FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

CITY OF PERRYVILLE, MISSOURI

March 31, 2015

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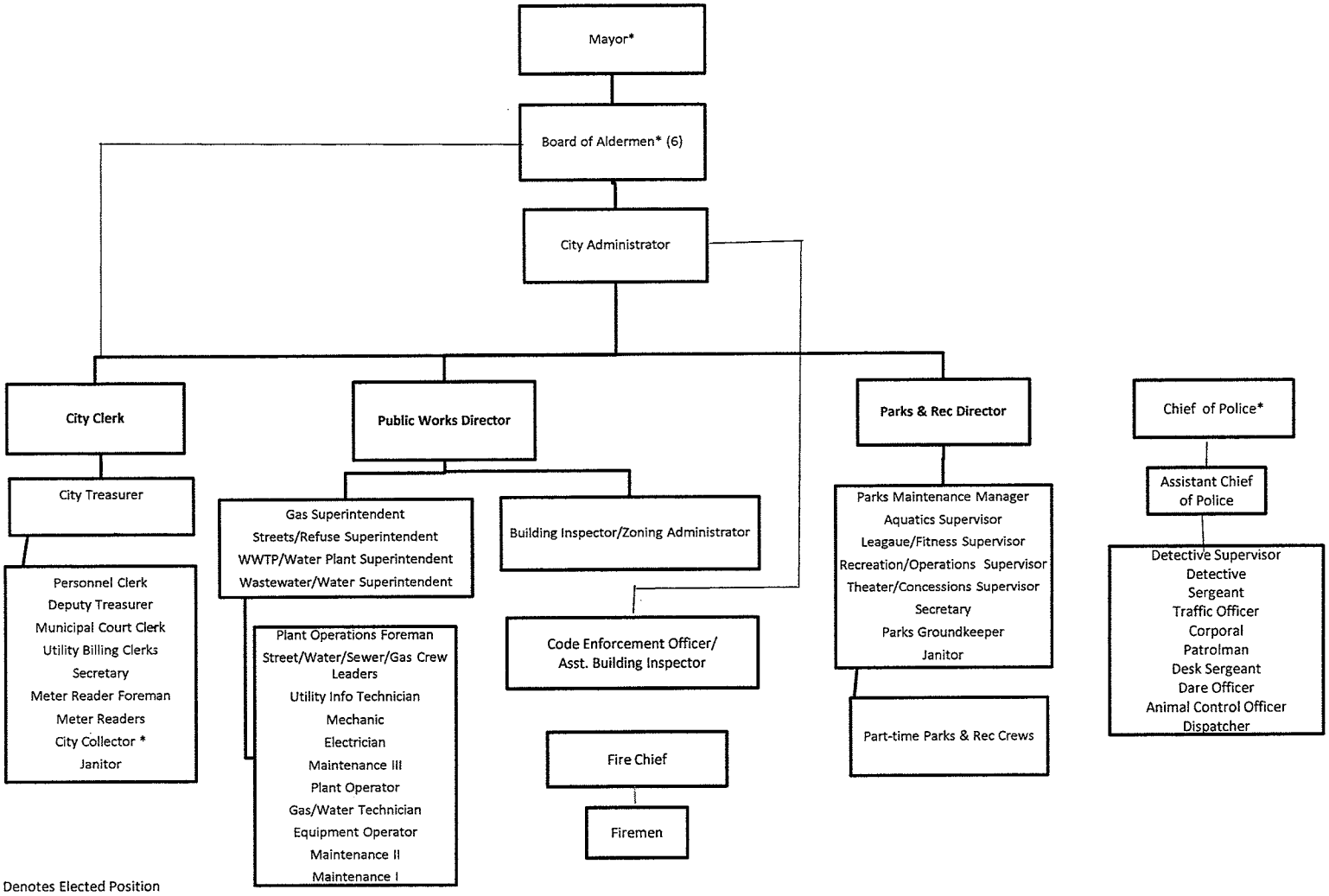
CITY OF PERRYVILLE, MISSOURI
List of Principal Officials
March 31, 2015

Mayor	**Ken Baer**
Aldermen Ward I	**Tom Guth** **Larry E. Riney**
Aldermen Ward II	**Curt Buerck** **Doug Martin**
Aldermen Ward III	**Gary J. Schumer** **Prince Hudson**
City Administrator	**Brent Buerck**
City Clerk	**Tracy Prost**
City Treasurer	**Donna Strattman**
City Collector	**Lori Carroll**
Chief of Police	**Direk Hunt**

City of Perryville Organizational Chart



* Denotes Elected Position

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

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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, 2015, and the related notes to the financial statements, which collectively comprise the City of Perryville, Missouri'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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinions.

Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Jacksonville, IL • St. Louis, MO • Milwaukee, WI

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, 2015, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and LAGERS Schedule of Funding Progress, on pages 10 through 16 and 45 through 50, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Perryville, Missouri's basic financial statements. The 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 16, 2015, 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.

Kerber, Eck + Braeckel LLP

Cape Girardeau, Missouri
September 16, 2015

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

FINANCIAL HIGHLIGHTS

- The City of Perryville, Missouri's net position increased $4,604,891 or 8.4%. Governmental activities net position increased $3,064,194 and business-type activities net position increased $1,540,697.
- The City's governmental activities net position reported ending balance of $30,726,760 an increase of $3,064,194 from the prior year. Approximately 28.0% of this total amount, or $8,611,155, is unrestricted and available for use within the City's designation and policies.
- The City's total debt decreased by $1,500,938 (16.00%) during the current fiscal year.
- The City's property tax levy remained at 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 position and a statement of activities.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are 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, gas and refuse operations. The government-wide financial statements can be found on pages 17 – 26 of this report.

Fund Financial Statements

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

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

- Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

- Proprietary funds – The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, gas and refuse operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 - 44.

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 45 - 52.

The combining statements are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 53 - 67 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's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 11,001,234	$ 9,368,629	$ 11,424,022	$ 10,330,802	$ 22,425,256	$ 19,699,431
Capital assets	24,656,409	23,167,079	22,168,842	22,682,836	46,825,251	45,849,915
Total assets	35,657,643	32,535,708	33,592,864	33,013,638	69,250,507	65,549,346
Deferred outflows of resources	-	-	219,172	271,773	219,172	271,773
Long-term liabilities	3,207,705	3,812,705	3,220,000	4,070,000	6,427,705	7,882,705
Other liabilities	1,681,159	1,016,604	1,852,630	2,009,415	3,533,789	3,026,019
Total liabilities	4,888,864	4,829,309	5,072,630	6,079,415	9,961,494	10,908,724
Deferred inflows of resources	42,019	43,833	30,363	37,650	72,382	81,483
Net position:						
Invested in capital assets, net of related debt	20,843,704	18,743,436	18,098,842	17,722,836	38,942,546	36,466,272
Restricted	1,271,901	1,428,916	2,069,054	2,180,127	3,340,955	3,609,043
Unrestricted	8,611,155	7,490,214	8,541,147	7,265,383	17,152,302	14,755,597
Total net position	$ 30,726,760	$ 27,662,566	$ 28,709,043	$ 27,168,346	$ 59,435,803	$ 54,830,912

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. The assets of the City of Perryville, Missouri exceeded liabilities by $59,435,803 and $54,830,912 as of March 31, 2015 and 2014, respectively.

The largest portion of the City's net position (65.5%) 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 position (5.6%) represents resources that are subject to restrictions on how they may be used. The largest portion of this is the cash restricted for the payment of debt service. The remaining balance of unrestricted net position of $17,152,302 may be used to meet the government's ongoing obligation to citizens and creditors.

City of Perryville, Missouri's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 675,334	$ 682,412	$ 10,458,969	$ 10,201,178	$ 11,134,303	$ 10,883,590
Operating grants & contributions	113,442	100,793	103,456	65,083	216,898	165,876
Capital grants & contributions	1,188,956	734,632	-	-	1,188,956	734,632
General revenues:						
Property taxes	1,030,285	1,039,416	-	-	1,030,285	1,039,416
Sales tax	3,763,269	3,308,344	-	-	3,763,269	3,308,344
County business surtax	87,918	85,965	-	-	87,918	85,965
County road, intangible and railroad/utility taxes	109,620	105,144	-	-	109,620	105,144
Motor vehicle gas, license and sales taxes	516,096	367,179	-	-	516,096	367,179
Gross receipts tax	1,148,037	1,191,990	-	-	1,148,037	1,191,990
Investment revenue	118,250	104,673	101,998	94,076	220,248	198,749
Miscellaneous	340,437	238,908	55,897	38,037	396,334	276,945
Total revenues	9,091,644	7,959,456	10,720,320	10,398,374	19,811,964	18,357,830
Expenses:						
General government	1,640,904	1,475,423	-	-	1,640,904	1,475,423
Public safety	2,241,356	2,227,297	-	-	2,241,356	2,227,297
Airport operations	79,111	271,590	-	-	79,111	271,590
Culture and recreation	1,876,794	1,768,414	-	-	1,876,794	1,768,414
Streets and improvements	795,324	1,152,541	-	-	795,324	1,152,541
Sidewalks	4,728	52,858	-	-	4,728	52,858
Storm water	67,931	42,919	-	-	67,931	42,919
Capital projects	42,657	(16,510)	-	-	42,657	(16,510)
Interest on long-term debt	242,908	277,278	-	-	242,908	277,278
Sanitation	-	-	591,191	637,373	591,191	637,373
Water and sewer	-	-	2,744,759	2,597,596	2,744,759	2,597,596
Gas	-	-	4,879,410	5,114,573	4,879,410	5,114,573
Total expenses	6,991,713	7,251,810	8,215,360	8,349,542	15,207,073	15,601,352
Increase in net position before transfers	2,099,931	707,646	2,504,960	2,048,832	4,604,891	2,756,478
Transfers	964,263	1,220,000	(964,263)	(1,220,000)	-	-
Increase in net position	3,064,194	1,927,646	1,540,697	828,832	4,604,891	2,756,478
Net position at beginning of year	27,662,566	25,734,920	27,168,346	26,454,695	54,830,912	52,189,615
Recognize unamortized bond cost	-	-	-	(115,181)	-	(115,181)
Net position at end of year	$ 30,726,760	$ 27,662,566	$ 28,709,043	$ 27,168,346	$ 59,435,803	$ 54,830,912

Governmental Activities

Governmental activities increased the City's net position by $3,064,194 or 11.1%. Program revenues in the amount of $1,977,732 were used to offset program expenses of $6,991,713 resulting in a net program expense of $5,013,566. General revenues in the amount of $7,113,912 coupled with transfers in of $964,263 funded the difference in those program expenses and resulted in a net increase of $3,064,194.

Business-Type Activities

Business-type activities increased the City's net position by $1,540,697 or 5.7%. Program revenues in the amount of $10,562,425 were used to offset program expenses of $8,215,360 resulting in net program revenue of $2,347,065. General revenues in the amount of $157,895 coupled with transfers out of $964,263 resulted in a total net increase of $1,540,697.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

At the end of the current fiscal year, the City of Perryville, Missouri's governmental funds reported combined ending fund balances of $9,773,144. Approximately 88.2% of this total amount, $8,618,829, 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 - $863,732, and 2) to pay for other activities - $290,583.

Proprietary Funds

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

Unrestricted net position of the respective proprietary funds are Combined Waterworks and Sewerage System Fund - $1,635,218, Gas Operation Fund - $6,560,307, and Refuse Fund – $345,622. Net position of the funds changed as follows: Combined Waterworks and Sewerage System Fund - $78,171, Gas Operation Fund – $1,375,411, and Refuse Fund – $87,115.

General Fund Budgetary Highlights

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

CAPITAL ASSETS

The City of Perryville, Missouri's investment in capital assets for its governmental and business-type activities as of March 31, 2015 totals $46,825,251 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, pool and bathhouse, construction in progress, and infrastructure assets. The total increase in the City's investment in capital assets for the current fiscal year was 2.1% (6.4% increase for governmental activities and 2.3% decrease in business-type activities).

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 2,418,560	$ 2,418,560	$ 285,380	$ 210,750	$ 2,703,940	$ 2,629,310
Buildings	6,893,074	7,030,506	-	-	6,893,074	7,030,506
Improvements other than buildings	4,324,238	3,125,504	18,703,149	19,626,298	23,027,387	22,751,802
Machinery and equipment	1,085,779	1,074,650	2,827,075	2,820,279	3,912,854	3,894,929
Pool and bathhouse	197,015	225,098	-	-	197,015	225,098
Construction in progress	449,355	1,103,462	353,238	25,510	802,593	1,128,972
Infrastructure	9,288,388	8,189,299	-	-	9,288,388	8,189,299
Total	$ 24,656,409	$ 23,167,079	$ 22,168,842	$ 22,682,837	$ 46,825,251	$ 45,849,916

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

- **HWY 51/ 61 Improvements**
- **Airport Runway Improvements**

Additional information on the City of Perryville, Missouri's capital assets can be found in note D on pages 32 - 33 of this report.

DEBT ADMINISTRATION

As of March 31, 2015, the City of Perryville, Missouri had total long-term debt outstanding of $7,882,705. Of this amount, $1,202,705 comprises bonded debt backed by the full faith and credit of the City, $3,860,000 represents bonds secured solely by specified revenue sources (i.e. revenue bonds), and $2,820,000 represents Certificates of Participation.

The City of Perryville, Missouri's total debt decreased by $1,500,938 during the past fiscal year.

Additional information regarding the City of Perryville, Missouri's long-term debt can be found in note F on pages 34 - 37 of this report.

City of Perryville, Missouri's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	$ 1,202,705	$ 1,452,705	$ -	$ -	$ 1,202,705	$ 1,452,705
Revenue bonds	1,605,000	1,885,000	2,255,000	2,875,000	3,860,000	4,760,000
Certificates of Participation	1,005,000	1,040,000	1,815,000	2,085,000	2,820,000	3,125,000
Capital leases	-	45,938	-	-	-	45,938
Total	$ 3,812,705	$ 4,423,643	$ 4,070,000	$ 4,960,000	$ 7,882,705	$ 9,383,643

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 POSITION
March 31, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash (notes A5 and B)	$ 10,277,253	$ 8,018,684	$ 18,295,937
Receivables, net of allowances for doubtful accounts:			
Real estate and personal property taxes (notes A6 and C)	42,019	-	42,019
Sales and use tax	279,246	-	279,246
Intergovernmental	25,590	-	25,590
Accounts receivable	698	894,403	895,101
Due from other funds	250	665,745	665,995
Restricted cash and investments (notes A5 and B)	224,977	1,771,190	1,996,167
Capital assets			
Non depreciable	2,867,915	285,380	3,153,295
Depreciable, net	21,788,494	21,883,462	43,671,956
Prepaid expenses	151,201	74,000	225,201
Total assets	35,657,643	33,592,864	69,250,507
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	219,172	219,172
LIABILITIES			
Accounts payable	110,829	449,500	560,329
Payroll, sales tax and fringe benefits	286,903	172,117	459,020
Due to other funds	627,000	38,995	665,995
Bond issue premium	-	15,722	15,722
Payables from restricted assets			
Current portion of bonds payable (note F)	565,000	635,000	1,200,000
Current portion of COP payable (note F)	40,000	215,000	255,000
Accrued interest	51,427	28,432	79,859
Customer deposits	-	297,864	297,864
Revenue bonds payable, net of deferred amount on refunding, less current maturities (note F)	1,310,000	1,620,000	2,930,000
General obligation bonds payable (note F)	932,705	-	932,705
Certificates of Participation (note F)	965,000	1,600,000	2,565,000
Total liabilities	4,888,864	5,072,630	9,961,494
DEFERRED INFLOWS OF RESOURCES			
Real estate and personal property tax receivables	42,019	-	42,019
Deferred amount on refunding	-	30,363	30,363
Total deferred inflows of resources	42,019	30,363	72,382
NET POSITION			
Invested in capital assets, net of related debt	20,843,704	18,098,842	38,942,546
Restricted for:			
Debt service	981,318	1,771,190	2,752,508
Other	290,583	297,864	588,447
Unrestricted	8,611,155	8,541,147	17,152,302
Total net position	$ 30,726,760	$ 28,709,043	$ 59,435,803

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

City of Perryville, Missouri
STATEMENT OF ACTIVITIES
Year ended March 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	$ 1,640,904	$ 125,451	$ -	$ -	$ (1,515,453)	$ -	$ (1,515,453)
Public safety	2,241,356	64,894	26,974	-	(2,149,488)	-	(2,149,488)
Airport operation	79,111	-	-	19,422	(59,689)	-	(59,689)
Culture and recreation	1,876,794	484,989	-	-	(1,391,805)	-	(1,391,805)
Streets and improvements	795,324	-	-	-	(795,324)	-	(795,324)
Sidewalks	4,728	-	-	-	(4,728)	-	(4,728)
Storm water	67,931	-	-	-	(67,931)	-	(67,931)
Capital projects	42,657	-	-	1,169,534	1,126,877	-	1,126,877
Interest on long-term debt	242,908	-	86,468	-	(156,440)	-	(156,440)
Total governmental activities	6,991,713	675,334	113,442	1,188,956	(5,013,981)	-	(5,013,981)
Business-type activities:							
Water and sewer	2,744,759	2,515,610	103,456	-	-	(125,693)	(125,693)
Gas	4,879,410	7,240,883	-	-	-	2,361,473	2,361,473
Refuse	591,191	702,476	-	-	-	111,285	111,285
Total business-type activities	$ 8,215,360	$ 10,458,969	$ 103,456	$ -	-	2,347,065	2,347,065
General revenues							
Property taxes					1,030,285	-	1,030,285
Sales tax					3,763,269	-	3,763,269
County business surtax					87,918	-	87,918
County road tax, intangible tax, railroad/utility tax					109,620	-	109,620
Motor vehicle gas, license and sales taxes					516,096	-	516,096
Gross receipts tax					1,148,037	-	1,148,037
Investment revenue					118,250	101,998	220,248
Miscellaneous					340,437	55,897	396,334
Transfers					964,263	(964,263)	-
Total general revenues and transfers					8,078,175	(806,368)	7,271,807
Change in net position					3,064,194	1,540,697	4,604,891
Net position at beginning of year					27,662,566	27,168,346	54,830,912
Net position at end of year					$ 30,726,760	$ 28,709,043	$ 59,435,803

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

City of Perryville, Missouri
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2015

	Major Funds					
	General	Perry Park Center	Capital Improvement	Debt Service	Non-Major Funds	Total Governmental Funds
ASSETS						
Cash (notes A5 and B)	$ 2,794,892	$ 41,802	$ 2,655,681	$ 884,977	$ 3,899,901	$ 10,277,253
Receivables, net of allowances for doubtful accounts:						
Real estate and personal property taxes (notes A6 and C)	21,590	9,267	-	11,162	-	42,019
Sales and use tax	136,509	23,212	51,207	-	68,318	279,246
Intergovernmental	-	-	-	-	25,590	25,590
Other	-	-	-	-	698	698
Due from other funds	250	-	-	-		250
Restricted cash and investments (notes A5 and B)	107,391	-	-	-	-	107,391
Prepaid expenses	94,187	26,928	-	-	30,086	151,201
	$ 3,154,819	$ 101,209	$ 2,706,888	$ 896,139	$ 4,024,593	$ 10,883,648
LIABILITIES						
Accounts payable	$ 41,383	$ 33,552	$ -	$ -	$ 35,894	$ 110,829
Payroll, sales tax and fringe benefits	201,983	51,148	-	-	33,772	286,903
Due to other funds	-	-	-	-	627,000	627,000
Payables from restricted assets						
Accrued interest	-	-	22,508	21,245	-	43,753
Deferred revenue - real estate and personal property taxes	21,590	9,267	-	11,162	-	42,019
	264,956	93,967	22,508	32,407	696,666	1,110,504
FUND BALANCES						
Nonspendable	104,187	26,928	-	-	30,086	161,201
Restricted	104,393	-	-	863,732	24,989	993,114
Committed	(7,002)	-	2,684,380	-	2,657,216	5,334,594
Assigned	-	-	-	-	615,636	615,636
Unassigned	2,688,285	(19,686)	-	-	-	2,668,599
	2,889,863	7,242	2,684,380	863,732	3,327,927	9,773,144
	$ 3,154,819	$ 101,209	$ 2,706,888	$ 896,139	$ 4,024,593	$ 10,883,648

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

City of Perryville, Missouri
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
March 31, 2015

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

Total fund balance - total governmental funds		$ 9,773,144
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 45,244,737	
Less accumulated depreciation	20,588,328	24,656,409
Accrued interest on Certificates of Participation		7,674
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.		
Revenue bonds payable	$ 1,605,000	
Certificates of participation (net of cash in reserve fund)	887,414	
General obligation bonds payable	1,202,705	3,695,119
Net position of governmental activities		$ 30,726,760

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, 2015

	Major Funds					
	General	Perry Park Center	Capital Improvement	Debt Service	Nonmajor Funds	Total Governmental Funds
Revenues						
Taxes and special assessments	$ 3,559,937	$ 536,715	$ 700,296	$ 280,308	$ 1,090,783	$ 6,168,039
License and permits	56,374	-	-	-	-	56,374
Charges for services	68,526	478,938	-	551	-	548,015
Intergovernmental	153,361	19,829	44,191	42,277	1,504,768	1,764,426
Fines	64,894	-	-	-	-	64,894
Interest	38,065	932	27,462	7,137	44,654	118,250
Miscellaneous	59,495	82,565	-	-	76,266	218,326
Rental	2,760	78,253	-	-	72,307	153,320
	4,003,412	1,197,232	771,949	330,273	2,788,778	9,091,644
Expenditures						
General government	1,572,298	-	-	-	-	1,572,298
Public safety	2,257,364	-	-	-	-	2,257,364
Culture and recreation	-	1,881,512	-	-	8,242	1,889,754
Airport maintenance	-	-	-	-	50,174	50,174
Airport improvements	-	-	-	-	23,750	23,750
Streets and street improvements	-	-	-	-	1,073,272	1,073,272
Storm water	-	-	-	-	67,931	67,931
Sidewalks	-	-	-	-	4,728	4,728
Debt service:						
Principal	35,000	-	280,000	250,000	-	565,000
Interest	47,572	-	94,721	85,579	-	227,872
Bond handling costs	1,650	-	6,849	6,537	-	15,036
Capital projects	9,030	1,851	-	2,069	1,332,502	1,345,452
	3,922,914	1,883,363	381,570	344,185	2,560,599	9,092,631
Excess (deficiency) of revenues over (under) expenditures	80,498	(686,131)	390,379	(13,912)	228,179	(987)
Other financing sources (uses)						
Operating transfers in	1,640,443	750,268	-	-	329,529	2,720,240
Operating transfers out	(878,397)	(50,000)	(325,000)	-	(502,580)	(1,755,977)
	762,046	700,268	(325,000)	-	(173,051)	964,263
Net change in fund balance	842,544	14,137	65,379	(13,912)	55,128	963,276
Fund balance beginning of year	2,047,319	(6,895)	2,619,001	877,644	3,272,799	8,809,868
Fund balance end of year	$ 2,889,863	$ 7,242	$ 2,684,380	$ 863,732	$ 3,327,927	$ 9,773,144

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, 2015

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

Net changes in fund balances - total governmental funds	$	963,276
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		2,510,442
Capital assets disposed of are recognized in the statement of activities		(4,141)
Depreciation expense is recognized as an expense in the statement of net position		(1,016,972)
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds		565,000
Repayment of the principal portion of lease purchase obligations		45,938
Other		651
	$	3,064,194

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

City of Perryville, Missouri
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
March 31, 2015

	Major Enterprise Funds			
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	Total Enterprise Funds
ASSETS				
Current assets				
Cash and investments	$ 1,719,390	$ 6,020,207	$ 279,087	$ 8,018,684
Accounts receivable, net of allowance for doubtful accounts	180,312	649,450	64,641	894,403
Due from other funds	-	665,745	-	665,745
Prepaid expenses	26,200	21,362	26,438	74,000
	1,925,902	7,356,764	370,166	9,652,832
Restricted cash and investments	1,154,168	617,022	-	1,771,190
Property, plant and equipment				
Plant and system improvements	29,639,471	9,865,306	-	39,504,777
Machinery and equipment	1,190,470	937,051	663,069	2,790,590
	30,829,941	10,802,357	663,069	42,295,367
Less accumulated depreciation	16,187,823	3,934,013	643,307	20,765,143
	14,642,118	6,868,344	19,762	21,530,224
Land	138,750	139,630	7,000	285,380
Construction in progress	205,725	139,893	7,620	353,238
	14,986,593	7,147,867	34,382	22,168,842
Total assets	18,066,663	15,121,653	404,548	33,592,864
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	133,337	85,835	-	219,172
LIABILITIES				
Current liabilities				
Accounts payable	67,293	379,105	3,102	449,500
Accrued liabilities	72,428	78,247	21,442	172,117
Due to other funds	38,995	-	-	38,995
Bond issue premium	2,512	13,210	-	15,722
Payables from restricted assets				
Current portion of revenue bonds payable	330,000	305,000	-	635,000
Current portion of certificates of participation	116,100	98,900	-	215,000
Accrued interest	15,037	13,395	-	28,432
Customer deposits	113,878	183,986	-	297,864
	756,243	1,071,843	24,544	1,852,630
Revenue bonds payable	335,000	1,285,000	-	1,620,000
Certificates of participation payable	864,000	736,000	-	1,600,000
	1,199,000	2,021,000	-	3,220,000
Total liabilities	1,955,243	3,092,843	24,544	5,072,630
DEFERRED INFLOWS OF RESOURCES				
Deferred amount on refunding	-	30,363	-	30,363
NET POSITION				
Invested in capital assets, net of related debt	13,341,493	4,722,967	34,382	18,098,842
Restricted for:				
Debt service	1,154,168	617,022	-	1,771,190
Other	113,878	183,986	-	297,864
Unrestricted	1,635,218	6,560,307	345,622	8,541,147
Total net position	$ 16,244,757	$ 12,084,282	$ 380,004	$ 28,709,043

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 POSITION
PROPRIETARY FUNDS
Year ended March 31, 2015

	Major Enterprise Funds			
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	Total Enterprise Funds
Operating revenues				
Charges for services	$ 2,515,610	$ 7,240,883	$ 702,476	$ 10,458,969
Miscellaneous income	16,781	38,132	984	55,897
	2,532,391	7,279,015	703,460	10,514,866
Operating expenses				
General operating expense	1,802,260	4,564,338	574,736	6,941,334
Depreciation and amortization	845,357	247,648	16,455	1,109,460
	2,647,617	4,811,986	591,191	8,050,794
Operating income (loss)	(115,226)	2,467,029	112,269	2,464,072
Nonoperating income (expense)				
Interest income	29,346	69,806	2,846	101,998
Intergovernmental income	103,456	-	-	103,456
Interest expense	(97,142)	(67,424)	-	(164,566)
	35,660	2,382	2,846	40,888
Earnings (loss) before operating transfers	(79,566)	2,469,411	115,115	2,504,960
Other financing sources (uses)				
Operating transfers in	325,000	-	-	325,000
Operating transfers out	(167,263)	(1,094,000)	(28,000)	(1,289,263)
	157,737	(1,094,000)	(28,000)	(964,263)
CHANGE IN NET POSITION	78,171	1,375,411	87,115	1,540,697
Net position at beginning of year	16,166,586	10,708,871	292,889	27,168,346
Net position at end of year	$ 16,244,757	$ 12,084,282	$ 380,004	$ 28,709,043

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, 2015

	Major Enterprise Funds			
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	Total Enterprise Funds
Cash flows from operating activities				
Cash received from customers	$ 2,502,896	$ 7,222,485	$ 699,773	$ 10,425,154
Cash received from other sources	48,782	51,445	984	101,211
Cash payments to suppliers	(912,007)	(4,082,635)	(229,789)	(5,224,431)
Cash payments to employees	(878,265)	(580,414)	(365,157)	(1,823,836)
Cash payments for other expenses	(733)	(23,463)	-	(24,196)
	760,673	2,587,418	105,811	3,453,902
Cash flows from noncapital financing activities				
Transfers in	325,000	-	-	325,000
Transfers out	(167,263)	(1,094,000)	(28,000)	(1,289,263)
Note receivable to transportation trust fund	-	(627,000)	-	(627,000)
Operating grants	103,456	-	-	103,456
	261,193	(1,721,000)	(28,000)	(1,487,807)
Cash flows from capital and related financing activities				
Debt service - interest payments	(91,868)	(65,171)	-	(157,039)
Debt service - principal payments	(465,800)	(424,200)	-	(890,000)
Acquisition and construction of capital assets	(208,065)	(387,308)	(7,620)	(602,993)
	(765,733)	(876,679)	(7,620)	(1,650,032)
Cash flows from investing activities				
Interest received	29,346	69,806	2,846	101,998
Net increase in cash and cash equivalents	285,479	59,545	73,037	418,061
Cash and cash equivalents at beginning of year	2,588,079	6,577,684	206,050	9,371,813
Cash and cash equivalents at end of year	$ 2,873,558	$ 6,637,229	$ 279,087	$ 9,789,874

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, 2015

	Major Enterprise Funds			
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ (115,226)	$ 2,467,029	$ 112,269	$ 2,464,072
Depreciation and amortization	845,357	247,648	16,455	1,109,460
Changes in assets and liabilities				
(Increase) Decrease in accounts receivable	(12,714)	(18,398)	(2,703)	(33,815)
(Increase) Decrease in prepaid expenses	(4,859)	(3,823)	(5,662)	(14,344)
(Increase) Decrease in deferred refunding	32,001	13,313	-	45,314
Increase (Decrease) in accounts payable	(116)	(119,762)	(14,769)	(134,647)
Increase (Decrease) in accrued liabilities	16,781	4,534	221	21,536
Increase (Decrease) in customer deposits	5,326	2,300	-	7,626
Increase (Decrease) in bond issue premium	(603)	(3,170)	-	(3,773)
Increase (Decrease) in accrued interest	(5,274)	(2,253)	-	(7,527)
Net cash provided by operating activities	$ 760,673	$ 2,587,418	$ 105,811	$ 3,453,902

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

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 position 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.

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) Fund – 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.

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

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

Gas Fund – The Gas Operation 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.

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 $180,324 of accrued vacation leave at March 31, 2015, has been recorded. Proprietary funds accrue vacation leave in the period they are earned. For 2015, $86,588 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 Position

In the government-wide and proprietary fund financial statements, net position 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 position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

Unrestricted – This consists of net position that does 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 (10th) day of the month for the actual month covered. This program is offered for a duration of 19 months after the termination date. There is no associated cost to the City under this program, and there are currently no participants in the program.

14. Subsequent Events

The City has evaluated subsequent events through September 16, 2015, the date the financial statements were available to be issued.

NOTE B – DEPOSITS AND INVESTMENTS

At March 31, 2015, the carrying amount of the City's deposits was $20,292,104. 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, 2015 are not exposed to custodial credit risk.

NOTE C – PROPERTY TAXES

Property taxes attach as an enforceable lien on property. Taxes were levied August 19, 2014, 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, 2015, totaled $42,019. The City recognizes this amount as deferred inflows.

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2015 was as follows:

Governmental activities:	Balance March 31, 2014	Additions	Deletions	Balance March 31, 2015
Capital assets not being depreciated				
Land	$ 2,418,560	$ -	$ -	$ 2,418,560
Construction in progress	1,103,462	351,713	1,005,821	449,354
	3,522,022	351,713	1,005,821	2,867,914
Capital assets being depreciated				
Buildings	9,415,091	-	36,264	9,378,827
Improvements other than buildings	24,000,085	2,923,804	-	26,923,889
Machinery and equipment	5,092,661	238,724	170,658	5,160,727
Pool and bathhouse	911,357	2,023	-	913,380
	39,419,194	3,164,551	206,922	42,376,823
Less accumulated depreciation for				
Buildings	2,384,585	137,405	36,238	2,485,752
Improvements other than buildings	12,378,308	555,732	-	12,934,040
Machinery and equipment	4,324,985	293,729	166,543	4,452,171
Pool and bathhouse	686,259	30,106	-	716,365
	19,774,137	1,016,972	202,781	20,588,328
Capital assets being depreciated, net	19,645,057	2,147,579	4,141	21,788,495
Governmental activities capital assets, net	$ 23,167,079	$ 2,499,292	$ 1,009,962	$ 24,656,409

NOTE D – CAPITAL ASSETS – Continued

Business-type activities:	Balance March 31, 2014	Additions	Deletions	Balance March 31, 2015
Capital assets not being depreciated				
Land	$ 210,750	$ 74,630	$ -	$ 285,380
Construction in progress	25,510	327,728	-	353,238
	236,260	402,358	-	638,618
Capital assets being depreciated				
Buildings and improvements other than buildings	39,499,535	8,243	3,001	39,504,777
Machinery and equipment	2,641,523	184,864	35,797	2,790,590
	42,141,058	193,107	38,798	42,295,367
Less accumulated depreciation for				
Buildings and improvements other than buildings	17,642,115	931,392	3,001	18,570,506
Machinery and equipment	2,052,366	178,068	35,797	2,194,637
	19,694,481	1,109,460	38,798	20,765,143
Capital assets being depreciated, net	22,446,577	(916,353)	-	21,530,224
Business-type activities capital assets, net	$ 22,682,837	$ (513,995)	$ -	$ 22,168,842

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

Governmental activities:	
General government	$ 73,120
Public safety	84,714
Airport	46,781
Culture and recreation	129,664
Streets and improvements	519,978
Capital projects	162,715
	$ 1,016,972
Business-type activities:	
Major funds:	
Combined Waterworks and Sewerage System Fund	$ 845,357
Gas Operation Fund	247,648
Refuse Fund	16,455
	$ 1,109,460

NOTE E – EXCESS OF EXPENDITURES OVER REVENUES IN INDIVIDUAL FUNDS

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

	Expenditures	Revenues	Difference
Major Governmental Funds			
Debt Sevice Fund	344,185	330,273	13,912
Perry Park Center	1,883,363	1,197,232	686,131
Nonmajor Governmental Funds			
Special Revenue Fund -			
Transportation Trust	1,115,997	1,063,896	52,101
Capital Project Fund -			
General Public Facilities Fund	8,409	-	8,409
2012 Downtown TIF Fund	51,660	18,475	33,185
2010 Hwy 51/61 TIF Fund	1,269,933	1,171,632	98,301

NOTE F – LONG –TERM OBLIGATIONS

Following is a summary of bonds and notes payable transactions of the City for the year ended March 31, 2015:

	General Obligation	Revenue	Capital Leases	Certificates of Participation	Total
Balance at April 1, 2014	$ 1,452,705	$ 4,760,000	$ 45,938	$ 3,125,000	$ 9,383,643
Long - term obligations added	-	-	-	-	-
Long - term obligations retired	250,000	900,000	45,938	305,000	1,500,938
Balance at March 31, 2015	$ 1,202,705	$ 3,860,000	$ -	$ 2,820,000	$ 7,882,705

NOTE F – LONG –TERM OBLIGATIONS – Continued

Long – term obligations at March 31, 2015, are comprised of the following individual issues:

	Total	Current Maturities
Revenue Bonds:		
$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	$ 665,000	$ 330,000
$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	1,605,000	295,000
$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	1,590,000	305,000
Certificates of Participation		
$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	1,005,000	40,000
$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	1,815,000	215,000
General Obligation Bonds:		
$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	1,202,705	270,000
	$ 7,882,705	$ 1,455,000
Less current maturities	1,455,000	
	$ 6,427,705	

NOTE F – LONG –TERM OBLIGATIONS – Continued

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

	Total	Current Maturities
Governmental activities:		
$4,750,000 Capital Improvement Sales Tax Revenue Bonds	$ 1,605,000	$ 295,000
$4,110,000 General Obligation Improvement and Refunding Bonds	1,202,705	270,000
$1,170,000 Certificates of Participation - Police Station	1,005,000	40,000
	$ 3,812,705	$ 605,000
Business-type activities:		
$5,000,000 Combined Waterworks and Sewerage System Refunding and Improvement Bonds	$ 665,000	$ 330,000
$2,080,000 Natural Gas System Refunding Revenue Bonds	1,590,000	305,000
$2,335,000 Certificate of Participation - both Natural Gas and Combined Waterworks and Sewerage System	1,815,000	215,000
	$ 4,070,000	$ 850,000

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.

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.

During the year ended March 31, 2013, the City authorized the issuance of a ten year, $28,600,000 Industrial Development Revenue Bond to provide economic financial assistance to TG Missouri Corporation, a private entity. The debt service of these issues are paid solely from the private entity through lease agreements; therefore, the issues do not constitute a debt of the City and, accordingly, are not included in the City's statement of net position. The principal balance outstanding as of March 31, 2015 is $24,386,396.

During the year ended March 31, 2015, the City authorized the issuance of a ten year, $110,000,000 Industrial Development Revenue Bond to provide economic financial assistance to TG Missouri Corporation, a private entity. The debt service of these issues are paid solely from the private entity through lease agreements; therefore, the issues do not constitute a debt of the City and, accordingly, are not included in the City's statement of net position. The principal balance outstanding as of March 31, 2015 is $17,100,483.

At March 31, 2015, the State had contributed $1,044,206 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,	
2016	$ 1,455,000
2017	1,495,000
2018	1,365,000
2019	1,415,000
2020	1,207,705
2021 and later	945,000
	$ 7,882,705

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 30th statutorily required contribution rates were 14.9% (General) and 16.2% (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.

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

The political subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	$ 540,572
Interest on net pension obligation	22,535
Adjustment to annual required contribution	(18,276)
Annual pension cost	544,831
Actual contributions	520,030
Increase (decrease) in NPO	24,801
NPO beginning of year	310,824
NPO end of year	$ 335,625

The annual required contribution (ARC) was determined as part of the February 29, 2012 and February 28, 2013 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 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 29, 2012 was 30 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2013 was 30 years for the General Division and 30 years for the Police division.

NOTE G – PENSION PLAN – Continued

Three - Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	541,180	81.7%	245,653
2013	548,133	88.1%	310,824
2014	544,831	95.4%	335,625

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
2/29/2012	8,715,719	11,085,499	2,369,780	79%	3,572,113	66%
2/28/2013	7,913,488	10,293,263	2,379,775	77%	3,385,959	70%
2/28/2014	9,145,939	11,043,996	1,898,057	83%	3,580,565	53%

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 $392,437, was incurred during the year ended March 31, 2015. No interest was capitalized as part of the cost of assets constructed during the period.

NOTE I – RELATED PARTY TRANSACTIONS

During the year ended March 31, 2015, the City incurred expenses/expenditures of $386,141 for engineering services with an entity owned by a relative of the Mayor. At March 31, 2015, $29,933 was due to the related party. The entity has been providing engineering services to the City since January 2004 but did not become a related party to the City until April 2014 when the mayor assumed office.

NOTE J – 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 that 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 previously commit the amounts.

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.

NOTE J – CLASSIFICATION OF FUND BALANCE AND RETAINED EARNINGS – Continued

The City's governmental fund balances and restricted retained earnings at March 31, 2015, as follows:

Fund Balances	General Fund	Perry Park Center Fund	Capital Improvement Fund	Debt Service Fund	Non-Major Funds	Combined Waterworks and Sewerage System Fund	Gas Operation Fund
Nonspendable							
Prepaid expenses	$ 94,187	$ 26,928	$ -	$ -	$ 30,086	$ -	$ -
CATV franchise fees	10,000	-	-	-	-	-	-
Restricted							
2007 certificate of participation	24,268	-	-	863,732	-	-	-
Municipal court	1,619	-	-	-	-	-	-
Crime victims compensation fund	185	-	-	-	-	-	-
Taxes paid under protest	265	-	-	-	-	-	-
Veterans memorial field fund	-	-	-	-	24,989	-	-
Fire truck escrow	78,000	-	-	-	-	-	-
P.O.S.T commission	56	-	-	-	-	-	-
Committed							
Debt service	-	-	2,684,380	-	-	-	-
Perry park center fund	-	(19,686)	-	-	-	-	-
Judicial education fund	539	-	-	-	-	-	-
Domestic shelter	92	-	-	-	-	-	-
Police training	1,003	-	-	-	-	-	-
Inmate security	(8,636)	-	-	-	-	-	-
Street improvement	-	-	-	-	1,484,634	-	-
Transportation trust	-	-	-	-	1,172,582	-	-
Assigned							
2012 Downtown TIF fund	-	-	-	-	17,348	-	-
Rand Avenue extension TIF fund	-	-	-	-	231,308	-	-
2010 HWY 51/61 TIF fund	-	-	-	-	37,146	-	-
Economic development fund	-	-	-	-	194,710	-	-
CDGB escrow fund	-	-	-	-	135,124	-	-
Unassigned	2,688,285	-	-	-	-	-	-
Retained earnings							
Restricted for debt service	-	-	-	-	-	1,154,168	617,022
Restricted for deposits	-	-	-	-	-	113,878	183,986
	$ 2,889,863	$ 7,242	$ 2,684,380	$ 863,732	$ 3,327,927	$ 1,268,046	$ 801,008

NOTE K – OPERATING TRANSFERS

The City makes transfers between various funds for routine and normal operating expenses. Operating transfers for the year ended March 31, 2015 were as follows:

	Transfer From											
Transfer To	General Fund	Transportation Trust Fund	Capital Improvement Sales Tax Fund	Perry Park Center Fund	Economic Development	Disc Golf Fund	Perry Park Center Escrow Fund	Street Improvement Fund	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	Total
Major Governmental Funds												
General Fund	$ -	$ 75,000	$ -	$ -	$ -	$ -	$ 294,443	$ -	$ 149,000	$ 1,094,000	$ 28,000	$ 1,640,443
Perry Park Center Fund	750,000	-	-	-	-	268	-	-	-	-	-	750,268
Nonmajor Gov. Funds												
Perry Park Center Escrow Fund	-	-	-	50,000	-	-	-	-	-	-	-	50,000
Economic Development Fund	100,000	-	-	-	-	-	-	-	-	-	-	100,000
General Public Facilities Fund	8,397	-	-	-	-	-	-	-	-	-	-	8,397
2012 HWY 51/61 TIF Fund	20,000	-	-	-	-	-	-	90,000	18,263	-	-	128,263
2012 Downtown TIF Fund	-	-	-	-	42,869	-	-	-	-	-	-	42,869
Major Enterprise Funds												
Combined Waterworks and Sewerage System Fund	-	-	325,000	-	-	-	-	-	-	-	-	325,000
Total	$ 878,397	$ 75,000	$ 325,000	$ 50,000	$ 42,869	$ 268	$ 294,443	$ 90,000	$ 167,263	$ 1,094,000	$ 28,000	$ 3,045,240

NOTE L – INTERFUND RECEIVABLES AND PAYABLES

As of March 31, 2015, the City had $38,745 due from the Combined Waterworks and Sewer System Fund to the Gas Fund, $627,000 due from the Transportation Trust Fund to the Gas Fund, and $250 due from the Combined Waterworks and Sewer System Fund to the General Fund.

NOTE M– 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 & Sewerage System Fund	Gas Operation Fund	Refuse Fund	Total
ASSETS				
Current assets	$ 1,925,902	$ 7,356,764	$ 370,166	$ 9,652,832
Restricted assets	1,154,168	617,022	-	1,771,190
Capital assets	14,986,593	7,147,867	34,382	22,168,842
Total assets	18,066,663	15,121,653	404,548	33,592,864
DEFERRED OUTFLOWS OF RESOURCES	133,337	85,835	-	219,172
LIABILITIES				
Current liabilities	178,716	457,352	24,544	660,612
Liabilities payable from restricted assets	577,527	614,491	-	1,192,018
Bonds, notes payable, and other long-term liabilities	1,199,000	2,021,000	-	3,220,000
Total liabilities	1,955,243	3,092,843	24,544	5,072,630
DEFERRED INFLOWS OF RESOURCES	-	30,363	-	30,363
NET POSITION				
Invested in capital assets, net of related debt	13,341,493	4,722,967	34,382	18,098,842
Restricted for				
Debt service	1,154,168	617,022	-	1,771,190
Other	113,878	183,986	-	297,864
Unrestricted	1,635,218	6,560,307	345,622	8,541,147
Total net position	$ 16,244,757	$ 12,084,282	$ 380,004	$ 28,709,043

NOTE M – SEGMENT INFORMATION – Continued

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	Combined Waterworks & Sewerage System Fund	Gas Operation Fund	Refuse Fund	Total
Operating revenues	$ 2,515,610	$ 7,240,883	$ 702,476	$ 10,458,969
Depreciation and amortization	(845,357)	(247,648)	(16,455)	(1,109,460)
Other operating expenses	(1,802,260)	(4,564,338)	(574,736)	(6,941,334)
Operating income (loss)	(132,007)	2,428,897	111,285	2,408,175
Nonoperating income (expenses)				
Interest income	29,346	69,806	2,846	101,998
Intergovernmental income	103,456	-	-	103,456
Miscellaneous income	16,781	38,132	984	55,897
Interest expense	(97,142)	(67,424)	-	(164,566)
	52,441	40,514	3,830	96,785
Transfers in	325,000	-	-	325,000
Transfers out	(167,263)	(1,094,000)	(28,000)	(1,289,263)
Change in net position	78,171	1,375,411	87,115	1,540,697
Net position at beginning of year	16,166,586	10,708,871	292,889	27,168,346
Net position at end of year	$ 16,244,757	$ 12,084,282	$ 380,004	$ 28,709,043

CONDENSED STATEMENT OF CASH FLOWS	Combined Waterworks & Sewerage System Fund	Gas Operation Fund	Refuse Fund	Total
Net cash provided by (used in):				
Operating activities	$ 760,673	$ 2,587,418	$ 105,811	$ 3,453,902
Noncapital financing activities	261,193	(1,721,000)	(28,000)	(1,487,807)
Capital and related financing activities	(765,733)	(876,679)	(7,620)	(1,650,032)
Investing activities	29,346	69,806	2,846	101,998
	285,479	59,545	73,037	418,061
Cash and cash equivalents at beginning of year	2,588,079	6,577,684	206,050	9,371,813
Cash and cash equivalents at end of year	$ 2,873,558	$ 6,637,229	$ 279,087	$ 9,789,874

NOTE N – COMPLIANCE WITH MISSOURI STATUTES

The percentage of revenue that the City derived from traffic violations was less than 30 percent of its total revenue as shown on the basic financial statements and is in compliance with HB103.

NOTE O – SUBSEQUENT EVENT

On April 8, 2015, the City paid in full the balance of the outstanding Series 2007 Certificates of Participation. The principal amount due at the payoff date was $1,005,000.

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year ended March 31, 2015

General Revenue Fund	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Taxes and special assessments				
Real estate and personal property taxes	$ 520,000	$ 520,000	$ 542,172	$ 22,172
Railroad and utility tax	1,500	1,500	1,520	20
Gross receipts tax	1,150,000	1,150,000	1,148,037	(1,963)
Intangible tax	4,000	4,000	1,349	(2,651)
Sales tax	1,550,000	1,550,000	1,703,605	153,605
Local use tax	36,000	36,000	145,340	109,340
Tax under protest	250	250	-	(250)
	3,261,750	3,261,750	3,542,023	280,273
License and permits				
City vehicle licenses	21,000	21,000	21,576	576
Occupational licenses	15,000	15,000	15,685	685
Liquor licenses	10,000	10,000	12,245	2,245
Mobile home licenses	1,000	1,000	985	(15)
Building and other permits	5,100	5,100	5,883	783
	52,100	52,100	56,374	4,274
Charges for services				
Fees and services	15,000	15,000	11,487	(3,513)
Penalties	800	800	865	65
Cable TV franchise fees	45,000	45,000	56,174	11,174
	60,800	60,800	68,526	7,726
Intergovernmental				
Road district contributions	100,000	100,000	105,383	5,383
Police grants	1,900	1,900	1,816	(84)
Dept of conservation fire grant	3,000	3,000	-	(3,000)
County business surtax	35,000	35,000	46,162	11,162
	139,900	139,900	153,361	13,461
Fines				
Court fines, costs and police training fund	89,100	89,100	59,770	(29,330)
Inmate security fund	2,500	2,500	832	(1,668)
Crime victim compensation	5,000	5,000	2,980	(2,020)
Restitution fund	1,500	1,500	922	(578)
Parking tickets	150	150	390	240
	98,250	98,250	64,894	(33,356)
Interest	20,120	20,120	38,065	17,945
Miscellaneous				
Miscellaneous	31,150	31,150	50,495	19,345
Donations	4,500	4,500	9,000	4,500
	35,650	35,650	59,495	23,845
Rental	2,760	2,760	2,760	-
Total revenues	3,671,330	3,671,330	3,985,498	314,168

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - CONTINUED
Year ended March 31, 2015

General Revenue Fund - Continued	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
Expenditures				
General government				
Mayor and board	$ 173,980	$ 173,980	$ 189,663	$ (15,683)
City administrators office	160,453	160,453	140,942	19,511
Clerk/Finance	438,089	438,089	430,028	8,061
Municipal court	98,917	98,917	85,941	12,976
Community development	179,951	179,951	169,924	10,027
General services	387,283	387,283	412,626	(25,343)
Port authority/Economic development	73,960	73,960	73,960	-
Cable access/Levee district	29,620	29,620	33,861	(4,241)
	1,542,253	1,542,253	1,536,945	5,308
Public safety				
Police department	2,127,756	2,127,756	2,100,077	27,679
Fire department	215,660	215,660	177,526	38,134
	2,343,416	2,343,416	2,277,603	65,813
Debt service				
Principal and interest payments	83,310	83,310	84,222	(912)
Capital projects	4,500	4,500	9,030	(4,530)
Total expenditures	3,973,479	3,973,479	3,907,800	65,679
Excess (deficiency) of revenues over expenditures	(302,149)	(302,149)	77,698	379,847
Other financing sources (uses)				
Operating transfers in	1,346,000	1,640,443	1,640,443	-
Operating transfers out	(964,215)	(992,612)	(878,397)	114,215
	381,785	647,831	762,046	114,215
Net change in fund balance	79,636	345,682	839,744	494,062
Fund balance at beginning of year	2,006,258	2,006,258	2,006,258	-
Fund balance at end of year	$ 2,085,894	$ 2,351,940	$ 2,846,002	$ 494,062

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE - PERRY PARK CENTER FUND
Year ended March 31, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes and special assessments				
Real estate and personal property tax	$ 226,352	$ 226,352	$ 230,454	$ 4,102
Railroad and utility tax	775	775	646	(129)
Sales tax	270,000	270,000	303,816	33,816
	497,127	497,127	534,916	37,789
Charges for services				
Concessions and vending machines	66,950	66,950	71,947	4,997
Tournament and sports fees	42,500	42,500	54,159	11,659
Admission fees and passes	345,400	345,400	346,926	1,526
Arcade, fun club and senior olympics	5,500	5,500	5,906	406
	460,350	460,350	478,938	18,588
Intergovernmental				
County business surtax	16,000	16,000	19,829	3,829
Interest	400	400	932	532
Miscellaneous	62,200	62,200	82,565	20,365
Rental				
Library lease	27,000	27,000	27,000	-
Theater rent	13,000	13,000	14,311	1,311
Pool and gymnasium	11,250	11,250	16,689	5,439
Pavilions, ball fields, community center, meeting room	15,100	15,100	20,254	5,154
	66,350	66,350	78,254	11,904
Total revenues	1,102,427	1,102,427	1,195,434	93,007
Expenditures				
Leagues	103,788	103,788	88,671	15,117
Administration	516,892	516,892	536,682	(19,790)
Capital projects	1,900	1,900	1,851	49
Community center maintenance	4,350	4,350	3,474	876
Fitness center	64,018	64,018	59,718	4,300
Activities and marketing	129,572	129,572	122,597	6,975
Maintenance and housekeeping	338,966	338,966	356,073	(17,107)
Park maintenance	319,578	319,578	297,299	22,279
Performing arts center	130,071	130,071	123,898	6,173
Pool	240,239	240,239	224,447	15,792
Park center operations	67,268	67,268	66,345	923
Total expenditures	1,916,642	1,916,642	1,881,055	35,587
Excess (deficiency) of revenues over expenditures	(814,215)	(814,215)	(685,621)	128,594
Other financing sources (uses)				
Operating transfers in	864,215	864,215	750,268	(113,947)
Operating transfers out	(50,000)	(50,000)	(50,000)	-
	814,215	814,215	700,268	(113,947)
Net change in fund balance	-	-	14,647	14,647
Fund balance at beginning of year	8,422	8,422	8,422	-
Fund balance at end of year	$ 8,422	$ 8,422	$ 23,069	$ 14,647

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT SALES TAX FUND
Year ended March 31, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes and special assessments				
Sales tax	$ 585,000	$ 585,000	$ 638,732	$ 53,732
Local use tax	15,000	15,000	54,845	39,845
Interest	28,000	28,000	27,462	(538)
	628,000	628,000	721,039	93,039
Expenditures				
Debt service				
Principal	280,000	280,000	292,500	(12,500)
Interest	98,100	98,100	48,917	49,183
Bond handling charges	9,300	9,300	6,848	2,452
	387,400	387,400	348,265	39,135
Excess (deficiency) of revenues over expenditures	240,600	240,600	372,774	132,174
Other financing sources (uses)				
Operating transfers in	84,400	84,400	-	(84,400)
Operating transfers out	(325,000)	(325,000)	(325,000)	-
	(240,600)	(240,600)	(325,000)	(84,400)
Net change in fund balance	-	-	47,774	47,774
Fund balance at beginning of year	2,585,862	2,585,862	2,585,862	-
Fund balance at end of year	$ 2,585,862	$ 2,585,862	$ 2,633,636	$ 47,774

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
Year ended March 31, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes and special assessments				
Real estate and personal property tax	$ 252,980	$ 252,980	$ 257,659	$ 4,679
Railroad and utility tax	750	750	722	(28)
	253,730	253,730	258,381	4,651
Intergovernmental				
County business surtax	21,000	21,000	21,927	927
	21,000	21,000	21,927	927
Charges for services				
Penalties	500	500	551	51
Interest	7,000	7,000	7,137	137
Total revenues	282,230	282,230	287,996	5,766
Expenditures				
Debt service				
Principal	250,000	250,000	266,667	(16,667)
Interest	98,500	98,500	45,295	53,205
Bond handling charges	8,500	8,500	6,536	1,964
Capital projects	2,700	2,700	2,069	631
	359,700	359,700	320,567	39,133
Excess (deficiency) of revenues over expenditures	(77,470)	(77,470)	(32,571)	44,899
Other financing sources (uses)				
Operating transfers in	77,470	77,470	-	(77,470)
Operating transfers out	-	-	-	-
	77,470	77,470	-	(77,470)
Net change in fund balance	-	-	(32,571)	(32,571)
Fund balance at beginning of year	845,735	845,735	845,735	-
Fund balance at end of year	$ 845,735	$ 845,735	$ 813,164	$ (32,571)

City of Perryville, Missouri
REQUIRED SUPPLEMENTARY INFORMATION
LAGERS 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
2/29/2012	8,715,719	11,085,499	2,369,780	79%	3,572,113	66%
2/28/2013	7,913,488	10,293,263	2,379,775	77%	3,385,959	70%
2/28/2014	9,145,939	11,043,996	1,898,057	83%	3,580,565	53%

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 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.

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.

	General Fund	Perry Park Center Fund	Capital Improvement Sales Tax Fund	Debt Service Fund
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses - budgetary basis	$ 839,744	$ 14,647	$ 47,774	$ (32,571)
Adjustments				
To record accrual and deferral of revenues	17,914	1,798	6,718	-
To record accrual of expenditures	(15,114)	(2,308)	10,887	18,659
Net change in fund balance - GAAP basis	$ 842,544	$ 14,137	$ 65,379	$ (13,912)

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 a soccer complex and other general public facilities.

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".

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 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, 2015

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 3,283,365	$ 616,536	$ 3,899,901
Receivables, net of allowances for doubtful accounts:			
Sales and use tax	68,318	-	68,318
Intergovernmental	25,590	-	25,590
Other	698	-	698
Prepaid expenses	30,086	-	30,086
	$ 3,408,057	$ 616,536	$ 4,024,593
LIABILITIES AND FUND BALANCE			
Accounts payable	$ 34,994	$ 900	$ 35,894
Payroll, sales tax and fringe benefits	33,772	-	33,772
Due to other funds	627,000	-	627,000
	695,766	900	696,666
Fund balance:			
Nonspendable	30,086	-	30,086
Restricted	24,989	-	24,989
Committed	2,657,216	-	2,657,216
Assigned	-	615,636	615,636
	2,712,291	615,636	3,327,927
	$ 3,408,057	$ 616,536	$ 4,024,593

City of Perryville, Missouri
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended March 31, 2015

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes and special assessments	$ 934,943	$ 155,840	$ 1,090,783
Intergovernmental	335,234	1,169,534	1,504,768
Interest	39,157	5,497	44,654
Rental	72,307	-	72,307
Miscellaneous	38,681	37,585	76,266
	1,420,322	1,368,456	2,788,778
Expenditures			
Airport maintenance	50,174	-	50,174
Airport improvements	23,750	-	23,750
Streets and street improvements	1,073,272	-	1,073,272
Storm water	67,931	-	67,931
Sidewalks	4,728	-	4,728
Culture and recreation	8,242	-	8,242
Capital projects	-	1,332,502	1,332,502
	1,228,097	1,332,502	2,560,599
Excess (deficiency) of revenues over expenditures	192,225	35,954	228,179
Other financing sources (uses)			
Operating transfers in	50,000	279,529	329,529
Operating transfers out	(459,711)	(42,869)	(502,580)
	(409,711)	236,660	(173,051)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(217,486)	272,614	55,128
Fund balance beginning of year	2,929,777	343,022	3,272,799
Fund balance end of year	$ 2,712,291	$ 615,636	$ 3,327,927

City of Perryville, Missouri
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
March 31, 2015

	Street Improvement Fund	Disc Golf Fund	Transportation Trust Fund	Perry Park Center Escrow Fund	Veterans Memorial Field Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash	$ 1,471,807	$ -	$ 1,786,569	$ -	$ 24,989	$ 3,283,365
Receivables, net of allowance for doubtful accounts:						
Sales and use tax	-	-	68,318	-	-	68,318
Intergovernmental	25,590	-	-	-	-	25,590
Other	-		698	-	-	698
Prepaid insurance	-	-	30,086	-	-	30,086
	$ 1,497,397	$ -	$ 1,885,671	$ -	$ 24,989	$ 3,408,057
LIABILITIES AND FUND BALANCE						
Accounts payable	$ 12,763	$ -	$ 22,231	$ -	$ -	$ 34,994
Payroll taxes and fringe benefits	-	-	33,772	-	-	33,772
Due to other funds	-	-	627,000	-	-	627,000
	12,763	-	683,003	-	-	695,766
Fund Balance						
Nonspendable	-	-	30,086	-	-	30,086
Restricted	-	-	-	-	24,989	24,989
Committed	1,484,634	-	1,172,582	-	-	2,657,216
	1,484,634	-	1,202,668	-	24,989	2,712,291
	$ 1,497,397	$ -	$ 1,885,671	$ -	$ 24,989	$ 3,408,057

City of Perryville, Missouri
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
March 31, 2015

	General Public Facilities Fund	2012 Downtown TIF Fund	Rand Ave Extension TIF Fund	HWY 51/61 TIF Fund	Economic Development Fund	CDBG Escrow Fund	Total Nonmajor Capital Project Funds
ASSETS							
Cash	$ -	$ 17,348	$ 231,308	$ 38,046	$ 194,710	$ 135,124	$ 616,536
	$ -	$ 17,348	$ 231,308	$ 38,046	$ 194,710	$ 135,124	$ 616,536
LIABILITIES AND FUND BALANCE							
Accounts payable	$ -	$ -	$ -	$ 900	$ -	$ -	$ 900
Fund balance - Assigned	-	17,348	231,308	37,146	194,710	135,124	615,636
	$ -	$ 17,348	$ 231,308	$ 38,046	$ 194,710	$ 135,124	$ 616,536

City of Perryville, Missouri
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
Year ended March 31, 2015

	Street Improvement Fund	Disc Golf Fund	Transportation Trust Fund	Perry Park Center Escrow Fund	Veterans Memorial Field Fund	Total Nonmajor Special Revenue Funds
Revenues						
Taxes and special assessments	$ -	$ -	$ 934,943	$ -	$ -	$ 934,943
Intergovernmental	315,812	-	19,422	-	-	335,234
Interest	16,756	-	21,993	210	198	39,157
Rental	-	-	72,307	-	-	72,307
Miscellaneous	-	-	15,231	-	23,450	38,681
	332,568	-	1,063,896	210	23,648	1,420,322
Expenditures						
Airport maintenance	-	-	50,174	-	-	50,174
Airport improvements	-	-	23,750	-	-	23,750
Streets and street improvements	103,858	-	969,414	-	-	1,073,272
Stormwater	-	-	67,931	-	-	67,931
Sidewalks	-	-	4,728	-	-	4,728
Culture and recreation	-	-	-	-	8,242	8,242
	103,858	-	1,115,997	-	8,242	1,228,097
Excess (deficiency) of revenues over expenditures	228,710	-	(52,101)	210	15,406	192,225
Other financing sources (uses)						
Operating transfers in	-	-	-	50,000	-	50,000
Operating transfers out	(90,000)	(268)	(75,000)	(294,443)	-	(459,711)
	(90,000)	(268)	(75,000)	(244,443)	-	(409,711)
Excess (deficiency) of revenues and other sources over expenditures and other uses	138,710	(268)	(127,101)	(244,233)	15,406	(217,486)
Fund balance at beginning of year	1,345,924	268	1,329,769	244,233	9,583	2,929,777
Fund balance at end of year	$ 1,484,634	$ -	$ 1,202,668	$ -	$ 24,989	$ 2,712,291

City of Perryville, Missouri
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
Year ended March 31, 2015

	General Public Facilities Fund	2012 Downtown TIF Fund	Rand Ave Extension TIF Fund	HWY 51/61 TIF Fund	Economic Development Fund	CDBG Escrow Fund	Total Nonmajor Capital Project Funds
Revenues							
Intergovernmental	$ -	$ -	$ -	$ 1,169,534	$ -	$ -	$ 1,169,534
Interest	-	89	906	2,000	2,502	-	5,497
Taxes	-	-	155,840	-	-	-	155,840
Miscellaneous	-	18,386	19,101	98	-	-	37,585
	-	18,475	175,847	1,171,632	2,502	-	1,368,456
Expenditures							
Capital projects	8,409	51,660	2,500	1,269,933	-	-	1,332,502
	8,409	51,660	2,500	1,269,933	-	-	1,332,502
Excess (deficiency) of revenues over expenditures	(8,409)	(33,185)	173,347	(98,301)	2,502	-	35,954
Other financing sources (uses)							
Operating transfers in	8,397	42,869	-	128,263	100,000	-	279,529
Operating transfers out	-	-	-	-	(42,869)	-	(42,869)
	8,397	42,869	-	128,263	57,131	-	236,660
Excess (deficiency) of revenues and other sources over expenditures and other uses	(12)	9,684	173,347	29,962	59,633	-	272,614
Fund balance at beginning of year	12	7,664	57,961	7,184	135,077	135,124	343,022
Fund balance at end of year	$ -	$ 17,348	$ 231,308	$ 37,146	$ 194,710	$ 135,124	$ 615,636

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
Year ended March 31, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Street Improvement Fund			
Revenues			
State gasoline tax	$ 210,000	$ 215,371	$ 5,371
State vehicle sales tax	50,000	64,669	14,669
State vehicle license fees	34,000	34,493	493
Interest	7,000	16,756	9,756
	301,000	331,289	30,289
Expenditures			
Engineering/architectural services	-	103,858	(103,858)
	-	103,858	(103,858)
Excess (deficiency) of revenues over expenditures	301,000	227,431	(73,569)
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	(90,000)	(90,000)	-
	(90,000)	(90,000)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	211,000	137,431	(73,569)
Accrual or deferral of revenues	-	1,279	1,279
Accrual of expenditures	-	-	-
	-	1,279	1,279
Excess (deficiency) of revenues and other sources over expenditures and other uses - Street Improvement Fund	211,000	138,710	(72,290)
Disc Golf Fund			
Revenues	-	-	-
	-	-	-
Expenditures	-	-	-
	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	(268)	(268)
	-	(268)	(268)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	-	(268)	(268)
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - Disc Golf Fund	-	(268)	(268)

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED
Year ended March 31, 2015

Transportation Trust Fund	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales and use tax	$ 789,500	$ 925,986	$ 136,486
Airport improvement grant	-	19,422	19,422
Interest	17,000	21,993	4,993
Rental	81,427	72,307	(9,120)
Miscellaneous	3,250	15,231	11,981
	891,177	1,054,939	163,762
Expenditures			
Airport maintenance	50,518	50,512	6
Airport improvements	627,000	21,697	605,303
Street maintenance	958,792	972,878	(14,086)
Stormwater	116,142	66,410	49,732
Sidewalks	-	4,728	(4,728)
	1,752,452	1,116,225	636,227
Excess (deficiency) of revenues over expenditures	(861,275)	(61,286)	799,989
Other financing sources (uses)			
Operating transfers in	936,275	-	(936,275)
Operating transfers out	(75,000)	(75,000)	-
	861,275	(75,000)	(936,275)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	-	(136,286)	(136,286)
Accrual or deferral of revenues	-	8,957	8,957
Accrual of expenditures	-	228	228
	-	9,185	9,185
Excess (deficiency) of revenues and other sources over expenditures and other uses - Transportation Trust Fund	-	(127,101)	(127,101)

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED
Year ended March 31, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Perry Park Center Escrow Fund			
Revenues			
Interest	$ 1,500	$ 210	$ (1,290)
	1,500	210	(1,290)
Expenditures	-	-	-
	-	-	-
Excess of revenues over expenditures	1,500	210	(1,290)
Other financing sources (uses)			
Operating transfers in	50,000	50,000	-
Operating transfers out	(294,443)	(294,443)	-
	(244,443)	(244,443)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - Perry Park Center Escrow Fund	(242,943)	(244,233)	(1,290)
Veterans Memorial Field Fund			
Revenues			
Interest	50	198	148
Sponsor fees	10,000	23,450	13,450
	10,050	23,648	13,598
Expenditures			
Culture and recreation	11,000	8,767	2,233
	11,000	8,767	2,233
Excess (deficiency) of revenues over expenditures	(950)	14,881	15,831
Other financing sources (uses)			
Operating transfers in	4,950	-	(4,950)
Operating transfers out	(4,000)	-	4,000
	950	-	(950)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	-	14,881	14,881
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	525	525
	-	525	525
Excess (deficiency) of revenues and other sources over expenditures and other uses - Veterans Memorial Field Fund	-	15,406	15,406
TOTAL EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - NONMAJOR SPECIAL REVENUE FUNDS	$ (31,943)	$ (217,486)	$ (185,543)

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE
NONMAJOR CAPITAL PROJECT FUNDS
Year ended March 31, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
General Public Facilities Fund			
Revenues			
Interest	$ -	$ -	$ -
Miscellaneous	-	-	-
	-	-	-
Expenditures			
Soccer complex	8,397	8,409	(12)
	8,397	8,409	(12)
Excess (deficiency) of revenues over expenditures	(8,397)	(8,409)	(12)
Other financing sources (uses)			
Operating transfers in	8,397	8,397	-
	8,397	8,397	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	-	(12)	(12)
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - General Public Facilities Fund	-	(12)	(12)

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE
NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED
Year ended March 31, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
2012 Downtown TIF Fund			
Revenues			
Interest	$ -	$ 89	$ 89
Miscellaneous	3,900	18,386	14,486
	3,900	18,475	14,575
Expenditures			
Administrative fee	-	2,500	(2,500)
Public notices	-	134	(134)
Capital projects	180,000	49,090	130,910
	180,000	51,724	128,276
Excess (deficiency) of revenues over expenditures	(176,100)	(33,249)	142,851
Other financing sources (uses)			
Operating transfers in	180,000	42,869	(137,131)
Operating transfers out	-	-	-
	180,000	42,869	(137,131)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	3,900	9,620	5,720
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	64	64
	-	64	64
Excess (deficiency) of revenues and other sources over expenditures and other uses - 2012 Downtown TIF Fund	3,900	9,684	5,784

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE
NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED
Year ended March 31, 2015

Rand Avenue Extension TIF Fund	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	$ 48,700	$ 155,840	$ 107,140
Interest	500	906	406
Miscellaneous	-	19,101	19,101
	49,200	175,847	126,647
Expenditures			
Administrative fee	-	2,500	(2,500)
	-	2,500	(2,500)
Excess (deficiency) of revenues over expenditures	49,200	173,347	124,147
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	49,200	173,347	124,147
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - Rand Avenue Extension TIF Fund	49,200	173,347	124,147

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE
NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED
Year ended March 31, 2015

HWY 51/61 TIF Fund	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	$ 1,052,000	$ 1,169,534	$ 117,534
Interest	-	2,000	2,000
Miscellaneous	-	98	98
	1,052,000	1,171,632	119,632
Expenditures			
Administrative fee	-	11,156	(11,156)
Street improvements	1,000,000	1,159,579	(159,579)
Engineering/architectural services	90,000	100,889	(10,889)
Miscellaneous	-	139	(139)
	1,090,000	1,271,763	(181,763)
Excess (deficiency) of revenues over expenditures	(38,000)	(100,131)	(62,131)
Other financing sources (uses)			
Operating transfers in	128,263	128,263	-
Operating transfers out	-	-	-
	128,263	128,263	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	90,263	28,132	(62,131)
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	1,830	1,830
	-	1,830	1,830
Excess (deficiency) of revenues and other sources over expenditures and other uses - HWY 51/61 TIF Fund	90,263	29,962	(60,301)

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE
NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED
Year ended March 31, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Economic Development Fund			
Revenues			
Interest	$ 1,000	$ 2,502	$ 1,502
	1,000	2,502	1,502
Expenditures			
Capital projects	15,000	-	15,000
	15,000	-	15,000
Excess (deficiency) of revenues over expenditures	(14,000)	2,502	16,502
Other financing sources (uses)			
Operating transfers in	115,000	100,000	(15,000)
Operating transfers out	(180,000)	(42,869)	137,131
	(65,000)	57,131	122,131
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	(79,000)	59,633	138,633
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - Economic Development Fund	(79,000)	59,633	138,633
TOTAL EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - NONMAJOR CAPITAL PROJECT FUNDS	$ 64,363	$ 272,614	$ 208,251

City of Perryville, Missouri
SCHEDULE OF NATURAL GAS SALES AND PURCHASES
March 31, 2015

1. The natural gas distribution system was serving 3,030 metered customers at March 31, 2015.

2. Gas sales and purchases for the fiscal year ended March 31, 2015 were as follows:

GAS SALES

Date billed	Quantity in mcf		Amount billed
04/14	84,124	$	897,029
05/14	50,956		537,710
06/14	41,788		379,097
07/14	32,633		299,945
08/14	34,169		280,246
09/14	34,177		277,190
10/14	36,533		276,541
11/14	64,046		423,017
12/14	96,468		696,055
01/15	123,200		907,186
02/15	145,590		1,177,742
03/15	124,534		1,123,398
	868,218	$	7,275,156

GAS PURCHASES

Date billed	Quantity in mcf	Date paid		Cost
04/14	52,824	05/14	$	254,726
05/14	38,930	06/14		192,924
06/14	32,043	07/14		159,710
07/14	32,408	08/14		152,164
08/14	31,865	09/14		139,183
09/14	34,685	10/14		151,492
10/14	49,755	11/14		214,505
11/14	93,869	12/14		434,336
12/14	110,641	01/15		509,201
01/15	134,000	02/15		571,698
02/15	133,154	03/15		546,253
03/15	91,346	04/15		364,544
	835,520		$	3,690,736

City of Perryville, Missouri
SCHEDULE OF BONDS OUTSTANDING
March 31, 2015

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, 2015, was $665,000 bearing interest and maturing as follows.

Maturity date	Interest Rate	Amount
July 1, 2015	5.625%	330,000
July 1, 2016	5.625%	335,000
		$ 665,000

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, 2015, was $1,605,000 bearing interest and maturing as follows.

Maturity date	Interest Rate	Amount
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
		$ 1,605,000

City of Perryville, Missouri
SCHEDULE OF BONDS OUTSTANDING - CONTINUED
March 31, 2015

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, 2015, was $1,202,705 bearing interest and maturing as follows.

Maturity date	Interest Rate	Amount
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
Defeased amount		(312,295)
		$ 1,202,705

Natural Gas Revenue Bonds in the original amount of $2,080,000 dated May 31, 2012, balance outstanding at March 31, 2015, was $1,590,000 bearing interest and maturing as follows.

Maturity date	Interest Rate	Amount
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%	335,000
		$ 1,590,000

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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, 2015, 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 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Perryville, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Perryville, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Perryville, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Kerber, Eck & Braeckel LLP

**Cape Girardeau, Missouri
September 16, 2015**

Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Jacksonville, IL • St. Louis, MO • Milwaukee, WI

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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, 2015. 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, 2015.

Report on Internal Control Over Compliance

Management of the 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 the 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.

Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Jacksonville, IL • St. Louis, MO • Milwaukee, WI

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.

Kerber, Eck + Braeckel LLP

Cape Girardeau, Missouri
September 16, 2015

City of Perryville, Missouri
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended March 31, 2015

Federal Grantor/Pass-through Grantor/Program		Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice				
Bulletproof Vest Partnership Program		16.607	n/a	1,256
U.S. Department of Transportation				
Pass-through program from:				
Missouri Department of Transportation				
Federal Airport Improvement Program		20.106	14-063A-2	14,022
Federal Airport Improvement Program		20.106	11-063A-1	6,600
Federal Airport Improvement Program		20.106	08-063A-3	1,631
U.S. Department of Housing & Urban Development				
Pass-through program from:				
Missouri Department of Economic Development				
Community Development Block Grant	*	14.228	2011-ED-03	953,710
Environmental Protection Agency				
Pass-through program from:				
Missouri Department of Natural Resources				
Drinking Water State Revolving Fund Set-Aside Funds		66.468	ER14-DWSA-MO4010636	50,192
Delta Regional Authority		90.201	MO-10520C.E.	185,201
Total expenditures of federal awards				$ 1,212,612

* Major program

City of Perryville, Missouri
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended March 31, 2015

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, 2015

Section I - Summary of Auditor's Results

Financial Statements

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

CFDA Numbers	Name of Federal Program
14.228	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs:	$ 300,000.00			
Auditee qualified as low-risk auditee		x	yes	no

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.