

CITY OF PORTAGEVILLE, MISSOURI

Audited Financial Statements

Year ended April 30, 2021

CITY OF PORTAGEVILLE, MISSOURI
Table of Contents
April 30, 2021

FINANCIAL SECTION

	<u>Page</u>
Independent Auditor's Report	1 - 3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	4
Statement of Activities - Modified Cash Basis	5 - 6
Fund Financial Statements:	
Balance Sheet - Governmental Funds - Modified Cash Basis	7 - 8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position - Modified Cash Basis	9
Statement of Receipts, Disbursements and Changes in Fund Balances - Governmental Funds - Modified Cash Basis	10 - 11
Reconciliation of the Statement of Receipts, Disbursements and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Modified Cash Basis	12
Statement of Net Position - Proprietary Funds - Modified Cash Basis	13
Statement of Receipts, Disbursements and Changes in Net Position - Proprietary Funds - Modified Cash Basis	14
Statement of Cash Flows - Proprietary Funds - Modified Cash Basis	15
Notes to Financial Statements	16 - 20
Supplemental Information:	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund - Modified Cash Basis	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Sales Tax Fund - Modified Cash Basis	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Health Fund - Modified Cash Basis	23

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Park Fund - Modified Cash Basis	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Street Fund - Modified Cash Basis	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - REAP Fund - Modified Cash Basis	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Crime Reduction Fund - Modified Cash Basis	27
Note to Budgetary Comparison Schedules	28

FEDERAL 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 <i>Government Auditing Standards</i>	29 - 30
Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	31 - 32
Schedule of Expenditures of Federal Awards	33 - 34
Schedule of Findings and Questioned Costs	35
Schedule of Prior Audit Findings	36

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Portageville, Missouri
301 East Main Street
Portageville, MO 63873

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of City of Portageville, Missouri, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Portageville, 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 the modified cash basis of accounting described in Note 1; this includes 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 Responsibility

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

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

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

Opinions

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, and each major fund of the City of Portageville, Missouri, as of April 30, 2021, 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 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.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Portageville, Missouri's basic financial statements. The budgetary comparison section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison section and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison section and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021, on our consideration of the City of Portageville, 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Portageville, 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 Portageville, Missouri's internal control over financial reporting and compliance.

Handwritten signature in blue ink that reads "Scherer, Grayham & Clark, LLP". The signature is written in a cursive style.

SCHERER, GRAYHAM & CLARK, LLP
Certified Public Accountants

Kennett, Missouri

October 22, 2021

CITY OF PORTAGEVILLE, MISSOURI
Statement of Net Position - Modified Cash Basis
April 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 252,126.36	\$ (1,637.16)	\$ 250,489.20
Restricted Cash and Investments	<u>271,491.58</u>	<u>1,523,431.91</u>	<u>1,794,923.49</u>
Total Assets	<u>\$ 523,617.94</u>	<u>\$ 1,521,794.75</u>	<u>\$ 2,045,412.69</u>
Liabilities			
Payroll Liabilities	<u>\$ 20,495.95</u>	<u>\$ -</u>	<u>\$ 20,495.95</u>
Total Liabilities	20,495.95	-	20,495.95
Net Position			
Reserved for Restricted Purposes	271,491.58	1,523,431.91	1,794,923.49
Unrestricted	<u>231,630.41</u>	<u>(1,637.16)</u>	<u>229,993.25</u>
Total Net Position	<u>503,121.99</u>	<u>1,521,794.75</u>	<u>2,024,916.74</u>
Total Liabilities and Net Position	<u>\$ 523,617.94</u>	<u>\$ 1,521,794.75</u>	<u>\$ 2,045,412.69</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTAGEVILLE, MISSOURI
Statement of Activities - Modified Cash Basis
For the year ended April 30, 2021

Functions/Programs	Program Revenues			Net (Expenses) Revenues
	Expenses	Charges for Services	Capital Grants and Contributions	
Primary Government:				
Governmental Activities:				
General and Administrative	\$ (1,689,371.24)	\$ 27,676.56	\$ 3,187,177.07	\$ 1,525,482.39
Sales Tax	(36.00)	-	-	(36.00)
Health	(21,007.25)	43.11	-	(20,964.14)
Park	(43,429.83)	-	1,000.00	(42,429.83)
Street	(364,528.64)	11,234.10	-	(353,294.54)
Crime Reduction	-	34.62	-	34.62
Total Governmental Activities	(2,118,372.96)	38,988.39	3,188,177.07	1,108,792.50
Business-Type Activities:				
Water	(486,843.09)	559,027.87	-	72,184.78
Sewer	(2,962,439.64)	696,993.99	-	(2,265,445.65)
Solid Waste	(445,925.85)	393,143.04	-	(52,782.81)
Meter	(404.00)	13,760.00	-	13,356.00
Total Business-Type Activities	(3,895,612.58)	1,662,924.90	-	(2,232,687.68)
Total Primary Government	<u>\$(6,013,985.54)</u>	<u>\$ 1,701,913.29</u>	<u>\$ 3,188,177.07</u>	<u>\$(1,123,895.18)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTAGEVILLE, MISSOURI
Statement of Activities - Modified Cash Basis
For the year ended April 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Change in Net Position:			
Net (Expenses) Revenues	\$ 1,108,792.50	\$(2,232,687.68)	\$(1,123,895.18)
General Revenues:			
Taxes:			
Property Taxes	383,739.17	-	383,739.17
Franchise Taxes	285,306.15	-	285,306.15
Sales Taxes	800,832.92	-	800,832.92
Gasoline Taxes	80,184.95	-	80,184.95
Road Improvement Tax	-	-	-
Interest Earned	1,375.06	2,291.52	3,666.58
Miscellaneous	45,499.73	3.00	45,502.73
Transfers	(2,673,032.16)	2,673,032.16	-
Total General Revenues and Transfers	<u>(1,076,094.18)</u>	<u>2,675,326.68</u>	<u>1,599,232.50</u>
Change in Net Position	32,698.32	442,639.00	475,337.32
Net Position - Beginning of Year	<u>470,423.67</u>	<u>1,079,155.75</u>	<u>1,549,579.42</u>
Net Position - End of Year	<u>\$ 503,121.99</u>	<u>\$1,521,794.75</u>	<u>\$2,024,916.74</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTAGEVILLE, MISSOURI
 Balance Sheet - Governmental Funds - Modified Cash Basis
 April 30, 2021

	<u>General</u>	<u>Sales Tax</u>
Assets		
Cash and Investments	\$ 28,006.00	\$ 150,633.86
Restricted Cash and Investments	<u>3,366.54</u>	<u>-</u>
Total Assets	<u>\$ 31,372.54</u>	<u>\$ 150,633.86</u>
Liabilities		
Payroll Liabilities	<u>\$ 20,495.95</u>	<u>\$ -</u>
Total Liabilities	20,495.95	-
Fund Balances		
Restricted	3,366.54	-
Unassigned	<u>7,510.05</u>	<u>150,633.86</u>
Total Fund Balances	<u>10,876.59</u>	<u>150,633.86</u>
Total Liabilities and Fund Balances	<u>\$ 31,372.54</u>	<u>\$ 150,633.86</u>

The accompanying notes are an integral part of these financial statements.

<u>Health</u>	<u>Park</u>	<u>Street</u>	<u>REAP</u>	<u>Crime Reduction</u>	<u>Total Governmental Funds</u>
\$ -	\$ 72,854.22	\$ -	\$ -	\$ 632.28	\$ 252,126.36
<u>52,128.76</u>	<u>13,635.32</u>	<u>194,650.82</u>	<u>7,710.14</u>	<u>-</u>	<u>271,491.58</u>
<u>\$ 52,128.76</u>	<u>\$ 86,489.54</u>	<u>\$ 194,650.82</u>	<u>\$ 7,710.14</u>	<u>\$ 632.28</u>	<u>\$ 523,617.94</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,495.95
-	-	-	-	-	20,495.95
52,128.76	13,635.32	194,650.82	7,710.14	-	271,491.58
<u>-</u>	<u>72,854.22</u>	<u>-</u>	<u>-</u>	<u>632.28</u>	<u>231,630.41</u>
<u>52,128.76</u>	<u>86,489.54</u>	<u>194,650.82</u>	<u>7,710.14</u>	<u>632.28</u>	<u>503,121.99</u>
<u>\$ 52,128.76</u>	<u>\$ 86,489.54</u>	<u>\$ 194,650.82</u>	<u>\$ 7,710.14</u>	<u>\$ 632.28</u>	<u>\$ 523,617.94</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTAGEVILLE, MISSOURI
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position - Modified Cash Basis
For the year ended April 30, 2021

Total Governmental Fund Balances	\$ <u>503,121.99</u>
Net Position of Governmental Activities	\$ <u>503,121.99</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTAGEVILLE, MISSOURI
Statement of Receipts, Disbursements and Changes in Fund
Balances - Governmental Funds - Modified Cash Basis
For the year ended April 30, 2021

	<u>General</u>	<u>Sales Tax</u>
Revenues:		
Property Taxes and Penalties	\$ 279,064.82	\$ -
Franchise Taxes	285,306.15	-
Sales Taxes	47,855.14	712,484.23
Gasoline Taxes	-	-
Road Improvement Tax	-	-
Licenses and Permits	8,669.47	-
Court Fines	18,857.09	-
Charges for Services	150.00	-
Capital Grants	3,186,683.82	-
Interest Earned	17.18	1,251.50
Contributions	493.25	-
Miscellaneous	<u>43,031.93</u>	<u>100.00</u>
Total Revenues	3,870,128.85	713,835.73
Expenditures:		
Employee Wages & Benefits	884,459.98	-
Maintenance, Operations and Contractual Services	176,718.97	-
Facilities and Equipment	178,701.10	-
General and Administrative	<u>449,491.19</u>	<u>36.00</u>
Total Expenditures	<u>1,689,371.24</u>	<u>36.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,180,757.61	713,799.73
Other Financing Sources (Uses):		
Operating Transfers In	-	-
Operating Transfers (Out)	<u>(2,263,152.71)</u>	<u>(715,530.50)</u>
Net Other Financing Sources (Uses)	<u>(2,263,152.71)</u>	<u>(715,530.50)</u>
Net Change in Fund Balances	(82,395.10)	(1,730.77)
Fund Balances - Beginning of Year	<u>93,271.69</u>	<u>152,364.63</u>
Fund Balances - End of Year	<u>\$ 10,876.59</u>	<u>\$ 150,633.86</u>

The accompanying notes are an integral part of these financial statements.

Health	Park	Street	REAP	Crime Reduction	Total Governmental Funds
\$ 57,135.15	\$ 47,539.20	\$ -	\$ -	\$ -	\$ 383,739.17
-	-	-	-	-	285,306.15
-	-	40,493.55	-	-	800,832.92
-	-	80,184.95	-	-	80,184.95
-	-	-	-	-	-
43.11	-	-	-	-	8,712.58
-	-	-	-	34.62	18,891.71
-	-	11,234.10	-	-	11,384.10
-	-	-	-	-	3,186,683.82
15.87	10.25	76.38	3.88	-	1,375.06
-	1,000.00	-	-	-	1,493.25
-	(4,249.40)	6,617.20	-	-	45,499.73
57,194.13	44,300.05	138,606.18	3.88	34.62	4,824,103.44
17,014.83	1,517.66	206,940.40	-	-	1,109,932.87
1,084.35	27,698.59	41,277.27	-	-	246,779.18
-	-	37,778.17	-	-	216,479.27
2,908.07	14,213.58	78,532.80	-	-	545,181.64
21,007.25	43,429.83	364,528.64	-	-	2,118,372.96
36,186.88	870.22	(225,922.46)	3.88	34.62	2,705,730.48
-	6,644.40	301,545.50	-	-	308,189.90
(2,538.85)	-	-	-	-	(2,981,222.06)
(2,538.85)	6,644.40	301,545.50	-	-	(2,673,032.16)
33,648.03	7,514.62	75,623.04	3.88	34.62	32,698.32
18,480.73	78,974.92	119,027.78	7,706.26	597.66	470,423.67
<u>\$ 52,128.76</u>	<u>\$ 86,489.54</u>	<u>\$ 194,650.82</u>	<u>\$ 7,710.14</u>	<u>\$ 632.28</u>	<u>\$ 503,121.99</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTAGEVILLE, MISSOURI
Reconciliation of the Statement of Receipts, Disbursements
and Changes in Fund Balances of Governmental Funds to
the Statement of Activities - Modified Cash Basis
For the year ended April 30, 2021

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 32,698.32</u>
Change in Net Position of Governmental Activities	<u>\$ 32,698.32</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTAGEVILLE, MISSOURI
Statement of Net Position - Proprietary Funds - Modified
Cash Basis
April 30, 2021

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Meter</u>	<u>Total Proprietary Funds</u>
Assets					
Cash and Investments	\$ (1,241.76)	-	\$ (395.40)	-	\$ (1,637.16)
Restricted Cash and Investments	<u>1,068.80</u>	<u>1,021,128.18</u>	<u>402,930.37</u>	<u>98,304.56</u>	<u>1,523,431.91</u>
Total Assets	<u>\$ (172.96)</u>	<u>\$1,021,128.18</u>	<u>\$ 402,534.97</u>	<u>\$ 98,304.56</u>	<u>\$1,521,794.75</u>
Net Position					
Reserved for Restricted Purposes	\$ 1,068.80	\$ 1,021,128.18	\$ 402,930.37	\$ 98,304.56	\$ 1,523,431.91
Unrestricted	<u>(1,241.76)</u>	<u>-</u>	<u>(395.40)</u>	<u>-</u>	<u>(1,637.16)</u>
Total Net Position	<u>\$ (172.96)</u>	<u>\$1,021,128.18</u>	<u>\$ 402,534.97</u>	<u>\$ 98,304.56</u>	<u>\$1,521,794.75</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTAGEVILLE, MISSOURI
Statement of Receipts, Disbursements and Changes in Net
Position - Proprietary Funds - Modified Cash Basis
For the year ended April 30, 2021

	Water	Sewer	Solid Waste	Meter	Total Proprietary Funds
Operating Revenues					
Charges for Services:					
Collections	\$ 553,233.81	\$ 440,295.82	\$ 392,918.06	\$ 13,760.00	\$ 1,400,207.69
Operating Grants	-	-	-	-	-
Other	5,797.06	256,698.17	224.98	-	262,720.21
Total Operating Revenues	559,030.87	696,993.99	393,143.04	13,760.00	1,662,927.90
Operating Expenses					
Employee Wages and Benefits	316,213.27	214,142.44	241,679.37	-	772,035.08
Maintenance, Operations and Contractual Services	67,575.20	19,218.30	147,870.91	-	234,664.41
Facilities and Equipment	7,405.49	2,640,085.11	49,874.96	-	2,697,365.56
Meter Refunds	-	-	-	12,369.34	12,369.34
General and Administrative	83,279.79	88,993.79	6,500.61	404.00	179,178.19
Total Operating Expenses	474,473.75	2,962,439.64	445,925.85	12,773.34	3,895,612.58
Operating Income (Loss)	84,557.12	(2,265,445.65)	(52,782.81)	986.66	(2,232,684.68)
Non-Operating Revenues (Expenses)					
Interest Earned	111.97	-	2,179.55	-	2,291.52
Transfers	(202,579.49)	2,835,356.30	39,802.60	452.75	2,673,032.16
Total Non-Operating Revenues (Expenses)	(202,467.52)	2,835,356.30	41,982.15	452.75	2,675,323.68
Change in Net Position	(117,910.40)	569,910.65	(10,800.66)	1,439.41	442,639.00
Net Position - Beginning of Year	117,737.44	451,217.53	413,335.63	96,865.15	1,079,155.75
Net Position - End of Year	\$ (172.96)	\$1,021,128.18	\$ 402,534.97	\$ 98,304.56	\$1,521,794.75

The accompanying notes are an integral part of these financial statements.

CITY OF PORTAGEVILLE, MISSOURI
Statement of Cash Flows - Modified Cash Basis -
Proprietary Funds
Year Ended April 30, 2021

	Water	Sewer	Solid Waste	Meter	Total Proprietary Funds
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 559,027.87	\$ 696,993.99	\$ 393,143.04	\$ 13,760.00	\$ 1,662,924.90
Grants Received	-	-	-	-	-
Payments to Suppliers	(158,260.48)	(2,748,297.20)	(204,246.48)	(404.00)	(3,111,208.16)
Payments to Employees	(316,213.27)	(214,142.44)	(241,679.37)	-	(772,035.08)
Payments from (to) Other Funds	(202,579.49)	2,835,356.30	39,802.60	452.75	2,673,032.16
Net Cash Provided by Operating Activities	(118,025.37)	569,910.65	(12,980.21)	13,808.75	452,713.82
Cash Flows from Investing Activities:					
Interest Income	111.97	-	2,179.55	-	2,291.52
Net Cash Provided (Used) by Investing Activities	111.97	-	2,179.55	-	2,291.52
Net Increase in Cash and Cash Equivalents	(117,913.40)	569,910.65	(10,800.66)	13,808.75	455,005.34
Balance - Beginning of Year	117,737.44	451,217.53	413,335.63	96,865.15	1,079,155.75
Balance - End of Year	\$ (175.96)	\$ 1,021,128.18	\$ 402,534.97	\$ 110,673.90	\$ 1,534,161.09
Reconciliation to Statement of Net Position					
Cash and Cash Equivalents	\$ (1,241.76)	\$ -	\$ (395.40)	\$ -	\$ (1,637.16)
Segregated Cash and Cash Equivalents	1,068.80	1,021,128.18	402,930.37	98,304.56	1,523,431.91
Total Cash and Cash Equivalents - End of Year	\$ (172.96)	\$ 1,021,128.18	\$ 402,534.97	\$ 98,304.56	\$ 1,521,794.75
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 84,557.12	\$(2,265,445.65)	\$(52,782.81)	\$ 13,356.00	\$(2,220,315.34)
Changes in Assets:					
Payments from (to) Other Funds	(202,579.49)	2,835,356.30	39,802.60	452.75	2,673,032.16
Net Cash Provided by Operating Activities	\$(118,022.37)	\$ 569,910.65	\$(12,980.21)	\$ 13,808.75	\$ 452,716.82

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Portageville, Missouri operates under an elected Mayor/Council form of government. The City's major operations include public safety (police and fire), highways and streets, water services, sewer services, solid waste services, recreation and parks, and general administrative services.

The City's financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements of the Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

A. Reporting Entity

The City's reporting entity includes the mayor/council and all related organizations for which the City exercises oversight responsibility.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility.

The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include but are not limited to the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters.

The other criterion used to evaluate potential component units for inclusion in or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

The City has determined that no other outside entity meets the above criteria and, therefore, no other agency has been included as a component unit in the City's financial statements. In addition, the City is not aware of any entity which would exercise such oversight that would result in the City being considered a component unit of said entity.

B. Basic Financial Statements - Government-Wide Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements distinguish government-wide activities, generally supported by taxes and City general revenues from business-type activities, generally financed in whole or in part with fees charged to external customers.

C. Basic Financial Statements - Fund Financial Statements

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities and fund equity, revenues, and expenditures, or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are provided for governmental and proprietary funds. Major governmental and proprietary funds are reported in separate columns.

D. Measurement Focus and Basis of Accounting

Government-wide statements are presented using the "economic resources" measurement focus. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported.

All government funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheets.

The City's governmental and proprietary funds use the modified cash basis of accounting. 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.

F. Investments

Investments are limited to bank savings accounts and certificates of deposit and are carried at cost.

F. Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control for all funds of the City. Annual modified cash basis operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the various funds of the City, and the same basis of accounting is used to reflect the actual revenues and expenditures/expenses. Budgets for certain Special Revenue Funds, Capital Projects Funds, and Special Assessment Funds are made on a project basis, spanning more than one fiscal year. Budgetary control is exercised at the department level or by projects.

G. Inventories

The City does not maintain inventory cost records. Inventory is deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

H. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on all taxable real and personal property of the City in November. Taxes become payable December 31, and are considered delinquent thereafter.

I. Vacation and Sick Leave

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Such amounts unused and which are vested in the employee are not allowed to accumulate.

NOTE 2 - CASH AND INVESTMENTS

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

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At April 30, 2021, the carrying amount of the City's deposits was \$2,045,413 and the bank balance was \$2,258,883. Of that bank balance, \$398,839 was covered by federal depository insurance and \$1,860,044 was covered by collateral held in the City's name.

NOTE 3 - GOVERNMENTAL FUND BALANCE AND NET POSITION

The Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes, as follows:

Nonspendable fund balance - amounts associated with inventories, prepaid amounts, long-term loans and notes receivables, and properties held for resale.

Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by constitution, external resources providers, or through enabling legislation.

Committed fund balance - amounts that can be used only for the specific purposes determined by formal action of the City's Council (the City's highest level of decision-making authority).

Assigned fund balance - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance - the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds this is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 4 - EMPLOYEE RETIREMENT SYSTEM

A. Summary of Significant Accounting Policies

The City participates in the Missouri Local Government Employees Retirement System (LAGERS). The financial statements of the City were prepared using the modified cash basis of accounting. Therefore, employer contributions are recognized when paid and the City's net pension liability and deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

B. Plan Description

The City of Portageville, Missouri defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. 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 the responsibility of LAGERS 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, and may be accessed at www.molagers.org.

C. Benefits Provided

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

February 29, 2020

Benefit Multiplier:	1.25%
Final Average Salary:	5 Years
Member Contributions:	0.00%

D. Benefit Changes After Retirement

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.

E. Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.8% (General) and 8.9% (Police) of annual covered payroll.

The City's contributions to LAGERS were \$127,581 for the year ended June 30, 2020.

NOTE 5 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 22, 2021, the date which the financial statements were available to be issued.

CITY OF PORTAGEVILLE, MISSOURI
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General Fund -
Modified Cash Basis
For the year ended April 30, 2021

	Budgeted Amounts		Actual (Modified Cash Basis)	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Property Taxes and Penalties	\$ 323,500.00	\$ 323,500.00	\$ 279,064.82	\$ (44,435.18)
Franchise Taxes	328,200.00	328,200.00	285,306.15	(42,893.85)
Sales Taxes	-	-	47,855.14	47,855.14
Licenses and Permits	10,500.00	10,500.00	8,669.47	(1,830.53)
Court Fines	90,200.00	90,200.00	18,857.09	(71,342.91)
Charges for Services	-	-	150.00	150.00
Capital Grants	43,000.00	43,000.00	3,186,683.82	3,143,683.82
Interest Earned	120.00	120.00	17.18	(102.82)
Contributions	-	-	493.25	493.25
Miscellaneous	20,600.00	20,600.00	43,031.93	22,431.93
Total Revenues	816,120.00	816,120.00	3,870,128.85	3,054,008.85
Expenditures:				
General and Administrative	445,040.00	445,040.00	729,330.83	284,290.83
Police	975,987.00	975,987.00	881,404.52	(94,582.48)
Fire	78,550.00	78,550.00	78,635.89	85.89
Total Expenditures	1,499,577.00	1,499,577.00	1,689,371.24	189,794.24
Excess (Deficiency) of Revenues Over (Under) Expenditures	(683,457.00)	(683,457.00)	2,180,757.61	2,864,214.61
Other Financing Sources (uses):				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	(2,263,152.71)	(2,263,152.71)
Net Other Financing Sources (Uses)	-	-	(2,263,152.71)	(2,263,152.71)
Net Change in Fund Balances	(683,457.00)	(683,457.00)	(82,395.10)	601,061.90
Fund Balance - Beginning of Year	93,271.69	93,271.69	93,271.69	-
Fund Balance - End of Year	<u>\$ (590,185.31)</u>	<u>\$ (590,185.31)</u>	<u>\$ 10,876.59</u>	<u>\$ 601,061.90</u>

CITY OF PORTAGEVILLE, MISSOURI
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Sales Tax Fund -
Modified Cash Basis
For the year ended April 30, 2021

	Budgeted Amounts		Actual (Modified Cash Basis)	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Sales Taxes	\$ 650,000.00	\$ 650,000.00	\$ 712,484.23	\$ 62,484.23
Interest Earned	-	-	1,251.50	1,251.50
Miscellaneous	-	-	100.00	100.00
Total Revenues	650,000.00	650,000.00	713,835.73	63,835.73
Expenditures:				
General and Administrative	450.00	450.00	36.00	(414.00)
Total Expenditures	450.00	450.00	36.00	(414.00)
Excess (Deficiency) of Revenues Over (Under) Expenditures	649,550.00	649,550.00	713,799.73	64,249.73
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	(715,530.50)	(715,530.50)
Net Other Financing Sources (Uses)	-	-	(715,530.50)	(715,530.50)
Net Change in Fund Balances	649,550.00	649,550.00	(1,730.77)	(651,280.77)
Fund Balances - Beginning of Year	152,364.63	152,364.63	152,364.63	-
Fund Balances - End of Year	\$ 801,914.63	\$ 801,914.63	\$ 150,633.86	\$ (651,280.77)

CITY OF PORTAGEVILLE, MISSOURI
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Health Fund -
Modified Cash Basis
For the year ended April 30, 2021

	Budgeted Amounts		Actual (Modified Cash Basis)	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Property Taxes and Penalties	\$ 51,150.00	\$ 51,150.00	\$ 57,135.15	\$ 5,985.15
Licenses and Permits	200.00	200.00	43.11	(156.89)
Interest Earned	-	-	15.87	15.87
Miscellaneous	-	-	-	-
Total Revenues	51,350.00	51,350.00	57,194.13	5,844.13
Expenditures:				
Health	26,630.00	26,630.00	21,007.25	(5,622.75)
Total Expenditures	26,630.00	26,630.00	21,007.25	(5,622.75)
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,720.00	24,720.00	36,186.88	11,466.88
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	(2,538.85)	(2,538.85)
Net Other Financing Sources (Uses)	-	-	(2,538.85)	(2,538.85)
Net Change in Fund Balances	24,720.00	24,720.00	33,648.03	8,928.03
Fund Balances - Beginning of Year	18,480.73	18,480.73	18,480.73	-
Fund Balances - End of Year	\$ 43,200.73	\$ 43,200.73	\$ 52,128.76	\$ 8,928.03

CITY OF PORTAGEVILLE, MISSOURI
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Park Fund - Modified
Cash Basis
For the year ended April 30, 2021

	Budgeted Amounts		Actual (Modified Cash Basis)	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Property Taxes and Penalties	\$ 36,100.00	\$ 36,100.00	\$ 47,539.20	\$ 11,439.20
Interest Earned	10.00	10.00	10.25	0.25
Contributions	-	-	1,000.00	1,000.00
Miscellaneous	3,000.00	3,000.00	(4,249.40)	(7,249.40)
Total Revenues	39,110.00	39,110.00	44,300.05	5,190.05
Expenditures:				
Park	30,781.00	30,781.00	43,429.83	12,648.83
Total Expenditures	30,781.00	30,781.00	43,429.83	12,648.83
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,329.00	8,329.00	870.22	(7,458.78)
Other Financing Sources (Uses):				
Operating Transfers In	-	-	6,644.40	6,644.40
Operating Transfers (Out)	-	-	-	-
Net Other Financing Sources (Uses)	-	-	6,644.40	6,644.40
Net Change in Fund Balances	8,329.00	8,329.00	7,514.62	(814.38)
Fund Balances - Beginning of Year	78,974.92	78,974.92	78,974.92	-
Fund Balances - End of Year	\$ 87,303.92	\$ 87,303.92	\$ 86,489.54	\$ (814.38)

CITY OF PORTAGEVILLE, MISSOURI
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Street Fund -
Modified Cash Basis
For the year ended April 30, 2021

	Budgeted Amounts		Actual (Modified Cash Basis)	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Sales Taxes	\$ 30,000.00	\$ 30,000.00	\$ 40,493.55	\$ 10,493.55
Gasoline Taxes	88,000.00	88,000.00	80,184.95	(7,815.05)
Road Improvement Tax	140,000.00	140,000.00	-	(140,000.00)
Charges for Services	15,000.00	15,000.00	11,234.10	(3,765.90)
Interest Earned	60.00	60.00	76.38	16.38
Miscellaneous	1,000.00	1,000.00	6,617.20	5,617.20
Total Revenues	274,060.00	274,060.00	138,606.18	(135,453.82)
Expenditures:				
Street	590,714.40	590,714.40	364,528.64	(226,185.76)
Total Expenditures	590,714.40	590,714.40	364,528.64	(226,185.76)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(316,654.40)	(316,654.40)	(225,922.46)	90,731.94
Other Financing Sources (Uses):				
Operating Transfers In	-	-	301,545.50	301,545.50
Operating Transfers (Out)	-	-	-	-
Net Other Financing Sources (Uses)	-	-	301,545.50	301,545.50
Net Change in Fund Balances	(316,654.40)	(316,654.40)	75,623.04	392,277.44
Fund Balances - Beginning of Year	119,027.78	119,027.78	119,027.78	-
Fund Balances - End of Year	\$ (197,626.62)	\$ (197,626.62)	\$ 194,650.82	\$ 392,277.44

CITY OF PORTAGEVILLE, MISSOURI
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - REAP Fund - Modified
Cash Basis
For the year ended April 30, 2021

	Budgeted Amounts		Actual (Modified Cash Basis)	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Interest Earned	-	-	3.88	3.88
Miscellaneous	-	-	-	-
Total Revenues	-	-	3.88	3.88
Expenditures:				
REAP	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	3.88	3.88
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	3.88	3.88
Fund Balances - Beginning of Year	7,706.26	7,706.26	7,706.26	-
Fund Balances - End of Year	\$ 7,706.26	\$ 7,706.26	\$ 7,710.14	\$ 3.88

CITY OF PORTAGEVILLE, MISSOURI
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Crime Reduction
Fund - Modified Cash Basis
For the Year Ended April 30, 2021

	Budgeted Amounts		Actual (Modified Cash Basis)	Actual Over (Under) Final Budget
	Original	Final		
Revenue:				
Charges for Services	\$ -	\$ -	\$ 34.62	\$ 34.62
Total Revenues	-	-	34.62	34.62
Expenditures:				
Crime Reduction	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	34.62	34.62
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	34.62	34.62
Fund Balances - Beginning of Year	597.66	597.66	597.66	-
Fund Balances - End of Year	\$ 597.66	\$ 597.66	\$ 632.28	\$ 34.62

Budgets and Budgetary Accounting

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

1. In accordance with Chapter 67, RSMo, the City adopts a budget for each fund.
2. Beginning in February, the Board of Alderman, Mayor, City Accountant, and City Clerk hold meetings once or twice a month to develop a budget for the fiscal year which begins May 1. These meetings continue into April when the final draft is completed. The budget includes estimated receipts and proposed disbursements for all City funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
3. In May, the budget is legally enacted by a vote of the Outgoing Council.
4. Subsequent to its formal approval of the budget, the Council has the authority to make necessary adjustments to the budget by formal vote of the Council. Budgeted amounts are as originally adopted, or as amended by the Council.
5. Budgets for City funds are prepared and adopted on the modified cash basis (budget basis), recognizing receipts when collected and disbursements when paid.

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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*

To the Mayor and City Council
City of Portageville, 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, and each major fund of the City of Portageville, Missouri, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Portageville, Missouri's basic financial statements, and have issued our report thereon dated October 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Portageville, 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 Portageville, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Portageville, 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 Portageville, 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 statement. 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.

A handwritten signature in blue ink that reads "Scherer, Grayham & Clark, LLP". The signature is written in a cursive style.

SCHERER, GRAYHAM & CLARK, LLP
Certified Public Accountants

Kennett, Missouri

October 22, 2021

SCHERER, GRAYHAM & CLARK, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and City Council
City of Portageville, Missouri

Report on Compliance for Each Major Federal Program

We have audited the City of Portageville, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Portageville, Missouri's major federal programs for the year ended April 30, 2021. City of Portageville, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Portageville, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Portageville, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Portageville, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2021.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



SCHERER, GRAYHAM & CLARK, LLP
Certified Public Accountants

Kennett, Missouri

October 22, 2021

CITY OF PORTAGEVILLE, MISSOURI
 Schedule of Expenditures of Federal Awards
 For the Year Ended April 30, 2021

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
<u>United States Department of Agriculture</u>				
(Passed Through Rural Development)				
Water and Waste Disposal Systems for Rural Communities	10.760	29-072-0205695506	-	556,134
Community Facility Loan & Grant	10.766	MO227162555-100	-	39,680
Total United States Department of Agriculture			-	595,814
<u>United States Department of Commerce</u>				
(Passed Through Economic Development Administration)				
EDA - Public Works	11.300	05-01-05822	-	98,264
Total United States Department of Commerce			-	98,264
<u>United States Department of the Treasury</u>				
(Passed Through New Madrid County)				
Coronavirus Relief Fund	21.019	N/A	-	398,811
Total United States Department of the Treasury			-	398,811
Total Federal Awards			\$ -	\$ 1,092,889

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal awards activity of the City under programs of the federal government for the year ended April 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein

certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - FEDERAL LOANS

The City was approved by the USDA Rural Development to receive a loan totaling \$3,000,000 to build a waste water treatment plant. The amount listed on the Schedule for this loan includes the proceeds used during the year.

NOTE 4 - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

Section I - Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements presented on the modified cash basis of accounting.
2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No significant deficiencies or material weaknesses were disclosed during the audit of major federal award programs.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion.
6. There were no findings required to be reported in accordance with the 2CFR 200.516(a).
7. The programs tested as major programs were:

Community Facility Loan & Grant	10.766
Coronavirus Relief Fund	21.019
8. The threshold to determine Type A programs was \$750,000.
9. The City of Portageville, Missouri was determined to not be a low-risk auditee.

Section II - Financial Statements Findings

There were no audit findings which were required to be reported in accordance with *Government Auditing Standards*.

Section III - Findings and Questioned Costs - Major Federal Award Program Audits

There were no findings or questioned costs for the major federal award programs.

CITY OF PORTAGEVILLE, MISSOURI
Schedule of Prior Audit Findings
For the Year Ended April 30, 2021

There were no prior audit findings which were required to be reported in accordance with *Government Auditing Standards*.