\$ 426,191</u>	<u>\$ 241,064</u>	<u>\$ 3,480,627</u>	<u>\$ 8,309,838</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,024,184</u>	<u>\$ 10,618</u>	<u>\$ 199,575</u>	<u>\$ 426,191</u>	<u>\$ 241,064</u>	<u>\$ 3,484,653</u>	<u>\$ 8,386,285</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, 2024

Total fund balance - total governmental funds (Statement 3)	\$	8,309,838
Amounts reported for governmental activities in the statement of net position are different because:		
Lease receivables are not financial resources and therefore are not reported in the governmental funds balance sheet.		1,398,662
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 \$34,684,467.		43,961,993
Right of use assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet, net of accumulated amortization of \$13,870.		97,608
A capital contribution that will be turned over to another governmental entity upon completion is not current financial resources and therefore is not reported in the governmental funds balance sheet.		8,675,402
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		
Lease Liability	\$ (91,983)	
Capital Lease Payable	<u>(59,200)</u>	(151,183)
Deferred inflows relating to leases are reported in the government activities of the statement of net position but are not included in the governmental funds because they do not provide current financial resources.		<u>(1,228,950)</u>
Net position of governmental activities (Statement 1)	\$	<u>61,063,370</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, 2024

	General Fund	Airport Fund	Perry Park Center Fund	Economic Development Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
Taxes	\$ 4,244,286	\$ -	\$ 1,438,525	\$ -	\$ -	\$ 2,760,992	\$ 8,443,803
Licenses and Permits	68,703	-	-	-	-	-	68,703
Charges for Services	109,352	672,692	524,533	-	-	-	1,306,577
Intergovernmental	231,217	3,010,901	369,886	1,031,917	435,959	104,062	5,183,942
Fines	32,007	-	-	-	-	-	32,007
Rental	4,410	280,328	79,985	-	-	-	364,723
Interest Income	225,548	46	12,379	11,416	13,808	157,341	420,538
Other	80,551	2,834	28,934	-	22,941	179,509	314,769
<b>TOTAL REVENUES</b>	<b>\$ 4,996,074</b>	<b>\$ 3,966,801</b>	<b>\$ 2,454,242</b>	<b>\$ 1,043,333</b>	<b>\$ 472,708</b>	<b>\$ 3,201,904</b>	<b>\$ 16,135,062</b>
<b>EXPENDITURES:</b>							
General Government	\$ 2,531,164	\$ -	\$ -	\$ -	\$ -	\$ 17,022	\$ 2,548,186
Public Safety	3,202,574	-	-	-	-	-	3,202,574
Public Works	162,304	4,625,255	-	2,564,570	1,981,736	1,315,390	10,649,255
Culture and Recreation	-	-	3,385,337	-	-	8,404	3,393,741
Debt Service:							
Interest and Fees	-	-	-	-	-	2,580	2,580
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,896,042</b>	<b>\$ 4,625,255</b>	<b>\$ 3,385,337</b>	<b>\$ 2,564,570</b>	<b>\$ 1,981,736</b>	<b>\$ 1,343,396</b>	<b>\$ 19,796,336</b>
REVENUES OVER (UNDER) EXPENDITURES	\$ (899,968)	\$ (658,454)	\$ (931,095)	\$ (1,521,237)	\$ (1,509,028)	\$ 1,858,508	\$ (3,661,274)
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers In	\$ 5,371,873	\$ 925,000	\$ 450,000	\$ 1,553,938	\$ 1,228,700	\$ -	\$ 9,529,511
Transfers Out	(3,907,638)	-	-	-	-	(1,484,973)	(5,392,611)
Sale of Capital Assets	43,242	-	9,025	-	-	6,800	59,067
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 1,507,477</b>	<b>\$ 925,000</b>	<b>\$ 459,025</b>	<b>\$ 1,553,938</b>	<b>\$ 1,228,700</b>	<b>\$ (1,478,173)</b>	<b>\$ 4,195,967</b>
NET CHANGE IN FUND BALANCES	\$ 607,509	\$ 266,546	\$ (472,070)	\$ 32,701	\$ (280,328)	\$ 380,335	\$ 534,693
FUND BALANCE, April 1, 2023	3,374,188	(263,240)	649,023	393,490	521,392	3,100,292	7,775,145
FUND BALANCE, March 31, 2024	\$ 3,981,697	\$ 3,306	\$ 176,953	\$ 426,191	\$ 241,064	\$ 3,480,627	\$ 8,309,838

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, 2024

Net Change in fund balances - total governmental funds (Statement 4)	\$	534,693
Amounts reported for governmental activities in the statement of activities are different because:		
The receipt of lease revenue is recorded in the governmental funds, while the collection of lease payments reduces the lease receivable in the governmental statement of net position.		
		(265,159)
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.		
		9,127,471
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.		
		(32,632)
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.		
		(2,177,379)
Amortization expense on right of use 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, amortization expense is not reported as an expenditure in governmental funds.		
		(30,439)
Governmental funds report capital contributions to other governmental entities as expenditures. However, in the governmental-wide statement of activities and changes in net position, the cost of those contributions is accumulated until the capital contribution is completed and turned over to the other governmental entity.		
		1,007,460
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.		
Lease Liability Payment	\$ 36,823	
Capital Lease Payment	<u>72,408</u>	109,231
When leases in which the City is the lessor are used in governmental activities, a revenue is recorded in the governmental funds for the amount of the present value of the future lease revenue; however in the statement of activities, the present value of the future lease revenue is recognized as deferred inflows and amortized over the lease term.		
		<u>270,579</u>
Change in net position of governmental activities (Statement 2)	\$	<u>8,543,825</u>

See Accompanying Notes to the Basic Financial Statements.

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

March 31, 2024

<u>ASSETS</u>	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Refuse Fund	Total Proprietary Funds
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 3,997,763	\$ 3,447,995	\$ 259,160	\$ 7,704,918
Restricted Cash and Cash Equivalents	1,089,042	728	-	1,089,770
Prepaid Expenses	-	2,283	-	2,283
Total Current Assets	<u>\$ 5,086,805</u>	<u>\$ 3,451,006</u>	<u>\$ 259,160</u>	<u>\$ 8,796,971</u>
<u>CAPITAL ASSETS:</u>				
Land	\$ 173,750	\$ 139,630	\$ 7,000	\$ 320,380
Construction in Progress	35,795,280	-	-	35,795,280
Plant and System Improvements	36,373,890	10,960,670	-	47,334,560
Machinery and Equipment	2,596,638	2,139,442	1,487,854	6,223,934
Accumulated Depreciation	(25,485,520)	(6,916,052)	(1,458,293)	(33,859,865)
Total Capital Assets, Net	<u>\$ 49,454,038</u>	<u>\$ 6,323,690</u>	<u>\$ 36,561</u>	<u>\$ 55,814,289</u>
<b>TOTAL ASSETS</b>	<u>\$ 54,540,843</u>	<u>\$ 9,774,696</u>	<u>\$ 295,721</u>	<u>\$ 64,611,260</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Utility Refund Payable	\$ 273	\$ -	\$ -	\$ 273
Accrued Payroll and Fringe Benefits	19,581	4,602	2,045	26,228
Sales Tax Payable	673	9,068	-	9,741
Due to Other Funds	-	-	-	-
Revenue Bonds Payable, Current	566,000	-	-	566,000
General Obligation Bonds Payable, Current	238,000	-	-	238,000
Capital Improvement Sales Tax Bonds Payable, Current	460,000	-	-	460,000
Total Current Liabilities	<u>\$ 1,284,527</u>	<u>\$ 13,670</u>	<u>\$ 2,045</u>	<u>\$ 1,300,242</u>
<u>LONG-TERM LIABILITIES:</u>				
Customer Deposits Payable	\$ 116,259	\$ 196,127	\$ -	\$ 312,386
Revenue Bonds Payable	11,246,000	-	-	11,246,000
General Obligation Bonds Payable	4,445,000	-	-	4,445,000
Capital Improvement Sales Tax Bonds Payable	7,159,000	-	-	7,159,000
Total Long-Term Liabilities	<u>\$ 22,966,259</u>	<u>\$ 196,127</u>	<u>\$ -</u>	<u>\$ 23,162,386</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 24,250,786</u>	<u>\$ 209,797</u>	<u>\$ 2,045</u>	<u>\$ 24,462,628</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 42,755,038	\$ 6,323,690	\$ 36,561	\$ 49,115,289
Restricted	1,089,042	728	-	1,089,770
Unrestricted	(13,554,023)	3,240,481	257,115	(10,056,427)
<b>TOTAL NET POSITION</b>	<u>\$ 30,290,057</u>	<u>\$ 9,564,899</u>	<u>\$ 293,676</u>	<u>\$ 40,148,632</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, 2024

	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Refuse Fund	Total Proprietary Funds
<u>OPERATING REVENUES:</u>				
Charges for Services	\$ 5,783,419	\$ 5,752,443	\$ 971,466	\$ 12,507,328
Miscellaneous Income	16,869	61,181	196	78,246
TOTAL OPERATING REVENUES	<u>\$ 5,800,288</u>	<u>\$ 5,813,624</u>	<u>\$ 971,662</u>	<u>\$ 12,585,574</u>
<u>OPERATING EXPENSES:</u>				
General Operating Expense	\$ 2,731,870	\$ 3,509,299	\$ 650,902	\$ 6,892,071
Depreciation and Amortization	982,321	369,433	70,755	1,422,509
TOTAL OPERATING EXPENSES	<u>\$ 3,714,191</u>	<u>\$ 3,878,732</u>	<u>\$ 721,657</u>	<u>\$ 8,314,580</u>
NET OPERATING INCOME (LOSS)	<u>\$ 2,086,097</u>	<u>\$ 1,934,892</u>	<u>\$ 250,005</u>	<u>\$ 4,270,994</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Interest Income	\$ 248,530	\$ 175,130	\$ 9,952	\$ 433,612
Interest and Fees	(166,137)	-	-	(166,137)
Bond Administration Fees	(121,379)	-	-	(121,379)
Gain (Loss) on Disposal of Assets	7,768	-	3,700	11,468
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ (31,218)</u>	<u>\$ 175,130</u>	<u>\$ 13,652</u>	<u>\$ 157,564</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>\$ 2,054,879</u>	<u>\$ 2,110,022</u>	<u>\$ 263,657</u>	<u>\$ 4,428,558</u>
<u>OPERATING TRANSFERS IN (OUT):</u>				
Transfers In	\$ 1,516,047	\$ -	\$ -	\$ 1,516,047
Transfers Out	(2,611,751)	(2,697,979)	(343,217)	(5,652,947)
TOTAL TRANSFERS IN (OUT)	<u>\$ (1,095,704)</u>	<u>\$ (2,697,979)</u>	<u>\$ (343,217)</u>	<u>\$ (4,136,900)</u>
CHANGE IN NET POSITION	\$ 959,175	\$ (587,957)	\$ (79,560)	\$ 291,658
TOTAL NET POSITION, April 1, 2023	<u>29,330,882</u>	<u>10,152,856</u>	<u>373,236</u>	<u>39,856,974</u>
TOTAL NET POSITION, March 31, 2024	<u>\$ 30,290,057</u>	<u>\$ 9,564,899</u>	<u>\$ 293,676</u>	<u>\$ 40,148,632</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, 2024

	Combined Waterworks and Sewerage Fund	Gas Operation Fund	Refuse Fund	Total Proprietary Fund
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>				
Receipts from Customers	\$ 5,783,419	\$ 5,752,443	\$ 971,466	\$ 12,507,328
Receipts from Other Sources	16,869	61,181	196	78,246
Payments to Suppliers	(1,667,839)	(3,127,216)	(315,630)	(5,110,685)
Payments to Employees	(1,026,840)	(375,524)	(321,377)	(1,723,741)
Receipt of Customer Utility Deposits	<u>7,621</u>	<u>7,926</u>	<u>-</u>	<u>15,547</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,113,230</u>	<u>\$ 2,318,810</u>	<u>\$ 334,655</u>	<u>\$ 5,766,695</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>				
Operating Transfers from (to) Other Funds	<u>\$ (1,095,704)</u>	<u>\$ (2,697,979)</u>	<u>\$ (343,217)</u>	<u>\$ (4,136,900)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED</u></b>				
<b><u>FINANCING ACTIVITIES:</u></b>				
Retirement of Bonds	\$ (1,246,000)	\$ -	\$ -	\$ (1,246,000)
Interest Paid on Bonds	(166,137)	-	-	(166,137)
Acquisition of Capital Assets	(4,364,987)	(356,437)	-	(4,721,424)
Bond Proceeds	4,304,758	-	-	4,304,758
Bond Administration Fees	(121,379)	-	-	(121,379)
Grants	-	-	-	-
Proceeds from Sale of Capital Assets	<u>12,520</u>	<u>-</u>	<u>3,700</u>	<u>16,220</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (1,581,225)</u>	<u>\$ (356,437)</u>	<u>\$ 3,700</u>	<u>\$ (1,933,962)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>				
Interest on Cash	<u>\$ 248,530</u>	<u>\$ 175,130</u>	<u>\$ 9,952</u>	<u>\$ 433,612</u>
NET CHANGE IN CASH	\$ 684,831	\$ (560,476)	\$ 5,090	\$ 129,445
CASH, April 1, 2023	<u>4,401,974</u>	<u>4,009,199</u>	<u>254,070</u>	<u>8,665,243</u>
CASH, March 31, 2024	<u>\$ 5,086,805</u>	<u>\$ 3,448,723</u>	<u>\$ 259,160</u>	<u>\$ 8,794,688</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u></b>				
<b><u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>				
Operating Income (Loss)	\$ 2,086,097	\$ 1,934,892	\$ 250,005	\$ 4,270,994
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	982,321	369,433	70,755	1,422,509
Changes in Assets and Liabilities:				
Prepaid Expenses	18,033	8,177	11,863	38,073
Accrued Payroll and Fringe Benefits	18,683	4,596	2,032	25,311
Sales Tax Payable	475	(6,214)	-	(5,739)
Customer Deposits	<u>7,621</u>	<u>7,926</u>	<u>-</u>	<u>15,547</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,113,230</u>	<u>\$ 2,318,810</u>	<u>\$ 334,655</u>	<u>\$ 5,766,695</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2024

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>
Airport Fund	Accounts for revenues received and expenditures related to the operation of the airport.
Perry Park Center Fund	Accounts for all of the revenues and expenditures related to the operation of the Perry Park Center.
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>
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.

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 Projects Fund, which is reported as a major fund:

<u>Fund</u>	<u>Description</u>
Economic Development Fund	Accounts for monies set aside for economic development in the City.

The reporting entity also includes the following Capital Projects Funds, which are reported as 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.
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 Ave Extension TIF Fund	Accounts for financial resources allocated to the Redevelopment Plan for the I55/Hwy 51 Tax Increment Financing District.

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:

Police Training	\$ 2,576
Judicial Ed	933
Inmate Security	520
Fire Truck Escrow	200,000
Economic Development	1,549,998
Debt Service Fund	229,604
Veterans Memorial Field Fund	<u>20,336</u>
Total Restricted Net Position	<u>\$2,003,967</u>

Proprietary

CWSS -	\$ 83,555
CWSS – 2021 Debt Service	1,005,487
Gas - 2006 Certificates of Participation	<u>728</u>
Total Restricted Net Position	<u>\$1,089,770</u>

The following Government Fund Balance constraints are also in effect:

Committed

Airport Fund	\$ 3,306
Transportation Fund	299,069
Street Improvement Fund	241,064
Capital Improvement Sales Tax Fund	1,668,835
Perry Park Center Fund	<u>176,953</u>
Total Committed	<u>\$2,389,227</u>

Assigned

Highway 51/61 TIF Fund	\$ 458,325
Economic Development Fund	426,191
2012 Downtown TIF Fund	169,398
Rand Ave Extension TIF Fund	<u>635,060</u>
Total Assigned	<u>\$1,688,974</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, 2024, the liability is a contingency in the maximum amount of \$350,393.

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 (10<sup>th</sup>) day of the month for the actual month covered. This program is offered for a duration of 19 months after the termination date. There is no associated cost to the City under this program, and there are currently no participants in the program.

L. Pensions:

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

M. Subsequent Events:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through August 22, 2024, the date the financial statements were available to be issued.

2. DEPOSITS

At March 31, 2024, the carrying amount of the City's deposits was \$17,180,973 and the bank balances totaled \$17,318,731. 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, 2024 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, 2023, 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, 2024 was as follows:

	Primary Government			Balance March 31, 2024
	Balance March 31, 2023	Additions	Deletions	
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2,914,439	\$ 1,567,236	\$ (32,115)	\$ 4,449,560
Construction in Progress	<u>3,513,680</u>	<u>7,047,435</u>	<u>(3,584,426)</u>	<u>6,976,689</u>
Total	6,428,119	8,614,671	(3,616,541)	11,426,249
Capital Assets Being Depreciated:				
Buildings	\$ 16,529,217	\$ 2,701,239	\$ -	\$ 19,230,456
Improvements Other Than Buildings	39,210,886	1,050,805	-	40,261,691
Machinery and Equipment	6,555,584	345,182	(87,288)	6,813,478
Pool and Bathhouse	<u>914,586</u>	<u>-</u>	<u>-</u>	<u>914,586</u>
Total	63,210,273	4,097,226	(87,288)	67,220,211

	Primary Government			Balance March 31, 2024
	Balance March 31, 2023	Additions	Deletions	
Governmental Activities				
Less Accumulated Depreciation for:				
Buildings	\$ (5,367,295)	\$ (548,269)	-	\$ (5,915,564)
Improvements Other than Buildings	(21,125,252)	(1,215,801)	-	(22,341,053)
Machinery and Equipment	(5,229,929)	(401,887)	86,771	(5,545,045)
Pool and Bathhouse	(871,383)	(11,422)	-	(882,805)
Total	<u>(32,593,859)</u>	<u>(2,177,379)</u>	<u>86,771</u>	<u>(34,684,467)</u>
Capital Assets Being Depreciated, Net	<u>30,616,414</u>	<u>1,919,847</u>	<u>(517)</u>	<u>32,535,744</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 37,044,533</u>	<u>\$ 10,534,518</u>	<u>\$ (3,617,058)</u>	<u>\$ 43,961,993</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 320,380	\$ -	\$ -	\$ 320,380
Construction in Progress	<u>31,773,666</u>	<u>4,302,325</u>	<u>(280,711)</u>	<u>35,795,280</u>
Total	<u>32,094,046</u>	<u>4,302,325</u>	<u>(280,711)</u>	<u>36,115,660</u>
Capital Assets Being Depreciated:				
Plant and System Improvements	\$ 47,115,523	\$ 219,037	\$ -	\$ 47,334,560
Machinery and Equipment	<u>5,753,530</u>	<u>480,773</u>	<u>(10,369)</u>	<u>6,223,934</u>
Total	<u>52,869,053</u>	<u>699,810</u>	<u>(10,369)</u>	<u>53,558,494</u>
Less Accumulated Depreciation for:				
Plant and System Improvements	\$(27,707,374)	\$ (1,015,831)	\$ -	\$(28,723,205)
Machinery and Equipment	<u>(4,735,599)</u>	<u>(406,678)</u>	<u>5,617</u>	<u>(5,136,660)</u>
Total	<u>(32,442,973)</u>	<u>(1,422,509)</u>	<u>5,617</u>	<u>(33,859,865)</u>
Capital Assets Being Depreciated, Net	<u>20,426,080</u>	<u>(722,699)</u>	<u>(4,752)</u>	<u>19,698,629</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 52,520,126</u>	<u>\$ 3,579,626</u>	<u>\$ (285,463)</u>	<u>\$ 55,814,289</u>

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

<u>Governmental Activities</u>	
General Government	\$ 193,865
Public Safety	292,264
Public Works	1,234,307
Culture and Recreation	<u>456,943</u>
Total	<u>\$ 2,177,379</u>
 <u>Business-Type Activities</u>	
Combined Waterworks and Sewerage System Fund	\$ 982,321
Gas Operation Fund	369,433
Refuse Fund	<u>70,755</u>
Total	<u>\$ 1,422,509</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, 2024, the City’s remaining legal debt margin was \$3,969,518.

A. Governmental Funds Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended March 31, 2024:

Long-Term Debt, April 1, 2023	\$ 131,535
Additions	-0-
Retirements	<u>(72,335)</u>
Long-Term Debt, March 31, 2024	<u>\$ 59,200</u>

In January 2015, the City entered into a capital lease agreement for the use of real estate. Principal payments of \$2,580 are due annually. Following are the annual requirements to amortize the capital lease at March 31, 2024:

Ending	
<u>March 31,</u>	<u>Principal</u>
2025	<u>\$ 59,200</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. The lease was paid in full during the fiscal year.

B. Enterprise Funds Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended March 31, 2024:

	Capital Improvement Sales Tax Revenue Bonds	General Obligation Bonds	Waterworks & Sewerage Revenue Bonds	Total
Balance at April 1, 2023	\$ 8,072,000	\$ 4,918,000	\$ 8,065,242	\$ 21,055,242
Additions	-0-	-0-	4,304,758	4,304,758
Retirements	<u>(453,000)</u>	<u>(235,000)</u>	<u>(558,000)</u>	<u>(1,246,000)</u>
Balance at March 31, 2024	<u>\$ 7,619,000</u>	<u>\$ 4,683,000</u>	<u>\$11,812,000</u>	<u>\$ 24,114,000</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, 2024, the annual cash flow requirements of bond principal and interest are as follows:

Year Ended March 31,	Principal	Interest	Total
2025	\$ 1,264,000	\$ 178,493	\$ 1,442,493
2026	1,281,000	168,982	1,449,982
2027	1,299,000	159,341	1,458,341
2028	1,315,000	149,569	1,464,569
2029	1,334,000	139,669	1,473,669
2030-2034	6,945,000	545,021	7,490,021
2035-2039	7,458,000	276,529	7,734,529
2040-2043	<u>3,218,000</u>	<u>45,836</u>	<u>3,263,836</u>
Total	<u>\$ 24,114,000</u>	<u>\$ 1,663,440</u>	<u>\$25,777,440</u>

C. Conduit Debt:

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, 2024 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, 2024 is \$149,965,248.

6. LEASES

Lease (Lessor) agreements are summarized as follows:

Description	Date	Terms	Amount	Interest Rate	Total Deferred Inflow	March 31, 2024 Balance
Helicopter Transport	7/19/2017	120 Months	1,500	1.900%	144,786	\$ 47,056
Riverside Library	3/3/2022	60 Months	2,800	1.900%	160,400	93,566
St. Vincent Building	4/1/2008	240 Months	230	1.900%	45,966	9,193
LRN Tower Hosting	9/1/2021	5 Years	1,950	1.900%	9,385	3,754
Airport Ground	1/1/2021	5 Years	64,097	1.900%	305,945	122,378
Building 3 Airport	3/1/2018	146 Months	13,261	1.900%	1,823,422	911,711
1.64 Acres at Airport	5/2/2023	57 Months	1,000	5.490%	50,077	41,292
Total Lease Revenue						<u>\$1,228,950</u>

The City leases ground and building space to several businesses at different locations throughout the City. The interest rate for all leases were calculated based on the City’s recent lease rates.

The City will recognize annual rental and interest revenue as follows:

Year Ending <u>June 30,</u>	<u>Rental Revenue</u>	<u>Interest Revenue</u>
2025	\$ 272,336	\$ 25,884
2026	272,336	20,091
2027	206,596	14,220
2028	165,452	9,669
2029	149,870	5,912
2030-2031	<u>162,360</u>	<u>2,351</u>
Total	<u>\$ 1,228,950</u>	<u>\$ 78,127</u>

Lease (Lessee) agreements are summarized as follows:

<u>Description</u>	<u>Date</u>	<u>Terms</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Total Liability</u>	<u>Balance March 31, 2024</u>
GFI Printers	10/18/2018	60 Months	1,780	1.900%	96,888	\$ -
GPS Trackers	3/16/2021	3 Years	15,113	1.900%	44,040	-
Access Control Security System	10/12/2021	5 Years	Various	5.490%	23,556	10,504
GFI Printers	10/18/2023	60 Months	1,679	5.490%	87,922	<u>81,479</u>
Total Lease Payments						<u>\$ 91,983</u>

The City entered into a lease agreement with GFI Digital on October 18, 2018. The interest rate was based on the City's recent lease rates. The lease has a term of 60 months at the end of which the City will enter into a new lease agreement and receive new equipment. This lease expired during the fiscal year.

The City entered into a lease agreement with LB Technology Inc. on January 14<sup>th</sup>, 2021. The interest rate was based on the City's recent lease rates. The lease has a term of 3 years. This lease expired during the current year.

The City entered into a lease agreement with Federal Protection, Inc. on October 12, 2021. The interest rate was based on the City's recent lease rates. The lease has a term of 5 years payable quarterly.

The City entered into a lease agreement with GFI Digital on October 19, 2023. The interest rate was based on the City's recent lease rates. The lease has a term of 60 months at the end of which the City will enter into a new lease agreement and receive new equipment.

2025	\$ 19,917	\$ 4,551
2026	21,038	3,430
2027	20,541	2,259
2028	18,946	1,202
2029	<u>11,541</u>	<u>212</u>
Total	<u>\$ 91,983</u>	<u>\$ 11,654</u>

7. 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](http://www.molagers.org).

*Benefits provided.* LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for Police) 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.

	<b><u>February 29, 2023 Valuation</u></b>
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 14.5% (General) and 10.7% (Police) of annual covered payroll. Contributions to the pension plan from the City were \$441,864 (General) and \$171,178 (Police) for the year ended March 31, 2024.

8. INTEREST EXPENSE

Interest cost totaling \$-0- was incurred during the year ended March 31, 2024. No interest was capitalized as part of the cost of assets constructed during the period.

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	\$ 3,907,638	\$ 5,371,873
Airport Fund	-0-	925,000
Transportation Fund	661,861	-0-
Perry Park Fund	-0-	450,000
Economic Development Fund	-0-	1,553,938
Debt Service Fund	294,521	-0-
Capital Improvement Sales Tax Fund	528,591	-0-
Street Improvement Fund	-0-	1,228,700
Refuse Fund	343,217	-0-
CWSS Fund	2,611,751	1,516,047
Gas Fund	<u>2,697,979</u>	<u>-0-</u>
	<u>\$11,045,558</u>	<u>\$11,045,558</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 two separate projects on behalf of one taxpayer within the City. During the 10-year periods of tax abatements (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 project, and 25% for the second 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 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, 2024, the taxes applicable to the City that were abated totaled \$49,709 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 2023.

12. SUBSEQUENT EVENTS

In May 2024, the City approved the purchase of a van in the amount of \$39,955. The City also awarded a bid in the amount of \$25,000 for the roof replacement at Fire Station 1. They also approved a 55% payment in the amount of \$169,675 for municipal area build out.

13. COMMITMENTS

At March 31, 2024, the City was committed to the following significant projects:

<u>Project</u>	<u>Amount Committed</u>	<u>Expended by March 31, 2024</u>	<u>Remaining Commitment as of March 31, 2024</u>
Hwy E Sewer Trunk	\$5,000,000	\$ 4,947,836	\$ 52,164
Wastewater Facility Improvement	30,000,000	29,731,976	268,024
Progress Drive	3,500,000	1,108,261	2,391,739
Southeast Taxiway & East Apron Taxi Lane	3,955,709	3,819,134	136,575
School Street Lift Station	3,200,000	497,551	2,702,449
Rehabilitate Runway 2-20	10,603,935	-	10,603,935

The City also had several smaller projects that were ongoing as of March 31, 2024.

SUPPLEMENTARY INFORMATION

CITY OF PERRYVILLE, MISSOURIBUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended March 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
<u>REVENUES:</u>				
Taxes and Special Assessments:				
Real Estate and Personal Property Tax	\$ 718,000	\$ 642,000	\$ 677,309	\$ 35,309
Railroad and Utility Tax	1,020	1,095	842	(253)
Gross Receipts Tax	1,065,000	1,118,000	1,132,203	14,203
Intangible Tax	2,500	2,000	233	(1,767)
Sales Tax	1,900,000	1,810,000	2,043,267	233,267
Local Use Tax	200,000	165,000	318,455	153,455
Tax Under Protest	5,800	5,800	71,977	66,177
Licenses and Permits:				
City Vehicle Licenses	21,000	20,000	22,209	2,209
Occupational Licenses	15,600	15,500	16,695	1,195
Liquor Licenses	13,000	13,000	14,135	1,135
Mobile Home Licenses	850	850	-	(850)
Building and Other Permits	10,200	10,200	15,664	5,464
Charges for Services:				
Fees and Services	18,000	16,000	22,050	6,050
Penalties	2,600	2,500	4,049	1,549
Cable TV Franchise Fees	74,000	70,000	83,253	13,253
Intergovernmental:				
Road District Contributions	120,000	105,000	130,671	25,671
Grants	1,600	1,750	14,381	12,631
County Business Surtax	74,000	70,000	86,165	16,165
Fines:				
Court Fines, Costs, and Police Training Fund	29,500	38,000	31,289	(6,711)
Inmate Security Fund	500	1,000	598	(402)
Parking Tickets	50	100	120	20
Rental	1,000	2,800	4,410	1,610
Interest Income	38,125	55,100	225,548	170,448
Miscellaneous	8,000	13,200	80,501	67,301
Donations	-	4,000	50	(3,950)
<b>TOTAL REVENUES</b>	<b>\$ 4,320,345</b>	<b>\$ 4,182,895</b>	<b>\$ 4,996,074</b>	<b>\$ 813,179</b>

(Continued)

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended March 31, 2024

	<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	\$ 200,196	\$ 200,196	\$ 233,612	\$ (33,416)
City Administrator's Office	230,900	230,900	234,026	(3,126)
Clerk/Finance	586,068	586,068	551,719	34,349
Municipal Court	4,350	4,350	3,226	1,124
Community Development	291,441	291,441	233,710	57,731
General Services	975,298	975,298	1,147,796	(172,498)
Port Authority/Economic Development	97,000	97,000	97,869	(869)
Cable Access/Levee District	52,000	52,000	29,206	22,794
Total General Government	<u>\$ 2,437,253</u>	<u>\$ 2,437,253</u>	<u>\$ 2,531,164</u>	<u>\$ (93,911)</u>
Public Safety:				
Police Department	\$ 2,903,534	\$ 2,903,534	\$ 2,913,919	\$ (10,385)
Fire Department	382,567	382,567	258,678	123,889
Emergency Response	9,850	9,850	29,977	(20,127)
Total Public Safety	<u>\$ 3,295,951</u>	<u>\$ 3,295,951</u>	<u>\$ 3,202,574</u>	<u>\$ 93,377</u>
Public Works:				
Stormwater	\$ 218,708	\$ 218,708	\$ 120,853	\$ 97,855
Street Maintenance	-	-	41,451	(41,451)
Total Public Works	<u>\$ 218,708</u>	<u>\$ 218,708</u>	<u>\$ 162,304</u>	<u>\$ 56,404</u>
TOTAL EXPENDITURES	<u>\$ 5,951,912</u>	<u>\$ 5,951,912</u>	<u>\$ 5,896,042</u>	<u>\$ 55,870</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,631,567)</u>	<u>\$ (1,769,017)</u>	<u>\$ (899,968)</u>	<u>\$ 869,049</u>
Other Financing Sources (Uses)				
Transfers In	\$ 4,505,725	\$ 4,505,725	\$ 5,371,873	\$ 866,148
Transfers Out	(5,082,096)	(5,082,096)	(3,907,638)	1,174,458
Sale of Capital Assets	5,000	5,000	43,242	38,242
Total Other Financing Sources (Uses)	<u>\$ (571,371)</u>	<u>\$ (571,371)</u>	<u>\$ 1,507,477</u>	<u>\$ 2,078,848</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (2,202,938)</u>	<u>\$ (2,340,388)</u>	<u>\$ 607,509</u>	<u>\$ 2,947,897</u>
FUND BALANCE, April 1, 2023			<u>3,374,188</u>	
FUND BALANCE, March 31, 2024			<u>\$ 3,981,697</u>	

See Accompanying Notes to the Basic Financial Statements.

## CITY OF PERRYVILLE, MISSOURI

BUDGETARY COMPARISON SCHEDULE -  
AIRPORT FUND

Year Ended March 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
<u>REVENUES:</u>				
Charges for Services:				
Fuel Sales	\$ 550,700	\$ 550,700	\$ 672,692	\$ 121,992
Intergovernmental:				
Grants	16,048,348	16,048,348	3,010,901	(13,037,447)
Interest Income	2,500	2,500	46	(2,454)
Rental	268,500	268,500	280,328	11,828
Miscellaneous	752,000	752,000	2,834	(749,166)
TOTAL REVENUES	<u>\$ 17,622,048</u>	<u>\$ 17,622,048</u>	<u>\$ 3,966,801</u>	<u>\$ (13,655,247)</u>
<u>EXPENDITURES:</u>				
Public Works - Airport Improvements	\$ 17,414,165	\$ 17,414,165	\$ 3,987,614	\$ 13,426,551
Public Works - Airport Maintenance	985,106	985,106	637,641	347,465
Public Works - Sidewalks	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 18,399,271</u>	<u>\$ 18,399,271</u>	<u>\$ 4,625,255</u>	<u>\$ 13,774,016</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (777,223)</u>	<u>\$ (777,223)</u>	<u>\$ (658,454)</u>	<u>\$ 118,769</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ 1,105,723	\$ 1,105,723	\$ 925,000	\$ (180,723)
Transfers Out	(328,500)	(328,500)	-	328,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 777,223</u>	<u>\$ 777,223</u>	<u>\$ 925,000</u>	<u>\$ 147,777</u>
TOTAL REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,546</u>	<u>\$ 266,546</u>
FUND BALANCE, April 1, 2023			(263,240)	
FUND BALANCE, March 31, 2024			<u>\$ 3,306</u>	

See Accompanying Notes to the Basic Financial Statements.

## CITY OF PERRYVILLE, MISSOURI

BUDGETARY COMPARISON SCHEDULE -  
PERRY PARK CENTER FUND

Year Ended March 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
<b>REVENUES:</b>				
Taxes and Special Assessments:				
Real Estate and Personal Property Tax	\$ 255,000	\$ 255,000	\$ 277,147	\$ 22,147
Railroad and Utility Tax	500	500	358	(142)
Sales Tax	1,150,000	1,150,000	1,161,020	11,020
Charges for Services:				
Concessions and Vending Machines	95,100	95,100	91,692	(3,408)
Tournament and Sports Fees	63,450	63,450	71,988	8,538
Admission Fees and Passes	295,050	295,050	355,008	59,958
Arcade, Fun Club, and Senior Olympics	6,000	6,000	5,845	(155)
Intergovernmental:				
County Business Tax	30,000	30,000	36,620	6,620
Trans. Alternative Program	523,136	523,136	333,266	(189,870)
Interest Income	2,000	2,000	12,379	10,379
Rental:				
Library Lease	33,600	33,600	33,600	-
Theater Rent	14,500	14,500	15,100	600
Pool and Gymnasium	9,300	9,300	15,189	5,889
Pavilions, Ball Fields, Community Center, and Meeting Room	17,100	17,100	16,096	(1,004)
Miscellaneous	2,000	2,000	28,934	26,934
<b>TOTAL REVENUES</b>	<b>\$ 2,496,736</b>	<b>\$ 2,496,736</b>	<b>\$ 2,454,242</b>	<b>\$ (42,494)</b>
<b>EXPENDITURES:</b>				
Leagues	\$ 127,452	\$ 127,452	\$ 131,621	\$ (4,169)
Administration	629,398	629,398	466,857	162,541
Capital Projects	876,153	876,153	924,877	(48,724)
Community Center Maintenance	3,150	3,150	24,353	(21,203)
Concessions	126,726	126,726	127,515	(789)
Fitness Center	24,633	24,633	28,610	(3,977)
Activities and Marketing	104,692	104,692	193,120	(88,428)
Maintenance and Housekeeping	473,328	473,328	486,137	(12,809)
Park Maintenance	785,649	785,649	558,876	226,773
Performing Arts Center	137,217	137,217	129,675	7,542
Pool	302,506	302,506	313,696	(11,190)
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,590,904</b>	<b>\$ 3,590,904</b>	<b>\$ 3,385,337</b>	<b>\$ 205,567</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (1,094,168)</b>	<b>\$ (1,094,168)</b>	<b>\$ (931,095)</b>	<b>\$ 163,073</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	\$ 693,785	\$ 693,785	\$ 450,000	\$ (243,785)
Sale of Capital Assets	-	-	9,025	9,025
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 693,785</b>	<b>\$ 693,785</b>	<b>\$ 459,025</b>	<b>\$ (234,760)</b>
<b>TOTAL REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)</b>	<b>\$ (400,383)</b>	<b>\$ (400,383)</b>	<b>\$ (472,070)</b>	<b>\$ (71,687)</b>
<b>FUND BALANCE, April 1, 2023</b>			<b>649,023</b>	
<b>FUND BALANCE, March 31, 2024</b>			<b>\$ 176,953</b>	

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURIBUDGETARY COMPARISON SCHEDULE -  
STREET IMPROVEMENT FUND

Year Ended March 31, 2024

	<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	\$ 380,000	\$ 380,000	\$ 435,959	\$ 55,959
Grant Income	1,436,500	1,436,500	-	(1,436,500)
Interest Income	5,000	5,000	13,808	8,808
Miscellaneous	1,500,800	1,500,800	22,941	(1,477,859)
TOTAL REVENUES	<u>\$ 3,322,300</u>	<u>\$ 3,322,300</u>	<u>\$ 472,708</u>	<u>\$ (2,849,592)</u>
<u>EXPENDITURES:</u>				
Street Maintenance	<u>\$ 4,551,000</u>	<u>\$ 4,551,000</u>	<u>\$ 1,981,736</u>	<u>\$ 2,569,264</u>
TOTAL EXPENDITURES	<u>\$ 4,551,000</u>	<u>\$ 4,551,000</u>	<u>\$ 1,981,736</u>	<u>\$ 2,569,264</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,228,700)</u>	<u>\$ (1,228,700)</u>	<u>\$ (1,509,028)</u>	<u>\$ (280,328)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	<u>\$ 728,700</u>	<u>\$ 728,700</u>	<u>\$ 1,228,700</u>	<u>\$ 500,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 728,700</u>	<u>\$ 728,700</u>	<u>\$ 1,228,700</u>	<u>\$ 500,000</u>
TOTAL REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	<u>\$ (280,328)</u>	<u>\$ 219,672</u>
FUND BALANCE, April 1, 2023			<u>521,392</u>	
FUND BALANCE, March 31, 2024			<u>\$ 241,064</u>	

See Accompanying Notes to the Basic Financial Statements.

CITY OF PERRYVILLE, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULES

March 31, 2024

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 21, 2023, a public hearing was held in connection with adoption of the proposed budget for 2024. The budget was amended on March 19, 2024.

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, 2024

	Special Revenue		Capital Projects				Debt Service Fund	Total Nonmajor Governmental Funds
	Transportation Fund	Veterans Memorial Field Fund	Capital Improvement Sales Tax Fund	Hwy 51/61 TIF Fund	2012 Downtown TIF Fund	Rand Ave Extension TIF Fund		
<u>ASSETS</u>								
<u>CURRENT ASSETS:</u>								
Cash and Cash Equivalents	\$ 303,095	\$ 20,336	\$ 1,668,835	\$ 458,325	\$ 169,398	\$ 635,060	\$ 229,604	\$ 3,484,653
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 303,095</b>	<b>\$ 20,336</b>	<b>\$ 1,668,835</b>	<b>\$ 458,325</b>	<b>\$ 169,398</b>	<b>\$ 635,060</b>	<b>\$ 229,604</b>	<b>\$ 3,484,653</b>
<u>LIABILITIES AND FUND BALANCE</u>								
<u>LIABILITIES:</u>								
Payroll Liabilities	\$ 4,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,026
<b>TOTAL LIABILITIES</b>	<b>\$ 4,026</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,026</b>
<u>FUND BALANCE:</u>								
Restricted	\$ -	\$ 20,336	\$ -	\$ -	\$ -	\$ -	\$ 229,604	\$ 249,940
Committed	299,069	-	1,668,835	-	-	-	-	1,967,904
Assigned	-	-	-	458,325	169,398	635,060	-	1,262,783
<b>TOTAL FUND BALANCE</b>	<b>\$ 299,069</b>	<b>\$ 20,336</b>	<b>\$ 1,668,835</b>	<b>\$ 458,325</b>	<b>\$ 169,398</b>	<b>\$ 635,060</b>	<b>\$ 229,604</b>	<b>\$ 3,480,627</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 303,095</b>	<b>\$ 20,336</b>	<b>\$ 1,668,835</b>	<b>\$ 458,325</b>	<b>\$ 169,398</b>	<b>\$ 635,060</b>	<b>\$ 229,604</b>	<b>\$ 3,484,653</b>

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, 2024

	Special Revenue		Capital Projects				Debt Service Fund	Total Nonmajor Governmental Funds
	Transportation Fund	Veterans Memorial Field Fund	Capital Improvement Sales Tax Fund	Hwy 51/61 TIF Fund	2012 Downtown TIF Fund	Rand Ave Extension TIF Fund		
<u>REVENUES:</u>								
Taxes	\$ 1,184,197	\$ -	\$ 886,265	\$ -	\$ 13,031	\$ 310,794	\$ 366,705	\$ 2,760,992
Charges for Services	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	104,062	-	-	-	104,062
Rental	-	-	-	-	-	-	-	-
Interest Income	31,627	898	78,611	16,873	5,810	14,819	8,703	157,341
Other	1,736	17,005	-	-	84,088	76,680	-	179,509
<b>TOTAL REVENUES</b>	<b>\$ 1,217,560</b>	<b>\$ 17,903</b>	<b>\$ 964,876</b>	<b>\$ 120,935</b>	<b>\$ 102,929</b>	<b>\$ 402,293</b>	<b>\$ 375,408</b>	<b>\$ 3,201,904</b>
<u>EXPENDITURES:</u>								
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,022	\$ 17,022
Public Works								
Sidewalks	22,880	-	-	-	-	-	-	22,880
Street Maintenance	823,512	-	-	-	114,862	337,817	16,319	1,292,510
Culture and Recreation	-	8,404	-	-	-	-	-	8,404
Debt Service								
Interest and Fees	-	-	-	-	2,580	-	-	2,580
<b>TOTAL EXPENDITURES</b>	<b>\$ 846,392</b>	<b>\$ 8,404</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 117,442</b>	<b>\$ 337,817</b>	<b>\$ 33,341</b>	<b>\$ 1,343,396</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 371,168</b>	<b>\$ 9,499</b>	<b>\$ 964,876</b>	<b>\$ 120,935</b>	<b>\$ (14,513)</b>	<b>\$ 64,476</b>	<b>\$ 342,067</b>	<b>\$ 1,858,508</b>
<u>OTHER FINANCING SOURCES (USES):</u>								
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	(661,861)	-	(528,591)	-	-	-	(294,521)	(1,484,973)
Sale of Capital Assets	6,800	-	-	-	-	-	-	6,800
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (655,061)</b>	<b>\$ -</b>	<b>\$ (528,591)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (294,521)</b>	<b>\$ (1,478,173)</b>
<b>TOTAL REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (283,893)</b>	<b>\$ 9,499</b>	<b>\$ 436,285</b>	<b>\$ 120,935</b>	<b>\$ (14,513)</b>	<b>\$ 64,476</b>	<b>\$ 47,546</b>	<b>\$ 380,335</b>
FUND BALANCE, April 1, 2023	582,962	10,837	1,232,550	337,390	183,911	570,584	182,058	3,100,292
FUND BALANCE, March 31, 2024	<u>\$ 299,069</u>	<u>\$ 20,336</u>	<u>\$ 1,668,835</u>	<u>\$ 458,325</u>	<u>\$ 169,398</u>	<u>\$ 635,060</u>	<u>\$ 229,604</u>	<u>\$ 3,480,627</u>

See Independent Auditors' Report.

FEDERAL COMPLIANCE SECTION

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

## *Certified Public Accountants*

DEBRA BEUSSINK EUDY, CPA  
JERRY W. ROE, CPA  
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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, 2024, 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 22, 2024

#### 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 no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## 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 22, 2024

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

## *Certified Public Accountants*

DEBRA BEUSSINK EUDY, CPA  
JERRY W. ROE, CPA  
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### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and City Council  
City of Perryville, Missouri

#### Report on Compliance for Each Major Federal Program

#### Opinion on Each Major Federal Program

We have audited the City of Perryville, Missouri's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Perryville, Missouri's major federal program for the year ended March 31, 2024. The City of Perryville, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Perryville, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2024.

#### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City of Perryville, Missouri's compliance with the compliance requirements referred to above.

## Responsibilities of Management for Compliance

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

## Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

## Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Perryville, Missouri's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The City of Perryville, Missouri's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

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

Cape Girardeau, Missouri  
August 22, 2024

## CITY OF PERRYVILLE, MISSOURI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended March 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Federal Pass-Through Grantors' Number	Provided to Subrecipients	Expenditures
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Bulletproof Vest Partnership Program	16.607	N/A	\$ -	\$ 156
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>\$ 156</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed-Through Missouri Department of Transportation Airport Improvement Grant (1)	20.106	20-063A-1	\$ -	\$ 73,458
		20-063A-2	-	3,617,853
		22-063A-1	-	264,410
			<u>\$ -</u>	<u>\$ 3,955,721</u>
Highway Planning and Construction	20.205	TAP-5000(009)	\$ -	\$ 336,335
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>\$ 4,292,056</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>				
Passed-Through Missouri Department of Social Services Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	6NU50CK000546-03	\$ -	\$ 57,782
Low-Income Home Energy Assistance	93.568	130979000	\$ -	\$ 21,516
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>\$ 79,298</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>				
Passed-Through Missouri Department of Public Safety State and Local Cybersecurity Grant Program	97.137	EMW-2022-CY-00031	\$ -	\$ 18,949
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>\$ 18,949</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 4,390,459</u>

(1) Denotes Major Program.

CITY OF PERRYVILLE, MISSOURI  
Perryville, Missouri

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended March 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the City of Perryville, Missouri under programs of the federal government for the year ended March 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The City of Perryville, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

C. Federal Assurances

The City of Perryville, Missouri did not have federal insurance in effect during the year or have federal loans or loan guarantees outstanding at year end which are required to be reported in accordance with the Uniform Guidance.

D. Indirect Cost Rate

The City of Perryville, Missouri only received reimbursements for direct costs incurred. Therefore, the schedule does not report any expenditures reimbursed using any indirect cost rate.

CITY OF PERRYVILLE, MISSOURI  
Perryville, Missouri

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended March 31, 2024

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of report the auditor issued on whether the financial statement audited were prepared in accordance with the modified cash basis of accounting: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ yes  X  no
- Significant deficiencies identified? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards

Internal control over major programs:

- Material weaknesses identified?  X  yes \_\_\_\_\_ no
- Significant deficiencies identified? \_\_\_\_\_ yes  X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes  X  no

Identification of major programs.

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
20.106	Airport Improvement Grant

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

Auditee qualified as low-risk auditee: \_\_\_\_ yes  X  no

2. FINANCIAL STATEMENT FINDINGS:

No findings were noted that are required to be reported.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

2024-001 Federal Policies and Procedures

Federal Program:	U.S. Department of Transportation passed through Missouri Department of Transportation: Airport Improvement Grant (20.106).
Criteria:	Uniform Guidance requires policies and procedures related to cash management, cost allowability, procurement, and conflict of interest provisions, along with appropriate financial management systems and internal controls over federal award to safeguard federal funds.
Condition:	The City did not have written policies and procedures over any of the components of grant management.
Cause:	The City was not aware of this requirement.
Effect:	There were no written policies in place to provide guidance on the administration of federal funds.
Questioned Costs:	None.
Context:	Total federal grants expended during the fiscal year ended March 31, 2024 was \$4,390,459.
Repeat Finding:	No.
Recommendation:	We recommend the City develop written policies and procedures related to cash management, cost allowability, procurement, and conflict of interest provisions for federal funds it receives.
Views of Responsible Officials:	We understand the audit finding. In light of this finding, the City will work with our accountants and attorney to develop the appropriate policies and procedures and present those to the Board of Aldermen for adoption.

CITY OF PERRYVILLE, MISSOURI  
Perryville, Missouri

SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended March 31, 2024

FINANCIAL STATEMENT FINDINGS

No findings were noted that were required to be reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal findings were noted that were required to be reported.



EXHIBIT 6

CORRECTIVE ACTION PLAN

For the Year Ended March 31, 2024

The City of Perryville, Missouri respectfully submits the following corrective action plan for each finding in the Schedule of Findings and Questioned Costs.

Finding: 2024-001 Federal Policies and Procedures

Name of  
Contact Person: Paula Terbrak, City Treasurer

Recommendation: We recommend the City develop written policies and procedures related to cash management, cost allowability, procurement, and conflict of interest provisions for federal funds it receives.

Corrective Action: We will adopt appropriate policies as soon as possible.

Proposed  
Completion Date: Immediately