

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

**CITY OF PERRYVILLE, MISSOURI**

**March 31, 2013**

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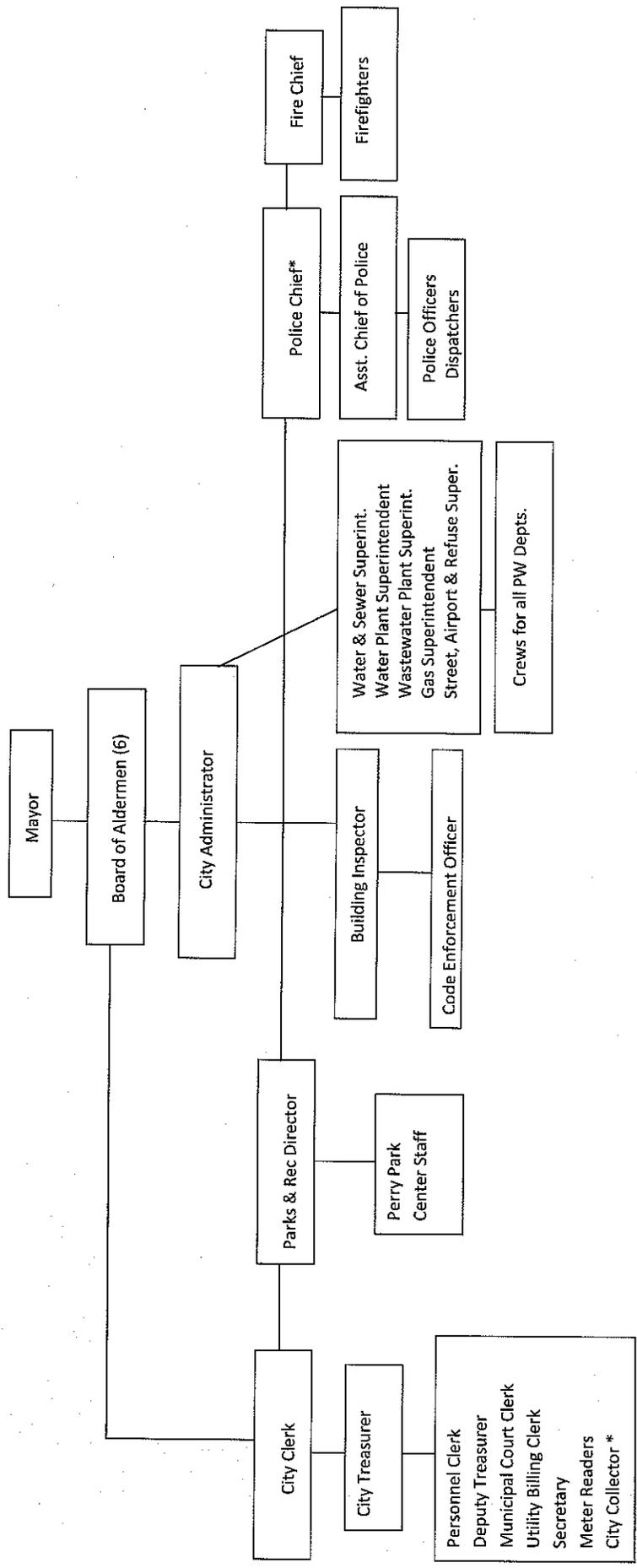
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**CITY OF PERRYVILLE, MISSOURI  
List of Principal Officials  
March 31, 2013**

<b>Mayor</b>	<b>Deborah M. Gahan</b>
<b>Aldermen Ward I</b>	<b>Tom Guth Larry E. Riney</b>
<b>Aldermen Ward II</b>	<b>Curt Buerck Doug Martin</b>
<b>Aldermen Ward III</b>	<b>Gary J. Schumer Prince Hudson</b>
<b>City Administrator</b>	<b>Brent Buerck</b>
<b>City Clerk</b>	<b>Tracy Prost</b>
<b>City Treasurer</b>	<b>Donna Stratman</b>
<b>City Collector</b>	<b>Lori Carroll</b>
<b>Interim Chief of Police</b>	<b>Direk Hunt</b>



# City of Perryville, Missouri

\* elected



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## Independent Auditor's Report

Honorable Mayor  
and Board of Aldermen  
City of Perryville, Missouri

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perryville, Missouri as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perryville, Missouri, as of March 31, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 16 and 47 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Perryville, Missouri's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2013, 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 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 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.

*Kerlin, Eck + Braeckel LLP*

Cape Girardeau, Missouri  
September 23, 2013

**City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

#### **FINANCIAL HIGHLIGHTS**

- The City of Perryville, Missouri's total net assets increased \$2,006,141 or 4.0%. Governmental activities net assets increased \$1,494,819 and business-type activities net assets increased \$511,322.
- The City's governmental activities net assets reported ending balance of \$25,734,920 an increase of \$1,494,819 from the prior year. Approximately 27.6 percent of this total amount, or \$7,090,250, is unrestricted and available for use within the City's designation and policies.
- The City's total debt decreased by \$1,515,321 (12.34%) during the current fiscal year.
- The City's property tax levy decreased slightly from 76.65 to 76 cents per \$100 assessed valuation.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

##### **Government-Wide Financial Statements**

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, sanitation, airport operations, culture and recreation, streets and improvements, and capital projects. The business-type activities of the City include water and sewer and gas operations. The government-wide financial statements can be found on pages 17 – 26 of this report.

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

**Fund Financial Statements**

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

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

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 - 46.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 47 - 54.

The combining statements are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 55 - 71 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

**City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

City of Perryville, Missouri's Net Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 9,061,353	\$ 7,872,689	\$ 9,227,832	\$ 9,164,887	\$ 18,289,185	\$ 17,037,576
Capital assets	<u>22,222,910</u>	<u>22,349,557</u>	<u>23,745,375</u>	<u>24,459,678</u>	<u>45,968,285</u>	<u>46,809,235</u>
Total assets	<u>31,284,263</u>	<u>30,222,246</u>	<u>32,973,207</u>	<u>33,624,565</u>	<u>64,257,470</u>	<u>63,846,811</u>
Long-term liabilities	4,423,643	4,960,685	4,703,831	6,015,000	9,127,474	10,975,685
Other liabilities	<u>1,125,700</u>	<u>1,021,460</u>	<u>1,814,681</u>	<u>1,666,192</u>	<u>2,940,381</u>	<u>2,687,652</u>
Total liabilities	<u>5,549,343</u>	<u>5,982,145</u>	<u>6,518,512</u>	<u>7,681,192</u>	<u>12,067,855</u>	<u>13,663,337</u>
Net assets:						
Invested in capital assets, net of related debt	17,171,571	16,827,897	18,030,375	17,699,678	35,201,946	34,527,575
Restricted	1,473,099	1,491,333	2,059,298	2,734,403	3,532,397	4,225,736
Unrestricted	<u>7,090,250</u>	<u>5,920,871</u>	<u>6,365,022</u>	<u>5,509,292</u>	<u>13,455,272</u>	<u>11,430,163</u>
Total net assets	<u>\$ 25,734,920</u>	<u>\$ 24,240,101</u>	<u>\$ 26,454,695</u>	<u>\$ 25,943,373</u>	<u>\$ 52,189,615</u>	<u>\$ 50,183,474</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial condition. The assets of the City of Perryville, Missouri exceeded liabilities by \$52,189,615 and \$50,183,474 as of March 31, 2013 and 2012, respectively.

The largest portion of the City's net assets (67.4%) reflects the City's investment in capital assets (e.g., land, buildings, machinery, equipment, gas, and water and sewer lines), less any related debt still outstanding that was issued to acquire or build those items. The City of Perryville, Missouri uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Perryville, Missouri's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City of Perryville, Missouri's net assets (6.8%) represents resources that are subject to restrictions on how they may be used. The largest portion of this is the cash restricted for the payment of debt service. The remaining balance of unrestricted net assets of \$13,455,272 may be used to meet the government's ongoing obligation to citizens and creditors.

**City of Perryville, Missouri**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

City of Perryville, Missouri's Changes in Net Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 636,058	\$ 1,289,481	\$ 8,737,366	\$ 8,531,584	\$ 9,373,424	\$ 9,821,065
Operating grants & contributions	134,394	213,419	66,101	77,937	200,495	291,356
Capital grants & contributions	737,819	1,727,148	-	-	737,819	1,727,148
<b>General revenues:</b>						
Property taxes	1,016,406	994,534	-	-	1,016,406	994,534
Sales tax	3,248,438	3,239,580	-	-	3,248,438	3,239,580
County business surtax	82,517	78,814	-	-	82,517	78,814
County road, intangible and railroad/utility taxes	109,234	104,489	-	-	109,234	104,489
Motor vehicle gas, license and sales taxes	293,816	292,581	-	-	293,816	292,581
Gross receipts tax	1,162,671	1,099,565	-	-	1,162,671	1,099,565
Investment revenue	99,873	81,505	84,436	95,759	184,309	177,264
FEMA storm damage	13,387	32,215	-	-	13,387	32,215
Miscellaneous	484,688	287,600	49,663	68,567	534,351	356,167
	<u>8,019,301</u>	<u>9,440,931</u>	<u>8,937,566</u>	<u>8,773,847</u>	<u>16,956,867</u>	<u>18,214,778</u>
<b>Expenses:</b>						
General government	1,450,971	767,742	-	-	1,450,971	767,742
Public safety	2,170,235	2,157,641	-	-	2,170,235	2,157,641
Airport operations	144,374	249,535	-	-	144,374	249,535
Culture and recreation	1,528,370	1,613,192	-	-	1,528,370	1,613,192
Streets and improvements	1,154,469	1,109,305	-	-	1,154,469	1,109,305
Sidewalks	7,516	-	-	-	7,516	-
Storm water	36,378	16,509	-	-	36,378	16,509
Capital projects	759,899	16,952	-	-	759,899	16,952
Interest on long-term debt	325,244	334,370	-	-	325,244	334,370
Sanitation	-	597,533	607,026	-	607,026	597,533
Water and sewer	-	-	2,520,505	2,610,701	2,520,505	2,610,701
Gas	-	-	4,245,739	4,803,973	4,245,739	4,803,973
Total expenses	<u>7,577,456</u>	<u>6,862,779</u>	<u>7,373,270</u>	<u>7,414,674</u>	<u>14,950,726</u>	<u>14,277,453</u>
Increase in net assets before transfers	441,845	2,578,152	1,564,296	1,359,173	2,006,141	3,937,325
Transfers	1,300,000	475,000	(1,300,000)	(475,000)	-	-
Increase in net assets	1,741,845	3,053,152	264,296	884,173	2,006,141	3,937,325
Net assets, April 1	24,240,101	21,186,949	25,943,373	25,059,200	50,183,474	46,246,149
Transfer of refuse assets from governmental to proprietary fund	(247,026)	-	247,026	-	-	-
Net assets, March 31	<u>\$ 25,734,920</u>	<u>\$ 24,240,101</u>	<u>\$ 26,454,695</u>	<u>\$ 25,943,373</u>	<u>\$ 52,189,615</u>	<u>\$ 50,183,474</u>

**City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

**Governmental Activities**

Net assets of governmental activities increased \$1,494,819 or 6.2%. Program revenues in the amount of \$1,508,271 were used to offset program expenses of \$7,577,456 resulting in a net program expense of \$6,069,185. General revenues in the amount of \$6,511,030 coupled with transfers in of \$1,300,000 funded the difference in those program expenses and resulted in a net increase of \$1,741,845. During 2013, \$247,026 of refuse assets were transferred from governmental funds to proprietary funds. Therefore, the total increase of net assets for governmental activities was \$1,494,819.

**Business-Type Activities**

Net assets of the business-type activities increased \$511,322 or 1.97%. Program revenues in the amount of \$8,803,467 were used to offset program expenses of \$7,373,270 resulting in net program revenue of \$1,430,197. General revenues in the amount of \$134,099 coupled with transfers out of \$1,300,000 resulted in a total net increase of \$264,296. During 2013, \$247,026 of refuse assets was transferred from governmental funds to proprietary funds.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

**Governmental Funds**

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

At the end of the current fiscal year, the City of Perryville, Missouri's governmental funds reported combined ending fund balances of \$8,454,201. Approximately 84% of this total amount, \$7,638,398, constitutes committed, assigned and unassigned fund balances. The remainder of the fund balance is nonspendable or restricted to indicate that it is not available for new spending because it has already been delegated 1) to pay for debt service - \$892,093, and 2) to pay for other activities \$463,710.

**Proprietary Funds**

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

Unrestricted net assets of the respective proprietary funds are Combined Waterworks and Sewerage System Fund - \$622,759, Gas Operation Fund - \$5,283,488, and Refuse Fund - \$183,055. Net assets of the funds changed as follows: Combined Waterworks and Sewerage System Fund - \$178,087, Gas Operation Fund - \$51,433, and Refuse Fund - \$34,776 from operations and \$281,802 when including the transfer of governmental fund equity and capital assets.

**General Fund Budgetary Highlights**

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

**City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

**CAPITAL ASSETS**

The City of Perryville, Missouri's investment in capital assets for its governmental and business-type activities as of March 31, 2013 totals \$45,968,285 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, pool and bathhouse, construction in progress, and infrastructure assets. The total decrease in the City's investment in capital assets for the current fiscal year was 1.8% (.5% decrease for governmental activities and 2.9% decrease in business-type activities).

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Land	\$ 2,418,560	\$ 2,425,060	\$ 210,750	\$ 171,750	\$ 2,629,310	\$ 2,596,810
Buildings	7,113,619	7,295,122	-	-	7,113,619	7,295,122
Improvements other than buildings	2,801,790	2,586,930	20,564,214	21,541,220	23,366,004	24,128,150
Machinery and equipment	1,049,841	1,254,263	2,970,411	2,746,708	4,020,252	4,000,971
Pool and bathhouse	196,743	177,421	-	-	196,743	177,421
Construction in progress	603,840	102,449	-	-	603,840	102,449
Infrastructure	8,038,517	8,508,312	-	-	8,038,517	8,508,312
<b>Total</b>	<b>\$ 22,222,910</b>	<b>\$ 22,349,557</b>	<b>\$ 23,745,375</b>	<b>\$ 24,459,678</b>	<b>\$ 45,968,285</b>	<b>\$ 46,809,235</b>

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

- PATH Grant Improvements
- Airport Improvements
- Capital Asset transfer from General Fund to Refuse Fund

Additional information on the City of Perryville, Missouri's capital assets can be found in note D on pages 32 - 34 of this report.

**DEBT ADMINISTRATION**

As of March 31, 2013, the City of Perryville, Missouri had total long-term debt outstanding of \$10,766,339. Of this amount, \$1,692,705 comprises bonded debt backed by the full faith and credit of the City, \$5,530,000 represents bonds secured solely by specified revenue sources (i.e. revenue bonds), and \$3,405,000 represents Certificates of Participation. The capital leases of \$138,634 relate to lease purchase agreements for a refuse vehicles and various automobiles.

The City of Perryville, Missouri's total debt decreased by \$1,515,321 during the past fiscal year.

**City of Perryville, Missouri  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

During the current year, the City issued \$2,335,000 Refunding Certificates of Participation 2012 which refinanced the City's outstanding 2005 and 2006 Certificates of Participation. Also during the current year, the City issued \$2,080,000 of Natural Gas System Refunding Revenue Bonds series 2012 which was used to refinance the City's Natural Gas Revenue Bonds outstanding. As a result of these new issues, the City anticipates a total debt service savings of \$173,548 on the Certificates of Participation and \$175,292 on the Natural Gas Revenue bonds that were refinanced.

Additional information regarding the City of Perryville, Missouri's long-term debt can be found in note F on pages 34 - 38 of this report.

City of Perryville, Missouri's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 1,692,705	\$ 1,922,705	\$ -	\$ -	\$ 1,692,705	\$ 1,922,705
Revenue bonds	2,150,000	2,410,000	3,380,000	4,235,000	5,530,000	6,645,000
Certificates of Participation	1,070,000	1,095,000	2,335,000	2,525,000	3,405,000	3,620,000
Capital leases	90,654	93,955	47,980	-	138,634	93,955
Total	<u>\$ 5,003,359</u>	<u>\$ 5,521,660</u>	<u>\$ 5,762,980</u>	<u>\$ 6,760,000</u>	<u>\$ 10,766,339</u>	<u>\$ 12,281,660</u>

**REQUEST FOR INFORMATION**

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

City of Perryville, Missouri  
STATEMENT OF NET ASSETS  
March 31, 2013

ASSETS	Governmental Activities	Business-type Activities	Total
Cash (notes A5 and B)	\$ 8,303,112	\$ 6,592,057	\$ 14,895,169
Receivables, net of allowances for doubtful accounts:			
Real estate and personal property taxes (notes A6 and C)	42,819	-	42,819
Sales and use tax	289,354	-	289,354
Intergovernmental	63,118	-	63,118
Accounts receivable	-	624,293	624,293
Due from other funds	250	38,745	38,995
Restricted cash and investments (notes A5 and B)	255,388	1,792,893	2,048,281
Other assets, bond issue discount	-	115,181	115,181
Capital assets			
Non depreciable	3,022,400	210,750	3,233,150
Depreciable, net	19,200,510	23,534,625	42,735,135
Prepaid expenses	107,312	64,663	171,975
<b>Total assets</b>	<b>31,284,263</b>	<b>32,973,207</b>	<b>64,257,470</b>
<b>LIABILITIES</b>			
Accounts payable	151,187	540,067	691,254
Payroll, sales tax and fringe benefits	237,732	171,488	409,220
Due to other funds	-	38,995	38,995
Bond issue premium	-	19,551	19,551
Payables from restricted assets			
Current portion of bonds payable (note F)	505,000	505,000	1,010,000
Current portion of COP payable (note F)	30,000	250,000	280,000
Accrued interest	66,266	42,726	108,992
Customer deposits	-	266,405	266,405
Deferred revenue - real estate and personal property taxes	42,819	-	42,819
Current maturities of lease purchases payable (note F)	92,696	-	92,696
Revenue bonds payable, net of deferred amount on refunding, less current maturities (note F)	1,885,000	2,875,000	4,760,000
General obligation bonds payable (note F)	1,452,705	-	1,452,705
Certificates of Participation (note F)	1,040,000	2,085,000	3,125,000
Deferred amount on refunding	-	(275,720)	(275,720)
Lease obligation payable (note F)	45,938	-	45,938
<b>Total liabilities</b>	<b>5,549,343</b>	<b>6,518,512</b>	<b>12,067,855</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	17,171,571	18,030,375	35,201,946
Restricted for:			
Debt service	1,009,389	1,792,893	2,802,282
Other	463,710	266,405	730,115
Unrestricted	7,090,250	6,365,022	13,455,272
<b>Total net assets</b>	<b>\$ 25,734,920</b>	<b>\$ 26,454,695</b>	<b>\$ 52,189,615</b>

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

City of Perryville, Missouri  
**STATEMENT OF ACTIVITIES**  
Year ended March 31, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 1,450,971	\$ 116,853	\$ -	\$ -	(1,334,118)	\$ -	(1,334,118)
Public safety	2,170,235	84,028	14,141	-	(2,072,066)	-	(2,072,066)
Airport operation	144,374	-	-	478,926	334,552	-	334,552
Culture and recreation	1,528,370	435,177	-	17,232	(1,075,961)	-	(1,075,961)
Streets and improvements	1,154,469	-	-	-	(1,154,469)	-	(1,154,469)
Sidewalks	7,516	-	-	-	(7,516)	-	(7,516)
Storm water	36,378	-	-	-	(36,378)	-	(36,378)
Capital projects	759,899	-	-	241,661	(518,238)	-	(518,238)
Interest on long-term debt	325,244	-	120,253	-	(204,991)	-	(204,991)
<b>Total governmental activities</b>	<b>7,577,456</b>	<b>636,058</b>	<b>134,394</b>	<b>737,819</b>	<b>(6,069,185)</b>	<b>-</b>	<b>(6,069,185)</b>
<b>Business-type activities:</b>							
Water and sewer	2,520,505	2,443,375	66,101	-	-	(11,029)	(11,029)
Gas	4,245,739	5,619,320	-	-	-	1,373,581	1,373,581
Refuse	607,026	674,671	-	-	-	67,645	67,645
<b>Total business-type activities</b>	<b>\$ 7,373,270</b>	<b>\$ 8,737,366</b>	<b>\$ 66,101</b>	<b>\$ -</b>	<b>-</b>	<b>1,430,197</b>	<b>1,430,197</b>
<b>General revenues</b>							
Property taxes					1,016,406	-	1,016,406
Sales tax					3,248,438	-	3,248,438
County business surtax					82,517	-	82,517
County road tax, intangible tax, railroad/utility tax					109,234	-	109,234
Motor vehicle gas, license and sales taxes					293,816	-	293,816
Gross receipts tax					1,162,671	-	1,162,671
Investment revenue					99,873	84,436	184,309
FEMA storm damage					13,387	-	13,387
Miscellaneous					484,688	49,663	534,351
Transfers					1,300,000	(1,300,000)	-
					<u>7,811,030</u>	<u>(1,165,901)</u>	<u>6,645,129</u>
<b>Change in net assets</b>					<b>1,741,845</b>	<b>264,296</b>	<b>2,006,141</b>
<b>Net assets beginning of year</b>					<b>24,240,101</b>	<b>25,943,373</b>	<b>50,183,474</b>
<b>Transfer of refuse assets from governmental fund to proprietary fund</b>					<b>(247,026)</b>	<b>247,026</b>	<b>-</b>
<b>Net assets end of year</b>					<b>\$ 25,734,920</b>	<b>\$ 26,454,695</b>	<b>\$ 52,189,615</b>

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

City of Perryville, Missouri  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
March 31, 2013

	Major Funds					Total Governmental Funds
	General	Perry Park Center	Capital Improvement	Debt Service	Non-Major Funds	
<b>ASSETS</b>						
Cash (notes A5 and B)	\$ 1,221,093	\$ 81,898	\$ 2,611,759	\$ 922,139	\$ 3,466,223	\$ 8,303,112
Receivables, net of allowances for doubtful accounts:						
Real estate and personal property taxes (notes A6 and C)	21,374	9,478	-	11,967	-	42,819
Sales and use tax	140,322	26,250	52,621	-	70,161	289,354
Intergovernmental	-	-	-	-	63,118	63,118
Due from other funds	250	-	-	-	-	250
Restricted cash and investments (notes A5 and B)	138,092	-	-	-	-	138,092
Prepaid expenses	66,957	21,406	-	-	18,949	107,312
	<u>\$ 1,588,088</u>	<u>\$ 139,032</u>	<u>\$ 2,664,380</u>	<u>\$ 934,106</u>	<u>\$ 3,618,451</u>	<u>\$ 8,944,057</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 71,960	\$ 14,508	\$ -	\$ -	\$ 64,719	\$ 151,187
Payroll, sales tax and fringe benefits	177,084	34,240	-	-	26,408	237,732
Payables from restricted assets	-	-	-	-	-	-
Accrued interest	-	-	28,072	30,046	-	58,118
Deferred revenue - real estate and personal property taxes	21,374	9,478	-	11,967	-	42,819
	<u>270,418</u>	<u>58,226</u>	<u>28,072</u>	<u>42,013</u>	<u>91,127</u>	<u>489,856</u>
<b>FUND BALANCES</b>						
Nonspendable	76,986	21,406	-	-	18,949	117,341
Restricted	137,690	-	-	892,093	208,679	1,238,462
Committed	(9,626)	-	2,636,308	-	2,240,952	4,867,634
Assigned	-	-	-	-	1,058,744	1,058,744
Unassigned	1,112,620	59,400	-	-	-	1,172,020
	<u>1,317,670</u>	<u>80,806</u>	<u>2,636,308</u>	<u>892,093</u>	<u>3,527,324</u>	<u>8,454,201</u>
	<u>\$ 1,568,088</u>	<u>\$ 139,032</u>	<u>\$ 2,664,380</u>	<u>\$ 934,106</u>	<u>\$ 3,618,451</u>	<u>\$ 8,944,057</u>

City of Perryville, Missouri  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS**  
 March 31, 2013

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance - total governmental funds	\$	8,454,201
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.

Governmental capital assets	\$	40,958,806	
Less accumulated depreciation		18,735,896	22,222,910

Accrued interest on Certificates of Participation		8,148
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Long-term liabilities, including capital lease obligations, revenue bonds payable and general obligation bonds payable and certificates of participation are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds.

Capital lease obligations payable	\$	138,634	
Revenue bonds payable		2,150,000	
Certificates of participation (net of cash in reserve fund)		952,704	
General obligation bonds payable		1,692,705	4,934,043

Net assets of governmental activities	\$	25,734,920
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The notes to the financial statements are an integral part of this statement.

City of Perryville, Missouri  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year ended March 31, 2013

	Major Funds					Total Governmental Funds
	General	Perry Park Center	Capital Improvement	Debt Service	Nonmajor Funds	
<b>Revenues</b>						
Taxes and special assessments	\$ 3,290,999	\$ 487,875	\$ 594,882	\$ 276,477	\$ 797,003	\$ 5,457,236
License and permits	52,925	-	-	-	-	52,925
Charges for services	63,267	434,640	-	660	-	498,567
Intergovernmental	174,038	18,458	63,370	56,883	1,028,697	1,341,446
Fines	84,028	-	-	-	-	84,028
Interest	23,787	368	29,692	7,757	38,269	99,873
Miscellaneous	39,072	35,409	-	-	298,814	373,295
Rental	2,760	66,969	-	-	42,202	111,931
	<u>3,730,876</u>	<u>1,053,719</u>	<u>687,944</u>	<u>341,777</u>	<u>2,204,985</u>	<u>8,019,301</u>
<b>Expenditures</b>						
General government	1,399,778	-	-	-	-	1,399,778
Public safety	2,199,083	-	-	-	-	2,199,083
Sanitation	-	-	-	-	-	-
Culture and recreation	-	1,558,247	-	-	101,780	1,660,027
Airport maintenance	-	-	-	-	36,414	36,414
Airport improvements	-	-	-	-	586,623	586,623
Streets and street improvements	-	-	-	-	642,979	642,979
Storm water	-	-	-	-	36,378	36,378
Sidewalks	-	-	-	-	7,516	7,516
Debt service:						
Principal	25,000	-	260,000	230,000	-	515,000
Interest	49,404	-	128,927	120,266	-	298,597
Bond handling costs	1,500	-	8,765	8,235	-	18,500
Capital projects	4,495	-	-	2,135	665,374	672,004
	<u>3,679,260</u>	<u>1,558,247</u>	<u>397,692</u>	<u>360,636</u>	<u>2,077,064</u>	<u>8,072,899</u>
Excess (deficiency) of revenues over expenditures	51,616	(504,528)	290,252	(18,859)	127,921	(53,598)
<b>Other financing sources (uses)</b>						
Operating transfers in	1,718,015	645,000	-	-	1,567,826	3,930,841
Operating transfers out	(1,009,075)	(50,000)	(325,000)	-	(1,246,766)	(2,630,841)
	<u>708,940</u>	<u>595,000</u>	<u>(325,000)</u>	<u>-</u>	<u>321,060</u>	<u>1,300,000</u>
Net change in fund balance	760,556	90,472	(34,748)	(18,859)	448,981	1,246,402
Fund balance beginning of year	644,114	(9,666)	2,671,056	910,952	3,078,343	7,294,799
Transfer of refuse assets to proprietary fund type	(87,000)	-	-	-	-	(87,000)
Fund balance end of year	\$ 1,317,670	\$ 80,806	\$ 2,636,308	\$ 892,093	\$ 3,527,324	\$ 8,454,201

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

**City of Perryville, Missouri**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**Year ended March 31, 2013**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 1,246,402
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation	1,183,643
Capital assets disposed of are recognized in the statement of activities	(1,241)
Depreciation expense is recognized as an expense in the statement of net assets	(1,215,250)
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds	515,000
Accrued interest on certificates of participation recognized as expense in statement of activities	(8,148)
Repayment of the principal portion of lease purchase obligations	47,194
Other	(25,755)
	\$ <u>1,741,845</u>

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

City of Perryville, Missouri  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
March 31, 2013

ASSETS	Major Enterprise Funds			Total Enterprise Funds
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	
<b>Current assets</b>				
Cash and investments	\$ 762,790	\$ 5,701,474	\$ 127,793	\$ 6,592,057
Accounts receivable, net of allowance for doubtful accounts	175,872	393,632	54,789	624,293
Due from other funds	-	38,745	-	38,745
Prepaid expenses	26,853	14,534	23,276	64,663
	<u>965,515</u>	<u>6,148,385</u>	<u>205,858</u>	<u>7,319,758</u>
Restricted cash and investments	1,274,730	518,163	-	1,792,893
<b>Property, plant and equipment</b>				
Plant and system improvements	29,637,668	9,804,303	-	39,441,971
Machinery and equipment	1,283,775	693,455	663,069	2,640,299
	<u>30,921,443</u>	<u>10,497,758</u>	<u>663,069</u>	<u>42,082,270</u>
Less accumulated depreciation	14,542,112	3,434,211	571,322	18,547,645
	<u>16,379,331</u>	<u>7,063,547</u>	<u>91,747</u>	<u>23,534,625</u>
Land	138,750	65,000	7,000	210,750
	<u>16,518,081</u>	<u>7,128,547</u>	<u>98,747</u>	<u>23,745,375</u>
Bond issue discount	42,000	73,181	-	115,181
<b>Total assets</b>	<u>18,800,326</u>	<u>13,868,276</u>	<u>304,605</u>	<u>32,973,207</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	23,615	512,591	3,861	540,067
Accrued liabilities	85,444	67,102	18,942	171,488
Due to other funds	38,995	-	-	38,995
Bond issue premium	-	19,551	-	19,551
Payables from restricted assets				
Current portion of revenue bonds payable	315,000	190,000	-	505,000
Current portion of certificates of participation	135,000	115,000	-	250,000
Accrued interest	25,458	17,268	-	42,726
Customer deposits	105,622	160,783	-	266,405
	<u>729,134</u>	<u>1,082,295</u>	<u>22,803</u>	<u>1,834,232</u>
Revenue bonds payable	985,000	1,890,000	-	2,875,000
Certificates of participation payable	1,125,900	959,100	-	2,085,000
Deferred amount on refunding	(193,621)	(82,099)	-	(275,720)
	<u>1,917,279</u>	<u>2,767,001</u>	<u>-</u>	<u>4,684,280</u>
<b>Total liabilities</b>	<u>2,646,413</u>	<u>3,849,296</u>	<u>22,803</u>	<u>6,518,512</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	14,150,802	4,056,546	98,747	18,306,095
Restricted for:				
Debt service	1,274,730	518,163	-	1,792,893
Other	105,622	160,783	-	266,405
Unrestricted	622,759	5,283,488	183,055	6,089,302
<b>Total net assets</b>	<u>\$ 16,153,913</u>	<u>\$ 10,018,980</u>	<u>\$ 281,802</u>	<u>\$ 26,454,695</u>

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

City of Perryville, Missouri  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
Year ended March 31, 2013

	Major Enterprise Funds			Total Enterprise Funds
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	
<b>Operating revenues</b>				
Charges for services	\$ 2,443,375	\$ 5,619,320	\$ 674,671	\$ 8,737,366
<b>Operating expenses</b>				
General operating expense	1,476,414	3,896,517	550,969	5,923,900
Depreciation and amortization	903,901	234,137	56,057	1,194,095
	<u>2,380,315</u>	<u>4,130,654</u>	<u>607,026</u>	<u>7,117,995</u>
Operating earnings (loss)	63,060	1,488,666	67,645	1,619,371
<b>Nonoperating income (expense)</b>				
Interest income	17,584	65,578	1,274	84,436
Intergovernmental income	66,101	-	-	66,101
Miscellaneous income	30,532	18,274	857	49,663
Interest expense	(140,190)	(115,085)	-	(255,275)
	<u>(25,973)</u>	<u>(31,233)</u>	<u>2,131</u>	<u>(55,075)</u>
Earnings (loss) before operating transfers	37,087	1,457,433	69,776	1,564,296
<b>Other financing sources (uses)</b>				
Operating transfers in	325,000	-	-	325,000
Operating transfers out	(184,000)	(1,406,000)	(35,000)	(1,625,000)
	<u>141,000</u>	<u>(1,406,000)</u>	<u>(35,000)</u>	<u>(1,300,000)</u>
<b>CHANGE IN NET ASSETS</b>	178,087	51,433	34,776	264,296
Net assets at beginning of year	<u>15,975,826</u>	<u>9,967,547</u>	<u>-</u>	<u>25,943,373</u>
Reclassification from government fund to proprietary fund	-	-	87,000	87,000
Net fixed assets transferred from governmental funds	-	-	160,026	160,026
Net assets at end of year	<u>\$ 16,153,913</u>	<u>\$ 10,018,980</u>	<u>\$ 281,802</u>	<u>\$ 26,454,695</u>

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

City of Perryville, Missouri  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year ended March 31, 2013

	<u>Major Enterprise Funds</u>			Total Enterprise Funds
	<u>Combined Waterworks and Sewerage System Fund</u>	<u>Gas Operation Fund</u>	<u>Refuse Fund</u>	
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 2,448,832	\$ 5,582,020	\$ 673,331	\$ 8,704,183
Cash received from other sources	29,691	20,407	6,740	56,838
Cash payments to suppliers	(758,660)	(3,197,324)	(200,202)	(4,156,186)
Cash payments to employees	(705,613)	(556,087)	(307,943)	(1,569,643)
Cash payments for other expenses	(6,892)	(1,752)	(50,081)	(58,725)
	<u>1,007,358</u>	<u>1,847,264</u>	<u>121,845</u>	<u>2,976,467</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers in	325,000	-	-	325,000
Transfers out	(184,000)	(1,406,000)	(35,000)	(1,625,000)
Transfer from general fund of refuse cash	-	-	39,674	39,674
Operating grants	66,101	-	-	66,101
	<u>207,101</u>	<u>(1,406,000)</u>	<u>4,674</u>	<u>(1,194,225)</u>
<b>Cash flows from capital and related financing activities</b>				
Debt service - interest payments	(140,190)	(112,201)	-	(252,391)
Debt service - principal payments	(305,000)	(118,027)	-	(423,027)
Payments on defeased bonds/certificates	(1,213,750)	(3,941,250)	-	(5,155,000)
Proceeds - issuance of refunding bonds/certificates	1,067,279	3,154,100	-	4,221,379
Acquisition and construction of capital assets	(161,129)	(145,409)	-	(306,538)
	<u>(752,790)</u>	<u>(1,162,787)</u>	<u>-</u>	<u>(1,915,577)</u>
<b>Cash flows from investing activities</b>				
Interest received	17,584	65,578	1,274	84,436
	<u>17,584</u>	<u>65,578</u>	<u>1,274</u>	<u>84,436</u>
<b>Net increase in cash and cash equivalents</b>	479,253	(655,945)	127,793	(48,899)
<b>Cash and cash equivalents at beginning of year</b>	<u>1,558,267</u>	<u>6,875,582</u>	<u>-</u>	<u>8,433,849</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 2,037,520</u>	<u>\$ 6,219,637</u>	<u>\$ 127,793</u>	<u>\$ 8,384,950</u>

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

City of Perryville, Missouri  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS - CONTINUED**  
Year ended March 31, 2013

	<u>Major Enterprise Funds</u>			
	<u>Combined Waterworks and Sewerage System Fund</u>	<u>Gas Operation Fund</u>	<u>Refuse Fund</u>	<u>Total Enterprise Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used) by operating activities</b>				
Operating income (loss)	\$ 93,592	\$ 1,506,940	\$ 68,502	\$ 1,669,034
Depreciation and amortization	903,901	234,137	56,057	1,194,095
Changes in assets and liabilities				-
(Increase) Decrease in accounts receivable	5,096	(36,338)	1,340	(29,902)
(Increase) Decrease in prepaid expenses	(66)	(441)	6,079	5,572
(Increase) Decrease in bond issue discount	4,610	5,312	-	9,922
Increase (Decrease) in accounts payable	8,840	144,132	(13,607)	139,365
Increase (Decrease) in accrued liabilities	6,410	791	3,474	10,675
Increase (Decrease) in customer deposits	(561)	1,900	-	1,339
Increase (Decrease) in bond issue premium	-	22,193	-	22,193
Increase (Decrease) in restricted payables	(14,464)	(31,362)	-	(45,826)
	<u>\$ 1,007,358</u>	<u>\$ 1,847,264</u>	<u>\$ 121,845</u>	<u>\$ 2,976,467</u>

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

City of Perryville, Missouri  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2013

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Perryville, Missouri, was incorporated in 1856 under provisions of the State of Missouri.

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

The City's financial statements are prepared in accordance with generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements, as presented on the basis set forth in Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

**1. Reporting Entity**

The financial statements present the City of Perryville, Missouri (the primary government). The City has determined, as defined by GASB Statement 14, that it has no component units which are required to be presented in this report.

**2. Government-Wide and Fund Financial Accounting**

**Government-wide statements** - The statement of net assets and the statement of activities report information on all of the non-fiduciary activities of the City. The effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements** – The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of each fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

City of Perryville, Missouri  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
March 31, 2013

**NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued**

**3. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one – year availability period is used for revenue recognition for governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long – term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Property tax, sales tax, gasoline tax, motor vehicle tax, interest and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

**General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.**

**Perry Park Center Fund – The Perry Park Center Fund, a special revenue fund, is used to account for all of the revenues and expenditures related to the operation of the Perry Park Center.**

**Capital Improvement Sales Tax Fund – The Capital Improvement Sales Tax Fund, a special revenue fund, accounts for the City enacted sales tax and expenditures for principal and interest of the Capital Improvement Sales Tax Bonds.**

**Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long – term debt principal, interest and related costs.**

The City reports the following major proprietary funds:

**Combined Waterworks and Sewer System (CWSS) – The CWSS fund accounts for the billing and collection of charges for water and sewer service for City residents. Revenues are used to pay for both the operating expenses and capital expenditures to maintain these services.**

City of Perryville, Missouri  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
March 31, 2013

**NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued**

**3. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued**

**Gas Fund** – The Gas Fund accounts for the billing and collection of charges for gas service for City residents. Revenues are used to pay for both the operating expenses and capital expenditures to maintain these services.

**Refuse Fund** - The 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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Additionally, the City reports the following fund types:

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Capital Project Funds** – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

As permitted by accounting principles generally accepted in the United States of America, the City has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989, that do not contradict GASB pronouncements in its accounting and reporting practices for its general government and proprietary operations.

**4. Advance to Other Funds**

Current portions of long – term interfund loans receivable (reported in “Due from” asset accounts) are considered “available spendable resources”.

**5. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**6. 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 levied September 1, become delinquent January 1, of the following year. An allowance is established for delinquent taxes to the extent that their collectability is improbable.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end.

City of Perryville, Missouri  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
March 31, 2013

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

7. Accumulated Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation leave, which will be paid to employees upon separation from the City's service. In the governmental funds, a liability of \$156,809 of accrued vacation leave at March 31, 2013, has been recorded. Proprietary funds accrue vacation leave in the period they are earned. For 2013, \$73,943 has been accrued for vacation leave in the enterprise funds.

8. Amortization of Bond Expense

The cost of issuance of bonds is being amortized, on the straight – line method, over the life of the bonds.

9. Inventories

The City uses the consumption method to account for inventories for all funds. Under this method, the costs of inventories are expensed as supplies are used.

10. Capital Assets

Capital assets which include property, plant equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated.

In accordance with GASB Statement 34, general government infrastructure assets (streets, sidewalks, bridges) have been reported in the accompanying financial statements.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

11. Net Assets

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to acquisition, construction, or improvements of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

City of Perryville, Missouri  
NOTES TO FINANCIAL STATEMENTS – CONTINUED  
March 31, 2013

**NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued**

**Unrestricted** – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**12. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**13. Post – Employment Health Care Benefits**

**COBRA Benefits**

Under the Consolidated 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.

**14. Subsequent Events**

The City has evaluated subsequent events through September 23, 2013, the date the financial statements were available to be issued.

**NOTE B – DEPOSITS AND INVESTMENTS**

At March 31, 2013, the carrying amount of the City’s deposits was \$17,825,975. 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, 2013 are not exposed to custodial credit risk.

**NOTE C – PROPERTY TAXES**

Property taxes attach as an enforceable lien on property. Taxes were levied August 21, 2012, for collection during this year. The tax rates assessed at the time were as follows:

City Revenue	\$ .4000/100.00 assessed valuation
Park Maintenance	\$ .1700/100.00 assessed valuation
Debt Service	\$ .1900/100.00 assessed valuation

Real estate and personal property taxes outstanding at March 31, 2013, totaled \$42,819. The City recognizes this amount as deferred revenue.

**City of Perryville, Missouri**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**March 31, 2013**

**NOTE D – CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2013 was as follows:

Governmental activities:	Balance March 31, 2012	Additions	Deletions	Balance March 31, 2013
<b>Capital assets not being depreciated</b>				
Land	\$ 2,425,060	\$ 500	\$ 7,000	\$ 2,418,560
Construction in progress	102,449	603,840	102,449	603,840
	<u>2,527,509</u>	<u>604,340</u>	<u>109,449</u>	<u>3,022,400</u>
<b>Capital assets being depreciated</b>				
Buildings	9,225,115	43,346	-	9,268,461
Improvements other than buildings	22,471,845	387,161	-	22,859,006
Machinery and equipment	5,459,226	245,705	761,159	4,943,772
Pool and bathhouse	829,126	36,041	-	865,167
	<u>37,985,312</u>	<u>712,253</u>	<u>761,159</u>	<u>37,936,406</u>
<b>Less accumulated depreciation for</b>				
Buildings	1,929,994	224,849	-	2,154,843
Improvements other than buildings	11,190,318	593,348	-	11,783,666
Machinery and equipment	4,391,247	380,334	642,618	4,128,963
Pool and bathhouse	651,705	16,719	-	668,424
	<u>18,163,264</u>	<u>1,215,250</u>	<u>642,618</u>	<u>18,735,896</u>
<b>Capital assets being depreciated, net</b>	<u>19,822,048</u>	<u>(502,997)</u>	<u>118,541</u>	<u>19,200,510</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 22,349,557</u>	<u>\$ 101,343</u>	<u>\$ 227,990</u>	<u>\$ 22,222,910</u>

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
 March 31, 2013

**NOTE D – CAPITAL ASSETS – Continued**

	<u>Balance March 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2013</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 171,750	\$ 39,000	\$ -	\$ 210,750
Construction in progress	-	-	-	-
	<u>171,750</u>	<u>39,000</u>	<u>-</u>	<u>210,750</u>
<b>Capital assets being depreciated</b>				
Buildings and improvements other than buildings	36,878,671	19,075	-	36,897,746
Machinery and equipment	4,295,172	991,281	101,929	5,184,524
	<u>41,173,843</u>	<u>1,010,356</u>	<u>101,929</u>	<u>42,082,270</u>
<b>Less accumulated depreciation for</b>				
Buildings and improvements other than buildings	15,337,452	996,081	-	16,333,533
Machinery and equipment	1,548,463	750,065	84,416	2,214,112
	<u>16,885,915</u>	<u>1,746,146</u>	<u>84,416</u>	<u>18,547,645</u>
<b>Capital assets being depreciated, net</b>	<u>24,287,928</u>	<u>(735,790)</u>	<u>17,513</u>	<u>23,534,625</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 24,459,678</u>	<u>\$ (696,790)</u>	<u>\$ 17,513</u>	<u>\$ 23,745,375</u>

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

**Governmental activities:**

General government	\$ 111,803
Public safety	128,817
Airport	122,497
Culture and recreation	144,736
Streets and improvements	579,310
Capital projects	128,087
	<u>\$ 1,215,250</u>

**Business-type activities:**

**Major funds:**

Combined Waterworks and Sewerage System Fund	\$ 895,340
Gas Operation Fund	224,248
Refuse Fund	56,057
	<u>\$ 1,175,645</u>

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
 March 31, 2013

**NOTE D – CAPITAL ASSETS – Continued**

The City complied with the recording requirements for infrastructure assets as required by GASB 34. The foregoing note includes amounts for infrastructure asset cost and accumulated depreciation.

**NOTE E – EXCESS OF EXPENDITURES OVER REVENUES IN INDIVIDUAL FUNDS**

Following is a summary of individual funds where the expenditures exceed revenues:

	<u>Expenditures</u>	<u>Revenues</u>	<u>Difference</u>
<b>Major Governmental Funds</b>			
Debt Sevice Fund	360,636	341,777	18,859
Perry Park Center	1,558,247	1,053,719	504,528
<b>Nonmajor Governmental Funds</b>			
<b>Special Revenue Fund -</b>			
Veterans Memorial Field Fund	101,664	33,527	68,137
<b>Capital Project Fund -</b>			
General Public Facilities Fund	432,140	225,011	207,129
2012 Downtown TIF Fund	13,889	-	13,889
Rand Ave Extension TIF Fund	97,788	11,693	86,095
2010 Hwy 51/61 TIF Fund	119,561	103,688	15,873

**NOTE F – LONG –TERM OBLIGATIONS**

Following is a summary of bonds and notes payable transactions of the City for the year ended March 31, 2013:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Capital Leases</u>	<u>Certificates of Participation</u>	<u>Total</u>
Balance at April 1, 2012	\$ 1,922,705	\$ 6,645,000	\$ 93,955	\$ 3,620,000	\$ 12,281,660
Long - term obligations added	-	2,080,000	137,848	2,335,000	4,552,848
Long - term obligations retired	230,000	3,195,000	93,169	2,550,000	6,068,169
<b>Balance at March 31, 2013</b>	<b>\$ 1,692,705</b>	<b>\$ 5,530,000</b>	<b>\$ 138,634</b>	<b>\$ 3,405,000</b>	<b>\$ 10,766,339</b>

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
 March 31, 2013

**NOTE F – LONG –TERM OBLIGATIONS – Continued**

Long – term obligations at March 31, 2013, are comprised of the following individual issues:

	Total	Current Maturities
<b>Revenue Bonds:</b>		
\$5,000,000 Combined Waterworks and Sewerage System Refunding and Improvement Bonds due in annual installments of \$315,000 to \$335,000 through July 1, 2016; interest at 5.625 percent	\$ 1,300,000	\$ 315,000
\$4,750,000 Capital Improvement Sales Tax Revenue Bonds due in annual installments of \$265,000 to \$350,000 through July 1, 2019; interest at 5.30 to 5.75 percent	2,150,000	265,000
\$2,080,000 Natural Gas System Refunding Revenue Bonds due in annual installments of \$190,000 to \$335,000 through July 1, 2019; interest at 2.125 to 2.25 percent	2,080,000	190,000
<b>Certificates of Participation</b>		
\$1,170,000 Certificate of Participation, consist of term coupons due in semi-annual installments of \$30,000 to \$235,000 through February 1, 2027; interest at 4.20 to 4.65 percent	1,070,000	30,000
\$2,335,000 Certificate of Participation, consist of term coupons due in semi-annual installments of \$190,000 to \$435,000 through July 1, 2020; interest at 2.125 to 2.65 percent	2,335,000	250,000
<b>General Obligation Bonds:</b>		
\$4,110,000 General Obligation Improvement and Refunding Bonds due in annual installments of \$240,000 to \$340,000 through July 1, 2019; interest at 5.40 to 5.75 percent, net of partial defeasance of \$312,295	1,692,705	240,000
	\$ 10,627,705	\$ 1,290,000
Less current maturities	1,290,000	
	\$ 9,337,705	

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
 March 31, 2013

**NOTE F – LONG –TERM OBLIGATIONS – Continued**

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

	Total	Current Maturities
<b>Governmental activities:</b>		
\$4,750,000 Capital Improvement Sales Tax Revenue Bonds	\$ 2,150,000	\$ 265,000
\$4,110,000 General Obligation Improvement and Refunding Bonds	1,692,705	240,000
\$1,170,000 Certificates of Participation - Police Station	1,070,000	30,000
Capital lease obligations	138,634	92,696
	\$ 5,051,339	\$ 627,696
 <b>Business-type activities:</b>		
\$5,000,000 Combined Waterworks and Sewerage System Refunding and Improvement Bonds	\$ 1,300,000	\$ 315,000
\$2,080,000 Natural Gas System Refunding Revenue Bonds	2,080,000	190,000
\$2,335,000 Certificate of Participation - both Natural Gas and Combined Waterworks and Sewerage System	2,335,000	250,000
	\$ 5,715,000	\$ 755,000

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

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

During the year ended March 31, 2007, the City issued \$1,170,000 in Certificates of Participation Series 2007, to fund the construction of a new police station.

The \$5,000,000 Combined Waterworks and Sewerage System Revenue Bonds issued in 1995 were issued to fund the City's Wastewater Treatment Plant improvements. The City is participating with the State of Missouri in the State Revolving Fund Program. Under this program, the proceeds from the City's bond issue are placed in a trustee financial institution. The bonds are being repaid through user charges.

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
 March 31, 2013

**NOTE F – LONG-TERM OBLIGATIONS – Continued**

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

During the year ended March 31, 2001, the City issued \$4,110,000 in General Obligation Improvement and Refunding Bonds to fund the improvement and extension of the City’s water system, including but not limited to the construction of a new water treatment facility and the acquisition of land. The City is participating with the State of Missouri in the State Revolving Fund Program. The bonds will be repaid through an annual levy on real and tangible property in the City.

At March 31, 2013, the State had contributed \$1,389,172 to the debt service reserve account for the Capital Improvement Sales Tax Revenue Bonds and the General Obligation Improvement Bonds.

During the year ended March 31, 2005, the City partially defeased the 2000 General Obligation Bonds issued through the State Revolving Fund. The City placed \$312,295 in an irrevocable escrow account to be invested in securities of the U.S Government and its agencies. The maturity of this investment coincides with a future maturity date of the bonds. The City completed the advance refunding to reduce its total debt service payments in future years.

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

Year Ending March 31,		
2014	\$	1,382,696
2015		1,500,939
2016		1,455,000
2017		1,495,000
2018		1,365,000
2019 and later		3,567,704
	\$	10,766,339

**Capital Lease Obligations Payable**

During the year ended March 31, 2013, the City entered into a lease purchase agreement to purchase police vehicles. The lease has been treated as a capital lease and is recorded in the governmental funds.

During the year ended March 31, 2010, the City entered into a lease purchase agreement to purchase sanitation trucks. The lease has been treated as a capital lease and is now recorded in the proprietary funds.

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
 March 31, 2013

**NOTE F – LONG-TERM OBLIGATIONS – Continued**

The following is a schedule by years of future minimum lease payments under the capital leases together with the present value of the minimum lease payments as of March 31, 2013.

<u>Year Ending March 31</u>		
2014	\$	97,266
2015		<u>47,194</u>
Total minimum lease payments		144,460
Less amount representing interest		5,826
Present value of net minimum lease payments	\$	<u><u>138,634</u></u>
Current portion	\$	92,696
Long - term portion		<u>45,938</u>
	\$	<u><u>138,634</u></u>

**NOTE G – PENSION PLAN**

**1. Plan Description**

The City of Perryville participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple – employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by state statute, section RSMo. 70.600 – 70.755. As such, it is the system’s 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 it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Mo 65102 or by calling 1-800-447-4334.

**2. Funding Status**

The City of Perryville’s full – time employees do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates were 12.9% (General) and 14.2% (Police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
 March 31, 2013

**NOTE G – PENSION PLAN – Continued**

**3. Annual Pension Cost (APC) and Net Pension Obligation (NPO)**

For 2012, the political subdivision's annual pension cost and net pension obligation were as follows:

Annual required contribution	\$ 538,638
Interest on net pension obligation	10,635
Adjustment to annual required contribution	<u>(8,093)</u>
Annual pension cost	541,180
Actual contributions	<u>442,222</u>
Increase (decrease) in NPO	98,958
NPO beginning of year	<u>146,695</u>
NPO end of year	<u>\$ 245,653</u>

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre – retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post – retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short – term volatility in the market value of investments over a five – year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis.

The amortization period as of February 28, 2010 was 30 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2011 was 30 years for the General Division and 30 years for the Police division.

**Three - Year Trend Information**

Year Ended <u>June 30</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	383,797	92.2%	29,936
2011	523,699	77.7%	146,695
2012	541,180	81.7%	245,653

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
 March 31, 2013

**NOTE G – PENSION PLAN – Continued**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Funding Progress**

Actuarial Valuation Date	( a ) Actuarial Value of Assets	( b ) Entry Age Actuarial Accrued Liability	( b - a ) Unfunded Accrued Liability (UAL)	( a / b ) Funded Ratio	( c ) Annual Covered Payroll	[(b - a ) / c] UAL as a Percentage of Covered Payroll
2/28/2010	7,017,991	9,650,722	2,632,731	73%	3,420,220	77%
2/28/2011	7,505,518	10,066,041	2,560,523	75%	3,445,072	74%
2/29/2012	8,715,719	11,085,499	2,369,780	79%	3,572,113	66%

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**NOTE H – INTEREST EXPENSE**

Interest cost totaling \$553,872, was incurred during the year ended March 31, 2013. No interest was capitalized as part of the cost of assets constructed during the period.

**NOTE I – CLASSIFICATION OF FUND BALANCE AND RETAINED EARNINGS**

In accordance with Governmental Accounting Standards Board Statement No. 54, the City has classified fund balances into the following categories:

**Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**Restricted Fund Balance** – Includes amounts that are restricted to a specific purpose because of restrictions by external parties, constitutional provisions or enabling legislation.

**Committed Fund Balance** – Includes amounts the can only be used for a specific purposes pursuant to constraints imposed by formal actions of the government’s highest level of decision-making authority (Board of Aldermen). Amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action it employed to previous commit the amounts.

**City of Perryville, Missouri**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**March 31, 2013**

**NOTE I – CLASSIFICATION OF FUND BALANCE AND RETAINED EARNINGS - Continued**

**Assigned Fund Balance** – Includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. For all governmental funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed. For the general fund, amounts can be assigned the intent to be used for a specific purpose by the Board of Aldermen or a city official authorized by the Board of Aldermen. Amounts reported as assigned should not result in a deficit in unassigned fund balance.

**Unassigned Fund Balance** – Includes the residual classification for the general fund, fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Negative fund balances in other governmental funds are reported as unassigned.

**Order of Usage** – Unless specifically identified, expenditures will reduce related restricted balances first, and then related committed balance, related assigned balances and unassigned balances. Expenditures for a specifically identified purpose will reduce the specific classification of fund balance that is identified.

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS**  
 March 31, 2013

**NOTE I – CLASSIFICATION OF FUND BALANCE AND RETAINED EARNINGS – Continued**

The City's governmental fund balances and reserved retained earnings at March 31, 2013, as follows.

	General Fund	Perry Park Center Fund	Capital Improvement Fund	Debt Service Fund	Non-Major Funds	Combined Waterworks and Sewerage System Fund	Gas Operation Fund
<b>Fund Balances</b>							
<b>Nonspendable</b>							
Prepaid expenses	\$ 66,957	\$ 21,406	\$ -	\$ -	\$ 18,949	\$ -	\$ -
CATV franchise fees	10,029	-	-	-	-	-	-
<b>Restricted</b>							
2007 certificate of participation	85,305	-	-	892,093	-	-	-
Municipal court	923	-	-	-	-	-	-
FSA administration	945	-	-	-	-	-	-
Crime victims compensation fund	228	-	-	-	-	-	-
Taxes paid under protest	259	-	-	-	-	-	-
Perry park escrow fund	-	-	-	-	191,881	-	-
Veterans memorial field fund	-	-	-	-	16,798	-	-
Fire truck escrow	50,000	-	-	-	-	-	-
P.O.S.T commission	30	-	-	-	-	-	-
<b>Committed</b>							
Debt service	-	-	2,636,308	-	-	-	-
Perry park center fund	-	59,400	-	-	-	-	-
Judicial education fund	418	-	-	-	-	-	-
Domestic shelter	58	-	-	-	-	-	-
Police training	309	-	-	-	-	-	-
Inmate security	(10,411)	-	-	-	-	-	-
Street improvement	-	-	-	-	928,665	-	-
Transportation trust	-	-	-	-	1,305,715	-	-
Disc golf fund	-	-	-	-	6,572	-	-
<b>Assigned</b>							
Rand avenue extension TIF fund	-	-	-	-	801,905	-	-
2010 HWY 51/61 TIF fund	-	-	-	-	40,897	-	-
Economic development fund	-	-	-	-	90,170	-	-
CDGB escrow fund	-	-	-	-	135,124	-	-
Unassigned	1,112,620	-	-	-	(9,352)	-	-
<b>Retained earnings</b>							
Reserved for debt service	-	-	-	-	-	1,274,730	518,163
Reserved for deposits	-	-	-	-	-	105,622	160,783
	<b>\$ 1,317,670</b>	<b>\$ 80,806</b>	<b>\$ 2,636,308</b>	<b>\$ 892,093</b>	<b>\$ 3,527,324</b>	<b>\$ 1,380,352</b>	<b>\$ 678,946</b>

**City of Perryville, Missouri**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**March 31, 2013**

**NOTE J – OPERATING TRANSFERS**

The City makes transfers between various funds for routine and normal operating expenses. Operating transfers for the year ended March 31, 2013 were as follows.

Transfer To	General Fund	Transportation Trust Fund	Capital Improvement Sales Tax Fund	Perry Park Center Fund	Transfer From							Total		
					Economic Development	Saberliner Expansion	Veterans Memorial Field Fund	Street Improvement Fund	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund			
Major Governmental Funds														
General Fund	\$ -	\$ 92,000	\$ -	\$ -	-	-	-	-	-	\$ 184,000	\$ 1,406,000	\$ 35,000	1,718,015	
Perry Park Center Fund	645,000	-	-	-	1,015	-	-	-	-	-	-	-	645,000	
Nonmajor Gov. Funds														
Street Improvement Fund	-	250,000	-	-	-	-	-	-	-	-	-	-	250,000	
Park Improvement	-	-	-	50,000	-	-	-	-	-	-	-	-	-	
Escrow Fund	12,411	-	-	-	-	4,761	-	-	-	-	-	-	67,172	
Economic Development	100,000	-	-	-	-	-	-	-	-	-	-	-	100,000	
General Public Facilities Fund	191,995	-	-	-	-	-	-	-	-	-	-	-	191,995	
2012 HWY 51/61 TIF Fund	56,770	-	-	-	-	-	-	-	-	-	-	-	56,770	
2012 Downtown TIF Fund	2,899	-	-	-	10,990	-	-	-	-	-	-	-	13,889	
Grand Ave Extension TIF Fund	-	-	-	-	-	-	888,000	-	-	-	-	-	888,000	
Major Enterprise Funds														
Combined Waterworks and Sewerage Fund	-	-	325,000	-	-	-	-	-	-	-	-	-	325,000	
<b>Total</b>	<b>\$ 1,009,075</b>	<b>\$ 342,000</b>	<b>\$ 325,000</b>	<b>\$ 50,000</b>	<b>\$ 10,990</b>	<b>\$ 1,015</b>	<b>\$ 4,761</b>	<b>\$ 888,000</b>	<b>\$ 184,000</b>	<b>\$ 1,406,000</b>	<b>\$ 35,000</b>	<b>\$ 4,255,841</b>		

City of Perryville, Missouri  
**NOTES TO FINANCIAL STATEMENTS**  
 March 31, 2013

**NOTE K – INTERFUND RECEIVABLES AND PAYABLES**

As of March 31, 2013, the City had \$38,745 due from the Combined Waterworks and Sewer System Fund to the Gas Fund and \$250 due from the Combined Waterworks and Sewer System Fund to the General Fund.

**NOTE L – SEGMENT INFORMATION**

Significant financial data for activities of enterprise funds are shown below.

The types of services provided by each fund are stated below.

Combined Waterworks and Sewerage System Fund – Provides water and sewer services for City residents.

Gas Operation Fund – Provides natural gas for City residents.

Refuse Fund – Provides trash disposal services for City residents.

Segment information is shown below.

CONDENSED STATEMENT OF NET ASSETS	Combined Waterworks & Sewer System Fund	Gas Operation Fund	Refuse Fund	Total
<b>ASSETS</b>				
Current assets	\$ 965,515	\$ 6,148,385	\$ 205,858	\$ 7,319,758
Restricted assets	1,274,730	518,163	-	1,792,893
Capital assets	16,518,081	7,128,547	98,747	23,745,375
Other assets	42,000	73,181	-	115,181
<b>Total assets</b>	<b>18,800,326</b>	<b>13,868,276</b>	<b>304,605</b>	<b>32,973,207</b>
<b>LIABILITIES</b>				
Current liabilities	148,054	599,244	22,803	770,101
Liabilities payable from restricted assets	581,080	483,051	-	1,064,131
Bonds, notes payable, and other long-term liabilities	1,917,279	2,767,001	-	4,684,280
<b>Total liabilities</b>	<b>2,646,413</b>	<b>3,849,296</b>	<b>22,803</b>	<b>6,518,512</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	14,150,802	4,056,546	98,747	18,306,095
Restricted for				
Debt service	1,274,730	518,163	-	1,792,893
Other	105,622	160,783	-	266,405
Unrestricted	622,759	5,283,488	183,055	6,089,302
<b>Total net assets</b>	<b>\$ 16,153,913</b>	<b>\$ 10,018,980</b>	<b>\$ 281,802</b>	<b>\$ 26,454,695</b>

**City of Perryville, Missouri**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**March 31, 2013**

**NOTE L – SEGMENT INFORMATION – Continued**

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	Combined Waterworks & Sewer System Fund	Gas Operation Fund	Refuse Fund	Total
Operating revenues	\$ 2,443,375	\$ 5,619,320	\$ 674,671	\$ 8,737,366
Depreciation and amortization	(903,901)	(234,137)	(56,057)	(1,194,095)
Other operating expenses	(1,476,414)	(3,896,517)	(550,969)	(5,923,900)
Operating income (loss)	<u>63,060</u>	<u>1,488,666</u>	<u>67,645</u>	<u>1,619,371</u>
Nonoperating income (expenses)				
Interest income	17,584	65,578	1,274	84,436
Intergovernmental income	66,101	-	-	66,101
Miscellaneous income	30,532	18,274	857	49,663
Interest expense	(140,190)	(115,085)	-	(255,275)
	<u>(25,973)</u>	<u>(31,233)</u>	<u>2,131</u>	<u>(55,075)</u>
Transfers in	325,000	-	-	325,000
Transfers out	<u>(184,000)</u>	<u>(1,406,000)</u>	<u>(35,000)</u>	<u>(1,625,000)</u>
Change in net assets	178,087	51,433	34,776	264,296
Net assets at beginning of year	15,975,826	9,967,547	-	25,943,373
Reclassification from government fund to proprietary fund	-	-	87,000	87,000
Net fixed assets transferred from governmental funds	-	-	160,026	160,026
Net assets at end of year	<u>\$ 16,153,913</u>	<u>\$ 10,018,980</u>	<u>\$ 281,802</u>	<u>\$ 26,454,695</u>

CONDENSED STATEMENT OF CASH FLOWS	Combined Waterworks & Sewer System Fund	Gas Operation Fund	Refuse Fund	Total
Net cash provided (used) by:				
Operating activities	\$ 1,007,358	\$ 1,847,264	\$ 121,845	\$ 2,976,467
Noncapital financing activities	207,101	(1,406,000)	4,674	(1,194,225)
Capital and related financing activities	(752,790)	(1,162,787)	-	(1,915,577)
Investing activities	17,584	65,578	1,274	84,436
	<u>479,253</u>	<u>(655,945)</u>	<u>127,793</u>	<u>(48,899)</u>
Cash and cash equivalents at beginning of year	<u>1,558,267</u>	<u>6,875,582</u>	<u>-</u>	<u>8,433,849</u>
Cash and cash equivalents at end of year	<u>\$ 2,037,520</u>	<u>\$ 6,219,637</u>	<u>\$ 127,793</u>	<u>\$ 8,384,950</u>

**City of Perryville, Missouri**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**March 31, 2013**

**NOTE M – REFUSE FUND ASSET TRANSFER**

At April 1, 2012, the City transferred its refuse assets from the General Fund (a governmental fund) to the Refuse Fund (an enterprise fund). Included in the accompanying statements is a transfer of \$247,026. The City transferred \$160,026 of fixed assets (previously reported on the statement of net assets as governmental assets) to the Refuse Fund. The City also transferred cash, receivables, prepaid expenses and accounts payables of \$87,000 to the Refuse Fund.

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
 Year ended March 31, 2013

<u>General Revenue Fund</u>	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
<b>Taxes and special assessments</b>				
Real estate and personal property taxes	\$ 440,100	\$ 440,100	\$ 533,970	\$ 93,870
Railroad and utility tax	1,800	1,800	1,484	(316)
Gross receipts tax	1,100,000	1,100,000	1,162,671	62,671
Intangible tax	1,000	1,000	6,271	5,271
Sales tax	1,510,000	1,510,000	1,584,270	74,270
Tax under protest	500	500	250	(250)
	<u>3,053,400</u>	<u>3,053,400</u>	<u>3,288,916</u>	<u>235,516</u>
<b>License and permits</b>				
City vehicle licenses	20,000	20,000	21,259	1,259
Occupational licenses	15,000	15,000	15,400	400
Liquor licenses	9,600	9,600	11,103	1,503
Mobile home licenses	1,000	1,000	1,090	90
Building and other permits	3,700	3,700	4,072	372
	<u>49,300</u>	<u>49,300</u>	<u>52,924</u>	<u>3,624</u>
<b>Charges for services</b>				
Fees and services	16,000	16,000	13,637	(2,363)
Penalties	800	800	890	90
Cable TV franchise fees	45,000	45,000	48,741	3,741
	<u>61,800</u>	<u>61,800</u>	<u>63,268</u>	<u>1,468</u>
<b>Intergovernmental</b>				
Road district contributions	95,000	95,000	100,143	5,143
Police grants	1,775	1,775	1,603	(172)
Fire training academy	400	400	-	(400)
FEMA storm damage	-	-	13,387	13,387
Diesel emissions grant	31,000	31,000	12,538	(18,462)
EOC Generator grant	26,000	26,000	-	(26,000)
Dept of conservation fire grant	-	-	2,938	2,938
County business surtax	35,000	35,000	43,430	8,430
	<u>189,175</u>	<u>189,175</u>	<u>174,039</u>	<u>(15,136)</u>
<b>Fines</b>				
Court fines, costs and police training fund	104,300	104,300	78,993	(25,307)
Inmate security fund	1,000	1,000	950	(50)
Crime victim compensation	5,000	5,000	3,448	(1,552)
Restitution fund	1,500	1,500	497	(1,003)
Parking tickets	100	100	140	40
	<u>111,900</u>	<u>111,900</u>	<u>84,028</u>	<u>(27,872)</u>
<b>Interest</b>				
	4,120	4,120	23,787	19,667
<b>Miscellaneous</b>				
Miscellaneous	24,750	24,750	51,781	27,031
Donations	2,500	2,500	4,000	1,500
	<u>27,250</u>	<u>27,250</u>	<u>55,781</u>	<u>28,531</u>
<b>Rental</b>				
	<u>2,760</u>	<u>2,760</u>	<u>2,760</u>	<u>-</u>
<b>Total revenues</b>	<b>3,499,705</b>	<b>3,499,705</b>	<b>3,745,503</b>	<b>245,798</b>

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - CONTINUED**  
Year ended March 31, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b><u>General Revenue Fund - Continued</u></b>				
<b>Expenditures</b>				
<b>General Government</b>				
Mayor and board	181,952	181,952	196,131	(14,179)
City administrators office	140,380	140,380	141,584	(1,204)
Clerk/Finance	431,537	431,537	410,826	20,711
Municipal court	93,588	93,588	80,920	12,668
Community development	171,833	171,833	165,510	6,323
General services	377,529	377,529	282,384	95,145
Port authority/Economic development	73,960	73,960	56,095	17,865
Cable access/Levee district	29,600	29,600	29,346	254
	<u>1,500,379</u>	<u>1,500,379</u>	<u>1,362,796</u>	<u>137,583</u>
<b>Public Safety</b>				
Police department	2,138,971	2,138,971	2,012,208	126,763
Fire department	200,240	200,240	165,968	34,272
	<u>2,339,211</u>	<u>2,339,211</u>	<u>2,178,176</u>	<u>161,035</u>
<b>Debt Service</b>				
Principal and interest payments	76,500	76,500	75,903	597
<b>Capital projects</b>				
	-	-	4,495	(4,495)
<b>Total expenditures</b>	<u>3,916,090</u>	<u>3,916,090</u>	<u>3,621,370</u>	<u>294,720</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(416,385)	(416,385)	124,133	540,518
<b>Other financing sources (uses)</b>				
Operating transfers in	1,717,000	1,718,015	1,718,015	-
Operating transfers out	(1,235,845)	(1,247,251)	(1,009,075)	238,176
	<u>481,155</u>	<u>470,764</u>	<u>708,940</u>	<u>238,176</u>
<b>Net change in fund balance</b>	64,770	54,379	833,073	778,694
<b>Fund balance at beginning of year</b>	644,114	644,114	644,114	-
<b>Transfer of refuse assets to proprietary fund type</b>	-	-	(87,000)	87,000
<b>Fund balance at end of year</b>	<u>\$ 708,884</u>	<u>\$ 698,493</u>	<u>\$ 1,390,187</u>	<u>\$ 865,694</u>

City of Perryville, Missouri  
 BUDGETARY COMPARISON SCHEDULE - PERRY PARK CENTER FUND  
 Year ended March 31, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
<b>Taxes and special assessments</b>				
Real estate and personal property tax	\$ 207,875	\$ 207,875	\$ 227,293	\$ 19,418
Railroad and utility tax	775	775	631	(144)
Sales tax	260,000	260,000	267,260	7,260
	<u>468,650</u>	<u>468,650</u>	<u>495,184</u>	<u>26,534</u>
<b>Charges for services</b>				
Concessions and vending machines	62,000	62,000	58,173	(3,827)
Tournament and sports fees	70,100	70,100	69,521	(579)
Admission fees and passes	314,500	314,500	302,286	(12,214)
Arcade, fun club and senior olympics	4,000	4,000	4,662	662
	<u>450,600</u>	<u>450,600</u>	<u>434,642</u>	<u>(15,958)</u>
<b>Intergovernmental</b>				
County business surtax	15,500	15,500	18,458	2,958
<b>Interest</b>				
	250	250	368	118
<b>Miscellaneous</b>				
	35,450	35,450	35,424	(26)
<b>Rental</b>				
Library lease	27,000	27,000	27,000	-
Theater rent	12,000	12,000	11,225	(775)
Pool and gymnasium	8,500	8,500	11,693	3,193
Pavilions, ball fields, community center, meeting room	5,500	5,500	17,051	11,551
	<u>53,000</u>	<u>53,000</u>	<u>66,969</u>	<u>13,969</u>
<b>Total revenues</b>	<u>1,023,450</u>	<u>1,023,450</u>	<u>1,051,045</u>	<u>27,595</u>
<b>Expenditures</b>				
Leagues	98,715	98,715	75,381	23,334
Administration	557,326	557,326	488,346	68,980
Community center maintenance	4,750	4,750	3,295	1,455
Fitness center	32,015	32,015	16,706	15,309
Activities and marketing	62,634	62,634	71,794	(9,160)
Maintenance and housekeeping	363,103	363,103	324,310	38,793
Park maintenance	229,828	229,828	183,915	45,913
Performing arts center	66,165	66,165	62,368	3,797
Pool	237,822	237,822	221,800	16,022
Park center operations	140,937	140,937	124,857	16,080
<b>Total expenditures</b>	<u>1,793,295</u>	<u>1,793,295</u>	<u>1,572,772</u>	<u>220,523</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(769,845)</u>	<u>(769,845)</u>	<u>(521,727)</u>	<u>248,118</u>
<b>Other financing sources (uses)</b>				
Operating transfers in	819,845	819,845	645,000	(174,845)
Operating transfers out	(50,000)	(50,000)	(50,000)	-
	<u>769,845</u>	<u>769,845</u>	<u>595,000</u>	<u>(174,845)</u>
<b>Net change in fund balance</b>	-	-	73,273	73,273
<b>Fund balance at beginning of year</b>	<u>(9,666)</u>	<u>(9,666)</u>	<u>(9,666)</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ (9,666)</u>	<u>\$ (9,666)</u>	<u>\$ 63,607</u>	<u>\$ 73,273</u>

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT SALES TAX FUND**  
 Year ended March 31, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
<b>Taxes and special assessments</b>				
Sales tax	\$ 575,000	\$ 575,000	\$ 594,100	\$ 19,100
Interest	30,000	30,000	29,692	(308)
	<u>605,000</u>	<u>605,000</u>	<u>623,792</u>	<u>18,792</u>
<b>Expenditures</b>				
<b>Debt service</b>				
Principal	260,000	260,000	263,750	(3,750)
Interest	100,000	100,000	66,268	33,732
Bond handling charges	11,000	11,000	8,765	2,235
	<u>371,000</u>	<u>371,000</u>	<u>338,783</u>	<u>32,217</u>
Excess (deficiency) of revenues over expenditures	234,000	234,000	285,009	51,009
<b>Other financing sources (uses)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(325,000)	(325,000)	(325,000)	-
	<u>(325,000)</u>	<u>(325,000)</u>	<u>(325,000)</u>	<u>-</u>
Net change in fund balance	(91,000)	(91,000)	(39,991)	51,009
Fund balance at beginning of year	<u>2,671,056</u>	<u>2,671,056</u>	<u>2,671,056</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,580,056</u>	<u>\$ 2,580,056</u>	<u>\$ 2,631,065</u>	<u>\$ 51,009</u>

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND**  
Year ended March 31, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
<b>Taxes and special assessments</b>				
Real estate and personal property tax	\$ 310,000	\$ 310,000	\$ 255,143	\$ (54,857)
Railroad and utility tax	1,000	1,000	705	(295)
	<u>311,000</u>	<u>311,000</u>	255,848	<u>(55,152)</u>
<b>Intergovernmental</b>				
County business surtax	21,000	21,000	20,629	(371)
	<u>21,000</u>	<u>21,000</u>	20,629	<u>(371)</u>
<b>Charges for services</b>				
Penalties	500	500	660	160
<b>Interest</b>				
Total revenues	<u>337,500</u>	<u>337,500</u>	<u>284,894</u>	<u>(52,606)</u>
<b>Expenditures</b>				
<b>Debt service</b>				
Principal	230,000	230,000	237,500	(7,500)
Interest	100,000	100,000	63,385	36,615
Bond handling charges	11,000	11,000	8,235	2,765
Other	-	-	2,135	(2,135)
	<u>341,000</u>	<u>341,000</u>	<u>311,255</u>	<u>29,745</u>
Excess (deficiency) of revenues over expenditures	(3,500)	(3,500)	(26,361)	(22,861)
<b>Other financing sources (uses)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(3,500)	(3,500)	(26,361)	(22,861)
Fund balance at beginning of year	<u>910,952</u>	<u>910,952</u>	<u>910,952</u>	<u>-</u>
Fund balance at end of year	<u>\$ 907,452</u>	<u>\$ 907,452</u>	<u>\$ 884,591</u>	<u>\$ (22,861)</u>

**City of Perryville, Missouri**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**LAGERS Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>( a ) Actuarial Value of Assets</b>	<b>( b ) Entry Age Actuarial Accrued Liability</b>	<b>( b - a ) Unfunded Accrued Liability (UAL)</b>	<b>( a / b ) Funded Ratio</b>	<b>( c ) Annual Covered Payroll</b>	<b>[( b - a ) / c ] UAL as a Percentage of Covered Payroll</b>
2/28/2010	7,017,991	9,650,722	2,632,731	73%	3,420,220	77%
2/28/2011	7,505,518	10,066,041	2,560,523	75%	3,445,072	74%
2/29/2012	8,715,719	11,085,499	2,369,780	79%	3,572,113	66%

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**City of Perryville, Missouri**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**March 31, 2013**

**NOTE A – BUDGETARY PROCESS**

The reported budgetary data represent the final approved budget after amendments as adopted by the Board of Aldermen. Amendments to the original budget were not material.

The City adopts annual operating budgets for all funds. The City's policy is to prepare the governmental fund types' annual budgets on a cash basis. The City also prepares annual operating budgets for the enterprise funds; however, there is no requirement to report on these budgets. Therefore, the financial statements include a comparison of budget to actual only for the budgeted governmental funds.

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.

City of Perryville, Missouri  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Continued  
 March 31, 2013

**NOTE B – BUDGETING AND BUDGETARY CONTROL**

The accounting principles employed by the City in its budgetary accounting and reporting system are designed to enhance budgetary control. Certain of these principles differ from those used to present financial statements in accordance with U.S. generally accepted accounting principles. The significant differences are the exclusion of accrued and deferred revenues and accrued expenditures from the budgetary-basis statement.

	<u>General Fund</u>	<u>Perry Park Center Fund</u>	<u>Capital Improvement Sales Tax Fund</u>	<u>Debt Service Fund</u>
<b>Excess of revenue and other financing sources over expenditures and other financing uses - budgetary basis</b>	\$ 833,073	\$ 73,273	\$ (39,991)	\$ (26,361)
<b>Adjustments</b>				
To record accrual and deferral of revenues	2,083	2,691	3,772	3,380
To record accrual of expenditures	<u>(74,600)</u>	<u>14,508</u>	<u>1,471</u>	<u>4,122</u>
 <b>Net change in fund balance - GAAP basis</b>	 <u><u>760,556</u></u>	 <u><u>90,472</u></u>	 <u><u>(34,748)</u></u>	 <u><u>(18,859)</u></u>

## COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

### Nonmajor Governmental Funds

**SPECIAL REVENUE FUNDS** – Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to be used for specified purposes.

**Street Improvement Fund** – This fund is used to account for state gasoline, vehicle sales tax and vehicle license fees received for major street improvements.

**Disc Golf Fund** – This fund is used to account for revenues and donations for the city's disc golf activities.

**Transportation Trust Fund** – This fund is used to account for the transportation sales tax received by the city. Funds are expended for street maintenance, airport maintenance and stormwater and sidewalks.

**Perry Park Center Escrow Fund** – This fund is used to account for revenues received on the escrow account held for Perry Park Center improvements.

**Veterans Memorial Field Fund** – This fund is used to account for grants and donations received for work on the Veterans Memorial ball field.

**CAPITAL PROJECT FUNDS** – Capital project funds are used to account for the financial resources segregated for the acquisition of major capital facilities other than those financed by enterprise funds.

**General Public Facilities Fund** – This fund is used to account for improvements to general public facilities. During the current year, expenditures included storm drainage, industrial park and other general public facilities.

**Sabreliner Expansion Fund** – This fund is used to account for additions and improvements to the Perryville Municipal Airport public improvement project.

**2012 Downtown TIF Fund** – This fund is used to account for financial resources allocated to the "Redevelopment Plan for the Downtown Tax Increment Financing District, Perryville, Missouri, 2012".

**Rand Avenue Extension TIF Fund** – This fund is used to account for financial resources allocated to the "Redevelopment Plan for the I-55/Perryville Boulevard Tax Increment Financing District, Perryville, Missouri, 2012".

**2010 HWY 51/61 TIF Fund** – This fund is used to account for financial resources allocated to the Highway 51/61 TIF activities of expansion in the industrial park.

**Economic Development Fund** – This fund is used to account for monies set aside for economic development in the City.

**CDBG Escrow Fund** – This money is money remaining after completion of the TG Missouri CDBG grant that the State of Missouri indicated the city should retain until the next grant.

**City of Perryville, Missouri**  
**COMBINED BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**March 31, 2013**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 2,394,105	\$ 1,072,118	\$ 3,466,223
Receivables, net of allowances for doubtful accounts:			
Sales and use tax	70,161	-	70,161
Intergovernmental	63,118	-	63,118
Prepaid expenses	18,949	-	18,949
	<u>\$ 2,546,333</u>	<u>\$ 1,072,118</u>	<u>\$ 3,618,451</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts payable	\$ 51,345	\$ 13,374	\$ 64,719
Payroll, sales tax and fringe benefits	26,408	-	26,408
	<u>77,753</u>	<u>13,374</u>	<u>91,127</u>
Fund balance:			
Nonspendable	18,949	-	18,949
Restricted	208,679	-	208,679
Committed	2,240,952	-	2,240,952
Assigned	-	1,058,744	1,058,744
	<u>2,468,580</u>	<u>1,058,744</u>	<u>3,527,324</u>
	<u>\$ 2,546,333</u>	<u>\$ 1,072,118</u>	<u>\$ 3,618,451</u>

**City of Perryville, Missouri**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended March 31, 2013

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>			
Taxes and special assessments	\$ 797,003	\$ -	\$ 797,003
Intergovernmental	787,036	241,661	1,028,697
Interest	26,987	11,282	38,269
Miscellaneous	72,070	226,744	298,814
Rental	42,202	-	42,202
	<u>1,725,298</u>	<u>479,687</u>	<u>2,204,985</u>
<b>Expenditures</b>			
Airport maintenance	36,414	-	36,414
Airport improvements	586,623	-	586,623
Streets and street improvements	642,979	-	642,979
Storm water	36,378	-	36,378
Sidewalks	7,516	-	7,516
Culture and recreation	101,780	-	101,780
Capital projects	-	665,374	665,374
	<u>1,411,690</u>	<u>665,374</u>	<u>2,077,064</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>313,608</b>	<b>(185,687)</b>	<b>127,921</b>
<b>Other financing sources (uses)</b>			
Operating transfers in	317,172	1,250,654	1,567,826
Operating transfers out	(1,234,761)	(12,005)	(1,246,766)
	<u>(917,589)</u>	<u>1,238,649</u>	<u>321,060</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(603,981)</b>	<b>1,052,962</b>	<b>448,981</b>
<b>Fund balance beginning of year</b>	<b><u>3,072,561</u></b>	<b><u>5,782</u></b>	<b><u>3,078,343</u></b>
<b>Fund balance end of year</b>	<b>\$ <u>2,468,580</u> \$</b>	<b>\$ <u>1,058,744</u> \$</b>	<b>\$ <u>3,527,324</u></b>

City of Perryville, Missouri  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 March 31, 2013

	Street Improvement Fund	Disc Golf Fund	Transportation Trust Fund	Perry Park Center Escrow Fund	Veterans Memorial Field Fund	Total Nonmajor Special Revenue Funds
Cash	\$ 904,377	\$ 6,688	\$ 1,274,361	\$ 191,881	\$ 16,798	\$ 2,394,105
Receivables, net of allowance for doubtful accounts:						
Sales and use	-	-	70,161	-	-	70,161
Intergovernmental	24,288	-	38,830	-	-	63,118
Prepaid insurance	-	-	18,949	-	-	18,949
	<u>\$ 928,665</u>	<u>\$ 6,688</u>	<u>\$ 1,402,301</u>	<u>\$ 191,881</u>	<u>\$ 16,798</u>	<u>\$ 2,546,333</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts payable	\$ -	\$ 116	\$ 51,229	\$ -	\$ -	\$ 51,345
Payroll taxes and fringe benefits	-	-	26,408	-	-	26,408
Fund Balance	-	116	77,637	-	-	77,753
Nonspendable	-	-	18,949	-	-	18,949
Restricted	-	-	-	191,881	16,798	208,679
Committed	928,665	6,572	1,305,715	-	-	2,240,952
	<u>928,665</u>	<u>6,572</u>	<u>1,324,664</u>	<u>191,881</u>	<u>16,798</u>	<u>2,468,580</u>
	<u>\$ 928,665</u>	<u>\$ 6,688</u>	<u>\$ 1,402,301</u>	<u>\$ 191,881</u>	<u>\$ 16,798</u>	<u>\$ 2,546,333</u>

City of Perryville, Missouri  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
 March 31, 2013

	General Public Facilities Fund	Sabreliner Expansion Fund	2012 Downtown TIF Fund	Rand Ave Extension TIF Fund	2010 HWY 51/61 TIF Fund	Economic Development Fund	CDBG Escrow Fund	Total Nonmajor Capital Project Funds
Cash	\$ - \$	- \$	- \$	805,377 \$	41,447 \$	90,170 \$	135,124 \$	1,072,118
	\$ - \$	- \$	- \$	805,377 \$	41,447 \$	90,170 \$	135,124 \$	1,072,118
Accounts payable	\$ 9,352 \$	- \$	- \$	3,472 \$	550 \$	- \$	- \$	13,374
Fund balance - Assigned	(9,352)	-	-	801,905	40,897	90,170	135,124	1,058,744
	\$ - \$	- \$	- \$	805,377 \$	41,447 \$	90,170 \$	135,124 \$	1,072,118

**LIABILITIES AND FUND BALANCE**

City of Perryville, Missouri  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 Year ended March 31, 2013

	Street Improvement Fund	Disc Golf Fund	Transportation Trust Fund	Perry Park Center Escrow Fund	Veterans Memorial Field Fund	Total Nonmajor Special Revenue Funds
<b>Revenues</b>						
Taxes and special assessments	\$ -	\$ 3,825	\$ 793,178	\$ -	\$ -	\$ 797,003
Intergovernmental	293,816	-	478,926	-	14,294	787,036
Interest	7,048	12	17,718	1,793	416	26,987
Rental	-	-	72,070	-	-	72,070
Miscellaneous	-	2,851	20,534	-	18,817	42,202
	<u>300,864</u>	<u>6,688</u>	<u>1,382,426</u>	<u>1,793</u>	<u>33,527</u>	<u>1,725,298</u>
<b>Expenditures</b>						
Airport maintenance	-	-	36,414	-	-	36,414
Airport improvements	-	-	586,623	-	-	586,623
Streets and street improvements	-	-	642,979	-	-	642,979
Stormwater	-	-	36,378	-	-	36,378
Sidewalks	-	-	7,516	-	-	7,516
Culture and recreation	-	116	-	-	101,664	101,780
	<u>-</u>	<u>116</u>	<u>1,309,910</u>	<u>-</u>	<u>101,664</u>	<u>1,411,690</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>300,864</b>	<b>6,572</b>	<b>72,516</b>	<b>1,793</b>	<b>(68,137)</b>	<b>313,608</b>
<b>Other financing sources (uses)</b>						
Operating transfers in	250,000	-	-	50,000	17,172	317,172
Operating transfers out	(888,000)	-	(342,000)	-	(4,761)	(1,234,761)
	<u>(638,000)</u>	<u>-</u>	<u>(342,000)</u>	<u>50,000</u>	<u>12,411</u>	<u>(917,589)</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(337,136)</b>	<b>6,572</b>	<b>(269,484)</b>	<b>51,793</b>	<b>(55,726)</b>	<b>(603,981)</b>
<b>Fund balance at beginning of year</b>	<b>1,265,801</b>	<b>-</b>	<b>1,594,148</b>	<b>140,088</b>	<b>72,524</b>	<b>3,072,561</b>
<b>Fund balance at end of year</b>	<b>\$ 928,665</b>	<b>\$ 6,572</b>	<b>\$ 1,324,664</b>	<b>\$ 191,881</b>	<b>\$ 16,798</b>	<b>\$ 2,468,580</b>

City of Perryville, Missouri  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
 Year ended March 31, 2013

	General Public Facilities Fund	Sabreliner Expansion Fund	2012 Downtown TIF Fund	Rand Ave Extension TIF Fund	2010 HWY 51/61 TIF Fund	Economic Development Fund	CDBG Escrow Fund	Total Nonmajor Capital Project Funds
<b>Revenues</b>								
Intergovernmental	\$ -	\$ 3,001	\$ -	\$ -	\$ 103,536	\$ -	\$ 135,124	\$ 241,661
Interest	42	10	-	9,918	152	1,160	-	11,282
Miscellaneous	224,969	-	-	1,775	-	-	-	226,744
	<u>225,011</u>	<u>3,011</u>	<u>-</u>	<u>11,693</u>	<u>103,688</u>	<u>1,160</u>	<u>135,124</u>	<u>479,687</u>
<b>Expenditures</b>								
Capital projects	432,140	1,996	13,889	97,788	119,561	-	-	665,374
	<u>432,140</u>	<u>1,996</u>	<u>13,889</u>	<u>97,788</u>	<u>119,561</u>	<u>-</u>	<u>-</u>	<u>665,374</u>
Excess (deficiency) of revenues over expenditures	(207,129)	1,015	(13,889)	(86,095)	(15,873)	1,160	135,124	(185,687)
<b>Other financing sources (uses)</b>								
Operating transfers in	191,995	-	13,889	888,000	56,770	100,000	-	1,250,664
Operating transfers out	-	(1,015)	-	-	-	(10,990)	-	(12,005)
	<u>191,995</u>	<u>(1,015)</u>	<u>13,889</u>	<u>888,000</u>	<u>56,770</u>	<u>89,010</u>	<u>-</u>	<u>1,238,649</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(15,134)	-	-	801,905	40,897	90,170	135,124	1,052,962
Fund balance at beginning of year	5,782	-	-	-	-	-	-	5,782
Fund balance at end of year	<u>\$ (9,352)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,905</u>	<u>\$ 40,897</u>	<u>\$ 90,170</u>	<u>\$ 135,124</u>	<u>\$ 1,058,744</u>

City of Perryville, Missouri  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 Year ended March 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Street Improvement Fund</u></b>			
<b>Revenues</b>			
State gasoline tax	\$ 215,000	\$ 208,706	\$ (6,294)
State vehicle sales tax	44,000	51,020	7,020
State vehicle license fees	33,000	34,308	1,308
Interest	5,000	7,048	2,048
	<u>297,000</u>	<u>301,082</u>	<u>4,082</u>
<b>Expenditures</b>			
Streets and street improvements	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	297,000	301,082	4,082
<b>Other financing sources (uses)</b>			
Operating transfers in	250,000	250,000	-
Operating transfers out	(1,218,000)	(888,000)	330,000
	<u>(968,000)</u>	<u>(638,000)</u>	<u>330,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	(671,000)	(336,918)	334,082
Accrual or deferral of revenues	-	(218)	(218)
Accrual of expenditures	-	-	-
	<u>-</u>	<u>(218)</u>	<u>(218)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - Street Improvement Fund	(671,000)	(337,136)	333,864
<b><u>Disc Golf Fund</u></b>			
<b>Revenues</b>			
Charges for services	-	3,825	3,825
Interest	-	12	12
Miscellaneous	-	2,851	2,851
	<u>-</u>	<u>6,688</u>	<u>6,688</u>
<b>Expenditures</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	-	6,688	6,688
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	(116)	(116)
	<u>-</u>	<u>(116)</u>	<u>(116)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - Disc Golf Fund	-	6,572	6,572

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED**  
Year ended March 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Transportation Trust Fund</u></b>			
<b>Revenues</b>			
Sales and use tax	760,000	792,135	32,135
Airport improvement grant	1,030,000	440,096	(589,904)
Interest	17,000	17,718	718
Rental	75,707	72,070	(3,637)
Miscellaneous	3,500	20,549	17,049
	<u>1,886,207</u>	<u>1,342,568</u>	<u>(543,639)</u>
<b>Expenditures</b>			
Airport maintenance	52,538	36,492	16,046
Airport improvements	1,105,000	560,372	544,628
Street maintenance	675,950	638,449	37,501
Stormwater	49,500	35,898	13,602
Sidewalks	-	7,265	(7,265)
	<u>1,882,988</u>	<u>1,278,476</u>	<u>604,512</u>
 <b>Excess of revenues over expenditures</b>	 3,219	 64,092	 60,873
<b>Other financing sources (uses)</b>			
Operating transfers in	-	-	-
Operating transfers out	(342,000)	(342,000)	-
	<u>(342,000)</u>	<u>(342,000)</u>	<u>-</u>
 <b>Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis</b>	 (338,781)	 (277,908)	 60,873
 <b>Accrual or deferral of revenues</b>	 -	 39,874	 39,874
<b>Accrual of expenditures</b>	-	(31,450)	(31,450)
	<u>-</u>	<u>8,424</u>	<u>8,424</u>
 <b>Excess (deficiency) of revenues and other sources over expenditures and other uses - Transportation Trust Fund</b>	 (338,781)	 (269,484)	 69,297

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED**  
Year ended March 31, 2013

	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Perry Park Center Escrow Fund</u></b>			
<b>Revenues</b>			
Interest	1,500	1,793	293
	<u>1,500</u>	<u>1,793</u>	<u>293</u>
<b>Expenditures</b>			
	-	-	-
<b>Other financing sources (uses)</b>			
Operating transfers in	50,000	50,000	-
Operating transfers out	-	-	-
	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - Perry Park Center Escrow Fund</b>	<b>51,500</b>	<b>51,793</b>	<b>293</b>
<b><u>Veterans Memorial Field Fund</u></b>			
<b>Revenues</b>			
Intergovernmental	14,080	14,080	-
Interest	260	416	156
Miscellaneous	18,500	18,817	317
	<u>32,840</u>	<u>33,313</u>	<u>473</u>
<b>Expenditures</b>			
Culture and recreation	102,961	101,726	1,235
	<u>102,961</u>	<u>101,726</u>	<u>1,235</u>
<b>Other financing sources (uses)</b>			
Operating transfers in	19,161	17,172	(1,989)
Operating transfers out	(6,750)	(4,761)	1,989
	<u>12,411</u>	<u>12,411</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis</b>	<b>(57,710)</b>	<b>(56,002)</b>	<b>1,708</b>
Accrual or deferral of revenues	-	214	214
Accrual of expenditures	-	62	62
	<u>-</u>	<u>276</u>	<u>276</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - Veterans Memorial Field Fund</b>	<b>(57,710)</b>	<b>(55,726)</b>	<b>1,984</b>
<b>TOTAL EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - NONMAJOR SPECIAL REVENUE FUNDS</b>	<b>\$ (1,015,991)</b>	<b>\$ (603,981)</b>	<b>\$ 405,438</b>

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
Year ended March 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>General Public Facilities Fund</u></b>			
<b>Revenues</b>			
Interest	\$ -	\$ 42	\$ 42
Miscellaneous	199,000	224,969	(25,969)
	<u>199,000</u>	<u>225,011</u>	<u>26,011</u>
<b>Expenditures</b>			
Storm drainage construction	14,000	9,703	4,297
Soccer complex	371,995	413,086	(41,091)
Dry run branch improvements	5,000	-	5,000
	<u>390,995</u>	<u>422,789</u>	<u>(31,794)</u>
Excess (deficiency) of revenues over expenditures	(191,995)	(197,778)	(5,783)
<b>Other financing sources (uses)</b>			
Operating transfers in	191,995	191,995	-
	<u>191,995</u>	<u>191,995</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	-	(5,783)	(5,783)
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	(9,351)	(9,351)
	<u>-</u>	<u>(9,351)</u>	<u>(9,351)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - General Public Facilities Fund	-	(15,134)	(15,134)

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED**  
Year ended March 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Sabreliner Expansion Fund</u></b>			
<b>Revenues</b>			
Intergovernmental	-	3,001	3,001
Interest	-	10	10
	<u>-</u>	<u>3,011</u>	<u>3,011</u>
<b>Expenditures</b>			
Sabreliner expansion	-	1,996	(1,996)
<b>Excess (deficiency) of revenues over expenditures</b>			
	-	1,015	1,015
<b>Other financing sources (uses)</b>			
Operating transfers in	-	-	-
Operating transfers out	(1,015)	(1,015)	-
	<u>(1,015)</u>	<u>(1,015)</u>	<u>-</u>
<b>Excess (deficiency) of revenues expenditures and other uses - budgetary basis</b>			
	(1,015)	-	1,015
<b>Accrual or deferral of revenues</b>			
Accrual of expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - Sabreliner Expansion Fund</b>			
	(1,015)	-	1,015

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED**  
Year ended March 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>2012 Downtown TIF Fund</u></b>			
<b>Revenues</b>			
Interest	\$ -	\$ -	\$ -
Miscellaneous	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Administrative fee	7,500	2,500	5,000
Public notices	-	399	(399)
Capital projects	10,990	10,990	-
	<u>18,490</u>	<u>13,889</u>	<u>4,601</u>
Excess (deficiency) of revenues over expenditures	(18,490)	(13,889)	4,601
<b>Other financing sources (uses)</b>			
Operating transfers in	18,490	13,889	(4,601)
Operating transfers out	-	-	-
	<u>18,490</u>	<u>13,889</u>	<u>(4,601)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	-	-	-
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - 2012 Downtown TIF Fund	-	-	-

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED**  
Year ended March 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Rand Avenue Extension TIF Fund</u></b>			
<b>Revenues</b>			
Interest	\$ -	\$ 9,918	\$ 9,918
Miscellaneous	-	1,775	1,775
	-	11,693	11,693
<b>Expenditures</b>			
Administrative fee	7,500	2,500	5,000
Public notices	-	244	(244)
Engineering/architectural services	125,000	92,778	32,222
Storm water	108,000	-	108,000
Capital projects	655,000	-	655,000
	895,500	95,522	799,978
<b>Excess (deficiency) of revenues over expenditures</b>	(895,500)	(83,829)	811,671
<b>Other financing sources (uses)</b>			
Operating transfers in	895,500	888,000	(7,500)
Operating transfers out	-	-	-
	895,500	888,000	(7,500)
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis</b>	-	804,171	804,171
<b>Accrual or deferral of revenues</b>	-	-	-
<b>Accrual of expenditures</b>	-	(2,266)	(2,266)
	-	(2,266)	(2,266)
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - Rand Avenue Extension TIF Fund</b>	-	801,905	801,905

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED**  
Year ended March 31, 2013

	Budget	Actual	Variance Favorable (Unfavorable)
<b>HWY 51/61 TIF Fund</b>			
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 103,536	\$ 103,536
Interest	-	152	152
Miscellaneous	-	-	-
	-	103,688	103,688
<b>Expenditures</b>			
Administrative fee	-	38,315	(38,315)
Street improvements	280,000	-	280,000
Public notices	-	-	-
Engineering/architectural services	108,000	80,475	27,525
Land acquisition	50,000	-	50,000
Capital projects	62,000	-	62,000
	500,000	118,790	381,210
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(500,000)</b>	<b>(15,102)</b>	<b>484,898</b>
<b>Other financing sources (uses)</b>			
Operating transfers in	500,000	56,770	(443,230)
Operating transfers out	-	-	-
	500,000	56,770	(443,230)
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis</b>	<b>-</b>	<b>41,668</b>	<b>41,668</b>
<b>Accrual or deferral of revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accrual of expenditures</b>	<b>-</b>	<b>(771)</b>	<b>(771)</b>
	-	(771)	(771)
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - HWY 51/61 TIF Fund</b>	<b>-</b>	<b>40,897</b>	<b>40,897</b>

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED**  
Year ended March 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Economic Development Fund</u></b>			
<b>Revenues</b>			
Intergovernmental	\$ -	\$ -	-
Interest	-	1,160	1,160
	<u>-</u>	<u>1,160</u>	<u>1,160</u>
<b>Expenditures</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	1,160	1,160
<b>Other financing sources (uses)</b>			
Operating transfers in	100,000	100,000	-
Operating transfers out	(10,990)	(10,990)	-
	<u>89,010</u>	<u>89,010</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis</b>	89,010	90,170	1,160
<b>Accrual or deferral of revenues</b>	-	-	-
<b>Accrual of expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses - Economic Development Fund</b>	89,010	90,170	1,160

City of Perryville, Missouri  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED**  
Year ended March 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>CDBG Escrow Fund</u></b>			
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 135,124	\$ 135,124
	-	135,124	135,124
<b>Expenditures</b>			
	-	-	-
	-	-	-
Excess (deficiency) of revenues over expenditures	-	135,124	135,124
<b>Other financing sources (uses)</b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	-	135,124	135,124
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - CDGB Escrow Fund	-	135,124	135,124
<b>TOTAL EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - NONMAJOR CAPITAL PROJECT FUNDS</b>	<b>\$ 87,995</b>	<b>\$ 1,052,962</b>	<b>\$ 964,967</b>

City of Perryville, Missouri  
**SCHEDULE OF NATURAL GAS SALES AND PURCHASES**  
 March 31, 2013

1. The natural gas distribution system was serving 3,228 metered customers at March 31, 2013.

2. Gas sales and purchases for the fiscal year ended March 31, 2013 were as follows:

**GAS SALES**

Date billed	Quantity in mcf	Amount billed
04/12	44,466	\$ 495,984
05/12	38,383	429,342
06/12	34,113	208,824
07/12	34,201	191,243
08/12	30,740	198,551
09/12	37,198	220,536
10/12	34,677	237,697
11/12	55,022	339,711
12/12	78,020	549,171
01/13	91,141	846,228
02/13	104,726	965,458
03/13	97,070	917,063
	<u>679,757</u>	<u>\$ 5,599,808</u>

**GAS PURCHASES**

Date billed	Quantity in mcf	Date paid	Cost
04/12	42,087	05/12	\$ 101,770
05/12	34,106	06/12	79,598
06/12	33,749	07/12	98,261
07/12	31,079	08/12	97,588
08/12	34,911	09/12	118,340
09/12	35,558	10/12	109,660
10/12	54,761	11/12	184,787
11/12	81,531	12/12	377,668
12/12	90,506	01/13	474,664
01/13	119,878	02/13	578,181
02/13	104,449	03/13	473,197
03/13	103,970	04/13	502,685
	<u>766,585</u>		<u>\$ 3,196,399</u>

**City of Perryville, Missouri**  
**SCHEDULE OF BONDS OUTSTANDING**  
**March 31, 2013**

Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds (State Revolving Fund Program) Series 1995B in the original amount of \$5,000,000 dated November 14, 1995, balance outstanding at March 31, 2013, was \$1,300,000 bearing interest and maturing as follows.

<u>Maturity date</u>	<u>Interest Rate</u>	<u>Amount</u>
July 1, 2013	5.625%	315,000
July 1, 2014	5.625%	320,000
July 1, 2015	5.625%	330,000
July 1, 2016	5.625%	335,000
		\$ 1,300,000

Capital Improvement Sales Tax Revenue Bonds (State Revolving Fund Program) Series 2000 in the original amount of \$4,750,000 dated April 1, 2000, balance outstanding at March 31, 2013, was \$2,150,000 bearing interest and maturing as follows.

<u>Maturity date</u>	<u>Interest Rate</u>	<u>Amount</u>
July 1, 2013	5.300%	265,000
July 1, 2014	5.750%	280,000
July 1, 2015	5.750%	295,000
July 1, 2016	5.500%	305,000
July 1, 2017	5.550%	320,000
July 1, 2018	5.600%	335,000
July 1, 2019	5.650%	350,000
		\$ 2,150,000

**City of Perryville, Missouri**  
**SCHEDULE OF BONDS OUTSTANDING - CONTINUED**  
**March 31, 2013**

**General Obligation Improvement and Refunding Bonds (State Revolving Fund Program) Series 2000** in the original amount of \$4,110,000 dated April 1, 2000, balance outstanding at March 31, 2013, was \$1,692,705 bearing interest and maturing as follows.

<u>Maturity date</u>	<u>Interest Rate</u>	<u>Amount</u>
July 1, 2013	5.750%	240,000
July 1, 2014	5.400%	250,000
July 1, 2015	5.750%	270,000
July 1, 2016	5.500%	285,000
July 1, 2017	5.550%	300,000
July 1, 2018	5.600%	320,000
July 1, 2019	5.650%	340,000
Deceased amount		<u>(312,295)</u>
		<u>\$ 1,692,705</u>

**Natural Gas Revenue Bonds** in the original amount of \$2,080,000 dated May 31, 2012, balance outstanding at March 31, 2013, was \$2,080,000 bearing interest and maturing as follows.

<u>Maturity date</u>	<u>Interest Rate</u>	<u>Amount</u>
July 1, 2013	2.125%	190,000
July 1, 2014	2.125%	300,000
July 1, 2015	2.125%	305,000
July 1, 2016	2.125%	315,000
July 1, 2017	2.125%	315,000
July 1, 2018	2.125%	320,000
July 1, 2019	2.250%	<u>335,000</u>
		<u>\$ 2,080,000</u>



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

Honorable 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, 2013, and the related notes to the financial statements, which collectively comprise the City of Perryville, Missouri's basic financial statements, and have issued our report thereon dated September 23, 2013.

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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Perryville, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cape Girardeau, Missouri  
September 23, 2013

*Kerber, Eck + Braeckel LLP*



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor  
and Board of Aldermen  
City of Perryville, Missouri

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

We have audited the City of Perryville, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Perryville, Missouri's major federal programs for the year ended March 31, 2013. The City of Perryville, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Perryville, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Perryville, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Perryville, Missouri's compliance.

**Opinion on Each Major Federal Program**

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 each of its major federal programs for the year ended March 31, 2013.

**Report on Internal Control Over Compliance**

Management of City of Perryville, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Perryville, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Perryville, Missouri's internal control over compliance.

*A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to*

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Kerler, Eck + Braachtel LLP*

Cape Girardeau, Missouri  
September 23, 2013

**City of Perryville, Missouri**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended March 31, 2013**

<u>Federal Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice Bulletproof Vest Partnership Program	16.607	n/a	1,603
Cooperative Forestry Assistance Pass-through program from: Missouri Department of Conservation Voluntary Fire Assistance	10.664	n/a	2,938
U.S. Department of Transportation Pass-through program from: Missouri Department of Transportation Federal Airport Improvement Program	* 20.106	11-063A-1	564,463
U.S. Department of Housing & Urban Development Pass-through program from: Missouri Department of Economic Development Community Development Block Grant Recovery Act:	14.228	2011-ED-03	39,647
Community Development Block Grant	14.228	ARRA-2008-R-04	1,996
Environmental Protection Agency Pass-through program from: Missouri Department of Natural Resources National Diesel Emissions Reduction Act Breathe Easy Missouri Program	66.039	DERA BE-1004-11-1	12,538
Delta Regional Authority	90.201	MO-10520C.E.	8,799
<b>Total expenditures of federal awards</b>			<b>\$ <u>631,984</u></b>

\* Major program

**City of Perryville, Missouri**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended March 31, 2013**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Perryville, Missouri and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The modified accrual basis of accounting is described in note A-3 of the City's financial statements.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require that the City of Perryville, Missouri contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

City of Perryville, Missouri  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year ended March 31, 2013

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ yes  x  no

Significant deficiencies identified that are not considered to be material weaknesses \_\_\_\_\_ yes  x  none reported

Noncompliance material to financial statements noted \_\_\_\_\_ yes  x  no

***Federal Awards***

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ yes  x  no

Significant deficiencies identified that are not considered to be material weaknesses \_\_\_\_\_ yes  x  none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 \_\_\_\_\_ yes  x  no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee  x  yes \_\_\_\_\_ no

**City of Perryville, Missouri**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**Year ended March 31, 2013**

**Section II - Financial Statement Findings**

**No matters were reported.**

**Section III - Federal Award Findings and Questioned Costs**

**No matters were reported.**