



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

January 19, 2018

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released an audit report on the Perry Municipal Waterworks, Perry, Iowa.

The Waterworks' receipts totaled \$2,673,207 for the year ended June 30, 2017, an 11% increase over the prior year. The receipts included \$1,897,734 in charges for service, miscellaneous operating receipts of \$169,007, \$22,650 of rental income, \$2,924 of interest on investments and \$580,892 of sewer and garbage fees collected for the City of Perry.

Disbursements for the year ended June 30, 2017 totaled \$2,511,167, a 5% increase over the prior year, and included operating disbursements of \$1,266,291, debt service of \$105,350, capital outlay of \$558,634 and \$580,892 of sewer and garbage fees remitted to the City of Perry.

A copy of the audit report is available for review in the office of the Perry Municipal Waterworks, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1723-0237-B00F>.

###

PERRY MUNICIPAL WATERWORKS

INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENT
SUPPLEMENTARY AND OTHER INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2017

Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor’s Report		5-6
Management’s Discussion and Analysis		7-9
Financial Statement:	<u>Exhibit</u>	
Statement of Cash Receipts, Disbursements and Changes in Cash Balance	A	13
Notes to Financial Statement		14-21
Other Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Cash Balance – Budget and Actual (Cash Basis)		24-25
Notes to Other Information – Budgetary Reporting		26
Schedule of the Waterworks’ Proportionate Share of the Net Pension Liability		27
Schedule of Waterworks’ Contributions		28-29
Notes to Other Information – Pension Liability		30
Supplementary Information:	<u>Schedule</u>	
Combining Schedule of Cash Receipts, Disbursements and Changes in Cash Balances – Enterprise Fund Accounts	1	32-33
Schedule of Indebtedness	2	34-35
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of a Financial Statement Performed in Accordance with <u>Government Auditing Standards</u>		37-38
Schedule of Findings		39-40
Staff		41

Perry Municipal Waterworks

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Marcus Carris	Chairperson/Trustee	April 2019
Lonnie Ostransky	Trustee	April 2017
Amy Rathje	Trustee	April 2021
John Wuebker	Trustee	April 2023
Hank Schmidt	Superintendent	Indefinite
Pamela Ballard	Accounting and Billing Manager	Indefinite

Perry Municipal Waterworks



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Board of Trustees of the Perry Municipal Waterworks:

Report on the Financial Statement

We have audited the accompanying financial statement of the Perry Municipal Waterworks as of and for the year ended June 30, 2017, and the related Notes to Financial Statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Perry Municipal Waterworks' preparation and fair presentation of the financial statement 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 Waterworks' 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 statement.

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash basis financial position of the Perry Municipal Waterworks as of June 30, 2017, and the changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, the financial statement was prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters


Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statement. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statement taken as a whole.

The other information, Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the Waterworks' Proportionate Share of the Net Pension Liability and the Schedule of Waterworks' Contributions on pages 7 through 9 and pages 24 through 30, has not been subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2017 on our consideration of the Perry Municipal Waterworks' 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 solely 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 Waterworks' 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 Perry Municipal Waterworks' internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State

December 22, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Perry Municipal Waterworks provides this Management's Discussion and Analysis of its financial statement. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the Waterworks' financial statement, which follows.

2017 FINANCIAL HIGHLIGHTS

- The Waterworks' total receipts increased 11%, or approximately \$264,000 from fiscal year 2016 to fiscal year 2017. A large customer used the Waterworks for 100% of its water needs in fiscal year 2017 due to their well not working compared to 30% in fiscal year 2016.
- The Waterworks' total disbursements increased 5%, or approximately \$118,000, from fiscal year 2016 to fiscal year 2017. In fiscal year 2017, more construction costs were incurred due to the completion of the lime lagoon project.
- The Waterworks' total cash basis fund balance increased 20%, or approximately \$162,000, from June 30, 2016 to June 30, 2017.

USING THIS ANNUAL REPORT

The Perry Municipal Waterworks has elected to present its financial statement on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than U.S. generally accepted accounting principles. Basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses and the related assets and liabilities. Under the Perry Municipal Waterworks' cash basis of accounting, revenues and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues and liabilities and their related expenses are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

The annual report is presented in a format consistent with the presentation of Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Perry Municipal Waterworks' cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the Perry Municipal Waterworks' financial statement. The annual report consists of a financial statement and other information, as follows:

Management's Discussion and Analysis introduces the financial statement and provides an analytical overview of the Waterworks' financial activities.

The Statement of Cash Receipts, Disbursements and Changes in Cash Balance presents information on the Perry Municipal Waterworks' receipts and disbursements and whether the Waterworks' cash basis financial position improved or deteriorated as a result of the year's activities.

Notes to Financial Statement provide additional information essential to a full understanding of the data provided in the financial statement.

Other Information further explains and supports the financial statement with a comparison of the Waterworks' budget for the year and the City's proportionate share of the net pension liability and related contributions.

Supplementary Information provides detailed information about the individual Enterprise Accounts. In addition, the Schedule of Indebtedness provides details of the Waterworks' debt at June 30, 2017.

FINANCIAL ANALYSIS OF THE PERRY MUNICIPAL WATERWORKS

Statement of Cash Receipts, Disbursements and Changes in Cash Balance

The purpose of the statement is to present the receipts received by the Perry Municipal Waterworks and the disbursements paid by the Waterworks, both operating and non-operating. The statement also presents a fiscal snapshot of the Waterworks' cash balance at year end. Over time, readers of the financial statement are able to determine the Perry Municipal Waterworks' financial position by analyzing the increase or decrease in cash balance.

Receipts include metered and bulk water sales, fees for upkeep and/or upgrade of individual service lines, water turn on/off fees, rent for space on the water tower, taps and miscellaneous fees. The City of Perry pays the Perry Municipal Waterworks contract fees to include sewer and garbage charges on the water bill and costs involved in preparing the billing, i.e. meter reading for sewer, data entry of meter reads, sales tax return preparation and payment. A summary of cash receipts, disbursements and changes in cash balance for the years ended June 30, 2017 and June 30, 2016 is presented below:

Changes in Cash Balances		
	Year ended June 30	
	2017	2016
Receipts:		
Use of money and property	\$ 25,574	22,171
Charges for service	1,897,734	1,688,544
Sewer and garbage fees collected for the City	580,892	532,624
Miscellaneous	169,007	165,564
Total receipts	<u>2,673,207</u>	<u>2,408,903</u>
Disbursements:		
Plant operation and maintenance	588,502	600,556
Distribution operation and maintenance	222,190	241,122
Administration	455,599	445,167
Sewer and garbage fees remitted to the City	580,892	532,624
Debt service:		
Principal redeemed	100,000	100,000
Interest paid	4,850	6,750
Service fees	500	500
Capital outlay	558,634	466,019
Total disbursements	<u>2,511,167</u>	<u>2,392,738</u>
Net change in cash balance	162,040	16,165
Cash balance beginning of year	821,277	805,112
Cash balance end of year	<u>\$ 983,317</u>	<u>821,277</u>
Cash Basis Fund Balance		
Restricted for:		
Sinking account	\$ 87,170	84,455
Reserve account	46,000	46,000
Customer water deposits	111,075	95,546
Total restricted cash basis fund balance	244,245	226,001
Unrestricted	739,072	595,276
Total cash basis fund balance	<u>\$ 983,317</u>	<u>821,277</u>

The Waterworks' unrestricted cash balance is available for use in the routine operation of the plant, distribution and administrative areas of the Waterworks and for capital improvements to the plant and distribution areas. State and federal laws and regulations require the Perry Municipal Waterworks to perform specific maintenance and monitoring functions in the collection and treatment of water sources before final distribution. The Waterworks' restricted cash balances are for the repayment of the revenue refunding bonds issued in 2011, improvements to the water plant and customer water deposits.

BUDGETARY HIGHLIGHTS

The Waterworks' charges for service receipts were \$88,464 more than budgeted as water consumption was more than anticipated. The Waterworks' disbursements were \$54,381 less than budgeted for the year as a result of a reduction in the number of staff.

DEBT ADMINISTRATION

At June 30, 2017 the Perry Municipal Waterworks had a total of \$100,000 of revenue refunding bond debt outstanding, compared to \$200,000 at June 30, 2016.

ECONOMIC FACTORS

The Perry Municipal Waterworks raised water rates in June 2017 to improve its financial position. Current economic conditions beyond the Perry Municipal Waterworks Trustees control play a significant role in the daily operations of the water plant and distribution services. These conditions include, but are not limited to:

- The need to constantly maintain facilities, wells, vehicles and machinery.
- The need to comply with federal and state regulations for the production of water and well-head protection.
- The need to maintain up-to-date technology at a reasonable cost.
- The fluctuation of the cost of the chemicals and energy used to produce quality water.

CONTACTING THE WATERWORKS' FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Perry Municipal Waterworks' finances and to show the Waterworks' accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Perry Municipal Waterworks, 1101 W 3rd Street, PO Box 604, Perry, Iowa 50220.

Perry Municipal Waterworks

Financial Statement

Perry Municipal Waterworks

Perry Municipal Waterworks

Statement of Cash Receipts, Disbursements
and Changes in Cash Balance

As of and for the year ended June 30, 2017

Operating receipts:	
Charges for service	\$ 1,897,734
Miscellaneous	169,007
Total operating receipts	<u>2,066,741</u>
Operating disbursements:	
Business type activities:	
Plant operation and maintenance	588,502
Distribution operation and maintenance	222,190
Administration	455,599
Total operating disbursements	<u>1,266,291</u>
Excess of operating receipts over operating disbursements	<u>800,450</u>
Non-operating receipts (disbursements):	
Interest on investments	2,924
Rental income	22,650
Sewer and garbage fees collected for the City	580,892
Sewer and garbage fees remitted to the City	(580,892)
Debt service	(105,350)
Capital outlay	(558,634)
Net non-operating receipts (disbursements)	<u>(638,410)</u>
Change in cash balance	162,040
Cash balance beginning of year	<u>821,277</u>
Cash balance end of year	<u>\$ 983,317</u>
Cash Basis Fund Balance	
Restricted for:	
Sinking account	\$ 87,170
Reserve account	46,000
Customer water deposits	111,075
Total restricted cash basis fund balance	244,245
Unrestricted	<u>739,072</u>
Total cash basis fund balance	<u>\$ 983,317</u>

See notes to financial statement.

Perry Municipal Waterworks

Notes to Financial Statement

June 30, 2017

(1) Summary of Significant Accounting Policies

A. Reporting Entity

The Perry Municipal Waterworks is a component unit of the City of Perry, Iowa, as determined by criteria specified by the Governmental Accounting Standards Board. The Waterworks is governed by a three-member Board of Trustees appointed by the City Council, which exercises oversight responsibility under this criteria.

B. Basis of Presentation

The accounts of the Waterworks are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

C. Basis of Accounting

The Waterworks maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Waterworks is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statement does not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

D. Fund Balance

Funds set aside for bond principal and interest payments and customer water deposits are classified as restricted.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information.

(2) Cash and Pooled Investments

The Waterworks' deposits at June 30, 2017 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The Waterworks is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Trustees; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Waterworks had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Revenue Bonds Payable

Annual debt service requirements to maturity for water revenue refunding bonds are as follows:

Year	Water Revenue Refunding Bonds			
	Issued July 26, 2011			
Ending June 30,	Interest Rate	Principal	Interest	Total
2018	2.60%	\$ 100,000	2,600	102,600

The Waterworks has pledged future water customer receipts, net of specified operating disbursements, to repay \$640,000 of water revenue refunding bonds issued in July 2011. The bonds were issued for the purpose of refunding and early retirement of the Waterworks' outstanding water revenue bonds/notes. The refunding bonds are payable solely and only out of the net earnings of the Waterworks and are payable through 2018. The total principal and interest remaining to be paid on the refunding bonds is \$102,600. For the current year, principal and interest paid on the refunding bonds and total customer net receipts were \$104,850 and \$800,450, respectively. Annual principal and interest payments on the water revenue refunding bonds are expected to require less than 14% of net receipts.

The resolution providing for the issuance of the water revenue refunding bonds includes the following provisions:

- (a) The Board shall provide for the collection of rates sufficient to pay the expenses of the utility and to leave a balance of net receipts equal to at least 110% of the principal and interest due in the fiscal year.
- (b) Sufficient monthly transfers shall be made to a sinking account for the purpose of making the bond principal and interest payments when due.
- (c) A reserve account shall be established and maintained in the amount of the lesser of (1) the maximum amount of the principal and interest coming due on the bonds in any succeeding fiscal year, (2) 10% of the stated principal amount of the bonds then outstanding, which is \$30,000, or (3) 125% of the average amount of principal and interest coming due on the bonds in any succeeding fiscal year.

(4) Compensated Absences

Waterworks' employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Waterworks until used or paid. The Waterworks' approximate liability for earned compensated absences payable to employees at June 30, 2017 is \$33,000. This liability has been computed based on rates of pay in effect at June 30, 2017.

(5) Intrafund Transfers

The detail of intrafund transfers for the year ended June 30, 2017 is as follows:

Transfer to	Transfer from	Amount
Enterprise:	Enterprise:	
Sinking Account	Waterworks	\$ 108,000
Customer Deposit		132
Self Insurance		14,850
		<u>\$ 122,982</u>

Transfers generally move resources from the account required to collect the resources to the account statutorily to disburse the resources.

(6) Risk Management

The Waterworks is included under the insurance for the City of Perry. The City of Perry is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 753 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The Waterworks' property and casualty contributions to the Pool are recorded as disbursements from its operating funds at the time of payment to the Pool. The Waterworks' contributions to the Pool for the year ended June 30, 2017 were \$18,122.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk sharing protection provided by the member's risk sharing certificate. Property and automobile physical damage risk are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk sharing agreements up to the amount risk-sharing protection provided by the member's risk sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims, property loss or series of claims or losses exhausts total Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The Waterworks is also included under the City of Perry's commercial insurance purchased from other insurers for coverage associated with worker's compensation. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(7) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the Waterworks, except for those covered by another retirement system. Employees of the Waterworks are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Chapter 97B of the Code of Iowa and the administrative rules thereunder. Chapter 97B of the Code of Iowa and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2017, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the Waterworks contributed 8.93% of covered payroll, for a total rate of 14.88%.

The Waterworks' contributions to IPERS for the year ended June 30, 2017 totaled \$43,376.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the Waterworks reported a liability of \$439,276 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Waterworks’ proportion of the net pension liability was based on the Waterworks’ share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2016, the Waterworks’ proportion was 0.0069800%, which was a decrease of 0.0001127% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Waterworks’ pension expense, deferred outflows of resources and deferred inflows of resources totaled \$52,100, \$127,526 and \$59,602, respectively.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, as follows:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increase (effective June 30, 2010)	4.00% to 17.00%, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50%, compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 1990)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core plus fixed income	28%	1.90%
Domestic equity	24	5.85
International equity	16	6.32
Private equity/debt	11	10.31
Real estate	8	3.87
Credit opportunities	5	4.48
U.S. TIPS	5	1.36
Other real assets	2	6.42
Cash	1	(0.26)
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the Waterworks will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Waterworks' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Waterworks' proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Waterworks' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Waterwork's proportionate share of the net pension liability	\$ 710,689	439,276	210,200

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

(8) Other Postemployment Benefits (OPEB)

Plan Description – The Waterworks operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 10 active and no retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits were provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy – The contribution requirements of plan members are established and may be amended by the Waterworks. The Waterworks currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the Waterworks and plan members are \$198 to \$769 for single coverage and \$1,060 to \$1,912 for family coverage. For the year ended June 30, 2017, the Waterworks contributed \$111,706 and plan members eligible for benefits contributed \$7,544 to the plan.

(9) Water Tank Maintenance Contract

In December 2008, the Waterworks entered into an agreement with Utility Service Co. for the maintenance of the 500,000 gallon, elevated water tower, including annual inspections of the tank, repair, cleaning and repainting the interior and exterior of the tank. The agreement was amended in May 2010 to include maintenance for the mixing system. The contract is for an indefinite period of time. Beginning in contract year ten and each third anniversary thereafter, the annual fee can be adjusted to reflect the current cost of service, with a maximum change of 5% per annum. The Waterworks was scheduled to pay quarterly installments of \$11,401 on the contract until the beginning of the 7th year (June 30, 2014) when quarterly installments were reduced to \$5,791. During the year ended June 30, 2017, the Waterworks paid \$23,162 on the contract.

In October 2014, there was an addendum to the water tank maintenance contract to include additional fees and services for a containment system and exterior blast of the City tank. The cost for the containment system and exterior blast is \$116,440. This fee will be spread out over five years with quarterly payments of \$5,822 and will be in addition to any annual fees set forth in the original contract. During the year ended June 30, 2017, the Waterworks paid \$23,288 on the contract.

In August 2015, the Waterworks entered into an agreement with Utility Service Co. for the maintenance of the 500,000 gallon, concrete water tower, including annual inspections of the tank, repair, cleaning and repainting the interior and exterior of the tank. The contract is for an indefinite period of time. Beginning July 30, 2016, the first four annual fees are \$98,620 per contract year. The annual fee for contract year 5 will be \$9,529 per contract year. Beginning in contract year six and each anniversary thereafter, the annual fee will be adjusted to reflect the current cost of service, with a maximum change of 5% per annum. The Waterworks was scheduled to pay quarterly installments of \$24,655 on the contract. Due to the timing of when work was completed on the project, the Waterworks made payments of \$197,240 for contract years one and two during the year ended June 30, 2017.

(10) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement will be implemented for the fiscal year ending June 30, 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with postemployment benefits other than pensions, including additional note disclosures and required supplementary information.

Perry Waterworks

Other Information

Perry Municipal Waterworks
 Budgetary Comparison Schedule
 of Receipts, Disbursements and Changes in Cash Balance –
 Budget and Actual (Cash Basis)

Other Information

Year ended June 30, 2017

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Use of money and property	\$ 25,574	-	25,574
Charges for service	2,478,626	580,892	1,897,734
Miscellaneous	169,007	-	169,007
Total receipts	2,673,207	580,892	2,092,315
Disbursements:			
Business type activities	2,511,167	580,892	1,930,275
Change in cash balance	162,040	-	162,040
Cash balance beginning of year	821,277	-	821,277
Cash balance end of year	\$ 983,317	-	983,317

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
61,950	24,050	1,524
1,809,320	1,809,270	88,464
138,159	176,159	(7,152)
2,009,429	2,009,479	82,836
1,984,656	1,984,656	54,381
24,773	24,823	137,217
1,356,709	889,187	(67,910)
1,381,482	914,010	69,307

Perry Municipal Waterworks

Notes to Other Information – Budgetary Reporting

June 30, 2017

The Perry Municipal Waterworks prepares a budget on the cash basis of accounting and submits it to the City Council. In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon classes of disbursements known as functions, not by fund. The Waterworks' disbursements are budgeted in the business type activities function.

During the year ended June 30, 2017, disbursements did not exceed the amount budgeted.

Perry Municipal Waterworks

Schedule of the Waterworks' Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
For the Last Three Years*
(In Thousands)

Other Information

	2017	2016	2015
Waterworks' proportion of the net pension liability	0.0069800%	0.0070927%	0.0075142%
Waterworks' proportionate share of the net pension liability	\$ 439	350	298
Waterworks' covered-employee payroll	\$ 501	486	495
Waterworks' proportionate share of the net pension liability as a percentage of its covered-employee payroll	87.62%	72.02%	60.20%
IPERS' net position as a percentage of the total pension liability	81.82%	85.19%	87.61%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

Perry Municipal Waterworks
 Schedule of Waterworks' Contributions
 Iowa Public Employees' Retirement System
 For the Last Ten Years

Other Information

	2017	2016	2015	2014
Statutorily required contribution	\$ 43,376	44,731	43,393	44,241
Contributions in relation to the statutorily required contribution	(43,376)	(44,731)	(43,393)	(44,241)
Contribution deficiency (excess)	\$ -	-	-	-
Waterworks' covered-employee payroll	\$ 485,735	500,913	485,916	495,419
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.93%	8.93%

See accompanying independent auditor's report.

2013	2012	2011	2010	2009	2008
42,555	39,234	32,992	31,958	31,985	26,907
(42,555)	(39,234)	(32,992)	(31,958)	(31,985)	(26,907)
-	-	-	-	-	-
490,830	486,171	474,705	480,571	503,701	444,744
8.67%	8.07%	6.95%	6.65%	6.35%	6.05%

Perry Municipal Waterworks

Notes to Other Information – Pension Liability

Year ended June 30, 2017

Changes of benefit terms

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Legislative action in 2008 transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Changes of assumptions

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

Supplementary Information

Schedule 1

Perry Municipal Waterworks

Combining Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances
Enterprise Fund Accounts

As of and for the year ended June 30, 2017

	Water Works	Customer Deposit	2011 Revenue Bonds			Total
			Sinking Account	Reserve Account	Self Insurance	
Operating receipts:						
Charges for service:						
Sale of water	\$ 1,844,379	-	-	-	-	1,844,379
Other charges for service	51,355	-	-	-	-	51,355
Installations and connections	2,000	-	-	-	-	2,000
	<u>1,897,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,897,734</u>
Miscellaneous:						
Sales tax	114,073	-	-	-	-	114,073
Customer deposits	-	41,098	-	-	-	41,098
Miscellaneous	13,836	-	-	-	-	13,836
	<u>127,909</u>	<u>41,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,007</u>
Total operating receipts	<u>2,025,643</u>	<u>41,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,066,741</u>
Operating disbursements:						
Business type activities:						
Plant operation and maintenance:						
Salaries	208,192	-	-	-	-	208,192
Employee benefits	101,227	-	-	-	-	101,227
Contractual services	140,644	-	-	-	-	140,644
Commodities	138,439	-	-	-	-	138,439
	<u>588,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>588,502</u>
Distribution operation and maintenance:						
Salaries	118,206	-	-	-	-	118,206
Employee benefits	44,510	-	-	-	-	44,510
Contractual services	49,626	-	-	-	-	49,626
Commodities	9,848	-	-	-	-	9,848
	<u>222,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>222,190</u>
Administration:						
Salaries	164,531	-	-	-	-	164,531
Employee benefits	73,388	-	-	-	6,648	80,036
Contractual services	59,609	25,701	-	-	-	85,310
Sales tax remitted	104,258	-	-	-	-	104,258
Commodities	21,464	-	-	-	-	21,464
	<u>423,250</u>	<u>25,701</u>	<u>-</u>	<u>-</u>	<u>6,648</u>	<u>455,599</u>
Total operating disbursements	<u>1,233,942</u>	<u>25,701</u>	<u>-</u>	<u>-</u>	<u>6,648</u>	<u>1,266,291</u>

	2011 Revenue Bonds					Total
	Water Works	Customer Deposit	Sinking Account	Reserve Account	Self Insurance	
Excess (deficiency) of operating receipts over (under) operating disbursements	791,701	15,397	-	-	(6,648)	800,450
Non-operating receipts (disbursements):						
Interest on investments	2,855	-	65	-	4	2,924
Rental income	22,650	-	-	-	-	22,650
Sewer and garbage fees collected for the City	580,892	-	-	-	-	580,892
Sewer and garbage fees remitted to the City	(580,892)	-	-	-	-	(580,892)
Debt service:						
Principal redeemed	-	-	(100,000)	-	-	(100,000)
Interest paid	-	-	(4,850)	-	-	(4,850)
Service fees	-	-	(500)	-	-	(500)
Capital outlay	(558,634)	-	-	-	-	(558,634)
Total non-operating receipts (disbursements)	(533,129)	-	(105,285)	-	4	(638,410)
Excess (deficiency) of receipts over (under) disbursements	258,572	15,397	(105,285)	-	(6,644)	162,040
Transfers in (out):						
Transfers in	-	132	108,000	-	14,850	122,982
Transfers out	(122,982)	-	-	-	-	(122,982)
Total transfers in (out)	(122,982)	132	108,000	-	14,850	-
Change in cash balances	135,590	15,529	2,715	-	8,206	162,040
Cash balances beginning of year	591,941	95,546	84,455	46,000	3,335	821,277
Cash balances end of year	\$ 727,531	111,075	87,170	46,000	11,541	983,317

See accompanying independent auditor's report.

Perry Municipal Waterworks

Schedule of Indebtedness

Year ended June 30, 2017

<u>Obligation</u>	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>
Revenue bonds: Water refunding	July 26, 2011	1.10-2.60%	\$ 640,000

See accompanying independent auditor's report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
200,000	-	100,000	100,000	4,850

Perry Municipal Waterworks



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of a Financial Statement Performed in Accordance with
Government Auditing Standards

To the Board of Trustees of the Perry Municipal Waterworks:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statement of the Perry Municipal Waterworks as of and for the year ended June 30, 2017, and the related Notes to Financial Statement, and have issued our report thereon dated December 22, 2017. Our report expressed an unmodified opinion on the financial statement which was prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Perry Municipal Waterworks' internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Perry Municipal Waterworks' internal control. Accordingly, we do not express an opinion on the effectiveness of the Perry Municipal Waterworks' 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 a material misstatement of the Perry Municipal Waterworks' financial statement 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 preceding paragraph 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 have not been identified. We consider the deficiency in internal control described in the accompanying Schedule of Findings as item (A) to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Perry Municipal Waterworks' financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters which are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Waterworks' operations for the year ended June 30, 2017 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the Waterworks. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.


The Perry Municipal Waterworks' Response to the Finding

The Perry Municipal Waterworks' response to the finding identified in our audit is described in the accompanying Schedule of Findings. The Perry Municipal Waterworks' response was not subjected to the auditing procedures applied in the audit of the financial statement 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 Waterworks' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Waterworks' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Perry Municipal Waterworks during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


MARY MOSIMAN, CPA
Auditor of State

December 22, 2017

Perry Municipal Waterworks

Schedule of Findings

Year ended June 30, 2017

Finding Related to the Financial Statement:

INTERNAL CONTROL DEFICIENCY:

(A) Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Waterworks' financial statement.

Condition – Water utility billings, collections and deposits, posting to customer accounts and the cash receipts journal, posting journal entries and reconciliation of billings to collections and delinquent accounts are all performed by the same person. Also, bank accounts are not reconciled by an individual who does not sign checks, handle or record cash.

Cause – The Waterworks has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the Waterworks' ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Waterworks should review its operating procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including Waterworks' officials.

Response – The Perry Waterworks will continue to monitor and revise operating procedures to ensure the Waterworks is, to the best of our ability, using the practice on the segregation of duties.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Perry Municipal Waterworks

Schedule of Findings

Year ended June 30, 2017

Other Findings Related to Required Statutory Reporting:

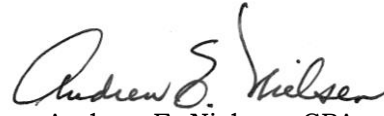
- (1) Certified Budget – The budget certified by the City of Perry includes an amount budgeted for the Waterworks. Disbursements during the year ended June 30, 2017 did not exceed the amount budgeted for the Waterworks.
- (2) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No disbursements of Waterworks’ money for travel expenses of spouses of Waterworks’ officials or employees were noted.
- (4) Business Transactions – No business transactions between the Waterworks and Waterworks’ officials or employees were noted.
- (5) Bond Coverage – Surety bond coverage of Waterworks’ officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Waterworks’ investment policy were noted.
- (8) Revenue Bonds – No instances of non-compliance with the revenue bond requirements for the year ended June 30, 2017 were noted.

Perry Municipal Waterworks

Staff

This audit was performed by:

Jennifer L. Wall, CPA, Manager
Chad C. Lynch, Staff Auditor
Micaela A Tintjer, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State