

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

CITY OF PERRYVILLE, MISSOURI

March 31, 2016

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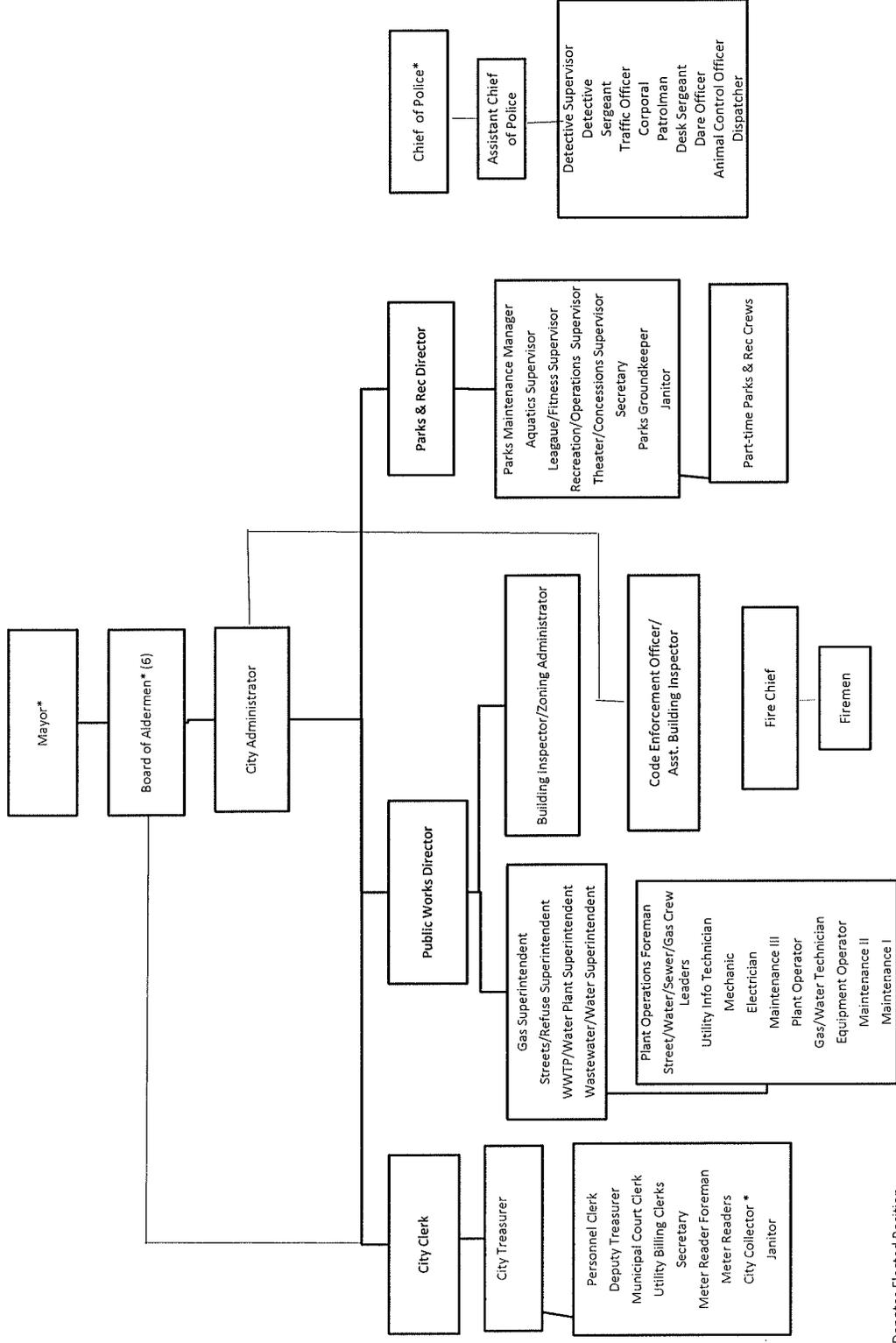
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**CITY OF PERRYVILLE, MISSOURI
List of Principal Officials
March 31, 2016**

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

* Employee retired April 30, 2016. Position was eliminated for future years.

City of Perryville Organizational Chart



* Denotes Elected Position



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Independent Auditor's Report

Honorable Mayor
and Board of Aldermen
City of Perryville, Missouri

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, 2016, 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. 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.

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, 2016, 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.

As described in Note A13 to the financial statements, in 2015, the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

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 Schedules, on pages 9 through 15 and 47 through 55, 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 combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2016, 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 23, 2016



Kerber, Eck & Braeckel LLP

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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, 2016, and the related notes to the financial statements, which collectively comprise the City of Perryville, Missouri's basic financial statements, and have issued our report thereon dated September 23, 2016.

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

City of Perryville, Missouri
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- The City of Perryville, Missouri's net position increased \$100,200 or 0.2%. Governmental activities net position decreased \$59,896 and business-type activities net position increased \$160,096.
- The City's governmental activities net position reported ending balance of \$30,714,982 a decrease of \$59,896 from the prior year. Approximately 23.0% of this total amount, or \$7,061,644, is unrestricted and available for use within the City's designation and policies.
- The City's total debt decreased by \$2,303,008 (29.22%) 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 16 – 25 of this report.

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

Fund Financial Statements

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

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

- **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 26 - 46.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 47 - 55.

The combining statements are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 56 - 70 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

City of Perryville, Missouri's Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 9,035,552	\$ 11,001,234	\$ 10,367,855	\$ 11,424,022	\$ 19,403,407	\$ 22,425,256
Capital assets	<u>24,868,948</u>	<u>24,656,409</u>	<u>22,670,102</u>	<u>22,168,842</u>	<u>47,539,050</u>	<u>46,825,251</u>
Total assets	<u>33,904,500</u>	<u>35,657,643</u>	<u>33,037,957</u>	<u>33,592,864</u>	<u>66,942,457</u>	<u>69,250,507</u>
Deferred outflows of resources	1,153,387	-	166,571	219,172	1,319,958	219,172
Long-term liabilities	1,711,686	3,207,705	2,360,000	3,220,000	4,071,686	6,427,705
Other liabilities	<u>1,858,620</u>	<u>1,681,159</u>	<u>1,952,313</u>	<u>1,852,630</u>	<u>3,810,933</u>	<u>3,533,789</u>
Total liabilities	<u>3,570,306</u>	<u>4,888,864</u>	<u>4,312,313</u>	<u>5,072,630</u>	<u>7,882,619</u>	<u>9,961,494</u>
Deferred inflows of resources	772,599	42,019	23,076	30,363	795,675	72,382
Net position:						
Invested in capital assets, net of related debt	22,509,251	20,843,704	19,450,102	18,098,842	41,959,353	38,942,546
Restricted	1,144,087	1,271,901	1,536,902	2,069,054	2,680,989	3,340,955
Unrestricted	<u>7,061,644</u>	<u>8,611,155</u>	<u>7,882,135</u>	<u>8,541,147</u>	<u>14,943,779</u>	<u>17,152,302</u>
Total net position	<u>\$ 30,714,982</u>	<u>\$ 30,726,760</u>	<u>\$ 28,869,139</u>	<u>\$ 28,709,043</u>	<u>\$ 59,584,121</u>	<u>\$ 59,435,803</u>

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 \$59,584,121 and \$59,435,803 as of March 31, 2016 and 2015, respectively.

The largest portion of the City's net position (70.4%) reflects the City's investment in capital assets (e.g., land, buildings, machinery, equipment, gas, and water and sewer lines), less any related debt still outstanding that was issued to acquire or build those items. The City of Perryville, Missouri uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Perryville, Missouri's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City of Perryville, Missouri's net position (4.5%) 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 \$14,943,779 may be used to meet the government's ongoing obligation to citizens and creditors.

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

City of Perryville, Missouri's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 726,338	\$ 675,334	\$ 8,850,706	\$ 10,458,969	\$ 9,577,044	\$ 11,134,303
Operating grants & contributions	116,983	113,442	32,375	103,456	149,358	216,898
Capital grants & contributions	107,406	1,188,956	-	-	107,406	1,188,956
General revenues:						
Property taxes	1,049,963	1,030,285	-	-	1,049,963	1,030,285
Sales tax	3,760,187	3,763,269	-	-	3,760,187	3,763,269
County business surtax	92,443	87,918	-	-	92,443	87,918
County road, intangible and railroad/utility taxes	109,265	109,620	-	-	109,265	109,620
Motor vehicle gas, license and sales taxes	587,935	516,096	-	-	587,935	516,096
Gross receipts tax	1,177,877	1,148,037	-	-	1,177,877	1,148,037
Investment revenue	97,938	118,250	85,235	101,998	183,173	220,248
Miscellaneous	441,282	340,437	81,172	55,897	522,454	396,334
Total revenues	8,267,617	9,091,644	9,049,488	10,720,320	17,317,105	19,811,964
Expenses:						
General government	1,463,493	1,640,904	-	-	1,463,493	1,640,904
Public safety	2,162,889	2,241,356	-	-	2,162,889	2,241,356
Airport operations	115,548	79,111	-	-	115,548	79,111
Culture and recreation	1,914,895	1,876,794	-	-	1,914,895	1,876,794
Streets and improvements	702,330	795,324	-	-	702,330	795,324
Sidewalks	77,607	4,728	-	-	77,607	4,728
Field improvements	11,381	-	-	-	11,381	-
Storm water	148,545	67,931	-	-	148,545	67,931
Capital projects	1,368,941	42,657	-	-	1,368,941	42,657
Interest on long-term debt	196,375	242,908	-	-	196,375	242,908
Sanitation	-	-	721,065	591,191	721,065	591,191
Water and sewer	-	-	3,762,609	2,744,759	3,762,609	2,744,759
Gas	-	-	4,571,227	4,879,410	4,571,227	4,879,410
Total expenses	8,162,004	6,991,713	9,054,901	8,215,360	17,216,905	15,207,073
Increase in net position before transfers	105,613	2,099,931	(5,413)	2,504,960	100,200	4,604,891
Transfers	(165,509)	964,263	165,509	(964,263)	-	-
Increase in net position	(59,896)	3,064,194	160,096	1,540,697	100,200	4,604,891
Net position at beginning of year	30,726,760	27,662,566	28,709,043	27,168,346	59,435,803	54,830,912
Restatement of net position	48,118	-	-	-	48,118	-
Net position at end of year	\$ 30,714,982	\$ 30,726,760	\$ 28,869,139	\$ 28,709,043	\$ 59,584,121	\$ 59,435,803

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

Governmental Activities

Governmental activities decreased the City's net position by \$59,896 or 0.2%. Program revenues in the amount of \$950,727 were used to offset program expenses of \$8,162,004 resulting in a net program expense of \$7,211,277. General revenues in the amount of \$7,316,890 coupled with transfers out of \$165,509 resulted in a total net decrease of \$59,896.

Business-Type Activities

Business-type activities increased the City's net position by \$160,096 or 0.6%. Program revenues in the amount of \$8,883,081 were used to offset program expenses of \$9,054,901 resulting in net program expense of \$171,820. General revenues in the amount of \$166,407 coupled with transfers in of \$165,509 resulted in a total net increase of \$160,096.

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 \$7,442,249. Approximately 84.6% of this total amount, \$6,298,162, 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 - \$835,214, and 2) to pay for other activities - \$308,873.

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 - \$1,195,713, Gas Operation Fund - \$6,281,939, and Refuse Fund – \$404,483. Net position of the funds changed as follows: Combined Waterworks and Sewerage System Fund increased by \$329,413 Gas Operation Fund decreased by \$283,341, and Refuse Fund increased by \$114,024.

General Fund Budgetary Highlights

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

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

CAPITAL ASSETS

The City of Perryville, Missouri's investment in capital assets for its governmental and business-type activities as of March 31, 2016 totals \$47,539,050 (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 1.52% (0.86% increase for governmental activities and 2.26% increase for business-type activities).

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Land	\$ 2,418,560	\$ 2,418,560	\$ 285,380	\$ 285,380	\$ 2,703,940	\$ 2,703,940
Buildings	6,674,186	6,893,074	-	-	6,674,186	6,893,074
Improvements other than buildings	4,312,384	4,324,238	17,718,215	18,703,149	22,030,599	23,027,387
Machinery and equipment	1,090,213	1,085,779	2,933,705	2,827,075	4,023,918	3,912,854
Pool and bathhouse	170,380	197,015	-	-	170,380	197,015
Construction in progress	1,453,627	449,355	1,732,802	353,238	3,186,429	802,593
Infrastructure	8,749,598	9,288,388	-	-	8,749,598	9,288,388
Total	\$ 24,868,948	\$ 24,656,409	\$ 22,670,102	\$ 22,168,842	\$ 47,539,050	\$ 46,825,251

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

- HWY 51/ 61 Improvements
- Airport 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, 2016, the City of Perryville, Missouri had total long-term debt outstanding of \$5,579,697. Of this amount, \$932,705 comprises bonded debt backed by the full faith and credit of the City, \$2,930,000 represents bonds secured solely by specified revenue sources (i.e. revenue bonds), \$1,600,000 represents Certificates of Participation and \$116,992 represents commitments under capital leases.

The City of Perryville, Missouri's total debt decreased by \$2,303,008 during the past fiscal year.

City of Perryville, Missouri
STATEMENT OF NET POSITION
March 31, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash (notes A5 and B)	\$ 8,036,849	\$ 7,700,833	\$ 15,737,682
Receivables, net of allowances for doubtful accounts:			
Real estate and personal property taxes (notes A6 and C)	43,302	-	43,302
Sales and use tax	298,503	-	298,503
Intergovernmental	27,075	-	27,075
Accounts receivable	593	688,584	689,177
Due from other funds	250	665,745	665,995
Restricted cash and investments (notes A5 and B)	139,891	1,239,583	1,379,474
Net pension asset	339,392	-	339,392
Capital assets			
Non depreciable	3,872,187	2,018,182	5,890,369
Depreciable, net	20,996,761	20,651,920	41,648,681
Prepaid expenses	149,697	73,110	222,807
	33,904,500	33,037,957	66,942,457
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	166,571	166,571
Deferred amount related to pension	1,153,387	-	1,153,387
	1,153,387	166,571	1,319,958
LIABILITIES			
Accounts payable	221,091	548,041	769,132
Payroll, sales tax and fringe benefits	326,889	174,982	501,871
Due to other funds	627,000	38,995	665,995
Bond issue premium	-	11,948	11,948
Payables from restricted assets			
Current portion of bonds payable (note F)	590,000	650,000	1,240,000
Current portion of COP payable (note F)	-	210,000	210,000
Accrued interest	35,629	21,028	56,657
Customer deposits	-	297,319	297,319
Current maturities of lease purchases payable (note F)	58,011	-	58,011
Revenue bonds payable, net of deferred amount on refunding, less current maturities (note F)	1,005,000	970,000	1,975,000
General obligation bonds payable (note F)	647,705	-	647,705
Certificates of Participation (note F)	-	1,390,000	1,390,000
Lease obligation payable (note F)	58,981	-	58,981
	3,570,306	4,312,313	7,882,619
DEFERRED INFLOWS OF RESOURCES			
Real estate and personal property tax receivables	43,302	-	43,302
Deferred amount on refunding	-	23,076	23,076
Deferred amount related to pension	729,297	-	729,297
Total deferred inflows of resources	772,599	23,076	795,675
NET POSITION			
Invested in capital assets, net of related debt	22,509,251	19,450,102	41,959,353
Restricted for:			
Debt service	835,214	1,239,583	2,074,797
Other	308,873	297,319	606,192
Unrestricted	7,061,644	7,882,135	14,943,779
	22,509,251	19,450,102	41,959,353
Total net position	\$ 30,714,982	\$ 28,869,139	\$ 59,584,121

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

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

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

City of Perryville, Missouri's Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 932,705	\$ 1,202,705	\$ -	\$ -	\$ 932,705	\$ 1,202,705
Revenue bonds	1,310,000	1,605,000	1,620,000	2,255,000	2,930,000	3,860,000
Certificates of Participation	-	1,005,000	1,600,000	1,815,000	1,600,000	2,820,000
Capital leases	116,992	-	-	-	116,992	-
Total	\$ 2,359,697	\$ 3,812,705	\$ 3,220,000	\$ 4,070,000	\$ 5,579,697	\$ 7,882,705

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 ACTIVITIES
Year ended March 31, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,463,493	\$ 131,058	\$ -	\$ -	(1,332,435)	\$ -	(1,332,435)
Public safety	2,162,889	94,104	34,760	-	(2,034,025)	-	(2,034,025)
Airport operation	115,548	-	-	54,489	(61,059)	-	(61,059)
Culture and recreation	1,914,895	501,176	-	-	(1,413,719)	-	(1,413,719)
Streets and improvements	702,330	-	-	-	(702,330)	-	(702,330)
Sidewalks	77,607	-	-	-	(77,607)	-	(77,607)
Field improvements	11,381	-	-	-	(11,381)	-	(11,381)
Storm water	148,545	-	-	-	(148,545)	-	(148,545)
Capital projects	1,368,941	-	-	52,917	(1,316,024)	-	(1,316,024)
Interest on long-term debt	196,375	-	82,223	-	(114,152)	-	(114,152)
Total governmental activities	8,162,004	726,338	116,983	107,406	(7,211,277)	-	(7,211,277)
Business-type activities:							
Water and sewer	3,762,609	2,559,887	32,375	-	-	(1,170,347)	(1,170,347)
Gas	4,571,227	5,600,932	-	-	-	1,029,705	1,029,705
Refuse	721,065	689,887	-	-	-	(31,178)	(31,178)
Total business-type activities	9,054,901	8,850,706	32,375	\$ -	-	(171,820)	(171,820)
General revenues							
Property taxes					1,049,963	-	1,049,963
Sales tax					3,760,187	-	3,760,187
County business surtax					92,443	-	92,443
County road tax, intangible tax, railroad/utility tax					109,265	-	109,265
Motor vehicle gas, license and sales taxes					587,935	-	587,935
Gross receipts tax					1,177,877	-	1,177,877
Investment revenue					97,938	85,235	183,173
Miscellaneous					441,282	81,172	522,454
Transfers					(165,509)	165,509	-
Total general revenues and transfers					7,151,381	331,916	7,483,297
Change in net position					(59,896)	160,096	100,200
Net position at beginning of year, as restated					30,774,878	28,709,043	59,483,921
Net position at end of year					\$ 30,714,982	\$ 28,869,139	\$ 59,584,121

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

City of Perryville, Missouri
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 March 31, 2016

	Major Funds					Total Governmental Funds
	General	Perry Park Center	Capital Improvement	Debt Service	Non-Major Funds	
ASSETS						
Cash (notes A5 and B)	\$ 3,005,623	\$ 25,009	\$ 1,417,575	\$ 852,577	\$ 2,736,065	\$ 8,036,849
Receivables, net of allowances for doubtful accounts:						
Real estate and personal property taxes (notes A6 and C)	22,666	9,495	-	11,141	-	43,302
Sales and use tax	145,924	24,810	54,737	-	73,032	298,503
Intergovernmental	-	-	-	-	27,075	27,075
Other	-	-	-	-	593	593
Due from other funds	250	-	-	-	-	250
Restricted cash and investments (notes A5 and B)	139,891	-	-	-	-	139,891
Prepaid expenses	91,784	30,302	-	-	27,611	149,697
	<u>\$ 3,406,138</u>	<u>\$ 89,616</u>	<u>\$ 1,472,312</u>	<u>\$ 863,718</u>	<u>\$ 2,864,376</u>	<u>\$ 8,696,160</u>
LIABILITIES						
Accounts payable	\$ 130,436	\$ 26,634	\$ -	\$ -	\$ 64,021	\$ 221,091
Payroll, sales tax and fringe benefits	232,717	58,550	-	-	35,622	326,889
Due to other funds	-	-	-	-	627,000	627,000
Payables from restricted assets	-	-	-	-	-	-
Accrued interest	-	-	18,266	17,363	-	35,629
Deferred revenue - real estate and personal property taxes	22,666	9,495	-	11,141	-	43,302
	<u>385,819</u>	<u>94,679</u>	<u>18,266</u>	<u>28,504</u>	<u>726,643</u>	<u>1,253,911</u>
FUND BALANCES						
Nonspendable	101,784	30,302	-	-	27,611	159,697
Restricted	135,384	-	-	835,214	13,792	984,390
Committed	(5,493)	-	1,454,046	-	1,277,538	2,726,091
Assigned	-	-	-	-	818,792	818,792
Unassigned	2,788,644	(35,365)	-	-	-	2,753,279
	<u>3,020,319</u>	<u>(5,063)</u>	<u>1,454,046</u>	<u>835,214</u>	<u>2,137,733</u>	<u>7,442,249</u>
	<u>\$ 3,406,138</u>	<u>\$ 89,616</u>	<u>\$ 1,472,312</u>	<u>\$ 863,718</u>	<u>\$ 2,864,376</u>	<u>\$ 8,696,160</u>

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, 2016

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

Total fund balance - total governmental funds	\$	7,442,249
<p>Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 46,685,622	
Less accumulated depreciation	<u>21,816,674</u>	24,868,948
<p>Net pension asset (liability) and related deferred items</p>		
Net pension asset	\$ 339,392	
Deferred outflows to pensions	1,153,387	
Deferred inflows to pensions	<u>(729,297)</u>	763,482
<p>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.</p>		
Capital lease obligations payable	\$ 116,992	
Revenue bonds payable	1,310,000	
General obligation bonds payable	<u>932,705</u>	2,359,697
<p>Net position of governmental activities</p>		
	\$	<u><u>30,714,982</u></u>

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, 2016

	Major Funds						Total Governmental Funds
	General	Perry Park Center	Capital Improvement	Debt Service	Nonmajor Funds		
Revenues							
Taxes and special assessments	\$ 3,633,997	\$ 546,647	\$ 721,082	\$ 285,124	\$ 1,095,973	\$ 6,282,823	
License and permits	63,323	-	-	-	-	63,323	
Charges for services	67,177	501,176	-	558	-	568,911	
Intergovernmental	151,247	20,678	44,148	38,075	430,988	685,136	
Fines	94,104	-	-	-	-	94,104	
Interest	35,952	686	16,079	15,135	30,086	97,938	
Miscellaneous	45,767	99,721	-	-	165,406	310,894	
Rental	2,530	74,944	-	-	87,014	164,488	
	<u>4,094,097</u>	<u>1,243,852</u>	<u>781,309</u>	<u>338,892</u>	<u>1,809,467</u>	<u>8,267,617</u>	
Expenditures							
General government	1,614,482	-	-	-	-	1,614,482	
Public safety	2,392,832	-	-	-	-	2,392,832	
Culture and recreation	-	1,864,303	-	-	-	1,885,274	
Airport maintenance	-	-	-	-	20,971	46,607	
Airport improvements	-	-	-	-	125,023	125,023	
Streets and street improvements	-	-	-	-	1,304,518	1,304,518	
Storm water	-	-	-	-	148,545	148,545	
Sidewalks	-	-	-	-	77,607	77,607	
Field improvements	-	-	-	-	11,381	11,381	
Debt service:							
Principal	887,414	-	295,000	270,000	-	1,452,414	
Interest	8,569	-	85,819	89,734	-	184,122	
Bond handling costs	825	-	5,824	5,604	-	12,253	
Capital projects	5,940	1,854	-	2,072	1,168,079	1,177,945	
	<u>4,910,062</u>	<u>1,866,157</u>	<u>386,643</u>	<u>367,410</u>	<u>2,902,731</u>	<u>10,433,003</u>	
Excess (deficiency) of revenues over (under) expenditures	(815,965)	(622,305)	394,666	(28,518)	(1,093,264)	(2,165,386)	
Other financing sources (uses)							
Operating transfers in	1,556,421	610,000	-	-	1,124,000	3,290,421	
Operating transfers out	(610,000)	-	(1,625,000)	-	(1,220,930)	(3,455,930)	
	<u>946,421</u>	<u>610,000</u>	<u>(1,625,000)</u>	<u>-</u>	<u>(96,930)</u>	<u>(165,509)</u>	
Net change in fund balance	130,456	(12,305)	(1,230,334)	(28,518)	(1,190,194)	(2,330,895)	
Fund balance beginning of year	2,889,863	7,242	2,684,380	863,732	3,327,927	9,773,144	
Fund balance end of year	<u>\$ 3,020,319</u>	<u>\$ (5,063)</u>	<u>\$ 1,454,046</u>	<u>\$ 835,214</u>	<u>\$ 2,137,733</u>	<u>\$ 7,442,249</u>	

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, 2016**

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

Net changes in fund balances - total governmental funds	\$	(2,330,895)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation		1,532,824
Capital assets disposed of are recognized in the statement of activities		(145)
Depreciation expense is recognized as an expense in the statement of net position		(1,320,138)
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds		1,452,414
Increase in capital lease obligation		(178,673)
Repayment of the principal portion of lease purchase obligations		58,729
Change in net pension asset and related deferred outflows and inflows		715,364
Other		10,624
	\$	<u>(59,896)</u>

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, 2016

ASSETS	Major Enterprise Funds			Total Enterprise Funds
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	
Current assets				
Cash and investments	\$ 1,449,456	\$ 5,904,621	\$ 346,756	\$ 7,700,833
Accounts receivable, net of allowance for doubtful accounts	182,831	440,082	65,671	688,584
Due from other funds	-	665,745	-	665,745
Prepaid expenses	26,924	20,620	25,566	73,110
	1,659,211	7,031,068	437,993	9,128,272
Restricted cash and investments	796,165	443,418	-	1,239,583
Property, plant and equipment				
Plant and system improvements	29,639,471	9,865,306	-	39,504,777
Machinery and equipment	1,301,100	1,081,464	732,468	3,115,032
	30,940,571	10,946,770	732,468	42,619,809
Less accumulated depreciation	17,093,886	4,224,080	649,923	21,967,889
	13,846,685	6,722,690	82,545	20,651,920
Land	138,750	139,630	7,000	285,380
Construction in progress	1,683,068	49,734	-	1,732,802
	15,668,503	6,912,054	89,545	22,670,102
Total assets	18,123,879	14,386,540	527,538	33,037,957
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	101,336	65,235	-	166,571
LIABILITIES				
Current liabilities				
Accounts payable	212,898	325,347	9,796	548,041
Accrued liabilities	75,675	75,593	23,714	174,982
Due to other funds	38,995	-	-	38,995
Bond issue premium	1,909	10,039	-	11,948
Payables from restricted assets				
Current portion of revenue bonds payable	335,000	315,000	-	650,000
Current portion of certificates of participation	113,400	96,600	-	210,000
Accrued interest	9,779	11,249	-	21,028
Customer deposits	112,789	184,530	-	297,319
	900,445	1,018,358	33,510	1,952,313
Revenue bonds payable	-	970,000	-	970,000
Certificates of participation payable	750,600	639,400	-	1,390,000
	750,600	1,609,400	-	2,360,000
Total liabilities	1,651,045	2,627,758	33,510	4,312,313
DEFERRED INFLOWS OF RESOURCES				
Deferred amount on refunding	-	23,076	-	23,076
NET POSITION				
Invested in capital assets, net of related debt	14,469,503	4,891,054	89,545	19,450,102
Restricted for:				
Debt service	796,165	443,418	-	1,239,583
Other	112,789	184,530	-	297,319
Unrestricted	1,195,713	6,281,939	404,483	7,882,135
	14,469,503	4,891,054	89,545	19,450,102
Total net position	\$ 16,574,170	\$ 11,800,941	\$ 494,028	\$ 28,869,139

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, 2016

	Major Enterprise Funds			Total Enterprise Funds
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	
Operating revenues				
Charges for services	\$ 2,559,887	\$ 5,600,932	\$ 689,887	\$ 8,850,706
Miscellaneous income	46,096	31,897	3,179	81,172
	<u>2,605,983</u>	<u>5,632,829</u>	<u>693,066</u>	<u>8,931,878</u>
Operating expenses				
General operating expense	2,784,950	4,222,382	713,339	7,720,671
Depreciation and amortization	897,669	290,066	7,726	1,195,461
	<u>3,682,619</u>	<u>4,512,448</u>	<u>721,065</u>	<u>8,916,132</u>
Operating income (loss)	(1,076,636)	1,120,381	(27,999)	15,746
Nonoperating income (expense)				
Interest income	22,524	60,107	2,604	85,235
Intergovernmental income	32,375	-	-	32,375
Interest expense	(79,990)	(58,779)	-	(138,769)
	<u>(25,091)</u>	<u>1,328</u>	<u>2,604</u>	<u>(21,159)</u>
Earnings (loss) before operating transfers	(1,101,727)	1,121,709	(25,395)	(5,413)
Other financing sources (uses)				
Operating transfers in	1,625,000	-	200,000	1,825,000
Operating transfers out	(193,860)	(1,405,050)	(60,581)	(1,659,491)
	<u>1,431,140</u>	<u>(1,405,050)</u>	<u>139,419</u>	<u>165,509</u>
CHANGE IN NET POSITION	329,413	(283,341)	114,024	160,096
Net position at beginning of year	16,244,757	12,084,282	380,004	28,709,043
Net position at end of year	<u>\$ 16,574,170</u>	<u>\$ 11,800,941</u>	<u>\$ 494,028</u>	<u>\$ 28,869,139</u>

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

City of Perryville, Missouri
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended March 31, 2016

	Major Enterprise Funds			Total Enterprise Funds
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	
Cash flows from operating activities				
Cash received from customers	\$ 2,557,368	\$ 5,810,300	\$ 688,857	\$ 9,056,525
Cash received from other sources	78,097	45,210	3,179	126,486
Cash payments to suppliers	(1,661,730)	(3,686,380)	(388,331)	(5,736,441)
Cash payments to employees	(955,597)	(577,044)	(313,920)	(1,846,561)
Cash payments for other expenses	(26,445)	(19,401)	(1,250)	(47,096)
	<u>(8,307)</u>	<u>1,572,685</u>	<u>(11,465)</u>	<u>1,552,913</u>
Cash flows from noncapital financing activities				
Transfers in	1,625,000	-	200,000	1,825,000
Transfers out	(193,860)	(1,405,050)	(60,581)	(1,659,491)
Operating grants	32,375	-	-	32,375
	<u>1,463,515</u>	<u>(1,405,050)</u>	<u>139,419</u>	<u>197,884</u>
Cash flows from capital and related financing activities				
Debt service - interest payments	(79,990)	(58,779)	-	(138,769)
Debt service - principal payments	(446,100)	(403,900)	-	(850,000)
Acquisition and construction of capital assets	(1,579,579)	(54,253)	(62,889)	(1,696,721)
	<u>(2,105,669)</u>	<u>(516,932)</u>	<u>(62,889)</u>	<u>(2,685,490)</u>
Cash flows from investing activities				
Interest received	22,524	60,107	2,604	85,235
	<u>22,524</u>	<u>60,107</u>	<u>2,604</u>	<u>85,235</u>
Net increase in cash and cash equivalents	(627,937)	(289,190)	67,669	(849,458)
Cash and cash equivalents at beginning of year	2,873,558	6,637,229	279,087	9,789,874
Cash and cash equivalents at end of year	\$ 2,245,621	\$ 6,348,039	\$ 346,756	\$ 8,940,416

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, 2016

	Major Enterprise Funds			Total Enterprise Funds
	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (1,076,636)	\$ 1,120,381	\$ (27,999)	\$ 15,746
Depreciation and amortization	897,669	290,066	7,726	1,195,461
Changes in assets and liabilities				
(Increase) Decrease in accounts receivable	(2,519)	209,368	(1,030)	205,819
(Increase) Decrease in prepaid expenses	(724)	742	872	890
(Increase) Decrease in deferred refunding	32,001	13,313	-	45,314
Increase (Decrease) in accounts payable	145,605	(53,758)	6,694	98,541
Increase (Decrease) in accrued liabilities	3,247	(2,654)	2,272	2,865
Increase (Decrease) in customer deposits	(1,089)	544	-	(545)
Increase (Decrease) in bond issue premium	(603)	(3,171)	-	(3,774)
Increase (Decrease) in accrued interest	(5,258)	(2,146)	-	(7,404)
Net cash provided by operating activities	<u>\$ (8,307)</u>	<u>\$ 1,572,685</u>	<u>\$ (11,465)</u>	<u>\$ 1,552,913</u>

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

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

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.

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
March 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT 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.

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
March 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT 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.

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
March 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT 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 \$205,541 of accrued vacation leave at March 31, 2016, has been recorded. Proprietary funds accrue vacation leave in the period they are earned. For 2016, \$93,017 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.

City of Perryville, Missouri
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

11. Net Position - 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. Change in Accounting Principle

In 2016, the City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. These statements establish standards for measuring and recognizing liabilities, deferred outflows and inflows of resources and expenses for pensions that are provided to the employees of state and local governmental employers through pension plans administered through trusts.

LAGERS implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015. As a result of the implementation, net position as of April 1, 2015, was restated as follows:

	Governmental Activities	Business-type Activities	Total
Net position, April 1, 2015, as previously reported	\$ 30,726,760	\$ 28,709,043	\$ 59,435,803
Net pension asset	452,415	-	452,415
Deferred inflows related to pension	(404,297)	-	(404,297)
Net position, April 1, 2015, as restated	<u>\$ 30,774,878</u>	<u>\$ 28,709,043</u>	<u>\$ 59,483,921</u>

14. 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.

15. Pensions

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

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
March 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

16. Subsequent Events

The City has evaluated subsequent events through September 23, 2016, the date the financial statements were available to be issued.

NOTE B – DEPOSITS AND INVESTMENTS

At March 31, 2016, the carrying amount of the City's deposits was \$17,117,156. 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, 2016 are not exposed to custodial credit risk.

NOTE C – PROPERTY TAXES

Property taxes attach as an enforceable lien on property. Taxes were levied September 1, 2015, 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, 2016, totaled \$43,302. The City recognizes this amount as deferred inflows.

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
March 31, 2016

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2016 was as follows:

Governmental activities:	Balance March 31, 2015	Additions	Deletions	Balance March 31, 2016
Capital assets not being depreciated				
Land	\$ 2,418,560	\$ -	\$ -	\$ 2,418,560
Construction in progress	449,354	1,278,938	274,665	1,453,627
	<u>2,867,914</u>	<u>1,278,938</u>	<u>274,665</u>	<u>3,872,187</u>
Capital assets being depreciated				
Buildings	9,378,827	-	-	9,378,827
Improvements other than buildings	26,923,889	252,937	-	27,176,826
Machinery and equipment	5,160,727	275,612	91,939	5,344,400
Pool and bathhouse	913,380	-	-	913,380
	<u>42,376,823</u>	<u>528,549</u>	<u>91,939</u>	<u>42,813,433</u>
Less accumulated depreciation for				
Buildings	2,485,752	218,889	-	2,704,641
Improvements other than buildings	12,934,040	801,308	-	13,735,348
Machinery and equipment	4,452,171	273,306	91,794	4,633,683
Pool and bathhouse	716,365	26,635	-	743,000
	<u>20,588,328</u>	<u>1,320,138</u>	<u>91,794</u>	<u>21,816,672</u>
Capital assets being depreciated, net	<u>21,788,495</u>	<u>(791,589)</u>	<u>145</u>	<u>20,996,761</u>
Governmental activities capital assets, net	<u>\$ 24,656,409</u>	<u>\$ 487,349</u>	<u>\$ 274,810</u>	<u>\$ 24,868,948</u>

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
March 31, 2016

NOTE D – CAPITAL ASSETS – Continued

	<u>Balance March 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2016</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 285,380	\$ -	\$ -	\$ 285,380
Construction in progress	<u>353,238</u>	<u>1,606,329</u>	<u>226,765</u>	<u>1,732,802</u>
	638,618	1,606,329	226,765	2,018,182
Capital assets being depreciated				
Buildings and improvements other than buildings	39,504,777	-	-	39,504,777
Machinery and equipment	<u>2,790,590</u>	<u>338,115</u>	<u>13,673</u>	<u>3,115,032</u>
	42,295,367	338,115	13,673	42,619,809
Less accumulated depreciation for				
Buildings and improvements other than buildings	18,570,506	984,934	-	19,555,440
Machinery and equipment	<u>2,194,637</u>	<u>231,485</u>	<u>13,673</u>	<u>2,412,449</u>
	<u>20,765,143</u>	<u>1,216,419</u>	<u>13,673</u>	<u>21,967,889</u>
Capital assets being depreciated, net	<u>21,530,224</u>	<u>(878,304)</u>	<u>-</u>	<u>20,651,920</u>
Business-type activities capital assets, net	<u>\$ 22,168,842</u>	<u>\$ 728,025</u>	<u>\$ 226,765</u>	<u>\$ 22,670,102</u>

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

Governmental activities:	
General government	\$ 93,070
Public safety	142,311
Airport	58,746
Culture and recreation	165,017
Streets and improvements	658,617
Capital projects	202,377
	<u>\$ 1,320,138</u>
Business-type activities:	
Major funds:	
Combined Waterworks and Sewerage System Fund	\$ 897,669
Gas Operation Fund	290,066
Refuse Fund	7,726
	<u>\$ 1,195,461</u>

City of Perryville, Missouri
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

NOTE E – EXCESS OF EXPENDITURES OVER REVENUES IN INDIVIDUAL FUNDS

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

	<u>Expenditures</u>	<u>Revenues</u>	<u>Difference</u>
Major Governmental Funds			
General Fund	4,910,062	4,094,097	815,965
Debt Service Fund	367,410	338,892	28,518
Perry Park Center Fund	1,866,157	1,243,852	622,305
Nonmajor Governmental Funds			
Special Revenue Fund -			
Street Improvement Fund	373,861	338,209	35,652
Transportation Trust Fund	1,328,439	1,166,510	161,929
Veterans Memorial Field Fund	20,971	9,774	11,197
Capital Project Fund -			
2012 Downtown TIF Fund	47,945	43,619	4,326
Hwy 51/61 TIF Fund	1,117,136	53,667	1,063,469

NOTE F – LONG –TERM OBLIGATIONS

Following is a summary of bonds and notes payable transactions of the City for the year ended March 31, 2016:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Capital Leases</u>	<u>Certificates of Participation</u>	<u>Total</u>
Balance at April 1, 2015	\$ 1,202,705	\$ 3,860,000	\$ -	\$ 2,820,000	\$ 7,882,705
Long - term obligations added	-	-	175,721	-	175,721
Long - term obligations retired	270,000	930,000	58,729	1,220,000	2,478,729
Balance at March 31, 2016	\$ 932,705	\$ 2,930,000	\$ 116,992	\$ 1,600,000	\$ 5,579,697

City of Perryville, Missouri
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

NOTE F – LONG –TERM OBLIGATIONS – Continued

Long – term obligations at March 31, 2016, 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	\$ 335,000	\$ 335,000
\$4,750,000 Capital Improvement Sales Tax Revenue Bonds due in annual installments of \$305,000 to \$350,000 through July 1, 2019; interest at 5.30 to 5.75 percent	1,310,000	305,000
\$2,080,000 Natural Gas System Refunding Revenue Bonds due in annual installments of \$315,000 to \$335,000 through July 1, 2019; interest at 2.125 to 2.25 percent	1,285,000	315,000
Certificates of Participation		
\$2,335,000 Certificate of Participation, consist of term coupons due in semi-annual installments of \$210,000 to \$435,000 through July 1, 2020; interest at 2.125 to 2.65 percent	1,600,000	210,000
General Obligation Bonds:		
\$4,110,000 General Obligation Improvement and Refunding Bonds due in annual installments of \$285,000 to \$340,000 through July 1, 2019; interest at 5.40 to 5.75 percent, net of partial defeasance of \$312,295	932,705	285,000
	\$ 5,462,705	\$ 1,450,000
Less current maturities	1,450,000	
	\$ 4,012,705	

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

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	\$ 1,310,000	\$ 305,000
\$4,110,000 General Obligation Improvement and Refunding Bonds	932,705	285,000
Capital lease obligations	116,992	58,011
	\$ 2,359,697	\$ 648,011
Business-type activities:		
\$5,000,000 Combined Waterworks and Sewerage System Refunding and Improvement Bonds	\$ 335,000	\$ 335,000
\$2,080,000 Natural Gas System Refunding Revenue Bonds	1,285,000	315,000
\$2,335,000 Certificate of Participation - both Natural Gas and Combined Waterworks and Sewerage System	1,600,000	210,000
	\$ 3,220,000	\$ 860,000

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. These Certificates were paid off effective April 8, 2015.

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

City of Perryville, Missouri
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

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 is paid solely from the private entity through lease agreements; therefore, the issues do not constitute a debt of the City and, accordingly, are not included in the City’s statement of net position. The principal balance outstanding as of March 31, 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 is paid solely from the private entity through lease agreements; therefore, the issues do not constitute a debt of the City and, accordingly, are not included in the City’s statement of net position. The principal balance outstanding as of March 31, 2016 is \$17,100,483.

At March 31, 2016, the State had contributed \$851,582 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,	
2017	\$ 1,508,011
2018	1,373,981
2019	1,360,000
2020	1,147,705
2021	190,000
	<u>\$ 5,579,697</u>

City of Perryville, Missouri
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

NOTE F – LONG-TERM OBLIGATIONS – Continued

Capital Lease Obligations Payable

During the year ended March 31, 2016, the City entered into a lease purchase agreement to purchase seven police vehicles. The lease has been treated as a capital lease and is recorded in the governmental funds.

The following is a schedule by years of future minimum lease payments under the capital leases together with the present value of the minimum lease payments as of March 31, 2016.

<u>Year Ending March 31</u>		
2017	\$	59,968
2018		59,968
 Total minimum lease payments		 119,936
 Less amount representing interest		 2,944
Present value of net minimum lease payments	\$	116,992
 Current portion	\$	 58,011
Long - term portion		58,981
	\$	116,992

NOTE G – PENSION PLAN

1. Plan Description

The City’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

2. Benefits Provided

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

City of Perryville, Missouri
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

NOTE G – PENSION PLAN – Continued

2. Benefits Provided - Continued

	<u>2015 Valuation</u>
Benefit multiplier	2%
Final average salary	3 Years
Member contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

3. Employees Covered by Benefit Terms

At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	38
Active employees	92
	174

4. Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. City contribution rates are 13.5% (General) and 14.6% (Police) of annual covered payroll.

5. Net Pension Liability

The City’s net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

6. Actuarial Assumptions

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary increase	3.5% to 6.8% including inflation
Investment rate of return	7.25%

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
March 31, 2016

NOTE G – PENSION PLAN – Continued

6. Actuarial Assumptions - Continued

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.50%	5.00%
Fixed Income	25.00%	2.50%
Real Assets	20.00%	4.00%
Strategic Assets	6.50%	5.00%

7. Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

8. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at 6/30/2014	\$ 16,253,246	\$ 16,705,661	\$ (452,415)
Changes for the year:			
Service Cost	414,904	-	414,904
Interest	1,176,475	-	1,176,475
Difference between expected and actual experience	(387,821)	-	(387,821)
Contributions - employer	-	554,962	(554,962)
Net investment income	-	325,200	(325,200)
Benefit payments, including refunds	(467,850)	(467,850)	-
Administrative expense	-	(14,540)	14,540
Other changes	-	224,913	(224,913)
Net changes	735,708	622,685	83,943
Balances at 6/30/2015	\$ 16,988,954	\$ 17,328,346	\$ (368,472)

City of Perryville, Missouri
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

NOTE G – PENSION PLAN – Continued

9. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the City, calculated using the discount rate of 7.25%, as well as what the City’s Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

Current Single Discount		
1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
\$ 2,243,967	\$ (339,392)	\$ (2,474,791)

10. Pension Expense and Deferred Outflows and Deferred Inflows Related to Pensions

For the year ended March 31, 2016, the City recognized pension expense of \$275,740. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ (325,000)
Excess (deficit) investment returns	717,245	-
Contributions adjustment from GASB 68 implementation	-	(404,297)
Contributions subsequent to the measurement date	436,142	-
Total	\$ 1,153,387	\$ (729,297)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2016	\$ 124,452
2017	124,452
2018	124,452
2019	124,450
2020	(62,821)
Thereafter	(10,895)
Total	\$ 424,090

NOTE H – INTEREST EXPENSE

Interest cost totaling \$322,891, was incurred during the year ended March 31, 2016. No interest was capitalized as part of the cost of assets constructed during the period.

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
March 31, 2016

NOTE I – RELATED PARTY TRANSACTIONS

During the year ended March 31, 2016, the City incurred expenses/expenditures of \$342,464 for engineering services with an entity owned by a relative of the Mayor. At March 31, 2016, \$38,067 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. The City incurred expenses/expenditures of \$98,316 and \$3,749 with entities related to members of the board of aldermen. At March 31, 2016, no balance was due to either of these entities. The City incurred expenses of \$101,848 with an entity owned by a relative of the Mayor. At March 31, 2016, no balance was due to this entity.

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.

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 March 31, 2016

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

The City's governmental fund balances and restricted retained earnings at March 31, 2016, were as follows:

	General Fund	Perry Park Center Fund	Capital Improvement Fund	Debt Service Fund	Non-Major Funds	Combined Waterworks and Sewerage System Fund	Gas Operation Fund
Fund Balances							
Nonspendable							
Prepaid expenses	\$ 91,784	\$ 30,302	-	-	\$ 27,611	-	\$ -
CATV franchise fees	10,000	-	-	-	-	-	-
Restricted							
Debt service	-	-	-	835,214	-	-	-
Municipal court	1,939	-	-	-	-	-	-
Crime victims compensation fund	442	-	-	-	-	-	-
Taxes paid under protest	4,937	-	-	-	-	-	-
Veterans memorial field fund	-	-	-	-	13,792	-	-
Fire truck escrow	128,000	-	-	-	-	-	-
P.O.S.T. commission	66	-	-	-	-	-	-
Committed							
Debt service	-	-	1,454,046	-	-	-	-
Judicial education fund	749	-	-	-	-	-	-
Domestic shelter	260	-	-	-	-	-	-
Police training	821	-	-	-	-	-	-
Inmate security	(7,323)	-	-	-	-	-	-
Street improvement	-	-	-	-	1,123,982	-	-
Transportation trust	-	-	-	-	137,198	-	-
Field improvement	-	-	-	-	16,358	-	-
Assigned							
2012 Downtown TIF fund	-	-	-	-	33,022	-	-
Rand Avenue extension TIF fund	-	-	-	-	396,247	-	-
2010 HWY 51/61 TIF fund	-	-	-	-	77,677	-	-
Economic development fund	-	-	-	-	176,722	-	-
CDGB escrow fund	-	-	-	-	135,124	-	-
Unassigned	2,788,644	(35,365)	-	-	-	-	-
Retained earnings							
Restricted for debt service	-	-	-	-	-	796,165	443,418
Restricted for deposits	-	-	-	-	-	112,789	184,530
	<u>\$ 3,020,319</u>	<u>\$ (5,063)</u>	<u>\$ 1,454,046</u>	<u>\$ 835,214</u>	<u>\$ 2,137,733</u>	<u>\$ 908,954</u>	<u>\$ 627,948</u>

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

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, 2016 were as follows:

Transfer To	Transfer From								Total
	General Fund	Transportation Trust Fund	Capital Improvement Sales Tax Fund	Street Improvement Fund	Economic Development Fund	Combined Waterworks and Sewerage System Fund	Gas Operation Fund	Refuse Fund	
Major Governmental Funds									
General Fund	\$ -	\$ 96,930	\$ -	\$ -	\$ -	\$ 193,860	\$ 1,205,050	\$ 60,581	\$ 1,556,421
Perry Park Center Fund	610,000	-	-	-	-	-	-	-	610,000
Nonmajor Gov. Funds									
HWY 51/61 TIF Fund	-	779,000	-	325,000	-	-	-	-	1,104,000
2012 Downtown TIF Fund	-	-	-	-	20,000	-	-	-	20,000
Major Enterprise Funds									
Combined Waterworks and Sewerage System Fund	-	-	1,625,000	-	-	-	-	-	1,625,000
Refuse Fund	-	-	-	-	-	-	200,000	-	200,000
Total	\$ 610,000	\$ 875,930	\$ 1,625,000	\$ 325,000	\$ 20,000	\$ 193,860	\$ 1,405,050	\$ 60,581	\$ 5,115,421

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS - CONTINUED
March 31, 2016

NOTE L – INTERFUND RECEIVABLES AND PAYABLES

As of March 31, 2016, 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	\$ 1,659,211	\$ 7,031,068	\$ 437,993	\$ 9,128,272
Restricted assets	796,165	443,418	-	1,239,583
Capital assets	15,668,503	6,912,054	89,545	22,670,102
Total assets	<u>18,123,879</u>	<u>14,386,540</u>	<u>527,538</u>	<u>33,037,957</u>
DEFERRED OUTFLOWS OF RESOURCES	101,336	65,235	-	166,571
LIABILITIES				
Current liabilities	327,568	400,940	33,510	762,018
Liabilities payable from restricted assets	572,877	617,418	-	1,190,295
Bonds, notes payable, and other long-term liabilities	750,600	1,609,400	-	2,360,000
Total liabilities	<u>1,651,045</u>	<u>2,627,758</u>	<u>33,510</u>	<u>4,312,313</u>
DEFERRED INFLOWS OF RESOURCES	-	23,076	-	23,076
NET POSITION				
Invested in capital assets, net of related debt	14,469,503	4,891,054	89,545	19,450,102
Restricted for				
Debt service	796,165	443,418	-	1,239,583
Other	112,789	184,530	-	297,319
Unrestricted	1,195,713	6,281,939	404,483	7,882,135
Total net position	<u>\$ 16,574,170</u>	<u>\$ 11,800,941</u>	<u>\$ 494,028</u>	<u>\$ 28,869,139</u>

City of Perryville, Missouri
NOTES TO FINANCIAL STATEMENTS – CONTINUED
 March 31, 2016

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	\$ 2,559,887	\$ 5,600,932	\$ 689,887	\$ 8,850,706
Depreciation and amortization	(897,669)	(290,066)	(7,726)	(1,195,461)
Other operating expenses	<u>(2,784,950)</u>	<u>(4,222,382)</u>	<u>(713,339)</u>	<u>(7,720,671)</u>
Operating income (loss)	(1,122,732)	1,088,484	(31,178)	(65,426)
Nonoperating income (expenses)				
Interest income	22,524	60,107	2,604	85,235
Intergovernmental income	32,375	-	-	32,375
Miscellaneous income	46,096	31,897	3,179	81,172
Interest expense	<u>(79,990)</u>	<u>(58,779)</u>	<u>-</u>	<u>(138,769)</u>
	21,005	33,225	5,783	60,013
Transfers in	1,625,000	-	200,000	1,825,000
Transfers out	<u>(193,860)</u>	<u>(1,405,050)</u>	<u>(60,581)</u>	<u>(1,659,491)</u>
Change in net position	329,413	(283,341)	114,024	160,096
Net position at beginning of year	16,244,757	12,084,282	380,004	28,709,043
Net position at end of year	<u>\$ 16,574,170</u>	<u>\$ 11,800,941</u>	<u>\$ 494,028</u>	<u>\$ 28,869,139</u>
CONDENSED STATEMENT OF CASH FLOWS				
	Combined Waterworks & Sewerage System Fund	Gas Operation Fund	Refuse Fund	Total
Net cash provided by (used in):				
Operating activities	\$ (8,307)	\$ 1,572,685	\$ (11,465)	\$ 1,552,913
Noncapital financing activities	1,463,515	(1,405,050)	139,419	197,884
Capital and related financing activities	(2,105,669)	(516,932)	(62,889)	(2,685,490)
Investing activities	<u>22,524</u>	<u>60,107</u>	<u>2,604</u>	<u>85,235</u>
	(627,937)	(289,190)	67,669	(849,458)
Cash and cash equivalents at beginning of year	<u>2,873,558</u>	<u>6,637,229</u>	<u>279,087</u>	<u>9,789,874</u>
Cash and cash equivalents at end of year	<u>\$ 2,245,621</u>	<u>\$ 6,348,039</u>	<u>\$ 346,756</u>	<u>\$ 8,940,416</u>

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.

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 Year ended March 31, 2016

<u>General Revenue Fund</u>	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes and special assessments				
Real estate and personal property taxes	\$ 543,500	\$ 543,500	\$ 550,108	\$ 6,608
Railroad and utility tax	1,300	1,300	1,353	53
Gross receipts tax	1,150,000	1,150,000	1,177,877	27,877
Intangible tax	4,000	4,000	4,762	762
Sales tax	1,580,000	1,580,000	1,726,083	146,083
Local use tax	106,000	106,000	159,729	53,729
Tax under protest	-	-	4,653	4,653
	3,384,800	3,384,800	3,624,565	239,765
License and permits				
City vehicle licenses	21,200	21,200	21,271	71
Occupational licenses	15,000	15,000	15,650	650
Liquor licenses	11,000	11,000	12,711	1,711
Mobile home licenses	1,000	1,000	985	(15)
Building and other permits	5,100	5,100	12,706	7,606
	53,300	53,300	63,323	10,023
Charges for services				
Fees and services	10,000	10,000	9,006	(994)
Penalties	800	800	910	110
Cable TV franchise fees	47,000	47,000	57,261	10,261
	57,800	57,800	67,177	9,377
Intergovernmental				
Road district contributions	105,000	105,000	101,933	(3,067)
Police grants	1,900	1,900	660	(1,240)
County business surtax	45,000	45,000	48,654	3,654
	151,900	151,900	151,247	(653)
Fines				
Court fines, costs and police training fund	84,000	84,000	87,066	3,066
Inmate security fund	2,500	2,500	1,314	(1,186)
Crime victim compensation	5,000	5,000	4,741	(259)
Restitution fund	1,500	1,500	435	(1,065)
Parking tickets	300	300	230	(70)
	93,300	93,300	93,786	486
Interest				
	25,120	25,120	35,952	10,832
Miscellaneous				
Miscellaneous	28,400	28,400	45,767	17,367
Donations	4,000	4,000	-	(4,000)
	32,400	32,400	45,767	13,367
Rental				
	2,760	2,760	2,530	(230)
Total revenues	3,801,380	3,801,380	4,084,347	282,967

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - CONTINUED
 Year ended March 31, 2016

<u>General Revenue Fund - Continued</u>	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures				
General government				
Mayor and board	\$ 274,061	\$ 274,061	\$ 256,024	\$ 18,037
City administrators office	178,516	178,516	164,539	13,977
Clerk/Finance	455,288	455,288	438,006	17,282
Municipal court	102,051	102,051	87,234	14,817
Community development	203,572	203,572	203,729	(157)
General services	400,555	400,555	394,255	6,300
Port authority/Economic development	73,960	73,960	53,595	20,365
Cable access/Levee district	33,620	33,620	34,463	(843)
	1,721,623	1,721,623	1,631,845	89,778
Public safety				
Police department	2,389,813	2,389,813	2,173,166	216,647
Fire department	335,165	335,165	180,167	154,998
	2,724,978	2,724,978	2,353,333	371,645
Debt service				
Principal and interest payments	-	-	896,808	(896,808)
Capital projects	5,400	5,400	5,940	(540)
Total expenditures	4,452,001	4,452,001	4,887,926	(435,925)
Excess (deficiency) of revenues over expenditures	(650,621)	(650,621)	(803,579)	(152,958)
Other financing sources (uses)				
Operating transfers in	2,483,365	2,483,365	1,556,421	(926,944)
Operating transfers out	(800,079)	(800,079)	(610,000)	190,079
	1,683,286	1,683,286	946,421	(736,865)
Net change in fund balance	1,032,665	1,032,665	142,842	(889,823)
Fund balance at beginning of year	2,846,002	2,846,002	2,846,002	-
Fund balance at end of year	\$ 3,878,667	\$ 3,878,667	\$ 2,988,844	\$ (889,823)

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE - PERRY PARK CENTER FUND
 Year ended March 31, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes and special assessments				
Real estate and personal property tax	\$ 231,000	\$ 231,000	\$ 233,815	\$ 2,815
Railroad and utility tax	775	775	575	(200)
Sales tax	290,000	290,000	310,660	20,660
	<u>521,775</u>	<u>521,775</u>	<u>545,050</u>	<u>23,275</u>
Charges for services				
Concessions and vending machines	71,300	71,300	84,554	13,254
Tournament and sports fees	56,900	56,900	53,130	(3,770)
Admission fees and passes	343,550	343,550	350,992	7,442
Arcade, fun club and senior olympics	5,450	5,450	12,500	7,050
	<u>477,200</u>	<u>477,200</u>	<u>501,176</u>	<u>23,976</u>
Intergovernmental				
County business surtax	19,000	19,000	20,678	1,678
Interest				
	450	450	686	236
Miscellaneous				
	47,100	47,100	99,721	52,621
Rental				
Library lease	27,000	27,000	27,000	-
Theater rent	13,000	13,000	12,310	(690)
Pool and gymnasium	11,750	11,750	15,058	3,308
Pavilions, ball fields, community center, meeting room	15,850	15,850	20,576	4,726
	<u>67,600</u>	<u>67,600</u>	<u>74,944</u>	<u>7,344</u>
Total revenues	<u>1,133,125</u>	<u>1,133,125</u>	<u>1,242,255</u>	<u>109,130</u>
Expenditures				
Leagues	105,933	105,933	82,987	22,946
Administration	532,174	532,174	525,665	6,509
Capital projects	1,900	1,900	1,854	46
Community center maintenance	1,550	1,550	4,805	(3,255)
Fitness center	24,856	24,856	20,536	4,320
Activities and marketing	132,363	132,363	122,047	10,316
Maintenance and housekeeping	394,734	394,734	369,648	25,086
Park maintenance	315,792	315,792	309,574	6,218
Performing arts center	120,732	120,732	125,111	(4,379)
Pool	207,435	207,435	212,627	(5,192)
Park center operations	71,279	71,279	96,862	(25,583)
Total expenditures	<u>1,908,748</u>	<u>1,908,748</u>	<u>1,871,716</u>	<u>37,032</u>
Excess (deficiency) of revenues over expenditures				
	(775,623)	(775,623)	(629,461)	146,162
Other financing sources (uses)				
Operating transfers in	800,079	800,079	610,000	(190,079)
Operating transfers out	-	-	-	-
	<u>800,079</u>	<u>800,079</u>	<u>610,000</u>	<u>(190,079)</u>
Net change in fund balance				
	24,456	24,456	(19,461)	(43,917)
Fund balance at beginning of year				
	23,069	23,069	23,069	-
Fund balance at end of year				
	<u>\$ 47,525</u>	<u>\$ 47,525</u>	<u>\$ 3,608</u>	<u>\$ (43,917)</u>

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT SALES TAX FUND
 Year ended March 31, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes and special assessments				
Sales tax	\$ 600,000	\$ 600,000	\$ 603,937	\$ 3,937
Local use tax	40,000	40,000	103,749	63,749
Interest	27,000	27,000	16,079	(10,921)
	<u>667,000</u>	<u>667,000</u>	<u>723,765</u>	<u>56,765</u>
Expenditures				
Debt service				
Principal	295,000	295,000	303,333	(8,333)
Interest	81,551	81,551	32,199	49,352
Bond handling charges	9,000	9,000	5,825	3,175
	<u>385,551</u>	<u>385,551</u>	<u>341,357</u>	<u>44,194</u>
Excess (deficiency) of revenues over expenditures	281,449	281,449	382,408	100,959
Other financing sources (uses)				
Operating transfers in	1,343,551	1,343,551	-	(1,343,551)
Operating transfers out	(1,625,000)	(1,625,000)	(1,625,000)	-
	<u>(281,449)</u>	<u>(281,449)</u>	<u>(1,625,000)</u>	<u>(1,343,551)</u>
Net change in fund balance	-	-	(1,242,592)	(1,242,592)
Fund balance at beginning of year	<u>2,633,636</u>	<u>2,633,636</u>	<u>2,633,636</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,633,636</u>	<u>\$ 2,633,636</u>	<u>\$ 1,391,044</u>	<u>\$ (1,242,592)</u>

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
 Year ended March 31, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes and special assessments				
Real estate and personal property tax	\$ 258,300	\$ 258,300	\$ 261,371	\$ 3,071
Railroad and utility tax	800	800	642	(158)
	<u>259,100</u>	<u>259,100</u>	<u>262,013</u>	<u>2,913</u>
Intergovernmental				
County business surtax	21,500	21,500	23,111	1,611
	<u>21,500</u>	<u>21,500</u>	<u>23,111</u>	<u>1,611</u>
Charges for services				
Penalties	500	500	558	58
Interest				
	7,000	7,000	5,645	(1,355)
Total revenues	<u>288,100</u>	<u>288,100</u>	<u>291,327</u>	<u>3,227</u>
Expenditures				
Debt service				
Principal	270,000	270,000	282,500	(12,500)
Interest	77,217	77,217	34,377	42,840
Bond handling charges	8,000	8,000	5,604	2,396
Capital projects	2,100	2,100	2,072	28
	<u>357,317</u>	<u>357,317</u>	<u>324,553</u>	<u>32,764</u>
Excess (deficiency) of revenues over expenditures	(69,217)	(69,217)	(33,226)	35,991
Other financing sources (uses)				
Operating transfers in	69,217	69,217	-	(69,217)
Operating transfers out	-	-	-	-
	<u>69,217</u>	<u>69,217</u>	<u>-</u>	<u>(69,217)</u>
Net change in fund balance	-	-	(33,226)	(33,226)
Fund balance at beginning of year	<u>813,164</u>	<u>813,164</u>	<u>813,164</u>	<u>-</u>
Fund balance at end of year	<u>\$ 813,164</u>	<u>\$ 813,164</u>	<u>\$ 779,938</u>	<u>\$ (33,226)</u>

City of Perryville, Missouri
REQUIRED SUPPLEMENTARY INFORMATION
LAGERS SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
March 31, 2016

	June 30, 2015
Total Pension Liability	
Service cost	\$ 414,904
Interest on Total Pension Liability	1,176,475
Difference between expected and actual experience	(387,821)
Benefit payments	(467,850)
Net Change in Total Pension Liability	735,708
Total Pension Liability, beginning	16,253,246
Total Pension Liability, ending	\$ 16,988,954
Plan Fiduciary Net Position	
Contributions-employer	\$ 554,962
Net investment income	325,200
Benefit payments	(467,850)
Administrative expense	14,540
Other	224,913
Net Change in Plan Fiduciary Net Position	622,685
Plan Fiduciary Net Position, beginning	16,705,661
Plan Fiduciary Net Position, ending	\$ 17,328,346
Employer Net Pension Liability (Asset)	\$ (339,392)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	102.00%
Covered Employee Payroll	\$ 3,517,957
Net Pension Liability as a percentage of covered employee payroll	-9.65%

Notes to schedule:

This schedule presents the information available to the City and will include ten-year trend information once available.

City of Perryville, Missouri
 REQUIRED SUPPLEMENTARY INFORMATION
 LAGERS SCHEDULE OF CONTRIBUTIONS
 Last 10 Fiscal Years

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2007	\$ 308,699	\$ 340,351	\$ (31,652)	\$ 2,633,017	12.93%
2008	328,015	357,968	(29,953)	3,057,186	11.71%
2009	322,146	335,257	(13,111)	3,125,322	10.73%
2010	502,304	341,122	161,182	3,309,389	10.31%
2011	576,325	394,902	181,423	3,492,616	11.31%
2012	593,672	440,233	153,439	3,579,951	12.30%
2013	551,518	452,805	98,713	3,400,020	13.32%
2014	586,001	504,768	81,233	3,525,905	14.32%
2015	556,835	554,424	2,411	3,627,258	15.28%
2016	528,277	586,083	(57,806)	3,824,966	15.32%

City of Perryville, Missouri
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2016

NOTE A – BUDGETARY PROCESS

The reported budgetary data represent the final approved budget after amendments as adopted by the Board of Aldermen. There were no amendments to the original budget.

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

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to February 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of an ordinance.
4. The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
5. Formal budgetary integration is employed as a management control device during the year for all funds.

City of Perryville, Missouri
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Continued
March 31, 2016

NOTE B – BUDGETING AND BUDGETARY CONTROL

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

	<u>General Fund</u>	<u>Perry Park Center Fund</u>	<u>Capital Improvement Sales Tax Fund</u>	<u>Debt Service Fund</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses - budgetary basis	\$ 142,842	\$ (19,461)	\$ (1,242,592)	\$ (33,226)
Adjustments				
To record accrual and deferral of revenues	9,432	1,597	57,544	47,565
To record accrual of expenditures	<u>(21,818)</u>	<u>5,559</u>	<u>(45,286)</u>	<u>(42,857)</u>
Net change in fund balance - GAAP basis	<u>\$ 130,456</u>	<u>\$ (12,305)</u>	<u>\$ (1,230,334)</u>	<u>\$ (28,518)</u>

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

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

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

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.

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

Ball Field Improvement Fund – This fund is used to account for sponsorships and donations received for work on the City's ball fields.

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.

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, 2016

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 1,903,335	\$ 832,730	\$ 2,736,065
Receivables, net of allowances for doubtful accounts:			
Sales and use tax	73,032	-	73,032
Intergovernmental	27,075	-	27,075
Other	593	-	593
Prepaid expenses	27,611	-	27,611
	\$ 2,031,646	\$ 832,730	\$ 2,864,376
LIABILITIES AND FUND BALANCE			
Accounts payable	\$ 50,083	\$ 13,938	\$ 64,021
Payroll, sales tax and fringe benefits	35,622	-	35,622
Due to other funds	627,000	-	627,000
	712,705	13,938	726,643
Fund balance:			
Nonspendable	27,611	-	27,611
Restricted	13,792	-	13,792
Committed	1,277,538	-	1,277,538
Assigned	-	818,792	818,792
	1,318,941	818,792	2,137,733
	\$ 2,031,646	\$ 832,730	\$ 2,864,376

City of Perryville, Missouri
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended March 31, 2016

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes and special assessments	\$ 949,027	\$ 146,946	\$ 1,095,973
Intergovernmental	378,071	52,917	430,988
Interest	25,009	5,077	30,086
Rental	87,014	-	87,014
Miscellaneous	103,111	62,295	165,406
	<u>1,542,232</u>	<u>267,235</u>	<u>1,809,467</u>
Expenditures			
Airport maintenance	46,607	-	46,607
Airport improvements	125,023	-	125,023
Streets and street improvements	1,304,518	-	1,304,518
Storm water	148,545	-	148,545
Sidewalks	77,607	-	77,607
Field improvements	11,381	-	11,381
Culture and recreation	20,971	-	20,971
Capital projects	-	1,168,079	1,168,079
	<u>1,734,652</u>	<u>1,168,079</u>	<u>2,902,731</u>
 Excess (deficiency) of revenues over expenditures	 (192,420)	 (900,844)	 (1,093,264)
 Other financing sources (uses)			
Operating transfers in	-	1,124,000	1,124,000
Operating transfers out	(1,200,930)	(20,000)	(1,220,930)
	<u>(1,200,930)</u>	<u>1,104,000</u>	<u>(96,930)</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 (1,393,350)	 203,156	 (1,190,194)
 Fund balance beginning of year	 <u>2,712,291</u>	 <u>615,636</u>	 <u>3,327,927</u>
 Fund balance end of year	 <u>\$ 1,318,941</u>	 <u>\$ 818,792</u>	 <u>\$ 2,137,733</u>

City of Perryville, Missouri
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 March 31, 2016

	Street Improvement Fund	Ball Field Improvement Fund	Transportation Trust Fund	Veterans Memorial Field Fund	Total Nonmajor Special Revenue Funds
Cash	\$ 1,097,111	\$ 16,533	\$ 775,297	\$ 14,394	\$ 1,903,335
Receivables, net of allowance for doubtful accounts:					
Sales and use tax	-	-	73,032	-	73,032
Intergovernmental	27,075	-	-	-	27,075
Other	-	-	593	-	593
Prepaid insurance	-	-	27,611	-	27,611
	<u>\$ 1,124,186</u>	<u>\$ 16,533</u>	<u>\$ 876,533</u>	<u>\$ 14,394</u>	<u>\$ 2,031,646</u>

ASSETS

Cash
 Receivables, net of allowance for doubtful accounts:
 Sales and use tax
 Intergovernmental
 Other
 Prepaid insurance

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 204	\$ 175	\$ 49,102	\$ 602	\$ 50,083
Payroll taxes and fringe benefits	-	-	35,622	-	35,622
Due to other funds	-	-	627,000	-	627,000
Fund Balance	<u>204</u>	<u>175</u>	<u>711,724</u>	<u>602</u>	<u>712,705</u>
Nonspendable	-	-	27,611	-	27,611
Restricted	-	-	-	13,792	13,792
Committed	<u>1,123,982</u>	<u>16,358</u>	<u>137,198</u>	<u>-</u>	<u>1,277,538</u>
	<u>\$ 1,123,982</u>	<u>\$ 16,358</u>	<u>\$ 164,809</u>	<u>\$ 13,792</u>	<u>\$ 1,318,941</u>
	<u>\$ 1,124,186</u>	<u>\$ 16,533</u>	<u>\$ 876,533</u>	<u>\$ 14,394</u>	<u>\$ 2,031,646</u>

City of Perryville, Missouri
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 March 31, 2016

	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	\$ 42,614	\$ 396,247	\$ 82,023	\$ 176,722	\$ 135,124	\$ 832,730
	<u>\$ 42,614</u>	<u>\$ 396,247</u>	<u>\$ 82,023</u>	<u>\$ 176,722</u>	<u>\$ 135,124</u>	<u>\$ 832,730</u>
LIABILITIES AND FUND BALANCE						
Accounts payable	\$ 9,592	\$ -	\$ 4,346	\$ -	\$ -	\$ 13,938
Fund balance - Assigned	33,022	396,247	77,677	176,722	135,124	818,792
	<u>\$ 42,614</u>	<u>\$ 396,247</u>	<u>\$ 82,023</u>	<u>\$ 176,722</u>	<u>\$ 135,124</u>	<u>\$ 832,730</u>

City of Perryville, Missouri
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**
NONMAJOR SPECIAL REVENUE FUNDS
Year ended March 31, 2016

	Street Improvement Fund	Ball Field Improvement Fund	Transportation Trust Fund	Veterans Memorial Field Fund	Total Nonmajor Special Revenue Funds
Revenues					
Taxes and special assessments	\$ -	\$ -	\$ 949,027	\$ -	\$ 949,027
Intergovernmental	323,582	-	54,489	-	378,071
Interest	12,314	134	12,381	180	25,009
Rental	-	-	87,014	-	87,014
Miscellaneous	2,313	27,605	63,599	9,594	103,111
	<u>338,209</u>	<u>27,739</u>	<u>1,166,510</u>	<u>9,774</u>	<u>1,542,232</u>
Expenditures					
Airport maintenance	-	-	46,607	-	46,607
Airport improvements	-	-	125,023	-	125,023
Streets and street improvements	373,861	-	930,657	-	1,304,518
Stormwater	-	-	148,545	-	148,545
Sidewalks	-	-	77,607	-	77,607
Field improvements	-	11,381	-	-	11,381
Culture and recreation	-	-	-	20,971	20,971
	<u>373,861</u>	<u>11,381</u>	<u>1,328,439</u>	<u>20,971</u>	<u>1,734,652</u>
Excess (deficiency) of revenues over expenditures	(35,652)	16,358	(161,929)	(11,197)	(192,420)
Other financing sources (uses)					
Operating transfers in	-	-	-	-	-
Operating transfers out	(325,000)	-	(875,930)	-	(1,200,930)
	<u>(325,000)</u>	<u>-</u>	<u>(875,930)</u>	<u>-</u>	<u>(1,200,930)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(360,652)	16,358	(1,037,859)	(11,197)	(1,393,350)
Fund balance at beginning of year	1,484,634	-	1,202,668	24,989	2,712,291
Fund balance at end of year	<u>\$ 1,123,982</u>	<u>\$ 16,358</u>	<u>\$ 164,809</u>	<u>\$ 13,792</u>	<u>\$ 1,318,941</u>

City of Perryville, Missouri
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
 Year ended March 31, 2016

	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	\$ -	\$ -	\$ 52,917	\$ -	\$ -	\$ 52,917
Interest	118	2,547	400	2,012	-	5,077
Taxes	-	146,946	-	-	-	146,946
Miscellaneous	43,501	18,444	350	-	-	62,295
	<u>43,619</u>	<u>167,937</u>	<u>53,667</u>	<u>2,012</u>	<u>-</u>	<u>267,235</u>
Expenditures						
Capital projects	47,945	2,998	1,117,136	-	-	1,168,079
	<u>47,945</u>	<u>2,998</u>	<u>1,117,136</u>	<u>-</u>	<u>-</u>	<u>1,168,079</u>
Excess (deficiency) of revenues over expenditures	(4,326)	164,939	(1,063,469)	2,012	-	(900,844)
Other financing sources (uses)						
Operating transfers in	20,000	-	1,104,000	-	-	1,124,000
Operating transfers out	-	-	-	(20,000)	-	(20,000)
	<u>20,000</u>	<u>-</u>	<u>1,104,000</u>	<u>(20,000)</u>	<u>-</u>	<u>1,104,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	15,674	164,939	40,531	(17,988)	-	203,156
Fund balance at beginning of year	17,348	231,308	37,146	194,710	135,124	615,636
Fund balance at end of year	<u>\$ 33,022</u>	<u>\$ 396,247</u>	<u>\$ 77,677</u>	<u>\$ 176,722</u>	<u>\$ 135,124</u>	<u>\$ 818,792</u>

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR SPECIAL REVENUE FUNDS
 Year ended March 31, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Street Improvement Fund</u>			
Revenues			
State gasoline tax	\$ 210,000	\$ 216,934	\$ 6,934
State vehicle sales tax	50,000	69,127	19,127
State vehicle license fees	34,000	36,035	2,035
Street tax bill	392,000	-	(392,000)
Interest	7,000	12,314	5,314
Miscellaneous	-	2,313	2,313
	693,000	336,723	(356,277)
Expenditures			
Engineering/architectural services	-	21,700	(21,700)
Street improvements	-	352,161	(352,161)
	-	373,861	(373,861)
Excess (deficiency) of revenues over expenditures	693,000	(37,138)	(730,138)
Other financing sources (uses)			
Operating transfers in	1,046,900	-	(1,046,900)
Operating transfers out	(325,000)	(325,000)	-
	721,900	(325,000)	(1,046,900)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	1,414,900	(362,138)	(1,777,038)
Accrual or deferral of revenues	-	1,486	1,486
Accrual of expenditures	-	-	-
	-	1,486	1,486
Excess (deficiency) of revenues and other sources over expenditures and other uses - Street Improvement Fund	1,414,900	(360,652)	(1,775,552)

City of Perryville, Missouri
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED
Year ended March 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Ball Field Improvement Fund</u>			
Revenues			
Sponsor fees	-	24,005	24,005
Donations	-	3,600	3,600
Interest	-	134	134
	-	<u>27,739</u>	<u>27,739</u>
Expenditures			
Field improvements	-	11,381	(11,381)
	-	<u>11,381</u>	<u>(11,381)</u>
Excess (deficiency) of revenues over expenditures			
	-	16,358	16,358
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	-	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis			
	-	16,358	16,358
Accrual or deferral of revenues			
	-	-	-
Accrual of expenditures			
	-	-	-
	-	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - Field Improvement Fund			
	-	16,358	16,358

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED
 Year ended March 31, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Transportation Trust Fund</u>			
Revenues			
Sales and use tax	\$ 845,000	\$ 944,324	\$ 99,324
Airport improvement grant	517,500	54,489	(463,011)
Interest	17,000	12,381	(4,619)
Rental	82,438	87,014	4,576
Miscellaneous	4,250	63,599	59,349
	1,466,188	1,161,807	(304,381)
Expenditures			
Airport maintenance	43,393	46,671	(3,278)
Airport improvements	5,000	127,074	(122,074)
Street maintenance	756,813	924,607	(167,794)
Stormwater	84,142	147,719	(63,577)
Sidewalks	50,000	68,888	(18,888)
	939,348	1,314,959	(375,611)
Excess (deficiency) of revenues over expenditures	526,840	(153,152)	(679,992)
Other financing sources (uses)			
Operating transfers in	1,137,577	-	(1,137,577)
Operating transfers out	(96,930)	(875,930)	(779,000)
	1,040,647	(875,930)	(1,916,577)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	1,567,487	(1,029,082)	(2,596,569)
Accrual or deferral of revenues	-	4,703	4,703
Accrual of expenditures	-	(13,480)	(13,480)
	-	(8,777)	(8,777)
Excess (deficiency) of revenues and other sources over expenditures and other uses - Transportation Trust Fund	1,567,487	(1,037,859)	(2,605,346)

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED
 Year ended March 31, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Veterans Memorial Field Fund</u>			
Revenues			
Interest	125	180	55
Sponsor fees	10,000	9,594	(406)
	10,125	9,774	(351)
Expenditures			
Culture and recreation	13,500	20,971	(7,471)
	13,500	20,971	(7,471)
Excess (deficiency) of revenues over expenditures	(3,375)	(11,197)	(7,822)
Other financing sources (uses)			
Operating transfers in	3,375	-	(3,375)
Operating transfers out	-	-	-
	3,375	-	(3,375)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	-	(11,197)	(11,197)
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - Veterans Memorial Field Fund	-	(11,197)	(11,197)
 TOTAL EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - NONMAJOR SPECIAL REVENUE FUNDS			
	\$ 2,982,387	\$ (1,393,350)	\$ (4,375,737)

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR CAPITAL PROJECT FUNDS
 Year ended March 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>2012 Downtown TIF Fund</u>			
Revenues			
Interest	\$ 25	\$ 118	\$ 93
Miscellaneous	23,000	43,501	20,501
	<u>23,025</u>	<u>43,619</u>	<u>20,594</u>
Expenditures			
Administrative fee	2,500	2,998	(498)
Public notices	-	128	(128)
Capital projects	12,080	44,819	(32,739)
	<u>14,580</u>	<u>47,945</u>	<u>(33,365)</u>
Excess (deficiency) of revenues over expenditures	8,445	(4,326)	(12,771)
Other financing sources (uses)			
Operating transfers in	-	20,000	20,000
Operating transfers out	-	-	-
	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	8,445	15,674	7,229
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - 2012 Downtown TIF Fund	8,445	15,674	7,229

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED
 Year ended March 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Rand Avenue Extension TIF Fund</u>			
Revenues			
Taxes	\$ 152,000	\$ 146,946	\$ (5,054)
Interest	300	2,547	2,247
Miscellaneous	19,000	18,444	(556)
	<u>171,300</u>	<u>167,937</u>	<u>(3,363)</u>
Expenditures			
Administrative fee	2,500	2,998	(498)
	<u>2,500</u>	<u>2,998</u>	<u>(498)</u>
Excess (deficiency) of revenues over expenditures	168,800	164,939	(3,861)
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	168,800	164,939	(3,861)
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - Rand Avenue Extension TIF Fund	168,800	164,939	(3,861)

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED
 Year ended March 31, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
<u>HWY 51/61 TIF Fund</u>			
Revenues			
Intergovernmental	\$ 1,574,000	\$ 52,917	\$ (1,521,083)
Interest	-	400	400
Miscellaneous	-	350	350
	1,574,000	53,667	(1,520,333)
Expenditures			
Administrative fee	-	2,907	(2,907)
Street improvements	2,984,111	1,104,000	1,880,111
Engineering/architectural services	-	9,651	(9,651)
Miscellaneous	-	24	(24)
	2,984,111	1,116,582	1,867,529
Excess (deficiency) of revenues over expenditures	(1,410,111)	(1,062,915)	347,196
Other financing sources (uses)			
Operating transfers in	460,124	1,104,000	643,876
Operating transfers out	-	-	-
	460,124	1,104,000	643,876
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	(949,987)	41,085	991,072
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	(554)	(554)
	-	(554)	(554)
Excess (deficiency) of revenues and other sources over expenditures and other uses - HWY 51/61 TIF Fund	(949,987)	40,531	990,518

City of Perryville, Missouri
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR CAPITAL PROJECT FUNDS - CONTINUED
 Year ended March 31, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Economic Development Fund</u>			
Revenues			
Interest	\$ 1,000	\$ 2,012	\$ 1,012
	1,000	2,012	1,012
Expenditures			
Capital projects	-	-	-
	-	-	-
Excess (deficiency) of revenues over expenditures	1,000	2,012	1,012
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	(20,000)	(20,000)
	-	(20,000)	(20,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budgetary basis	1,000	(17,988)	(18,988)
Accrual or deferral of revenues	-	-	-
Accrual of expenditures	-	-	-
	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses - Economic Development Fund	1,000	(17,988)	(18,988)
TOTAL EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - NONMAJOR CAPITAL PROJECT FUNDS	\$ (771,742)	\$ 203,156	\$ 974,898

City of Perryville, Missouri
 SCHEDULE OF NATURAL GAS SALES AND PURCHASES
 March 31, 2016

1. The natural gas distribution system was serving 3,068 metered customers at March 31, 2016.

2. Gas sales and purchases for the fiscal year ended March 31, 2016 were as follows:

GAS SALES

Date billed	Quantity in mcf	Amount billed
04/15	79,997	\$ 712,595
05/15	49,853	448,256
06/15	40,725	266,697
07/15	39,908	245,521
08/15	42,940	257,937
09/15	31,563	166,473
10/15	36,259	253,552
11/15	72,146	360,811
12/15	75,627	461,462
01/16	101,912	675,169
02/16	135,880	915,064
03/16	107,672	794,265
	<u>814,482</u>	<u>\$ 5,557,802</u>

GAS PURCHASES

Date billed	Quantity in mcf	Date paid	Cost
04/15	46,588	05/15	\$ 129,828
05/15	36,583	06/15	108,896
06/15	33,933	07/15	113,472
07/15	32,689	08/15	102,435
08/15	36,663	09/15	119,638
09/15	33,977	10/15	104,519
10/15	46,218	11/15	130,795
11/15	68,312	12/15	265,615
12/15	83,163	01/16	367,808
01/16	135,111	02/16	525,463
02/16	107,679	03/16	420,699
03/16	75,533	04/16	283,044
	<u>736,449</u>		<u>\$ 2,672,212</u>

City of Perryville, Missouri
SCHEDULE OF BONDS OUTSTANDING
 March 31, 2016

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, 2016, was \$335,000 bearing interest and maturing as follows.

<u>Maturity date</u>	<u>Interest Rate</u>	<u>Amount</u>
July 1, 2016	5.625%	\$ <u>335,000</u>
		\$ <u><u>335,000</u></u>

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, 2016, was \$1,310,000 bearing interest and maturing as follows.

<u>Maturity date</u>	<u>Interest Rate</u>	<u>Amount</u>
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%	<u>350,000</u>
		\$ <u><u>1,310,000</u></u>

City of Perryville, Missouri
SCHEDULE OF BONDS OUTSTANDING - CONTINUED
 March 31, 2016

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, 2016, was \$932,705 bearing interest and maturing as follows.

<u>Maturity date</u>	<u>Interest Rate</u>	<u>Amount</u>
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		<u>(312,295)</u>
		<u>\$ 932,705</u>

Natural Gas Revenue Bonds in the original amount of \$2,080,000 dated May 31, 2012, balance outstanding at March 31, 2016, was \$1,285,000 bearing interest and maturing as follows.

<u>Maturity date</u>	<u>Interest Rate</u>	<u>Amount</u>
July 1, 2016	2.125%	\$ 315,000
July 1, 2017	2.125%	315,000
July 1, 2018	2.125%	320,000
July 1, 2019	2.250%	<u>335,000</u>
		<u>\$ 1,285,000</u>