

City of Perry, Missouri

Financial Statements

For the Year Ended April 30, 2022

City of Perry, Missouri

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April 30, 2022

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Financial Section



Independent Auditor's Report

The Honorable Mayor
and Board of Aldermen
City of Perry, Missouri

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Perry, Missouri, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Perry, Missouri's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perry, Missouri, as of April 30, 2022, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (Concluded)

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

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

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

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison information and schedule of changes in capital assets and accumulated depreciation but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2022, on our consideration of the City of Perry, 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 the effectiveness of the City of Perry, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Perry, Missouri's internal control over financial reporting and compliance.

Wade Stables P.C.
Wade Stables P.C.
Certified Public Accountants

October 6, 2022
Quincy, Illinois

Basic Financial Statements

City of Perry, Missouri

Government-wide Statement of Net Position - Modified Cash Basis
April 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 1,004,543	\$ 3,493,945	\$ 4,498,488
Restricted cash	-	35,011	35,011
Total Assets	\$ 1,004,543	\$ 3,528,956	\$ 4,533,499
Liabilities and Net Position			
Liabilities			
Customer deposits	\$ -	\$ 101,587	\$ 101,587
Total Liabilities	\$ -	\$ 101,587	\$ 101,587
Net Position			
Restricted for:			
Debt service	\$ 9,390	\$ 35,011	\$ 44,401
Unrestricted	995,153	3,392,358	4,387,511
Total Net Position	\$ 1,004,543	\$ 3,427,369	\$ 4,431,912

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

City of Perry, Missouri
Government-wide Statement of Activities - Modified Cash Basis
For the Year Ended April 30, 2022

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position - Modified Cash Basis		Total
	Expenditures Paid	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Functions/Programs						
Primary Government:						
Governmental Activities:						
General government	\$ 57,834	\$ 10,710	\$ 70,120	\$ 22,996	\$ -	\$ 22,996
Public safety	82,164	378	1,557	(80,229)	-	(80,229)
Highways and streets	23,912	-	-	(23,912)	-	(23,912)
Culture and recreation	14,499	-	-	(14,499)	-	(14,499)
Capital outlay	-	-	-	-	-	-
Total Governmental Activities	<u>\$ 178,409</u>	<u>\$ 11,088</u>	<u>\$ 71,677</u>	<u>\$ (95,644)</u>	<u>\$ -</u>	<u>\$ (95,644)</u>
Business-type Activities:						
Electric	\$ 943,942	\$ 1,146,246	\$ -	\$ -	\$ 202,304	\$ 202,304
Water	153,430	235,870	-	-	82,440	82,440
Gas	336,539	413,582	-	-	77,043	77,043
Sewer	93,623	161,529	-	-	67,906	67,906
Sanitation	74,044	82,494	-	-	8,450	8,450
Capital outlay	14,811	-	-	-	(14,811)	(14,811)
Bond principal, interest and fees	80,726	-	-	-	(80,726)	(80,726)
Total Business-Type Activities	<u>\$ 1,697,115</u>	<u>\$ 2,039,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 342,606</u>	<u>\$ 342,606</u>
Total Primary Government	<u>\$ 1,875,524</u>	<u>\$ 2,050,809</u>	<u>\$ 71,677</u>	<u>\$ (95,644)</u>	<u>\$ 342,606</u>	<u>\$ 246,962</u>
General Revenues Collected:						
Property taxes				\$ 79,581	\$ -	\$ 79,581
Sales and use tax				142,785	-	142,785
Transportation tax				44,399	-	44,399
Gas tax				19,661	-	19,661
Motor vehicle tax				10,780	-	10,780
Interest income				14,196	29,133	43,329
Miscellaneous				7,969	5,149	13,118
				<u>\$ 319,371</u>	<u>\$ 34,282</u>	<u>\$ 353,653</u>
Change in Net Position				\$ 223,727	\$ 376,888	\$ 600,615
Net Position, May 1, 2021				780,816	3,050,481	3,831,297
Net Position, April 30, 2022				<u>\$ 1,004,543</u>	<u>\$ 3,427,369</u>	<u>\$ 4,431,912</u>

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

City of Perry, Missouri

Balance Sheet - Modified Cash Basis
 Governmental Funds
 April 30, 2022

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Street</u>	<u>Fire</u>	<u>Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 520,384	\$ 372,190	\$ 111,969	\$ 1,004,543
Total Assets	<u>\$ 520,384</u>	<u>\$ 372,190</u>	<u>\$ 111,969</u>	<u>\$ 1,004,543</u>
Liabilities and Fund Balances				
Fund Balances				
Restricted for:				
Debt service	\$ 9,390	\$ -	\$ -	\$ 9,390
ARPA	70,120	-	-	70,120
Assigned for:				
Equipment replacement	11,961	52,401	-	64,362
Street	-	319,789	-	319,789
Fire	-	-	111,969	111,969
Police Training	1,921	-	-	1,921
Unassigned	426,992	-	-	426,992
Total Fund Balances	<u>\$ 520,384</u>	<u>\$ 372,190</u>	<u>\$ 111,969</u>	<u>\$ 1,004,543</u>
Total Liabilities and Fund Balances	<u>\$ 520,384</u>	<u>\$ 372,190</u>	<u>\$ 111,969</u>	<u>\$ 1,004,543</u>

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Fiscal Year Ended April 30, 2022

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Street</u>	<u>Fire</u>	<u>Governmental Funds</u>
Revenues Received				
Taxes	\$ 150,268	\$ -	\$ 27,708	\$ 177,976
Licenses and permits	4,508	6,202	-	10,710
Intergovernmental revenues	-	119,230	-	119,230
Fines and forfeitures	378	-	-	378
Training fund	1,557	-	-	1,557
Grant income	70,120	-	-	70,120
Miscellaneous revenue	19,181	1,958	1,026	22,165
Total Revenues Received	<u>\$ 246,012</u>	<u>\$ 127,390</u>	<u>\$ 28,734</u>	<u>\$ 402,136</u>
Expenditures Disbursed				
Current:				
General government	\$ 57,834	\$ -	\$ -	\$ 57,834
Public safety	67,574	-	14,590	82,164
Highways and streets	-	23,912	-	23,912
Culture and recreation	14,499	-	-	14,499
Total Current	<u>\$ 139,907</u>	<u>\$ 23,912</u>	<u>\$ 14,590</u>	<u>\$ 178,409</u>
Capital Outlay	-	-	-	-
Total Expenditures Disbursed	<u>\$ 139,907</u>	<u>\$ 23,912</u>	<u>\$ 14,590</u>	<u>\$ 178,409</u>
Changes in Fund Balances	<u>\$ 106,105</u>	<u>\$ 103,478</u>	<u>\$ 14,144</u>	<u>\$ 223,727</u>
Fund Balances at beginning of year	<u>414,279</u>	<u>268,712</u>	<u>97,825</u>	<u>780,816</u>
Fund Balances at end of year	<u><u>\$ 520,384</u></u>	<u><u>\$ 372,190</u></u>	<u><u>\$ 111,969</u></u>	<u><u>\$ 1,004,543</u></u>

City of Perry, Missouri
Statement of Net Position - Modified Cash Basis
Proprietary Funds
April 30, 2022

	Business-type Activities - Enterprise Funds					Total Enterprise Funds
	Major Funds				Non-Major Fund	
	Electric	Water	Gas	Sewer	Sanitation	
Assets						
Current Assets						
Cash	\$ 1,798,877	\$ 785,456	\$ 630,970	\$ 207,812	\$ 70,830	\$ 3,493,945
Restricted assets:						
Cash	-	20,696	-	14,315	-	35,011
Total Current Assets	\$ 1,798,877	\$ 806,152	\$ 630,970	\$ 222,127	\$ 70,830	\$ 3,528,956
Total Assets	\$ 1,798,877	\$ 806,152	\$ 630,970	\$ 222,127	\$ 70,830	\$ 3,528,956
Liabilities						
Current Liabilities						
Customer deposits	\$ 42,404	\$ 27,422	\$ 31,761	\$ -	\$ -	\$ 101,587
Total Current Liabilities	\$ 42,404	\$ 27,422	\$ 31,761	\$ -	\$ -	\$ 101,587
Total Liabilities	\$ 42,404	\$ 27,422	\$ 31,761	\$ -	\$ -	\$ 101,587
Net Position						
Restricted for debt service	\$ -	\$ 20,696	\$ -	\$ 14,315	\$ -	\$ 35,011
Unrestricted	1,756,473	758,034	599,209	207,812	70,830	3,392,358
Total Net Position	\$ 1,756,473	\$ 778,730	\$ 599,209	\$ 222,127	\$ 70,830	\$ 3,427,369

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

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Net Position - Modified Cash Basis
Proprietary Funds
For the Fiscal Year Ended April 30, 2022

	Business-type Activities - Enterprise Funds					Total Enterprise Funds
	Major Funds				Non-Major Fund	
	Electric	Water	Gas	Sewer	Sanitation	
Operating Revenues						
Charges for services	\$ 1,130,117	\$ 232,095	\$ 408,045	\$ 159,814	\$ 81,674	\$ 2,011,745
Connection fees	1,430	1,090	930	-	-	3,450
Penalties	7,839	2,685	4,607	1,715	820	17,666
Grant income	-	-	-	-	-	-
Special street light	6,400	-	-	-	-	6,400
Rentals	460	-	-	-	-	460
Miscellaneous income	458	513	333	3,845	-	5,149
Total Operating Revenues	\$ 1,146,704	\$ 236,383	\$ 413,915	\$ 165,374	\$ 82,494	\$ 2,044,870
Operating Expenses						
Electric	\$ 943,942	\$ -	\$ -	\$ -	\$ -	\$ 943,942
Water	-	153,430	-	-	-	153,430
Gas	-	-	336,539	-	-	336,539
Sewer	-	-	-	93,623	-	93,623
Sanitation	-	-	-	-	74,044	74,044
Capital outlay	-	9,006	5,805	-	-	14,811
Total Operating Expenses	\$ 943,942	\$ 162,436	\$ 342,344	\$ 93,623	\$ 74,044	\$ 1,616,389
Operating Income (Loss)	\$ 202,762	\$ 73,947	\$ 71,571	\$ 71,751	\$ 8,450	\$ 428,481
Non-operating Revenues Received and Expenses Disbursed						
Interest revenue	\$ 14,100	\$ 6,304	\$ 5,625	\$ 2,234	\$ 870	\$ 29,133
Bond principal, interest and fees	-	(13,420)	(6,688)	(60,618)	-	(80,726)
Total Non-operating Revenues Received and Expenses Disbursed	\$ 14,100	\$ (7,116)	\$ (1,063)	\$ (58,384)	\$ 870	\$ (51,593)
Change in Net Position	\$ 216,862	\$ 66,831	\$ 70,508	\$ 13,367	\$ 9,320	\$ 376,888
Net Position at beginning of year	1,539,611	711,899	528,701	208,760	61,510	3,050,481
Net Position at year end	\$ 1,756,473	\$ 778,730	\$ 599,209	\$ 222,127	\$ 70,830	\$ 3,427,369

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

**Notes to the
Financial Statements**

City of Perry, Missouri
Notes to Financial Statements
April 30, 2022

1) Summary of Significant Accounting Policies

The City of Perry, Missouri (the “City”), operates pursuant to applicable Missouri laws with a Mayor and Board of Aldermen members.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the city are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the city.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The financial statements of the City of Perry, Missouri, have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City’s accounting policies are described below.

A. Basis of Presentation

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The focus is on both the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories. Both the government-wide and the fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statement of Net Position - Modified Cash Basis, both the governmental and business-type activities columns are presented on a consolidated basis by column. Each presentation provides valuable information for enhanced analysis and comparability.

The government-wide Statement of Activities - Modified Cash Basis reflects both the gross and net cost per functional category (public safety, culture, and recreation, etc.) that are otherwise being supported by general government revenues. The Statement of Activities - Modified Cash Basis reduces gross expenses by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function or business-type activity.

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants column includes operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants and contributions.

City of Perry, Missouri
Notes to Financial Statements
April 30, 2022

1) Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Concluded)

In the fund financial statements, financial transactions and accounts of the City are organized based on funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The fund statements are also presented on the modified cash basis of accounting.

The following is a brief description of the specific funds used by the City.

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. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits and charges for services.

Special Revenue Funds - the Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The City has two special revenue funds including: Street and Fire.

Capital Projects Fund - the Capital Projects Fund accounts for all financial resources used for the acquisition or construction of major capital facilities not being financed by other funds.

Proprietary Funds

Proprietary Funds are used to account for activities that are like those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on the determination of operating income, financial position, and changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Enterprise Funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City's Enterprise Funds consist of the Electric, Water, Gas, Sewer and Sanitation funds. The Electric, Water, Gas, and Sewer funds are presented as major funds in the fund financial statements.

B. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the modified cash basis of accounting, a basis of accounting other than generally accepted accounting principles (GAAP). Under the modified cash basis, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. However, some liabilities arising from cash transactions are shown as liabilities as they occur.

1) Summary of Significant Accounting Policies (Continued)

C. Budgets and Budgetary Accounting

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

- 1) In accordance with Section 67 of the Missouri Revised Statutes, the budget officer, as designated by the City Council, prepares, and adopts an annual budget which represents the complete financial plan for the ensuing budget year. The budget includes at least the following information:
 - a) A budget message describing the important features of the budget and major changes from the preceding year;
 - b) Estimated revenues to be collected from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, activity and object;
 - c) Proposed expenditures to be disbursed for each department, office, commission, and other classification for the budget year, together with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, activity and object;
 - d) The amount required for the payment of interest, amortization, and redemption charges on the debt of the City;
 - e) A general budget summary.
- 2) In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.
- 3) The City Council may revise, alter, increase or decrease the items in the proposed budget, subject to such limitations as may be provided by law provided, that in no event, shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.
- 4) The City Council shall, before the beginning of the fiscal year, approve the budget and approve or adopt such orders, motions, resolutions or ordinances as may be required to authorize the budgeted expenditures and produce the revenues in the budget.
- 5) After the City has approved the budget and approved or adopted the orders, motions, resolutions or ordinances required to authorize the expenditures proposed in the budget, the City shall not increase the total amount authorized for expenditure from any fund, unless the City Council adopts a resolution setting forth the facts and reasons making the increase necessary and approves or adopts an order, motion, resolution or ordinance to authorize the expenditures.

City of Perry, Missouri
Notes to Financial Statements
April 30, 2022

1) Summary of Significant Accounting Policies (Continued)

D. Capital Assets and Long-Term Liabilities

The City maintains its books on the modified cash basis; therefore, capital assets are expensed when purchased under capital outlay. The City maintains capital assets for its proprietary funds in a separate schedule found in the supplementary section of this report. This schedule shows the amount of capital assets that would be shown on the financial statements of the City under the accrual method of accounting. The schedule also shows the amount of depreciation that would have been expensed under the accrual method of accounting as well as the accumulated depreciation. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	40 - 50 years
Improvements	10 - 30 years
Equipment	3 - 50 years

E. Inventories

The City has not maintained inventory cost records. Inventories are accounted for using the purchase method in which supplies are charged to expenditures when purchased.

F. Restricted Assets

Restricted assets represent cash and cash equivalents the City has set aside for the Bond Reserve and the Replacement and Extension accounts required by bond ordinances.

G. Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on or about October 1 and are due and payable at that time. All unpaid taxes become delinquent January 1 of the following year.

Property tax revenues are recognized when they are received.

H. Pension Plan

The City has elected to participate in the Missouri Local Government Employees Retirement System (LAGERS). The plan is funded by making monthly contributions to the plan (see Note 5).

I. Fund Balance and Net Position

Net Position represents the difference between assets and liabilities. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by laws or regulations of the government. All other net position that does not meet the definition of "restricted" is reported as unrestricted net position. It is the City's policy to expend restricted resources first if the restrictions are met.

City of Perry, Missouri
Notes to Financial Statements
April 30, 2022

1) Summary of Significant Accounting Policies (Concluded)

I. Fund Balance and Net Position (Concluded)

Fund balances are classified as follows:

Non-spendable- This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City did not have any non-spendable fund balance as of April 30, 2022.

Restricted- This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or law or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City had a restricted balance of \$9,390 for debt service, and a restricted balance of \$70,120 in ARPA funds.

Committed- This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City's Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City did not have any committed fund balances as of April 30, 2022.

Assigned- This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council through budgetary process. The City had assigned resources of \$64,362 for equipment replacement, \$1,921 for police training, \$319,789 for streets and \$111,969 for fire protection as of April 30, 2022.

Unassigned- All amounts not included in other spendable classifications.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

J. Post-employment 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 City is allowed to charge the amount of the premium plus a 2% administration fee to the insured for the actual month covered. This program is offered for duration of 18 months after the termination date. There is no associated cost to the City under this program, and the City had no participants in the program as of April 30, 2022.

K. Subsequent Events

Subsequent events have been evaluated through October 6, 2022, which is the date the financial statements were available to be issued. During the February 10, 2022, board meeting, the Council approved ordinances authorizing the issuance of sewerage system revenue bonds as follows: Series A for \$743,000, Series B for \$1,348,000, and Series C for \$652,000. The Council also approved resolutions authorizing and providing for the incurrence of indebtedness to provide a portion of the costs for sewer system improvements of \$743,000, \$1,348,000, and \$652,000. During this meeting, the Council also approved a resolution establishing a water and wastewater grant agreement with the United States Department of Agriculture Rural Utilities Service for \$1,409,000. Issuance of bonds, indebtedness, and the grant agreement were not completed as of April 30, 2022. At the May 3, 2022, board meeting, the Council approved an ordinance for a bond issuance of \$10,000,000 by the Clarence Cannon Wholesale Water Commission.

City of Perry, Missouri
Notes to Financial Statements
April 30, 2022

2) Cash and Investments

The City complies with various restrictions on deposits and investments which are imposed by the state statutes as follows:

All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits.

The City may invest in bonds of the State of Missouri or any wholly owned corporation of the United States, or in other short-term obligations of the United States.

At year-end, the carrying amount of the City's deposits was \$4,533,499 and the bank balances totaled \$4,550,151. Of the bank balance, \$500,000 was covered by federal depository insurance and \$4,035,836 was covered by collateral in the pledging bank's correspondent bank in the City's name. As of April 30, 2022, the City had \$14,315 invested in Fidelity U.S. Treasury Money Market accounts. Due to the short-term nature of investments, these balances are classified as cash equivalents in the City's basic financial statements. The Fidelity U.S. Treasury Money Market Fund is not insured by federal depository insurance coverage, however, the Fidelity U.S. Treasury Money Market Fund invests only in direct obligations of the United States and repurchase agreements for direct obligations of the United States.

The City has not adopted a formal deposit and investment policy.

3) Changes in Long-Term Debt

Bonds payable as of April 30, 2022, are comprised of the following individual issues:

	Governmental Activities	Business-Type Activities
\$183,000 Sewerage System Revenue Bonds, Series 2017, due in variable semiannual installments beginning January 1, 2019 through January 1, 2023 at an interest rate of 1.50%. Interest is due semiannually.	\$ -	\$ 41,200
\$114,500 Waterworks Revenue Bonds, Series A, approved on November 6, 2001, purchased by USDA Rural Development. Due in monthly installments of \$430 from January 1, 2004 through September 1, 2004, monthly payments of \$561 beginning October 1, 2004 through the remainder of the bond term. Interest is 4.5%.	-	70,057
\$292,000 Sewerage System Revenue Bonds, Series 2012, due in variable semiannual installments beginning July 1, 2013 at an interest rate of 1.44% through July 1, 2032. Interest is due semiannually.	-	164,600
\$45,500 USDA Loan, due in annual installments of \$5,472 beginning January 7, 2015 at an interest rate of 3.5% through January 7, 2024. Original loan used for purchase of a fire truck.	10,384	-
Long-term Debt Payable at April 30, 2022	\$ 10,384	\$ 275,857
Less: Current portion	(5,108)	(58,040)
	\$ 5,276	\$ 217,817

City of Perry, Missouri
Notes to Financial Statements
April 30, 2022

3) Changes in Long-Term Debt (Continued)

The following is a summary of long-term debt transactions of the City for the year ended April 30, 2022:

Long-term debt - May 1, 2021	\$	333,637
Debt issued		-
Debt retired		<u>(57,780)</u>
Long-term debt - April 30, 2022	\$	<u><u>275,857</u></u>

Revenue Bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the water and sewer system.

The approximate annual requirements to amortize bonds outstanding as of April 30, 2022, are as follows:

Sewerage System Revenue Bonds Series 2017:

Year Ending April 30,	Series 2017 Revenue Bonds		
	Principal	Interest	Totals
2023	\$ 41,200	\$ 478	\$ 41,678
	<u>\$ 41,200</u>	<u>\$ 478</u>	<u>\$ 41,678</u>

Waterworks Revenue Bonds Series A:

Year Ending April 30,	Series A Revenue Bonds		
	Principal	Interest	Totals
2023	\$ 3,640	\$ 3,092	\$ 6,732
2024	3,798	2,933	6,731
2025	3,981	2,751	6,732
2026	4,164	2,568	6,732
2027	4,355	2,377	6,732
2028-2032	24,959	8,701	33,660
2033-2037	25,160	2,506	27,666
	<u>\$ 70,057</u>	<u>\$ 24,928</u>	<u>\$ 94,985</u>

Sewerage System Revenue Bonds Series 2012:

Year Ending April 30,	Series 2012 Revenue Bonds		
	Principal	Interest	Totals
2023	\$ 13,200	\$ 2,370	\$ 15,570
2024	13,200	2,180	15,380
2025	13,200	1,990	15,190
2026	13,200	1,800	15,000
2027	13,200	1,610	14,810
2028-2032	66,000	7,099	73,099
2033	32,600	235	32,835
	<u>\$ 164,600</u>	<u>\$ 17,284</u>	<u>\$ 181,884</u>

City of Perry, Missouri
Notes to Financial Statements
April 30, 2022

3) Changes in Long-Term Debt (Concluded)

The City issued \$183,000 of Waterworks Revenue Bonds Series 2017 dated November 22, 2017. The proceeds of the bond issue are to be used for maintenance and repairs of the City's sewerage system. Debt service payments on the bonds are financed through revenues derived from the operation of the Waterworks System. Principal and interest on the bonds will be payable semiannually on January 1 and July 1 beginning on January 1, 2019. The bonds mature January 1, 2023.

The Bond agreements includes deposit requirements. The City shall make monthly deposits into a reserve account until the reserve account is fully funded. Once the account is fully funded, the City is required to make monthly deposits into a replacement and extension account for the life of the indebtedness. At April 30, 2022, the City's balances in the bond reserve accounts and the replacement and extension accounts totaled \$35,011. These balances are shown as restricted assets in the amounts of \$20,696 for the Water Fund and \$14,315 for the Sewer Fund.

The following is a schedule of future loan payments for the City's USDA loans.

Combined USDA Loan Schedule

Year Ending April 30,	Principal
2023	\$ 5,108
2024	5,276
	<u>\$ 10,384</u>

The USDA loan agreements includes deposit requirements. The City shall deposit in a reserve fund in addition to the principal and interest annually. On April 30, 2022, the balance of the debt reserve fund, for the City was \$9,390. The balance is shown as restricted.

4) Intergovernmental Revenues

The City receives revenue from various state and local intergovernmental sources including motor vehicle sales tax and fee increases and state gas tax.

5) Pension Plan

The City of Perry participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. The total cost to the City during the year ended April 30, 2022 was \$59,160.

LAGERS was created and governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

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

6) Related Party Transactions

There were no related party transactions to report.

7) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with the modified cash basis of accounting 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 reporting period. Actual results could differ from those estimates.

8) Custodial Credit Risk

Custodial Credit Risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. State statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit risk policy.

9) Binding Long-Term Contract - Water Purchases

The City has entered a binding contract to purchase water from Clarence Cannon Wholesale Water Commission.

The contract calls for monthly payments as follows:

- a. At least sixty (60) days before the commencement of each Contract Year, the Seller shall prepare and provide to each Purchaser a budget presenting a detailed estimate of the Water Supply Costs for such Contract Year.
- b. At the end of each month of each Contract Year the seller shall review its budget of Water Supply Costs for the Contract Year, including credits thereto. If the budget does not substantially correspond with actual receipts or expenditures or if there have been or are expected to be at any time during any Contract Year extraordinary receipts, credits or payments of costs substantially affecting the Water Supply Costs, the seller shall prepare and provide to each Purchaser a revised budget of Water Supply Costs incorporating adjustments to reflect such receipts, credits, or payments and any payments required to replenish working capital, which revised budget shall supersede the previous budget of Water Supply Costs.
- c. On or before the tenth (10th) day of each month, the Seller shall provide to each Purchaser a monthly statement equal to the sum of the following:
 1. 100% of the Base Charge; plus
 2. any additional "coverage" amount required by the Bond Indenture or as determined by the Seller's board of directors; plus
 3. the Water rate multiplied by the number of gallons of water (in thousands) delivered to the purchaser during the preceding month at the point(s) of delivery; plus
 4. the Wheeling Charge, if any, multiplied by the number of gallons of water (in thousands) delivered to the purchaser during the preceding month at the point(s) of delivery.

The purchaser shall receive as a credit against the amount due under subparagraphs (1), (2) and (3) above all surplus revenues, funds and monies from prior fiscal years which are retained by seller in the Surplus account established under the Bond Indenture. The purchaser shall pay to the seller the amounts shown on such statement on or before the 20th day of such month.

City of Perry, Missouri
Notes to Financial Statements
April 30, 2022

10) Binding Long Term Contract - Electric Purchases

The City has entered a binding contract to purchase electricity from Ameren Missouri.

The contract calls for monthly payments as follows:

- a. Seller shall render an invoice to Buyer via facsimile or electronic mail within seven (7) days of the end of each month in which services was provided. Payments shall be received by Seller via an electronic method ten (10) business days following the issue date of each facsimiled or e-mailed invoice, the "Due Date".
- b. This Agreement was effective from January 1, 2014, through May 31, 2017. The agreement has continuously been extended. The current agreement expires May 31, 2025, and may be extended further if the parties mutually agree to extend the terms in writing.

Other Information

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balances - Budget and Actual - Modified Cash Basis - General Fund
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues Received				
Taxes				
Real estate	\$ 45,000	\$ 45,000	\$ 46,356	\$ 1,356
Delinquent	2,500	2,500	5,352	2,852
Sales and use tax	76,000	76,000	98,395	22,395
Other fees and taxes	3,000	3,000	165	(2,835)
Total Taxes	\$ 126,500	\$ 126,500	\$ 150,268	\$ 23,768
Licenses and Permits				
Building permits	\$ 750	\$ 750	\$ 3,698	\$ 2,948
Other licenses	1,000	1,000	810	(190)
Total Licenses and Permits	\$ 1,750	\$ 1,750	\$ 4,508	\$ 2,758
Fines and Forfeitures				
Municipal court	\$ 1,000	\$ 1,000	\$ 378	\$ (622)
Grants				
Grant income	\$ -	\$ -	\$ 70,120	\$ 70,120
Miscellaneous Revenue				
Rents	\$ 500	\$ 500	\$ 950	\$ 450
Interest	18,000	18,000	11,545	(6,455)
Training fund	500	500	1,557	1,057
Other	1,000	1,000	6,686	5,686
Total Miscellaneous Revenue	\$ 20,000	\$ 20,000	\$ 20,738	\$ 738
Total Revenues Received	\$ 149,250	\$ 149,250	\$ 246,012	\$ 96,762
Expenditures Disbursed				
General Government				
Salaries & benefits	\$ 27,500	\$ 27,500	\$ 19,534	\$ 7,966
Supplies	8,500	9,100	9,028	72
Printing	1,700	1,700	1,214	486
Dues and fees	1,000	1,000	872	128
Clothing allowance	500	500	482	18
Payroll taxes and retirement expenses	7,750	7,750	4,666	3,084
Travel	5,000	5,000	981	4,019
Insurance	6,000	6,000	4,408	1,592
Miscellaneous expenses	2,500	2,500	1,729	771
Safety training and equipment	100	100	-	100
Legal services	2,500	2,500	1,460	1,040
Election expenses	1,000	1,350	1,326	24
Equipment & replacement	4,800	4,800	2,964	1,836
Park board	8,000	8,000	9,170	(1,170)
Total General Government	\$ 76,850	\$ 77,800	\$ 57,834	\$ 19,966
Public Safety - Police				
Salaries & benefits	\$ 50,900	\$ 50,900	\$ 50,078	\$ 822
Payroll taxes and retirement expenses	12,800	12,800	12,352	448
Maintenance, repairs / materials and supplies	700	700	437	263
Computer software	300	300	250	50
Clothing allowance	600	600	135	465
Gas, oil, etc.	1,500	1,500	1,221	279
Task force	1,200	1,200	1,200	-
Travel and training	500	500	1,055	(555)
Equipment expenses	1,700	1,700	746	954
Miscellaneous expense	500	500	100	400
Total Public Safety	\$ 70,700	\$ 70,700	\$ 67,574	\$ 3,126

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
 Changes in Fund Balances - Budget and Actual - Modified Cash Basis - General Fund
 For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Culture and Recreation				
Salaries	\$ -	\$ -	\$ 6,475	\$ (6,475)
Payroll taxes and retirement expenses	-	-	931	(931)
Ball park utilities	1,200	1,400	1,389	11
City park	5,675	5,775	5,704	71
Total Culture and Recreation	<u>\$ 6,875</u>	<u>\$ 7,175</u>	<u>\$ 14,499</u>	<u>\$ (7,324)</u>
Total Current	<u>\$ 154,425</u>	<u>\$ 155,675</u>	<u>\$ 139,907</u>	<u>\$ 15,768</u>
Total Expenditures Disbursed	<u>\$ 154,425</u>	<u>\$ 155,675</u>	<u>\$ 139,907</u>	<u>\$ 15,768</u>
Change in Fund Balance	<u>\$ (5,175)</u>	<u>\$ (6,425)</u>	\$ 106,105	<u>\$ 112,530</u>
Fund Balance at beginning of year			<u>414,279</u>	
Fund Balance at end of year			<u>\$ 520,384</u>	

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balances - Modified Cash Basis - Budget and Actual -
Street Special Revenue Fund
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues Received				
Intergovernmental				
Transportation tax	\$ 39,500	\$ 39,500	\$ 44,399	\$ 4,899
Sales Tax	32,000	32,000	44,390	12,390
Gas tax	19,000	19,000	19,661	661
Motor vehicle tax	7,500	7,500	10,780	3,280
Total Intergovernmental	<u>\$ 98,000</u>	<u>\$ 98,000</u>	<u>\$ 119,230</u>	<u>\$ 21,230</u>
Licenses and Permits				
Motor vehicle license	\$ 6,000	\$ 6,000	\$ 6,202	\$ 202
Miscellaneous Revenue				
Interest	\$ -	\$ -	\$ 1,625	\$ 1,625
Other	150	150	333	183
Total Miscellaneous Revenue	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ 1,958</u>	<u>\$ 1,808</u>
Total Revenues Received	<u>\$ 104,150</u>	<u>\$ 104,150</u>	<u>\$ 127,390</u>	<u>\$ 23,240</u>
Expenditures Disbursed				
Current:				
Highways and Streets				
Streets and gravel	\$ 83,000	\$ 83,000	\$ 9,916	\$ 73,084
Materials and supplies	3,500	3,500	1,840	1,660
Gas, oil and tires	3,000	3,000	2,984	16
Clothing allowance	250	250	181	69
Legal fees	1,500	1,500	931	569
Safety training and equipment	100	100	70	30
Equipment & replacement	4,800	4,800	2,964	1,836
Snow removal	1,500	1,650	1,642	8
Equipment & truck expense	1,500	2,100	1,805	295
Miscellaneous expense	2,500	2,500	1,159	1,341
Insurance	2,500	2,500	420	2,080
Total Highways and Streets	<u>\$ 104,150</u>	<u>\$ 104,900</u>	<u>\$ 23,912</u>	<u>\$ 80,988</u>
Total Expenditures Disbursed	<u>\$ 104,150</u>	<u>\$ 104,900</u>	<u>\$ 23,912</u>	<u>\$ 80,988</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ (750)</u>	<u>\$ 103,478</u>	<u>\$ 104,228</u>
Fund Balance at beginning of year			<u>268,712</u>	
Fund Balance at end of year			<u>\$ 372,190</u>	

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balances - Modified Cash Basis - Budget and Actual -
Fire Special Revenue Fund
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues Received				
Taxes				
Real estate	\$ 26,500	\$ 26,500	\$ 24,884	\$ (1,616)
Delinquent	552	552	2,824	2,272
Total Taxes	<u>\$ 27,052</u>	<u>\$ 27,052</u>	<u>\$ 27,708</u>	<u>\$ 656</u>
Miscellaneous Revenue				
Interest	\$ -	\$ -	\$ 1,026	\$ 1,026
Total Miscellaneous Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,026</u>	<u>\$ 1,026</u>
Total Revenues Received	<u>\$ 27,052</u>	<u>\$ 27,052</u>	<u>\$ 28,734</u>	<u>\$ 1,682</u>
Expenditures Disbursed				
Current:				
Public Safety				
Insurance	\$ 750	\$ 750	\$ 210	\$ 540
Safety training and equipment	19,750	19,750	7,996	11,754
Miscellaneous expenses	750	750	61	689
Office material & supplies	1,000	1,000	299	701
Fire truck loan payment	5,472	5,472	5,472	-
Reserve account	4,052	4,052	552	3,500
Total Public Safety	<u>\$ 31,774</u>	<u>\$ 31,774</u>	<u>\$ 14,590</u>	<u>\$ 17,184</u>
Total Expenditures Disbursed	<u>\$ 31,774</u>	<u>\$ 31,774</u>	<u>\$ 14,590</u>	<u>\$ 17,184</u>
Change in Fund Balance	<u>\$ (4,722)</u>	<u>\$ (4,722)</u>	\$ 14,144	<u>\$ 18,866</u>
Fund Balance at beginning of year			<u>97,825</u>	
Fund Balance at end of year			<u>\$ 111,969</u>	

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Net Position - Modified Cash Basis - Budget and Actual
Electric Enterprise Fund
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Operating Revenues Received				
Charges for services	\$ 950,000	\$ 950,000	\$ 1,130,117	\$ 180,117
Connection and other fees	1,750	1,750	1,430	(320)
Penalties	7,500	7,500	7,839	339
Special street light	6,000	6,000	6,400	400
Rentals	500	500	460	(40)
Miscellaneous income	400	400	458	58
Total Operating Revenues Received	<u>\$ 966,150</u>	<u>\$ 966,150</u>	<u>\$ 1,146,704</u>	<u>\$ 180,554</u>
Operating Expenses				
Salaries and benefits	\$ 119,800	\$ 119,800	\$ 116,215	\$ 3,585
Payroll taxes and retirement expenses	30,400	30,400	25,668	4,732
Repairs and maintenance	55,000	63,900	50,060	13,840
Office supplies	3,000	3,000	1,621	1,379
Power purchased	700,000	700,000	693,297	6,703
Legal fees	1,500	1,500	931	569
Distribution	2,000	2,000	1,064	936
Truck expenses	1,000	1,000	26	974
Gas and oil	2,000	2,300	2,285	15
Poles and wire	15,000	22,700	-	22,700
Transformers	4,000	17,500	-	17,500
Safety training and equipment	100	100	93	7
Insurance	10,000	10,000	6,507	3,493
Equipment & replacement	4,800	4,800	403	4,397
Clothing allowance	250	250	250	-
Capital outlay	-	-	45,522	(45,522)
Total Operating Expenses Disbursed	<u>\$ 948,850</u>	<u>\$ 979,250</u>	<u>\$ 943,942</u>	<u>\$ 35,308</u>
Operating Income (Loss) Before Non-operating Revenues Received and Expenses Disbursed	<u>\$ 17,300</u>	<u>\$ (13,100)</u>	<u>\$ 202,762</u>	<u>\$ 215,862</u>
Non-operating Revenues Received Expenses Disbursed				
Interest revenue	\$ -	\$ -	\$ 14,100	\$ 14,100
Change in Net Position	<u>\$ 17,300</u>	<u>\$ (13,100)</u>	<u>\$ 216,862</u>	<u>\$ 229,962</u>
Net Position at beginning of year			<u>1,539,611</u>	
Net Position at end of year			<u>\$ 1,756,473</u>	

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Net Position - Modified Cash Basis - Budget and Actual
Water Enterprise Fund
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Operating Revenues Received				
Charges for services	\$ 225,000	\$ 225,000	\$ 230,054	\$ 5,054
Primacy fee	-	-	1,357	1,357
Connection and other fees	1,000	1,000	1,090	90
Water bond	684	684	684	-
Penalties	2,500	2,500	2,685	185
Miscellaneous income	-	-	513	513
Total Operating Revenues Received	<u>\$ 229,184</u>	<u>\$ 229,184</u>	<u>\$ 236,383</u>	<u>\$ 7,199</u>
Operating Expenses				
Salaries and benefits	\$ 67,700	\$ 67,700	\$ 67,313	\$ 387
Equipment and replacement	4,800	4,800	403	4,397
Payroll taxes and retirement expenses	15,200	15,200	12,854	2,346
Repairs and maintenance	10,000	16,100	9,944	6,156
Office supplies	1,100	1,100	1,034	66
Water purchased	60,000	60,000	40,721	19,279
Gas and oil	750	1,450	1,428	22
Safety training and equipment	100	100	70	30
Legal fees	2,000	2,000	931	1,069
Distribution	2,500	2,500	1,739	761
Pumping and purification	400	400	310	90
Truck expenses	500	650	622	28
Insurance	4,000	4,000	2,939	1,061
Tower maintenance	12,300	12,300	12,208	92
Bond replacement & extension	684	684	684	-
Clothing allowance	250	250	230	20
Capital outlay	-	-	9,006	(9,006)
Total Operating Expenses Disbursed	<u>\$ 182,284</u>	<u>\$ 189,234</u>	<u>\$ 162,436</u>	<u>\$ 26,798</u>
Operating Income (Loss) Before Non-operating Revenues Received and Expenses Disbursed	<u>\$ 46,900</u>	<u>\$ 39,950</u>	<u>\$ 73,947</u>	<u>\$ 33,997</u>
Non-operating Revenues Received and Expenses Disbursed				
Interest revenue	\$ 350	\$ 350	\$ 6,304	\$ 5,954
Interest, fees and principal on bonds payable	(13,444)	(13,444)	(13,420)	24
Total Non-operating Revenues Received and Expenses Disbursed	<u>\$ (13,094)</u>	<u>\$ (13,094)</u>	<u>\$ (7,116)</u>	<u>\$ 5,978</u>
Change in Net Position	<u>\$ 33,806</u>	<u>\$ 26,856</u>	<u>\$ 66,831</u>	<u>\$ 39,975</u>
Net Position at beginning of year			<u>711,899</u>	
Net Position at end of year			<u>\$ 778,730</u>	

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Net Position - Modified Cash Basis - Budget and Actual
Gas Enterprise Fund
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Operating Revenues Received				
Charges for services	\$ 370,200	\$ 370,200	\$ 408,045	\$ 37,845
Connection and other fees	1,100	1,100	930	(170)
Penalties	3,500	3,500	4,607	1,107
Miscellaneous income	250	250	333	83
Total Operating Revenues Received	<u>\$ 375,050</u>	<u>\$ 375,050</u>	<u>\$ 413,915</u>	<u>\$ 38,865</u>
Operating Expenses				
Salaries and benefits	\$ 100,200	\$ 100,200	\$ 100,846	\$ (646)
Payroll taxes and retirement expenses	24,700	24,700	21,170	3,530
Repairs and maintenance	25,000	25,100	22,408	2,692
Office supplies	1,200	1,200	885	315
Gas purchased	180,000	180,000	173,072	6,928
Gas and oil	1,500	2,100	2,065	35
Legal fees	2,000	2,000	1,509	491
Safety training and equipment	100	100	93	7
Distribution	4,500	4,500	4,570	(70)
Wheeling charges	3,500	3,500	2,812	688
Truck expenses	500	500	150	350
Insurance	6,500	6,500	5,038	1,462
Clothing allowance	500	500	503	(3)
Equipment & replacement	4,800	4,800	403	4,397
Drug testing	1,500	1,500	1,015	485
Capital outlay	-	-	5,805	(5,805)
Total Operating Expenses Disbursed	<u>\$ 356,500</u>	<u>\$ 357,200</u>	<u>\$ 342,344</u>	<u>\$ 14,856</u>
Operating Income (Loss) Before Non-operating Revenues Received and Expenses Disbursed	<u>\$ 18,550</u>	<u>\$ 17,850</u>	<u>\$ 71,571</u>	<u>\$ 53,721</u>
Non-operating Revenues Received and Expenses Disbursed				
Interest revenue	\$ -	\$ -	\$ 5,625	\$ 5,625
Interest, fees and principal on USDA Loan	(6,712)	(6,712)	(6,688)	24
Total Non-operating Revenues Received and Expenses Disbursed	<u>\$ (6,712)</u>	<u>\$ (6,712)</u>	<u>\$ (1,063)</u>	<u>\$ 5,649</u>
Change in Net Position	<u>\$ 11,838</u>	<u>\$ 11,138</u>	<u>\$ 70,508</u>	<u>\$ 59,370</u>
Net Position at beginning of year			<u>528,701</u>	
Net Position at end of year			<u>\$ 599,209</u>	

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Net Position - Modified Cash Basis - Budget and Actual
Sewer Enterprise Fund
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Operating Revenues Received				
Charges for services	\$ 149,000	\$ 149,000	\$ 159,814	\$ 10,814
Penalties	1,700	1,700	1,715	15
Miscellaneous income	-	-	3,845	3,845
Total Operating Revenues Received	<u>\$ 150,700</u>	<u>\$ 150,700</u>	<u>\$ 165,374</u>	<u>\$ 14,674</u>
Operating Expenses				
Salaries and benefits	\$ 42,120	\$ 42,620	\$ 42,931	\$ (311)
Chemicals	20,000	24,100	24,039	61
Payroll taxes and retirement expenses	8,200	8,200	6,392	1,808
Repairs and maintenance	7,500	7,500	6,381	1,119
Office supplies	1,000	1,000	698	302
Gas and oil	15,000	15,000	1,176	13,824
Safety training and equipment	100	100	-	100
Services purchased	3,400	3,400	2,692	708
Legal fees	1,700	1,700	931	769
Equipment expense	10,000	10,000	282	9,718
Insurance	2,000	2,000	1,469	531
Reserve Lagoon	3,000	3,000	3,000	-
Equipment and replacement	4,800	4,800	721	4,079
Capital outlay	-	-	2,911	(2,911)
Total Operating Expenses Disbursed	<u>\$ 118,820</u>	<u>\$ 123,420</u>	<u>\$ 93,623</u>	<u>\$ 29,797</u>
Operating Income (Loss) Before Non-operating Revenues Received and Expenses Disbursed	<u>\$ 31,880</u>	<u>\$ 27,280</u>	<u>\$ 71,751</u>	<u>\$ 44,471</u>
Non-operating Revenues Received and Expenses Disbursed				
Interest revenue	\$ -	\$ -	\$ 2,234	\$ 2,234
Interest, fees and principal on bonds payable	(60,000)	(60,000)	(60,618)	(618)
Total Non-operating Revenues Received and Expenses Disbursed	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	<u>\$ (58,384)</u>	<u>\$ 1,616</u>
Change in Net Position	<u>\$ (28,120)</u>	<u>\$ (32,720)</u>	<u>\$ 13,367</u>	<u>\$ 46,087</u>
Net Position at beginning of year			<u>208,760</u>	
Net Position at end of year			<u>\$ 222,127</u>	

City of Perry, Missouri

Statement of Revenues Received, Expenditures Disbursed and
Changes in Net Position - Modified Cash Basis - Budget and Actual
Sanitation Enterprise Fund
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Operating Revenues Received				
Charges for services	\$ 73,000	\$ 73,000	\$ 81,674	\$ 8,674
Penalties	800	800	820	20
Total Operating Revenues Received	<u>\$ 73,800</u>	<u>\$ 73,800</u>	<u>\$ 82,494</u>	<u>\$ 8,694</u>
Operating Expenses				
Services purchased	\$ 72,800	\$ 72,800	\$ 73,087	\$ (287)
Office materials and supplies	1,000	1,000	957	43
Total Operating Expenses Disbursed	<u>\$ 73,800</u>	<u>\$ 73,800</u>	<u>\$ 74,044</u>	<u>\$ (244)</u>
Operating Income (Loss) Before Non-operating Revenues Received Expenses Disbursed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,450</u>	<u>\$ 8,450</u>
Non-operating Revenues Received Expenses Disbursed				
Interest revenue	\$ -	\$ -	\$ 870	\$ 870
Total Non-operating Revenues Received Expenses Disbursed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 870</u>	<u>\$ 870</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,320</u>	<u>\$ 9,320</u>
Net Position at beginning of year			<u>61,510</u>	
Net Position at end of year			<u>\$ 70,830</u>	

City of Perry, Missouri

Schedule of Changes in Capital Assets and Accumulated Depreciation
All Proprietary Fund Types
For the Fiscal Year Ended April 30, 2022

	Capital Assets			Accumulated Depreciation				Book Value 4-30-2022	
	Balance 4-30-2021	Additions	Disposals	Balance 4-30-2022	Balance 4-30-2021	Additions	Reductions		Balance 4-30-2022
Electric	\$ 748,256	\$ 45,522	\$ -	\$ 793,778	\$ 492,261	\$ 30,912	\$ -	\$ 523,173	\$ 270,605
Water	1,238,608	9,006	-	1,247,614	778,429	21,428	-	799,857	447,757
Gas	395,471	5,805	(4,715)	396,561	322,456	6,703	(4,715)	324,444	72,117
Sewer	1,858,882	2,911	(625)	1,861,168	834,589	36,262	(625)	870,226	990,942
Sanitation	14,889	-	-	14,889	14,889	-	-	14,889	-
Total Proprietary Funds	\$ 4,256,106	\$ 63,244	\$ (5,340)	\$ 4,314,010	\$ 2,442,624	\$ 95,305	\$ (5,340)	\$ 2,532,589	\$ 1,781,421

Compliance Section

**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***

To the Board of Aldermen
City of Perry, 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 modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perry, Missouri, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Perry, Missouri's basic financial statements, and have issued our report thereon dated October 6, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Perry, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Perry, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Perry, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies (2022-001).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Perry, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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* (Concluded)**

City of Perry, Missouri's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Perry, Missouri's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City of Perry, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Wade Stables P.C.

Wade Stables P.C.

Certified Public Accountants

October 6, 2022
Quincy, Illinois

City of Perry, Missouri
Schedule of Findings and Responses
April 30, 2022

Findings – Financial Statement Audit

Significant Deficiencies

Finding 2022-001 *Segregation of Duties*

Condition:

A lack of segregation of duties was noted during the engagement, and reviews of Utility billing adjustments are not being performed. Segregation of duties is normally difficult to accomplish within a small organization, but management should be ever mindful of areas that can easily be improved.

Reason Improvement Needed:

Management or employees, in the normal course of performing their assigned functions, may fail to prevent or detect misstatements on a timely basis.

Recommendation:

The City of Perry, Missouri, should segregate duties the best they can. Mail should be opened by an employee not responsible for accounting. Cash receipts should be recorded and the deposits prepared by someone other than the employee responsible for posting to the cash receipts journal. Bank statements, canceled checks, and appropriate advices should be received by someone other than the employee maintaining cash records. The City requires two signatures on checks, however, one of the check signors also has a signature stamp with the Mayor's signature which negates this internal control safeguard. **We recommend the City have the City Treasurer sign or initial the monthly bank statements, reconciliations, and credit card statements to show that they were reviewed. We also recommend that all of the bank statements be reconciled on a monthly basis to ensure all interest income is recorded each month.**

All adjustments made to customer utility bills should be reviewed by someone other than the employee making the adjustments. **We recommend the City utilize the Utility Billing Adjustment Report to review all adjustments made to customer utility accounts, and sign and date the report to indicate the review was completed.**

Response:

The lack of segregation of duties has been evaluated and we have determined that it is not financially feasible to segregate all duties. We will continue to be attentive to the situation. It should also be noted that the City Treasurer reviews all reports monthly.