

CITY OF CAPE GIRARDEAU, MISSOURI
Cape Girardeau, Missouri

For the Year Ended June 30, 2014

ANNUAL FINANCIAL REPORT

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

CITY OF CAPE GIRARDEAU, MISSOURI

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BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Cape Girardeau, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cape Girardeau, Missouri (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cape Girardeau, Missouri as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 18 and 90 through 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cape Girardeau, Missouri's basic financial statements. The budgetary comparison fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The budgetary comparison fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
February 4, 2015

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

The discussion and analysis of the City of Cape Girardeau's financial performance provides an overall review of the City's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the basic financial statements and related notes to those statements to enhance their understanding of the City's financial performance.

Financial Highlights

- o The assets of the City of Cape Girardeau exceeded its liabilities at the close of the most recent fiscal year by \$281,455,827.15 (net position). Of this amount, \$46,742,865.76 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- o As of the close of the current fiscal year, the City of Cape Girardeau's governmental funds reported combined ending fund balances of \$38,390,052.73. Approximately 7.5 percent of this total amount, \$2,880,014.89 is available for spending at the government's discretion (unassigned fund balance).
- o At the end of the current fiscal year, the unassigned fund balance for the general fund was \$2,880,014.89 or 11.0 percent of total general fund expenditures and transfers.
- o At the end of the current fiscal year, general fund balance reserved for emergencies was \$4,206,191.00 or 16.0 percent of total general fund expenditures and transfers.
- o The City of Cape Girardeau's fixed assets increased \$29,648,191.85 during the year. Net fixed asset additions of \$42,275,351.28 were made during the year. Depreciation for the current fiscal year reduced fixed assets by \$12,627,159.43.
- o The City of Cape Girardeau's total long-term debt increased by \$25,921,347.75 (36.4 percent) during the current fiscal year. During the year the City received disbursements totaling \$31,971,367.61 from loans through the state revolving loan program. These loans are being used to fund costs related to the current

construction of a new wastewater treatment plant. Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$6,050,019.86.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Cape Girardeau's basic financial statements. The City of Cape Girardeau's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City of Cape Girardeau's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in the net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Cape Girardeau that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The

CITY OF CAPE GIRARDEAU, MISSOURI

governmental activities of the City of Cape Girardeau include administrative services, development services, parks and recreation, public safety, and public works. The business-type activities of the City include sewer, water, and solid waste utilities and golf course and sports complexes operations. The government-wide financial statements can be found on pages 19 to 22 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Cape Girardeau, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Cape Girardeau maintains 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, airport, park and recreation, transportation trust IV, and

casino revenue funds, which are considered, or have been designated, to be major funds of the City. Data from the other governmental funds are combined into a single, aggregated presentation.

The City of Cape Girardeau adopts annual appropriated budgets for all its governmental funds except the special revenue funds that are foundations and the capital project funds which have project length budgets. Budgetary comparison statements have been provided for all major governmental funds as part of the financial statements to demonstrate compliance with this budget. Budgetary comparison statements for the remaining governmental funds are presented as supplemental information.

The basic governmental fund financial statements can be found on pages 23 to 27 of this report.

Proprietary Funds. The City of Cape Girardeau maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City used enterprise funds to account for its sewer, water, and solid waste utilities and its golf course and sports complexes operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for operation of its information technology systems, fleet management, self-insured employee benefits and workmen's compensation programs, and its internal equipment leasing program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer, water, and solid waste utilities and golf course and sports complexes operations. All of these are considered, or have been designated, to be major funds of the City. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 28 to 32 of this report. Budgetary comparison statements for all the proprietary funds are present as supplemental information.

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Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 34 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City of Cape Girardeau, assets exceeded liabilities by \$281,455,827.15, an increase of \$12,274,173.13 (4.6%). The City's \$226,552,386.24 net investment in capital assets (land, buildings, machinery, and equipment less related outstanding debt used to acquire those assets) makes up 80.5% of the City's net assets.

This net investment increased \$3,669,031.70 (1.6%) during the current fiscal year. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (2.9 percent) represent resources that are subject to external restrictions on how they may be used. The portion of the City's net assets subject to external restrictions was \$936,229.01 (0.3%) more than the previous year. The remaining balance of net assets (\$46,742,865.76) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. This reflects a \$9,541,370.44 (25.6%) increase over the previous year.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation was true of the prior year.

City of Cape Girardeau's Net Assets

	Governmental Activity		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	47,529,113.40	37,491,415.96	22,439,925.27	18,982,594.30	69,969,038.67	56,474,010.26
Capital assets	170,953,665.64	174,515,860.50	152,792,575.86	119,582,189.15	323,746,241.50	294,098,049.65
Total assets	218,482,779.04	212,007,276.46	175,232,501.13	138,564,783.45	393,715,280.17	350,572,059.91
Long-term liabilities outstanding	18,294,510.68	21,793,945.39	76,192,017.62	47,672,709.29	94,486,528.30	69,466,654.68
Other liabilities	6,350,267.09	5,739,637.74	11,422,657.63	6,184,113.47	17,772,924.72	11,923,751.21
Total liabilities	24,644,777.77	27,533,583.13	87,614,675.25	53,856,822.76	112,259,453.02	81,390,405.89
Net assets:						
Invested in capital assets,						
Net of related debt	152,494,072.82	152,915,480.00	74,058,313.42	69,967,874.54	226,552,386.24	222,883,354.54
Restricted	5,189,433.15	5,034,599.16	2,971,142.00	4,062,205.00	8,160,575.15	9,096,804.16
Unrestricted	36,154,495.30	26,523,614.17	10,588,370.46	10,677,881.15	46,742,865.76	37,201,495.32
Total net assets	193,838,001.27	184,473,693.33	87,617,825.88	84,707,960.69	281,455,827.15	269,181,654.02

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Governmental Activities. Governmental activities increased the City of Cape Girardeau's net assets by \$9,566,576.31 (compared to \$9,896,055.67 in the previous fiscal year) thereby accounting for 77.9 percent of the total growth in the net assets of the City. Increases in unrestricted net assets during the fiscal year accounted for \$9,630,878.13 or 100.7 percent of this year's increase in its governmental activities net assets.

City of Cape Girardeau's Change in Net Assets						
	Governmental activities		Business-type activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenue:						
Charges for service	4,844,836.93	5,002,153.87	17,847,281.93	18,495,390.56	22,692,118.86	23,497,544.43
Operating grants and contributions	1,013,113.77	796,308.41	14,168.11	-	1,027,281.88	796,308.41
Capital grants and contributions	2,069,419.05	4,789,381.28	386,732.41	2,071,345.28	2,456,151.46	6,860,726.56
General revenues:						
Property taxes	2,188,736.30	2,062,236.27	-	-	2,188,736.30	2,062,236.27
Sales taxes	26,698,005.01	26,511,731.37	-	-	26,698,005.01	26,511,731.37
Other taxes	13,312,931.00	12,113,394.52	-	-	13,312,931.00	12,113,394.52
Other	146,748.95	494,725.23	320,676.33	275,419.33	467,425.28	770,144.56
Special item	-	-	-	-	-	-
Total revenues	50,273,791.01	51,769,930.95	18,568,858.78	20,842,155.17	68,842,649.79	72,612,086.12
Expenses:						
Administrative	3,184,373.73	3,267,964.38	-	-	3,184,373.73	3,267,964.38
Capital Improvements	610,145.55	429,838.16	-	-	610,145.55	429,838.16
Development Services	6,294,240.09	6,382,275.54	-	-	6,294,240.09	6,382,275.54
Interest and other costs	723,040.06	713,682.16	-	-	723,040.06	713,682.16
Parks and Recreation	5,130,026.42	4,990,013.03	-	-	5,130,026.42	4,990,013.03
Public Safety	13,560,885.70	12,962,978.63	-	-	13,560,885.70	12,962,978.63
Public Works	8,034,915.59	7,393,568.10	-	-	8,034,915.59	7,393,568.10
Sewer	-	-	6,542,500.17	6,194,785.59	6,542,500.17	6,194,785.59
Water	-	-	6,994,762.21	6,905,558.71	6,994,762.21	6,905,558.71
Solid Waste	-	-	3,557,378.36	3,450,068.68	3,557,378.36	3,450,068.68
Golf Course	-	-	701,911.73	699,129.34	701,911.73	699,129.34
Softball Complex	-	-	1,084,071.29	1,026,917.22	1,084,071.29	1,026,917.22
Total expenses	37,537,627.14	36,140,320.00	18,880,623.76	18,276,459.54	56,418,250.90	54,416,779.54
Increase in net assets						
before transfers	12,736,163.87	15,629,610.95	(311,764.98)	2,565,695.63	12,424,398.89	18,195,306.58
Transfers	(3,169,587.56)	(5,733,555.28)	3,169,587.56	5,733,555.28	-	-
Increase in net assets	9,566,576.31	9,896,055.67	2,857,822.58	8,299,250.91	12,424,398.89	18,195,306.58
Net assets-beginning of year	184,473,693.33	174,582,201.52	84,707,960.69	76,408,709.78	269,181,654.02	250,990,911.30
Inclusion of component units not previously reported	-	-	-	-	-	-
Prior period adjustments	(202,268.37)	(4,563.86)	52,042.61	-	(150,225.76)	(4,563.86)
Net assets-end of year	193,838,001.27	184,473,693.33	87,617,825.88	84,707,960.69	281,455,827.15	269,181,654.02

CITY OF CAPE GIRARDEAU, MISSOURI

Activity in the following revenue and expense items should be noted for the current fiscal year:

Revenues from governmental activities

- Charges for service were \$157,316.94 (3.1%) less the previous year. During the current year administrative revenues declined \$240,645.11 (12.6%) from the previous year. A \$213,224.54 (20.7%) decline in municipal court revenue accounted for most of this decline. Development service revenues from the Cape Girardeau Regional Airport increased \$148,630.93 (23.6%) over the previous year. Increases of revenue from the FBO operations of \$64,463.36 (21.6%), annual airshow \$57,763.00 (63.8%) and airport leases \$26,404.57 (10.9%) accounted for this increase. Remaining development service revenue declined \$56,978.17 (7.5%) from the previous year. Park and recreation revenue declined \$26,080.84 (1.7%) from the previous year. Other notable changes included in this year's revenue were: (1) \$19,956.51 (209.0%) increase in weed and demolition assessments included as public safety revenue, (2) \$17,350.00 (75.4%) increase in out of city fire protection fees included as public safety revenue, (3) \$18,822.26 (6,274.1%) increase in donations included as public safety revenue, and (4) \$45,410.75 (55.0%) decrease in charges to solid waste fund for limb pickup included in public works revenue.
- Operating grants and contributions were \$216,805.36 (27.2%) more than the previous year. During the current year the City received \$121,800.86 in payments from various neighborhood improvement grants, \$204,141.02 for emergency shelter grants, \$433,420.16 from various police operating grants, \$3,366.85 in grants used establish bike routes throughout the City, and \$2,424.38 for a Citizen's Corp grant. During the previous year payments from these sources were \$172,189.94, \$41,802.84, \$365,168.73, \$36,081.60 and \$7,808.26, respectively. During the current year the City received \$50,372.00 from an assistance to firefighters grant to cover the costs of paramedic training and testing and \$18,502.25 in grants to cover professional service and maintenance costs at the airport. No grant funds were received for these purposes during the previous year.
- Capital grants and contributions decreased \$2,719,962.23 (56.8%) from the previous year. During the current year the city received grants totaling \$616,769.10, \$113,377.45, \$118,578.18, \$11,807.73 and \$105,253.66 for a t-hangar / taxiway project at its airport, two safe routes to school projects, two park trail projects, the Lewis and Clark Parkway project and various public safety equipment purchases. In the prior year the City received \$24,013.00, \$56,118.27, \$37,504.50, \$1,458,461.57 and \$141,849.50, respectively, for these items. During the current year, the City also received \$973,401.84 in contributions toward three street projects and \$57,278.13 in grant revenue that was used in constructing infrastructure at its new industrial park. In the previous year the Isle of Capri donated public infrastructure to the City valued at \$2,420,307.00 and the Greater Cape Girardeau Benevolent Association made a \$480,000 down payment on behalf of the City per an agreement with the Southeast Missouri University Foundation for the purchase of 247.43 acres along interstate I-55.
- Property tax revenue was \$126,500.03 (6.1%) more than the previous year. Assessed values finalized by the board of equalization increased \$20,287,411 (4.4%) and \$15,466,968 (16.5%) for real estate and personal property, respectively. New construction of \$15,614,430 and annexed property of \$1,519,690 were included in the real estate increase. The City's general tax levy rate remained the same as the previous year during the current year.
- Sales tax revenue was 53.1% of the total revenue during the current year vs. 51.2% in the previous year. This year's revenue was \$186,273.64 (0.7%) more than the previous year. From fiscal year ending June 30, 2010 through fiscal year ending June 30, 2013 sale tax revenue, adjusted for new taxes, had annual growth rates of 1.6%, 2.0%, 4.9% and 4.6%, respectively.
- Other taxes increased \$1,199,536.48 (9.9%) from the previous year. Gaming taxes, franchise taxes, motor fuel taxes, convention and tourism taxes, and liquor licenses grew \$914,002.04 (39.0%), \$268,381.34 (5.6%), \$56,101.55 (4.1%), \$4,986.97 (0.2%) and \$326.96 (.5%), respectively. Merchant licenses and cigarette taxes declined \$38,927.02 (2.8%) and \$5,335.36 (3.0%) from the previous year. This was the first full year of operation of the Isle of Capri casino which opened October of the previous year.

CITY OF CAPE GIRARDEAU, MISSOURI

Revenues from governmental activities (continued)

- Ameren paid 71.9% of the total franchise tax collected during the year based on its electricity and natural gas revenues. During the current year Ameren paid \$250,479.66 (7.4%) more than the previous year. Payments received on electricity and natural gas sales increased \$165,011.18 (6.3%) and \$85,468.48 (11.5%), respectively, from the previous year. Average monthly electric and natural gas rates were 4.5% more and 1.9% less, respectively, during the current year when compared to the previous year. A colder winter had a positive impact on natural gas receipts during the current year.
- During the current year the City received payments in lieu of gross receipt franchise taxes totaling \$682,321.78 from its water and sewer funds. This was \$33,334.35 (4.7%) less than the previous year. At the beginning of the current year the fixed portion of the monthly commercial and residential sewer charge was reduced by \$1.00 (7.6%) to \$12.19 per month. There were no changes to the water rates during the current year.
- Franchise tax paid during the current year by the City's telecommunication and cable TV service providers increased \$29,601.25 (10.4%) and \$21,634.78 (5.4%), respectively, from the previous year. During the current year AT&T split up into additional divisions that were each subject to the maximum tax.
- The increase in the convention and tourism taxes was comprised of a \$7,430.74 (1.1%) increase of hotel / motel taxes and a \$2,443.77 (0.2%) decrease in restaurant and hotel / motel taxes from the previous year.
- Other revenue which declined \$347,976.28 (70.3%) from the previous year to \$146,745.95 was comprised of unrestricted grants and contributions, investment earnings and gain (loss) on sales of assets which totaled \$58,374.72, \$521,303.56, and \$(432,929.33), respectively, during the current year. These revenues grew (declined) \$3,049.62 (5.5%), \$161,547.61 (44.9%), and \$(512,573.51) (643.6%), respectively, from the previous year. During the current year the City sold 18 acres from its business park at a loss of \$472,425.48. This site will be used as a regional distribution center by Pepsi MidAmerica.

Expenses from governmental activities

- Administrative expenses totaled \$3,184,373.73 this year which was \$83,590.65 (2.6%) less than the previous year. The current year also includes the following significant changes in administrative costs: (1) amounts spent on building repair and maintenance decreased \$97,035.99 (95.3%) from the previous year as a result of the previous year's City Hall brick renovation project (2) there were no costs related to legal claims against the City compared to costs of \$32,500 in the previous year (3) costs related to the demolition of the building that previously housed the Convention and Visitors Bureau was \$53,000.00 during the current year which was \$47,307.09 (47.2%) less than the previous year and (4) local distributions from casino gaming revenue to adjacent communities totaling \$77,236.49 were began during the current year.
- Capital improvements expenses totaled \$610,145.55 this year which was \$180,307.39 (41.9%) more than the previous year. The current year included \$398,254.96 in street, curb and gutter repairs and \$121,877.42 for professional services related to the initial development of the City's Business Park. This year's street, curb and gutter repair costs were \$19,165.64 (5.1%) more than the previous year. The remaining current year costs represent other capital projects that did not meet the City's \$5,000 capitalization threshold (the amount at which the expenditure would be recorded as a capital asset).

CITY OF CAPE GIRARDEAU, MISSOURI

Expenses from governmental activities (continued)

- Development services expenses totaled \$6,294,240.09 this year which was \$88,035.45 (1.4%) less than the previous year. Personnel costs represented 37.5% of the current year's total development service expenses and declined \$91,159.41 (3.7%) from the previous year. The second most significant cost item included in this category is the City's support of the "River Campus Project" which represented 20.5% of the current year's total development service expenses and declined \$138,057.90 (9.6%) from the previous year.

The "River Campus Project" was a joint City/University project. The City agreed to make payments from its convention and tourism taxes to pay principal and interest on bonds issued by the University to fund \$8.9 million of construction costs related to a campus, performance center, and museum on property that oversees the Mississippi River. The campus began operating in the fall of 2007. The total cost of the project exceeded \$60 million. The city's payments to Southeast Missouri State University ended during the current year as the City's portion of the bonds were paid off early.

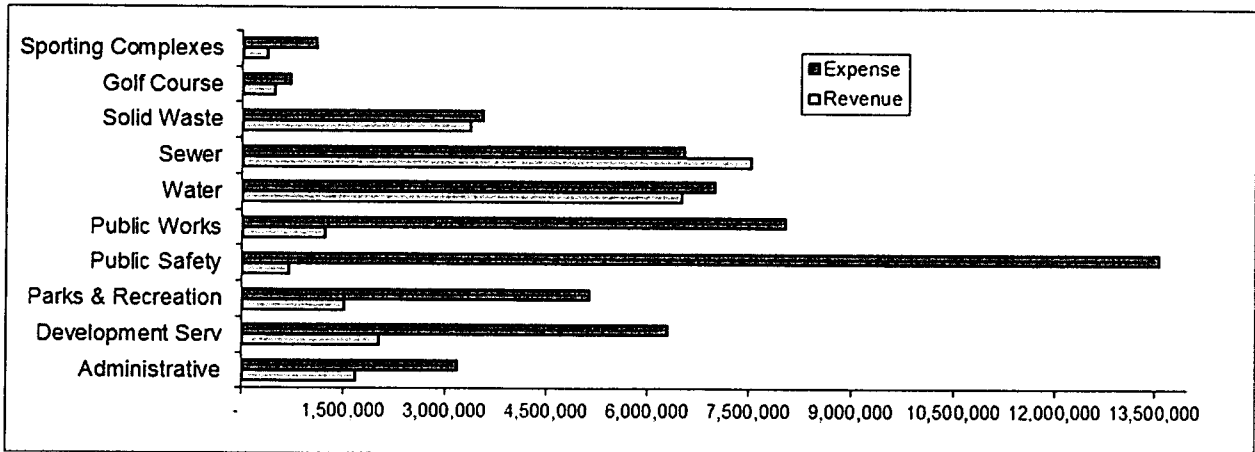
This year's expenses, excluding employee salaries and benefits and the City's support of the "River Campus Project", were \$141,181.86 (5.7%) more than the previous year. During the current year the City spent \$466,020.85 on various economic development projects as required by various development agreements. This was \$135,739.66 (41.1%) more than the previous year. Academy Sports which was included in these agreements opened in June 2013.

During the current year the City spent \$5,392.10 for the completion of a downtown way-finding signage project, \$107,946.62 to construct a restroom to be owned and maintained by the University, and \$191,746.12 for the production of an airshow. In the previous year the City spent \$253,248.36 on the signage project and \$112,216.90 on the airshow.

The following amounts were spent on grant programs during the current year: (1) \$21,461.37 for various airport projects (2) \$98,176.49 for various neighborhood improvement and housing projects (3) \$236,348.41 for emergency shelter and (4) \$13,141.39 for City bike routes. During the previous year the City spent \$0.00, \$262,942.22, \$21,848.31, and \$36,457.74, respectively, on these grant programs. In the previous year a grant-funded renovation of the Prestige Building was completed at a cost of \$89,151.58.

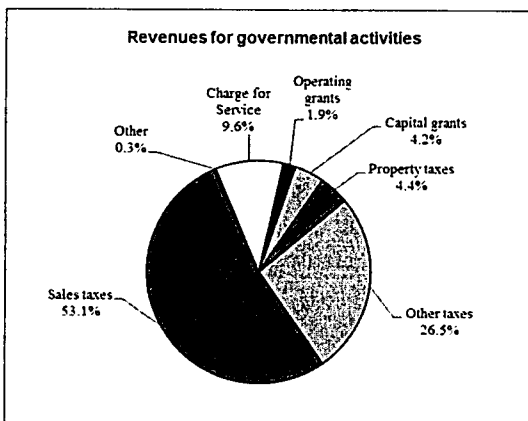
- Parks and recreation expenses totaled \$5,130,026.42 this year which was \$140,013.39 (2.8%) more than the previous year. Personnel costs represented 55.4% of the current year's total parks and recreation expenses and increased \$46,756.32 (1.7%) over the previous year. This year's financial statements included depreciation costs of \$999,476.73 and costs for legal claims against the City totaling \$40,000 which were \$42,409.95 (4.4%) and \$36,126.41 (932.6%) more, respectively than the previous year.
- Public safety expenses totaled \$13,560,885.70 this year which was \$597,907.07 (4.6%) more than the previous year. Personnel costs represented 81.7% of the current year's total public safety expenses and increased \$356,563.83 (3.3%) over the previous year. Included in this year's expenses is \$57,589.20 in grant funded paramedic training and testing supplies and \$56,570.07 in protective attire costs. In the previous year no paramedic training costs were incurred and only \$11,534.18 in protective attire costs.
- Public works expenses totaled \$8,034,915.56 this year which was \$641,347.49 (8.0%) more than the previous year. Included in this year's expenses is depreciation expense totaling \$5,465,818.69 which was \$447,450.09 (8.9%) more than the previous year, personnel costs totaling \$1,167,710.94 which was \$40,290.55 (3.6%) more than the previous year, and operating expenses totaling \$1,401,385.96 which was \$153,606.85 (12.3%) more than the previous year. The following are significant operating expense increases during the current year: (1) street maintenance costs \$55,882.46 (56.3%) (2) fleet maintenance costs \$31,461.96 (19.3%) (3) snow and ice removal supplies \$19,460.36 (35.9%) and (4) street light electricity \$35,915.77 (8.5%).

CITY OF CAPE GIRARDEAU, MISSOURI



The illustration above makes it clear that all the governmental activities and business-type activities of the City with the exception of sewer required a subsidy by taxpayers. General revenues in these activities, which include transfers from special revenue sales taxes, were sufficient to provide adequate subsidies for both the governmental and business-type activities.

Revenues by Source – Governmental Activities



The above chart summarizes the sources of revenue from government activities. The three main sources of revenue and their share of total governmental revenues are sales tax (53.1%), other taxes (26.5%) and charges for services (9.6%).

The City's general sales tax represents 36.7 percent of the total sales tax revenue and 45.3 percent of the total general fund revenues. The remaining sales taxes are for parks, storm water, transportation, sewer, water, and public safety projects.

The general fund accounts for 49.8% and 50.4% of the other tax and service charge revenue respectively. This represents 30.6% and 11.3% of the total general fund revenues respectively.

Business-type activities

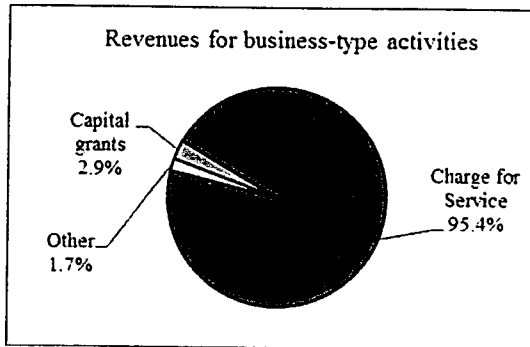
During the current year business-type activities increased the net assets of the City by \$2,857,822.58. During the previous year these activities increased the City's net assets by \$8,299,250.91. Business-type activities before transfers decreased the City's net assets by \$311,764.98 during the current year. In the previous year these activities increased the City's net assets by \$2,565,695.63.

During the current year there were net transfers from the governmental activities to business-type activities of \$3,169,587.56. In the previous year there were net transfers from governmental activities to business-type activities of \$5,733,555.28.

Transfers of sales tax revenue for bond payments totaling \$1,500,000.00 and operating subsidy transfers from the general and parks / storm water sales tax funds totaling \$1,065,527.58 were made during the current year. Last year these transfers totaled \$3,579,595.00 and \$986,807.86, respectively. During the current year capital improvements totaling \$598,869.98 were transferred to the water, sewer, golf and softball complex funds from capital project funds. Last year these transfers were \$1,145,311.94.

The net change in assets before transfers and general revenues in the sewer, water, solid waste, golf, and softball operations totaled \$989,694.25, \$(492,495.93), \$(185,241.84), \$(221,539.12), and \$(722,858.67), respectively, this year. This compares to \$3,242,452.62, \$26,233.10, \$(113,329.62), \$(221,894.01), and \$(643,185.79), respectively, in the previous year.

CITY OF CAPE GIRARDEAU, MISSOURI



Financial Analysis of the City's Funds

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

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

As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$38,390,052.73, an increase of \$9,667,435.67 (33.7%) from the prior year. Unassigned fund balances, which are available for spending at the City's discretion, account for \$2,880,014.89 (10.9%) of the total fund balances.

The remainder of the fund balances are classified as nonspendable, restricted, committed, or assigned to indicate that they are not available for new spending. The following are the amounts and classification of the remaining fund balances at June 30, 2014: (1) \$1,226,860.72 is classified as nonspendable because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact (2) \$28,238,110.21 is classified as restricted because it can be spent only for specific purposes because of restrictions by external parties, constitutional provisions or enabling legislation 3) \$3,637,055.29 is classified as committed because it can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council 4) \$2,410,511.62 is classified as assigned because its expenditure is constrained by the City's intent to use it for specific purposes.

The general fund is the chief operating fund of the City. At the end of fiscal year ending June, unassigned fund balance of the general fund was \$2,880,014.89 while total fund balance was \$8,405,608.39. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents only 11.0 percent of total general fund expenditures including transfers. However, included in the reserved fund balance is \$4,206,191.00, which had been reserved to meet the City Charter's emergency reserve requirement. This amount represents 16.0 percent of total general fund expenditures including transfers and could be used if an emergency was declared by the City Council.

The Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance shows that the total fund balance of the City of Cape Girardeau's general fund increased by \$129,765.22 during the current fiscal year. However, the General Fund Statement of Revenues, Expenditures, and Changes of Fund Balance prepared on a budget basis shows a current fiscal year increase of \$185,339.23. Differences between the amounts reflected in the two statements can be found in the Notes to Budgetary Comparison Schedules found on pages 84 - 87.

The original adopted general fund budget for the fiscal year ending June 30, 2014 had a surplus of revenues over expenditures of \$148,526.00. The actual general fund results increased fund balances by \$185,339.23. Significant deviations from this budget are detailed below:

- Sales tax revenue was \$74,583.74 (0.8%) more than the previous year, which was \$123,001.69 (1.2%) less than projected for the adopted budget. The adopted budget projected revenues that were 2.0% above the projected fiscal year ending June 30, 2013 revenues.

- Franchise tax revenue was \$177,258.80 (3.7%) more than projected for the adopted budget. Franchise taxes from electric utilities, natural gas utilities, telecommunications, and cable TV, and the City's water and sewer service exceeded their budgets by \$27,886.83 (1.0%), \$99,327.86 (13.6%), \$55,469.54 (21.5%) and \$16,252.79 (4.0%), respectively. Franchise tax from the City's water and sewer service were \$21,678.22 (3.1%) below their projected budget.

CITY OF CAPE GIRARDEAU, MISSOURI

o During the current year Ameren paid \$250,479.66 (7.4%) more franchise taxes than the previous year. Payments received on electricity and natural gas sales increased \$165,011.18 (6.3%) and \$85,468.48 (11.5%), respectively, from the previous year. Average monthly electric and natural gas rates were 4.5% more and 1.9% less, respectively, during the current year when compared to the previous year. A colder winter had a positive impact on natural gas receipts during the year. Projections used in the current year's budget had assumed average electric and natural gas usage from the three years ending December 31, 2012 and rates that were in effect on February 1, 2013.

o During the current year the City received payments in lieu of gross receipts franchise taxes from its water and sewer funds totaling \$682,321.78. This was \$33,334.35 (4.7%) less than the previous year. The amount of payments in lieu of franchise taxes projected for the current year's budget had assumed no sewer or water rate changes. However, the fixed portion of the monthly commercial and residential sewer charge was reduced by \$1.00 (7.6%) to \$12.19 per month at the beginning of the fiscal year.

o Franchise tax paid during the current year by the City's telecommunication service providers increased \$29,601.25 (10.4%) from the previous year. During the current year AT & T split up into additional divisions that were each subject to the maximum tax. Additionally, the amount of projected franchise tax used in the current year's budget was significantly underestimated.

o Franchise tax paid during the current year by the City's cable TV service provider increased \$21,634.78 (5.4%) from the previous year. The amount of projected franchise tax used in the current year's budget was based on revenue received during the quarter ended December 31, 2012.

o Property tax revenue increased \$81,394.95 (4.7%) over the previous year and was \$79,614.65 (4.6%) more than the projected budget. Assessed values finalized by the board of equalization increased \$20,287,411 (4.4%) and \$15,466,968 (16.5%) for real estate and personal property, respectively. New construction of \$15,614,430 and annexed property of \$1,519,690 were included in the real estate increase. The adopted budget for the fiscal year ending June 30, 2014 had assumed 1.0% and 0.0% assessed value growth for real estate and personal property, respectively. The City's general tax levy rate did not increase during the current year. No levy increases had been projected in the current year's budget.

o Business license revenue decreased \$38,927.02 (2.8%) from the previous year and was \$40,487.80 (2.9%) less than the projected budget. The adopted budget projected revenues that were at projected fiscal year ending June 30, 2013 revenues. Actual revenue for fiscal year ending June 30, 2013 was \$1,560.78 (0.1%) less than had been assumed by the budget projections.

o Other license and permit revenue was \$30,742.97 (11.0%) less than the previous year and but was \$32,491.04 (15.1%) more than projected budget. This year's results included \$35,611 in revenue from a residential rental license that was implemented during the end of the previous year and no revenue had been assumed in this year's budget.

o Intergovernmental revenue exceeded revenue projected for the budget by \$345,739.88 (67.1%). This year's intergovernmental revenue included \$105,253.66 in revenues from various public safety capital grants and \$204,141.02 for emergency shelter grants. None of these of these revenues had been projected in the current year's budget. The current budget projected \$467,551.00 in grants for operating expenses of public safety. This amount was exceeded by \$18,665.54 (4.0%) during the current year.

o Service charges were \$94,135.44 (6.9%) less than the previous year and were \$2,890.10 (2.0%) less than projected in the budget. Court costs were \$29,381.57 less than anticipated in the original budget and internal costs charged to capital projects were \$21,061.04 more than been anticipated in the original budget.

CITY OF CAPE GIRARDEAU, MISSOURI

o Fines and forfeits revenue was \$192,652.40 (20.6%) less than the previous year and was \$280,426.75 (27.4%) less than projected in the budget. The adopted budget for fiscal year ending June 30, 2014 had assumed revenue levels equal to the 5.8% above the actual revenue for fiscal year ending June 30, 2012. The number of traffic cases heard by the municipal court in fiscal year ending June 30, 2014 was 30.3% less than those heard in fiscal year ending June 30, 2012.

o During the current fiscal year total expenditures were \$50,905.30 (0.2%) less than the original budget. Operating expenditures and debt service expenditures were \$148,671.99 (0.7%) and \$2,859.81 (1.8%) less than their original budgets, respectively. Actual capital expenditures exceeded the original budget by \$100,626.50 (230.2%).

o Transfers to other funds for operating subsidies were \$31,771.17 (0.7%) more than original budget and transfers for capital expenditures exceeded their original budgets by \$30,243.35.

Proprietary funds. The City of Cape Girardeau's enterprise funds are all presented as major funds for purposes of this report. As a result, all statements related to the enterprise funds are presented at the government-wide level. The City does have Internal Service funds, which are reported in total on the Proprietary Fund Statement and consolidated with other governmental activities on the government-wide statements.

General Fund Budgetary Highlights

Total expenditures and transfers on the final amended budget were \$812,810.65 (3.1%) more than the original adopted budget. The changes that were appropriated by the City Council can be summarized as follows:

Administrative – \$23,698.93 for costs related to outside legal advice; unanticipated municipal elections; and replacement of an air conditioner at city hall.

Development Services – \$256,840.00 for costs related to grant funded expenditures to establish bike routes throughout the city and provide community assistance; and installing a restroom close to the university.

Public Safety – \$171,321.72 for costs related to various public safety operating grants; replacement of doors at fire station #2; the purchase of a BAT van and communication equipment with grant funds; and the installation of outdoor cameras at the fire stations.

Parks and Recreation – \$78,000.00 to cover costs of additional part-time and overtime salary expense and various other parks and recreation operating expenses.

Public Works – \$137,950.00 for costs, both operational and capital, related to the street CPR program and the cost of nuisance abatement.

General Fund Transfer to Airport Fund – \$50,000.00 to cover projected operating shortfall from air show.

General Fund to Parks and Recreation Fund – \$20,000.00 to cover operating subsidy shortfall.

General Fund to Sports Complex Fund – \$50,000.00 to cover operating subsidy shortfall.

General Fund to Housing Development Grants Fund – \$25,000.00 to cover costs not reimbursed by grants.

Excess general fund revenues and unrestricted fund balances were used to fund all appropriations that did not have an identified funding source.

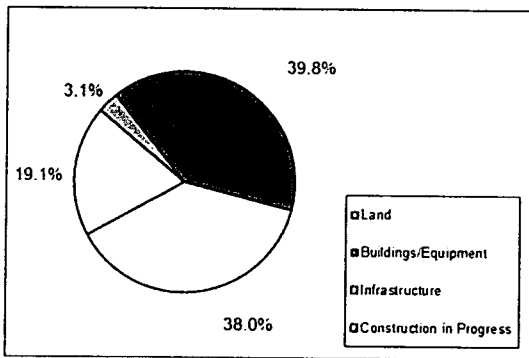
During the year departments may transfer budget appropriations between various expense types within their department.

Capital Assets and Debt Administration

Capital Assets. The City of Cape Girardeau's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$323,746,241.50 (net of accumulated depreciation). This investment in capital assets includes all land, buildings and system improvements, machinery and equipment, and infrastructure owned by the City.

CITY OF CAPE GIRARDEAU, MISSOURI

City Capital Assets



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

- o Construction costs totaling \$1,681,452.00 on approved transportation sales tax projects were incurred this year. This tax was originally approved to complete a specific list of street projects, which also included amounts for street repair and overlay and sidewalk construction and repair.
- o \$552,833.20 in funds received from the Isle of Capri, helped fund a dog park, obtain additional parking along Broadway, improve lighting along Main Street and provide sewer service at the new business park.
- o \$735,177.40 spent on a new 10-unit T-Hangar at the Airport which was partially funded by MODOT.
- o Construction costs totaling \$1,715,228.87 on various water system projects were incurred this year. Major water system improvements included the installation of two new water tanks, a new booster pump station, the addition of water main extensions and the continuation of the two-inch water main replacement program.
- o Costs totaling \$33,076,837.78 related to the new Wastewater Treatment Plant were incurred this year.
- o Costs totaling \$293,895.90 were incurred for sidewalk construction for the safe routes to school program. These costs were almost entirely funded by the Department of Transportation.
- o Department of Transportation funds were used to partially fund the \$25,583.38 spent to expand the City's trail system.
- o In April 2008 voters approved a ½ cent sales tax to pay for storm water and park improvement projects. \$432,330.31 and \$332,096.23 were spent respectively during the current year on these projects.
- o Sewer projects funded by sewer revenue amounted to \$1,644,331.71 in capital expenditures during the current year. Projects included a new storm water sewer system, a new pumping station generator and sewer main, and continuation of the Inflow & Infiltration reduction program.

Additional information about the City's capital assets can be found in note D to the financial statements.

City of Cape Girardeau's Capital Assets (net of depreciation)						
	Governmental Activity		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	9,523,689.30	10,068,114.78	647,165.04	647,165.04	10,170,854.34	10,715,279.82
Buildings and system improvements	20,783,013.56	21,772,194.52	2,277,877.35	2,313,738.67	23,060,890.91	24,085,933.19
Improvements other than buildings	9,153,015.04	9,839,626.61	87,065,544.71	89,344,323.91	96,218,559.75	99,183,950.52
Equipment	5,579,516.79	5,881,751.75	3,963,959.07	4,150,601.28	9,543,475.86	10,032,353.03
Infrastructure	122,977,025.08	124,273,537.85	-	-	122,977,025.08	124,273,537.85
Construction in progress	2,937,405.87	2,680,634.99	58,838,029.69	23,126,360.25	61,775,435.56	25,806,995.24
Total	170,953,665.64	174,515,860.50	152,792,575.86	119,582,189.15	323,746,241.50	294,098,049.65

CITY OF CAPE GIRARDEAU, MISSOURI

Long-term debt.

At the end of the fiscal year, the City of Cape Girardeau had total debt outstanding of \$97,201,890.41. Bonded debt outstanding totaling \$78,180,757.73 is secured by revenues of the sewer and water funds and capital improvement sales taxes. The repayment of the remaining debt is subject to annual appropriations. Outstanding debt of the City increased by \$25,921,347.75 (36.4%) during the year.

During the year the City received disbursements totaling \$31,971,367.61 from loans through the state revolving loan program. These loans are being used to fund costs related to the current construction of a new wastewater treatment plant. Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$6,050,019.86.

More information about the City's outstanding debt can be found in note E to the financial statements.

City of Cape Girardeau's Outstanding Debt

	Governmental Activity		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Notes payable	4,770,438.97	5,154,911.46	690,092.88	750,100.88	5,460,531.85	5,905,012.34
Special obligation bonds	2,409,586.95	3,133,844.52	722,446.98	874,795.15	3,132,033.93	4,008,639.67
Revenue bonds	851,000.00	894,800.00	77,329,757.73	48,055,266.02	78,180,757.73	48,950,066.02
Certificates of participation	-	-	-	-	-	-
General obligation bonds	-	-	-	-	-	-
Leasehold revenue bonds	10,428,566.90	12,416,824.63	-	-	10,428,566.90	12,416,824.63
	<u>18,459,592.82</u>	<u>21,600,380.61</u>	<u>78,742,297.59</u>	<u>49,680,162.05</u>	<u>97,201,890.41</u>	<u>71,280,542.66</u>

Economic Factors and the Next Year's Budget

Residential development decreased significantly during the past year. Values of residential permits issued during the year were 25.9% lower than the previous year. Commercial development increased significantly during the current year. Values of commercial permits issued during the year were 72.0% higher than the previous year. Commercial development was strongest it's been in the past 25 years.

Commercial and residential permits valued at \$93.4 million and \$12.0 million were issued this year. Commercial and residential permits valued at \$54.3 million and \$16.2 million were issued in the previous year. In the current year 43 single family residence and 2 two family residence building permits totaling \$9,279,000 and \$660,000, respectively, were issued. In the previous year 49 single family residence and 11 two family residence building permits totaling \$9,844,705 and \$2,310,000, respectively, were issued.

CITY OF CAPE GIRARDEAU, MISSOURI

Local employment continues to be stronger than national employment. The Cape Girardeau County unadjusted unemployment rate was only 4.5% in October 2014. Statewide and national unadjusted unemployment rates were 5.1% and 5.5%, respectively, for this month. The unadjusted unemployment rates were 5.7%, 5.7% and 7.0% for the county, state, and nation, respectively, for the previous October. City construction projects and commercial development provide significant support to local construction employment.

The following major retail stores began operation, were under construction, or were announced during the past year. A new CVS Pharmacy opened February 10, 2014. In December 2013 Walmart announced plans to construct a Walmart Neighborhood Market store, a 40,000 square foot facility, at the site of the former Plaza Galleria building. Ruler foods a division of Kroger began redeveloping a 20,000 square foot facility in February 2014.

Redevelopment in downtown Cape Girardeau resulted in 6 net new businesses, 50 net new jobs, \$4,200,000 in private investment and \$550,000 in public investment. Included in this redevelopment was Codefi, a co-working community, designed to grow and nurture entrepreneurialism for innovators, entrepreneurs, and corporations.

During the year Pepsi MidAmerica announced it would become the first tenant at the new Greater Cape Girardeau Business Park with the construction of a \$3,100,000 distribution center. The company anticipates a mid-summer 2015 opening and expects to produce 74 new jobs. The new center will consist of three structures on an 18 acre site and will distribute a wide array of beverages and products from their snacks division.

During the year the City continued to enhance its position as a regional medical center. Both hospitals have continued to expand or improve their facilities. During the year building permits valued at \$76.5 million were issued to these hospitals.

Local Retail Economy. Sales tax is a significant revenue source of the City and is a barometer of the local economy. In the current year sales tax revenue from the general sales tax increased .8%

while inflation grew at 1.6%. In the previous year sales tax revenue from the general sales tax increased 4.2% while inflation grew at 1.7 %.

The City's restaurant gross receipt tax decreased by .2% and hotel/motel gross receipt tax increased 1.1% during the current year. In the previous year they increased 5.6% and 9.2%, respectively.

Regional Retail Center.

The City is heavily dependent on sales tax revenue for support of its general fund services. Above average growth of local retail sales can have a positive impact on the City's ability to fund services in the future.

Cape Girardeau continues to be a regional retail center for much of Southeast Missouri and Southern Illinois. During the past several years the City has increased its share of the local retail market.

SALES TAX COMPARISON

	FY11	FY12	FY13	FY14
Cape Girardeau	41.9%	42.4%	44.0%	43.8%
Carbondale	27.9%	27.4%	26.7%	26.4%
Jackson	9.6%	9.6%	9.3%	9.6%
Perryville	7.2%	7.2%	7.2%	7.2%
Sikeston	13.4%	13.4%	12.8%	13.0%
	100.0%	100.0%	100.0%	100.0%

The previous table, which includes the City of Cape Girardeau and significant retail centers within a 50 mile radius, shows the percentage of estimated sales made by each City to the total estimated sales of the five cities. During the current year it appears that trend of the City increasing its share of the local market may be slowing.

Local Economic Development.

In the previous 10 years the City has entered into 5 long-term development agreements to reimburse companies for the public improvements associated with 5 retail development projects from the additional sales tax generated from those projects. The agreements have resulted in the addition of three major new retailers, the relocation and expansion of another major retailer, and in the conversion of a former Sears's facility into a call center for National Asset Recover Services (NARS).

CITY OF CAPE GIRARDEAU, MISSOURI

Payment made by the City pursuant to these agreements totaled \$466,021 during the current year. Payments totaling \$1,935,544 have been made since the beginning of these agreements.

During the year the City spent \$66,978 in support of Cape Girardeau Area Magnet, as a result of their membership in that organization. This organization actively solicits business, industry and commerce for the greater Cape Girardeau area which includes neighboring cities Jackson and Scott City and all of Cape Girardeau County.

In October, 2013 the City was awarded a grant up to \$700,000 to provide water, sewer, and road improvements needed to bring a Pepsi MidAmerica regional distribution center to its newly acquired business park site. Pepsi MidAmerica has agreed to invest at least \$2.1 million in the center and produce at least 35 new full-time jobs within two years as a result of this grant.

The City is actively marketing its 247.43 acre business park site located along I-55 around the new LaSalle interchange. This site was purchased in February, 2013 from the Southeast Missouri University Foundation. The land will be used for future business development and is best suited for distribution centers, light manufacturing, technology-related businesses and retail development.

Revenue Limitations

The state Hancock Amendment requires the City obtain simple majority voter approval to increase any permit or license fee that is not based on actual costs to the user and strictly limits the City's ability to increase its real estate and personal property tax levies to support its general services such as police and fire protection. The City Charter requires voter approval to increase sewer, water, and solid waste fees by more than 5% in any year. All other user fees can be adjusted to cover actual costs.

Budget for fiscal year ending June 30, 2015 and financial condition

The adopted general fund budget for the fiscal year ending June 30, 2015, was projected to produce a \$247,419 deficit and included a 2% wage increase effective July 1, 2014. Projected revenues used in preparing the budget were based on conservative revenue assumptions.

The approved general fund budget projected the use of \$364,865 prior year's unassigned fund balance to increase the emergency reserve fund balance by \$117,446, fund \$48,300 in capital costs, fund \$72,426 in one-time operating expenses, fund \$122,126 in contingent public safety salary expenses and cover \$4,567 operating deficit.

The City's current financial position had improved substantially during the past five years and is good in that it has more than adequate fund balance to cover existing claims and potential emergencies. Its financial condition or its ability to provide enough reoccurring revenues to meet its reoccurring needs has also improved over the past five years. However, it is still less than desirable. Funding of equipment for the general and airport funds, excluding police, fire, and various park divisions is still not at desired levels.

Requests for Information

This financial report is designed to provide a general overview of the City of Cape Girardeau's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Cape Girardeau, PO Box 617, Cape Girardeau, MO 63702-0617.

BASIC FINANCIAL STATEMENTS

City of Cape Girardeau
Statement of Net Position
For the Year Ended June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 39,259,595.89	\$ 14,552,829.81	\$ 53,812,425.70
Cash and cash equivalents	83,029.04	-	83,029.04
Investments	350,205.08	-	350,205.08
Taxes receivable	5,362,042.64	-	5,362,042.64
Utility charges receivable - current	-	2,212,177.85	2,212,177.85
Special assessments receivable	233,417.85	34,373.08	267,790.93
Interest receivable	145.04	695.04	840.08
Other receivables	529,594.07	23,087.39	552,681.46
Notes receivable	200,612.99	-	200,612.99
Motor fuel receivable	125,699.88	-	125,699.88
Grants receivable	497,786.78	1,289.19	499,075.97
Internal balances	(18,241.70)	18,241.70	-
Inventory	279,055.14	772,673.87	1,051,729.01
Prepaid items	626,170.70	160,394.70	786,565.40
Restricted cash and cash equivalents	-	4,283,962.64	4,283,962.64
Utility charges receivable - noncurrent	-	380,200.00	380,200.00
Land	9,523,689.30	647,165.04	10,170,854.34
Buildings	20,783,013.56	2,277,877.35	23,060,890.91
Land improvements	9,153,015.04	87,065,544.71	96,218,559.75
Equipment	5,579,516.79	3,963,959.07	9,543,475.86
Infrastructure	122,977,025.08	-	122,977,025.08
Construction in process	2,937,405.87	58,838,029.69	61,775,435.56
Total assets	\$ 218,482,779.04	\$ 175,232,501.13	\$ 393,715,280.17

City of Cape Girardeau
Statement of Net Position
For the Year Ended June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	\$ 1,049,967.55	\$ 6,822,203.08	\$ 7,872,170.63
Salaries and benefits payable	610,579.75	134,260.34	744,840.09
Interest payable	117,333.08	863,328.31	980,661.39
Other liabilities	237,238.70	574,367.73	811,606.43
Estimated claims	537,000.00	-	537,000.00
Due to other governments	1,206.64	60,994.17	62,200.81
Unearned revenues	46,651.10	-	46,651.10
Estimated landfill post closure costs	-	43,500.00	43,500.00
Current portion long-term debt:			
Notes payable	380,590.27	30,004.00	410,594.27
Revenue bonds payable	44,700.00	2,734,000.00	2,778,700.00
Leasehold revenue bonds payable	2,080,000.00	-	2,080,000.00
Special obligation bonds payable	1,245,000.00	160,000.00	1,405,000.00
Long-term debt net of current portion:			
Notes payable	4,389,848.70	660,088.88	5,049,937.58
Revenue bonds payable	806,300.00	74,595,757.73	75,402,057.73
Leasehold revenue bonds payable	8,348,566.90	-	8,348,566.90
Special obligation bonds payable	1,164,586.95	562,446.98	1,727,033.93
Compensated absences payable	1,120,385.13	176,883.03	1,297,268.16
Net OPEB Obligation	2,464,823.00	196,841.00	2,661,664.00
Total liabilities	<u>24,644,777.77</u>	<u>87,614,675.25</u>	<u>112,259,453.02</u>
NET POSITION			
Invested in capital assets, net of related debt	152,494,072.82	74,058,313.42	226,552,386.24
Restricted for debt service	26,358.77	-	26,358.77
Restricted for depreciation and replacement	-	277,000.00	277,000.00
Restricted for emergency fund	5,043,766.00	2,694,142.00	7,737,908.00
Restricted for Mausoleum	93,888.76	-	93,888.76
Restricted for Operation and Maintenance	25,419.62	-	25,419.62
Unrestricted	36,154,495.30	10,588,370.46	46,742,865.76
Total net position	<u>\$ 193,838,001.27</u>	<u>\$ 87,617,825.88</u>	<u>\$ 281,455,827.15</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Activities

For the Year Ended June 30, 2014

Program Revenues				Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
Primary government:						
Governmental activities:						
Administrative	\$ 3,184,373.73	\$ 1,671,767.40	\$ -	\$ -	\$ (1,512,606.33)	\$ (1,512,606.33)
Capital Improvements	610,145.55	-	-	842,185.37	232,039.82	-
Development Services	6,294,240.09	1,484,592.03	526,897.23	-	(4,282,750.83)	(4,282,750.83)
Interest and other costs	723,040.06	-	-	-	(723,040.06)	(723,040.06)
Parks and Recreation	5,130,026.42	1,497,859.11	-	-	(3,632,167.31)	(3,632,167.31)
Public Safety	13,560,885.70	99,473.50	486,216.54	105,253.66	(12,869,942.00)	(12,869,942.00)
Public Works	8,034,915.59	91,144.89	-	1,121,980.02	(6,821,790.68)	(6,821,790.68)
Total governmental activities	37,537,627.14	4,844,836.93	1,013,113.77	2,069,419.05	(29,610,257.39)	(29,610,257.39)
Business-type Activities:						
Golf Course	701,911.73	477,162.61	3,210.00	-	-	(221,539.12)
Sewer	6,542,500.17	7,275,446.91	10,958.11	245,789.40	-	989,694.25
Solid Waste	3,557,378.36	3,372,136.52	-	-	-	(185,241.84)
Sporting Complexes	1,084,071.29	361,212.62	-	-	-	(722,858.67)
Water	6,994,762.21	6,361,323.27	-	140,943.01	-	(492,495.93)
Total business-type activities	18,880,623.76	17,847,281.93	14,168.11	386,732.41	-	(632,441.31)
Total primary government	\$ 56,418,250.90	\$ 22,692,118.86	\$ 1,027,281.88	\$ 2,456,151.46	(29,610,257.39)	(30,242,698.70)

City of Cape Girardeau
Statement of Activities

For the Year Ended June 30, 2014

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General revenues:						
Property taxes				2,188,736.30	-	2,188,736.30
Sales taxes				26,698,005.01	-	26,698,005.01
Franchise taxes				5,028,758.80	-	5,028,758.80
Motor fuel taxes				1,410,812.27	-	1,410,812.27
Convention and tourism taxes				2,019,801.78	-	2,019,801.78
Merchant licenses				1,351,812.20	-	1,351,812.20
Liquor licenses				69,958.84	-	69,958.84
Other taxes				3,431,787.11	-	3,431,787.11
Unrestricted grants and contributions				58,374.72	-	58,374.72
Unrestricted investment earnings				521,303.56	295,166.09	816,469.65
Gain or (Loss) on sale of assets				(432,929.33)	25,510.24	(407,419.09)
Transfers				(3,169,587.56)	3,169,587.56	-
Total general revenues				39,176,833.70	3,490,263.89	42,667,097.59
Change in net position				9,566,576.31	2,857,822.58	12,424,398.89
Net position - beginning				184,473,693.33	84,707,960.69	269,181,654.02
Prior period adjustment				(202,268.37)	52,042.61	(150,225.76)
Net position - ending				\$ 193,838,001.27	\$ 87,617,825.88	\$ 281,455,827.15

FUND FINANCIAL STATEMENTS

City of Cape Girardeau
Balance Sheet
Governmental Funds

For the Year Ended June 30, 2014

	General	Airport	Park and Recreation	Casino Revenue Fund	Transportation Sales Tax Trust Fund IV	Other Governmental Funds	Total Governmental Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 8,845.00	\$ -	\$ -	\$ -	\$ -	\$ 59,231.32	\$ 68,076.32
Pooled cash and investments	4,685,142.14	77,556.85	654,851.15	3,467,257.44	4,964,888.09	18,478,555.51	\$ 32,328,251.18
Receivables-							
Real estate taxes, net	52,148.43	-	-	-	-	11,894.81	64,043.24
Personal property taxes, net	12,223.26	-	-	-	-	2,289.88	14,513.14
Sales tax	1,142,802.04	-	-	-	551,092.54	1,416,585.85	3,110,480.43
Franchise taxes	1,998,963.26	-	-	-	-	-	1,998,963.26
Hotel & motel tax	-	-	-	-	-	174,042.57	174,042.57
Special assessments	120,586.08	-	-	-	-	112,831.77	233,417.85
Other	71,925.33	130,782.20	26,930.37	226,352.24	-	43,008.83	498,998.97
Motor fuel tax	-	-	-	-	-	86,044.04	86,044.04
Vehicle license fees	-	-	-	-	-	12,892.94	12,892.94
Motor vehicle sales tax	-	-	-	-	-	26,762.90	26,762.90
Grants	213,628.90	56,137.25	-	-	-	228,020.63	497,786.78
Other funds	100,530.37	-	-	-	-	-	100,530.37
Inventory	205.01	60,610.16	13,855.14	-	-	5,940.65	80,610.96
Prepaid items	445,913.81	35,579.07	30,503.20	-	-	15,423.04	527,419.12
Total Current assets:	8,852,913.63	360,665.53	726,139.86	3,693,609.68	5,515,980.63	20,673,524.74	39,822,834.07
Noncurrent assets:							
Advances to other funds	694,841.60	-	-	-	-	-	694,841.60
Total Noncurrent assets:	694,841.60	-	-	-	-	-	694,841.60
Total assets	\$ 9,547,755.23	\$ 360,665.53	\$ 726,139.86	\$ 3,693,609.68	\$ 5,515,980.63	\$ 20,673,524.74	\$ 40,517,675.67

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2014

	General	Airport	Park and Recreation	Casino Revenue Fund	Transportation Sales Tax Trust Fund IV	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES							
Current liabilities:							
Accounts payable	\$ 398,906.99	\$ 155,101.40	\$ 89,665.13	\$ 56,554.39	\$ 8,334.50	\$ 205,595.45	\$ 914,157.86
Salaries and benefits payable	382,958.29	18,387.22	93,657.74	-	-	3,138.33	498,141.58
Other liabilities	157,113.99	46,806.32	33,318.39	-	-	-	237,238.70
Due to other governments	-	-	-	-	-	1,206.64	1,206.64
Payable to other funds	-	-	-	-	-	100,530.37	100,530.37
Unearned revenues	-	1,694.00	44,957.10	-	-	-	46,651.10
Deferred revenues	203,167.57	-	-	-	-	126,529.12	329,696.69
Total Current liabilities:	1,142,146.84	221,988.94	261,598.36	56,554.39	8,334.50	436,999.91	2,127,622.94
Non current liabilities:							
Advances from other funds	-	-	-	-	-	-	-
Total Non current liabilities:	-	-	-	-	-	-	-
Total liabilities	1,142,146.84	221,988.94	261,598.36	56,554.39	8,334.50	436,999.91	2,127,622.94
Fund balances:							
Nonspendable	1,145,355.41	35,579.07	30,503.20	-	-	15,423.04	1,226,860.72
Restricted	4,297,979.76	-	-	-	5,507,646.13	18,432,484.32	28,238,110.21
Committed	-	-	-	3,637,055.29	-	-	3,637,055.29
Assigned	84,758.33	103,097.52	434,038.30	-	-	1,788,617.47	2,410,511.62
Unassigned	2,877,514.89	-	-	-	-	-	2,877,514.89
Total fund balances	8,405,608.39	138,676.59	464,541.50	3,637,055.29	5,507,646.13	20,236,524.83	38,390,052.73
Total liabilities and fund balances	\$ 9,547,755.23	\$ 360,665.53	\$ 726,139.86	\$ 3,693,609.68	\$ 5,515,980.63	\$ 20,673,524.74	\$ 40,517,675.67

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
For the Year Ended June 30, 2014

Fund balances of governmental funds	\$ 38,390,052.73
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(20,819,717.82)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$88,269,361.46	169,062,361.46
Internal service funds are used by management to charge the costs of management information systems, fleet management, employee fringe benefits, workmen's compensation, and equipment replacement to individual funds.	8,163,176.14
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	329,696.69
Other accrued expenses which are not payable from current-period revenues are included in governmental activities in the statement of net position.	(1,287,567.93)
Net position of governmental activities	<u>\$ 193,838,001.27</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General	Airport	Park and Recreation	Casino Revenue Fund	Transportation Sales Tax Trust Fund IV	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 16,806,459.93	\$ -	\$ -	\$ 3,200,900.67	\$ 4,736,234.82	\$ 14,604,079.91	\$ 39,347,675.33
Licenses & permits	1,600,103.24	-	-	-	-	4,491.00	1,604,594.24
Intergovernmental	874,045.44	185,502.25	-	-	30,000.00	2,459,633.09	3,549,180.78
Charges for services	208,348.86	526,691.65	1,191,313.51	-	-	72,524.11	1,998,878.13
Internal charges	980,471.38	-	-	-	-	-	980,471.38
Fines and forfeits	741,573.25	-	-	-	-	-	741,573.25
Miscellaneous	323,509.51	252,350.14	2,101.90	-	-	177,692.51	755,654.06
Investment revenue	86,894.23	594.97	4,590.75	35,686.30	42,643.28	236,753.19	407,162.72
Special assessments	7,525.43	-	-	-	-	52,281.45	59,806.88
Total revenues	21,628,931.27	965,139.01	1,198,006.16	3,236,586.97	4,808,878.10	17,607,455.26	49,444,986.77
EXPENDITURES							
Current:							
Administrative	2,376,701.42	-	-	176,664.80	-	-	2,553,366.22
Capital Improvements	-	-	-	-	-	152,765.42	152,765.42
Development Services	2,333,735.90	1,472,947.19	-	5,392.10	220,131.35	2,315,710.18	6,347,916.72
Parks and Recreation	1,731,422.30	-	2,374,347.66	7,745.73	-	46,156.72	4,159,672.41
Public Safety	12,537,145.94	-	-	32,227.99	-	389,970.03	12,959,343.96
Public Works	2,599,261.71	-	-	-	-	-	2,599,261.71
Debt Service:							
Administrative charges	477.00	-	-	-	-	5,826.63	6,303.63
Interest	55,871.19	-	-	115,519.55	-	571,471.47	742,862.21
Principal	101,000.00	-	-	344,480.45	-	2,687,792.00	3,133,272.45
Capital outlay	-	-	-	518,229.57	1,621,570.68	1,918,876.69	4,058,676.94
Capital Improvements	-	710.14	-	48,997.30	-	-	49,707.44
Development Services	-	-	-	129,634.23	-	139,661.84	269,296.07
Parks and Recreation	-	-	-	59,968.50	-	211,703.78	396,205.48
Public Safety	124,533.20	-	-	-	-	-	124,533.20
Public Works	26,580.00	-	-	-	-	-	26,580.00
Total expenditures	21,886,728.66	1,473,657.33	2,374,347.66	1,438,860.22	1,841,702.03	8,439,934.76	37,455,230.66
Excess (deficiency) of revenues over expenditures	(257,797.39)	(508,518.32)	(1,176,341.50)	1,797,726.75	2,967,176.07	9,167,520.50	11,989,766.11
OTHER FINANCING SOURCES (USES)							
Transfers out	(4,366,389.52)	-	-	(316,520.27)	-	(7,519,865.05)	(12,202,774.84)
Transfers in	4,731,408.11	485,951.61	1,207,378.57	270,000.00	260,000.00	2,770,984.97	9,725,703.26
Asset disposition	22,544.02	-	-	71,608.20	-	12,585.60	106,737.82
Total other financing sources and uses	387,562.61	485,951.61	1,207,378.57	25,087.93	260,000.00	(4,736,314.48)	(2,370,333.76)
Net Change in fund balances	129,765.22	(22,566.71)	31,037.07	1,822,814.68	3,227,176.07	4,431,206.02	9,519,432.35
Fund balances - beginning	8,261,312.79	159,758.65	401,808.68	1,814,240.61	2,280,470.06	15,805,026.31	28,722,617.10
Prior period adjustment	14,530.38	1,484.65	31,695.75	-	-	292.50	48,003.28
Fund balances - ending	\$ 8,405,608.39	\$ 138,676.59	\$ 464,541.50	\$ 3,637,055.29	\$ 5,507,646.13	\$ 20,236,524.83	\$ 38,390,052.73

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net change in fund balances -total governmental funds	\$ 9,619,432.35
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Reductions of debt are reported in the fund financial statements as an expense but are not included in the government wide statement of activities.	2,976,065.79
Governmental fund report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(3,454,169.93)
Internal service funds are used by management to charge the costs of information technology, fleet management, employee fringe benefits, workmen's compensation, and equipment replacement to individual funds.	482,288.54
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	(8,104.46)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(48,935.98)
Change in net position of governmental activities	<u>\$ 9,566,576.31</u>

City of Cape Girardeau
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2014

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Sporting Complexes	Total Proprietary Funds	Gov. Activities Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 7,845,603.56	\$ 5,677,482.07	\$ 803,429.61	\$ -	\$ 142,431.93	\$ 14,552,829.81	\$ 14,952.72
Pooled cash and investments	-	-	-	83,882.64	-	-	6,931,344.71
Investments	-	-	-	-	-	-	350,205.08
Utilities charges, net	1,026,355.45	859,109.04	706,913.36	-	-	2,592,377.85	-
Special assessments	26,694.64	7,678.44	-	-	-	34,373.08	-
Other	21,357.82	1,209.51	520.06	-	-	23,087.39	30,595.10
Notes receivable	-	-	-	-	-	-	200,612.99
Interest	695.04	-	-	-	-	695.04	145.04
Grants	1,289.19	-	-	-	-	1,289.19	-
Inventory	-	743,896.17	-	11,271.77	17,505.93	772,673.87	198,444.18
Prepaid items	59,573.87	57,109.22	32,904.92	3,737.69	7,069.00	160,394.70	98,751.58
Total Currents assets:	<u>8,981,569.57</u>	<u>7,346,484.45</u>	<u>1,543,767.95</u>	<u>98,892.10</u>	<u>167,006.86</u>	<u>18,137,720.93</u>	<u>7,825,051.40</u>
Noncurrent assets:							
Rest Cash and Cash Equivalents	4,283,962.64	-	-	-	-	4,283,962.64	-
Land	534,925.49	-	112,239.55	-	-	647,165.04	37,500.00
Buildings	8,078,346.00	223,646.63	1,083,623.13	163,674.80	1,006,876.94	10,556,167.50	53,906.45
Equipment	3,945,784.39	2,392,916.55	3,705,932.22	59,727.93	184,711.75	10,289,072.84	5,520,881.88
Other improvements	74,101,338.25	56,237,636.92	344,022.92	1,972,744.42	1,557,642.35	134,213,384.86	155,653.19
Construction in progress	57,011,272.04	1,826,757.65	-	-	-	58,838,029.69	111,138.69
Accumulated depreciation	(38,871,695.75)	(18,006,188.97)	(3,402,646.14)	(861,986.00)	(608,727.21)	(61,751,244.07)	(3,987,776.03)
Total Noncurrent assets:	<u>109,083,933.06</u>	<u>42,674,768.78</u>	<u>1,843,171.68</u>	<u>1,334,161.15</u>	<u>2,140,503.83</u>	<u>157,076,538.50</u>	<u>1,891,304.18</u>
Total assets	<u>\$ 118,065,502.63</u>	<u>\$ 50,021,253.23</u>	<u>\$ 3,386,939.63</u>	<u>\$ 1,433,053.25</u>	<u>\$ 2,307,510.69</u>	<u>\$ 175,214,259.43</u>	<u>\$ 9,716,355.58</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2014

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Sporting Complexes	Total Proprietary Funds	Gov. Activities Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 6,008,195.87	\$ 588,741.00	\$ 179,342.67	\$ 13,017.62	\$ 32,905.92	\$ 6,822,203.08	\$ 135,809.69
Salaries and benefits payable	96,799.82	20,907.86	72,284.42	47,014.31	74,136.96	311,143.37	62,588.45
Interest payable	640,115.80	212,365.63	10,846.88	-	-	863,328.31	-
Other liabilities	231,800.94	218,484.45	109,693.99	14,388.35	-	574,367.73	-
Estimated claims payable	-	-	-	-	-	-	537,000.00
Due to other governments	17,235.81	43,758.36	-	-	-	60,994.17	-
Advances from other funds	-	-	26,000.00	32,536.53	20,256.52	78,793.05	-
Notes Payable	6,750.00	-	23,254.00	-	-	30,004.00	-
Revenue bonds payable	2,189,000.00	545,000.00	-	-	-	2,734,000.00	-
Special oblig bonds payable	-	-	160,000.00	-	-	160,000.00	-
Total Current liabilities:	<u>9,189,898.24</u>	<u>1,629,257.30</u>	<u>581,421.96</u>	<u>106,956.81</u>	<u>127,299.40</u>	<u>11,634,833.71</u>	<u>735,398.14</u>
Noncurrent liabilities:							
Net OPEB Obligation	29,308.00	37,772.00	77,496.00	41,093.00	11,172.00	196,841.00	104,698.00
Advances from other funds	-	-	478,817.85	70,097.91	67,132.79	616,048.55	-
Notes Payable	148,500.00	-	511,588.88	-	-	660,088.88	-
Revenue bonds payable	62,406,550.28	12,189,207.45	-	-	-	74,595,757.73	-
Special oblig bonds payable	-	-	562,446.98	-	-	562,446.98	-
Est landfill post closure cost	-	-	43,500.00	-	-	43,500.00	-
Total Non current liabilities:	<u>62,584,358.28</u>	<u>12,226,979.45</u>	<u>1,673,849.71</u>	<u>111,190.91</u>	<u>78,304.79</u>	<u>76,674,883.14</u>	<u>104,698.00</u>
Total liabilities	<u>71,774,256.52</u>	<u>13,856,236.75</u>	<u>2,255,271.67</u>	<u>218,147.72</u>	<u>205,604.19</u>	<u>88,309,516.85</u>	<u>840,096.14</u>
NET POSITION							
Invested in capital assets, net of related	40,049,170.14	29,945,320.56	589,157.74	1,334,161.15	2,140,503.83	74,058,313.42	1,891,304.18
Restricted for debt service	-	-	-	-	-	-	-
Restricted for depr and replacement	127,000.00	150,000.00	-	-	-	277,000.00	-
Restricted for emergency fund	1,310,852.00	902,691.00	480,599.00	-	-	2,694,142.00	-
Unrestricted	4,804,223.97	5,167,004.92	61,911.22	(119,255.62)	(38,597.33)	9,875,287.16	6,984,955.26
Total net position	<u>\$ 46,291,246.11</u>	<u>\$ 36,165,016.48</u>	<u>\$ 1,131,667.96</u>	<u>\$ 1,214,905.53</u>	<u>\$ 2,101,906.50</u>	<u>\$ 86,904,742.58</u>	<u>\$ 8,876,259.44</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds' net position of business-type activities						713,083.30	
						<u>\$ 87,617,825.88</u>	

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Sewer	Water	Solid Waste	Golf Course	Sporting Complexes	Total Proprietary Funds	Gov. Activities Internal Service Funds
Operating revenues:							
Residential charges	\$ 4,611,148.41	\$ 3,686,147.24	\$ 2,422,648.52	\$ -	\$ -	\$ 10,719,944.17	\$ -
Commercial charges	2,439,979.19	2,458,063.12	37,076.46	-	-	4,935,118.77	-
Transfer station charges	-	-	775,543.92	-	-	775,543.92	-
Other fees and charges	125,662.93	192,035.37	94,015.31	-	-	411,713.61	-
Concession revenues	-	-	-	27,453.61	57,998.99	85,452.60	-
Internal charges	11,457.43	-	-	-	-	11,457.43	6,717,743.08
Usage fees	-	-	-	449,717.20	302,843.63	752,560.83	-
Miscellaneous	8,600.95	25,077.54	42,852.31	3,201.80	370.00	80,102.60	2,628.13
Total operating revenues	7,196,848.91	6,361,323.27	3,372,136.52	480,372.61	361,212.62	17,771,893.93	6,720,371.21
Operating expenses:							
Personnel services	1,672,355.46	263,017.33	1,115,553.58	405,470.02	612,458.47	4,068,854.86	847,658.50
Materials & supplies	543,199.89	1,011,997.72	269,837.78	101,382.72	165,522.15	2,091,940.26	664,014.46
Contractual services	477,020.28	2,703,208.46	1,175,211.78	51,562.96	46,284.28	4,453,287.76	4,139,885.85
General operating expenses	496,498.18	375,552.87	37,502.11	8,931.88	3,758.86	922,243.90	5,659.30
Special programs	12,501.68	235,074.90	90,047.04	6,466.91	70,598.27	414,688.80	-
Internal service expenses	181,931.63	150,281.52	452,636.87	33,286.23	40,680.50	858,816.75	6,198.00
Depreciation	2,278,189.40	1,636,168.63	441,348.74	99,381.99	155,437.14	4,610,525.90	451,363.15
Total operating expenses	5,661,696.52	6,375,301.43	3,582,137.90	708,482.71	1,094,739.67	17,420,358.23	6,114,779.26
Operating Income (loss)	1,535,152.39	(13,978.16)	(210,001.38)	(226,110.10)	(733,527.05)	351,535.70	605,591.95
Nonoperating revenues (expenses)							
Intergovernmental	10,958.11	-	-	-	-	10,958.11	-
Investment revenue	202,559.89	80,225.91	11,338.92	598.79	442.58	295,166.09	89,945.64
Gain from sale of asset	16,937.98	239.58	1,122.48	7,210.20	-	25,510.24	14,232.60
Interest and other charges	(941,775.82)	(613,617.19)	(26,927.14)	(6,297.83)	(5,095.45)	(1,593,713.43)	(387.75)
Total nonoperating revenues (expenses)	(711,319.84)	(533,151.70)	(14,465.74)	1,511.16	(4,652.87)	(1,262,078.99)	103,790.49
Income (loss) before contributions and transfers	823,832.55	(547,129.86)	(224,467.12)	(224,598.94)	(738,179.92)	(910,543.29)	709,382.44
Contributed capital - connect fee	78,598.00	-	-	-	-	78,598.00	-
Contributed capital - developers	237,421.44	140,690.58	-	-	-	378,112.02	-
Contributed capital - donations	10,000.00	-	-	-	-	10,000.00	-
Contributed capital - government	584,031.14	13,459.23	-	-	-	597,490.37	-
Transfers in	1,791,268.22	-	-	154,725.99	626,533.37	2,572,527.58	1,810.00
Transfers out	(1,810.00)	-	-	-	-	(1,810.00)	(95,456.00)
Change in net position	3,523,341.35	(392,980.05)	(224,467.12)	(69,872.95)	(111,646.55)	2,724,374.68	615,736.44
Total net position - beginning	42,723,360.62	36,600,344.09	1,308,572.74	1,288,453.56	2,207,594.28	84,128,325.29	8,275,158.60
Prior period adjustment	44,544.14	(42,347.56)	47,562.34	(3,675.08)	5,958.77	52,042.61	(14,635.60)
Total net position - ending	\$ 46,291,246.11	\$ 36,165,016.48	\$ 1,131,667.96	\$ 1,214,905.53	\$ 2,101,906.50	\$ 86,904,742.58	\$ 8,876,259.44
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.							
Change in net position of business-type activities.						133,447.90	
						\$ 2,857,822.58	

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Government Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 7,152,709.29	\$ 6,715,198.21	\$ 3,136,530.02	\$ 540,828.63	\$ 466,574.03	\$ 18,011,840.18	\$ 108,322.13
Receipts from interfund services	11,457.43	-	37,076.46	-	-	48,533.89	6,711,384.55
Other receipts	-	-	-	3,210.00	-	3,210.00	1,939.75
Payments to suppliers	(1,196,723.18)	(4,023,066.06)	(1,477,579.93)	(234,302.18)	(405,415.48)	(7,337,076.83)	(4,618,125.57)
Payments for salaries and benefits	(1,672,219.06)	(250,965.33)	(1,099,627.27)	(394,096.05)	(596,734.17)	(4,012,641.88)	(840,870.52)
Payments for interfund services used	(181,931.63)	(150,507.89)	(452,636.87)	(33,286.23)	(40,680.50)	(859,043.11)	(6,198.00)
Payments made in lieu of franchise taxes	(359,681.96)	(322,639.82)	-	-	-	(682,321.78)	-
Remittance of taxes collected from customers	(17,263.14)	(254,285.87)	-	-	-	(271,549.01)	-
Net cash provided (used) by operating activities	3,736,347.75	1,713,743.25	143,762.41	(117,645.83)	(575,256.12)	4,900,951.46	1,356,452.34
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	291,268.22	-	-	154,725.99	619,533.37	1,065,527.58	-
Transfers to other funds	-	-	-	-	-	-	(95,456.00)
Advance repayment to other funds	-	-	(26,000.00)	(30,968.73)	(19,280.45)	(76,249.18)	(37,168.10)
Interest paid to other funds	-	-	(4,233.01)	(6,297.83)	(5,095.45)	(15,626.29)	(387.76)
Subsidy from federal grant	9,668.92	-	-	-	-	9,668.92	-
Net cash (used) by noncapital financing	300,937.14	-	(30,233.01)	117,459.43	595,157.47	983,321.03	(133,011.85)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	92,132.13	724.58	-	-	-	92,856.71	-
Principal received on promissory note	-	-	-	-	-	-	14,300.88
Interest received on promissory note	-	-	-	-	-	-	3,824.19
Proceeds from sales of capital assets	16,937.98	-	-	-	-	26,980.54	22,385.20
Proceeds from capital debt	31,971,367.61	239.58	2,832.36	7,210.20	-	31,971,607.19	-
Purchase of capital assets	(549,872.99)	(100,862.71)	-	-	-	(650,735.70)	(363,799.08)
Acquisition and construction of capital assets	(30,236,754.96)	(1,515,299.21)	-	-	(2,926.00)	(31,754,980.17)	-
Principal paid on capital debt	(2,325,500.00)	(535,000.00)	(196,508.00)	-	-	(3,057,008.00)	-
Interest paid on capital debt	(595,463.51)	(647,796.89)	(27,292.30)	-	-	(1,270,552.70)	-
Transfers in for capital acquisitions	-	-	-	-	7,000.00	7,000.00	1,810.00
Transfers out for capital acquisitions	(1,810.00)	-	-	-	-	(1,810.00)	-
Transfers in for payment of capital related debt	1,500,000.00	-	-	-	-	1,500,000.00	-
Net cash (used) by capital and related financing activities	(128,963.74)	(2,797,994.65)	(220,967.94)	7,210.20	4,074.00	(3,136,642.13)	(321,478.81)

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Government Activities Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	198,988.36	78,527.98	11,009.07	562.35	381.18	289,468.94	82,536.63
Net change in pooled investments	(2,833,000.77)	1,005,723.42	96,429.47	(7,586.15)	(24,356.53)	(1,762,790.56)	(984,879.58)
Net cash provided by investing activities	<u>(2,634,012.41)</u>	<u>1,084,251.40</u>	<u>107,438.54</u>	<u>(7,023.80)</u>	<u>(23,975.35)</u>	<u>(1,473,321.62)</u>	<u>(902,342.95)</u>
Net Increase (decrease) in cash and cash equivalents	1,274,308.74	-	-	-	-	1,274,308.74	(381.27)
Balances - beginning of year	3,009,653.90	-	-	-	-	3,009,653.90	15,333.99
Prior period adjustment	-	-	-	-	-	-	-
Balances - end of the year	<u>\$ 4,283,962.64</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,283,962.64</u>	<u>\$ 14,952.72</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 1,535,152.39	\$ (13,978.16)	\$ (210,001.38)	\$ (226,110.10)	\$ (733,527.05)	\$ 351,535.70	\$ 605,591.95
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	2,278,189.40	1,636,168.63	441,348.74	99,381.99	155,437.14	4,610,525.90	451,363.15
Changes in assets and liabilities:							
Accounts payable - supplier	(47,369.49)	70,400.07	99,453.24	(1,906.60)	(12,514.88)	108,062.34	144,137.67
Accounts payable - other	22,014.37	13,311.13	1,464.78	(1,487.00)	3,655.64	38,958.92	-
Salaries & benefits payable	136.40	12,052.00	15,926.31	11,373.97	16,724.30	56,212.98	6,787.98
Customer receivables	(3,684.24)	127,808.55	(173,809.44)	1,130.00	-	(48,555.13)	-
Interfund receivables	-	-	-	-	-	-	101,963.60
Other operating receivables	(48,091.08)	(50,398.88)	(30,619.84)	(3,312.98)	(7,016.00)	(139,438.78)	(688.38)
Prepaid expenses	-	(81,620.09)	-	3,284.89	1,984.73	(76,350.47)	67,561.46
Inventory	-	-	-	-	-	-	(20,265.09)
Net cash provided by operating activities	<u>\$ 3,736,347.75</u>	<u>\$ 1,713,743.25</u>	<u>\$ 143,762.41</u>	<u>\$ (117,645.83)</u>	<u>\$ (575,256.12)</u>	<u>\$ 4,900,951.46</u>	<u>\$ 1,356,452.34</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 700.00
Pooled cash and investments	1,274,086.25
Investments	850,000.00
Rest cash and cash equivalents	530,255.46
Real estate taxes	53,365.51
Personal property taxes	11,948.08
Other	14.00
Prepaid items	23,165.76
	<hr/>
Total assets	\$ 2,743,635.02
	<hr/>
LIABILITIES	
Accounts payable	\$ 42,972.51
Salaries and benefits payable	16,700.88
Deferred revenues	60,628.49
Other liabilities	2,623,335.14
	<hr/>
Total liabilities	\$ 2,743,635.02
	<hr/>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cape Girardeau, Missouri (the City) operates under a charter, which went into effect April 12, 1982. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, sanitation, health and social services, culture-recreation, public improvement, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

1. Reporting Entity

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Generally, component units are legally separate organizations for which the elected officials of the City are financially accountable. The Cape Girardeau (Missouri) Public Facilities Authority (CGPFA) is a blended component unit of the City. The financial statements of the CGPFA are included in the accompanying financial statements of the City. The Cape Girardeau Municipal Development Foundation (CGMDF), the Cape Girardeau Public Safety Foundation (CGPSF), and the Cape Girardeau Parks Development Foundation (CGPDF) are also component units of the City. The financial statements of these foundations are included as special revenue funds in the accompanying financial statements.

The CGPFA is a not-for-profit corporation organized and existing under Chapter 355 of the Revised Statutes of Missouri. The CGPFA board of directors consists of City officials and City Council members. Due to the significant City influence and financial accountability, the activities of the CGPFA are blended with the financial presentation of the City. The CGPFA executed a bond indenture for the purpose of issuing and securing the Series 2009 Bonds. These bonds were used for the construction of various storm water control improvements, Cape Splash Family Aquatic Center, Shawnee Park Community Center, and various other park related improvements. The CGPFA has entered into a Lease Purchase Agreement with the City from which the lease payments will be used solely to retire the debt.

The (CGMDF), (CGPSF), and (CGPDF) are not-for-profit corporations organized and existing under Chapter 355 of the Revised Statutes of Missouri. The (CGMDF) and (CGPSF) board of directors consist of City officials and the (CGPDF) board of directors consists of Park and Recreation Board members and one City Council member. Due to the significant City influence and financial accountability, the activities of all three foundations are included in the financial presentation of the City. All three foundations were established to receive charitable donations to be used for the benefit of the City.

Although not a component unit of the City, the City handles the funds of and provides accounting and other services for the Cape Girardeau Public Library. Since the library's funds are held by the City, this entity is shown as an Agency Fund in the financial statements.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. With the economic resources measurement focus, all assets and liabilities associated with operations are reflected in the statement of net position.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year-end on behalf of the City, also are recognized as revenue. Fines and permit revenues are not susceptible to accrual because, generally, they are not measurable until received in cash. With the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *airport fund* accounts for the resources used in the operation and maintenance of municipal airport facilities.

The *parks and recreation fund* accounts for the resources used in the operation of park and recreational activities.

The *casino revenue fund* accounts for the receipt and expenditure of a gross receipts tax on gaming revenue at the casino located in the City.

The *transportation sales tax trust fund IV* accounts for the receipt and expenditure of a capital improvement sales tax that was approved by voters for street construction and improvements.

The City reports the following major proprietary funds:

The *sewer fund* accounts for the operation of the City's sewage treatment plant, sewage pumping stations, and collection systems.

The *water fund* accounts for the operation of the City's water treatment plants and distribution systems.

The *solid waste fund* accounts for the operation of the City's residential solid waste and recycling programs.

The *golf fund* accounts for the operation of the municipal golf course.

The *softball complex fund* accounts for the operation of the City's softball complex, and maintenance of the City's soccer, baseball, and softball fields.

Additionally, the City reports the following fund types:

Internal service funds account for management information systems, fleet management, employee benefits, workers' compensation, and equipment leasing provided to other departments or agencies of the City, on a cost reimbursement basis.

Agency funds account for the operations of the Cape Girardeau Public Library.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

It is the City's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Cash and Investments

The City maintains an internal investment pool for the majority of its non-restricted cash and investments and a small portion of its restricted cash and investments. Investment revenue is allocated to each fund based on its average equity balance in the pool.

Cash includes amounts in repurchase agreements and other short-term investments with a maturity date within three months of the date of purchase.

Investments, with a maturity date of one year or more at the time of purchase, are recorded at fair value. All other cash and investments are recorded at cost or amortized cost.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Capital Assets

All capital assets with an original cost exceeding \$5,000 are recorded at historical cost or estimated historical cost if actual historical cost is not available. Additions are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of capital assets is recorded by removing cost and accumulated depreciation and charging the resulting gain or loss to income.

Depreciation of all exhaustible capital assets is charged as an expense against operations in proprietary funds and a program cost of governmental activities in the statement of activities. Assets are reported net of depreciation on proprietary fund and government-wide statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25-50 years
Improvements	10-40 years
Equipment	3-10 years

When applicable, interest costs are capitalized on self-constructed capital assets.

6. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized in all funds. Encumbrances outstanding at the end of the year in the governmental funds are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be carried forward and honored during the subsequent year. Encumbrances outstanding in the proprietary funds do not constitute expenses but will be honored in the subsequent year. No reservations of net position are made for encumbrances outstanding at the end of the year on the proprietary fund and government-wide statement of net position.

7. Inventories

Inventories consist primarily of supplies, valued at cost. The cost of inventories is recorded as expenditures or expenses when consumed rather than when purchased.

8. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Only net transfers between governmental and business-type activities are reflected on the government-wide statement of activities.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Bond Premiums, Discounts, and Issuance Costs

In governmental fund types, bond premiums, discounts and issuance costs are recognized in the current period. Bond premiums and discounts for proprietary fund types are deferred and amortized over the term of the bonds. Bond issuance costs are recognized in the current period for proprietary fund types. Bond premiums and discounts are presented as either increases or reductions of the face amount of bonds payable. The accounting treatment of bond premiums, discounts, and issuance costs used for governmental activities in the government-wide statements is the same as that used for proprietary funds.

10. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014 are recorded as prepaid items.

11. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for the repayment of such bonds, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The “revenue bond construction” account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The “revenue bond current debt service” account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

12. Long-Term Obligations

Only that portion of long-term obligations expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in the appropriate proprietary fund. Long-term liabilities expected to be financed from governmental activities are accounted for in the government-wide statement of net position.

13. Receivables

Receivables are stated at the amount the City expects to collect. Receivables are reduced by allowances for uncollectible accounts that reflect management’s best estimate of probable losses. These allowances are determined principally on the basis of historical experience for smaller accounts. Larger receivables are reduced by allowances that reflect management’s best estimate of probable losses based on specific information known about the troubled accounts. Small-balance accounts are normally written off when over 12 months delinquent. Accounts not expected to be collected within the next 12 months are reported as non-current on the statement of net position only if management estimates the customer has the ability and intent to pay the balance due. Non-current receivables currently accrue interest at the prime rate plus 3%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

14. Compensated Absences

Vested or accumulated vacation pay for proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. Amounts of vested or accumulated vacation leave of governmental funds are reported in the statement of net position. Employees may accumulate up to 30 days of vacation, for which they are compensated upon termination or retirement. Employees are not compensated for accumulated sick leave upon termination, but are compensated one hour for each eight hours of unused sick leave upon retirement.

15. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “interfund receivables/payables” on the governmental balance sheet and proprietary statement of net position. Only net receivables between governmental and business-type activities are reflected as internal balances on the government-wide statement of net position.

16. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables and payables are reported as advances in the governmental balance sheet and proprietary statement of net position. Fund balances are reserved on the governmental balance sheet for interfund loan receivables to indicate that they do not constitute expendable available financial resources and therefore are not available for appropriation. Only net long-term interfund loans between governmental and business-type activities are reflected as internal balances on the government-wide statement of net position. Net position is not reserved for interfund loan receivables on proprietary and government-wide statements of net position.

17. Post-Employment Health Care Benefits

In addition to the pension benefits described in Note G, it is the City’s policy to provide postretirement health care benefits to employees hired prior to July 1, 2010 who retire from the City prior to April 1, 2014 with five or more years of service and who are eligible for LAGERS retirement (Note G) or after April 1, 2014 with five or more years of service and have reached their normal retirement ages through LAGERS. Currently, sixty retirees and twenty-two employees meet those eligibility requirements. The City provides health care coverage for them until age 65. The costs of retirees’ health care benefits are recognized as expenditures as premiums are paid. For the year ending June 30, 2014, those costs totaled \$725,152.

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date for employees and their families and 36 months for surviving spouses and children. There is no associated cost to the City under this program. There were three retiree spouses participating in the health and dental insurance programs as of June 30, 2014.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

17. Infrastructure

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the street system, water system, sewer system, parks and recreation lands and improvement system, storm water system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business. Infrastructure of the water and sewer systems were routinely capitalized in the water and sewer funds of the City and are reflected as other improvements in the business-type activities section on the statement of activities.

During the year ended June 30, 2014 all infrastructures completed during the fiscal year, including projects started in a previous year, were recorded at their historical costs.

18. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through February 4, 2015, the date the financial statements were available to be issued.

NOTE B - DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Pooled cash and investments" on the various financial statements. The pooled deposits and investments held at June 30, 2014, and reported at fair value, are as follows:

Deposits:

Demand Deposits	\$ 17,942
Interest Bearing Deposit Accounts	<u>(41,512)</u>
Total Deposits	<u>\$ (23,570)</u>

Investments:

Negotiable Instruments	\$ 48,325,463
Federal Home Loan Bank	699,381
Federal National Mortgage Association	5,008,368
Federal Home Loan Mortgage Corporation	<u>996,075</u>
Total Investments	<u>\$ 55,029,287</u>

Accrued Interest Revenue:	<u>\$ 80,794</u>
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Total Pooled Deposits and Investments	<u><u>\$ 55,086,511</u></u>
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City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE B - DEPOSITS AND INVESTMENTS - Continued

As of June 30, 2014, the City had the following pooled investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Negotiable Instruments	07/02/2014 – 03/11/2020	\$ 48,325,464
Federal Home Loan Bank	02/21/2018 – 04/15/2020	699,381
Federal National Mortgage Assoc.	09/16/2014 – 09/26/2019	5,008,367
Federal Home Loan Mort. Corp.	04/23/2014 – 08/10/2016	996,075
Total		<u>\$ 55,029,287</u>

Reconciliation of Pooled Cash and Investments to Statements:

Governmental Pooled Cash and Investments	\$ 39,259,596
Business-type Pooled Cash and Investments	14,552,830
Fiduciary Pooled Cash and Investments	<u>1,274,085</u>
Total Pooled Cash and Investments	<u>\$ 55,086,511</u>

The City also has deposits and investments that are not part of the City's cash and investment pool. These deposits and investments held at June 30, 2014, and reported at fair value, are as follows:

Deposits:

Demand Deposits	\$ 470,557
Interest Bearing Deposit Accounts	<u>4,229,390</u>
Total Deposits	<u>\$ 4,699,947</u>

Investments:

Negotiable Instruments	\$ 1,048,000
U. S. Treasury Note	<u>350,205</u>
Total Investments	<u>\$ 1,398,205</u>

Total Non-pooled Deposits and Investments \$ 6,098,152

As of June 30, 2014, the City had the following non-pooled investments

Negotiable Instruments	11/04/2016 – 04/12/2017	\$ 1,048,000
U. S. Treasury Note	04/23/2014 – 08/10/2016	<u>350,205</u>
Total		<u>\$ 1,398,205</u>

Reconciliation of Non-pooled Deposits and Investments to Statements:

Governmental Cash and Cash Equivalents	\$ 83,029
Governmental Investments	350,205
Business-type Restricted Cash and Cash Equivalents	4,283,963
Fiduciary Cash and Cash Equivalents	530,955
Fiduciary Investments	<u>850,000</u>
Total Non-pooled Deposits and Investments	<u>\$ 6,098,152</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE B - DEPOSITS AND INVESTMENTS - Continued

Custodial Credit Risk

Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$57,663,458. at June 30, 2014, that was fully insured by depository insurance or secured with collateral held by the City's agents in its name. All investments, evidenced by individual securities, are registered in the name of the City.

Investment Interest Rate Risk

The City's investment policy states that "Market price volatility shall be controlled by matching the City's investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than seven years." The maturities of investments held at June 30, 2014 are provided above.

Investment Credit Risk

The City has an investment policy that limits its investment choices as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged;
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions;
- c. Repurchase agreements collateralized by securities listed in (a.) above, documented by a written agreement, fully collateralized by delivery to an independent third party custodian, and are marked-to-market;
- d. Money market mutual funds whose portfolio consists of the foregoing instruments; and,
- e. Other prudent investment instruments approved prior to purchase by a two-thirds majority of the City Council. Bond proceeds may be invested as allowed in the bond indenture.

Concentration of Investment Credit Risk

The City places no limit on the amount it may invest in any one issuer. At June 30, 2014, the City had no concentration of credit risk.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE C - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on August 19, 2013, for collection during this fiscal year and were due on or before December 31. Most of the taxes are collected for the City by Cape Girardeau County in November and December and remitted to the City in December and January. The tax rates assessed at the time were as follows:

General Revenue	\$.3027/100.00 assessed valuation
Public Health	.0567/100.00 assessed valuation
Special Business District #2 (Ad Valorem)	.6738/100.00 assessed valuation

Property tax receivable balances as of June 30, 2014 are as follows:

	General Revenue	Public Health	Special Business District	Total
Current property tax	\$51,238	\$ 9,598	\$ 1,916	\$62,752
Delinquent property tax	20,168	3,777	211	24,156
Reserve for doubtful				
Property taxes	<u>(7,034)</u>	<u>(1,317)</u>	<u>-</u>	<u>(8,351)</u>
Net property tax receivable	<u>\$64,372</u>	<u>\$ 12,058</u>	<u>\$ 2,127</u>	<u>\$78,557</u>

NOTE D - CHANGES IN CAPITAL ASSETS

A summary of the capital assets for governmental activities included on the government-wide statement of net position for the year ended June 30, 2014 is as follows:

	Balance July 1, 2013	Additions	Deductions	Prior Period Adjustment	Current Year Depreciation*	Balance June 30, 2014**
Land	\$ 10,068,115	\$ -	\$ (544,426)	\$ -	\$ -	\$ 9,523,689
Buildings	21,772,194	64,663	-	(273)	(1,053,570)	20,783,014
Land improvements	9,839,627	106,355	-	-	(792,967)	9,153,015
Equipment	5,881,752	995,212	(11,547)	(10,604)	(1,275,296)	5,579,517
Infrastructure	124,273,538	3,598,288	-	-	(4,894,801)	122,977,025
Construction in progress	<u>2,680,635</u>	<u>3,812,882</u>	<u>(3,556,111)</u>	<u>-</u>	<u>-</u>	<u>2,937,406</u>
Total capital assets	<u>\$174,515,861</u>	<u>\$ 8,577,400</u>	<u>\$ (4,112,084)</u>	<u>\$ (10,877)</u>	<u>\$ (8,016,634)</u>	<u>\$ 170,953,666</u>

* Includes depreciation expenses from the internal service funds' assets which are included in the expenses of the governmental activities and business activities on the government – wide statement of activities as internal charges.

**Includes the internal service funds' assets which are included as part of the governmental activities assets included on the government-wide statement of net position.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE D - CHANGES IN CAPITAL ASSETS – Continued

Following is a summary of the capital assets for business-type activities on the government-wide statement of net position for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deductions	Prior Period Adjustments	Current Year Depreciation	Balance June 30, 2014
Land	\$ 647,165	\$ -	\$ -	\$ -	\$ -	\$ 647,165
Buildings	2,313,739	-	-	261,785	297,646	2,277,878
Improvements other than buildings	89,344,324	1,301,185	-	(139,250)	3,440,714	87,065,545
Equipment	4,150,601	720,504	1,710	(33,269)	872,167	3,963,959
Construction in progress	23,126,360	36,986,788	1,275,120	-	-	58,838,028
Total capital assets	<u>\$119,582,189</u>	<u>\$ 39,008,477</u>	<u>\$ 1,276,830</u>	<u>\$ 89,266</u>	<u>\$ 4,610,527</u>	<u>\$ 152,792,575</u>

Depreciation expense was charged to functions as follows in the statement of activities:

Governmental Activities:

Administrative	\$ 464,251
Development Services	66,677
Parks and Recreation	1,021,662
Public Safety	770,223
Public Works	5,693,821
Total	<u>\$ 8,016,634</u>

Business-Type Activities:

Golf Course	\$ 99,382
Sewer	2,278,190
Sporting Complexes	155,437
Solid Waste	441,349
Water	1,636,169
Total	<u>\$ 4,610,527</u>

NOTE E - LONG-TERM OBLIGATIONS

The following is a summary of changes in the long-term debt from governmental activities included on the government-wide statement of net position for the year ended June 30, 2014:

Governmental Activities	Other Debt*	Revenue Bonds	Total
Debt payable July 1, 2013	\$ 20,705,581	\$ 894,800	\$ 21,600,381
Discount/Premium amortization	(7,516)	-	(7,516)
Retired	(3,089,472)	(43,800)	(3,133,272)
Additions	-	-	-
Debt payable June 30, 2014	<u>\$ 17,608,593</u>	<u>\$ 851,000</u>	<u>\$ 18,459,593</u>

*Other Debt includes Notes Payable, Special Obligation Bonds, Leasehold Revenue Bonds, and Certificates of Participation.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS – Continued

The following is a summary of changes in the long-term debt from business-type activities included on the government-wide statement of net position for the year ended June 30, 2014:

<u>Business-Type Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Total</u>
Bonds payable at July 1, 2013	\$ 1,624,896	\$ 48,055,266	\$ 49,680,162
Discount Premium Amortization	(2,348)	(30,441)	(32,789)
Accumulated Interest	-	180,565	180,565
Bonds Retired	(210,008)	(2,847,000)	(3,057,008)
Bonds Issued	<u>-</u>	<u>31,971,368</u>	<u>31,971,368</u>
 Bonds payable at June 30, 2014	 <u>\$ 1,412,540</u>	 <u>\$ 77,329,758</u>	 <u>\$ 78,742,298</u>

*Other Debt includes Notes Payable and Special Obligation Bonds

Bonds payable for governmental and business-type activities at June 30, 2014 are comprised of the following individual issues:

Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1991:

These bonds are dated December 1, 1991. The proceeds of the bond issue were used to extend and improve the existing sewerage facilities serving the City. Sewerage System Revenue Bonds, Series 1991, were retired during the fiscal year ended June 30, 2014.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG TERM OBLIGATIONS - Continued

\$ 39,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1993 due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2015	5.400%	<u>\$ 39,000</u>	<u>\$ 1,053</u>	<u>\$ 40,053</u>
		<u>\$ 39,000</u>	<u>\$ 1,053</u>	<u>\$ 40,053</u>

These bonds are dated August 1, 1993. The proceeds of the bond issue were used to extend and improve the existing sewerage facilities serving the City.

Principal payments are made annually on March 1, and interest payments are made semi-annually on March 1 and September 1.

The interest due on the Series 1993 Sewer System Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds held by the trustee, the State of Missouri Department of Natural Resources deposits an amount equal to approximately 70% of the reimbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve fund will be \$350,000. As bonds are retired, 70% of the amount of bonds retired will be repaid to the State of Missouri Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2014 was \$27,300. The reserve fund yields 5.15%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$ 842,299 Water Pollution Control Revenue Bonds (State Revolving Fund Program) Series 1995D due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2015	6.200%	\$ 303,920	\$ 696,080	\$ 1,000,000
2016	6.250	278,844	706,156	985,000
2017	6.250	<u>259,535</u>	<u>715,465</u>	<u>975,000</u>
		<u>\$ 842,299</u>	<u>\$ 2,117,701</u>	<u>\$2,960,000</u>

These bonds are dated June 1, 1995. The proceeds of the bond issue were used for the extension and improvement of the existing sewerage system serving the City.

Principal and interest payments are made annually on January 1 beginning in 1998.

The interest due on the Series 1995D Water Pollution Control Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds, the State of Missouri Department of Natural Resources deposits an amount equal to 70% of the disbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve fund will be 70% of the principal amount less the original issue discount. As bonds are retired 70% of the amount of bonds retired will be repaid to the State of Missouri Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2014 was \$589,609. The reserve fund yields 5.83%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$ 4,600,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1996 due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2015	5.875%	\$ 875,000	\$ 271,181	\$ 1,146,181
2016	5.900	895,000	219,775	1,114,775
2017	5.900	920,000	166,970	1,086,970
2018	5.900	945,000	112,690	1,057,690
2019	5.900	<u>965,000</u>	<u>56,935</u>	<u>1,021,935</u>
		<u>\$ 4,600,000</u>	<u>\$ 827,551</u>	<u>\$ 5,427,551</u>

These bonds are dated June 1, 1996. The proceeds of the bond issue were used for the extension and improvement of the existing sewerage system serving the City.

Principal payments are made annually on January 1. Interest is paid semi-annually on January 1 and July 1 beginning in 1997.

The interest due on the Series 1996 Sewerage System Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds, the State of Missouri Department of Natural Resources deposits an amount equal to 70% of the disbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve will be \$9,474,500. As bonds are retired, 70% of the amount of bonds retired will be repaid to the Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2014 was \$3,220,000. The reserve fund yields 5.70%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

During the fiscal year ended June 30, 2001, certain bonds originally issued by the State Environmental Improvement and Energy Resources Authority as part of the State Revolving Fund Program were refunded. Annual debt service savings resulting from this transaction are to be used to offset City debt service payments due on Series 1996 Bonds. During the fiscal year ended June 30, 2014, City interest expense was reduced by \$18,413 as a result of this transaction. Over the remaining life of these bonds, the City will receive net present value benefits of approximately \$68,620 from this transaction.

\$ 6,760,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000 due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2015	5.625%	\$ 275,000	\$ 362,099	\$ 637,099
2016	5.625	475,000	341,006	816,006
2017	5.625	555,000	312,037	867,037
2018	5.300	590,000	280,793	870,793
2019	5.400	1,590,000	222,228	1,812,228
2020	5.450	1,655,000	134,199	1,789,199
2021	5.500	<u>1,620,000</u>	<u>44,550</u>	<u>1,664,550</u>
		<u>\$6,760,000</u>	<u>\$1,696,912</u>	<u>\$ 8,456,912</u>

These bonds are dated November 1, 2000. The proceeds of the bond issue were used to extend and improve the existing sewerage facilities serving the City.

Principal payments are made annually on July 1, and interest payments are made semi-annually on July 1 and January 1.

The interest due on the Series 2000, Sewer System Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds held by the trustee, the State of Missouri Department of Natural Resources deposits an amount equal to approximately 70% of the reimbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve fund will be \$5,848,500. As bonds are retired 70% of the amount of bonds retired will be repaid to the State of Missouri Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2013 was \$4,773,033. The reserve fund yields 5.16%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$10,395,000 Leasehold Revenue Bonds, Series 2009 due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2015	3.900%	\$ 2,080,000	\$ 407,394	\$ 2,487,394
2016	4.000	2,150,000	334,594	2,484,594
2017	4.000	2,240,000	248,594	2,488,594
2018	4.000	2,330,000	158,994	2,488,994
2019	4.100	<u>1,595,000</u>	<u>65,794</u>	<u>1,660,794</u>
		<u>\$10,395,000</u>	<u>\$1,215,370</u>	<u>\$11,610,370</u>

The bonds are obligations of the Cape Girardeau (Missouri) Public Facilities Authority (CGPFA). The CGPFA has entered into a Lease Purchase Agreement with the City. Principal and interest will be paid by CGPFA from rental and other receipts from the City. Proceeds of the bonds will be used for the construction of various storm water control improvements, Cape Splash Family Aquatic Center, Shawnee Park Community Center, and various other park related improvements.

Principal payments are made annually on April 1, and interest payments are made semi-annually on April 1 and October 1.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$2,365,000 Special Obligation Bonds, Series 2005:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2015	5.000%	\$ 1,245,000	\$ 109,736	\$1,354,736
2016	4.000	80,000	47,486	127,486
2017	4.000	85,000	44,286	129,286
2018	4.100	90,000	40,886	130,886
2019	4.125	90,000	37,196	127,196
2020	4.200	95,000	33,484	128,484
2021	4.250	100,000	29,494	129,494
2022	4.250	105,000	25,244	130,244
2023	4.375	110,000	20,781	130,781
2024	4.375	115,000	15,969	130,969
2025	4.375	<u>250,000</u>	<u>10,940</u>	<u>260,940</u>
		<u>\$ 2,365,000</u>	<u>\$ 415,502</u>	<u>\$2,780,502</u>

Principal payments are made annually on June 1, and interest payments are made semi-annually on June 1 and December 1.

In May 2005, the City of Cape Girardeau issued \$8,190,000 of Special Obligation Bonds Series 2005 with interest rates varying from 3% to 5%. The bonds are special obligations of the City payable solely from the revenues derived from annual appropriations by the City Council.

The bonds were issued by the City for the purpose of providing funds to (a) construct, furnish, and equip a new fire station, renovate and improve existing fire and police stations, reimburse the City for the purchase of a new public works facility, and acquire vehicles for the police and fire departments, (b) refinance various outstanding obligations of the City, (c) fund a debt service reserve fund for the Bonds, and (d) pay the costs of issuing the Bonds, under the authority of and in full compliance with the City's Charter and the Constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed and proceedings duly and legally had by the governing body of the City.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$1,150,000 Bank of America 2006 Promissory Note:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2015	0.9159%	\$ 100,000	\$ 10,306	\$ 110,306
2016	0.9159	100,000	9,415	109,415
2017	0.9159	100,000	8,474	108,474
2018	0.9159	100,000	7,558	107,558
2019	0.9159	100,000	6,642	106,642
2020	0.9159	100,000	5,726	105,726
2021	0.9159	100,000	4,810	104,810
2022	0.9159	100,000	3,894	103,894
2023	0.9159	100,000	2,979	102,979
2024	0.9159	100,000	2,063	102,063
2025	0.9159	100,000	1,147	101,147
2026	0.9159	<u>50,000</u>	<u>231</u>	<u>50,231</u>
		<u>\$ 1,150,000</u>	<u>\$ 63,245</u>	<u>\$ 1,213,245</u>

On February 9, 2006, the City of Cape Girardeau entered into a promissory note with the Bank of America for \$2,000,000. The purpose of the note was to finance additional costs on constructing fire station #3, purchase of a site for a future fire station, equipment for the sewer and solid waste funds, and site improvements at the new public works headquarter. The outstanding liability for the note is allocated as follows: \$459,907 for governmental activities and \$690,093 for business-type activities.

Principal payments of \$50,000 are made semi-annually on January 1 and July 1. The principal payments are amortized over 20 years. The City may prepay the note at any time with no additional charges. Interest accrues at a variable rate equal to the sum of the 30-day LIBOR multiplied by 60.938%, plus 0.813%. The rate at June 30, 2014 was 0.9159%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$851,000 Waterworks Revenue Bonds, Series 2010 due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Admin Fee Due</u>	<u>Total</u>
2015	1.4900%	\$ 44,700	\$ 12,514	\$ 4,199	\$ 61,413
2016	1.4900	45,700	11,845	3,975	61,520
2017	1.4900	46,800	11,159	3,745	61,704
2018	1.4900	47,900	10,458	3,510	61,868
2019	1.4900	48,900	9,741	3,269	61,910
2020	1.4900	50,100	9,008	3,023	62,131
2021	1.4900	51,100	8,258	2,771	62,129
2022	1.4900	52,300	7,492	2,514	62,306
2023	1.4900	53,500	6,708	2,251	62,459
2024	1.4900	54,700	5,906	1,982	62,588
2025	1.4900	55,900	5,087	1,707	62,694
2026	1.4900	57,200	4,249	1,426	62,875
2027	1.4900	58,500	3,392	1,138	63,030
2028	1.4900	59,900	2,515	844	63,259
2029	1.4900	61,200	1,618	543	63,361
2030	1.4900	<u>62,600</u>	<u>701</u>	<u>235</u>	<u>63,536</u>
		<u>\$ 851,000</u>	<u>\$ 110,651</u>	<u>\$ 37,132</u>	<u>\$ 998,783</u>

These bonds are dated January 1, 2010. The proceeds of the bond issue were used to construct a transmission main from new well fields to Water Plant #1.

Principal and interest payments are made semi-annually on January 1 and July 1.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$720,000 Special Obligation Bonds, Series 2010A due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2015	3.000%	\$ 160,000	\$ 21,694	\$ 181,694
2016	2.625	175,000	16,894	191,894
2017	3.000	185,000	12,300	197,300
2018	3.375	<u>200,000</u>	<u>6,750</u>	<u>206,750</u>
		<u>\$ 720,000</u>	<u>\$ 57,638</u>	<u>\$ 777,638</u>

On March 1, 2010, the City issued \$1,275,000 of Special Obligation Bonds Series 2010A with interest rates varying from 2.625% to 3.375%. Principal and interest will be paid by the City from the revenues derived from annual appropriations by the City Council.

The proceeds of the bond issue were used to acquire new automated trash collection/recycling trucks for the public works department and to pay the costs of issuing the bonds.

Principal payments are made annually on January 1. Interest payments are made semi-annually on January 1 and July 1.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$12,765,000 Waterworks System Refunding Revenue Bonds Series 2012A due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2015	2.000%	\$ 545,000	\$ 424,732	\$ 969,732
2016	2.000	555,000	413,831	968,831
2017	3.000	570,000	402,731	972,731
2018	3.000	585,000	385,631	970,631
2019	3.000	605,000	368,081	973,081
2020	4.000	620,000	349,931	969,931
2021	3.000	645,000	325,131	970,131
2022	3.000	665,000	305,781	970,781
2023	3.000	685,000	285,831	970,831
2024	3.125	705,000	265,281	970,281
2025	3.250	725,000	243,250	968,250
2026	3.375	750,000	219,688	969,688
2027	3.500	775,000	194,375	969,375
2028	3.625	805,000	167,250	972,250
2029	3.625	835,000	138,069	973,069
2030	4.000	865,000	107,800	972,800
2031	4.000	895,000	73,200	968,200
2032	4.000	<u>935,000</u>	<u>37,400</u>	<u>972,400</u>
		<u>\$ 12,765,000</u>	<u>\$ 4,707,993</u>	<u>\$ 17,472,993</u>

On April 17, 2012 the City issued \$13,955,000 of Refunding Revenue Bonds. The proceeds were used to refund the outstanding Series 1998 Bonds.

The Bonds were issued with interest varying from 2.0% to 4.0%. Principal and interest will be paid by the City from the revenues derived from the operation of the waterworks system.

Principal payments are made annually on January 1. Interest payments are made semi-annually on January 1 and July 1.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$31,000,000 Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2012 due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Admin Fee</u>	<u>Total</u>
2015	1.430%	\$ -	\$ 443,300	\$ -	\$ 443,300
2016	1.430	1,256,000	438,838	306,880	2,001,718
2017	1.430	1,288,000	420,763	294,240	2,003,003
2018	1.430	1,319,000	402,237	281,285	2,002,522
2019	1.430	1,352,000	383,255	268,010	2,003,265
2020	1.430	1,385,000	363,806	254,410	2,003,216
2021	1.430	1,419,000	343,879	240,475	2,003,354
2022	1.430	1,455,000	323,459	226,195	2,004,654
2023	1.430	1,491,000	302,524	211,555	2,005,079
2024	1.430	1,527,000	281,074	196,555	2,004,629
2025	1.430	1,565,000	259,102	181,190	2,005,292
2026	1.430	1,604,000	236,586	165,445	2,006,031
2027	1.430	1,644,000	213,506	149,305	2,006,811
2028	1.430	1,684,000	189,854	132,765	2,006,619
2029	1.430	1,726,000	165,622	115,820	2,007,442
2030	1.430	1,769,000	140,791	98,455	2,008,246
2031	1.430	1,813,000	115,337	80,655	2,008,992
2032	1.430	1,857,000	89,253	62,415	2,008,668
2033	1.430	1,904,000	62,534	43,730	2,010,264
2034	1.430	1,950,000	35,142	24,575	2,009,717
2035	1.430	<u>992,000</u>	<u>7,093</u>	<u>4,960</u>	<u>1,004,053</u>
		<u>\$ 31,000,000</u>	<u>\$ 5,217,955</u>	<u>\$ 3,338,920</u>	<u>\$ 39,556,875</u>

Sewerage System Revenue Bonds through the State of Missouri – Direct Loan Programs were issued by the City on June 19, 2012. There is a 1% administrative fee charged on this loan along with the 1.43% interest rate. Principal is disbursed on this loan as needed.

The proceeds of the bond issue will be used to acquire, construct, extend and improve the existing sewerage system.

Principal payments are made annually on July 1; while interest payments are made semi-annually on January 1 and July 1.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$4,310,532 Business Park Land Purchase Loan due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2015	2.77%	\$ 340,598	\$ 119,402	\$ 460,000
2016	2.77	350,033	109,967	460,000
2017	2.77	359,454	100,546	460,000
2018	2.77	369,686	90,314	460,000
2019	2.77	379,926	80,074	460,000
2020	2.77	390,450	69,550	460,000
2021	2.77	401,104	58,896	460,000
2022	2.77	412,376	47,624	460,000
2023	2.77	423,799	36,201	460,000
2024	2.77	435,538	24,462	460,000
2025	2.77	<u>447,568</u>	<u>12,432</u>	<u>460,000</u>
		<u>\$ 4,310,532</u>	<u>\$ 749,468</u>	<u>\$ 5,060,000</u>

On February 4, 2013, the City entered into an agreement with the Southeast Missouri State University Foundation for the purchase of approximately 247.43 acres located on the east side of Interstate 55 along LaSalle Street for the purpose of creating a business park.

The total purchase price was \$6,000,000 with \$480,000 paid at the time of closing and twelve (12) annual payments of \$460,000 commencing 12 months from the closing date of the sale.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$3,250,000 Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2013A due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Admin Fee</u>	<u>Total</u>
2015	1.390%	\$ -	\$ 45,175	\$ -	\$ 45,175
2016	1.390	134,000	44,709	32,165	210,874
2017	1.390	137,000	42,840	30,820	210,660
2018	1.390	140,000	40,922	29,440	210,362
2019	1.390	143,000	38,969	28,035	210,004
2020	1.390	147,000	36,967	26,595	210,562
2021	1.390	150,000	34,910	25,115	210,025
2022	1.390	153,000	32,818	23,610	209,428
2023	1.390	157,000	30,677	22,070	209,747
2024	1.390	161,000	28,481	20,490	209,971
2025	1.390	165,000	26,229	18,870	210,099
2026	1.390	169,000	23,922	17,210	210,132
2027	1.390	173,000	21,559	15,510	210,069
2028	1.390	177,000	19,140	13,770	209,910
2029	1.390	181,000	16,666	11,990	209,656
2030	1.390	185,000	14,136	10,170	209,306
2031	1.390	189,000	11,551	8,310	208,861
2032	1.390	193,000	8,910	6,410	208,320
2033	1.390	197,000	6,213	4,470	207,683
2034	1.390	202,000	3,461	2,490	207,951
2035	1.390	<u>97,000</u>	<u>674</u>	<u>485</u>	<u>98,159</u>
		<u>\$ 3,250,000</u>	<u>\$ 528,929</u>	<u>\$ 348,025</u>	<u>\$ 4,126,954</u>

Sewerage System Revenue Bonds through the State of Missouri – Direct Loan Programs were issued by the City on June 18, 2013. There is a 1% administrative fee charged on this loan along with the 1.39% interest rate. Principal is disbursed on this loan as needed.

The proceeds of the bond issue will be used to acquire, construct, extend and improve the existing sewerage system.

Principal payments are made annually on July 1; while interest payments are made semi-annually on January 1 and July 1.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$35,750,000 Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2013B
due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Admin</u> <u>Fee</u>	<u>Total</u>
2015	1.390%	\$ -	\$ 329,844	\$ -	\$ 329,844
2016	1.390	1,473,000	491,838	353,840	2,318,678
2017	1.390	1,507,000	471,245	339,025	2,317,270
2018	1.390	1,541,000	450,179	323,870	2,315,049
2019	1.390	1,577,000	428,634	308,370	2,314,004
2020	1.390	1,613,000	406,589	292,510	2,312,099
2021	1.390	1,651,000	384,036	276,285	2,311,321
2022	1.390	1,689,000	360,955	259,680	2,309,635
2023	1.390	1,728,000	337,346	242,695	2,308,041
2024	1.390	1,768,000	313,187	225,315	2,306,502
2025	1.390	1,808,000	288,473	207,535	2,304,008
2026	1.390	1,850,000	263,197	189,350	2,302,547
2027	1.390	1,893,000	237,336	170,745	2,301,081
2028	1.390	1,935,000	210,877	151,710	2,297,587
2029	1.390	1,981,000	183,821	132,245	2,297,066
2030	1.390	2,026,000	156,132	112,325	2,294,457
2031	1.390	2,072,000	127,811	91,950	2,294,761
2032	1.390	2,120,000	98,843	71,110	2,289,953
2033	1.390	2,169,000	69,208	49,790	2,287,998
2034	1.390	2,219,000	38,885	27,975	2,285,860
2035	1.390	<u>1,130,000</u>	<u>7,854</u>	<u>5,650</u>	<u>1,143,504</u>
		<u>\$ 35,750,000</u>	<u>\$ 5,656,290</u>	<u>\$ 3,831,975</u>	<u>\$ 45,238,265</u>

Sewerage System Revenue Bonds through the State of Missouri – Direct Loan Programs were issued by the City on June 18, 2013. There is a 1% administrative fee charged on this loan along with the 1.39% interest rate. Principal is disbursed on this loan as needed. Future payments will be adjusted if all principal of this loan is not disbursed. At June 30, 2014 \$16,218,082 of this loan had been disbursed.

The proceeds of the bond issue will be used to acquire, construct, extend and improve the existing sewerage system.

Principal payments are made annually on July 1; while interest payments are made semi-annually on January 1 and July 1.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

The annual requirements to amortize all debt outstanding as of June 30, 2014 including total interest payments of \$23,366,258 are as follows:

Year Ending <u>June 30,</u>	Special Obligation <u>Bonds</u>	Revenue <u>Bonds</u>	Leasehold Revenue <u>Bonds</u>	Promissory <u>Note</u>	<u>Total</u>
2015	\$ 1,536,430	\$ 4,672,797	\$ 2,487,394	\$ 570,306	\$ 9,266,927
2016	319,380	8,477,402	2,484,594	569,415	11,850,791
2017	326,586	8,494,375	2,488,594	568,474	11,878,029
2018	337,636	7,488,915	2,488,994	567,558	10,883,103
2019	127,196	8,396,427	1,660,794	566,642	10,751,059
2020	128,484	7,347,138	-	565,726	8,041,348
2021	129,494	7,221,510	-	564,810	7,915,814
2022	130,244	5,556,804	-	563,894	6,250,942
2023	130,781	5,556,157	-	562,979	6,249,917
2024	130,969	5,553,971	-	562,063	6,247,003
2025	260,940	5,550,343	-	561,147	6,372,430
2026	-	5,551,273	-	50,231	5,601,504
2027	-	5,550,366	-	-	5,550,366
2028	-	5,549,625	-	-	5,549,625
2029	-	5,550,594	-	-	5,550,594
2030	-	5,548,345	-	-	5,548,345
2031	-	5,477,814	-	-	5,477,814
2032	-	5,479,341	-	-	5,479,341
2033	-	4,505,945	-	-	4,505,945
2034	-	4,503,528	-	-	4,503,528
2035	-	2,245,716	-	-	2,245,716
	<u>\$ 3,558,140</u>	<u>\$124,278,386</u>	<u>\$11,610,370</u>	<u>\$ 6,273,245</u>	<u>\$145,720,141</u>

The cash and investments available to service revenue bonds are \$57,042 and \$2,196,198 for the governmental and business-type activities, respectively.

The cash and investments available to service the special obligation bonds are \$777,246 and \$11,718 in governmental activities and business-type activities, respectively.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE E - LONG-TERM OBLIGATIONS - Continued

Interest expense was charged to functions as follows in the statement of activities:

<u>Governmental Activities:</u>	
Interest and Other Costs	<u>\$723,040</u>
Total	<u>\$723,040</u>

<u>Business-Type Activities:</u>	
Golf Course	\$ 6,298
Sewer	941,776
Sporting Complexes	5,095
Solid Waste	26,927
Water	<u>613,617</u>
Total	<u>\$ 1,593,713</u>

Missouri statutes limit the amount of general obligation debt that a city can issue to 5.00% of the total assessed value of taxable property located within that city's boundaries. The legal debt margin for the City of Cape Girardeau is \$29,348,841.

NOTE F - DEFICIT FUND BALANCES/RETAINED EARNINGS

These following funds - Municipal Development Foundation, General Capital Improvements, Community Development Block Grant, and Storm Water System Improvements – had their total liabilities exceed their total assets by \$1,736, \$12,724, \$30,996, and \$15,400, respectively

NOTE G - PENSION PLAN

1. Plan Description

The City of Cape Girardeau participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. (LAGERS) is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE G - PENSION PLAN – Continued

2. Funding Status

Full-time employees of the City of Cape Girardeau do not contribute to the pension plan. The June 30th statutorily required contribution rates are 10.1% (General), 10.9% (Police) and 14.9% (Fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

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

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

Annual required contribution	\$1,666,815
Interest on net pension obligation	54,457
Adjustment to annual required contribution	<u>(62,763)</u>
Annual pension cost	1,658,509
Actual contributions	<u>1,663,481</u>
Increase (decrease) in NPO	(4,972)
NPO beginning of year	<u>751,130</u>
NPO end of year	<u>\$ 746,158</u>

The annual required contribution (ARC) was determined as part of the February 29, 2012 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2012 was 29 years for the General division, 30 years for the Police division and 17 years for the Fire division.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE G - PENSION PLAN - Continued

<u>Three-Year Trend Information</u>			
<u>Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2012	1,568,825	85.5%	604,112
2013	1,622,281	90.9%	751,130
2014	1,658,509	100.3%	746,158

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS

1. Description

The City follows the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In addition to the relevant disclosures within this note related to GASB Statement No. 45, the financial statements reflect a long-term liability and related expenses of \$2,661,664 and \$918,466, respectively, in the governmental and business-type activities combined.

The City, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a single-employer defined benefit plan to provide certain postretirement healthcare benefits to all eligible former full-time employees until the retiree is eligible for Medicare (age 65). Such benefits are not available to members' spouses or dependents; rather, only to eligible former employees as previously described. Specific details of the Plan include the provision of certain medical and dental coverage. These benefits are provided through the City's self insured programs. The City is under no statutory or contractual obligation to provide these postretirement healthcare benefits. Because the Plan consists solely of the City's firm commitment to provide OPEB through the payment of premiums to its self insured programs on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS - Continued

2. Funding Policy

Premiums under the Plan for post-employment healthcare benefits are funded in accordance with rates established by the City for its governmental and business-type funds. Effective April 1, 2012 employees who retire early (prior to age 55 for police and fire and prior to age 60 for all other city employees) are not eligible for retiree healthcare coverage. For the year ended June 30, 2014, the City paid the full premium cost for eligible retired employees who were hired prior to January 1, 2007. For eligible employees hired on/after January 1, 2007, the City paid a percentage of the full premium cost for retired employees with single coverage according to years of service at retirement. For employees with 10 to 14 years of service at retirement the City's subsidy was 50%. The subsidy for employees with 15 to 19 years of service was 60%; 20 to 24 years was 70%, and employees with more than 24 years of service at retirement received 100% subsidy. The retiree is responsible for the full cost of dependent coverage. The plan is financed on a pay-as-you-go basis.

3. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The following table illustrates the components of the City's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the City's net OPEB obligation:

	<u>2013</u>	<u>2014</u>
Annual required contribution	\$ 936,549	\$ 918,466
Interest on net OPEB obligation	106,461	112,564
Adjustment to annual required contribution	<u>(145,240)</u>	<u>(153,566)</u>
Annual OPEB cost	\$ 897,770	\$ 877,464
Contributions made	<u>(762,155)</u>	<u>(717,222)</u>
Increase in net OPEB obligation	\$ 135,615	\$ 160,242
Net OPEB obligation, July 1	<u>2,365,807</u>	<u>2,501,422</u>
Net OPEB obligation, June 30	<u>\$ 2,501,422</u>	<u>\$ 2,661,664</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014 were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation -</u> <u>End of Year</u>
6/30/14	\$ 877,464	81.7%	\$ 2,661,664
6/30/13	897,770	84.9%	2,501,422
6/30/12	844,525	83.6%	2,365,807

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS - Continued

4. Funding Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits equaled \$9,498,321, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,498,321. The covered payroll (annual payroll of active employees covered by the Plan) equaled \$14,787,268, and the ratio of the UAAL to the covered payroll equaled 65.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress is to present multiyear trend information about whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, because the City maintains no Plan assets, information relative to Plan asset required disclosures is not applicable.

5. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the City and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and Plan members to that point. There are no legal or contractual funding limitations that would potentially affect the projection of benefits for financial accounting purposes. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the actuarial valuation dated July 1, 2012, the projected unit credit cost actuarial method was used. Because the City funds its OPEB on a pay-as-you-go basis, the plan has no assets (investments) used specifically for paying the post-retirement medical benefits; therefore, the actuarial assumptions included a 4.5% discount rate, which approximates the expected rate of return on non-pension investments held by the City. Actuarial assumptions also included annual healthcare trend rates of 8.0%, initially, reduced by decrements to an ultimate rate of 4.5% for healthcare costs after ten years. The UAAL is being amortized as a level dollar amount over thirty years based on an open group.

NOTE I - INTEREST EXPENSE

Interest and handling charges, totaling \$747,726, excluding \$1,440 of interfund interest, was incurred by governmental funds during the year ended June 30, 2013. Interest and handling charges, totaling \$1,578,087 excluding \$16,014 of interfund interest, was incurred by proprietary funds during the year ended June 30, 2014. No interest cost was capitalized as part of the cost of assets constructed during the period.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE J - INTERFUND ACTIVITY

The City makes transfers between various funds for routine and normal operating expenses and for capital asset acquisitions.

A. The following is a summary of interfund transfers for the year ended June 30, 2014:

Fund	Transfer From	Transfer To
General Fund	4,366,390	\$ 4,731,408
Airport Fund	-	485,952
Park and Recreation Fund	-	1,207,379
Public Safety Trust Fund	1,151,158	2,302,317
A.C. Brase Foundation	30,000	-
Park Development Foundation	17,000	-
Casino Revenue Fund	316,520	270,000
Riverfront Region Economic Dev Fund		56,520
Housing Development Fund	-	32,762
Motor Fuel Tax Fund	970,000	-
Transportation Sales Trust II	25,000	-
Transportation Sales Tax Trust III	-	25,000
Transportation Sales Tax Trust IV	-	260,000
Capital Improvement Sales Tax		
Water System Improvements	40,500	-
Sewer System Improvements	1,500,000	-
Park/Storm Water Sales Tax-Capital	193,436	30,000
Fire Sales Tax	2,302,317	-
Parks/Storm Water Sales Tax	1,287,930	
Community Development Block		
Grant Project Fund	2,524	5
Water System Improvement		
Projects Fund	-	40,500
Storm Water Systems Improvements	-	193,436
Park System Improvements	-	90,425
Sewer Fund	1,810	1,791,268
Golf Course Fund	-	154,726
Sporting Complexes Fund	-	626,533
Fleet Management Fund	15,612	-
Fringe Benefits Fund	79,844	-
General Equipment Replacement Fund	-	1,810
	<u>\$ 12,300,041</u>	<u>\$ 12,300,041</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE J - INTERFUND ACTIVITY - Continued

B. The following is a summary of interfund balances as of June 30, 2014:

Advance to/from other funds:

	<u>Advances from</u>	<u>Advances to</u>
General Fund	\$ 694,841	\$ -
Solid Waste Fund	-	504,818
Golf Course Fund	-	102,634
Softball Complex Fund	-	87,389
	<u>\$ 694,841</u>	<u>\$ 694,841</u>

The interfund balances are a result of advances to purchase capital assets and to pay for operating expenses. Repayments are made as cash flows permit. If cash flows are not sufficient, repayments are deferred to subsequent years.

NOTE K - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains five enterprise funds which provide sewer, water, solid waste, golf, and sporting complex services. Segment information for the year ended June 30, 2014 was as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Solid Waste Fund</u>	<u>Golf Course Fund</u>	<u>Sporting Complexes Fund</u>	<u>Total Enterprise</u>
Operating revenues	\$ 7,196,849	\$ 6,361,323	\$3,372,137	\$ 480,373	\$ 361,213	\$17,771,894
Depreciation	2,278,189	1,636,169	441,349	99,382	155,437	4,610,526
Operating Income (Loss)	1,535,152	(13,978)	(210,001)	(226,110)	(733,527)	351,536
Operating transfers in	1,791,268	-	-	154,726	626,533	2,572,527
Net Income (Loss)	3,523,341	(392,980)	(224,467)	(69,873)	(111,647)	2,724,375
Current Capital Contributions	910,051	154,150	-	-	-	1,064,201
Property, Plant and Equipment						
Additions	34,863,954	2,099,893	2,600	-	-	36,966,447
Deletions	33,730	5,832	14,382	49,950	-	103,894
Net Working Capital	(208,329)	5,717,227	582,146	(8,065)	39,708	6,122,687
Total Assets	118,065,502	50,021,253	3,386,940	1,433,053	2,307,511	175,214,259
Current Liabilities	9,189,898	1,629,257	581,422	106,957	127,300	11,634,834
Long-Term Liabilities	62,584,358	12,226,979	1,673,850	111,191	78,305	76,674,683
Amounts payable to other funds	-	-	504,818	102,634	87,389	694,841
Total Liabilities	71,774,256	13,856,237	2,255,272	218,148	205,604	88,309,517
Total Net Assets	\$ 46,291,246	\$ 36,165,016	\$1,131,668	\$ 1,214,906	\$2,101,907	\$86,904,743

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE L – GOVERNMENTAL FUND BALANCES REPORTING

In order to improve the usefulness and understandability of governmental fund balance information, the Governmental Accounting Standards Board issued Statement No. 54 in which it classified fund balance into the following categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned. Definition of each category and a reconciliation of how the City of Cape Girardeau reported its Fund Balance follow.

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes long-term receivables that are not currently available for expenditure. These financial statements reflect non-spendable fund balances of \$2,100 that are legally restricted to provide for the perpetual care and maintenance of a mausoleum in the City’s cemetery. Only interest earnings on this amount can be used for mausoleum maintenance. Prepaid expenses of \$527,419 and long-term advance receivables of \$694,841 are also reflected as non-spendable fund balances.

Restricted Fund Balance – Includes amounts that can be spent only for specific purposes because of restrictions by external parties, constitutional provisions or enabling legislation. These financial statements include the following restricted fund balances. Fund balances totaling \$4,397,372 are restricted by the City Charter to use during officially declared emergencies. Special revenue fund balances totaling \$23,589,759 are restricted by their enabling legislation. \$159,191 in capital project fund balances are restricted as the result of special revenue transfers and unspent bond proceeds. The remaining \$91,789 in restricted fund balances result from legal agreements with various outside parties.

Committed Fund Balance – These funds can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority (the City Council). Those amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. Typically, a resolution by the city council would be needed to commit a portion of a fund balance for a specific purpose. The fund balance of the Casino Revenue Fund is committed for various uses identified in a policy approved by the City Council.

Assigned Fund Balance – Amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. For all governmental funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed. For the general fund, amounts can be assigned the intent to be used for a specific purpose by the city council or a city official authorized by the city council; the amount reported as assigned should not result in a deficit in unassigned fund balance.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE L – GOVERNMENTAL FUND BALANCES REPORTING – Continued

Unassigned Fund Balance – For the general fund, amounts not classified as nonspendable, restricted, committed or assigned are included here. For all other governmental funds, it is the amount expended in excess of resources that are nonspendable, restricted, committed or assigned. The general fund is the only fund that should have a positive amount in this classification.

Order of Usage – Unless specifically identified, expenditures will reduce related restricted balances first, and then related committed balances, next related assigned balances, and finally unassigned balances. Expenditures for a specifically identified purpose will reduce the specific classification of fund balance that is identified.

	<u>Major Special Revenue Funds</u>						<u>Total</u>
	<u>General Fund</u>	<u>Airport Fund</u>	<u>Parks and Recreation Fund</u>	<u>Casino Revenue</u>	<u>Transportation Sales Tax Trust Fund IV</u>	<u>Other Funds</u>	
Fund balances							
Nonspendable:							
Prepaid expenses	\$ 445,914	\$ 35,579	\$ 30,503	\$ -	\$ -	\$ 15,423	\$ 527,419
Long-term advance	694,841	-	-	-	-	-	694,841
Mausoleum	2,100	-	-	-	-	-	2,100
Restricted for:							
Mausoleum	91,789	-	-	-	-	-	91,789
Emergencies	4,206,191	-	-	-	-	191,181	4,397,372
Convention and tourism	-	-	-	-	-	203,362	203,362
Community development	-	-	-	-	-	84,499	84,499
Public safety	-	-	-	-	-	660,408	660,408
Street projects	-	-	-	-	5,507,646	4,113,340	9,620,986
Water system projects	-	-	-	-	-	5,693,551	5,693,551
Sewer system projects	-	-	-	-	-	3,089,550	3,089,550
Parks and recreation	-	-	-	-	-	572,962	572,962
Park and storm water projects	-	-	-	-	-	3,699,537	3,699,537
Other capital projects	-	-	-	-	-	124,094	124,094
Committed:							
Other capital projects	-	-	-	3,637,055	-	-	3,637,055
Assigned to:							
Airport	-	96,983	-	-	-	-	96,983
Parks and recreation	-	-	405,320	-	-	-	405,320
Operations and Maintenance	-	-	25,420	-	-	-	25,420
Encumbrances	84,758	6,115	3,299	-	-	-	94,172
Debt service	-	-	-	-	-	26,359	26,359
Public safety	-	-	-	-	-	1,258,219	1,258,219
Street projects	-	-	-	-	-	91,233	91,233
Parks and recreation	-	-	-	-	-	412,807	412,807
Unassigned:	<u>2,880,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,880,015</u>
	<u>\$ 8,405,608</u>	<u>\$138,677</u>	<u>\$ 464,542</u>	<u>\$ 3,637,055</u>	<u>\$ 5,507,646</u>	<u>\$20,236,525</u>	<u>\$ 38,390,053</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE M - PROPRIETARY FUNDS RESTRICTED NET ASSETS AND RESTRICTED CASH EQUIVALENTS AND INVESTMENTS.

At June 30, 2014, net assets restricted for depreciation and replacement were \$127,000 and \$150,000 for the City's Sewer and Water Funds, respectively and net assets restricted for emergencies were \$1,310,852, \$902,691, and \$480,599 for the City's Sewer, Water and Solid Waste Funds, respectively.

At June 30, 2014, the City's Sewer Fund had restricted cash equivalents in sinking reserve funds for Revenue Bonds in the amount of \$4,283,962.64.

NOTE N - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City closed its landfill in the fiscal year ending June 30, 1994, and an expense provision and related liability were recognized at that time based on the future closure and postclosure care costs that were estimated to be incurred near or after the date the landfill no longer accepted waste. The entire amount of the estimated total costs for landfill closure and postclosure care costs was recognized in prior years since the recognition is based on landfill capacity used to date and the landfill was filled to capacity in prior years. The estimated total future liability for landfill postclosure care costs is \$43,500 as of June 30, 2014, which is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2014. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City has used the option of a Contract of Obligation as the financial assurance instrument for the landfill. The City issued bonds in October 1994 from which the proceeds were used to pay the closure costs.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE O - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and employee health benefits. These risks, with the exception of those discussed in the following paragraphs, are covered by commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past twelve fiscal years.

The City is a member of the Missouri Public Entity Risk Management Fund, a not-for-profit public entity insurance pool established by the state legislature. Through this pool, the City receives coverage for general liability, law enforcement liability, errors and omissions, and employment practice liability. Risks for these coverages are spread across members of the fund. Currently the fund is comprised of 890 Missouri counties, municipalities, and special districts. Premiums for these coverages are actuarially determined based on actual claims of the pool and individual claims of the City. Each year, portions of premiums not required because of below expected claims are returned to the members. The City has received refunds of premiums in each of the last fourteen years and has used them to offset the cost of the succeeding year's premiums.

Vehicle loss and accident liability is carried by Savers Property and Casualty Insurance. It is rated "B++" by A.M. Best.

Airport liability is carried by Catlin Insurance Company. It is rated "A" by A.M. Best.

Property insurance is carried by Chubb Group of Insurance Companies. It is rated "A++" by A.M. Best.

Equipment coverage is carried by Travelers Property Casualty Company of America. It is rated "A++" by A.M. Best.

The City has established self-insurance plans for employees' health insurance and workers' compensation. Both of these are accounted for using internal service funds. Under each plan, the City is substantially self-insured and uses an administrator to handle claims management.

The City provided health coverage to its employees through a minimum premium plan administered by Anthem Blue Cross Blue Shield of Missouri, which had an "A" rating by A.M. Best. Under this plan, the City paid the administrator a monthly premium for claims administration, cost management, and specific and aggregate stop loss coverage. The City reimbursed the administrator for claims paid up to the specific stop loss amount of \$150,000 and \$150,000 annually per employee and up to the aggregate stop loss amount (115% of estimated claims) of approximately \$3,400,000 and \$3,400,000 annually beginning January 1, 2013 and 2014, respectively, for all employees. These limits apply only to claims made during the respective calendar years. Rates were charged by the internal service fund to the other City funds to cover the monthly premium to the administrator and claims up to 93.9% and 93.9% of the aggregate stop loss amount for fiscal years ending June 30, 2013 and 2014 respectively.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE O - RISK MANAGEMENT – Continued

Corporate Claims Management, Inc. administers the City's workers' compensation plan. Under this plan, the City pays the administrator a per claim fee to administer its claims. All claims are paid directly by the City. The City has purchased insurance coverage from Safety National Casualty Corp. that limits the City's maximum individual claims liability to \$550,000 for USL & H and \$500,000 for other regular employees and per occurrence claims liability to \$1,000,000. Additionally, \$5,000,000 in coverage is provided for annual claims in excess of \$1,655,436. Rates are charged by the internal service fund to the other City funds based on rates and experience factors established by the National Council on Compensation Insurance and City of Cape Girardeau actual claims trends. Safety National is rated "A+" by A. M. Best.

Claims liability is estimated using data supplied by the administrator. The claims activity during the last five years is summarized as follows:

CLAIMS LIABILITIES RECONCILIATION

	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Balance June 30, 2009	\$ 198,500	\$ 430,000	\$ 628,500
Provision for Incurred Claims	1,843,651	583,662	2,427,313
Payment of Claims	<u>(1,911,151)</u>	<u>(493,662)</u>	<u>(2,404,813)</u>
Balance June 30, 2010	\$ 131,000	\$ 520,000	\$ 651,000
Provision for Incurred Claims	2,238,055	106,108	2,344,163
Payment of Claims	<u>(2,171,055)</u>	<u>(526,108)</u>	<u>(2,697,163)</u>
Balance June 30, 2011	\$ 198,000	\$ 100,000	\$ 298,000
Provision for Incurred Claims	2,847,800	436,715	3,284,515
Payment of Claims	<u>(2,820,300)</u>	<u>(251,715)</u>	<u>(3,072,015)</u>
Balance June 30, 2012	\$ 225,500	\$ 285,000	\$ 510,500
Provision for Incurred Claims	2,452,823	112,448	2,565,271
Payment of Claims	<u>(2,471,323)</u>	<u>(152,448)</u>	<u>(2,623,771)</u>
Balance June 30, 2013	\$ 207,000	\$ 245,000	\$ 452,000
Provisions for Incurred Claims	2,400,637	591,973	2,992,610
Payment of Claims	<u>(2,371,637)</u>	<u>(535,973)</u>	<u>(2,907,610)</u>
Balance June 30, 2014	<u>\$ 236,000</u>	<u>\$ 301,000</u>	<u>\$ 537,000</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE P - CONCENTRATION OF CREDIT RISK/BAD DEBT ALLOWANCE

The City has uncollateralized utility accounts receivable generated within a limited geographical region primarily consisting of its City limits. The City also has taxes, special assessments, and user fees receivable which are concentrated among its citizens. Some of these items attach as liens against real and personal property. The maximum accounting loss is the amount shown as utility charges receivable on the statement of net position.

At June 30, 2014, utility receivables totaled \$2,808,738. On the financial statements, the utility receivables are shown net of the allowance for doubtful accounts of \$216,360. This results in net utility receivable of \$2,592,378. During the year ended June 30, 2014, the allowance was increased by \$195,175 or approximately 1.19% of the current year's utility charges and accounts totaling \$166,545 were written off.

NOTE Q - COMMITMENTS AND CONTINGENCIES

1. Litigation

Various claims and lawsuits are pending against the City. In the opinion of City management, the potential loss on all claims and lawsuits will not be significant to the City's financial statements.

2. Grant Audit

The City receives Federal and State Grants for specific purposes that are subject to review and audit by various Federal and State agencies. Such audits could result in a request for reimbursement by any of the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant.

3. Construction Commitments

As of June 30, 2014, the City had construction commitments outstanding of \$9,747,518. The construction commitments represent incomplete portions of contracts entered into to construct the following: new Wastewater Treatment Plant, various street, sanitary sewer, and storm sewer projects, a recreation trail and the Meadowbrook water storage project. These contracts are expected to be completed within the next fiscal year.

4. Encumbrances

As of June 30, 2014, the City had encumbrances outstanding of \$14,804,094.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE R – PRIOR PERIOD ADJUSTMENTS

The net assets of the governmental activities have been decreased by \$202,268.37 as of June 30, 2014 while the net assets for the business type activities increased by \$52,042.61. Three adjustments made up the bulk of the transactions: adjustment to the prior year's salary accrual, adjustment to accumulated depreciation due to a change in fixed asset programs, and the write off of bond issuance costs due to a change in accounting for these items. Other adjustments were: General fund had the reversal of a grant receivable (\$5,223) which was deemed uncollectible; Internal Service funds had the reversal of prior year's CIP which was not constructed (\$3,771); and business type activities were increased for the prior year purchase of a capital item \$7,799. In addition to these amounts, there were immaterial adjustments made to the funds which are included in the above totals. The material adjustments are detailed in the table below:

Governmental Activities			
	Salary Accrual	Accumulated Depreciation	Issuance Costs
Administrative	19,753	-0-	(235,636)
Development Services	1,485	-0-	-0-
Parks and Recreation	31,696	-0-	-0-
All Other Governmental Funds	192	-0-	-0-
Internal Service Funds	13	(10,877)	-0-
Total Governmental Activities	<u>53,139</u>	<u>(10,877)</u>	<u>(235,636)</u>
Business Type Activities			
Sewer	722	88,311	(47,088)
Water	-0-	(44,947)	-0-
Solid Waste	77	55,732	(10,847)
Golf	3,296	(6,971)	-0-
Sporting Complexes	8,819	(2,860)	-0-
Total Business Type Activities	<u>12,914</u>	<u>89,265</u>	<u>(57,935)</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE S - CONTINGENCY

1. In June 2004, the City of Cape Girardeau and Cape Girardeau County entered into a development agreement with a local business. Under the agreement, the local business agreed to pay for certain public improvements incurred in conjunction with the construction of a new retail facility and the City and County agreed to reimburse the local business for the cost of these improvements up to a maximum of \$4,000,000 over an estimated 15 years. The local business completed these improvements at a cost of \$2,668,646. The development agreement requires the City to reimburse the local business for \$2,134,917 of these costs through scheduled quarterly payments over the next fifteen years from available revenues. Available revenues are defined in the development agreement as 75% of the City's quarterly net revenues from specific sales taxes generated by the business operations of the new retail facility which exceed \$64,000. The rates of the specified sales taxes currently equal 2%. Sales taxes with rates currently equal to 1% will expire during the term of this agreement. The City will be required to substitute revenues for sales taxes with equivalent rates, if available, when the specific sales taxes expire.

Required quarterly payments increase annually per the repayment schedule included in the development agreement. To the extent that the available revenues for any quarter are less than the required quarterly payment due, the unpaid amount will be added to the next scheduled quarterly amount due without penalties. Any amounts unpaid at the end of 15 years will be payable quarterly from available revenues for the remainder of the agreement. Any amounts unpaid at the end of the agreement will not be required to be paid. The term of the developer agreement is 20 years from the execution of the agreement.

During the fiscal year ended June 30, 2014, no payment was due under the development agreement.

2. In June 2004, the City of Cape Girardeau and Cape Girardeau County entered into a development agreement with a local real estate developer. Under the agreement, the local developer agreed to pay for certain public improvements incurred in conjunction with the development of a 60 acre retail development and the City and County agreed to reimburse the local business for the \$2,998,434 cost of these improvements plus 4% interest with quarterly payments from available net sales tax revenue generated from any businesses operations located in the development.

Available revenue is defined by the agreement as all the net sales tax revenue generated by two .25% City capital improvement sales taxes and the .50% City transportation sales tax and 50% of the net sales tax revenue generated by a .50% County sales tax. All City sales taxes have expiration dates that could occur before the total costs of the improvements are reimbursed to the developer. The County sales tax has no expiration date. No provision is made to replace revenues from the City sales taxes that expire if they are not extended. The development agreement remains in effect until the total cost of the public improvements is reimbursed to the developer.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE S - CONTINGENCY – Continued

In October 2012, the City of Cape Girardeau and Cape Girardeau County entered into an amendment to the original development agreement. Under the agreement, the local developer agreed to pay for additional public improvements incurred in conjunction with the development of the 60 acre retail development and the City and County agreed to reimburse the local business for the cost of these improvements from available net sales tax revenue generated from an Academy Sports retail store.

The local developer is eligible to be reimbursed for additional costs of public improvements up to \$3,000,000. Academy Sports began operation in May 2013. No accounting of the additional public improvement costs has been received by the City. The City and County are required by the development agreement to reimburse the developer for the additional public improvement costs related to Academy Sports after the original development costs have been reimbursed with quarterly payments from available revenue. Available revenue is defined by the agreement as all the net sales tax revenue generated by Academy Sports at that location on sales that exceed an inflation adjusted \$2.5 million annually from two .25% City capital improvement sales taxes and half of the .50% City transportation sales tax and 50% of the net sales tax revenue generated by a .50% County sales tax. All City sales taxes have expiration dates that could occur before the total costs of the improvements are reimbursed to the developer. The County sales tax has no expiration date. No provision is made to replace revenues from the City sales taxes that expire if they are not extended. The development agreement remains in effect until the total cost of the additional public improvements is reimbursed to the developer or fifteen years from the beginning of repayments to the developer for costs related to the additional public improvements.

The City and the County are obligated only to make quarterly payments as may lawfully be made from funds budgeted and appropriated for that purpose by the City and County. During the fiscal year ended June 30, 2014 the City incurred payments of \$238,561 under the development agreement. This amount is included in the Development Services expenses on the statement of activities.

3. In July 2007, the City entered into a development agreement with Greater Missouri Builders, Inc. (GMB) to reimburse them for costs associated with the Town Plaza Redevelopment Project. In conjunction with this agreement the City established the Town Plaza Community Improvement District (CID) and determined the project area to be blighted pursuant to Chapter 353 of the Missouri Revised Statutes.

This project involved the conversion of the former Sears facility into a call center for National Asset Recover Services (NARS) and other various improvements, such as facade improvements, parking facilities, roof reconstruction, and HVAC enhancements. Total reimbursements to GMB for redevelopment costs were limited to \$3.6 million plus 7.5% interest. These reimbursements will be made from incremental County and City sales tax revenues, an additional CID sales tax, and real

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE S - CONTINGENCY – Continued

estate tax abatements. Reimbursements from incremental County and City sales tax revenue will be limited to \$1.2 of the \$3.6 million total.

Incremental County and City sales tax revenue was defined as the difference in future tax revenues from the City's 1% general sales tax and .5% capital improvement sales tax and half the County's .5% general sales tax and the revenues from these taxes from the project area in calendar year 2006. The CID implemented a 1% sales tax. Improvements to the redevelopment project will receive 100% real estate tax abatement for the first 10 years and 50% real estate tax abatement for the next 15 years. The current Sears facility will receive 50% real estate tax abatement for 25 years. Based on 2006 assessed values the abatement of City taxes on the unimproved Sears facility would be \$627.53.

Beginning in year six of the agreement, 50% of the gross rentals from the NARS site will be used to supplement the incremental sales tax revenues. Reimbursements from incremental sales tax revenues expire with repayment of the amount to be paid by incremental sales tax or 20 years whichever comes first.

This project was completed at a cost of \$3,203,308. Reimbursement from incremental County and City sales tax revenue is limited to \$1,164,839. The City and the County are obligated to make quarterly payments as may lawfully be made from funds budgeted and appropriated for that purpose by the City and County. During the fiscal year ended June 30, 2014, the City incurred payments of \$25,758 under the development agreement. This amount is included in the Development Services expenses on the Statement of Activities.

4. In May 2011, the City of Cape Girardeau entered into a development agreement with a local real estate developer. Under this agreement, the local developer agreed to pay for certain public improvements incurred in conjunction with the development of a Menards Home Improvement Store site and other adjacent retail development sites and the City agreed to reimburse the local developer for the cost of these improvements from available net sales tax revenue generated from the Menards Home Improvement operations and operations of other similar retail stores in the City that exceeded a baseline amount established in the development agreement.

The local developer has completed all public improvements at a cost of \$2,943,843. The City is required by the development agreement to reimburse the developer for these costs from available revenues. Available revenue is defined by the agreement as all the net sales tax revenue generated by two .25% City capital improvement sales taxes and the .50% City transportation sales tax that exceed a baseline amount. All City sales taxes have expiration dates that could occur before the total costs of the improvements are reimbursed to the developer. No provision is made to replace revenues from the City sales taxes that expire if they are not extended. The development agreement remains in effect until 15 years from the beginning of the Menards Home Improvement operations.

The City is obligated only to make quarterly payments as may lawfully be made from funds budgeted and appropriated for that purpose by the City. During the fiscal year ended June 30, 2014 the City incurred \$201,702 under the development agreement.

REQUIRED SUPPLEMENTAL INFORMATION

City of Cape Girardeau
General

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final			
REVENUES					
Taxes	\$ 16,665,992.00	\$ 16,665,992.00	\$ 16,806,459.93	\$ 140,467.93	(7,996.76)
Licenses & permits	1,608,100.00	1,608,100.00	1,600,103.24		345,739.88
Intergovernmental	515,151.00	515,151.00	860,890.88		104,560.36
Charges for services	232,300.00	232,300.00	336,860.36		21,061.04
Internal charges	1,044,109.00	1,044,109.00	1,065,170.04		(408,938.25)
Fines and forfeits	1,022,000.00	1,022,000.00	613,061.75		(19,490.49)
Miscellaneous	342,910.00	342,910.00	323,419.51		21,735.00
Investment revenue	63,672.00	63,672.00	85,407.00		197,138.71
Total revenues	21,494,234.00	21,494,234.00	21,691,372.71		
EXPENDITURES					
Current:					
Administrative	2,571,362.00	2,534,559.93	2,399,663.72		134,896.21
Development Services	2,299,118.00	2,561,058.00	2,409,969.83		151,088.17
Parks and Recreation	1,659,420.00	1,777,420.00	1,742,891.42		34,528.58
Public Safety	12,697,703.00	12,792,344.72	12,538,565.40		253,779.32
Public Works	2,596,835.00	2,715,936.00	2,584,675.64		131,260.36
Total current	21,824,438.00	22,381,318.65	21,675,766.01		705,552.64
Debt service:					
Administrative charges	-	-	477.00		(477.00)
Interest	59,208.00	59,208.00	55,871.19		3,336.81
Principal	101,000.00	101,000.00	101,000.00		-
Total debt service	160,208.00	160,208.00	157,348.19		2,859.81
Capital outlay:					
Development Services	14,745.00	14,745.00	-		14,745.00
Public Safety	28,975.00	105,655.00	117,766.50		(12,111.50)
Public Works	-	27,000.00	26,580.00		420.00
Total capital outlay	43,720.00	147,400.00	144,346.50		3,053.50
Total expenditures	22,028,366.00	22,688,926.65	21,977,460.70		711,465.95
Excess (deficiency) of revenues over (under) expenditures	(534,132.00)	(1,194,692.65)	(286,087.99)		908,604.66
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS					
Compensation for damages	-	-	90.00		90.00
Transfers in	4,891,284.00	4,891,284.00	4,731,408.11		(159,875.89)
Special assessments	14,500.00	14,500.00	7,525.43		(6,974.57)
Advance repayments	76,249.00	76,249.00	76,249.18		0.18
Asset disposition	5,000.00	5,000.00	22,544.02		17,544.02
Transfers out	(4,304,375.00)	(4,456,625.00)	(4,366,389.52)		90,235.48
Total other financing sources and uses and special items	682,658.00	530,408.00	471,427.22		(58,980.78)
Net change in fund balances	148,526.00	(664,284.65)	185,339.23		849,623.88
Fund balances -- beginning	7,422,519.11	7,422,519.11	7,422,519.11		-
Prior period adjustment	-	-	14,530.38		14,530.38
Fund balances -- ending	\$ 7,571,045.11	\$ 6,758,234.46	\$ 7,622,388.72		\$ 864,154.26

See Independent Auditors' Report.

City of Cape Girardeau
Airport

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 167,000.00	\$ 167,000.00	\$ 209,928.87	\$ 42,928.87
Charges for services	329,750.00	329,750.00	526,691.65	196,941.65
Miscellaneous	241,631.00	241,631.00	252,350.14	10,719.14
Investment revenue	600.00	600.00	549.31	(50.69)
Total revenues	738,981.00	738,981.00	989,519.97	250,538.97
EXPENDITURES				
Current:				
Development Services	1,226,634.00	1,496,156.11	1,497,663.94	(1,507.83)
Total current	1,226,634.00	1,496,156.11	1,497,663.94	(1,507.83)
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total debt service	-	-	-	-
Capital outlay:				
Development Services	-	-	710.14	(710.14)
Total capital outlay	-	-	710.14	(710.14)
Total expenditures	1,226,634.00	1,496,156.11	1,498,374.08	(2,217.97)
Excess (deficiency) of revenues over (under) expenditures	(487,653.00)	(757,175.11)	(508,854.11)	248,321.00
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	487,653.00	537,653.00	485,951.61	(51,701.39)
Total other financing sources and uses and special items	487,653.00	537,653.00	485,951.61	(51,701.39)
Net change in fund balances	-	(219,522.11)	(22,902.50)	196,619.61
Fund balances -- beginning	153,909.97	153,909.97	153,909.97	-
Prior period adjustment	-	-	1,484.65	1,484.65
Fund balances -- ending	\$ 153,909.97	\$ (65,612.14)	\$ 132,492.12	\$ 198,104.26

See Independent Auditors' Report.

City of Cape Girardeau
Park and Recreation
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,309,872.00	\$ 1,309,872.00	\$ 1,191,313.51	\$ (118,558.49)
Miscellaneous	-	-	2,101.90	2,101.90
Investment revenue	3,000.00	3,000.00	4,320.50	1,320.50
Total revenues	1,312,872.00	1,312,872.00	1,197,735.91	(115,136.09)
EXPENDITURES				
Current:				
Parks and Recreation	2,430,087.00	2,465,697.56	2,355,201.64	110,495.92
Total current	2,430,087.00	2,465,697.56	2,355,201.64	110,495.92
Total expenditures	2,430,087.00	2,465,697.56	2,355,201.64	110,495.92
Excess (deficiency) of revenues over (under) expenditures	(1,117,215.00)	(1,152,825.56)	(1,157,465.73)	(4,640.17)
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	1,152,215.00	1,179,465.00	1,207,378.57	27,913.57
Total other financing sources and uses and special items	1,152,215.00	1,179,465.00	1,207,378.57	27,913.57
Net change in fund balances	35,000.00	26,639.44	49,912.84	23,273.40
Fund balances -- beginning	379,048.29	379,048.29	379,048.29	-
Prior period adjustment	-	-	31,695.75	31,695.75
Fund balances -- ending	\$ 414,048.29	\$ 405,687.73	\$ 460,656.88	\$ 54,969.15

See Independent Auditors' Report.

City of Cape Girardeau
Casino Revenue
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,900,000.00	\$ 3,900,000.00	\$ 3,200,900.67	\$ (699,099.33)
Investment revenue	18,000.00	18,000.00	33,527.01	15,527.01
Total revenues	3,918,000.00	3,918,000.00	3,234,427.68	(683,572.32)
EXPENDITURES				
Debt service:				
Administrative charges	-	-	-	-
Interest	-	115,519.55	115,519.55	-
Principal	-	344,480.45	344,480.45	-
Total debt service	-	460,000.00	460,000.00	-
Capital outlay:				
Capital Improvement Projects	-	2,640,095.22	1,698,786.26	941,308.96
Total capital outlay	-	2,640,095.22	1,698,786.26	941,308.96
Total expenditures	-	3,100,095.22	2,158,786.26	941,308.96
Excess (deficiency) of revenues over (under) expenditures	3,918,000.00	817,904.78	1,075,641.42	257,736.64
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Asset disposition	-	-	71,608.20	71,608.20
Transfers in	260,000.00	260,000.00	270,000.00	10,000.00
Transfers out	(260,000.00)	(302,000.00)	(316,520.27)	(14,520.27)
Total other financing sources and uses and special items	-	(42,000.00)	25,087.93	67,087.93
Net change in fund balances	3,918,000.00	775,904.78	1,100,729.35	324,824.57
Fund balances -- beginning	1,465,766.44	1,465,766.44	1,465,766.44	-
Fund balances -- ending	\$ 5,383,766.44	\$ 2,241,671.22	\$ 2,566,495.79	\$ 324,824.57

City of Cape Girardeau
Transportation Sales Tax Trust Fund III
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 10,000.00	\$ 10,000.00	\$ 39,332.40	29,332.40
Total revenues	10,000.00	10,000.00	39,332.40	29,332.40
EXPENDITURES				
Capital outlay:				
Capital Improvement Projects	2,072,455.00	2,072,455.00	53,208.82	2,019,246.18
Total capital outlay	2,072,455.00	2,072,455.00	53,208.82	2,019,246.18
Total expenditures	2,072,455.00	2,072,455.00	53,208.82	2,019,246.18
Excess (deficiency) of revenues over (under) expenditures	(2,062,455.00)	(2,062,455.00)	(13,876.42)	2,048,578.58
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	25,000.00	25,000.00	25,000.00	-
Total other financing sources and uses and special items	25,000.00	25,000.00	25,000.00	-
Net change in fund balances	(2,037,455.00)	(2,037,455.00)	11,123.58	2,048,578.58
Fund balances -- beginning	3,194,923.52	3,194,923.52	3,194,923.52	-
Fund balances -- ending	\$ 1,157,468.52	\$ 1,157,468.52	\$ 3,206,047.10	\$ 2,048,578.58

See Independent Auditors' Report.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2014

BUDGETS AND BUDGETARY ACCOUNTING

The City adopts annual operating budgets for all funds except Storm Water Projects from Park / Storm Water Sales Tax Fund, Park Improvement Projects from Park / Storm Water Sales Tax Fund and Water System Improvement Project Fund which have project length budgets and the Cape Girardeau Municipal Development Foundation, the Cape Girardeau Public Safety Foundation, and the Cape Girardeau Parks Development Foundation whose main purposes are to solicit and collect donations.

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year ending the following June 30th at the first meeting of June each year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between programs within any department; however, any revisions that alter the total appropriations of any department must be approved by the City Council. Departments may not legally exceed their appropriations without approval from the City Council. Appropriations expire at the end of the year; however, outstanding encumbrances at the end of the year are honored by the City.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Budgets for all funds are adopted on a budgetary basis.
7. If, during the fiscal year, the City Manager certifies there are additional revenues to appropriate, unencumbered appropriation balances within a department, or there is an emergency situation, the City Council may amend the initial budget by ordinance. The initial budget was adopted by the City Council on June 17, 2013 and amended on August 19, 2013, September 23, 2013, October 21, 2013, February 3, 2014, February 17, 2014, March 3, 2014, March 17, 2014, June 2, 2014, June 16, 2014 and July 7, 2014. The initial budget and final amended budget are both reflected in the financial statements.

For the year ended June 30, 2014, the fund expenditures for Airport, Park & Recreation Foundation, Riverfront Region Economic Development, Motor Fuel, Park/Storm Water Sales Tax, Park Capital Improvements and Workmen's Compensation exceeded their approved budgets by \$2,218, \$10,408, \$105, \$20,118, \$11,910, \$3,194 and \$47,572, respectively.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2014

BUDGETS AND BUDGETARY ACCOUNTING - Continued

The statement of revenues, expenditures, and changes in fund balances - governmental funds reports revenues and expenditures on the modified accrual basis of accounting in accordance with GAAP. The statement of revenues, expenditures, and changes in fund balances - budget and actual (budget basis) for all governmental fund types is prepared on a budgetary basis which includes encumbrances as expenditures.

The following reconciliation adjusts GAAP basis to budget basis:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
	<u>General</u>	<u>Airport</u>	<u>Parks and Recreation</u>	<u>Casino Revenue Fund</u>	<u>Transportation Sales Tax Trust Fund IV</u>	<u>Non-major Funds</u>
GAAP Basis	\$ 129,765	\$ (22,567)	\$ 31,037	\$ 1,822,815	\$ 3,227,176	\$ 4,431,206
Increase due to:						
Year-end encumbrances						
Administrative services	12,122	-	-	-	-	-
Development services	9,220	5,825	-	-	-	12,820
Parks and recreation	1,285	-	22,445	-	-	-
Public Safety	22,583	-	-	-	-	5,538
Public Works	33,515	-	-	-	-	-
Capital outlay	-	-	-	-	1,292,175	145,479
Contingency	-	-	-	347,534	-	-
Funds not budgeted annually	-	-	-	-	-	346,744
Advance from other funds	76,249	-	-	-	-	-
Adjust investments to market	-	-	-	-	-	113
Encumbrance revenue	<u>442</u>	<u>24,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,118</u>
	<u>155,416</u>	<u>30,252</u>	<u>22,445</u>	<u>347,534</u>	<u>1,292,175</u>	<u>553,812</u>
Decrease due to:						
Year-end encumbrances						
Administrative services	29,245	-	-	-	-	-
Development services	14,300	30,542	-	-	-	51,561
Parks and recreation	850	-	3,299	-	-	51,217
Public safety	17,236	-	-	-	-	595,837
Public works	17,790	-	-	-	-	-
Capital outlay	-	-	-	1,067,460	392,319	155,637
Contingency	5,338	-	-	-	-	-
Encumbrance revenue	13,596	-	-	-	-	67,137
Adjust invest to market	<u>1,487</u>	<u>46</u>	<u>270</u>	<u>2,159</u>	<u>3,464</u>	<u>9,445</u>
	<u>99,842</u>	<u>30,588</u>	<u>3,569</u>	<u>1,069,619</u>	<u>395,783</u>	<u>930,834</u>
Budget Basis	<u>\$ 185,339</u>	<u>\$ (22,903)</u>	<u>\$ 49,913</u>	<u>\$ 1,100,730</u>	<u>\$ 4,123,568</u>	<u>\$ 4,054,184</u>

The individual proprietary fund schedules of comparing budget to actual is reported on a budgetary basis that uses the modified accrual basis of accounting with the exception of encumbrances. Encumbrances are reported as expenses in the year of encumbrance.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2014

BUDGETS AND BUDGETARY ACCOUNTING - Continued

	<u>Net Income (Loss)</u>				
	<u>Sewer</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Golf Course</u>	<u>Softball Complex</u>
GAAP Basis	\$ 3,523,341	\$ (392,980)	\$ (224,467)	\$ (69,873)	\$ (111,647)
Increase due to :					
Prior year encumbrances					
Operating expenses	130,536	11,236	99,053	432	6,007
Depreciation	2,278,189	1,636,169	441,349	99,382	155,437
Special assessments	3,534	725	-	-	-
Bond proceeds	31,971,368	-	-	-	-
Interest cost amortized	178,954	-	-	-	-
Deferred revenue	-	26,593	-	-	-
Capital outlays	6,108,524	-	-	-	-
Interest paid more than accrual	208,206	-	-	-	-
Amount deferred for future debt service for capital appreciation bonds:					
Interest subsidy received	24,770	-	-	-	-
Adjustment to liability for future landfill postclosure maintenance costs	-	-	12,014	-	-
Net OPEB obligation	-	5,958	5,181	5,180	737
Asset dispositions	-	-	1,710	-	-
Bad debt allowance	<u>68,275</u>	<u>41,531</u>	<u>26,185</u>	<u>-</u>	<u>-</u>
	<u>40,972,356</u>	<u>1,722,212</u>	<u>585,492</u>	<u>104,994</u>	<u>162,181</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	137,702	19,314	47,559	12,320	20,109
Capital outlays	11,090,241	639,654	36,107	-	-
Landfill closure and maintenance costs	-	-	4,264	-	-
Interest paid more than accrual	-	5,350	2,250	-	-
Bond principal paid	2,325,500	535,000	222,508	30,969	19,280
Amortized Bond premium/discount	-	28,830	2,348	-	-
Capital outlays	-	1,739,556	-	-	-
Deferred revenues	6,511	-	206,120	-	-
Adjust investments to market	4,496	1,698	330	36	61
Net OPEB Obligation	16,735	-	-	-	-
Contributed capital	<u>821,453</u>	<u>154,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>14,402,638</u>	<u>3,123,552</u>	<u>521,486</u>	<u>43,325</u>	<u>39,450</u>
Budget Basis	<u>\$ 30,093,059</u>	<u>\$(1,794,320)</u>	<u>\$ (160,461)</u>	<u>\$ (8,204)</u>	<u>\$ 11,084</u>

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2014

BUDGETS AND BUDGETARY ACCOUNTING - Continued

	<u>Net Income (Loss)</u>				
	<u>IT</u>	<u>Fleet Management</u>	<u>Employee Fringe</u>	<u>Risk Management</u>	<u>Equipment Replacement</u>
GAAP Basis	\$ (197,359)	\$ 22,826	\$ 754,847	\$ (28,695)	\$ 64,117
Increase due to:					
Prior year encumbrances					
Operating expenses	-	3,665	-	-	-
Capital Outlays	218,488	-	-	-	-
Depreciation	151,918	25,320	-	-	274,125
Deferred revenues	-	15,612	-	-	-
Difference between proceeds from sale of fixed assets and gain or loss	-	-	-	-	8,153
Net OPEB Obligation	<u>2,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>372,846</u>	<u>44,597</u>	<u>-</u>	<u>-</u>	<u>282,278</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	107,430	936	-	-	-
Adjust investments to market	68	98	1,839	783	503
Net OPEB Obligation	-	7,240	-	-	-
Capital outlays	<u>60,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,252</u>
	<u>168,241</u>	<u>8,274</u>	<u>1,839</u>	<u>783</u>	<u>285,755</u>
Budget Basis	<u>\$ 7,246</u>	<u>\$ 59,149</u>	<u>\$ 753,008</u>	<u>\$ (29,478)</u>	<u>\$ 60,640</u>

CHANGE IN ACCOUNTING PRINCIPLES

As a result of implementing GASB Statements NOS. 63 and 65, the City has restated the beginning net position in the statement of net position, effectively decreasing net position as of July 1, 2013 by \$57,935. The decrease results from no longer deferring and amortizing bond issuance costs.

CITY OF CAPE GIRARDEAU, MISSOURI

Schedule of Funding Progress

June 30, 2014

Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c)] UAL as a Percentage of Covered Payroll
2/29/2012	\$ 28,410,535	\$ 32,460,611	\$ 4,050,076	88%	\$ 14,065,599	29%
2/28/2013	28,335,515	32,067,423	3,731,908	88%	14,371,681	26%
2/28/2014	32,150,548	34,171,443	2,020,895	94%	14,798,373	14%

See Independent Auditors' Report.

SUPPLEMENTAL INFORMATION

City of Cape Girardeau
Convention and Tourism
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,036,550.00	\$ 2,036,550.00	\$ 2,019,801.78	\$ (16,748.22)
Investment revenue	2,000.00	2,000.00	950.72	(1,049.28)
Total revenues	2,038,550.00	2,038,550.00	2,020,752.50	(17,797.50)
EXPENDITURES				
Current:				
Development Services	1,908,395.00	2,109,260.00	2,024,302.09	84,957.91
Total current	1,908,395.00	2,109,260.00	2,024,302.09	84,957.91
Excess (deficiency) of revenues over (under) expenditures	130,155.00	(70,710.00)	(3,549.59)	67,160.41
Net change in fund balances	130,155.00	(70,710.00)	(3,549.59)	67,160.41
Fund balances -- beginning	280,391.32	280,391.32	280,391.32	-
Fund balances -- ending	\$ 410,546.32	\$ 209,681.32	\$ 276,841.73	\$ 67,160.41

City of Cape Girardeau
Downtown Business District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 24,835.00	\$ 24,835.00	\$ 31,759.45	\$ 6,924.45
Investment revenue	400.00	400.00	802.02	402.02
Total revenues	25,235.00	25,235.00	32,561.47	7,326.47
EXPENDITURES				
Current:				
Development Services	25,235.00	25,235.00	10,121.56	15,113.44
Total current	25,235.00	25,235.00	10,121.56	15,113.44
Total expenditures	25,235.00	25,235.00	10,121.56	15,113.44
Excess (deficiency) of revenues over (under) expenditures	-	-	22,439.91	22,439.91
Net change in fund balances	-	-	22,439.91	22,439.91
Fund balances -- beginning	56,621.58	56,621.58	56,621.58	-
Fund balances -- ending	\$ 56,621.58	\$ 56,621.58	\$ 79,061.49	\$ 22,439.91

See Independent Auditors' Report.

City of Cape Girardeau
Health

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 329,788.00	\$ 329,788.00	\$ 346,435.90	\$ 16,647.90
Licenses & permits	4,000.00	4,000.00	4,491.00	491.00
Investment revenue	4,500.00	4,500.00	5,711.84	1,211.84
Total revenues	338,288.00	338,288.00	356,638.74	18,350.74
EXPENDITURES				
Current:				
Public Safety				
Total current	538,288.00	538,288.00	365,217.58	173,070.42
Total expenditures	538,288.00	538,288.00	365,217.58	173,070.42
Excess (deficiency) of revenues over (under) expenditures	(200,000.00)	(200,000.00)	(8,578.84)	191,421.16
Net change in fund balances	(200,000.00)	(200,000.00)	(8,578.84)	191,421.16
Fund balances -- beginning	460,667.39	460,667.39	460,667.39	-
Prior period adjustment	-	-	192.24	192.24
Fund balances -- ending	\$ 260,667.39	\$ 260,667.39	\$ 452,280.79	\$ 191,613.40

See Independent Auditors' Report.

City of Cape Girardeau
Motor Fuel Tax
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,365,000.00	\$ 1,365,000.00	\$ 1,552,662.68	\$ 187,662.68
Investment revenue	3,168.00	3,168.00	11,064.36	7,896.36
Total revenues	1,368,168.00	1,368,168.00	1,563,727.04	195,559.04
EXPENDITURES				
Capital outlay:				
Public Works	-	345,000.00	365,117.50	(20,117.50)
Total capital outlay	-	345,000.00	365,117.50	(20,117.50)
Total expenditures	-	345,000.00	365,117.50	(20,117.50)
Excess (deficiency) of revenues over (under) expenditures	1,368,168.00	1,023,168.00	1,198,609.54	175,441.54
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Special assessments	4,468.00	4,468.00	4,287.40	(180.60)
Transfers out	(970,000.00)	(970,000.00)	(970,000.00)	-
Total other financing sources and uses and special items	(965,532.00)	(965,532.00)	(965,712.60)	(180.60)
Net change in fund balances	402,636.00	57,636.00	232,896.94	175,260.94
Fund balances -- beginning	595,730.76	595,730.76	595,730.76	-
Fund balances -- ending	\$ 998,366.76	\$ 653,366.76	\$ 828,627.70	\$ 175,260.94

City of Cape Girardeau
Capital Improvement Sales Tax-Water System Improvements
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,481,500.00	\$ 2,481,500.00	\$ 2,448,927.17	\$ (32,572.83)
Investment revenue	20,000.00	20,000.00	53,315.01	33,315.01
Total revenues	2,501,500.00	2,501,500.00	2,502,242.18	742.18
EXPENDITURES				
Current:				
Development Services:				
Total current	40,500.00	116,565.71	114,335.53	2,230.18
	40,500.00	116,565.71	114,335.53	2,230.18
Debt service:				
Administrative charges	6,000.00	6,000.00	2,785.63	3,214.37
Interest	13,170.00	13,170.00	13,170.11	(0.11)
Principal	43,800.00	43,800.00	43,800.00	-
Total debt service	62,970.00	62,970.00	59,755.74	3,214.26
Total expenditures	103,470.00	179,535.71	174,091.27	5,444.44
Excess (deficiency) of revenues over (under) expenditures	2,398,030.00	2,321,964.29	2,328,150.91	6,186.62
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfer out	(6,236,000.00)	(6,236,000.00)	(40,500.00)	6,195,500.00
Total other financing sources and uses and special items	(6,236,000.00)	(6,236,000.00)	(40,500.00)	6,195,500.00
Net change in fund balances	(3,837,970.00)	(3,914,035.71)	2,287,650.91	6,201,686.62
Fund balances -- beginning	3,401,042.81	3,401,042.81	3,401,042.81	-
Fund balances -- ending	\$ (436,927.19)	\$ (512,992.90)	\$ 5,688,693.72	\$ 6,201,686.62

See Independent Auditors' Report.

City of Cape Girardeau
Transportation Sales Tax Trust Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 553.00	\$ 553.00	\$ 836.70	\$ 283.70
Total revenues	553.00	553.00	836.70	283.70
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	553.00	553.00	836.70	283.70
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Special assessments	12,474.00	12,474.00	12,618.02	144.02
Total other financing sources and uses and special items	12,474.00	12,474.00	12,618.02	144.02
Net change in fund balances	13,027.00	13,027.00	13,454.72	427.72
Fund balances -- beginning	12,132.69	12,132.69	12,132.69	-
Fund balances -- ending	\$ 25,159.69	\$ 25,159.69	\$ 25,587.41	\$ 427.72

See Independent Auditors' Report.

City of Cape Girardeau
Capital Improvement Sales Tax-Sewer System Improvements
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,481,500.00	\$ 2,481,500.00	\$ 2,448,929.79	\$ (32,570.21)
Investment revenue	35,000.00	35,000.00	29,122.14	(5,877.86)
Total revenues	<u>2,516,500.00</u>	<u>2,516,500.00</u>	<u>2,478,051.93</u>	<u>(38,448.07)</u>
EXPENDITURES				
Current				
Development Services	40,500.00	116,565.69	114,335.51	2,230.18
Total current	<u>40,500.00</u>	<u>116,565.69</u>	<u>114,335.51</u>	<u>2,230.18</u>
Total expenditures	<u>40,500.00</u>	<u>116,565.69</u>	<u>114,335.51</u>	<u>2,230.18</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,476,000.00</u>	<u>2,399,934.31</u>	<u>2,363,716.42</u>	<u>(36,217.89)</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers out	-	(1,500,000.00)	(1,500,000.00)	-
Total other financing sources and uses and special items	<u>-</u>	<u>(1,500,000.00)</u>	<u>(1,500,000.00)</u>	<u>-</u>
Net change in fund balances	<u>2,476,000.00</u>	<u>899,934.31</u>	<u>863,716.42</u>	<u>(36,217.89)</u>
Fund balances -- beginning	<u>2,238,712.24</u>	<u>2,238,712.24</u>	<u>2,238,712.24</u>	<u>-</u>
Fund balances -- ending	<u>\$ 4,714,712.24</u>	<u>\$ 3,138,646.55</u>	<u>\$ 3,102,428.66</u>	<u>\$ (36,217.89)</u>

City of Cape Girardeau
Transportation Sales Tax Trust Fund II
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 912.00	\$ 912.00	\$ 1,122.98	\$ 210.98
Total revenues	912.00	912.00	1,122.98	210.98
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	912.00	912.00	1,122.98	210.98
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Special assessments	19,963.00	19,963.00	20,077.88	114.88
Transfers out	(25,000.00)	(25,000.00)	(25,000.00)	-
Total other financing sources and uses and special items	(5,037.00)	(5,037.00)	(4,922.12)	114.88
Net change in fund balances	(4,125.00)	(4,125.00)	(3,799.14)	325.86
Fund balances -- beginning	5,360.72	5,360.72	5,360.72	-
Fund balances -- ending	\$ 1,235.72	\$ 1,235.72	\$ 1,561.58	\$ 325.86

City of Cape Girardeau
Fire Sales Tax
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,382,240.00	\$ 2,382,240.00	\$ 2,367,706.68	\$ (14,533.32)
Total revenues	<u>2,382,240.00</u>	<u>2,382,240.00</u>	<u>2,367,706.68</u>	<u>(14,533.32)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,382,240.00</u>	<u>2,382,240.00</u>	<u>2,367,706.68</u>	<u>(14,533.32)</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers out	<u>(2,382,240.00)</u>	<u>(2,382,240.00)</u>	<u>(2,302,317.17)</u>	<u>79,922.83</u>
Total other financing sources and uses and special items	<u>(2,382,240.00)</u>	<u>(2,382,240.00)</u>	<u>(2,302,317.17)</u>	<u>79,922.83</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>65,389.51</u>	<u>65,389.51</u>
Fund balances -- beginning	<u>210,157.18</u>	<u>210,157.18</u>	<u>210,157.18</u>	<u>-</u>
Fund balances -- ending	<u>\$ 210,157.18</u>	<u>\$ 210,157.18</u>	<u>\$ 275,546.69</u>	<u>\$ 65,389.51</u>

City of Cape Girardeau
Public Safety Trust
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 10,000.00	\$ 10,000.00	\$ 16,880.02	\$ 6,880.02
Total revenues	10,000.00	10,000.00	16,880.02	6,880.02
EXPENDITURES				
Current:				
Public Safety	37,654.00	37,654.00	35,242.78	2,411.22
Total current	37,654.00	37,654.00	35,242.78	2,411.22
Debt service:				
Interest	84,850.00	84,850.00	83,979.84	870.16
Principal	628,992.00	628,992.00	628,992.00	-
Total debt service	713,842.00	713,842.00	712,971.84	870.16
Capital outlay:				
Public Safety	210,000.00	781,850.00	781,416.78	433.22
Total capital outlay	210,000.00	781,850.00	781,416.78	433.22
Total expenditures	961,496.00	1,533,346.00	1,529,631.40	3,714.60
Excess (deficiency) of revenues over (under) expenditures	(951,496.00)	(1,523,346.00)	(1,512,751.38)	10,594.62
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	2,382,240.00	2,382,240.00	2,302,317.17	(79,922.83)
Asset disposition	-	-	3,520.60	3,520.60
Transfers out	(1,191,120.00)	(1,191,120.00)	(1,151,158.57)	39,961.43
Total other financing sources and uses and special items	1,191,120.00	1,191,120.00	1,154,679.20	(36,440.80)
Net change in fund balances	239,624.00	(332,226.00)	(358,072.18)	(25,846.18)
Fund balances -- beginning	952,123.10	952,123.10	952,123.10	-
Fund balances -- ending	\$ 1,191,747.10	\$ 619,897.10	\$ 594,050.92	\$ (25,846.18)

City of Cape Girardeau
Debt Service
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 324.09	\$ 324.09
Total revenues	-	-	324.09	324.09
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	324.09	324.09
Net change in fund balances	-	-	324.09	324.09
Fund balances -- beginning	26,011.11	26,011.11	26,011.11	-
Fund balances -- ending	\$ 26,011.11	\$ 26,011.11	\$ 26,335.20	\$ 324.09

See Independent Auditors' Report.

City of Cape Girardeau
General Capital Improvements
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 551,000.00	\$ 551,000.00	\$ 613,671.86	\$ 62,671.86
Investment revenue	2,000.00	2,000.00	672.87	(1,327.13)
Total revenues	553,000.00	553,000.00	614,344.73	61,344.73
EXPENDITURES				
Debt Service:				
Interest	-	-	556.39	(556.39)
Total debt service	-	-	556.39	(556.39)
Capital outlay:				
Capital Improvement Projects	610,000.00	775,500.00	726,410.48	49,089.52
Total capital outlay	610,000.00	775,500.00	726,410.48	49,089.52
Total expenditures	610,000.00	775,500.00	726,966.87	48,533.13
Excess (deficiency) of revenues over (under) expenditures	(57,000.00)	(222,500.00)	(112,622.14)	109,877.86
Net change in fund balances	(57,000.00)	(222,500.00)	(112,622.14)	109,877.86
Fund balances -- beginning	99,017.99	99,017.99	99,017.99	-
Fund balances -- ending	\$ 42,017.99	\$ (123,482.01)	\$ (13,604.15)	\$ 109,877.86

City of Cape Girardeau
Street Capital Improvements
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 1,743.00	\$ 1,743.00	\$ 4,273.17	\$ 2,530.17
Total revenues	1,743.00	1,743.00	4,273.17	2,530.17
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,743.00	1,743.00	4,273.17	2,530.17
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Special Assessments	8,360.00	8,360.00	15,298.15	6,938.15
Total other financing sources and uses and special items	8,360.00	8,360.00	15,298.15	6,938.15
Net change in fund balances	10,103.00	10,103.00	19,571.32	9,468.32
Fund balances -- beginning	86,027.12	86,027.12	86,027.12	-
Fund balances -- ending	\$ 96,130.12	\$ 96,130.12	\$ 105,598.44	\$ 9,468.32

City of Cape Girardeau
Park Capital Improvements
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 233.96	\$ 233.96
Total revenues	-	-	233.96	233.96
EXPENDITURES				
Capital outlay				
Capital Improvement Projects	-	-	3,193.98	(3,193.98)
Total capital outlay	-	-	3,193.98	(3,193.98)
Total expenditures	-	-	3,193.98	(3,193.98)
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,960.02)	(2,960.02)
Net change in fund balances	-	-	(2,960.02)	(2,960.02)
Fund balances -- beginning	24,399.24	24,399.24	24,399.24	-
Fund balances -- ending	\$ 24,399.24	\$ 24,399.24	\$ 21,439.22	\$ (2,960.02)

See Independent Auditors' Report.

City of Cape Girardeau
Community Development Block Grant Projects
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 77,124.02	\$ 77,124.02
Investment revenue	-	-	309.54	309.54
Total revenues	-	-	77,433.56	77,433.56
EXPENDITURES				
Current:				
Development Services	-	-	-	-
Total current	-	-	-	-
Debt service:				
Interest	-	-	4.71	(4.71)
Total debt service	-	-	4.71	(4.71)
Capital outlay:				
Capital Improvement Projects	-	1,207,000.00	141,723.31	1,065,276.69
Total capital outlay	-	1,207,000.00	141,723.31	1,065,276.69
Total expenditures	-	1,207,000.00	141,728.02	1,065,271.98
Excess (deficiency) of revenues over (under) expenditures	-	(1,207,000.00)	(64,294.46)	1,142,705.54
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	-	4.71	4.71
Transfers out	-	-	(2,523.63)	(2,523.63)
Total other financing sources and uses and special items	-	-	(2,518.92)	(2,518.92)
Net change in fund balances	-	(1,207,000.00)	(66,813.38)	1,140,186.62
Fund balances -- beginning	35,808.48	35,808.48	35,808.48	-
Fund balances -- ending	\$ 35,808.48	\$ (1,171,191.52)	\$ (31,004.90)	\$ 1,140,186.62

City of Cape Girardeau
Transportation Sales Tax Trust Fund IV
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,764,480.00	\$ 4,764,480.00	\$ 4,736,234.82	\$ (28,245.18)
Intergovernmental	30,000.00	30,000.00	30,000.00	-
Investment revenue	20,000.00	20,000.00	39,179.07	19,179.07
Total revenues	4,814,480.00	4,814,480.00	4,805,413.89	(9,066.11)
EXPENDITURES				
Current				
Development Services	178,000.00	229,280.55	220,131.35	9,149.20
Total current	178,000.00	229,280.55	220,131.35	9,149.20
Capital outlay:				
Capital improvement projects	4,882,500.00	4,882,500.00	721,714.55	4,160,785.45
Total capital outlay	4,882,500.00	4,882,500.00	721,714.55	4,160,785.45
Total expenditures	5,060,500.00	5,111,780.55	941,845.90	4,169,934.65
Excess (deficiency) of revenues over (under) expenditures	(246,020.00)	(297,300.55)	3,863,567.99	4,160,868.54
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	260,000.00	260,000.00	260,000.00	-
Total other financing sources and uses and special items	260,000.00	260,000.00	260,000.00	-
Net change in fund balances	13,980.00	(37,300.55)	4,123,567.99	4,160,868.54
Fund balances -- beginning	987,320.51	987,320.51	987,320.51	-
Fund balances -- ending	\$ 1,001,300.51	\$ 950,019.96	\$ 5,110,888.50	\$ 4,160,868.54

City of Cape Girardeau
Park Storm Water Sales Tax
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,240,750.00	\$ 1,240,750.00	\$ 1,223,302.05	\$ (17,447.95)
Intergovernmental	-	-	9,200.00	9,200.00
Investment revenue	1,000.00	1,000.00	12,171.63	11,171.63
Total revenues	1,241,750.00	1,241,750.00	1,244,673.68	2,923.68
EXPENDITURES				
Capital outlay:				
Parks and Recreation	125,000.00	125,000.00	-	125,000.00
Total capital outlay	125,000.00	125,000.00	-	125,000.00
Total expenditures	125,000.00	125,000.00	-	125,000.00
Excess (deficiency) of revenues over (under) expenditures	1,116,750.00	1,116,750.00	1,244,673.68	127,923.68
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers out	(1,141,820.00)	(1,141,820.00)	(1,287,929.62)	(146,109.62)
Total other financing sources and uses and special items	(1,141,820.00)	(1,141,820.00)	(1,287,929.62)	(146,109.62)
Net change in fund balances	(25,070.00)	(25,070.00)	(43,255.94)	(18,185.94)
Fund balances -- beginning	460,829.14	460,829.14	460,829.14	-
Fund balances -- ending	\$ 435,759.14	\$ 435,759.14	\$ 417,573.20	\$ (18,185.94)

City of Cape Girardeau
Park Storm Water Sales Tax-Capital
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,722,250.00	\$ 3,722,250.00	\$ 3,669,906.19	\$ (52,343.81)
Investment revenue	10,000.00	10,000.00	42,115.33	32,115.33
Total revenues	3,732,250.00	3,732,250.00	3,712,021.52	(20,228.48)
EXPENDITURES				
Debt service:				
Administrative charges	3,000.00	3,000.00	3,041.00	(41.00)
Interest	472,881.00	472,881.00	472,881.26	(0.26)
Principal	2,015,000.00	2,015,000.00	2,015,000.00	-
Total debt service	2,490,881.00	2,490,881.00	2,490,922.26	(41.26)
Capital outlay:				
Parks and Recreation				
Total capital outlay	222,500.00	222,500.00	166,042.84	56,457.16
Total expenditures	222,500.00	222,500.00	166,042.84	56,457.16
Total expenditures	2,713,381.00	2,713,381.00	2,656,965.10	56,415.90
Excess (deficiency) of revenues over (under) expenditures	1,018,869.00	1,018,869.00	1,055,056.42	36,187.42
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	-	30,000.00	30,000.00
Asset disposition	-	-	9,065.00	9,065.00
Transfers out	(1,018,869.00)	(1,018,869.00)	(193,436.06)	825,432.94
Total other financing sources and uses and special items	(1,018,869.00)	(1,018,869.00)	(154,371.06)	864,497.94
Net change in fund balances	-	-	900,685.36	900,685.36
Fund balances -- beginning	2,769,545.55	2,769,545.55	2,769,545.55	-
Fund balances -- ending	\$ 2,769,545.55	\$ 2,769,545.55	\$ 3,670,230.91	\$ 900,685.36

See Independent Auditors' Report.

City of Cape Girardeau
Housing Development Grants
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 117,061.86	\$ 117,061.86
Miscellaneous	-	-	2.66	2.66
Investment revenue	-	-	7.30	7.30
Total revenues	-	-	117,071.82	117,071.82
EXPENDITURES				
Current:				
Development Services	-	198,650.00	91,356.49	107,293.51
Total current	-	198,650.00	91,356.49	107,293.51
Debt service:				
Interest	-	-	517.29	(517.29)
Total debt service	-	-	517.29	(517.29)
Total expenditures	-	198,650.00	91,873.78	106,776.22
Excess (deficiency) of revenues over (under) expenditures	-	(198,650.00)	25,198.04	223,848.04
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	25,000.00	32,762.27	7,762.27
Total other financing sources and uses and special items	-	25,000.00	32,762.27	7,762.27
Net change in fund balances	-	(173,650.00)	57,960.31	231,610.31
Fund balances -- beginning	(51,889.87)	(51,889.87)	(51,889.87)	-
Fund balances -- ending	\$ (51,889.87)	\$ (225,539.87)	\$ 6,070.44	\$ 231,610.31

See Independent Auditors' Report.

City of Cape Girardeau
STP - Urban Grant Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 626.82	\$ 626.82
Total revenues	-	-	626.82	626.82
EXPENDITURES				
Capital outlay:				
Capital Improvement Projects	-	-	9,760.53	(9,760.53)
Total capital outlay	-	-	9,760.53	(9,760.53)
Debt service:				
Interest	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	9,760.53	(9,760.53)
Excess (deficiency) of revenues over (under) expenditures	-	-	(9,133.71)	(9,133.71)
Net change in fund balances	-	-	(9,133.71)	(9,133.71)
Fund balances -- beginning	59,496.26	59,496.26	59,496.26	-
Fund balances -- ending	\$ 59,496.26	\$ 59,496.26	\$ 50,362.55	\$ (9,133.71)

City of Cape Girardeau
Sewer
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 10,958.11	\$ 10,958.11
Residential charges	4,542,800.00	4,542,800.00	4,588,281.42	45,481.42
Commercial charges	2,599,600.00	2,599,600.00	2,456,335.19	(143,264.81)
Other fees and charges	132,000.00	132,000.00	125,662.93	(6,337.07)
Internal charges	-	-	11,457.43	11,457.43
Miscellaneous	800.00	800.00	8,600.95	7,800.95
Investment revenue	50,640.00	50,640.00	198,063.97	147,423.97
Total revenues	7,325,840.00	7,325,840.00	7,399,360.00	73,520.00
EXPENDITURES				
Current:				
Contractual services	428,977.00	524,629.05	489,088.60	35,540.45
General operating expenses	445,491.00	453,539.89	429,762.22	23,777.67
Internal service expense	186,156.00	186,156.00	181,931.63	4,224.37
Material and supplies	526,484.00	543,545.13	536,757.69	6,787.44
Personnel services	1,847,445.00	1,840,162.10	1,689,090.46	151,071.64
Special projects expense	18,000.00	14,200.00	12,501.68	1,698.32
Total current	3,452,553.00	3,562,232.17	3,339,132.28	223,098.89
Debt service:				
Administrative charges	72,889.00	72,889.00	44,523.04	28,365.96
Interest	1,559,945.00	1,559,945.00	485,323.00	1,074,622.00
Issuance cost	-	-	-	-
Principal	1,641,781.00	1,641,781.00	2,325,500.00	(683,719.00)
Total debt service	3,274,615.00	3,274,615.00	2,855,346.04	419,268.96
Capital outlay:				
Capital Improvement Projects	3,460,000.00	4,236,856.00	2,708,558.91	1,528,297.09
Equipment	141,650.00	138,167.81	134,894.44	3,273.37
Other Capital Expenditures	85,000.00	1,156,750.00	2,138,265.51	(981,515.51)
Total capital outlay	3,686,650.00	5,531,773.81	4,981,718.86	550,054.95
Total expenditures	10,413,818.00	12,368,620.98	11,176,197.18	1,192,423.80
Excess (deficiency) of revenues over (under) expenditures	(3,087,978.00)	(5,042,780.98)	(3,776,837.18)	1,265,943.80
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	285,423.00	1,795,423.00	1,791,268.22	(4,154.78)
Connection fees	85,000.00	85,000.00	78,598.00	(6,402.00)
Special assessments	3,536.00	3,536.00	3,534.13	(1.87)
Asset disposition	15,700.00	15,700.00	16,937.98	1,237.98
Bond proceeds	1,460,000.00	1,460,000.00	31,971,367.61	30,511,367.61
Donations	-	-	10,000.00	10,000.00
Transfers out	-	-	(1,810.00)	(1,810.00)
Total other financing sources and uses and special items	1,859,659.00	3,359,659.00	33,869,895.94	30,510,236.94
Net change in fund balances	(1,228,319.00)	(1,683,121.98)	30,093,058.76	31,776,180.74
Fund balances -- beginning	(35,634,731.01)	(35,634,731.01)	(35,634,731.01)	-
Prior period adjustment	-	-	(63,752.42)	(63,752.42)
Fund balances -- ending	\$ (36,863,050.01)	\$ (37,317,852.99)	\$ (5,605,424.67)	\$ 31,712,428.32

See Independent Auditors' Report.

City of Cape Girardeau
Water
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Residential charges	\$ 3,935,000.00	\$ 3,935,000.00	\$ 3,682,000.10	\$ (252,999.90)
Commercial charges	2,631,000.00	2,631,000.00	2,488,803.65	(142,196.35)
Other fees and charges	240,000.00	240,000.00	192,035.37	(47,964.63)
Miscellaneous	21,080.00	21,080.00	25,077.54	3,997.54
Investment revenue	40,131.00	40,131.00	78,527.98	38,396.98
Total revenues	6,867,211.00	6,867,211.00	6,466,444.64	(400,766.36)
EXPENDITURES				
Current:				
Contractual services	2,654,283.00	2,756,594.57	2,719,055.65	37,538.92
General operating expenses	371,466.00	373,723.50	334,022.26	39,701.24
Internal service expense	132,848.00	132,848.00	150,281.52	(17,433.52)
Material and supplies	1,160,005.00	1,155,779.55	1,004,228.74	151,550.81
Personnel services	294,201.00	294,201.00	257,059.33	37,141.67
Special projects expense	350,000.00	329,038.45	235,074.90	93,963.55
Total current	4,962,803.00	5,042,185.07	4,699,722.40	342,462.67
Debt service:				
Administrative charges	-	-	-	-
Interest	430,081.00	430,081.00	647,796.89	(217,715.89)
Issuance cost	-	-	-	-
Principal	535,000.00	535,000.00	535,000.00	-
Total debt service	965,081.00	965,081.00	1,182,796.89	(217,715.89)
Capital outlay:				
Capital Improvement Projects	3,016,000.00	9,738,371.58	2,124,677.29	7,613,694.29
Equipment	183,589.00	173,835.00	224,821.36	(50,986.36)
Other Capital Expenditures	6,729,711.00	29,711.35	29,711.35	-
Total capital outlay	9,929,300.00	9,941,917.93	2,379,210.00	7,562,707.93
Total expenditures	15,857,184.00	15,949,184.00	8,281,729.29	7,667,454.71
Excess (deficiency) of revenues over (under) expenditures	(8,989,973.00)	(9,081,973.00)	(1,795,284.65)	7,286,688.35
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	6,236,000.00	6,236,000.00	-	(6,236,000.00)
Investment revenue	-	-	-	-
Special assessments	724.00	724.00	724.58	0.58
Asset disposition	19,850.00	19,850.00	239.58	(19,610.42)
Total other financing sources and uses and special items	6,256,574.00	6,256,574.00	964.16	(6,255,609.84)
Net change in fund balances	(2,733,399.00)	(2,825,399.00)	(1,794,320.49)	1,031,078.51
Fund balances -- beginning	6,715,533.91	6,715,533.91	6,715,533.91	-
Prior period adjustment	-	-	46,536.89	46,536.89
Fund balances -- ending	\$ 3,982,134.91	\$ 3,890,134.91	\$ 4,967,750.31	\$ 1,077,615.40

See Independent Auditors' Report.

City of Cape Girardeau
Solid Waste
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Residential charges	\$ 2,408,059.00	\$ 2,408,059.00	\$ 2,409,916.45	\$ 1,857.45
Commercial charges	35,000.00	35,000.00	37,076.46	2,076.46
Transfer station charges	849,335.00	849,335.00	582,156.08	(267,178.92)
Other fees and charges	94,500.00	94,500.00	94,015.31	(484.69)
Miscellaneous	53,500.00	53,500.00	42,852.31	(10,647.69)
Investment revenue	10,000.00	10,000.00	11,009.07	1,009.07
Total revenues	3,450,394.00	3,450,394.00	3,177,025.68	(273,368.32)
EXPENDITURES				
Current:				
Contractual services	1,224,925.00	1,221,122.65	1,127,708.06	93,414.59
General operating expenses	31,076.00	32,913.65	11,316.73	21,596.92
Internal service expense	369,167.00	436,167.00	452,636.87	(16,469.87)
Material and supplies	278,713.00	286,027.70	271,129.34	14,898.36
Personnel services	1,123,005.00	1,123,005.00	1,111,604.58	11,400.42
Special projects expense	40,074.00	40,074.00	75,783.20	(35,709.20)
Total current	3,066,960.00	3,139,310.00	3,050,178.78	89,131.22
Debt service:				
Administrative charges	500.00	500.00	424.00	76.00
Interest	35,913.00	35,913.00	31,101.31	4,811.69
Principal	222,508.00	222,508.00	222,508.00	-
Total debt service	258,921.00	258,921.00	254,033.31	4,887.69
Capital outlay:				
Equipment	40,385.00	40,385.00	36,107.00	4,278.00
Total capital outlay	40,385.00	40,385.00	36,107.00	4,278.00
Total expenditures	3,366,266.00	3,438,616.00	3,340,319.09	98,296.91
Excess (deficiency) of revenues over (under) expenditures	84,128.00	11,778.00	(163,293.41)	(175,071.41)
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Asset disposition	8,000.00	8,000.00	2,832.36	(5,167.64)
Total other financing sources and uses and special items	8,000.00	8,000.00	2,832.36	(5,167.64)
Net change in fund balances	92,128.00	19,778.00	(160,461.05)	(180,239.05)
Fund balances -- beginning	546,157.13	546,157.13	546,157.13	-
Prior period adjustment	-	-	6,688.43	6,688.43
Fund balances -- ending	\$ 638,285.13	\$ 565,935.13	\$ 392,384.51	\$ (173,550.62)

See Independent Auditors' Report.

City of Cape Girardeau
Golf Course

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final			
REVENUES					
User fees	\$ 450,200.00	\$ 450,200.00	\$ 449,717.20	\$ (482.80)	
Concession revenues	38,000.00	38,000.00	27,453.61	(10,546.39)	
Miscellaneous	250.00	250.00	3,201.80	2,951.80	
Investment revenue	400.00	400.00	562.35	162.35	
Total revenues	488,850.00	488,850.00	480,934.96	(7,915.04)	
EXPENDITURES					
Current:					
Contractual services	24,129.00	73,960.01	63,882.96	10,077.05	
General operating expenses	9,290.00	9,290.00	8,931.88	358.12	
Internal service expense	47,143.00	47,143.00	33,286.23	13,856.77	
Material and supplies	112,140.00	116,808.99	100,950.58	15,858.41	
Personnel services	397,466.00	397,466.00	400,290.02	(2,824.02)	
Special projects expense	9,000.00	9,000.00	6,466.91	2,533.09	
Total current	599,168.00	653,668.00	613,808.58	39,859.42	
Debt service:					
Interest	9,210.00	9,210.00	6,297.83	2,912.17	
Principal	28,056.00	28,056.00	30,968.73	(2,912.73)	
Total debt service	37,266.00	37,266.00	37,266.56	(0.56)	
Total expenditures	636,434.00	690,934.00	651,075.14	39,858.86	
Excess (deficiency) of revenues over (under) expenditures	(147,584.00)	(202,084.00)	(170,140.18)	31,943.82	
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS					
Transfers in	147,584.00	147,584.00	154,725.99	7,141.99	
Asset disposition	-	-	7,210.20	7,210.20	
Total other financing sources and uses and special items	147,584.00	147,584.00	161,936.19	14,352.19	
Net change in fund balances	-	(54,500.00)	(8,203.99)	46,296.01	
Fund balances -- beginning	16,985.18	16,985.18	16,985.18	-	
Prior period adjustment	-	-	3,295.63	3,295.63	
Fund balances -- ending	16,985.18	(37,514.82)	\$ 12,076.82	\$ 49,591.64	

See Independent Auditors' Report.

City of Cape Girardeau
Sporting Complexes

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final			
REVENUES					
User fees	\$ 330,967.00	\$ 330,967.00	\$ 302,843.63	\$ (28,123.37)	
Concession revenues	78,760.00	78,760.00	57,998.99	(20,761.01)	
Miscellaneous	-	-	370.00	370.00	
Investment revenue	350.00	350.00	381.18	31.18	
Total revenues	410,077.00	410,077.00	361,593.80	(48,483.20)	
EXPENDITURES					
Current:					
Contractual services	39,055.00	72,922.53	63,251.28	9,671.25	
General operating expenses	3,966.00	3,966.00	3,758.86	207.14	
Internal service expense	30,576.00	30,576.00	40,680.50	(10,104.50)	
Material and supplies	167,546.00	181,561.97	161,142.85	20,419.12	
Personnel services	622,196.00	618,296.00	611,721.47	6,574.53	
Special projects expense	67,549.00	72,329.50	72,112.27	217.23	
Total current	930,888.00	979,652.00	952,667.23	26,984.77	
Debt service:					
Interest	5,096.00	5,096.00	5,095.45	0.55	
Principal	19,280.00	19,280.00	19,280.45	(0.45)	
Total debt service	24,376.00	24,376.00	24,375.90	0.10	
Total expenditures	955,264.00	1,004,028.00	977,043.13	26,984.87	
Excess (deficiency) of revenues over (under) expenditures	(545,187.00)	(593,951.00)	(615,449.33)	(21,498.33)	
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS					
Transfers in	541,187.00	591,187.00	626,533.37	35,346.37	
Contributed capital	4,000.00	4,000.00	-	(4,000.00)	
Total other financing sources and uses and special items	545,187.00	595,187.00	626,533.37	31,346.37	
Net change in fund balances	-	1,236.00	11,084.04	9,848.04	
Fund balances -- beginning	8,075.67	8,075.67	8,075.67	-	
Prior period adjustment	-	-	20,574.15	20,574.15	
Fund balances -- ending	\$ 8,075.67	\$ 9,311.67	\$ 39,733.86	\$ 30,422.19	

See Independent Auditors' Report.

City of Cape Girardeau
Information Technology
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Internal charges	\$ 620,000.00	\$ 620,000.00	\$ 620,090.00	\$ 90.00
Investment revenue	750.00	750.00	5,088.38	4,338.38
Total revenues	620,750.00	620,750.00	625,178.38	4,428.38
EXPENDITURES				
Current:				
Contractual services	171,764.00	201,764.00	212,902.72	(11,138.72)
General operating expenses	7,800.00	4,363.27	3,716.09	647.18
Material and supplies	91,500.00	89,936.73	98,906.38	(8,969.65)
Personnel services	236,111.00	236,111.00	241,664.32	(5,553.32)
Total current	507,175.00	532,175.00	557,189.51	(25,014.51)
Capital outlay:				
Equipment	115,000.00	115,000.00	60,742.53	54,257.47
Total capital outlay	115,000.00	115,000.00	60,742.53	54,257.47
Total expenditures	622,175.00	647,175.00	617,932.04	29,242.96
Excess (deficiency) of revenues over (under) expenditures	(1,425.00)	(26,425.00)	7,246.34	33,671.34
Net change in fund balances	(1,425.00)	(26,425.00)	7,246.34	33,671.34
Fund balances -- beginning	300,590.36	300,590.36	300,590.36	-
Fund balances -- ending	\$ 299,165.36	\$ 274,165.36	\$ 307,836.70	\$ 33,671.34

City of Cape Girardeau
Fleet Management
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Internal charges	\$ 1,298,135.00	\$ 1,298,135.00	\$ 1,440,615.53	\$ 142,480.53
Miscellaneous	-	-	2,487.41	2,487.41
Investment revenue	4,159.00	4,159.00	4,152.00	(7.00)
Total revenues	1,302,294.00	1,302,294.00	1,447,254.94	144,960.94
EXPENDITURES				
Current:				
Contractual services	233,436.00	252,083.68	248,577.22	3,506.46
General operating expenses	4,850.00	1,974.00	1,975.92	(1.92)
Internal service expense	6,198.00	6,198.00	6,198.00	-
Material and supplies	379,453.00	531,234.28	520,171.90	11,062.38
Personnel services	655,099.00	655,099.00	610,795.18	44,303.82
Total current	1,279,036.00	1,446,588.96	1,387,718.22	58,870.74
Debt service:				
Interest	-	-	387.75	(387.75)
Total debt service	-	-	387.75	(387.75)
Capital outlay:				
Equipment	17,750.00	1,197.04	-	1,197.04
Total capital outlay	17,750.00	1,197.04	-	1,197.04
Total expenditures	1,296,786.00	1,447,786.00	1,388,105.97	59,680.03
Excess (deficiency) of revenues over (under) expenditures	5,508.00	(145,492.00)	59,148.97	204,640.97
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Asset disposition	15,612.00	15,612.00	15,612.36	0.36
Transfers out	(15,612.00)	(15,612.00)	(15,612.36)	(0.36)
Total other financing sources and uses and special items	-	-	-	-
Net change in fund balances	5,508.00	(145,492.00)	59,148.97	204,640.97
Fund balances -- beginning	73,456.22	73,456.22	73,456.22	-
Prior period adjustment	-	-	12.66	12.66
Fund balances -- ending	\$ 78,964.22	\$ (72,035.78)	\$ 132,617.85	\$ 204,653.63

See Independent Auditors' Report.

City of Cape Girardeau
Employee Benefits
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Internal charges	\$ 3,740,290.00	\$ 3,740,290.00	\$ 3,734,018.29	\$ (6,271.71)
Miscellaneous	-	-	140.72	140.72
Investment revenue	25,000.00	25,000.00	39,192.71	14,192.71
Total revenues	3,765,290.00	3,765,290.00	3,773,351.72	8,061.72
EXPENDITURES				
Current:				
Contractual services	3,765,290.00	3,765,290.00	2,940,499.72	824,790.28
Total current	3,765,290.00	3,765,290.00	2,940,499.72	824,790.28
Total expenditures	3,765,290.00	3,765,290.00	2,940,499.72	824,790.28
Excess (deficiency) of revenues over (under) expenditures	-	-	832,852.00	832,852.00
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers out	(128,994.00)	(128,994.00)	(79,843.64)	49,150.36
Total other financing sources and uses and special items	(128,994.00)	(128,994.00)	(79,843.64)	49,150.36
Net change in fund balances	(128,994.00)	(128,994.00)	753,008.36	882,002.36
Fund balances -- beginning	2,578,966.44	2,578,966.44	2,578,966.44	-
Fund balances -- ending	\$ 2,449,972.44	\$ 2,449,972.44	\$ 3,331,974.80	\$ 882,002.36

City of Cape Girardeau
Worker's Compensation
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Internal charges	\$ 601,650.00	\$ 601,650.00	\$ 617,167.31	\$ 15,517.31
Investment revenue	19,800.00	19,800.00	22,377.12	2,577.12
Total revenues	621,450.00	621,450.00	639,544.43	18,094.43
EXPENDITURES				
Current:				
Contractual services	590,950.00	590,950.00	630,359.47	(39,409.47)
General operating expenses	-	-	-	-
Material and supplies	30,500.00	30,500.00	38,662.88	(8,162.88)
Total current	621,450.00	621,450.00	669,022.35	(47,572.35)
Total expenditures	621,450.00	621,450.00	669,022.35	(47,572.35)
Excess (deficiency) of revenues over (under) expenditures	-	-	(29,477.92)	(29,477.92)
Net change in fund balances	-	-	(29,477.92)	(29,477.92)
Fund balances -- beginning	1,811,047.91	1,811,047.91	1,811,047.91	-
Fund balances -- ending	\$ 1,811,047.91	\$ 1,811,047.91	\$ 1,781,569.99	\$ (29,477.92)

See Independent Auditors' Report.

City of Cape Girardeau
General Equipment Replacement
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Internal charges	\$ 299,280.00	\$ 299,280.00	\$ 305,851.95	\$ 6,571.95
Investment revenue	10,000.00	10,000.00	15,845.08	5,845.08
Total revenues	309,280.00	309,280.00	321,697.03	12,417.03
EXPENDITURES				
Current:				
Material and supplies	-	-	-	-
Total current	-	-	-	-
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total debt service	-	-	-	-
Capital outlay:				
Equipment	367,004.00	367,004.00	285,252.30	81,751.70
Total capital outlay	367,004.00	367,004.00	285,252.30	81,751.70
Total expenditures	367,004.00	367,004.00	285,252.30	81,751.70
Excess (deficiency) of revenues over (under) expenditures	(57,724.00)	(57,724.00)	36,444.73	94,168.73
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	-	1,810.00	1,810.00
Asset disposition	14,887.00	14,887.00	22,385.20	7,498.20
Transfers out	-	-	-	-
Total other financing sources and uses and special items	14,887.00	14,887.00	24,195.20	9,308.20
Net change in fund balances	(42,837.00)	(42,837.00)	60,639.93	103,476.93
Fund balances -- beginning	1,159,621.08	1,159,621.08	1,159,621.08	-
Fund balances -- ending	\$ 1,116,784.08	\$ 1,116,784.08	\$ 1,220,261.01	\$ 103,476.93

City of Cape Girardeau
Riverfront Region Economic Development
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 140,000.00	\$ 140,000.00	\$ 56,520.27	\$ (83,479.73)
Investment revenue	-	-	75.66	75.66
Total revenues	140,000.00	140,000.00	56,595.93	(83,404.07)
EXPENDITURES				
Debt service:				
Interest	-	-	104.68	(104.68)
Total current	-	-	104.68	(104.68)
Total expenditures	-	-	104.68	(104.68)
Excess (deficiency) of revenues over (under) expenditures	140,000.00	140,000.00	56,491.25	(83,508.75)
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	42,000.00	56,520.27	14,520.27
Transfers out	-	-	-	-
Total other financing sources and uses and special items	-	42,000.00	56,520.27	14,520.27
Net change in fund balances	140,000.00	182,000.00	113,011.52	(68,988.48)
Fund balances -- beginning	(8,395.95)	(8,395.95)	(8,395.95)	-
Fund balances -- ending	\$ 131,604.05	\$ 173,604.05	\$ 104,615.57	\$ (68,988.48)

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Honorable Mayor and Members of the City Council
City of Cape Girardeau, Missouri

Report on Compliance for Each Major Federal Program

We have audited the City of Cape Girardeau, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City of Cape Girardeau, Missouri's major federal program for the year ended June 30, 2014. The City of Cape Girardeau, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City of Cape Girardeau, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cape Girardeau, 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 the major federal program. However, our audit does not provide a legal determination of the City of Cape Girardeau, Missouri's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Cape Girardeau, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the City of Cape Girardeau, 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 Cape Girardeau, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cape Girardeau, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
February 4, 2015

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council
City of Cape Girardeau, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cape Girardeau, Missouri as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Cape Girardeau, Missouri's basic financial statements, and have issued our report thereon dated February 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Cape Girardeau, 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 Cape Girardeau, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cape Girardeau, 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 City'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 Cape Girardeau, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
February 4, 2015

City of Cape Girardeau, Missouri
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<u>U.S. DEPARTMENT OF DEFENSE:</u>			
Loan of DOD Property (non-cash)	12.	N/A	\$ 100,000
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
Passed Through Missouri Department of Economic Development - Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	2013-ED-03	\$ 57,278
Passed Through Missouri Housing Development Commission - Emergency Solutions Grant Program	14.231	13-709-E 14-755-E 13-755-S	\$ 178,558 23126 2,457
			204,141
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 261,419
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
Passed Through Missouri Department of Public Safety - Violence Against Women Formula Grants	16.588	2010-VAWA-091-OS	\$ 17,075
Bulletproof Vest Partnership Program	16.607	N/A	6,355
Passed Through the City of Poplar Bluff, Missouri - Passed through the Southeast Missouri Drug Task Force - Public Safety Partnership and Community Policing Grants	16.710	N/A	4,315
TOTAL U.S. DEPARTMENT OF JUSTICE			\$ 27,745

The Accompanying Notes to Schedule of Expenditures of Federal Awards
Are an Integral Part of This Report.

City of Cape Girardeau, Missouri
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>	
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed Through Missouri Department of Transportation -				
Airport Improvement Program	20.106	12-077A-1	\$ 616,769	
		13-077A-1	8,577	
		14-077A-1	<u>9,925</u>	\$ 635,271
Highway Planning and Construction	20.205	J010767A DP-1503(003)	\$ 11,808	
		DP-1500(020)	22,389	
		STP-1500(021)	90,988	
		SRTS-INF-H280(106)	112,006	
		SRTS-INF-H31H(103)	6,573	
		SPR-PL-3000(48)	<u>7,830</u>	251,594
State and Community Highway Safety	20.600	13-PT-02-128	\$ 3,015	
		14-PT-02-021	2,702	
		13-SA-09-002	17,930	
		14-SA-09-001	42,457	
		13-CP-09-001	79,682	
		14-CP-09-001	49,092	
		14-OP-05-002	299	
		14-OP-05-002	<u>2,376</u>	197,553
Alcohol Open Container Requirements	20.607	14-154-AL-021	\$ 212	
		14-154-AL-019	9,102	
		13-154-AL-074	1,476	
		14-154-AL-020	<u>52,000</u>	62,790
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>\$ 1,147,208</u>
<u>ENVIRONMENTAL PROTECTION AGENCY:</u>				
Passed Through Missouri Department of Natural Resources -				
Capitalization Grants for Clean Water State Revolving Funds (1)	66.458	C295531-01	\$ 12,750,286	
		C295531-02	3,008,000	
		C295531-03	<u>18,216,221</u>	<u>\$ 33,974,507</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY				<u>\$ 33,974,507</u>

The Accompanying Notes to Schedule of Expenditures of Federal Awards
Are an Integral Part of This Report.

City of Cape Girardeau, Missouri
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed Through the Community Caring Counsel - Substance Abuse and Mental Health Services- Projects of Regional and National Significance	93.243	SDA42070104	\$ 2,257
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Passed Through Missouri State Emergency Management Agency - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	#FEMA-4130-DR-MO	\$ 9,669
Emergency Management Performance Grants	97.042	N/A	5,334
Assistance to Firefighters Grant	97.044	EMW-2012-FO-06070	50,372
Passed Through Missouri State Emergency Management Agency - Citizen Community Resilience Innovation Challenge	97.053	EMW-2011-SS-00003	2,515
Passed Through Missouri State Emergency Management Agency - Homeland Security Grant Program	97.067	EMW-2011-SS-0003-S01-5017	\$ 12,505
		EMW-2012-SS-00023-S01-012-5488	4,083
		EMW-2013-SS-00023-S01-013-7561	21,619
			38,207
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0208HSLR050	30,310
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			\$ 136,407
TOTAL FEDERAL AWARDS			\$ 35,649,543

(1) Identified major program.

The Accompanying Notes to Schedule of Expenditures of Federal Awards
Are an Integral Part of This Report.

City of Cape Girardeau, Missouri
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with OMB Circular A-133. This circular requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA) and identification of programs that have not been assigned a CFDA number as "Other Federal Assistance".

The schedule includes all expenditures of federal awards administered by the City.

B. Basis of Presentation:

The Schedule is presented in accordance with OMB Circular A-133, which defines federal financial assistance "...assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals."

C. Basis of Accounting:

The Schedule is presented on the modified accrual basis of accounting, which recognizes expenditures when liabilities for goods and services are incurred. This is the same basis of accounting presented in the financial statements.

City of Cape Girardeau, Missouri
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of Auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ____ yes X no
- Significant deficiencies identified that are not
 considered to be material weaknesses? ____ yes X none reported

Noncompliance material to financial statements
noted? ____ yes X no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ____ yes X no
- Significant deficiencies identified that are not
 considered to be material weaknesses? ____ yes X none reported

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

Any audit findings disclosed that are required to be
reported in accordance with Section 510(a) of Circular
A-133? ____ yes X no

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish
between type A and type B programs: \$1,069,486

Auditee qualified as low-risk auditee: X yes no

2. FINANCIAL STATEMENT FINDINGS:

No findings or questioned costs were noted that are required to be reported.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No findings or questioned costs were noted that are required to be reported.

City of Cape Girardeau, Missouri
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2014

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

1. FINANCIAL STATEMENT FINDINGS:

No Findings were noted that are required to be reported.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No Federal findings were reported in the prior year.