

CITY OF CAPE GIRARDEAU, MISSOURI
Cape Girardeau, Missouri

For the Year Ended June 30, 2017

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

DEBRA BEUSSINK EUDY, CPA
EVERETT E. HEY, CPA
JERRY W. ROE, CPA

16 South Silver Springs Road
Cape Girardeau, Missouri 63703
Telephone (573) 334-7971
Facsimile (573) 334-8875

JEFFREY C. STRODER, CPA
SCOTT J. ROE, CPA
DAVID E. PRASANPHANICH, CPA

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, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Cape Girardeau, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cape Girardeau, Missouri as of June 30, 2017, 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, budgetary comparison information, and pension liability schedules on pages 4 through 22 and 82 through 95 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison 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 6, 2018, on our consideration of the City of Cape Girardeau, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cape Girardeau, Missouri'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 6, 2018

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, 2017. 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 and deferred outflows of the City of Cape Girardeau exceeded its liabilities at the close of the most recent fiscal year by \$337,650,631.23 (net position). Of this amount, \$64,367,804.89 (unrestricted net position) 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's governmental funds reported combined ending fund balances of \$50,732,650.21. Approximately 5.4% of this total amount, \$2,733,731.00 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 \$2,733,731.00 or 9.9% of total general fund expenditures and transfers.
- o At the end of the current fiscal year, general fund balance reserved for emergencies was \$4,619,256.00 or 16.7% of total general fund expenditures and transfers.
- o The City's fixed assets increased \$27,439,664.56 during the year. Net fixed asset additions of \$42,040,703.87 were made during the year. Depreciation for the current fiscal year reduced fixed assets by \$14,601,039.31.
- o The City's total long-term debt decreased by \$4,448,553.26 (3.4%) during the current fiscal year as a result of \$6,477,335.56 in new debt, \$10,925,888.82 in amortization and regularly scheduled principal payments.
- o During the year the City received disbursements totaling \$2,484,549.25 and \$3,265,100.00 from loans through the state revolving loan program and the Missouri Transportation Finance Corporation. These were used to fund costs of construction at the new wastewater treatment plant and continuation of the City's Inflow & Infiltration reduction program and to fund construction costs of a new bridge on Sprigg Street.
- o During the year the City amended a promissory note payable to the Southeast Missouri State University Foundation to add two \$460,000.00 payments due in February 2026 and 2027. These payments represent the City's 50% share of \$1.84 million in improvements made by the University and the City to the City's Capaha Park baseball field. Long-term debt was increased by \$727,686.31, the present value of these future payments.

Overview of the Financial Statements

This discussion and analysis are 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, deferred outflows, liabilities and deferred inflows, with the difference between the total of assets and deferred outflows and liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF CAPE GIRARDEAU, MISSOURI

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in the net position 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 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, indoor sports complex and sports complexes operations. The government-wide financial statements can be found on pages 23 to 25 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, parks and recreation, transportation trust IV, casino revenue, and general capital improvement 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.

Basic governmental fund financial statements can be found on pages 26 to 30 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, indoor sports complex, 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.

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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, indoor sports complex, 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 31 to 35 of this report. Budgetary comparison statements for all the proprietary funds are present as supplemental information.

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 37 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Cape Girardeau's assets and deferred outflows exceeded its liabilities by \$337,650,631.23, an increase of \$11,968,491.30 (3.7%). The City's net investment in capital assets (land, buildings, machinery, and equipment less related

outstanding debt used to acquire those assets) of \$264,287,274.66 makes up 78.3% of the City's net position.

This net investment increased \$13,779,022.71 (5.5%) during the current fiscal year. The City uses these capital assets to provide services to its 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 (2.7 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 \$445,791.15 (5.2%) more than the previous year. The remaining balance of net assets (\$64,367,804.89) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. This reflects a \$2,256,322.56 (3.4%) decrease from 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 Position

	Governmental		Business-type		Total	
	Activity		Activities			
	2017	2016	2017	2016	2017	2016
Current and other assets	67,866,115.82	80,521,092.69	21,983,253.07	21,948,685.44	89,849,368.89	102,469,778.13
Capital assets	200,294,777.44	185,455,057.04	184,383,146.49	171,783,202.33	384,677,923.93	357,238,259.37
Total assets	268,160,893.26	265,976,149.73	206,366,399.56	193,731,887.77	474,527,292.82	459,708,037.50
Deferred outflows	3,789,027.74	8,339,845.47	521,245.26	1,188,208.53	4,310,273.00	9,528,054.00
Current liabilities	13,761,785.95	9,977,675.70	7,892,886.76	9,383,791.47	21,654,672.71	19,361,467.17
Non-current liabilities	37,158,022.65	39,647,602.15	80,864,388.23	83,890,321.25	118,022,410.88	123,537,923.40
Total liabilities	50,919,808.60	49,625,277.85	88,757,274.99	93,274,112.72	139,677,083.59	142,899,390.57
Deferred inflows	1,303,412.38	574,504.78	206,438.62	80,056.22	1,509,851.00	654,561.00
Net investment in						
capital assets	166,215,653.09	168,824,795.36	98,071,621.57	81,683,456.59	264,287,274.66	250,508,251.95
Restricted	5,655,975.68	5,326,510.53	3,339,576.00	3,223,250.00	8,995,551.68	8,549,760.53
Unrestricted	47,855,071.25	49,964,906.68	16,512,733.64	16,659,220.77	64,367,804.89	66,624,127.45
Total net position	219,726,700.02	224,116,212.57	117,923,931.21	101,565,927.36	337,650,631.23	325,682,139.93

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Governmental Activities. Governmental activities increased the City of Cape Girardeau's net position by \$428,082.32 (compared to \$3,537,550.74 in the previous fiscal year) thereby accounting for only 3.7 percent of the total growth in the net position of the City. Governmental activity's net investment in capital assets decreased \$2,609,142.27 during the current year. In the previous year assets totaling \$4,879,419.00 were incorrectly classified as governmental activity assets. If they would have been classified appropriately in the previous year, governmental activity's net investment in capital assets would have increased \$2,270,276.73 (1.4%) during the current year. Governmental activities would have accounted for 18.9% of this growth.

City of Cape Girardeau's Change in Net Position

	Governmental activities		Business-type activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program revenue:						
Charges for service	5,335,160.30	5,295,550.42	19,637,253.23	18,166,682.91	24,972,413.53	23,462,233.33
Operating grants and contributions	1,261,707.48	1,035,245.02	50,782.31	99,853.48	1,312,489.79	1,135,098.50
Capital grants and contributions	4,258,862.29	1,652,404.61	739,265.15	2,807,128.01	4,998,127.44	4,459,532.62
General revenues:						
Property taxes	2,313,211.37	2,297,081.57	-	-	2,313,211.37	2,297,081.57
Sales taxes	27,999,068.29	28,378,951.82	-	-	27,999,068.29	28,378,951.82
Other taxes	13,488,741.93	13,491,461.78	-	-	13,488,741.93	13,491,461.78
Other	1,152,595.07	1,046,633.50	233,984.81	301,724.32	1,414,946.24	1,348,357.82
Total revenues	55,809,346.73	53,197,328.72	20,661,285.50	21,375,388.72	76,470,632.23	74,572,717.44
Expenses:						
Administrative	3,534,005.70	3,559,853.55	-	-	3,534,005.70	3,559,853.55
Capital Improvements	72,735.14	77,548.17	-	-	72,735.14	77,548.17
Development Services	5,564,961.94	5,428,628.68	-	-	5,564,961.94	5,428,628.68
Interest and other costs	1,039,724.50	1,049,438.04	-	-	1,039,724.50	1,049,438.04
Parks and Recreation	5,619,335.20	5,543,262.36	-	-	5,619,335.20	5,543,262.36
Public Safety	15,428,567.28	16,044,394.02	-	-	15,428,567.28	16,044,394.02
Public Works	9,025,947.41	8,369,295.95	-	-	9,025,947.41	8,369,295.95
Sewer	-	-	10,492,810.74	10,434,314.23	10,492,810.74	10,434,314.23
Water	-	-	7,427,137.82	7,256,553.43	7,427,137.82	7,256,553.43
Solid Waste	-	-	4,156,251.98	3,529,102.80	4,156,251.98	3,529,102.80
Golf Course	-	-	775,372.59	712,073.98	775,372.59	712,073.98
Indoor Sports Complex	-	-	362,363.73	-	362,363.73	-
Sporting Complexes	-	-	1,247,334.26	1,193,750.22	1,247,334.26	1,193,750.22
Total expenses	40,285,277.17	40,072,420.77	24,461,271.12	23,125,794.66	64,746,548.29	63,198,215.43
Increase in net position						
before transfers	15,524,069.56	13,124,907.95	(3,799,985.62)	(1,750,405.94)	11,724,083.94	11,374,502.01
Transfers	(15,095,987.24)	(9,587,357.21)	15,095,987.24	9,587,357.21	-	-
Increase in net position	428,082.32	3,537,550.74	11,296,001.62	7,836,951.27	11,724,083.94	11,374,502.01
Net position-beginning of year	224,116,212.57	220,959,385.27	101,565,927.36	93,192,929.17	325,682,139.93	314,152,314.44
Prior period adjustments	(4,817,594.87)	(380,723.44)	5,062,002.23	536,046.92	244,407.36	155,323.48
Net position-end of year	219,226,700.02	224,116,212.57	117,923,931.21	101,565,927.36	337,650,631.23	325,682,139.93

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 \$39,609.88 (0.7%) more the previous year. During the current year administrative and public works revenues increased \$135,243.67 (8.2%) and \$7,815.82 (43.9%), respectively, over the previous year while parks and recreation, development service and public safety revenues were \$50,071.80 (2.7%), \$10,811.76 (0.7%) and \$42,566.05 (26.4%) less than the previous year, respectively.

The most significant changes to administrative revenues included increases from the previous year of \$83,619.00 (25.8%), \$30,615.59 (4.0%) and \$14,797.62 (43.8%), respectively, in revenues received from administrative fees charged to the funds operating the City's utilities, revenues received for the Municipal Court and revenues related to the City's payment plus program. Total traffic related cases handled by the Municipal Court during the current year were 12.3% greater than the cases handed in the previous year. Revenues received from the City's payment plus program during the current year were at the same levels as revenues received from this program in the fiscal year ended June 30, 2015.

Changes in public works service charges reflected a \$7,815.82 (43.9%) increase in internal charges to City business activities for charges related to capital projects and other projects.

The most significant factor in the \$50,071.80 decrease in parks and recreation service charge revenue was from Cape Splash, whose revenue declined \$115,137.91 (15.2%) from the previous year. This decline was partially offset by increases in service charge revenues from A. C. Brase building, Central pool, and the City's parks and recreation program whose revenues increased \$30,196.65 (75.8%), \$18,479.00 (15.7%) and \$21,762.36 (8.0%), respectively, during the current year.

Building permit revenues increased \$33,952.46 (51.6%) during the current year, reflecting increased activity. During the current year internal revenues from salaries charged out to various capital projects increased \$57,518.70 (11.6%). Revenue changes at the Cape Girardeau Regional Airport accounted most of the remaining change in development service revenue. The previous year's revenue included \$87,213.81 in gross revenue from an airshow. There was no airshow in the current year. During the current year net margin from fuel sales decreased \$80,302.17 (20.8%) while landing fees increased \$62,057.70 (595.4%). The net margin charged per gallon was reduced on fuel sales during the year, and increased landing fees were implemented at the beginning of the year.

Changes in public safety service charges reflected an \$86,408.85 (69.2%) decrease in building demolition and weed abatement assessments. During the previous year these revenue sources increased \$92,129.15. During the current year charges for fire training classes and extra police patrol were \$9,166.00 (183.9%) and \$33,942.60 (697.7%) more the than previous year, respectively.

- Operating grants and contributions were \$226,462.46 (21.9%) more than the previous year. The previous year included \$30,500.00 for a historic preservation grant for the cost of hosting a state historic preservation convention and a \$16,800.00 contribution from the Cape County Board of Realtors used for the housing component of the downtown strategic development plan, and the current year included \$129,908.40 for first year of a new Department of Justice grant to fund a portion of the cost of three new policemen. During the current year revenue from emergency shelter grants, various public safety operating grants, various airport operating grants, and various housing rehab grants increased \$12,522.66 (8.8%), \$40,309.56 (9.8%), \$15,907.67 (7.5%) and 75,396.07 (71.5%) over the previous year, respectively.
- Capital grants and contributions increased \$2,606,457.68 (157.7%) from the previous year. During the current year the city received grants and contributions totaling \$72,075.63, \$62,065.90, \$6,789.01, \$975,321.77, \$3,110,097.52 and \$32,512.46 for airport improvements, park trail projects, the business park infrastructure project, various street projects, a South Sprigg Street Bridge project, and various public safety equipment purchases, respectively. In the prior year the City received \$73,607.51, \$391,404.01, \$3,706.99, \$546,154.29, \$304,778.48 and \$130,112.59, respectively, for these items.

CITY OF CAPE GIRARDEAU, MISSOURI

Revenues from governmental activities (continued)

During the previous year the City received a \$159,687.78 capital grant for a Safe Routes to School project and a \$42,952.96 contribution from the school district to reimburse a portion of the cost of the Central pool renovation.

- Property tax revenue was \$16,129.80 (0.7%) more than the previous year. Assessed values finalized by the board of equalization increased \$5,881,240 (1.2%) for real estate and decreased \$2,015,107 (1.6%) for personal property. Assessed values from new construction and new annexation totaling \$5,800,982 and \$25,910, respectively, were included in the real estate increase. The City's general tax levy rate was set .3% higher than the previous year.
- Sales tax revenue was 50.2% of the total revenue during the current year vs. 53.3% in the previous year. This year's revenue was \$379,883.53 (1.3%) less than the previous year. From fiscal year ending June 30, 2013 through fiscal year ending June 30, 2017, sale tax revenue, adjusted for new taxes, had annual growth rates of 4.6%, 0.7%, 3.7%, 2.5% and -1.3%, respectively.
- Other taxes decreased \$2,719.85 (0.02%) from the previous year. Franchise taxes, motor fuel taxes and liquor licenses grew \$54,432.37 (1.1%), \$19,340.68 (1.3%) and \$5,734.39 (8.2%), respectively. Convention and tourism taxes, merchant licenses, cigarette taxes and gaming revenue declined \$6,154.99 (0.3%), \$40,133.54 (3.0%), \$10,237.62 (6.3%) and \$25,701.14 (0.8%), respectively, from the previous year.
- Ameren paid 68.2% of the total franchise tax collected during the year based on its electricity and natural gas revenues vs. 70.6% in the previous year. During the current year Ameren paid \$74,962.18 (2.2%) less than the previous year. Payments received on electricity sales and natural gas sales decreased \$47,245.64 (1.7%) and \$27,716.54 (4.6%), respectively, during the current year. Average monthly electric and natural gas rates were 3.3% and 1.0% less, respectively, during the current year when compared to the previous year. Mild winter weather negatively impacted franchise tax from natural gas revenues.
- During the current year the City received payments in lieu of gross receipt franchise taxes totaling \$695,309.06 from its water and sewer funds. This was \$16,718.68 (2.5%) more than the previous year. Sewer and water rate increases of 2% and 3% respectively were effective July 1, 2016.
- Franchise tax paid by the City's telecommunication providers during the current year increased \$122,126.19 (40.9%) over the previous year, while the amount paid by the City's cable TV service provider decreased \$9,450.32 (6.4%) from the previous year. During the current year the City received \$97,214.73 from a settlement of a class action lawsuit against a cell phone service provider.
- The decrease in the convention and tourism taxes was comprised of a \$12,503.30 (1.7%) decrease in hotel / motel taxes which was partially offset by a \$6,348.31 (0.4%) increase in restaurant taxes.
- Gaming revenue received by the casino revenue fund decreased \$31,002.53 (1.0%) over the previous year, while gaming revenue received by the riverfront development fund increased \$5,301.39 (2.7%) over the previous year.
- Other revenue, which increased \$105,961.57 (10.1%) from the previous year to \$1,152,595.07, was comprised of unrestricted grants and contributions, investment earnings and gain (loss) on sales of assets, which totaled \$60,826.61, \$501,863.05, and \$589,905.41, respectively, during the current year. These revenues grew (declined) \$2,559.45 (4.4%), (\$510,854.37) (50.4%), and \$614,256.49 (2,522.5%), respectively, from the previous year. During the current year the City sold 12.5 acres from its business park to Drury Development Corporation for future development at a gain of \$559,051.75. At the end of the current year, the City's investment earnings were reduced by \$329,375.70 by reducing the value of its investments to their fair market value at 6-30-17. At end of the previous year the value of the City's investments were increased by \$267,998.30.

CITY OF CAPE GIRARDEAU, MISSOURI

Expenses from governmental activities

- Total government activities expenses increased \$212,856.40 (0.5%) over the previous year. Personnel costs accounted for 53.4% of the total governmental activity expenses. Operating expenses, capital improvement expenses and interest and other costs accounted for 43.8%, 0.2% and 2.6% of the total governmental activity expenses, respectively. 29.1% of the personnel costs were for benefits, and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$468,703.65 (3.2%), while benefits expenses decreased \$1,195,827.88 (16.0%) during the current year. Operating expenses, capital improvement expenses and interest and other costs increased (decreased) \$954,507.20 (5.7%), (\$4,813.03) (6.2%) and (\$9,713.54) (0.9%), respectively, during the current year.

Full-time and part-time salaries increased \$471,314.85 (3.7%) and \$7,962.02 (0.7%), respectively, over the previous year during the current year, while overtime decreased \$10,573.22 (1.2%) during the current year. The current year included a 2.0% beginning of the year wage increase.

An annual report issued by the Missouri Local Government Employees Retirement System and dated June 30, 2017 reflects current year changes to the City's net pension assets (liabilities) and net pension deferred outflows (inflows) according to GASB 68. The annual pension costs included in the governmental activities equals the City's annual required contributions to its retirement plan plus or minus changes in its net pension assets (liabilities) and net pension deferred outflows (inflows) reflected in that report. The current year's pension expense was increased \$1,062,115.61 as a result of these changes. In the previous year pension expense was increased \$1,586,756.14 as a result of these changes. Adjusted pension costs were \$588,295.43 (20.7%) less than the previous year.

Annual cost of the City's employee health and dental plan and workmen's compensation plan reflects actual claims incurred during the year. The cost of these plans decreased \$228,961.32 (11.5%) and \$409,713.73 (51.5%), respectively, during the current year. During the previous year the cost of these plans increased \$510,458.69 (34.5%) and \$492,815.85 (163.1%), respectively.

- Administrative expenses totaled \$3,534,005.70 (8.8% of total government activities) this year, which was \$25,847.85 (0.7%) less than the previous year. Personnel costs accounted for 58.1% of the total administrative expenses. 26.3% of the personnel costs were for benefits, and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$108,346.15 (7.7%) during the current year. This year's expense includes costs of temporary administrative help added during the year. Benefit expenses decreased \$79,614.81 (12.9%) during the current year. The current year's costs of providing pension benefits, health and dental coverage, and workmen's compensation coverage were \$214,114.25, \$160,379.70 and \$4,611.85, respectively. These costs decreased \$55,246.72 (20.5%), 22,831.70 (12.5%), and \$4,978.29 (51.9%), respectively, from the previous year. Operating expenses decreased \$54,579.19 (3.6%) during the current year. The previous year included \$40,698.03 in election costs for a general municipal election and a special election for the extension of the transportation sales tax and \$16,001.46 in payments for outside legal counsel. During the current year there were no elections and the City only made \$1,512.00 in payments for outside legal counsel.

The following are other significant operating increases (decreases) over the previous year:

General liability insurance	\$ 6,664.74 (12.8%) increase
Advertising costs for employee openings	\$11,094.59 (62.3%) decrease
Legal library	\$ 3,959.98 (20.1%) increase

- Development services expenses totaled \$5,564,961.94 (13.8% of total government activities) this year, which was \$136,333.26 (2.5%) more than the previous year. Personnel costs accounted for 46.4% of the total development services expenses. 25.2% of the personnel costs were for benefits, and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$75,125.70 (4.0%) during the current year. A part-time plan reviewer position was converted to a full-time position during the current year.

CITY OF CAPE GIRARDEAU, MISSOURI

Benefit expenses decreased \$117,405.68 (15.3%). The current year's costs of providing pension benefits, health and dental coverage, and workmen's compensation coverage were \$232,839.62, \$234,208.55 and \$35,078.35, **Expenses from governmental activities (continued)**

respectively. These costs decreased \$41,279.49 (15.1%), 21,174.26 (8.3%), and \$41,579.03 (54.2%), respectively over the previous year. Operating expenses increased \$178,613.24 (6.4%) during the current year.

In the previous year the City spent \$97,401.55 in costs related to an airshow, \$32,370.73 for costs related to establishing a TIF in the downtown area, \$30,500.00 in grant funded costs related to hosting a state historic preservation convention, and a \$20,000.00 payment to Cape County Transit to fund a grant match for vehicle purchases for its fixed route bus system in the City. No costs were incurred on these items in the current year. The current year included \$66,800.00 in costs related to a downtown strategic plan update. No costs were included for this plan in the previous year.

The following are other significant operating increases (decreases) over the previous year:

Economic development payments from sales tax rebates	\$163,036.68 (32.3%) increase
Housing rehab grant related expenses	\$24,626.79 (15.4%) decrease
Emergency housing grant related expenses	\$15,002.76 (10.3%) increase
Convention and tourism bureau operating expense	\$90,194.59 (14.7%) increase
Advertising funded by air services grant	\$34,848.41 (48.0%) increase

- Parks and recreation expenses totaled \$5,619,335.20 (13.9% of total government activities) this year, which was \$76,072.84 (1.4%) more than the previous year. Personnel costs accounted for 55.3% of the total parks and recreation expenses. 24.2% of the personnel costs were for benefits, and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$66,100.97 (2.9%) during the current year. Benefit expenses decreased \$156,081.03 (17.2%). The current year's costs of providing pension benefits, health and dental coverage, and workmen's compensation coverage were \$251,346.57, \$221,646.58 and \$49,054.03, respectively. These costs decreased \$90,134.88 (26.4%), 32,285.47 (12.7%), and \$45,423.37 (48.1%), respectively over the previous year. Operating expenses increased \$166,052.90 (7.1%) during the current year.

The following are significant operating increases (decreases) over the previous year:

Credit card processing fees	\$ 5,190.03 (46.0%) increase
Building supplies	\$15,533.86 (40.4%) increase
Parks Foundation fund raising events	\$13,578.02 (43.7%) increase
Small equipment purchases	\$55,387.84 (37.8%) increase
Depreciation	\$88,628.91 (9.3%) increase

- Public safety expenses totaled \$15,428,567.58 (38.3% of total government activities) this year, which was \$615,826.74 (3.8%) less than the previous year. Personnel costs accounted for 81.7% of the total public safety expenses. 31.4% of the personnel costs were for benefits, and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$205,677.58 (2.4%) during the current year. Full-time, part-time, and overtime salaries increased (decreased) \$217,131.98 (2.9%), \$9,853.08 (10.3%), and (\$21,307.48) (2.7%), respectively, during the current year. Benefit expenses decreased \$747,748.48 (15.9%). The current year's costs of providing pension benefits, health and dental coverage, and workmen's compensation coverage were \$1,442,695.11, \$1,016,154.70 and \$262,712.18, respectively. These costs decreased \$363,153.52 (20.1%), \$134,038.04 (11.7%), and \$279,143.51 (51.5%), respectively over the previous year. Operating expenses decreased \$73,755.84 (2.5%) during the current year.

In the current year the City spent \$67,935.00 for consulting services related to its radio interoperability project. Nothing was spent on this project in the previous year. During the year the fire division spent \$10,446.87 (73.9%) more on telecommunication expense as a result of wireless charges for new mobile laptops added during the year.

CITY OF CAPE GIRARDEAU, MISSOURI

Expenses from governmental activities (continued)

The following are other significant operating increases (decreases) over the previous year:

Protective attire and equipment for employees	\$71,061.30 (70.9%) decrease
Depreciation	\$89,586.84 (14.3%) decrease
Safe Communities grant related expenses	\$14,749.73 (10.9%) increase

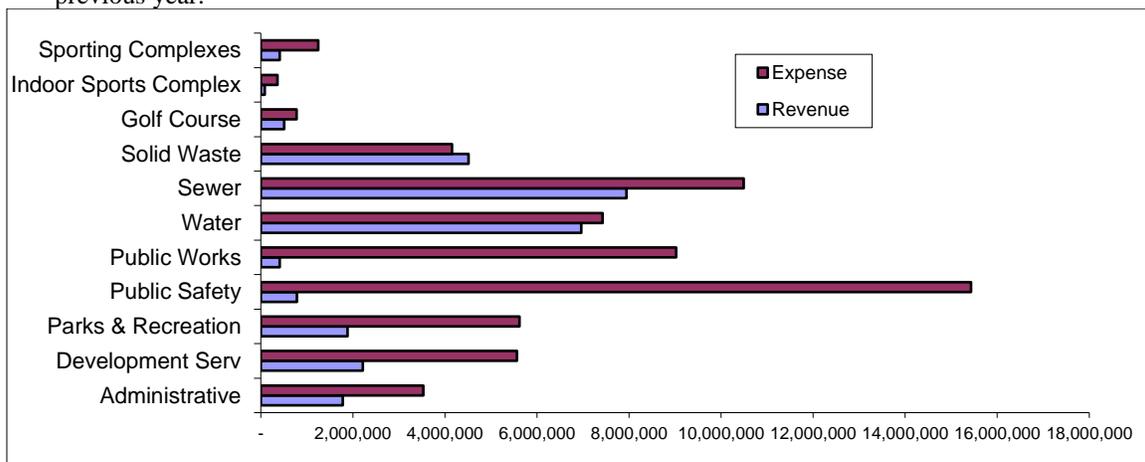
- Public works expenses totaled \$9,025,947.41 (22.4% of total government activities) this year, which was \$656,651.46 (7.8%) more than the previous year. Personnel costs accounted for 12.9% of the total public works expenses. 32.1% of the personnel costs were for benefits, and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$13,453.25 (1.7%) during the current year, while benefit expenses decreased \$94,977.88 (20.3%). The current year's costs of providing pension benefits, health and dental coverage, and workmen's compensation coverage were \$117,772.93, \$126,978.14 and \$33,709.09, respectively. These costs decreased \$38,480.82 (24.6%), 18,631.85 (12.8%), and \$38,589.53 (53.4%), respectively, over the previous year. Operating expenses increased \$738,176.09 (10.4%) during the current year.

In the current year the City spent \$987,320.76 for costs associated with the temporary relocation of railroad tracks associated with an Army Corp of Engineer's project to the City's Mississippi River flood wall. During the previous year the City spent \$54,494.37 related to this project. \$27,064.77 for damage claims against the street department was paid in the previous year. No claims were paid in the current year.

The following are other significant operating increases (decreases) over the previous year:

Street maintenance supplies	\$12,250.15 (13.3%) decrease
Snow and ice removal supplies	\$124,870.95 (72.4%) decrease
Fleet maintenance costs	\$14,805.97 (56.9%) decrease
Internal vehicle lease costs	\$10,952.95 (5.9%) decrease
Depreciation	\$24,397.80 (.4%) increase

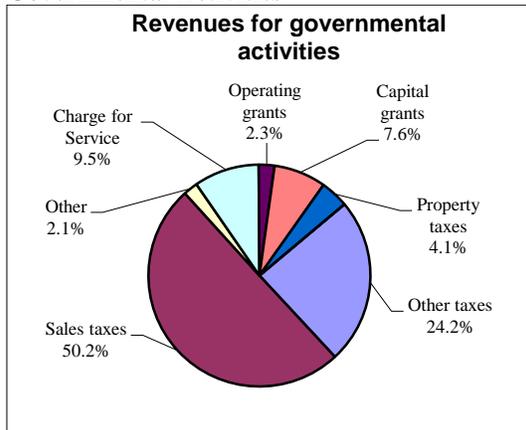
- Capital improvements expenses totaled \$72,735.14 this year, which was \$4,813.03 (6.2%) less than the previous year. The current year costs represent capital projects that did not meet the City's \$5,000 capitalization threshold (the amount at which the expenditure would be recorded as a capital asset).
- Interest and other costs expenses totaled \$1,039,724.50 this year, which was \$9,713.54 (0.9%) less than the previous year.



The illustration above makes it clear that all the governmental activities and business-type activities of the City with the exception of solid waste 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.

CITY OF CAPE GIRARDEAU, MISSOURI

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 (50.2%), other taxes (24.2%) and charges for services (9.5%).

The City's general sales tax represents 36.7 percent of the total sales tax revenue and 46.2 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 47.2% and 52.0% of the other tax and service charge revenue, respectively. This represents 28.7% and 12.5% of the total general fund revenues, respectively.

Business-type activities

During the current year business-type activities increased the net position of the City by \$11,296,001.62. During the previous year these activities increased the City's net position by \$7,836,951.27. Business-type activities before transfers decreased the City's net position by \$3,799,985.62 during the current year. In the previous year these activities decreased the City's net position by \$1,750,405.94.

During the current year there were net transfers from the governmental activities to business-type activities of \$15,095,987.24. In the previous year there were net transfers from governmental activities to business-type activities of \$9,587,357.21.

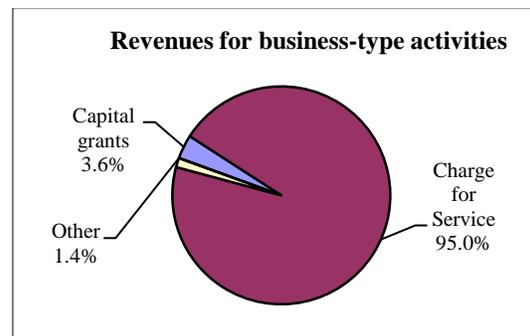
During current year transfers were made for the following:

Capital improvement sales tax - sewer fund for bond payments	\$4,340,000.00
Capital improvement sales tax - water fund for bond payments	\$ 300,000.00
Park sales tax fund for bond payments	\$ 150,000.00
Operating subsidy from general and parks sales tax funds	\$1,363,696.83
Capital improvement sales tax - water for capital projects	\$ 470,076.04
Casino revenue fund revenues for transfer station construction	\$ 13,500.00
Net transfer of asset to or from other government activities	\$8,458,714.37

During previous year transfers were made for the following:

Capital improvement sales tax - sewer for bond payments	\$4,420,000.00
Operating subsidy from general and parks sales tax funds	\$ 971,217.84
Capital improvement sales tax - water for capital projects	\$3,084,593.69
Casino revenue fund revenues for transfer station construction	\$ 846,500.00
Capital improvements sewer and water funds	\$ 44,985.65
Net transfer of asset to or from other government activities	\$ 220,060.03

The net change in assets before transfers and general revenues in the sewer, water, solid waste, golf, indoor sports complex, and sporting complexes operations totaled \$(2,544,888.47), \$(467,211.98), \$358,639.81, \$(269,500.46), \$(273,944.32) and \$(837,065.01), respectively, this year. This compares to \$(2,150,812.85), \$(215,036.32), \$(43,339.78), \$(181,766.85), \$1,335,100.00 and \$(796,274.46), 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, 2017, the City's governmental funds reported combined ending fund balances of \$50,732,650.21, a decrease of \$18,982,415.49 (27.2%) from the prior year. Unassigned fund balances, which are available for spending at the City's discretion, account for \$2,733,731.00 (5.4%) 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, 2017: (1) \$802,262.33 is classified as nonspendable because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact (2) \$28,146,608.12 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) \$6,698,322.18 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) \$12,351,726.58 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 30, 2017, unassigned fund balance of the general fund was \$2,733,731.00 while total fund balance was \$7,805,256.75. 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. Unassigned fund balance represents only 9.9 percent of total general fund expenditures including transfers.

However, included in the restricted fund balance is \$4,619,256.00, which had been reserved to meet the City Charter's emergency reserve requirement. This amount represents 16.7 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 \$29,916.93 as a result of the current year's operations. 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 \$6,281.02. Differences between the amounts reflected in the two statements can be found in the Notes to Budgetary Comparison Schedules found on pages 88 - 91.

The original adopted general fund budget for the fiscal year ending June 30, 2017 had expenditures exceeding revenues by \$128,787.00. The actual general fund results increased fund balances by \$6,281.02. Significant deviations from this budget are detailed below:

- o Sales tax revenue was \$139,882.76 (1.3%) less than the previous year, which was \$432,568.38 (4.0) less than projected for the adopted budget. The adopted budget projected revenues that were 5.3% above the actual fiscal year ending June 30, 2015 revenues. Actual revenues grew 2.4% during the previous year.

- o Franchise tax revenue was \$74,078.45 (1.6%) more than projected for the adopted budget. Franchise taxes from electric utilities, telecommunications, and the City's water and sewer service exceeded their budgets by \$74,303.00 (2.8%), \$104,889.42 (33.2%), and \$17,604.06 (2.6%), respectively. Franchise taxes from natural gas utilities and cable TV, fell short of their budgets by \$100,458.28 (15.0%) and \$22,259.75 (5.0%), respectively.

- o During the current year the City received payments in lieu of gross receipts franchise taxes from its water and sewer funds totaling \$695,309.06. This was \$16,718.68 (2.5%) more than the previous year. The amount of payments in lieu of gross receipts franchise taxes projected for the current year's budget were based on projected sewer and water revenues for the fiscal year ended June 30, 2016 and no rate increases. Sewer and water rate increases of 2% and 3% respectively were effective July 1, 2016.

CITY OF CAPE GIRARDEAU, MISSOURI

- o Franchise tax paid during the current year by the City's telecommunication service providers increased \$122,126.19 (40.9%) from the previous year. The amount of projected franchise tax used in the current year's budget was based on revenues from the calendar year 2015. During the current year the City received \$97,214.73 from a settlement of a class action lawsuit against a cell phone service provider.
- o During the current year Ameren paid \$74,962.18 (2.2%) less than the previous year. Payments received on electricity sales and natural gas sales decreased \$47,245.64 (1.7%) and \$27,716.54 (4.6%), respectively, during the current year. Average monthly electric and natural gas rates were 3.3% and 1.0% less, respectively, during the current year when compared to the previous year. Projections used in the current year's budget had assumed electric and natural gas usage at levels 3% more than average annual usage from the three years ending December 31, 2015 and rates that were in effect on June 1, 2016.
- o Franchise tax paid during the current year by the City's cable TV service provider decreased \$9,450.32 (2.2%) from the previous year. The amount of projected franchise tax used in the current year's budget was 3.0% more than annualized revenue from the quarter ending December 31, 2015.
- o Property tax revenue increased \$50,869.83 (2.7%) over the previous year and was \$10,839.89 (.6%) more than the projected budget. \$40,919.95 of this year's increase resulted from the collection of prior years' taxes. Assessed values finalized by the board of equalization increased \$5,881,240 (1.2%) for real estate and decreased \$2,015,107 (1.6%) for personal property. Assessed values from new construction and new annexation totaling \$5,800,982 and \$25,910, respectively, were included in the real estate increase. The City's general tax levy rate was set .3% higher than the previous year. The adopted budget for the fiscal year ending June 30, 2017 had assumed 1.5% and 3.0% assessed value growth for real estate and personal property, respectively, and no levy increases.
- o Business license revenue decreased \$40,133.54 (3.0%) from the previous year and was \$65,192.77 (4.8%) less than the projected budget. The adopted budget projected revenues that were 2.0% greater than projected fiscal year ending June 30, 2016 revenues. Actual revenue for fiscal year ending June 30, 2016 was \$1,531.34 (0.1%) more than had been assumed by the budget projections.
- o Other license and permit revenue was \$44,467.92 (16.0%) more than the previous year and was \$42,198.95 (15.1%) more than the projected budget.
- o Intergovernmental revenue exceeded revenue projected for the original budget by \$203,596.17 (31.8%). This year's intergovernmental revenue included \$32,512.46 in revenues from various public safety capital grants, \$154,358.35 for emergency shelter grants, and \$9,539.60 for river flooding reimbursement grants. None of these revenues had been projected in the current year's budget. The current budget projected \$589,228.00 in grants for public safety operating expenses. Actual revenue was \$6,463.13 (1.1%) more than this amount during the current year.
- o Service charges exceeded the amount projected in the current year's budget by \$8,264.21 (3.0%) and were \$48,277.16 (20.3%) more than the previous year. Court costs and development fees exceeded their current year's budgets by \$12,824.10 (21.0%) and \$40,571.56 (83.7%), respectively, and were \$7,525.09 (11.4%) and \$2,012.47 (2.3%), respectively, greater than the previous year. Charges for police service were \$38,807.55 during the current year which exceeded previous year's charges by \$33,942.60. No revenue had been projected in the budget for these charges. New rental re-inspection fees only generated \$195.00 in revenue despite \$87,750 being projected in the budget.
- o Fines and forfeits revenue exceeded their budget by \$24,267.50 (3.5%) and was \$24,270.50 (3.5%) more than the previous year. The adopted budget for fiscal year ending June 30, 2017 had assumed revenue levels equal to the actual revenue for the calendar year 2015. The number of traffic cases heard by the municipal court in fiscal year ending June 30, 2017 was 14.7% more than those heard in calendar year 2015.

CITY OF CAPE GIRARDEAU, MISSOURI

o During the current fiscal year total expenditures were \$371,454.05 (1.6%) less than the original budget. Operating expenditures were \$483,487.25 (2.0%) less than their original budget. \$112,215.20 was spent on capital purchases during the current year. The original budget included no capital expenditures.

o Transfers to other funds for operating subsidies were \$48,545.19 (1.2%) less than original budget, and transfers for capital expenditures exceeded their original budgets by \$262,692.22 (117.5%).

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 \$517,835.00 (1.8%) more than the original adopted budget. During the current year the City Council appropriated an additional \$540,893.00 which can be summarized as follows:

Development Services – \$108,322.00 to cover grant funded community assistance expenditures.

Public Safety - \$132,030.00 to cover grant costs related to various public safety operating grants and the purchase of equipment through capital grants; excessive vehicle repair costs and the purchase of real estate.

Parks and Recreation - \$15,634.00 to cover additional utility and fleet maintenance costs and unbudgeted small equipment purchases and construction costs.

General Fund Transfer to Airport Fund – \$20,000.00 to cover operating subsidy shortfall and \$89,907.00 to cover grant funded improvements and improvements to the control tower.

General Fund Transfer to Parks and Recreation Fund - \$60,000.00 to cover operating subsidy shortfall.

General Fund Transfer to Public Safety Trust Fund II - \$95,000.00 to cover the transfer of proceeds of the sale of police and fire vehicles.

General Fund Transfer to Sports Complex Fund – \$20,000.00 to cover operating subsidy shortfall.

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.

During the year the City Manager authorized the transfer of \$52,149.50 original authorization from Administrative (General Fund) to the following departments:

Public Works (General Fund) – \$15,892.50 to cover property damage.

Development Services (General Fund) - \$10,000.00 for expenditures related to an insurance deductible paid during the year.

Parks and Recreation (General Fund) - \$3,199.00 to cover property damage.

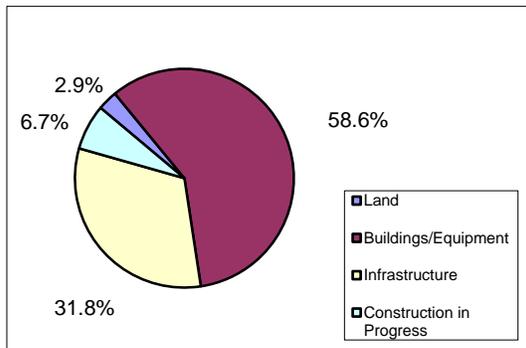
Public Works (Sewer Fund) - \$23,058.00 to cover property damage

CITY OF CAPE GIRARDEAU, MISSOURI

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, 2017 amounts to \$384,677,923.93 (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 Capital Assets



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

- o Construction costs totaling \$7,125,827.87 on approved transportation sales tax projects were incurred this year. This tax was originally approved to complete a specific list of street construction, street repair and overlay, and sidewalk construction and repair projects.
- o \$65,056.31 was spent on the overlay and rehabilitation of runway 2/20 at the Airport and was partially funded by MODOT. Construction on this project will continue into the next year.
- o \$7,972,454.12 of new bond funds were used to begin construction of a new police station, replace an aging Fire Station, and rehabilitate two other Fire facilities; while \$7,883,191.45 was spent to complete the new Indoor Sports Complex.
- o \$75,950.93 in funds received from the Isle of Capri helped improve sidewalks and commission and install public art in the center of a round-about.

- o \$16,384.33 was spent on the construction of a new Transfer Station.
- o In April 2008 voters approved a ½ cent sales tax to pay for storm water and park improvement projects. \$88,723.85 and \$1,692,455.93 were spent respectively during the current year on these projects.
- o Construction costs totaling \$1,924,057.82 on various water system projects were incurred this year. Major water system improvements included the installation of a new water tank, two new booster pump stations, water tank painting, the planning fees for rehab of several aspects at the main water plant, various water distribution improvements, the addition of water main extensions and the continuation of the two-inch water main replacement program.
- o Costs totaling \$1,935,999.77 related to the new Wastewater Treatment Plant were incurred this year and were partially funded by the State Revolving Loan Program.
- o Other sewer projects amounted to \$1,036,755.24 in capital expenditures during the current year. Projects included a wastewater scada upgrade, repair of a downtown force main, rehab and replacement of three lift stations and a box culvert, a pump upgrade, various sanitary sewer projects, and continuation of the Inflow & Infiltration reduction program.
- o Department of Transportation funds were used to partially fund the \$66,594.06 spent to expand the City’s trail system.
- o \$805,223.28 was spent on an intersection that was transformed from a four way stop into a roundabout. This will be partially funded by a Department of Transportation grant.
- o \$3,584,557.17 was spent to repair sinkholes funded mostly by a grant from the Department of Transportation.

CITY OF CAPE GIRARDEAU, MISSOURI

- o Bond funds were used to purchase \$3,800,986.27 worth of fire apparatus.
- o Other equipment purchased totaled \$2,651,505.61.

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	
	2017	2016	2017	2016	2017	2016
Land	9,346,963.15	9,712,739.11	1,985,017.54	1,985,017.54	11,331,980.69	11,697,756.65
Buildings and system improvements	20,111,315.60	19,915,673.55	17,405,553.14	5,626,429.05	37,516,868.74	25,542,102.60
Improvements other than buildings	18,490,522.48	18,516,927.09	154,123,879.78	152,430,823.65	172,614,402.26	170,947,750.74
Equipment	10,792,462.46	7,195,351.75	4,268,604.16	4,242,211.34	15,061,066.62	11,437,563.09
Infrastructure	122,328,199.33	121,520,534.17	-	-	122,328,199.33	121,520,534.17
Construction in progress	19,225,314.42	8,593,831.37	6,600,091.87	7,498,720.75	25,825,406.29	16,092,552.12
Total	200,294,777.44	185,455,057.04	184,383,146.49	171,783,202.33	384,677,923.93	357,238,259.37

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 \$125,414,855.38. Bonded debt outstanding totaling \$83,303,852.70 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 decreased by \$4,448,553.26 (3.4%) during the year.

During the year the City received disbursements totaling \$2,484,549.25 and \$3,265,100.00 from loans through the state revolving loan program and the Missouri Transportation Finance Corporation. These were used to fund costs of construction at the new wastewater treatment plant and continuation of the City's Inflow & Infiltration reduction program and were used to fund construction costs of a new bridge on Sprigg Street.

Additionally, during the year the City amended a promissory note payable to the Southeast Missouri State University Foundation to add two \$460,000.00 payments due in February 2026 and 2027. These payments represent the City's 50% share of \$1.84 million in improvements made by the University and the City to the City's Capaha Park baseball field. Long-term debt was increased by \$727,686.31, the present value of these future payments.

Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$10,925,888.82.

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		Business-type		Total	
	Activity		Activities			
	2017	2016	2017	2016	2017	2016
Notes payable	7,520,270.49	4,319,900.82	-	-	7,520,270.49	4,319,900.82
Special obligation bonds	31,312,385.95	35,145,082.74	3,278,346.24	3,594,646.04	34,590,732.19	38,739,728.78
Revenue bonds	713,800.00	760,600.00	82,590,052.70	86,043,179.04	83,303,852.70	86,803,779.04
Leasehold revenue bonds	-	-	-	-	-	-
	39,546,456.44	40,225,583.56	85,868,398.94	89,637,825.08	125,414,855.38	129,863,408.64

CITY OF CAPE GIRARDEAU, MISSOURI

Economic Factors and the Next Year's Budget

Commercial and residential development exploded during the past year. Values of commercial permits issued during the year were 238.9% higher than the previous year and were at their highest levels of the past 10 years. Values of residential permits issued during the year were 126.2% higher than the previous year and were also at their highest levels of the past 10 years.

Commercial and residential permits valued at \$250.5 million and \$37.2 million were issued this year. Commercial and residential permits valued at \$73.9 million and \$16.4 million were issued in the previous year.

Local employment continues to be stronger than national employment, although not as strong as the previous year. The Cape Girardeau County unadjusted unemployment rate was only 2.2% in October 2017. Statewide and national unadjusted unemployment rates were 2.5% and 3.9%, respectively, for this month. The unadjusted unemployment rates were 4.1%, 4.1% and 4.7% for the county, state, and nation, respectively, for the previous October. City construction projects and private development provide significant support to local construction employment.

In October 2015, plans were announced to demolish the Drury Lodge and restaurant and replace it with a 168 room hotel, restaurant, and \$11 million convention center. The facilities were operational by the fall of 2017.

In April 2016 a local investor group announced plans to redevelop the vacant Marquette Hotel into a high-tech hub for startup technology companies and to turn the H-H Building and the adjacent Marquette Center into a Marriott "Courtyard" Hotel. The \$20 million development involves 145,000 square feet of historic renovation that when completed is expected to draw 200 to 300 workers and guests daily to the Cape Girardeau downtown area. The redevelopment of the Marquette Hotel was completed during the current year. Construction related to the Marriott Hotel began in August 2017.

During the year the City completed construction of the Cape Girardeau SportsPlex, a 121,000 square foot indoor sports complex that will serve as the area's premier sports venue. The facility includes six hardwood courts, two indoor turf fields, meeting rooms and concessions area, among other amenities. Its anticipated that a significant economic impact will be recognized by hotels, restaurants, and retail outlets from visitors coming from an expected four hour radius to participate in tournaments and events hosted by the facility. The facility began operations in May of 2017.

During the year the following economic development activity took place in Cape Girardeau:

- AT&T created 150 new jobs in its Cape Girardeau call center, which services AT&T customers around the country.
- During the current year Si03, a local manufacturer of high-quality protein powders and dietary supplements, completed construction of its new manufacturing facility located on 14 acres of the City's business park.
- During the current year Drury Development Corporation purchased 12.5 acres from the City's business park to be used for future development.
- A new strategic plan was developed for the Downtown area and a Main Street makeover was completed during the current year. The makeover updated streets, critical infrastructure and lighting in the downtown historic district.

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 decreased 1.3% while inflation grew at 1.8%. In the previous year sales tax revenue from the general sales tax increased 2.4% while inflation grew at 0.7 %.

The City's hotel / motel gross receipt tax decreased 1.7% and restaurant gross receipt tax only increased 0.4% during the current year. In the previous year they increased 1.9% and 4.4%, respectively.

CITY OF CAPE GIRARDEAU, MISSOURI

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. Since 2014 the City has increased its share of the local retail market.

<u>SALES TAX COMPARISON</u>				
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Cape Girardeau	43.8%	43.7%	44.2%	44.3%
Carbondale	26.4%	26.1%	25.6%	25.0%
Jackson	9.6%	9.6%	9.6%	9.8%
Perryville	7.2%	7.4%	7.4%	7.5%
Sikeston	13.0%	13.2%	13.2%	13.4%
	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 the City increased its share of the local market.

Local Economic Development

In the previous 11 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 the conversion of a former Sears's facility into a call center. Details of these agreements can be found in Note T in the Notes to the Financial Statements section.

Payments made by the City pursuant to these agreements totaled \$668,362 during the current year. Payments totaling \$3,673,356 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.

The City is continuing to market its 247.43 acre business park site purchased in February, 2013 from the Southeast Missouri University Foundation and located along I-55 around the LaSalle interchange. 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, 2018 and financial condition

The adopted general fund budget for the fiscal year ending June 30, 2018, was projected to produce a \$19,369 surplus and included a 1.5% wage increase effective July 1, 2017. Projected revenues used in preparing the budget were based on conservative revenue assumptions.

The approved general fund budget projected the use of this surplus plus \$82,597 prior year's unassigned fund balance to increase the emergency reserve fund balance by \$101,966.

CITY OF CAPE GIRARDEAU, MISSOURI

The City's current financial position has remained stable over the past five years and is good in that it has more than adequate fund balance to cover existing claims and potential emergencies. The City's general fund ended the current year with \$2,733,731.00 in unassigned fund balances and \$4,461,256.00 in fund balances restricted for emergencies. Five years ago these balances were \$3,114,972.60 and \$3,930,688.00, respectively. Its financial condition or its ability to provide enough reoccurring revenues to meet its reoccurring needs has not changed significantly over the past five years. Funding of equipment for the general and airport funds, excluding police, fire 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
June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Pooled Cash and investments	\$ 55,808,605.23	\$ 11,298,080.77	\$ 67,106,686.00
Cash and cash equivalents	69,141.34	-	69,141.34
Investments	349,535.70	-	349,535.70
Taxes receivable	4,964,818.36	-	4,964,818.36
Utility charges receivable	-	3,045,659.02	3,045,659.02
Special Assessments receivable	318,215.46	40,902.28	359,117.74
Interest receivable	180.29	513.95	694.24
Other receivables	554,738.27	60,022.56	614,760.83
Notes receivable	151,670.98	-	151,670.98
Motor fuel receivable	128,875.80	-	128,875.80
Grants receivable	715,376.36	38,465.31	753,841.67
Inventory	234,081.24	836,236.14	1,070,317.38
Prepaid items	458,787.58	31,898.92	490,686.50
Internal balances	(318,794.94)	318,794.94	-
Total current assets	63,435,231.67	15,670,573.89	79,105,805.56
Noncurrent assets:			
Restricted cash and cash equivalents	-	5,547,683.33	5,547,683.33
Net pension assets	4,430,884.15	764,995.85	5,195,880.00
Land	9,346,963.15	1,985,017.54	11,331,980.69
Buildings	20,111,315.60	17,405,553.14	37,516,868.74
Land Improvements	18,490,522.48	154,123,879.78	172,614,402.26
Equipment	10,792,462.46	4,268,604.16	15,061,066.62
Infrastructure	122,328,199.33	-	122,328,199.33
Construction in process	19,225,314.42	6,600,091.87	25,825,406.29
Total noncurrent assets	204,725,661.59	190,695,825.67	395,421,487.26
Total assets	268,160,893.26	206,366,399.56	474,527,292.82
Deferred outflows of resources:			
Deferred outflow related-pensions	3,789,027.74	521,245.26	4,310,273.00
Total deferred outflows of resources	3,789,027.74	521,245.26	4,310,273.00

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Net Position
June 30, 2017

	Primary Government		Total
	Governmental Activities	Business-type Activities	
LIABILITIES			
Current liabilities:			
Accounts Payable	5,137,883.65	815,639.19	5,953,522.84
Salaries and benefits payable	992,734.71	207,583.12	1,200,317.83
Interest payable	201,083.64	651,262.77	852,346.41
Other liabilities	184,840.50	573,094.17	757,934.67
Estimated claims	497,500.00	-	497,500.00
Due to other governments	1,295.14	72,389.81	73,684.95
Unearned revenues	188,694.89	112,917.70	301,612.59
Total current liabilities	<u>7,204,032.53</u>	<u>2,432,886.76</u>	<u>9,636,919.29</u>
Noncurrent liabilities:			
Estimated landfill post closure costs	-	21,000.00	21,000.00
Notes payable	7,520,270.49	-	7,520,270.49
Revenue bonds payable	713,800.00	82,590,052.70	83,303,852.70
Special obligation bonds payable	31,312,385.95	3,278,346.24	34,590,732.19
Compensated absences payable	1,384,929.63	204,136.29	1,589,065.92
Net OPEB obligation	2,784,390.00	230,853.00	3,015,243.00
Total noncurrent liabilities	<u>43,715,776.07</u>	<u>86,324,388.23</u>	<u>130,040,164.30</u>
Total liabilities	<u>50,919,808.60</u>	<u>88,757,274.99</u>	<u>139,677,083.59</u>
Deferred inflows of resources:			
Deferred inflow related-pensions	1,303,412.38	206,438.62	1,509,851.00
Total deferred inflows of resources	<u>1,303,412.38</u>	<u>206,438.62</u>	<u>1,509,851.00</u>
NET POSITION			
Net investment in capital assets	166,215,653.09	98,071,621.57	264,287,274.66
Restricted for depreciation and replacement	-	150,000.00	150,000.00
Restricted for emergency fund	5,558,801.00	3,189,576.00	8,748,377.00
Restricted for mausoleum	97,174.68	-	97,174.68
Restricted for operation and maintenance	-	-	-
Total net position	<u>\$ 219,726,700.02</u>	<u>\$ 117,923,931.21</u>	<u>\$ 337,650,631.23</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Interest and other charges	\$ 1,039,724.50	\$ -	\$ -	\$ -	\$ (1,039,724.50)	\$ -	\$ (1,039,724.50)
Development Services	5,564,961.94	1,580,502.96	561,958.01	72,075.63	(3,350,425.34)	-	(3,350,425.34)
Public Safety	15,428,567.28	118,730.23	633,217.50	32,512.46	(14,644,107.09)	-	(14,644,107.09)
Public Works	9,025,947.41	25,620.01	9,539.60	375,242.40	(8,615,545.40)	-	(8,615,545.40)
Parks and Recreation	5,619,335.20	1,827,729.73	56,992.37	-	(3,734,613.10)	-	(3,734,613.10)
Capital Improvements	72,735.14	-	-	3,779,031.80	3,706,296.66	-	3,706,296.66
Administrative	3,534,005.70	1,782,577.37	-	-	(1,751,428.33)	-	(1,751,428.33)
Total governmental activities	<u>40,285,277.17</u>	<u>5,335,160.30</u>	<u>1,261,707.48</u>	<u>4,258,862.29</u>	<u>(29,429,547.10)</u>	<u>-</u>	<u>(29,429,547.10)</u>
Business-type activities:							
Golf Course Fund	775,372.59	505,872.13	-	-	-	(269,500.46)	(269,500.46)
Indoor Sports Complex	362,363.73	44,419.41	5,000.00	39,000.00	-	(273,944.32)	(273,944.32)
Sewer Fund	10,492,810.74	7,382,732.38	37,143.22	528,046.67	-	(2,544,888.47)	(2,544,888.47)
Solid Waste Fund	4,156,251.98	4,506,252.70	8,639.09	-	-	358,639.81	358,639.81
Sporting Complexes Fund	1,247,334.26	410,269.25	-	-	-	(837,065.01)	(837,065.01)
Water Fund	7,427,137.82	6,787,707.36	-	172,218.48	-	(467,211.98)	(467,211.98)
Total business-type activities	<u>24,461,271.12</u>	<u>19,637,253.23</u>	<u>50,782.31</u>	<u>739,265.15</u>	<u>-</u>	<u>(4,033,970.43)</u>	<u>(4,033,970.43)</u>
Total primary government	<u>\$ 64,746,548.29</u>	<u>\$ 24,972,413.53</u>	<u>\$ 1,312,489.79</u>	<u>\$ 4,998,127.44</u>	<u>(29,429,547.10)</u>	<u>(4,033,970.43)</u>	<u>(33,463,517.53)</u>
General revenues:							
Property taxes					2,313,211.37	-	2,313,211.37
Sales taxes					27,999,068.29	-	27,999,068.29
Franchise taxes					4,851,548.45	-	4,851,548.45
Motor fuel taxes					1,521,156.72	-	1,521,156.72
Convention and tourism taxes					2,205,775.90	-	2,205,775.90
Merchant licenses					1,290,916.43	-	1,290,916.43
Liquor licenses					75,591.27	-	75,591.27
Other taxes					3,543,753.16	-	3,543,753.16
Unrestricted grants and contributions					60,826.61	-	60,826.61
Unrestricted investment earnings					501,863.05	134,658.56	636,521.61
Gain or Loss on sale of assets					589,905.41	99,326.25	689,231.66
Transfers					(15,095,987.24)	15,095,987.24	-
Total general revenues, special items, and transfers					<u>29,857,629.42</u>	<u>15,329,972.05</u>	<u>45,187,601.47</u>
Change in net position					428,082.32	11,296,001.62	11,724,083.94
Net position - beginning					224,116,212.57	101,565,927.36	325,682,139.93
Prior period adjustments					(4,817,594.87)	5,062,002.23	244,407.36
Net position - ending					<u>\$ 219,726,700.02</u>	<u>\$ 117,923,931.21</u>	<u>\$ 337,650,631.23</u>

See Accompanying Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS

City of Cape Girardeau
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Airport Fund	Parks and Recreation Fund	Casino Revenue Fund	Transportation Sales Tax IV	General Capital Improvements	Total Nonmajor Funds	Total Governmental Funds
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 11,035.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,106.34	\$ 69,141.34
Pooled cash and investments	5,702,096.45	301,512.42	789,253.01	6,511,141.30	4,002,967.35	9,925,087.39	22,689,335.79	49,921,393.71
Receivables-								
Real estate taxes, net	101,615.79	-	-	-	-	-	20,661.07	122,276.86
Property taxes, net	24,611.15	-	-	-	-	-	4,610.80	29,221.95
Sales tax	1,070,047.85	-	-	-	-	-	1,844,370.29	2,914,418.14
Franchise taxes	1,707,367.35	-	-	-	-	-	-	1,707,367.35
Hotel & motel tax	-	-	-	-	-	-	191,534.06	191,534.06
Special assessments	244,014.31	-	-	-	-	-	74,201.15	318,215.46
Other	62,895.74	108,547.02	70,676.09	237,228.65	-	-	21,272.10	500,619.60
Motor fuel tax	-	-	-	-	-	-	87,347.32	87,347.32
Vehicle license fees	-	-	-	-	-	-	12,899.03	12,899.03
Motor vehicle sales tax	-	-	-	-	-	-	28,629.45	28,629.45
Grants	129,217.41	69,498.93	-	-	-	-	516,660.02	715,376.36
Other funds	153,143.83	-	-	-	-	-	-	153,143.83
Inventory	112.37	38,036.45	17,801.84	-	-	-	6,611.96	62,562.62
Prepaid items	149,648.86	13,129.00	20,414.31	791.21	-	-	141,245.26	325,228.64
Total Current assets	<u>9,355,806.11</u>	<u>530,723.82</u>	<u>898,145.25</u>	<u>6,749,161.16</u>	<u>4,002,967.35</u>	<u>9,925,087.39</u>	<u>25,697,484.64</u>	<u>57,159,375.72</u>
Noncurrent assets:								
Advances to other funds	23,491.36	-	-	451,442.33	-	-	-	474,933.69
Total Noncurrent assets	<u>23,491.36</u>	<u>-</u>	<u>-</u>	<u>451,442.33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>474,933.69</u>
Total assets	<u>\$ 9,379,297.47</u>	<u>\$ 530,723.82</u>	<u>\$ 898,145.25</u>	<u>\$ 7,200,603.49</u>	<u>\$ 4,002,967.35</u>	<u>\$ 9,925,087.39</u>	<u>\$ 25,697,484.64</u>	<u>\$ 57,634,309.41</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Airport Fund	Parks and Recreation Fund	Casino Revenue Fund	Transportation Sales Tax IV	General Capital Improvements	Total Nonmajor Funds	Total Governmental Funds
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 356,647.11	\$ 87,089.11	\$ 69,867.11	\$ 50,047.77	\$ 810,731.01	\$ 2,597,321.25	\$ 1,071,708.50	\$ 5,043,411.86
Salaries and benefits payable	705,580.94	29,998.28	137,891.53	-	-	-	4,888.36	878,359.11
Other liabilities	121,297.58	49,529.03	14,280.51	-	-	-	-	185,107.12
Due to other governments	88.50	-	-	-	-	-	1,206.64	1,295.14
Payable to other funds	-	-	-	-	-	153,143.83	-	153,143.83
Unearned revenues	22,904.41	4,570.78	146,737.10	-	-	-	-	174,212.29
Deferred revenues	367,522.18	-	-	-	-	-	98,607.67	466,129.85
Total Current liabilities	<u>1,574,040.72</u>	<u>171,187.20</u>	<u>368,776.25</u>	<u>50,047.77</u>	<u>810,731.01</u>	<u>2,750,465.08</u>	<u>1,176,411.17</u>	<u>6,901,659.20</u>
Total liabilities	<u>1,574,040.72</u>	<u>171,187.20</u>	<u>368,776.25</u>	<u>50,047.77</u>	<u>810,731.01</u>	<u>2,750,465.08</u>	<u>1,176,411.17</u>	<u>6,901,659.20</u>
FUND BALANCES (DEFICITS)								
Nonspendable	175,240.22	13,129.00	20,414.31	452,233.54	-	-	141,245.26	802,262.33
Restricted	4,714,330.68	-	-	-	3,192,236.34	-	20,240,041.10	28,146,608.12
Committed	-	-	-	6,698,322.18	-	-	-	6,698,322.18
Assigned	181,954.85	346,407.62	508,954.69	-	-	7,174,622.31	4,139,787.11	12,351,726.58
Unassigned	2,733,731.00	-	-	-	-	-	-	2,733,731.00
Total fund balances (deficits)	<u>7,805,256.75</u>	<u>359,536.62</u>	<u>529,369.00</u>	<u>7,150,555.72</u>	<u>3,192,236.34</u>	<u>7,174,622.31</u>	<u>24,521,073.47</u>	<u>50,732,650.21</u>
Total liabilities and fund balances (deficits)	<u>\$ 9,379,297.47</u>	<u>\$ 530,723.82</u>	<u>\$ 898,145.25</u>	<u>\$ 7,200,603.49</u>	<u>\$ 4,002,967.35</u>	<u>\$ 9,925,087.39</u>	<u>\$ 25,697,484.64</u>	<u>\$ 57,634,309.41</u>

See Accompanying Notes to Basic Financial Statements.

**City of Cape Girardeau
Reconciliation of Balance Sheet
To the Statement of Net Position
June 30, 2017**

Fund balances of governmental funds	\$50,732,650.21
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	198,392,823.88
Internal service funds are used by management to charge the costs of management information systems, fleet management, employee fringe	7,193,521.98
Assets, liabilities, and deferred inflows and outflows related to the City's employee retirement plan are reported on a net basis in government activities of the statement of net position but are not included in the governmental funds because they do require the use of or provide current financial resources.	6,754,441.81
Accrued expenses which are included in governmental activities in the statement of net position are not included in governmental fund because they are not payable from current financial resources.	(280,288.28)
Long-term debt are included in the governmental activities in the statement of net position but not in governmental funds because they are not due and payable in the current period.	(39,546,456.44)
Non-current Net OPEB obligation included in governmental activities of the statement of net position for employee post-retirement healthcare benefits are not included in governmental funds because it does not required the use of current financial resources..	(2,648,577.00)
Non-current compensated absences payable included in governmental activities of the statement of net position for earned vacation and termination pay do not require the use of current financial resources and are not included in governmental funds.	(1,337,545.99)
Assets included in governmental activities of the statement of net position that are not available to pay for current-period expenditures are offset by deferred revenues in governmental funds.	466,129.85
 Net position of governmental activities	 <u><u>\$219,726,700.02</u></u>

The Notes to Financial Statements are an Integral Part of This Statement.

City of Cape Girardeau
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Airport Fund	Parks and Recreation Fund	Casino Revenue Fund	Transportation Sales Tax IV	General Capital Improvements	Total Nonmajor Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 17,193,712.47	\$ -	\$ -	\$ 3,193,679.93	\$ -	\$ -	\$ 20,530,253.28	\$ 40,917,645.68
Licenses & permits	1,613,500.38	-	-	-	-	-	5,276.00	1,618,776.38
Intergovernmental	828,689.59	298,412.42	998.82	-	-	-	5,490,701.23	6,618,802.06
Charges for services	285,614.21	411,744.23	1,536,246.22	-	-	-	99,074.38	2,332,679.04
Internal charges	1,161,341.29	-	-	-	-	-	-	1,161,341.29
Fines and forfeits	712,267.50	-	-	-	-	-	-	712,267.50
Miscellaneous	335,287.26	292,358.32	21,573.53	-	-	-	99,022.50	748,241.61
Investment revenue	48,299.98	-	2,145.65	53,269.41	43,599.22	91,561.59	220,973.10	459,848.95
Special assessments	17,892.20	-	-	-	-	-	5,241.39	23,133.59
Total revenues	<u>22,196,604.88</u>	<u>1,002,514.97</u>	<u>1,560,964.22</u>	<u>3,246,949.34</u>	<u>43,599.22</u>	<u>91,561.59</u>	<u>26,450,541.88</u>	<u>54,592,736.10</u>
EXPENDITURES								
Current:								
Administrative	2,631,588.26	-	-	102,740.47	-	-	-	2,734,328.73
Capital Improvements	-	-	-	-	-	-	3,282.13	3,282.13
Development Services	2,347,504.72	1,469,391.73	-	10,097.60	-	-	1,715,652.19	5,542,646.24
Parks and Recreation	1,703,900.49	-	2,639,582.70	54,048.62	-	-	85,983.52	4,483,515.33
Public Safety	13,779,540.09	67.98	-	70,724.89	-	-	405,128.60	14,255,461.56
Public Works	2,531,642.49	-	-	-	-	-	987,320.76	3,518,963.25
Debt service:								
Administrative charges	318.00	-	-	-	-	-	5,056.57	5,374.57
Interest	19,700.00	15.41	-	100,546.00	-	834.18	899,648.97	1,020,744.56
Principal	-	-	-	359,454.00	-	-	4,279,762.64	4,639,216.64
Capital outlay:								
Administrative	-	-	-	9,750.00	-	-	-	9,750.00
Capital Improvements	-	-	-	749,208.36	5,154,000.04	20,490,140.70	8,345,914.23	34,739,263.33
Development Services	30,683.08	127,904.96	-	-	-	-	-	158,588.04
Parks and Recreation	20,800.00	-	40,724.88	68,645.11	-	-	643,976.74	774,146.73
Public Safety	27,780.29	-	-	55,632.99	-	-	237,364.97	320,778.25
Public Works	8,023.25	-	-	-	-	-	-	8,023.25
Total expenditures	<u>23,101,480.67</u>	<u>1,597,380.08</u>	<u>2,680,307.58</u>	<u>1,580,848.04</u>	<u>5,154,000.04</u>	<u>20,490,974.88</u>	<u>17,609,091.32</u>	<u>72,214,082.61</u>
Excess (deficiency) of revenues over expenditures	<u>(904,875.79)</u>	<u>(594,865.11)</u>	<u>(1,119,343.36)</u>	<u>1,666,101.30</u>	<u>(5,110,400.82)</u>	<u>(20,399,413.29)</u>	<u>8,841,450.56</u>	<u>(17,621,346.51)</u>
OTHER FINANCING SOURCES (USES)								
Transfers out	(4,628,089.03)	(15,900.00)	-	(215,766.68)	(213,334.33)	-	(15,335,098.78)	(20,408,188.82)
Transfers in	5,433,446.42	762,775.25	1,111,968.17	-	-	243,780.89	6,336,528.65	13,888,499.38
Compensation for damages	17,834.13	10,271.73	-	-	-	-	(35.80)	28,070.06
Asset disposition	111,601.20	10,054.29	12.00	929,918.00	-	-	24,102.39	1,075,687.88
Other loan proceeds	-	-	-	727,686.31	-	-	3,265,100.00	3,992,786.31
Total other financing source (uses)	<u>934,792.72</u>	<u>767,201.27</u>	<u>1,111,980.17</u>	<u>1,441,837.63</u>	<u>(213,334.33)</u>	<u>243,780.89</u>	<u>(5,709,403.54)</u>	<u>(1,423,145.19)</u>
SPECIAL ITEMS								
Net change in fund balances	29,916.93	172,336.16	(7,363.19)	3,107,938.93	(5,323,735.15)	(20,155,632.40)	3,132,047.02	(19,044,491.70)
Fund balances - beginning	7,714,458.77	187,200.46	536,747.11	4,042,616.79	8,515,971.49	27,328,934.84	21,389,136.24	69,715,065.70
Prior period adjustment	60,881.05	-	(14.92)	-	-	1,319.87	(109.79)	62,076.21
Fund balances - ending	<u>\$ 7,805,256.75</u>	<u>\$ 359,536.62</u>	<u>\$ 529,369.00</u>	<u>\$ 7,150,555.72</u>	<u>\$ 3,192,236.34</u>	<u>\$ 7,174,622.31</u>	<u>\$ 24,521,073.47</u>	<u>\$ 50,732,650.21</u>

The Notes to Financial Statements are an Integral Part of This Statement.

City of Cape Girardeau
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities
For the Year Ended June 30, 2017

Net change in fund balances - total governmental funds	(\$19,044,491.70)
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlays are not expensed, but the cost of the outlays are allocated over their estimated useful lives and reported as depreciation expense. This the amount by which deperociation was more or (less) than capital outlays.	19,593,986.08
Changes in the assets, liabilities, and deferred inflows and outflows related to the City's employee retirement plan that occurred during the current year that do not require current financial resources are reported on the statement of activiities but not in the governmental funds.	(1,062,115.61)
Changes in the Net OPEB obligation related to the cost of providing future post-retirement healthcare costs to the City's employees that do not require current financial resources are reported on the statement of activities but not in governmental funds.	(137,187.00)
Changes in compensated absences payable related to the cost of providing currently earned vacation and termination pay to the City's employees in the future are reported on the statement of activities but not in governmental funds because they do not require the use of current financial resources.	(33,531.41)
Revenues in the statment of activities that do not provide current financial resources are not reported as revenues in governmental funds.	(16,086.08)
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 the individual funds. Their assets and liabilities are included in governmental activities in the statement of net position.	491,006.07
Accrued expenses which are included in governmental activities in the statement of net position are not included in governmental fund because they are not payable from current financial resources.	(42,625.15)
Long-term debt are included in the governmental activities in the statement of net position but not in governmental funds because they are not due and payable in the current period.	679,127.12
Change in net position of governmental activities	\$428,082.32

The Notes to Financial Statements are an Integral Part of This Statement.

City of Cape Girardeau
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities						Governmental	
	Sewer Fund	Water Fund	Solid Waste Fund	Golf Course Fund	Indoor Sports	Sporting Complexes	Internal Service	
					Complex Fund	Fund	Funds	
						Total Enterprise Funds		
ASSETS								
Current assets:								
Pooled cash and investments	\$ 3,729,116.88	\$ 5,913,069.41	\$ 1,224,735.72	\$ 127,374.59	\$ 169,276.48	\$ 134,507.69	\$ 11,298,080.77	\$ 5,887,211.52
Investments	-	-	-	-	-	-	-	349,535.70
Utilities charges, net	1,108,930.30	942,415.93	994,312.79	-	-	-	3,045,659.02	-
Special assessments	36,121.03	4,781.25	-	-	-	-	40,902.28	-
Other	4,386.55	55,713.89	58.36	-	-	-	60,158.80	54,385.29
Notes receivable	-	-	-	-	-	-	-	151,670.98
Interest	513.95	-	-	-	-	-	513.95	180.29
Grants	37,143.22	-	1,322.09	-	-	-	38,465.31	-
Inventory	-	801,357.40	-	3,542.25	7,749.83	23,586.66	836,236.14	171,518.62
Prepaid items	24,429.14	5,218.75	1,795.05	103.00	-	352.98	31,898.92	133,558.94
Total current assets	4,940,641.07	7,722,556.63	2,222,224.01	131,019.84	177,026.31	158,447.33	15,351,915.19	6,748,061.34
Noncurrent assets:								
Rest Cash and Cash Equivalents	5,547,683.33	-	-	-	-	-	5,547,683.33	-
Net pensions assets	381,380.72	55,283.67	246,020.68	66,455.09	14,708.92	1,146.77	764,995.85	69,395.34
Land	537,677.99	-	112,239.55	-	1,335,100.00	-	1,985,017.54	37,500.00
Buildings	8,078,346.00	346,636.63	4,919,334.17	163,674.80	12,204,540.43	1,006,876.94	26,719,408.97	53,906.45
Equipment	4,241,141.66	2,780,986.49	3,723,399.41	365,658.61	120,288.19	477,164.42	11,708,638.78	5,871,960.79
Other improvements	150,949,711.88	61,519,169.25	344,022.92	1,972,744.42	-	1,557,642.35	216,343,290.82	155,653.19
Construction in progress	3,159,672.15	3,054,888.41	403.51	-	-	385,127.80	6,600,091.87	42,350.00
Accumulated depreciation	(49,588,112.66)	(22,956,015.14)	(4,096,032.91)	(1,160,024.76)	(55,487.58)	(1,117,628.44)	(78,973,301.49)	(4,259,416.87)
Total noncurrent assets	123,307,501.07	44,800,949.31	5,249,387.33	1,408,508.16	13,619,149.96	2,310,329.84	190,695,825.67	1,971,348.90
Total assets	128,248,142.14	52,523,505.94	7,471,611.34	1,539,528.00	13,796,176.27	2,468,777.17	206,047,740.86	8,719,410.24
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to the pension plan	241,746.63	38,225.65	150,667.74	36,198.60	-	54,406.64	521,245.26	124,537.89
Total deferred outflows of resources	241,746.63	38,225.65	150,667.74	36,198.60	-	54,406.64	521,245.26	124,537.89

The Notes to Financial Statements are an Integral Part of This Statement.

City of Cape Girardeau
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities						Governmental	
	Sewer Fund	Water Fund	Solid Waste Fund	Golf Course Fund	Indoor Sports Complex Fund	Sporting Complexes Fund	Internal Service Funds	
LIABILITIES								
Current liabilities:								
Accounts payable	230,238.09	287,026.62	155,751.88	8,656.73	87,609.54	46,356.33	815,639.19	94,471.79
Salaries and benefits payable	64,249.41	9,914.52	38,371.36	23,457.25	21,494.64	50,095.94	207,583.12	35,170.96
Interest payable	651,262.77	-	-	-	-	-	651,262.77	-
Other liabilities	203,517.56	238,143.27	118,503.18	13,066.40	-	-	573,230.41	-
Estimated claims payable	-	-	-	-	-	-	-	497,500.00
Due to other governments	22,755.49	49,634.32	-	-	-	-	72,389.81	-
Unearned revenues	-	-	-	54,579.10	29,133.96	29,204.64	112,917.70	14,482.60
Current portion of long-term debt								
Revenue bonds payable	4,535,000.00	585,000.00	-	-	-	-	5,120,000.00	-
Special oblig bonds payable	-	-	340,000.00	-	-	-	340,000.00	-
Total current liabilities	<u>5,707,023.32</u>	<u>1,169,718.73</u>	<u>652,626.42</u>	<u>99,759.48</u>	<u>138,238.14</u>	<u>125,656.91</u>	<u>7,893,023.00</u>	<u>641,625.35</u>
Noncurrent liabilities:								
Net OPEB Obligation	33,493.00	39,733.00	62,238.00	81,661.00	-	13,728.00	230,853.00	135,813.00
Compensated absences payable	74,764.36	8,753.32	58,104.79	26,351.90	12,012.54	24,149.38	204,136.29	47,383.64
Advances from other funds	-	-	451,442.33	-	-	23,491.36	474,933.69	-
Revenue bonds payable	67,035,000.00	10,435,052.70	-	-	-	-	77,470,052.70	-
Special oblig bonds payable	-	-	2,938,346.24	-	-	-	2,938,346.24	-
Est landfill post closure cost	-	-	21,000.00	-	-	-	21,000.00	-
Total noncurrent liabilities	<u>67,143,257.36</u>	<u>10,483,539.02</u>	<u>3,531,131.36</u>	<u>108,012.90</u>	<u>12,012.54</u>	<u>61,368.74</u>	<u>81,339,321.92</u>	<u>183,196.64</u>
Total liabilities	<u>72,850,280.68</u>	<u>11,653,257.75</u>	<u>4,183,757.78</u>	<u>207,772.38</u>	<u>150,250.68</u>	<u>187,025.65</u>	<u>89,232,344.92</u>	<u>824,821.99</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to the pension plan	82,926.08	14,152.54	56,009.98	13,663.17	19,554.44	20,132.41	206,438.62	31,875.53
Total deferred inflows of resources	<u>82,926.08</u>	<u>14,152.54</u>	<u>56,009.98</u>	<u>13,663.17</u>	<u>19,554.44</u>	<u>20,132.41</u>	<u>206,438.62</u>	<u>31,875.53</u>
NET POSITION								
Net investment in capital assets	45,808,437.02	33,730,538.72	1,276,968.65	1,342,053.07	13,604,441.04	2,309,183.07	98,071,621.57	1,901,953.56
Restricted for depreciation and replacement	-	150,000.00	-	-	-	-	150,000.00	-
Restricted for emergencies	1,608,144.00	917,948.00	663,484.00	-	-	-	3,189,576.00	-
Unrestricted	8,140,100.99	6,095,834.58	1,442,058.67	12,237.98	21,930.11	6,842.68	15,719,005.01	6,085,297.05
Total net position	<u>\$ 55,556,682.01</u>	<u>\$ 40,894,321.30</u>	<u>\$ 3,382,511.32</u>	<u>\$ 1,354,291.05</u>	<u>\$ 13,626,371.15</u>	<u>\$ 2,316,025.75</u>	<u>117,130,202.58</u>	<u>\$ 7,987,250.61</u>
							793,728.63	
Difference between business-type adjustments to assets and liabilities.								
Net position of business-type activities							<u>\$ 117,923,931.21</u>	

The Notes to Financial Statements are an Integral Part of This Statement.

City of Cape Girardeau
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities						Governmental	
	Sewer Fund	Water Fund	Solid Waste Fund	Golf Course Fund	Indoor Sports	Sporting Complexes	Internal Service Funds	
					Complex Fund	Fund		Total Enterprise Funds
OPERATING REVENUES								
Residential charges	\$ 4,631,926.40	\$ 3,887,741.98	\$ 2,548,817.54	\$ -	\$ -	\$ -	\$ 11,068,485.92	\$ -
Commerical charges	2,401,440.41	2,589,293.51	42,108.26	-	-	-	5,032,842.18	-
Transfer station charges	-	-	1,806,898.22	-	-	-	1,806,898.22	-
Other fees and charges	129,209.73	279,816.75	82,213.54	-	-	-	491,240.02	31,091.68
Concession revenues	-	-	-	39,595.04	-	57,517.46	97,112.50	-
Internal charges	19,899.08	-	-	-	-	-	19,899.08	7,025,604.21
Usage fees	-	-	-	464,255.69	44,419.41	294,189.39	802,864.49	10,810.18
Miscellaneous	2,034.84	30,855.12	92,858.71	2,021.40	5,000.00	610.75	133,380.82	2,066.91
Total operating revenues	<u>7,184,510.46</u>	<u>6,787,707.36</u>	<u>4,572,896.27</u>	<u>505,872.13</u>	<u>49,419.41</u>	<u>352,317.60</u>	<u>19,452,723.23</u>	<u>7,069,572.98</u>
OPERATING EXPENSES								
Personnel services	1,826,709.54	256,449.06	1,163,957.17	391,325.17	134,453.78	665,361.78	4,438,256.50	977,850.02
Materials & supplies	806,027.20	1,095,124.99	188,225.73	99,808.35	125,483.12	187,786.55	2,502,455.94	596,402.36
Contractual services	1,089,407.21	2,959,678.61	1,919,996.96	29,059.85	42,138.57	53,328.00	6,093,609.20	4,528,746.59
General operating expenses	524,065.27	414,730.61	35,543.73	3,865.07	2,320.97	4,112.84	984,638.49	81,268.79
Special programs	109,587.29	371,217.08	42,240.10	3,965.37	1,865.15	74,516.72	603,391.71	19,682.88
Internal service expenses	163,403.38	177,168.57	408,157.47	40,446.66	1,800.00	46,990.26	837,966.34	7,017.00
Depreciation	4,135,730.85	1,762,708.06	360,072.49	122,717.56	55,487.58	185,315.71	6,222,032.25	383,013.47
Total operating expenses	<u>8,654,930.74</u>	<u>7,037,076.98</u>	<u>4,118,193.65</u>	<u>691,188.03</u>	<u>363,549.17</u>	<u>1,217,411.86</u>	<u>22,082,350.43</u>	<u>6,593,981.11</u>
Operating income (loss)	<u>(1,470,420.28)</u>	<u>(249,369.62)</u>	<u>454,702.62</u>	<u>(185,315.90)</u>	<u>(314,129.76)</u>	<u>(865,094.26)</u>	<u>(2,629,627.20)</u>	<u>475,591.87</u>
NONOPERATING REVENUES (EXPENSES)								
Intergovernmental	37,143.22	-	8,639.09	-	-	-	45,782.31	-
Investment revenue	86,122.82	38,954.98	9,853.43	454.68	(155.91)	(571.44)	134,658.56	42,239.85
Gain from sale of asset	16,892.73	8,974.91	416.25	73,008.13	-	34.23	99,326.25	94,120.14
Compensation for damages	35,561.92	-	5,106.01	-	-	57,951.65	98,619.58	59,479.53
Loss on sale of asset	-	-	-	(87,695.01)	-	-	(87,695.01)	-
Loss from river flood	(87,869.69)	-	-	-	-	-	(87,869.69)	-
Storm damage	(20,566.00)	-	(4,384.00)	-	-	(37,738.70)	(62,688.70)	(52,847.96)
Interest and other charges	(1,769,707.06)	(385,530.47)	(123,688.49)	(1,352.33)	(481.04)	(2,262.68)	(2,283,022.07)	-
Total nonoperating revenues (expenses)	<u>(1,702,422.06)</u>	<u>(337,600.58)</u>	<u>(104,057.71)</u>	<u>(15,584.53)</u>	<u>(636.95)</u>	<u>17,413.06</u>	<u>(2,142,888.77)</u>	<u>142,991.56</u>
Income (loss) before contributions and transfers	(3,172,842.34)	(586,970.20)	350,644.91	(200,900.43)	(314,766.71)	(847,681.20)	(4,772,515.97)	618,583.43
Contributed cap - connect fee	162,660.00	-	-	-	-	-	162,660.00	-
Contributed cap - developers	495,046.67	172,218.48	-	-	-	-	667,265.15	-
Contributed cap - donations	-	-	-	-	39,000.00	-	39,000.00	-
Contributed cap - government	137,695.91	184,762.20	-	286,842.85	7,355,121.43	554,903.25	8,519,325.64	-
Special assessments	33,000.00	-	-	-	-	-	33,000.00	-
Transfers in	5,103,336.00	474,063.35	13,500.00	78,424.27	332,497.43	654,439.13	6,656,260.18	21,655.34
Transfers out	(278.58)	(8,000.00)	-	(71,320.00)	-	-	(79,598.58)	(78,627.50)
Change in net position	2,758,617.66	236,073.83	364,144.91	93,046.69	7,411,852.15	361,661.18	11,225,396.42	561,611.27
Total net position - beginning	52,821,511.18	40,451,758.71	3,018,812.61	1,261,244.36	1,335,100.00	1,954,377.07	100,842,803.93	7,425,891.42
Prior period adjustments	(23,446.83)	206,488.76	(446.20)	-	4,879,419.00	(12.50)	5,062,002.23	(252.08)
Total net position - ending	<u>\$ 55,556,682.01</u>	<u>\$ 40,894,321.30</u>	<u>\$ 3,382,511.32</u>	<u>\$ 1,354,291.05</u>	<u>\$ 13,626,371.15</u>	<u>\$ 2,316,025.75</u>	<u>\$ 117,130,202.58</u>	<u>\$ 7,987,250.61</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds							70,605.20	
Change in net position of business-type activities							\$ 11,296,001.62	

The Notes to Financial Statements are an Integral Part of This Statement.

City of Cape Girardeau
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Indoor Sports Complex	Sports Complexes	Total Proprietary Funds	Government Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 6,965,044.33	\$ 7,004,977.54	\$ 4,218,109.50	\$ 562,056.13	\$ 100,378.64	\$ 438,684.71	\$ 19,289,250.85	\$ 112,479.31
Receipts from interfund services	19,899.08	-	42,108.26	-	-	-	62,007.34	6,955,026.76
Other receipts	-	-	-	-	5,000.00	-	5,000.00	8,048.06
Payments to suppliers	(2,071,258.29)	(4,265,374.23)	(2,145,680.15)	(196,101.17)	(170,316.61)	(432,590.56)	(9,281,321.01)	(5,408,987.01)
Payments for salaries and benefits	(1,716,854.09)	(241,624.15)	(1,108,253.68)	(370,279.46)	(96,101.08)	(655,213.81)	(4,188,326.27)	(911,401.89)
Payments for interfund services used	(178,739.62)	(177,168.57)	(408,157.47)	(40,446.66)	(2,334.95)	(46,990.26)	(853,837.53)	(7,017.00)
Payments made in lieu of franchise taxes	(357,123.74)	(338,185.32)	-	-	-	-	(695,309.06)	-
Remittance of taxes collected from customers	(18,665.99)	(279,491.56)	-	-	-	-	(298,157.55)	-
Net cash provided (used) by operating activities	<u>2,642,301.68</u>	<u>1,703,133.71</u>	<u>598,126.46</u>	<u>(44,771.16)</u>	<u>(163,374.00)</u>	<u>(696,109.92)</u>	<u>4,039,306.77</u>	<u>748,148.23</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers from other funds	305,336.00	-	-	78,424.27	332,497.43	654,439.13	1,370,696.83	-
Advance repayment to other funds	-	-	(507,053.94)	(35,914.23)	-	(22,359.42)	(565,327.59)	-
Advance from other funds	-	-	488,335.00	-	-	-	488,335.00	-
Interest paid to other funds	-	-	(14,104.84)	(1,352.33)	(481.04)	(2,262.68)	(18,200.89)	-
Subsidy from federal grant	875.29	41.48	2,806.32	-	-	-	3,723.09	816.63
Subsidy from state grant	6,577.59	76.60	892.41	-	-	25.00	7,571.60	464.61
Subsidy from local grant	-	-	7,317.00	-	-	-	7,317.00	-
River flooding	(87,869.69)	-	-	-	-	-	(87,869.69)	-
Insurance claims storm damage	35,561.92	-	5,106.01	-	-	57,951.65	98,619.58	59,479.53
Storm damage	(20,566.00)	-	(4,384.00)	-	-	(37,738.70)	(62,688.70)	(52,847.96)
Net cash (used) by noncapital financing	<u>239,915.11</u>	<u>118.08</u>	<u>(21,086.04)</u>	<u>41,157.71</u>	<u>332,016.39</u>	<u>650,054.98</u>	<u>1,242,176.23</u>	<u>7,912.81</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Capital contributions	174,494.42	769.11	-	-	39,000.00	-	214,263.53	-
State grants	28.25	777.13	-	-	-	-	805.38	39.55
Purchase of capital assets	(180,758.35)	(144,087.06)	-	-	(38,210.00)	-	(363,055.41)	(476,930.15)
Acquisition and construction of capital assets	(3,226,169.99)	(1,840,065.10)	(339,135.54)	-	-	-	(5,405,370.63)	(42,350.00)
Principal paid on capital debt	(4,666,535.25)	(570,000.00)	(320,000.00)	-	-	-	(5,556,535.25)	-
Interest paid on capital debt	(2,500,846.74)	(394,181.26)	(105,883.45)	-	-	-	(3,000,911.45)	-
Proceeds from capital debt	2,484,549.25	-	-	-	-	-	2,484,549.25	-
Proceeds from sales of capital assets	23,493.05	12,553.05	416.25	1,688.13	-	34.23	38,184.71	104,458.50
Proceeds from transfer of capital assets	8,000.00	8,000.00	-	-	-	-	16,000.00	5,755.34
Principal received on promissory note	-	-	-	-	-	-	-	16,858.08
Interest received on promissory note	-	-	-	-	-	-	-	3,424.82
Transfers in for capital acquisitions	-	470,076.04	13,500.00	-	-	-	483,576.04	15,900.00
Transfers out for capital acquisitions	(3,200.00)	(8,000.00)	-	-	-	-	(11,200.00)	(78,627.50)
Transfers in for payment of capital related debt	4,790,000.00	-	-	-	-	-	4,790,000.00	-
Net cash (used) by capital and related financing activities	<u>(3,096,945.36)</u>	<u>(2,464,158.09)</u>	<u>(751,102.74)</u>	<u>1,688.13</u>	<u>790.00</u>	<u>34.23</u>	<u>(6,309,693.83)</u>	<u>(451,471.36)</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Indoor Sports Complex	Sports Complexes	Total Proprietary Funds	Government Activities Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	103,615.41	72,133.98	16,797.41	1,107.71	83.70	342.55	194,080.76	68,523.67
Net change in pooled investments	(320,465.08)	688,772.32	157,264.91	817.61	(169,516.09)	45,678.16	402,551.83	(386,626.09)
Net cash provided by investing activities	<u>(216,849.67)</u>	<u>760,906.30</u>	<u>174,062.32</u>	<u>1,925.32</u>	<u>(169,432.39)</u>	<u>46,020.71</u>	<u>596,632.59</u>	<u>(318,102.42)</u>
Net Increase (decrease) in cash and cash equivalents	(431,578.24)	-	-	-	-	-	(431,578.24)	(13,512.74)
Balances - beginning of year	5,979,261.57	-	-	-	-	-	5,979,261.57	13,512.74
Balances - end of the year	<u>\$ 5,547,683.33</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,547,683.33</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (1,470,420.28)	\$ (249,369.62)	\$ 454,702.62	\$ (185,315.90)	\$ (314,129.76)	\$ (865,094.26)	\$ (2,629,627.20)	\$ 475,591.87
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation expense	4,135,730.85	1,762,708.06	360,072.49	122,717.56	55,487.58	185,315.71	6,622,032.25	383,013.47
Changes in assets and liabilities:								
Accounts payable - supplier	15,919.91	(17,511.67)	18,123.83	(5,057.65)	31,094.16	(10,194.82)	32,373.76	(174,075.88)
Accounts payable - other	(63,793.76)	8,528.97	3,570.90	(3,349.87)	4,437.19	(13,570.41)	(64,176.98)	-
Salaries & benefits payable	24,936.91	737.60	(1,612.61)	6,196.92	33,507.18	(10,424.13)	53,341.87	18,296.10
Customer receivables	(76,443.43)	(15,274.61)	(294,339.25)	305.85	-	-	(385,751.44)	-
Interfund receivables	-	-	-	-	-	-	-	4,886.52
Other operating receivables	-	-	-	-	-	-	-	(13,387.97)
Prepaid expenses	(8,547.06)	(1,299.52)	292.38	307.99	-	263.67	(8,982.54)	(15,252.98)
Pension asset/liability	84,918.54	14,087.31	57,316.10	14,848.79	4,845.52	20,572.10	196,588.36	48,152.03
Inventory	-	200,527.19	-	2,127.13	(7,749.83)	(2,316.45)	192,588.04	6,442.47
Unearned revenue	-	-	-	2,448.02	29,133.96	(661.33)	30,920.65	14,482.60
Net cash provided by operating activities	<u>\$ 2,642,301.68</u>	<u>\$ 1,703,133.71</u>	<u>\$ 598,126.46</u>	<u>\$ (44,771.16)</u>	<u>\$ (163,374.00)</u>	<u>\$ (696,109.92)</u>	<u>\$ 4,039,306.77</u>	<u>\$ 748,148.23</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Fiduciary Net Position
June 30, 2017

	<u>Agency funds</u>
ASSETS	
Pooled cash and investments	\$ 1,802,808.67
Cash and cash equivalents	700.00
Prepaid items	38,362.03
Real estate taxes	101,728.23
Property taxes	24,771.90
Grants	87,060.97
Other	23.29
Total assets	<u>\$ 2,055,455.09</u>
LIABILITIES	
Deferred revenues	\$ 121,840.83
Accounts payable	29,009.63
Salaries and benefits payable	27,821.74
Other liabilities	1,876,782.89
Total liabilities	<u>\$ 2,055,455.09</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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 entered into a Lease Purchase Agreement with the City from which the lease payments were used solely to retire the debt. The debt was retired during the previous year. The remaining assets, \$162.10 in cash, were returned to the City during the current year.

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 these foundations are included in the financial presentation of the City. These foundations were established to receive donations to be used for the benefit of the City.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Government-Wide and Fund Financial Statements

Although not component units of the City, the City handles the funds of and provides accounting and other services for the Cape Girardeau Public Library and the SEMO Metropolitan Planning Organization. Since these funds are held by the City, these entities are shown as an Agency Funds in the 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 non-fiduciary activities of the primary government and its component units. The effect of inter-fund 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 is 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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

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 *general capital improvements fund* accounts for major capital improvement projects, funded through local revenue sources and / or bond proceeds, involving general public facilities.

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 *indoor sports complex fund* accounts for the operation of the City's new indoors sports complex.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The *sporting complexes 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 and the SEMO Metropolitan Planning Organization.

As a general rule the effect of 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 *non-operating* 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 non-operating revenues and expenses.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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 assigned 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 assets 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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Inter-fund 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 inter-fund 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.

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, 2017 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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 are projected by discounting future expected cash flows at 6%. An allowance for bad debt has been established for the difference between the actual future expected cash flows due and the discounted value of these future cash flows.

14. Compensated Absences

Vested or accumulated vacation leave and termination pay for proprietary funds are recorded as expenses and liabilities of those funds as the benefits accrue to employees. Amounts of vested or accumulated vacation leave and termination pay 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 Inter-fund 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 "inter-fund 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 inter-fund loan receivables and payables are reported as advances in the governmental balance sheet and proprietary statement of net position. Fund balances equal to inter-fund loan receivables are reported as non-spendable on the governmental balance sheet to indicate that they do not constitute expendable available financial resources and therefore are not available for appropriation. Only net long-term inter-fund loans between governmental and business-type activities are reflected as internal balances on the government-wide statement of net position. Net assets are not reserved for inter-fund loan receivables on proprietary and government-wide statements of net position.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

17. Pensions

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

18. 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 retired from the City prior to April 1, 2012 with five or more years of service and who were eligible for LAGERS retirement (Note G) or after April 1, 2012 after reaching their normal retirement ages through LAGERS with five or more years of service. Currently, forty-seven retirees and twenty-nine 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, 2017, those costs totaled \$588,530.10.

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 the 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, 2017.

19. 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, 2017 all infrastructures completed during the fiscal year, including projects started in a previous year, were recorded at their historical costs.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

20. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through February 6, 2018, 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, 2017, and reported at fair value, are as follows:

Deposits:		
Demand Deposits	\$	261,597.50
Interest Bearing Deposit Accounts		<u>2,071,131.46</u>
Total Deposits		<u>\$ 2,332,728.96</u>
Investments:		
Negotiable Instruments		\$62,725,793.43
Federal National Mortgage Assoc.		1,746,456.30
Federal Farm Credit Bureau		496,660.00
Federal Home Loan Mortgage Corp.		<u>1,495,135.02</u>
Total Investments		<u>\$66,464,044.75</u>
Accrued Interest Revenue		<u>\$ 112,720.96</u>
Total Pooled Deposits and Investments		<u>\$68,909,494.67</u>

As of June 30, 2017, the City had the following pooled investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Negotiable Instruments	07/06/17 – 06/21/22	\$62,725,793.43
Federal National Mortgage Assoc.	08/28/17 – 10/09/19	1,746,456.30
Federal Farm Credit Bureau	04/19/21 – 04/19/21	496,660.00
Federal Home Loan Mort. Corp.	03/29/19 – 04/28/22	<u>1,495,135.02</u>
Total		<u>\$66,464,044.75</u>

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE B - DEPOSITS AND INVESTMENTS - continued

Reconciliation of Pooled Cash and Investments to Statements:

Governmental Pooled Cash and Investments	\$55,808,605.23
Business-type Pooled Cash and Investments	11,298,080.77
Fiduciary Pooled Cash and Investments	<u>1,802,808.67</u>
Total Pooled Cash and Investments	<u>\$68,909,494.67</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, 2017, and reported at fair value, are as follows:

Deposits:	
Demand Deposits	\$ 305,755.81
Interest Bearing Deposit Accounts	<u>5,311,768.86</u>
Total Deposits	<u>\$5,617,524.67</u>

Investments:	
U. S. Treasury Note	\$ 349,535.70
Total Investments	<u>\$ 349,535.70</u>

Total Non-pooled Deposits and Investments	<u>\$5,967,060.37</u>
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As of June 30, 2017, the City had the following non-pooled investments

U. S. Treasury Note	12/15/18 – 12/15/18	\$349,535.70
Total		<u>\$349,535.70</u>

Reconciliation of Non-pooled Deposits and Investments to Statements:

Governmental Cash and Cash Equivalents	\$ 69,141.34
Governmental Investments	349,535.70
Business-type Restricted Cash and Cash Equivalents	5,547,683.33
Fiduciary Cash and Cash Equivalents	<u>700.00</u>
Total Non-pooled Deposits and Investments	<u>\$5,967,060.37</u>

Custodial Credit Risk:

Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$76,172,966.45 at June 30, 2017, 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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE B - DEPOSITS AND INVESTMENTS - continued

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, 2017 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, 2017, the City had no concentration of credit risk.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE C - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on August 30, 2016, 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	\$.3037/100.00 assessed valuation
Public Health	.0569/100.00 assessed valuation
Special Business District #2 (Ad Valorem)	.6699/100.00 assessed valuation

Property tax receivable balances as of June 30, 2017 are as follows:

	General <u>Revenue</u>	Public <u>Health</u>	Special Business <u>District</u>	<u>Total</u>
Current property tax	\$ 73,454.43	\$ 13,762.12	\$ 1,624.71	\$ 88,841.26
Delinquent property tax	62,656.00	11,736.37	-	74,392.37
Reserve for doubtful				
Property taxes	<u>(9,883.49)</u>	<u>(1,851.33)</u>	<u>-</u>	<u>(11,734.82)</u>
Net property tax receivable	<u>\$126,226.94</u>	<u>\$ 23,647.16</u>	<u>\$ 1,624.71</u>	<u>\$151,498.81</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, 2017 is as follows:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	Current Year <u>Depreciation*</u>	Balance <u>June 30, 2017**</u>
Land	\$ 9,712,739.11	\$ 12,297.29	\$ 378,073.25	\$ -	\$ 9,346,963.15
Buildings	19,915,673.55	1,209,079.70	-	1,013,437.65	20,111,315.60
Land improvements	18,516,927.09	777,614.77	-	804,019.38	18,490,522.48
Equipment	7,195,351.75	5,269,539.76	277,167.72	1,395,261.33	10,792,462.46
Infrastructure	121,520,534.17	5,573,953.86	-	4,766,288.70	122,328,199.33
Construction in progress	<u>8,593,831.37</u>	<u>28,345,441.08</u>	<u>17,713,958.03</u>	<u>-</u>	<u>19,225,314.42</u>
Total capital assets	<u>\$185,455,057.04</u>	<u>\$41,187,926.46</u>	<u>\$18,369,199.00</u>	<u>\$7,979,007.06</u>	<u>\$ 200,294,777.44</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, 2017

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, 2017:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	Current Year <u>Depreciation</u>	Balance <u>June 30, 2017</u>
Land	\$ 1,985,017.54	\$ -	\$ -	\$ -	\$ 1,985,017.54
Buildings	5,626,429.05	12,220,924.76	-	441,800.67	17,405,553.14
Improvements other than buildings	152,430,823.65	7,099,731.41	-	5,406,675.28	154,123,879.78
Equipment	4,242,211.34	901,835.28	101,886.16	773,556.30	4,268,604.16
Construction in progress	<u>7,498,720.75</u>	<u>3,185,655.72</u>	<u>4,084,284.60</u>	-	<u>6,600,091.87</u>
Total capital assets	<u>\$171,783,202.33</u>	<u>\$23,408,147.17</u>	<u>\$ 4,186,170.76</u>	<u>\$ 6,622,032.25</u>	<u>\$ 184,383,146.49</u>

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

Governmental Activities:

Administrative	\$ 40,122.14
Development Services	453,009.06
Parks and Recreation	1,045,664.03
Public Safety	536,512.15
Public Works	<u>5,520,686.21</u>
Total	<u>\$ 7,595,993.59</u>

Business-Type Activities:

Golf Course	\$ 122,717.56
Sewer	4,135,730.85
Sporting Complexes	185,315.71
Sportsplex	55,487.58
Solid Waste	360,072.49
Water	<u>1,762,708.06</u>
Total	<u>\$ 6,622,032.25</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, 2017:

	<u>Governmental Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Total</u>
Debt payable July 1, 2016		\$39,464,983.56	\$ 760,600.00	\$40,225,583.56
Discount/Premium Amortization		(32,696.79)	-	(32,696.79)
Retired		(4,592,416.64)	(46,800.00)	(4,639,216.64)
Issued		<u>3,992,786.31</u>	-	<u>3,992,786.31</u>
Debt payable June 30, 2017		<u>\$38,832,656.44</u>	<u>\$ 713,800.00</u>	<u>\$39,546,456.44</u>

*Other Debt includes Notes Payable and Special Obligation Bonds.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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, 2017:

Debt payable July 1, 2016	\$3,594,646.04	\$ 86,043,179.04	\$89,637,825.08
Discount/Premium			
Amortization	3,700.20	(13,301.79)	(9,601.59)
Accumulated Interest	-	27,626.20	27,626.20
Retired	(320,000.00)	(5,952,000.00)	(6,272,000.00)
Issued	-	2,484,549.25	2,484,549.25
Debt payable June 30, 2017	<u>\$3,278,346.24</u>	<u>\$ 82,590,052.72</u>	<u>\$85,868,398.94</u>

*Other Debt includes Special Obligation Bonds

Bonds payable for governmental and business-type activities at June 30, 2017 are comprised of the following individual issues:

Water Pollution Control Revenue Bonds (State Revolving Fund Program) Series 1995D:

These bonds are dated June 1, 1995. The \$11,440,435.40 original proceeds of the bond issue were used for the extension and improvement of the existing sewerage system serving the City. Water Pollution Control Revenue Bonds Series 1995 were retired during the fiscal year ended June 30, 2017.

\$ 1,910,000.00 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>
2018	5.900%	\$ 945,000.00	\$ 99,705.00	\$1,044,705.00
2019	5.900%	<u>965,000.00</u>	<u>42,705.00</u>	<u>1,007,705.00</u>
		<u>\$1,910,000.00</u>	<u>\$142,410.00</u>	<u>\$2,052,410.00</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

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE E - LONG-TERM OBLIGATIONS – Continued

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, 2017 was \$1,337,000. The reserve fund yields 5.70%.

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, 2017, City interest expense was reduced by \$14,752.50 as a result of this transaction. Over the remaining life of these bonds, the City will receive net present value benefits of approximately \$26,146.58 from this transaction.

\$ 5,455,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000 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>
2018	5.300%	\$ 590,000.00	\$280,792.50	\$ 870,792.50
2019	5.400%	1,590,000.00	222,227.50	1,812,227.50
2020	5.450%	1,655,000.00	134,198.75	1,789,198.75
2021	5.500%	<u>1,620,000.00</u>	<u>44,550.00</u>	<u>1,664,550.00</u>
		<u>\$5,455,000.00</u>	<u>\$681,768.75</u>	<u>\$6,136,768.75</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, 2017 was \$3,818,500. The reserve fund yields 5.16%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$200,000 Special Obligation Bonds, Series 2010A due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2018	3.375%	<u>\$200,000.00</u>	<u>\$ 6,750.00</u>	<u>\$206,750.00</u>
		<u>\$200,000.00</u>	<u>\$ 6,750.00</u>	<u>\$206,750.00</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.

\$713,800.00 Waterworks Revenue Bonds, Series 2010 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	Admin Fee <u>Due</u>	<u>Total</u>
2018	1.4900%	\$ 47,900.00	\$10,458.31	\$ 3,389.75	\$ 61,748.06
2019	1.4900%	48,900.00	9,740.98	3,146.50	61,787.48
2020	1.4900%	50,100.00	9,007.80	2,897.50	62,005.30
2021	1.4900%	51,100.00	8,257.59	2,643.25	62,000.84
2022	1.4900%	52,300.00	7,491.72	2,383.25	62,174.97
2023	1.4900%	53,500.00	6,707.99	2,117.25	62,325.24
2024	1.4900%	54,700.00	5,906.36	1,845.25	62,451.61
2025	1.4900%	55,900.00	5,086.87	1,567.25	62,554.12
2026	1.4900%	57,200.00	4,249.48	1,283.00	62,732.48
2027	1.4900%	58,500.00	3,391.99	992.00	62,883.99
2028	1.4900%	59,900.00	2,515.13	694.25	63,109.38
2029	1.4900%	61,200.00	1,618.14	390.00	63,208.14
2030	1.4900%	<u>62,600.00</u>	<u>701.05</u>	<u>78.75</u>	<u>63,379.80</u>
		<u>\$713,800.00</u>	<u>\$75,133.41</u>	<u>\$23,428.00</u>	<u>\$812,361.41</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, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$11,095,000.00 Waterworks System Refunding Revenue Bonds Series 2012A due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2018	3.000%	\$ 585,000.00	\$ 385,631.26	\$ 970,631.26
2019	3.000%	605,000.00	368,081.26	973,081.26
2020	4.000%	620,000.00	349,931.26	969,931.26
2021	3.000%	645,000.00	325,131.26	970,131.26
2022	3.000%	665,000.00	305,781.26	970,781.26
2023	3.000%	685,000.00	285,831.26	970,831.26
2024	3.125%	705,000.00	265,281.26	970,281.26
2025	3.250%	725,000.00	243,250.00	968,250.00
2026	3.375%	750,000.00	219,687.50	969,687.50
2027	3.500%	775,000.00	194,375.00	969,375.00
2028	3.625%	805,000.00	167,250.00	972,250.00
2029	3.625%	835,000.00	138,068.76	973,068.76
2030	4.000%	865,000.00	107,800.00	972,800.00
2031	4.000%	895,000.00	73,200.00	968,200.00
2032	4.000%	<u>935,000.00</u>	<u>37,400.00</u>	<u>972,400.00</u>
		<u>\$11,095,000.00</u>	<u>\$3,466,700.08</u>	<u>\$14,561,700.08</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, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$28,456,000.00 Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2012 due as follows:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Admin Fee	Total
2018	1.430%	\$ 1,319,000.00	\$ 402,237.55	\$ 211,782.50	\$ 1,933,020.05
2019	1.430%	1,352,000.00	383,254.30	134,005.00	1,869,259.30
2020	1.430%	1,385,000.00	363,806.30	127,205.00	1,876,011.30
2021	1.430%	1,419,000.00	343,879.25	120,237.50	1,883,116.75
2022	1.430%	1,455,000.00	323,458.85	113,097.50	1,891,556.35
2023	1.430%	1,491,000.00	302,523.65	105,777.50	1,899,301.15
2024	1.430%	1,527,000.00	281,073.65	98,277.50	1,906,351.15
2025	1.430%	1,565,000.00	259,101.70	90,595.00	1,914,696.70
2026	1.430%	1,604,000.00	236,586.35	82,722.50	1,923,308.85
2027	1.430%	1,644,000.00	213,506.15	74,652.50	1,932,158.65
2028	1.430%	1,684,000.00	189,853.95	66,382.50	1,940,236.45
2029	1.430%	1,726,000.00	165,622.60	57,910.00	1,949,532.60
2030	1.430%	1,769,000.00	140,790.65	49,227.50	1,959,018.15
2031	1.430%	1,813,000.00	115,336.65	40,327.50	1,968,664.15
2032	1.430%	1,857,000.00	89,253.45	31,207.50	1,977,460.95
2033	1.430%	1,904,000.00	62,533.90	21,865.00	1,988,398.90
2034	1.430%	1,950,000.00	35,142.25	12,287.50	1,997,429.75
2035	1.430%	<u>992,000.00</u>	<u>7,092.80</u>	<u>2,480.00</u>	<u>1,001,572.80</u>
		<u>\$28,456,000.00</u>	<u>\$3,915,054.00</u>	<u>\$1,440,040.00</u>	<u>\$33,811,094.00</u>

Sewerage System Revenue Bonds through the State of Missouri – Direct Loan Programs were issued by the City on June 19, 2012. A 1% administrative fee and a 1.43% interest rate were originally charged on this loan. Effective January 1, 2018 the administrative fee will be reduced to .5%. Principal was disbursed on this loan as needed.

The proceeds of the bond issue were 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, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$2,979,000.00 Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2013A due as follows:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Admin Fee	Total
2018	1.390%	\$ 140,000.00	\$ 40,921.60	\$ 22,167.50	\$ 203,089.10
2019	1.390%	143,000.00	38,968.65	14,017.50	195,986.15
2020	1.390%	147,000.00	36,967.05	13,297.50	197,264.55
2021	1.390%	150,000.00	34,909.85	12,557.50	197,467.35
2022	1.390%	153,000.00	32,817.90	11,805.00	197,622.90
2023	1.390%	157,000.00	30,677.30	11,035.00	198,712.30
2024	1.390%	161,000.00	28,481.10	10,245.00	199,726.10
2025	1.390%	165,000.00	26,229.30	9,435.00	200,664.30
2026	1.390%	169,000.00	23,921.90	8,605.00	201,526.90
2027	1.390%	173,000.00	21,558.90	7,755.00	202,313.90
2028	1.390%	177,000.00	19,140.30	6,885.00	203,025.30
2029	1.390%	181,000.00	16,666.10	5,995.00	203,661.10
2030	1.390%	185,000.00	14,136.30	5,085.00	204,221.30
2031	1.390%	189,000.00	11,550.90	4,155.00	204,705.90
2032	1.390%	193,000.00	8,909.90	3,205.00	205,114.90
2033	1.390%	197,000.00	6,213.30	2,235.00	205,448.30
2034	1.390%	202,000.00	3,461.10	1,245.00	206,706.10
2035	1.390%	<u>97,000.00</u>	<u>674.15</u>	<u>242.50</u>	<u>97,916.65</u>
		<u>\$2,979,000.00</u>	<u>\$396,205.60</u>	<u>\$149,967.50</u>	<u>\$3,525,173.10</u>

Sewerage System Revenue Bonds through the State of Missouri – Direct Loan Programs were issued by the City on June 18, 2013. A 1% administrative fee and a 1.39% interest rate were originally charged on this loan. Effective January 1, 2018 the administrative fee will be reduced to .5%. Principal was disbursed on this loan as needed.

The proceeds of the bond issue were 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, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$32,770,000.00 Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2013B due as follows:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Admin Fee	Total
2018	1.390%	\$1,541,000.00	\$ 450,179.30	\$ 243,860.00	\$ 2,235,039.30
2019	1.390%	1,577,000.00	428,634.30	154,185.00	2,159,819.30
2020	1.390%	1,613,000.00	406,588.90	146,255.00	2,165,843.90
2021	1.390%	1,651,000.00	384,036.15	138,142.50	2,173,178.65
2022	1.390%	1,689,000.00	360,955.20	129,840.00	2,179,795.20
2023	1.390%	1,728,000.00	337,346.05	121,347.50	2,186,693.55
2024	1.390%	1,768,000.00	313,187.85	112,657.50	2,193,845.35
2025	1.390%	1,808,000.00	288,473.65	103,767.50	2,200,241.15
2026	1.390%	1,850,000.00	263,196.50	94,675.00	2,207,871.50
2027	1.390%	1,893,000.00	237,335.55	85,372.50	2,215,708.05
2028	1.390%	1,935,000.00	210,876.90	75,855.00	2,221,731.90
2029	1.390%	1,981,000.00	183,820.55	66,122.50	2,230,943.05
2030	1.390%	2,026,000.00	156,131.75	56,162.50	2,238,294.25
2031	1.390%	2,072,000.00	127,810.50	45,975.00	2,245,785.50
2032	1.390%	2,120,000.00	98,842.90	35,555.00	2,254,397.90
2033	1.390%	2,169,000.00	69,208.10	24,895.00	2,263,103.10
2034	1.390%	2,219,000.00	38,885.25	13,987.50	2,271,872.75
2035	1.390%	<u>1,130,000.00</u>	<u>7,853.50</u>	<u>2,825.00</u>	<u>1,140,678.50</u>
		<u>\$32,770,000.00</u>	<u>\$4,363,362.90</u>	<u>\$1,651,480.00</u>	<u>\$38,784,842.90</u>

Sewerage System Revenue Bonds through the State of Missouri – Direct Loan Programs were issued by the City on June 18, 2013. A 1% administrative fee and a 1.39% interest rate were originally charged on this loan. Effective January 1, 2018 the administrative fee will be reduced to .5%. Principal was disbursed on this loan as needed.

The proceeds of the bond issue were and 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, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$3,988,133.13 Note Payable - Southeast Missouri State University Foundation due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2018	3.26%	\$ 369,685.62	\$ 90,314.38	\$ 460,000.00
2019	3.26%	379,925.92	80,074.08	460,000.00
2020	3.26%	390,449.86	69,550.14	460,000.00
2021	3.26%	401,104.41	58,895.59	460,000.00
2022	3.26%	412,375.92	47,624.08	460,000.00
2023	3.26%	423,798.73	36,201.27	460,000.00
2024	3.26%	435,537.95	24,462.05	460,000.00
2025	3.26%	447,568.41	12,431.59	460,000.00
2026	2.77%	280,504.28	179,495.72	460,000.00
2027	2.77%	<u>447,182.03</u>	<u>12,817.97</u>	<u>60,000.00</u>
		<u>\$3,988,133.13</u>	<u>\$611,866.87</u>	<u>\$4,600,000.00</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. During the fiscal year ending June 30, 2017 the City entered into an agreement with Southeast Missouri State University for the university to make \$1.84 million in improvements to the City's Capaha Park Baseball Field in exchange for the City amending the original note dated February 4, 2013 to include two additional payments of \$460,000.00 due on February 4, 2026 and 2027.

The total purchase price of the land 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. The note payable was recorded at the net present value of the payments discounted at 3.26%. The note payable was later adjusted for the two additional payments at the net present value of the payments discounted at 2.77%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$8,640,000.00 Special Obligation Bonds, Series 2015A due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2018	2.500%	\$ 550,000.00	\$ 250,835.00	\$ 800,835.00
2019	2.500%	565,000.00	237,085.00	802,085.00
2020	2.500%	600,000.00	222,960.00	822,960.00
2021	2.500%	625,000.00	207,960.00	832,960.00
2022	2.500%	655,000.00	192,335.00	847,335.00
2023	2.500%	670,000.00	175,960.00	845,960.00
2024	2.750%	695,000.00	159,210.00	854,210.00
2025	3.000%	720,000.00	140,097.50	860,097.50
2026	3.000%	330,000.00	118,497.50	448,497.50
2027	3.000%	340,000.00	108,597.50	448,597.50
2028	3.125%	355,000.00	98,397.50	453,397.50
2029	3.250%	365,000.00	87,303.76	452,303.76
2030	3.350 %	370,000.00	75,441.26	445,441.26
2031	3.375%	360,000.00	63,046.26	423,046.26
2032	3.500%	345,000.00	50,896.26	395,896.26
2033	3.500%	355,000.00	38,821.26	393,821.26
2034	3.500%	365,000.00	26,396.26	391,396.26
2035	3.625%	265,000.00	13,621.26	278,621.26
2036	3.650%	<u>110,000.00</u>	<u>4,015.00</u>	<u>114,015.00</u>
		<u>\$8,640,000.00</u>	<u>\$2,271,476.32</u>	<u>\$10,911,476.32</u>

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

In August 2015, the City of Cape Girardeau issued \$9,625,000.00 of Special Obligation Bonds, Series 2015 with the interest rates varying from 2.500% to 3.625%. 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; construct a new transfer station; renovate and improve existing fire and police stations; renovate and expand a new police station; acquire vehicles for the fire department; and construct an indoor sports complex, (b) fund capitalized interest on the Bonds and, (c) 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, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$985,000.00 Special Obligation Bonds, Series 2015B due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2018	2.000%	<u>\$985,000.00</u>	<u>\$19,700.00</u>	<u>\$1,004,700.00</u>
		<u>\$985,000.00</u>	<u>\$19,700.00</u>	<u>\$1,004,700.00</u>

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

In August 2015, the City of Cape Girardeau issued \$985,000.00 of Special Obligation Refunding Bonds, Series 2015B. The Bonds were issued with an interest rate of 2.0%. The proceeds were used to refund the outstanding Special Obligation Bonds, Series 2005.

\$23,960,000.00 Special Obligation Bonds, Series 2016 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2018	2.000%	\$ 3,060,000.00	\$ 597,618.76	\$ 3,657,618.76
2019	2.000%	2,310,000.00	536,418.76	2,846,418.76
2020	2.000%	920,000.00	490,218.76	1,410,218.76
2021	2.000%	1,095,000.00	471,818.76	1,566,818.76
2022	2.000%	1,220,000.00	449,918.76	1,669,918.76
2023	2.000%	1,330,000.00	425,518.76	1,755,518.76
2024	2.000%	1,370,000.00	398,918.76	1,768,918.76
2025	2.000%	1,420,000.00	371,518.76	1,791,518.76
2026	2.000%	1,460,000.00	343,118.76	1,803,118.76
2027	2.125%	1,505,000.00	313,918.76	1,818,918.76
2028	3.000%	1,550,000.00	281,937.50	1,831,937.50
2029	4.000%	1,625,000.00	235,437.50	1,860,437.50
2030	4.000%	1,715,000.00	170,437.50	1,885,437.50
2031	3.000%	1,190,000.00	101,837.50	1,291,837.50
2032	3.000%	430,000.00	66,137.50	496,137.50
2033	3.000%	450,000.00	53,237.50	503,237.50
2034	3.000%	470,000.00	39,737.50	509,737.50
2035	3.000%	490,000.00	25,637.50	515,637.50
2036	3.125%	<u>350,000.00</u>	<u>10,937.50</u>	<u>360,937.50</u>
		<u>\$23,960,000.00</u>	<u>\$5,384,325.10</u>	<u>\$29,344,325.10</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

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

In May 2016, the City of Cape Girardeau issued \$27,350,000.00 of Special Obligation Bonds, Series 2016 with interest rates varying from 2.000% to 4.000%. 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) refund all of the Leasehold Revenue Bonds, Series 2009, (b) expanding, renovating, and equipping a building to serve as a new police headquarters; constructing an indoor sports complex; constructing, furnishing, and equipping a new fire station; and other capital improvement projects and, (c) 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.

\$3,532,137.36 Note Payable – Direct Loan from Missouri Transportation Finance Corporation due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2018	3.26%	\$ 344,048.41	\$ 115,147.68	\$ 459,196.09
2019	3.26%	355,264.39	103,931.70	459,196.09
2020	3.26%	366,846.01	92,350.08	459,196.09
2021	3.26%	378,584.94	80,611.15	459,196.09
2022	3.26%	391,147.06	68,049.03	459,196.09
2023	3.26%	403,898.45	55,297.64	459,196.09
2024	3.26%	417,065.54	42,130.55	459,196.09
2025	3.26%	430,583.70	28,612.39	459,196.09
2026	3.26%	<u>444,698.86</u>	<u>14,497.18</u>	<u>459,196.04</u>
		<u>\$ 3,532,137.36</u>	<u>\$ 600,627.40</u>	<u>\$ 4,132,764.76</u>

On November 2, 2015 the City entered into a direct loan agreement and promissory note with the Missouri Transportation Finance Corporation and the Missouri Highways and Transportation Commission. Disbursements of \$700,000.00 and \$3,265,100 were received December 1, 2015 and August 1, 2016, respectively, under the agreement and were used to replace a bridge on South Sprigg Street in the City of Cape Girardeau.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE E - LONG-TERM OBLIGATIONS - Continued

Principal and interest will be paid by the City from the revenues derived from annual appropriations by the City Council. The City also granted to the Missouri Transportation Finance Corporation a security interest in the applicable federal and state grant revenues associated with this project.

Annual principal and interest payments are required annually on September 1.

The annual requirements to amortize all debt outstanding as of June 30, 2017 including total interest payments of \$21,935,380.43 and total administrative fees of \$3,264,915.50 are as follows:

Year Ending June 30,	Special Obligation Bonds	Revenue Bonds	Promissory Note	Total
2018	\$ 5,669,903.76	\$ 7,319,025.27	\$919,196.09	\$ 13,908,125.12
2019	3,648,503.76	8,079,865.99	919,196.09	12,647,565.84
2020	2,233,178.76	7,060,255.06	919,196.09	10,212,629.91
2021	2,399,778.76	6,950,444.85	919,196.09	10,269,419.70
2022	2,517,253.76	5,301,930.68	919,196.09	8,738,380.53
2023	2,601,478.76	5,317,863.50	919,196.09	8,838,538.35
2024	2,623,128.76	5,332,655.47	919,196.09	8,874,980.32
2025	2,651,616.26	5,346,406.27	919,196.09	8,917,218.62
2026	2,251,616.26	5,365,127.23	919,196.04	8,535,939.53
2027	2,267,516.26	5,382,439.59	460,000.00	8,109,955.85
2028	2,285,335.00	5,400,353.03	-	7,685,688.03
2029	2,312,741.26	5,420,413.65	-	7,733,154.91
2030	2,330,878.76	5,437,713.50	-	7,768,592.26
2031	1,714,883.76	5,387,355.55	-	7,102,239.31
2032	892,033.76	5,409,373.75	-	6,301,407.51
2033	897,058.76	4,456,950.30	-	5,354,009.06
2034	901,133.76	4,476,008.60	-	5,377,142.36
2035	794,258.76	2,240,167.95	-	3,034,426.71
2036	<u>474,952.50</u>	<u>-</u>	<u>-</u>	<u>474,952.50</u>
	<u>\$41,467,251.42</u>	<u>\$99,684,350.24</u>	<u>\$8,732,764.76</u>	<u>\$149,884,366.42</u>

The cash and investments available to service revenue bonds are \$57,628.21 and \$5,704,832.80 for the governmental and business-type activities, respectively.

The cash and investments available to service the special obligation bonds are \$21,810.61 and \$12,128.25 in governmental activities and business-type activities, respectively.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

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	\$ 1,039,724.50
Total	<u>\$ 1,039,724.50</u>
 <u>Business-Type Activities:</u>	
Golf Course	\$ 1,352.33
Indoor Sports Complex	481.04
Sewer	1,769,707.06
Sporting Complexes	2,262.68
Solid Waste	123,688.49
Water	<u>385,530.47</u>
Total	<u>\$ 2,283,022.07</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 \$31,041,735.80.

NOTE F - DEFICIT FUND BALANCES/RETAINED EARNINGS

These following funds - Storm Water System Improvements and Park System Improvements – had their total liabilities exceed their total assets by \$22,217.25, and \$45,088.00, respectively.

NOTE G - PENSION PLAN

1. Plan Description

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE G - PENSION PLAN – Continued

2. Benefits Provided

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

The City is providing benefits to its current employees under the LT-8 (65) benefit program available through LAGERS. Future benefits will be based on the final 3 year average salary multiplied by 1.50% and by years of service. The future benefits are multiplied by 2.00% until age 65. The final 3 year average equals the 36 consecutive months of credited services, producing the highest monthly average during the last 120 consecutive months of credited service immediately preceding retirement.

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

3. Covered Employees

At June 30, 2017 the following employees were covered by the benefits terms:

Retirees and Beneficiaries	247
Inactive, Non-retired Members	148
Active Members	<u>381</u>
 Total	 <u>776</u>

4. Contributions

Full-time employees of the City of Cape Girardeau do not contribute to the pension plan. The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Employer annual contribution rates were 7.7% (General), 9.7% (Police) and 9.9% (Fire) of annual covered payroll during the current year.

The original annual required contribution (ARC) was determined as part of the February 28, 2015 annual actuarial valuation using the entry age actuarial cost method. This (ARC) was subsequently adjusted to the rates detailed above to reflect a \$2,019,895.00 lump contribution to the plan made in May of 2015.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE G - PENSION PLAN – Continued

5. Net Pension Asset

The City’s net pension asset was measured as of June 30, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 29, 2017.

6. Actuarial Assumptions

The total pension liability in the February 29, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation, 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25% net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2017 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE G - PENSION PLAN – Continued

7. Discount Rate

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

8. Changes in the Net Pension Asset

	Increase (Decrease)		
	Plan Fiduciary Net Position (a)	Total Pension Liability (b)	Net Pension Asset (a) – (b)
Balances at 6/30/2016	\$ 75,031,030	\$ 74,601,365	\$ 429,665
Changes for the year:			
Service Cost	-	1,547,793	(1,547,793)
Interest	-	5,347,474	(5,347,474)
Difference between expected and actual experience	-	(1,172,039)	1,172,039
Contributions – employer	1,437,766	-	1,437,766
Contributions – employer	16,008	-	16,008
Net investment income	8,855,716	-	8,855,716
Benefit payments, including refunds	(3,264,050)	(3,264,050)	-
Administrative expense	(61,612)	-	(61,612)
Other changes	241,565	-	241,565
Net changes	<u>7,225,393</u>	<u>2,459,178</u>	<u>4,766,215</u>
Balances at 6/30/2017	<u>\$ 82,256,423</u>	<u>\$ 77,060,543</u>	<u>\$ 5,195,880</u>

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

Current Single Discount		
1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
<u>\$(5,794,410)</u>	<u>\$5,195,880</u>	<u>\$14,230,916</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE G - PENSION PLAN – Continued

10. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2017 the City recognized pension expense of \$2,744,622. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>	Net Outflows (Inflows) <u>of Resources</u>
Differences in experience	\$ 478,186	\$ (1,509,851)	\$ (1,031,665)
Differences in assumptions	1,583,789	-	1,583,789
Excess (deficit) in investment returns	<u>2,248,298</u>	<u>-</u>	<u>2,248,298</u>
Total	<u>\$ 4,310,273</u>	<u>\$ (1,509,851)</u>	<u>\$ 2,800,422</u>

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

Year ended:	
2017	\$ 1,427,000
2018	1,426,998
2019	613,290
2020	(589,952)
2021	(41,565)
Thereafter	<u>(35,349)</u>
Total	<u>\$ 2,800,422</u>

11. Payable to the Pension Plan

At June 30, 2017 the City reported a payable of \$109,912.74 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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 \$3,015,243.00 and \$926,539, 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.

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 July 1, 2010, employees hired on or after that date will not qualify for retiree healthcare coverage. 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, 2017, 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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS - Continued

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>2016</u>	<u>2017</u>
Annual required contribution	\$ 839,912	\$ 926,539
Interest on net OPEB obligation	122,186	128,226
Adjustment to annual required contribution	<u>(166,692)</u>	<u>(174,933)</u>
Annual OPEB cost	\$ 795,406	\$ 879,832
Contributions made	<u>(661,168)</u>	<u>(714,061)</u>
Increase in net OPEB obligation	\$ 134,238	\$ 165,771
Net OPEB obligation, July 1	<u>2,715,234</u>	<u>2,849,472</u>
Net OPEB obligation, June 30	<u>\$ 2,849,472</u>	<u>\$ 3,015,243</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2015 - 2017 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>
6/30/17	\$879,832	81.2%	\$3,015,243
6/30/16	795,406	83.1%	2,849,472
6/30/15	828,170	93.5%	2,715,234

As of July 1, 2016, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits equaled \$9,574,413, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,574,413. The covered payroll (annual payroll of active employees covered by the Plan) equaled \$16,534,323, and the ratio of the UAAL to the covered payroll equaled 57.9%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS - Continued

4. Funding Status and Funding Progress

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, 2016, 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 7.5%, initially, reduced by decrements to an ultimate rate of 5.0% 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 \$1,022,779.52, excluding \$3,339.61 of inter-fund interest, were incurred by governmental funds during the year ended June 30, 2017. Interest and handling charges, totaling \$2,264,821.18 excluding \$18,200.89 of inter-fund interest, were incurred by proprietary funds during the year ended June 30, 2017. 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, 2017

NOTE J - INTER-FUND 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 inter-fund transfers for the year ended June 30, 2017:

Fund	Transfer From	Transfer To
General Fund	\$ 4,628,089.03	\$ 5,433,446.42
Airport Fund	15,900.00	762,775.25
Park and Recreation Fund	-	1,111,968.17
Convention and Tourism Fund	665,830.43	-
Public Safety Trust Fund	26,140.61	-
A.C. Brase Foundation	30,000.00	-
Park & Recreation Foundation	7,000.00	-
Public Safety Trust Fund II	1,478,389.72	2,997,413.85
Casino Revenue Fund	215,766.68	-
Riverfront Region Economic Dev Fund	-	202,266.68
Motor Fuel Tax Fund	1,445,000.00	9,321.69
Transportation Sales Trust I	810.00	-
Transportation Sales Trust IV	213,334.33	-
Cap Imp Sales Tax - Water System Improve	770,076.04	-
Cap Imp Sales Tax - Sewer System Improve	4,340,000.00	-
Park/Storm Water Sales Tax-Capital	2,636,516.74	30,278.58
Fire Sales Tax	2,469,217.89	-
Parks/Storm Water Sales Tax	1,452,502.60	-
General Capital Improvements	-	243,780.89
Park Capital Improvements	-	5,103.06
STP-Urban Grant Projects	8,511.69	213,334.33
Storm Water Systems Improvements	-	1,069,081.63
Park System Improvements	5,103.06	1,738,408.83
Sewer Fund	278.58	5,103,336.00
Water Fund	8,000.00	474,063.35
Solid Waste Fund	-	13,500.00
Golf Course Fund	-	78,424.27
Indoor Sportsplex	-	332,497.43
Sporting Complexes Fund	-	654,439.13
Fleet Management Fund	3,627.50	-
Equipment Replacement Fund	75,000.00	21,655.34
	<u>\$ 20,495,094.90</u>	<u>\$ 20,495,094.90</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE J - INTER-FUND ACTIVITY - Continued

B. The following is a summary of inter-fund balances as of June 30, 2017:

Advance to/from other funds:

	<u>Advances from</u>	<u>Advances to</u>
General Fund	\$ 23,491.36	\$ -
Casino Revenue Fund	451,442.33	-
Solid Waste Fund	-	451,442.33
Softball Complex Fund	-	23,491.36
	<u>\$ 474,933.69</u>	<u>\$ 474,933.69</u>

The inter-fund 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 six enterprise funds which provide sewer, water, solid waste, golf, indoor sports complex, and sporting complex services. Segment information for the year ended June 30, 2017 was as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Solid Waste Fund</u>	<u>Golf Course Fund</u>	<u>Indoor Sports Complex Fund</u>	<u>Sporting Complexes Fund</u>	<u>Total Enterprise</u>
Operating revenues	\$ 7,184,510.46	\$ 6,787,707.36	\$4,501,146.69	\$ 505,872.13	\$ 49,419.41	\$ 352,317.60	\$ 19,380,973.65
Depreciation	4,135,730.85	1,762,708.06	360,072.49	122,717.56	55,487.58	185,315.71	6,622,032.25
Operating Income (Loss)	(1,470,420.28)	(249,369.62)	454,702.62	(185,315.90)	(314,129.76)	(865,094.26)	(2,629,627.20)
Operating transfers in	5,103,336.00	474,063.35	13,500.00	78,424.27	332,497.43	654,439.13	6,656,260.18
Net Income (Loss)	2,758,617.66	236,073.83	364,144.91	93,046.69	7,411,852.15	361,661.18	11,225,396.42
Current Capital Contributions	795,402.58	356,980.68	-	286,842.85	7,394,121.43	554,903.25	9,388,250.79
Property, Plant, and Equipment							
Additions	4,728,612.25	2,796,117.53	16,384.33	286,842.85	12,324,828.62	169,775.45	20,322,561.03
Deletions	138,087.00	50,605.48	-	112,078.58	-	-	300,771.06
Net Working Capital	(766,382.25)	6,552,837.90	1,569,597.59	31,260.36	38,788.17	32,790.42	7,458,892.19
Total Assets	128,248,142.14	52,523,505.94	7,471,611.34	1,539,528.00	13,796,176.27	2,468,777.17	206,047,740.86
Current Liabilities	5,707,023.32	1,169,718.73	652,626.42	99,759.48	138,238.14	125,656.91	7,893,023.00
Long-Term Liabilities	67,143,257.36	10,483,539.02	3,531,131.36	108,012.90	12,012.54	61,368.74	81,339,321.92
Amounts payable to other funds	-	-	451,442.33	-	-	23,491.36	474,933.69
Total Liabilities	72,850,280.68	11,653,257.75	4,183,757.78	207,772.38	150,250.68	187,025.65	89,232,344.92
Total Net Position	\$ 55,556,682.01	\$ 40,894,321.30	\$3,382,511.32	\$ 1,354,291.05	\$13,626,371.15	\$2,316,025.75	\$ 117,130,202.58

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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. Definitions 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 \$325,228.64 and long-term advance receivables of \$474,933.69 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 \$5,558,801.00 are restricted by the City Charter to use during officially declared emergencies. Special revenue fund balances totaling \$22,501,710.47 are restricted by their enabling legislation. \$(8,978.03) in capital project fund balances are restricted as the result of special revenue transfers and unspent bond proceeds. The remaining \$95,074.68 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, 2017

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>General Fund</u>	<u>Airport Fund</u>	<u>Parks and Recreation Fund</u>	<u>Casino Revenue Fund</u>	<u>Transportation Sales Tax Trust Fund IV</u>	<u>General Capital Improvements Fund</u>	<u>Other Funds</u>	<u>Total</u>
Fund balances								
Nonspendable:								
Prepaid expenses	\$ 149,648.86	\$ 13,129.00	\$ 20,414.31	\$ 791.21	\$ -	\$ -	\$ 141,245.26	\$ 325,228.64
Long-term advance	23,491.36	-	-	451,442.33	-	-	-	474,933.69
Mausoleum	2,100.00	-	-	-	-	-	-	2,100.00
Restricted for:								
Mausoleum	95,074.68	-	-	-	-	-	-	95,074.68
Emergencies	4,619,256.00	-	-	-	-	-	939,545.00	5,558,801.00
Convention and tourism	-	-	-	-	-	-	(96,616.16)	(96,616.16)
Community development	-	-	-	-	-	-	133,472.75	133,472.75
Public safety	-	-	-	-	-	-	578,300.89	578,300.89
Street projects	-	-	-	-	3,192,236.34	-	8,478,787.23	11,671,023.57
Water system projects	-	-	-	-	-	-	5,585,721.07	5,585,721.07
Sewer system projects	-	-	-	-	-	-	462,696.81	462,696.81
Parks and recreation	-	-	-	-	-	-	269,403.75	269,403.75
Park and storm wtr prj	-	-	-	-	-	-	2,972,840.06	2,972,840.06
Other capital projects	-	-	-	-	-	-	915,889.70	915,889.70
Committed:								
Other capital projects	-	-	-	6,698,322.18	-	-	-	6,698,322.18
Assigned to:								
Airport	-	165,001.30	-	-	-	-	-	165,001.30
Parks and recreation	-	-	5,552.03	-	-	-	437,243.54	442,795.57
Operations and mtce	-	-	503,971.47	-	-	-	-	503,971.47
Encumbrances	181,954.85	181,406.32	(568.81)	-	-	-	-	362,792.36
Public safety	-	-	-	-	-	-	585,693.27	585,693.27
Other capital projects	-	-	-	-	-	7,174,622.31	-	7,174,622.31
Street projects	-	-	-	-	-	-	3,116,850.30	3,116,850.30
Unassigned:	<u>2,733,731.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,733,731.00</u>
	<u>\$ 7,805,256.75</u>	<u>\$ 359,536.62</u>	<u>\$ 529,369.00</u>	<u>\$ 7,150,555.72</u>	<u>\$ 3,192,236.34</u>	<u>\$ 7,174,622.31</u>	<u>\$24,521,073.47</u>	<u>\$ 50,732,650.21</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE M - PROPRIETARY FUNDS RESTRICTED NET ASSETS AND RESTRICTED CASH EQUIVALENTS AND INVESTMENT

At June 30, 2017, net position restricted for depreciation and replacement was \$150,000 for the City's Water Fund, and net assets restricted for emergencies were \$1,608,144.00, \$917,948.00, and \$663,484.00 for the City's Sewer, Water, and Solid Waste Funds, respectively.

At June 30, 2017, the City's Sewer Fund had restricted cash equivalents in sinking reserve funds for Revenue Bonds in the amount of \$5,547,683.33.

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 post closure 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 post closure 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 post closure care costs is \$21,000 as of June 30, 2017, 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, 2017. However, the actual cost of closure and post closure 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.

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 fourteen 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 over 900 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 sixteen years and has used them to offset the cost of the succeeding year's premiums.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE O - RISK MANAGEMENT - Continued

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 StarNet. 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 prior to January 1, 2017 and a self-insured plan administered by Anthem Blue Cross Blue Shield of Missouri after January 1, 2017. Anthem had an “A” rating by A.M. Best. Under the plans, 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 per employee during each calendar year included in the current fiscal year. The City also reimbursed the administrator for total claims paid up to the annual aggregate stop loss amount (115% of estimated claims) of approximately \$3,450,000 for the year ending December 31, 2016 and \$4,000,000 (125% of estimated claims for the year ending December 31, 2017. 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 87% of the aggregate stop loss amount for fiscal year ending June 30, 2016 and 87% and 80% of the aggregate stop loss amount for the first six months and the last six months of the current fiscal year, respectively.

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 Midwest Employers 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 \$1,699,596. 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. Midwest Employers 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:

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE O - RISK MANAGEMENT – Continued

CLAIMS LIABILITIES RECONCILIATION

	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</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
Provision 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	\$ 236,000	\$ 301,000	\$ 537,000
Provisions for Incurred Claims	2,614,968	283,108	2,898,076
Payment of Claims	<u>(2,689,968)</u>	<u>(364,108)</u>	<u>(3,054,076)</u>
Balance June 30, 2015	\$ 161,000	\$ 220,000	\$ 381,000
Provisions for Incurred Claims	3,208,003	880,535	4,088,538
Payment of Claims	<u>(3,062,503)</u>	<u>(728,535)</u>	<u>(3,791,038)</u>
Balance June 30, 2016	\$ 306,500	\$ 372,000	\$ 678,500
Provisions for Incurred Claims	2,879,190	381,333	3,260,523
Payment of Claims	<u>(3,046,190)</u>	<u>(395,333)</u>	<u>(3,441,523)</u>
Balance June 30, 2017	<u>\$ 139,500</u>	<u>\$ 358,000</u>	<u>\$ 497,500</u>

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, 2017, utility receivables totaled \$3,249,853.62. On the financial statements, the utility receivables are shown net of the allowance for doubtful accounts of \$204,194.60. This results in net utility receivable of \$3,045,659.02. During the year ended June 30, 2017, the allowance was increased by \$83,632.17 or approximately 0.47% of the current year's utility charges, and accounts totaling \$127,522.96 were written off.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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, 2017, the City had construction commitments outstanding of \$8,134,601.43. The construction commitments represent incomplete portions of contracts entered into to construct the following: replacement of Fire Station #4 and Waste Water Treatment Plant; additions and renovations to Fire Stations #1 and #2; new LaSalle Booster Pump and Transmission Main; the restoration of S. Sprigg Street due to the appearance of sink holes; and various street, sidewalk, sanitary sewer, storm sewer, and water system projects. These contracts are expected to be completed within the next fiscal year.

4. Encumbrances

As of June 30, 2017, the City had encumbrances outstanding of \$17,348,749.17.

NOTE R – PRIOR PERIOD ADJUSTMENTS

The net position of the governmental activities has been decreased by \$4,817,594.87 while the business-type activities have been increased by \$5,062,002.23 as of June 30, 2017 from transactions that occurred in previous years. The most significant adjustment was \$4,879,419.00 in construction in process costs related the construction of the new Sportsplex which was incorrectly classified under governmental activities during the previous year. During the current year the amount was reclassified from governmental activities to business-type activities. Also, the net position of governmental activities was increased by \$61,372.12 for grant revenue that should have been recognized in the prior year; increased \$1,319.87 for retainage payable that set up in error in the previous year; and decreased by \$867.86 for the overstatement of a receivable related to SEMA reimbursement expected at the end of the previous year. Business-type activities were decreased by \$4,188.51 for the overstatement of a receivable related to SEMA reimbursement expected at the end of the previous year, and \$20,143.89 for costs previously treated as construction in progress costs instead of operating costs in the previous year in error. Business-type activities were increased \$206,915.63 to an overstatement of bond interest payable in the previous year.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE S - TAX ABATEMENTS

The City has entered into real property tax abatement agreements with developers pursuant to provisions of Chapter 353 of the Revised Statutes of Missouri. During the first 10 years of abatement, 100% of the incremental increase in real property taxes on the land and 100% of the real property taxes on all improvements are abated. During the next 15 years, between 50% and 100% of the incremental real property taxes on all land and all land improvements are abated.

During the current fiscal year \$17,940.90 in real property taxes were abated related to provisions of Chapter 353. Over 85% of the current year's abatement related to two projects:

- \$9,870.56 in abatements related to a project to redevelop an abandoned hotel building. These abatements will expire in 2028.
- \$5,744.93 in abatements related to a project to convert an abandoned retail building into an office building for a national call center. These abatements will expire in 2032.

NOTE T - 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 required the City to reimburse the local business for \$2,134,917 of these costs through scheduled quarterly payments over 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 .75% 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, 2017, no payment was due under the development agreement.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE T - CONTINGENCY – Continued

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 half 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.

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 \$2,024,360 cost of these improvements from available net sales tax revenue generated from an Academy Sports retail store. Academy Sports began operation in May 2013.

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 half 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, 2017 the City incurred payments of \$355,936.35 under the development agreement. This amount is included in the Development Services expenses on the statement of activities.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE T - CONTINGENCY – Continued

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 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, 2017, no payment was due under the development agreement.

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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE T - CONTINGENCY – Continued

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 with the exception of one of the capital improvement sales tax 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 expires 15 years after 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, 2017 the City incurred \$312,425.85 under the development agreement.

REQUIRED SUPPLEMENTAL INFORMATION

City of Cape Girardeau
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 17,549,305.00	\$ 17,549,305.00	\$ 17,193,712.47	\$ (355,592.53)
Licenses & permits	1,636,494.00	1,636,494.00	1,613,500.38	(22,993.62)
Intergovernmental	639,734.00	740,009.00	843,330.17	103,321.17
Charges for services	277,350.00	277,350.00	285,614.21	8,264.21
Internal charges	1,001,471.00	1,001,471.00	1,268,787.07	267,316.07
Fines and forfeits	688,000.00	688,000.00	712,267.50	24,267.50
Miscellaneous	359,651.00	359,651.00	335,287.26	(24,363.74)
Investment revenue	71,870.00	71,870.00	76,129.34	4,259.34
Total revenues	<u>22,223,875.00</u>	<u>22,324,150.00</u>	<u>22,328,628.40</u>	<u>4,478.40</u>
EXPENDITURES				
Current:				
Administrative Services	2,959,546.99	2,907,397.49	2,632,094.60	275,302.89
Development Services	2,432,563.21	2,550,885.21	2,511,940.63	38,944.58
Parks and Recreation	1,705,399.01	1,722,952.01	1,726,471.71	(3,519.70)
Public Safety	13,799,215.30	13,881,962.30	13,789,908.75	92,053.55
Public Works	2,787,835.49	2,802,089.59	2,540,657.06	261,432.53
Total current	<u>23,684,560.00</u>	<u>23,865,286.60</u>	<u>23,201,072.75</u>	<u>664,213.85</u>
Debt service:				
Administrative charges	500.00	500.00	318.00	182.00
Interest	19,700.00	19,700.00	19,700.00	-
Total debt service	<u>20,200.00</u>	<u>20,200.00</u>	<u>20,018.00</u>	<u>182.00</u>
Capital outlay:				
Development Services	-	-	61,183.08	(61,183.08)
Public Safety	-	49,283.00	41,728.87	7,554.13
Public Works	-	1,638.40	8,023.25	(6,384.85)
Parks and Recreation	-	1,280.00	1,280.00	-
Total capital outlay	<u>-</u>	<u>52,201.40</u>	<u>112,215.20</u>	<u>(60,013.80)</u>
Total expenditures	<u>23,704,760.00</u>	<u>23,937,688.00</u>	<u>23,333,305.95</u>	<u>604,382.05</u>
Excess (deficiency) of revenues over expenditures	<u>(1,480,885.00)</u>	<u>(1,613,538.00)</u>	<u>(1,004,677.55)</u>	<u>608,860.45</u>
OTHER FINANCING SOURCES (USES)				
Compensation for damages	-	-	17,834.13	17,834.13
Special assessments	25,000.00	25,000.00	17,892.20	(7,107.80)
Advance repayments	58,273.00	58,273.00	58,273.65	0.65
Asset disposition	12,500.00	12,500.00	111,601.20	99,101.20
Transfers in	5,670,267.00	5,674,451.00	5,433,446.42	(241,004.58)
Transfers out	(4,413,942.00)	(4,698,849.00)	(4,628,089.03)	70,759.97
Total other financing source (uses)	<u>1,352,098.00</u>	<u>1,071,375.00</u>	<u>1,010,958.57</u>	<u>(60,416.43)</u>
Net change in fund balances	(128,787.00)	(542,163.00)	6,281.02	548,444.02
Prior period adjustment			60,881.05	
Fund balances - beginning	<u>7,551,037.82</u>	<u>7,551,037.82</u>	<u>7,551,037.82</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,422,250.82</u>	<u>\$ 7,008,874.82</u>	<u>\$ 7,618,199.89</u>	<u>\$ 548,444.02</u>

See Independent Auditors' Report.

City of Cape Girardeau
 Airport Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 932,000.00	\$ 1,642,664.00	\$ 1,247,942.18	\$ (394,721.82)
Charges for services	425,399.00	425,399.00	411,744.23	(13,654.77)
Miscellaneous	294,093.00	294,093.00	292,358.32	(1,734.68)
Investment revenue	250.00	250.00	319.03	69.03
Total revenues	<u>1,651,742.00</u>	<u>2,362,406.00</u>	<u>1,952,363.76</u>	<u>(410,042.24)</u>
EXPENDITURES				
Current:				
Development Services	1,465,338.00	1,492,338.00	1,479,564.12	12,773.88
Total current	<u>1,465,338.00</u>	<u>1,492,338.00</u>	<u>1,479,564.12</u>	<u>12,773.88</u>
Debt service:				
Interest	-	-	15.41	(15.41)
Total debt service	<u>-</u>	<u>-</u>	<u>15.41</u>	<u>(15.41)</u>
Capital outlay:				
Capital Improvement Projects	-	748,069.00	748,068.04	0.96
Development Services	861,000.00	869,200.00	488,570.79	380,629.21
Total capital outlay	<u>861,000.00</u>	<u>1,617,269.00</u>	<u>1,236,638.83</u>	<u>380,630.17</u>
Total expenditures	<u>2,326,338.00</u>	<u>3,109,607.00</u>	<u>2,716,218.36</u>	<u>393,388.64</u>
Excess (deficiency) of revenues over expenditures	<u>(674,596.00)</u>	<u>(747,201.00)</u>	<u>(763,854.60)</u>	<u>(16,653.60)</u>
OTHER FINANCING SOURCES (USES)				
Compensation for damages	-	-	10,271.73	10,271.73
Asset disposition	-	-	10,054.29	10,054.29
Transfers in	674,596.00	784,503.00	762,775.25	(21,727.75)
Transfers out	-	(15,900.00)	(15,900.00)	-
Total other financing source (uses)	<u>674,596.00</u>	<u>768,603.00</u>	<u>767,201.27</u>	<u>(1,401.73)</u>
Net change in fund balances	-	21,402.00	3,346.67	(18,055.33)
Fund balances - beginning	175,062.51	175,062.51	175,062.51	-
Fund balances - ending	<u>\$ 175,062.51</u>	<u>\$ 196,464.51</u>	<u>\$ 178,409.18</u>	<u>\$ (18,055.33)</u>

See Independent Auditors' Report.

City of Cape Girardeau
Parks and Recreation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 1,000.00	\$ 998.82	\$ (1.18)
Charges for services	1,568,735.00	1,568,735.00	1,536,246.22	(32,488.78)
Miscellaneous	21,568.00	21,568.00	21,573.53	5.53
Investment revenue	5,625.00	5,625.00	6,425.66	800.66
Total revenues	<u>1,595,928.00</u>	<u>1,596,928.00</u>	<u>1,565,244.23</u>	<u>(31,683.77)</u>
EXPENDITURES				
Current:				
Parks and Recreation	2,652,945.00	2,715,902.00	2,636,566.22	79,335.78
Total current	<u>2,652,945.00</u>	<u>2,715,902.00</u>	<u>2,636,566.22</u>	<u>79,335.78</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Public Safety	10,000.00	9,740.00	8,862.00	878.00
Parks and Recreation	12,500.00	46,001.00	31,862.88	14,138.12
Total capital outlay	<u>22,500.00</u>	<u>55,741.00</u>	<u>40,724.88</u>	<u>15,016.12</u>
Total expenditures	<u>2,675,445.00</u>	<u>2,771,643.00</u>	<u>2,677,291.10</u>	<u>94,351.90</u>
Excess (deficiency) of revenues over expenditures	<u>(1,079,517.00)</u>	<u>(1,174,715.00)</u>	<u>(1,112,046.87)</u>	<u>62,668.13</u>
OTHER FINANCING SOURCES (USES)				
Asset disposition	-	-	12.00	12.00
Transfers in	1,079,517.00	1,217,901.00	1,111,968.17	(105,932.83)
Total other financing source (uses)	<u>1,079,517.00</u>	<u>1,217,901.00</u>	<u>1,111,980.17</u>	<u>(105,920.83)</u>
Net change in fund balances	-	43,186.00	(66.70)	(43,252.70)
Fund balances - beginning	527,059.30	527,059.30	527,059.30	-
Fund balances - ending	<u>\$ 527,059.30</u>	<u>\$ 570,245.30</u>	<u>\$ 526,992.60</u>	<u>\$ (43,252.70)</u>

See Independent Auditors' Report.

City of Cape Girardeau
Casino Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,200,000.00	\$ 3,200,000.00	\$ 3,193,679.93	\$ (6,320.07)
Investment revenue	25,000.00	25,000.00	72,723.00	47,723.00
Total revenues	<u>3,225,000.00</u>	<u>3,225,000.00</u>	<u>3,266,402.93</u>	<u>41,402.93</u>
EXPENDITURES				
Current:				
Administrative Services	96,000.00	96,741.00	96,740.47	0.53
Development Services	-	32,726.87	16,404.46	16,322.41
Parks and Recreation	-	17,500.00	11,973.05	5,526.95
Public Safety	-	118,145.00	116,070.55	2,074.45
Total current	<u>96,000.00</u>	<u>265,112.87</u>	<u>241,188.53</u>	<u>23,924.34</u>
Debt service:				
Principal	359,454.00	359,454.00	359,454.00	-
Interest	100,546.00	100,546.00	100,546.00	-
Total debt service	<u>460,000.00</u>	<u>460,000.00</u>	<u>460,000.00</u>	<u>-</u>
Capital outlay:				
Capital Improvement Projects	-	4,500.00	4,221.62	278.38
Administrative Services	-	9,750.00	9,750.00	-
Development Services	-	27,273.13	24,120.70	3,152.43
Public Safety	58,107.00	16,462.00	12,851.59	3,610.41
Parks and Recreation	-	93,000.00	85,058.95	7,941.05
Capital Improvements	-	-	727,686.31	(727,686.31)
Total capital outlay	<u>58,107.00</u>	<u>150,985.13</u>	<u>863,689.17</u>	<u>(712,704.04)</u>
Total expenditures	<u>614,107.00</u>	<u>876,098.00</u>	<u>1,564,877.70</u>	<u>(688,779.70)</u>
Excess (deficiency) of revenues over expenditures	<u>2,610,893.00</u>	<u>2,348,902.00</u>	<u>1,701,525.23</u>	<u>(647,376.77)</u>
OTHER FINANCING SOURCES (USES)				
Other loan proceeds	-	-	727,686.31	727,686.31
Advance repayments	-	-	18,718.94	18,718.94
Asset disposition	-	-	929,918.00	929,918.00
Transfers out	(190,000.00)	(218,500.00)	(215,766.68)	2,733.32
Total other financing source (uses)	<u>(190,000.00)</u>	<u>(218,500.00)</u>	<u>1,460,556.57</u>	<u>1,679,056.57</u>
Net change in fund balances	2,420,893.00	2,130,402.00	3,162,081.80	1,031,679.80
Fund balances - beginning	3,495,836.42	3,495,836.42	3,495,836.42	-
Fund balances - ending	<u>\$ 5,916,729.42</u>	<u>\$ 5,626,238.42</u>	<u>\$ 6,657,918.22</u>	<u>\$ 1,031,679.80</u>

See Independent Auditors' Report.

City of Cape Girardeau
Transportation Sales Tax IV
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ 25,000.00	\$ 25,000.00	\$ 84,685.28	\$ 59,685.28
Total revenues	<u>25,000.00</u>	<u>25,000.00</u>	<u>84,685.28</u>	<u>59,685.28</u>
EXPENDITURES				
Capital outlay:				
Capital Improvement Projects	3,825,000.00	5,812,820.00	5,205,165.82	607,654.18
Total capital outlay	<u>3,825,000.00</u>	<u>5,812,820.00</u>	<u>5,205,165.82</u>	<u>607,654.18</u>
Total expenditures	<u>3,825,000.00</u>	<u>5,812,820.00</u>	<u>5,205,165.82</u>	<u>607,654.18</u>
Excess (deficiency) of revenues over expenditures	<u>(3,800,000.00)</u>	<u>(5,787,820.00)</u>	<u>(5,120,480.54)</u>	<u>667,339.46</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(213,334.33)	(213,334.33)
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>(213,334.33)</u>	<u>(213,334.33)</u>
Net change in fund balances	(3,800,000.00)	(5,787,820.00)	(5,333,814.87)	454,005.13
Fund balances - beginning	6,883,869.49	6,883,869.49	6,883,869.49	-
Fund balances - ending	<u>\$ 3,083,869.49</u>	<u>\$ 1,096,049.49</u>	<u>\$ 1,550,054.62</u>	<u>\$ 454,005.13</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 226,412.72	\$ 226,412.72
Total revenues	-	-	226,412.72	226,412.72
EXPENDITURES				
Current:				
Public Safety	-	10,900.00	10,900.00	-
Total current	-	10,900.00	10,900.00	-
Debt service:				
Interest	-	200.00	834.18	(634.18)
Total debt service	-	200.00	834.18	(634.18)
Capital outlay:				
Capital Improvement Projects	15,715,000.00	16,147,300.00	13,930,948.30	2,216,351.70
Public Safety	-	41,800.00	77,846.27	(36,046.27)
Parks and Recreation	-	-	473.25	(473.25)
Total capital outlay	15,715,000.00	16,189,100.00	14,009,267.82	2,179,832.18
Total expenditures	15,715,000.00	16,200,200.00	14,021,002.00	2,179,198.00
Excess (deficiency) of revenues over expenditures	(15,715,000.00)	(16,200,200.00)	(13,794,589.28)	2,405,610.72
OTHER FINANCING SOURCES (USES)				
Transfers in	-	241,906.00	243,780.89	1,874.89
Total other financing source (uses)	-	241,906.00	243,780.89	1,874.89
Net change in fund balances	(15,715,000.00)	(15,958,294.00)	(13,550,808.39)	2,407,485.61
Prior period adjustment			1,319.87	
Fund balances - beginning	12,381,175.01	12,381,175.01	12,381,175.01	-
Fund balances - ending	\$ (3,333,824.99)	\$ (3,577,118.99)	\$ (1,168,313.51)	\$ 2,407,485.61

See Independent Auditors' Report.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2017

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 20, 2016 and amended on July 5, 2016, August 15, 2016, April 3, 2017, and July 10, 2017. The initial budget and final amended budget are both reflected in the financial statements.

For the year ended June 30, 2017, the fund expenditures for Casino Revenue exceeded its approved budget by \$686,046.38.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2017

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:

	<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>General Capital Improvements</u>	<u>Non-major Funds</u>
GAAP Basis	\$ 29,916.93	\$ 172,336.16	\$ (7,363.19)	\$3,107,938.93	\$(5,323,735.15)	\$ (20,155,632.40)	\$ 3,132,047.02
Increase due to:							
Prior year-end encumbrances							
Administrative services	1,281.97	-	-	-	-	-	-
Development services	1,015.00	11,609.29	-	-	-	-	7,000.00
Parks and recreation	19,782.63	-	5,976.61	-	-	-	-
Public safety	28,714.12	-	-	-	-	13,254,576.50	29,551.46
Public works	6,781.63	-	-	-	-	-	-
Capital outlay	-	-	-	21,947.29	-	-	116,947.73
Advance repayments from other funds	58,273.65	-	-	18,718.94	-	-	-
Adjust investments to market	27,829.36	544.78	4,280.01	19,453.59	41,086.06	134,851.13	98,456.77
Funds not budgeted annually	-	-	-	-	-	-	37,933.92
Encumbrance revenue	<u>14,640.58</u>	<u>949,529.76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,754.00</u>
	<u>158,318.94</u>	<u>961,683.83</u>	<u>10,256.62</u>	<u>60,119.82</u>	<u>41,086.06</u>	<u>13,389,427.63</u>	<u>318,643.88</u>
Decrease due to:							
Current year-end encumbrances							
Administrative services	644.23	-	-	-	-	-	-
Development services	113,252.24	1,130,673.32	-	-	-	-	-
Parks and recreation	1,677.01	-	2,960.13	-	-	-	-
Public safety	53,031.36	-	-	-	-	6,784,603.62	2,329.95
Public works	13,350.01	-	-	-	-	-	-
Capital outlay	-	-	-	5,976.95	51,165.78	-	3,497,097.22
Funds not budgeted annually	-	-	-	-	-	-	28,516.21
Encumbrance revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,803.61</u>
	<u>181,954.85</u>	<u>1,130,673.32</u>	<u>2,960.13</u>	<u>5,976.95</u>	<u>51,165.78</u>	<u>6,784,603.62</u>	<u>3,603,746.99</u>
Budget Basis	<u>\$ 6,281.02</u>	<u>\$ 3,346.67</u>	<u>\$ (66.70)</u>	<u>\$ 3,162,081.80</u>	<u>\$ (5,333,814.87)</u>	<u>\$ (13,550,808.39)</u>	<u>\$ (153,056.09)</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, 2017

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>Indoor Sports Complex</u>	<u>Sporting Complexes</u>
GAAP Basis	\$ 2,758,617.66	\$ 236,073.83	\$ 364,144.91	\$ 93,046.69	\$7,411,852.15	\$ 361,661.18
Increase due to :						
Prior year encumbrances						
Operating expenses	90,252.15	36,347.01	26,438.00	-	-	11,578.00
Depreciation	4,135,730.85	1,762,708.06	360,072.49	122,717.56	55,487.58	185,315.71
Special assessments	11,834.42	769.11	-	-	-	-
Bond proceeds	2,484,549.25	-	-	-	-	-
Interest cost amortized	22,975.20	-	-	-	-	-
Amortized Bond premium/discount	-	-	3,700.20	-	-	-
Amount deferred for future debt service for capital appreciation bonds:						
Interest subsidy received	32,733.23	-	-	-	-	-
Net OPEB obligation	12,815.00	-	5,817.00	4,264.00	-	1,000.00
Adjust investments to market	17,400.51	33,179.00	6,943.98	653.03	239.61	913.99
Asset dispositions	6,600.32	27,590.83	-	87,695.01	-	-
Net pension cost	84,918.54	14,087.31	57,316.10	14,848.79	4,845.52	20,572.10
Bad debt allowance	<u>77,995.85</u>	<u>55,475.74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,977,805.32</u>	<u>1,930,157.06</u>	<u>460,287.77</u>	<u>230,178.39</u>	<u>60,572.71</u>	<u>219,379.80</u>
Decrease due to:						
Year-end encumbrances						
Operating expenses	13,671.36	59,748.24	-	-	782.90	3,783.67
Capital outlays	1,240,355.10	1,322,762.76	122,918.58	-	10,488.18	-
Landfill closure and maintenance costs	-	-	1,706.48	-	-	-
Interest paid more than accrual	38,650.13	-	-	-	-	-
Bond principal paid	-	-	-	35,914.23	-	22,359.42
Amortized Bond premium/discount	-	8,650.79	-	-	-	-
Capital outlays	6,006,500.09	10,184.83	109,669.62	-	90,288.19	-
Deferred revenues	153,813.01	56,297.90	244,263.64	-	-	-
Adjustment to liability for future landfill post closure maintenance costs	-	-	7,293.52	-	-	-
Net OPEB Obligation	-	516.00	15,634.00	468.00	-	-
Bad debt allowance	-	-	49,839.42	-	-	-
Contributed capital	<u>665,742.58</u>	<u>356,980.68</u>	<u>-</u>	<u>286,842.85</u>	<u>7,355,121.43</u>	<u>554,903.25</u>
	<u>8,118,732.27</u>	<u>1,815,141.20</u>	<u>551,325.26</u>	<u>323,225.08</u>	<u>7,456,680.70</u>	<u>581,046.34</u>
Budget Basis	<u>\$ 1,617,690.71</u>	<u>\$ 351,089.69</u>	<u>\$ 273,107.42</u>	<u>\$ -</u>	<u>\$ 15,744.16</u>	<u>\$ (5.36)</u>

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2017

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	\$ (88,492.23)	\$ (30,134.01)	\$469,087.19	\$ 82,676.31	\$ 128,474.01
Increase due to:					
Prior year encumbrances					
Operating expenses	-	938.75	600.00	-	-
Capital Outlays	20,996.42	-	-	-	-
Depreciation	123,935.99	23,127.10	-	-	235,950.38
Deferred revenues	-	16,873.31	-	-	-
Difference between proceeds from sale of fixed assets and gain or loss	-	-	-	-	76,838.36
Adjust investments to market	963.70	811.09	13,307.82	7,637.17	7,365.69
Net pension cost	14,909.10	33,242.93	-	-	-
Net OPEB Obligation	<u>4,143.00</u>	<u>17,163.00</u>	-	-	-
	<u>164,948.21</u>	<u>92,156.18</u>	<u>13,907.82</u>	<u>7,637.17</u>	<u>320,154.43</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	660.47	5,284.25	-	-	-
Capital outlays	<u>131,057.49</u>	<u>4,372.50</u>	-	-	<u>493,603.46</u>
	<u>131,717.96</u>	<u>9,656.75</u>	-	-	<u>493,603.46</u>
Budget Basis	<u>\$ (55,261.98)</u>	<u>\$ 52,365.42</u>	<u>\$482,995.01</u>	<u>\$ 90,313.48</u>	<u>\$ (44,975.02)</u>

CITY OF CAPE GIRARDEAU, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
 GENERAL DIVISION

June 30, 2017

Fiscal Year Ended June 30,	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability			
Service Costs	\$ 813,616	\$ 795,771	\$ 768,458
Interest on the Pension Liability	2,567,279	2,346,499	2,240,283
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(678,078)	(183,850)	(261,952)
Changes of Assumptions	-	1,388,735	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,296,403)</u>	<u>(1,324,473)</u>	<u>(1,266,841)</u>
Net Change in Total Pension Liability	1,406,414	3,022,682	1,479,948
Total Pension Liability - Beginning	<u>35,647,911</u>	<u>32,625,229</u>	<u>31,145,281</u>
Total Pension Liability - Ending (A)	<u>\$ 37,054,325</u>	<u>\$ 35,647,911</u>	<u>\$ 32,625,229</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 745,001	\$ 820,228	\$ 1,953,089
Contributions - Employees	16,008	-	-
Net Investment Income	4,214,232	(82,162)	684,825
Benefit Payments, Including Refunds of Employee Contributions	(1,296,403)	(1,324,473)	(1,266,841)
Pension Plan Administrative Expense	(38,351)	(37,018)	(40,731)
Other (Net Transfers)	<u>(15,167)</u>	<u>(298,285)</u>	<u>267,961</u>
Net Change in Plan Fiduciary Net Position	3,625,320	(921,710)	1,598,303
Plan Fiduciary Net Position - Beginning	<u>35,943,300</u>	<u>36,865,010</u>	<u>35,266,707</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 39,568,620</u>	<u>\$ 35,943,300</u>	<u>\$ 36,865,010</u>
Net Pension Liability - Ending (A) - (B)	(2,514,295)	(295,389)	(4,239,781)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.79%	100.83%	113.00%
Covered Valuation Payroll	\$ 9,707,798	\$ 9,109,297	\$ 8,987,241
Net Pension Liability as a Percentage of Covered Valuation Payroll	-25.90%	-3.24%	-47.18%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
POLICE DIVISION

June 30, 2017

Fiscal Year Ended June 30,	2017	2016	2015
Total Pension Liability			
Service Costs	\$ 345,371	\$ 309,133	\$ 303,651
Interest on the Pension Liability	1,327,202	1,248,307	1,182,926
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	21,040	(83,909)	274,477
Changes of Assumptions	-	481,968	-
Benefit Payments, Including Refunds of Employee Contributions	(945,268)	(827,008)	(895,666)
Net Change in Total Pension Liability	<u>748,345</u>	<u>1,128,491</u>	<u>865,388</u>
Total Pension Liability - Beginning	<u>18,600,932</u>	<u>17,472,441</u>	<u>16,607,053</u>
Total Pension Liability - Ending (A)	<u>\$ 19,349,277</u>	<u>\$ 18,600,932</u>	<u>\$ 17,472,441</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 366,721	\$ 337,743	\$ 1,043,262
Contributions - Employees	-	-	-
Net Investment Income	2,267,369	(46,280)	349,748
Benefit Payments, Including Refunds of Employee Contributions	(945,268)	(827,008)	(895,666)
Pension Plan Administrative Expense	(13,148)	(12,366)	(12,862)
Other (Net Transfers)	156,567	50,565	(106,927)
Net Change in Plan Fiduciary Net Position	<u>1,832,241</u>	<u>(497,346)</u>	<u>377,555</u>
Plan Fiduciary Net Position - Beginning	<u>18,476,383</u>	<u>18,973,729</u>	<u>18,596,174</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 20,308,624</u>	<u>\$ 18,476,383</u>	<u>\$ 18,973,729</u>
Net Pension Liability - Ending (A) - (B)	(959,347)	124,549	(1,501,288)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.96%	99.33%	108.59%
Covered Valuation Payroll	\$ 3,818,933	\$ 3,536,454	\$ 3,223,790
Net Pension Liability as a Percentage of Covered Valuation Payroll	-25.12%	3.52%	-46.57%

Notes to the Schedule:

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See Accompanying Note to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FIRE DIVISION

June 30, 2017

Fiscal Year Ended June 30,	2017	2016	2015
Total Pension Liability			
Service Costs	\$ 388,806	\$ 375,784	\$ 370,414
Interest on the Pension Liability	1,452,993	1,336,826	1,319,931
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(515,001)	461,181	(356,529)
Changes of Assumptions	-	508,788	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,022,379)</u>	<u>(1,148,773)</u>	<u>(1,059,610)</u>
Net Change in Total Pension Liability	304,419	1,533,806	274,206
Total Pension Liability - Beginning	<u>20,352,522</u>	<u>18,818,716</u>	<u>18,544,510</u>
Total Pension Liability - Ending (A)	<u>\$ 20,656,941</u>	<u>\$ 20,352,522</u>	<u>\$ 18,818,716</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 326,044	\$ 375,209	\$ 765,345
Contributions - Employees	-	-	-
Net Investment Income	2,374,115	(40,593)	415,318
Benefit Payments, Including Refunds of Employee Contributions	(1,022,379)	(1,148,773)	(1,059,610)
Pension Plan Administrative Expense	(10,113)	(9,925)	(10,625)
Other (Net Transfers)	<u>100,165.00</u>	<u>18,256.00</u>	<u>(25,522)</u>
Net Change in Plan Fiduciary Net Position	1,767,832	(805,826)	84,906
Plan Fiduciary Net Position - Beginning	<u>20,611,347</u>	<u>21,417,173</u>	<u>21,332,267</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 22,379,179</u>	<u>\$ 20,611,347</u>	<u>\$ 21,417,173</u>
Net Pension Liability - Ending (A) - (B)	(1,722,238)	(258,825)	(2,598,457)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			
	108.34%	101.27%	113.81%
Covered Valuation Payroll	\$ 3,283,135	\$ 3,099,147	\$ 3,017,659
Net Pension Liability as a Percentage of Covered Valuation Payroll	-52.46%	-8.35%	-86.11%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF CAPE GIRARDEAU, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF EMPLOYER CONTRIBUTIONS

June 30, 2017

Fiscal Year Ended June 30, 2017	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 1,533,180	\$ 1,533,180	\$ -	\$ 16,040,522	9.56%
2015	1,777,019	1,741,546	35,473	15,253,527	11.42%
2014	1,743,286	1,662,520	80,766	14,797,136	11.24%
2013	1,723,280	1,474,487	248,793	14,340,850	10.28%
2012	1,628,048	1,342,323	285,725	14,434,347	9.30%
2011	1,606,736	1,155,207	451,529	13,942,807	8.29%
2010	1,035,135	1,035,137	(2)	14,194,829	7.29%
2009	1,006,174	1,006,043	131	13,853,405	7.26%
2008	1,190,069	1,140,558	49,511	13,554,220	8.41%

Notes to Schedule:

Valuation Date:

February 28, 2017

Notes

The roll-forward of total pension liability from February 28, 2017 to June 30, 2017 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal and Modified Terminal Funding
Amortization Method:	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized of the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period:	15 years
Asset Valuation Method:	5-year smoothed market, 20% corridor
Inflation:	3.25% wage inflation, 2.50% price inflation
Salary Increases:	3.25% to 7.15%, including wage inflation
Investment Rate of Return:	7.25%, net of investment expenses
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.
Other Information:	None

See Accompanying Notes to the Basic Financial Statements.

SUPPLEMENTAL INFORMATION

City of Cape Girardeau
Parks/Stormwater Sales Tax-Cap
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,010,850.00	\$ 4,010,850.00	\$ 3,847,151.12	\$ (163,698.88)
Investment revenue	35,000.00	35,000.00	56,043.73	21,043.73
Total revenues	<u>4,045,850.00</u>	<u>4,045,850.00</u>	<u>3,903,194.85</u>	<u>(142,655.15)</u>
EXPENDITURES				
Current:				
Parks and Recreation	-	-	600.00	(600.00)
Total current	-	-	600.00	(600.00)
Debt service:				
Principal	2,280,000.00	2,280,000.00	2,280,000.00	-
Interest	127,888.00	127,888.00	127,887.22	0.78
Total debt service	<u>2,407,888.00</u>	<u>2,407,888.00</u>	<u>2,407,887.22</u>	<u>0.78</u>
Capital outlay:				
Parks and Recreation	625,000.00	625,000.00	583,475.00	41,525.00
Total capital outlay	<u>625,000.00</u>	<u>625,000.00</u>	<u>583,475.00</u>	<u>41,525.00</u>
Total expenditures	<u>3,032,888.00</u>	<u>3,032,888.00</u>	<u>2,991,962.22</u>	<u>40,925.78</u>
Excess (deficiency) of revenues over expenditures	<u>1,012,962.00</u>	<u>1,012,962.00</u>	<u>911,232.63</u>	<u>(101,729.37)</u>
OTHER FINANCING SOURCES (USES)				
Compensation for damages	-	-	71,320.00	71,320.00
Asset disposition	-	-	14,557.00	14,557.00
Transfers in	-	-	30,278.58	30,278.58
Transfers out	(2,000,000.00)	(3,200,000.00)	(2,636,516.74)	563,483.26
Total other financing source (uses)	<u>(2,000,000.00)</u>	<u>(3,200,000.00)</u>	<u>(2,520,361.16)</u>	<u>679,638.84</u>
Net change in fund balances	(987,038.00)	(2,187,038.00)	(1,609,128.53)	577,909.47
Prior period adjustment			(109.79)	
Fund balances - beginning	4,945,330.72	4,945,330.72	4,945,330.72	-
Fund balances - ending	<u>\$ 3,958,292.72</u>	<u>\$ 2,758,292.72</u>	<u>\$ 3,336,092.40</u>	<u>\$ 577,909.47</u>

See Independent Auditors' Report.

City of Cape Girardeau
 Cap Imp Sales Tax-Water System
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,286,000.00	\$ 2,286,000.00	\$ 2,163,392.02	\$ (122,607.98)
Investment revenue	30,000.00	30,000.00	64,867.95	34,867.95
Total revenues	<u>2,316,000.00</u>	<u>2,316,000.00</u>	<u>2,228,259.97</u>	<u>(87,740.03)</u>
EXPENDITURES				
Current:				
Development Services	122,125.00	169,000.00	154,531.54	14,468.46
Total current	<u>122,125.00</u>	<u>169,000.00</u>	<u>154,531.54</u>	<u>14,468.46</u>
Debt service:				
Administrative charges	5,300.00	5,300.00	4,842.01	457.99
Principal	46,800.00	46,800.00	46,800.00	-
Interest	11,159.00	11,159.00	11,159.36	(0.36)
Total debt service	<u>63,259.00</u>	<u>63,259.00</u>	<u>62,801.37</u>	<u>457.63</u>
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	<u>185,384.00</u>	<u>232,259.00</u>	<u>217,332.91</u>	<u>14,926.09</u>
Excess (deficiency) of revenues over expenditures	<u>2,130,616.00</u>	<u>2,083,741.00</u>	<u>2,010,927.06</u>	<u>(72,813.94)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,325,300.00)	(2,325,300.00)	(770,076.04)	1,555,223.96
Total other financing source (uses)	<u>(2,325,300.00)</u>	<u>(2,325,300.00)</u>	<u>(770,076.04)</u>	<u>1,555,223.96</u>
Net change in fund balances	(194,684.00)	(241,559.00)	1,240,851.02	1,482,410.02
Fund balances - beginning	4,358,916.88	4,358,916.88	4,358,916.88	-
Fund balances - ending	<u>\$ 4,164,232.88</u>	<u>\$ 4,117,357.88</u>	<u>\$ 5,599,767.90</u>	<u>\$ 1,482,410.02</u>

See Independent Auditors' Report.

City of Cape Girardeau
Convention and Tourism Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,240,721.00	\$ 2,240,721.00	\$ 2,205,775.90	\$ (34,945.10)
Investment revenue	1,875.00	1,875.00	7,862.95	5,987.95
Total revenues	<u>2,242,596.00</u>	<u>2,242,596.00</u>	<u>2,213,638.85</u>	<u>(28,957.15)</u>
EXPENDITURES				
Current:				
Development Services	704,800.00	761,042.00	703,640.73	57,401.27
Total current	<u>704,800.00</u>	<u>761,042.00</u>	<u>703,640.73</u>	<u>57,401.27</u>
Debt service:				
Administrative charges	-	-	15.52	(15.52)
Principal	982,478.00	982,478.00	685,000.00	297,478.00
Interest	-	-	297,477.38	(297,477.38)
Total debt service	<u>982,478.00</u>	<u>982,478.00</u>	<u>982,492.90</u>	<u>(14.90)</u>
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	<u>1,687,278.00</u>	<u>1,743,520.00</u>	<u>1,686,133.63</u>	<u>57,386.37</u>
Excess (deficiency) of revenues over expenditures	<u>555,318.00</u>	<u>499,076.00</u>	<u>527,505.22</u>	<u>28,429.22</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(333,333.00)	(683,333.00)	(665,830.43)	17,502.57
Total other financing source (uses)	<u>(333,333.00)</u>	<u>(683,333.00)</u>	<u>(665,830.43)</u>	<u>17,502.57</u>
Net change in fund balances	221,985.00	(184,257.00)	(138,325.21)	45,931.79
Fund balances - beginning	472,049.26	472,049.26	472,049.26	-
Fund balances - ending	<u>\$ 694,034.26</u>	<u>\$ 287,792.26</u>	<u>\$ 333,724.05</u>	<u>\$ 45,931.79</u>

See Independent Auditors' Report.

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 27,250.00	\$ 27,250.00	\$ 28,269.43	\$ 1,019.43
Investment revenue	-	-	1,466.92	1,466.92
Total revenues	<u>27,250.00</u>	<u>27,250.00</u>	<u>29,736.35</u>	<u>2,486.35</u>
EXPENDITURES				
Current:				
Development Services	27,250.00	27,250.00	571.60	26,678.40
Total current	<u>27,250.00</u>	<u>27,250.00</u>	<u>571.60</u>	<u>26,678.40</u>
Total expenditures	<u>27,250.00</u>	<u>27,250.00</u>	<u>571.60</u>	<u>26,678.40</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>29,164.75</u>	<u>29,164.75</u>
Net change in fund balances	-	-	29,164.75	29,164.75
Fund balances - beginning	104,059.37	104,059.37	104,059.37	-
Fund balances - ending	<u>\$ 104,059.37</u>	<u>\$ 104,059.37</u>	<u>\$ 133,224.12</u>	<u>\$ 29,164.75</u>

See Independent Auditors' Report.

City of Cape Girardeau
Health Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 357,995.00	\$ 357,995.00	\$ 361,211.26	\$ 3,216.26
Licenses & permits	4,450.00	4,450.00	5,276.00	826.00
Intergovernmental	9,273.00	9,273.00	9,597.98	324.98
Investment revenue	2,500.00	2,500.00	4,597.38	2,097.38
Total revenues	<u>374,218.00</u>	<u>374,218.00</u>	<u>380,682.62</u>	<u>6,464.62</u>
EXPENDITURES				
Current:				
Public Safety	474,218.00	474,218.00	333,339.86	140,878.14
Total current	<u>474,218.00</u>	<u>474,218.00</u>	<u>333,339.86</u>	<u>140,878.14</u>
Total expenditures	<u>474,218.00</u>	<u>474,218.00</u>	<u>333,339.86</u>	<u>140,878.14</u>
Excess (deficiency) of revenues over expenditures	<u>(100,000.00)</u>	<u>(100,000.00)</u>	<u>47,342.76</u>	<u>147,342.76</u>
Net change in fund balances	(100,000.00)	(100,000.00)	47,342.76	147,342.76
Fund balances - beginning	358,633.88	358,633.88	358,633.88	-
Fund balances - ending	<u>\$ 258,633.88</u>	<u>\$ 258,633.88</u>	<u>\$ 405,976.64</u>	<u>\$ 147,342.76</u>

See Independent Auditors' Report.

City of Cape Girardeau
Motor Fuel Tax Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,485,000.00	\$ 1,485,000.00	\$ 1,521,156.72	\$ 36,156.72
Investment revenue	5,000.00	5,000.00	14,119.55	9,119.55
Total revenues	<u>1,490,000.00</u>	<u>1,490,000.00</u>	<u>1,535,276.27</u>	<u>45,276.27</u>
EXPENDITURES				
Debt service:				
Principal	475,000.00	475,000.00	432,962.64	42,037.36
Interest	-	-	26,233.45	(26,233.45)
Total debt service	<u>475,000.00</u>	<u>475,000.00</u>	<u>459,196.09</u>	<u>15,803.91</u>
Capital outlay:				
Capital Improvement Projects	-	60,000.00	56,800.66	3,199.34
Total capital outlay	<u>-</u>	<u>60,000.00</u>	<u>56,800.66</u>	<u>3,199.34</u>
Total expenditures	<u>475,000.00</u>	<u>535,000.00</u>	<u>515,996.75</u>	<u>19,003.25</u>
Excess (deficiency) of revenues over expenditures	<u>1,015,000.00</u>	<u>955,000.00</u>	<u>1,019,279.52</u>	<u>64,279.52</u>
OTHER FINANCING SOURCES (USES)				
Special assessments	-	-	4,479.04	4,479.04
Transfers in	-	1,500.00	9,321.69	7,821.69
Transfers out	(1,445,000.00)	(1,445,000.00)	(1,445,000.00)	-
Total other financing source (uses)	<u>(1,445,000.00)</u>	<u>(1,443,500.00)</u>	<u>(1,431,199.27)</u>	<u>12,300.73</u>
Net change in fund balances	(430,000.00)	(488,500.00)	(411,919.75)	76,580.25
Fund balances - beginning	1,274,399.38	1,274,399.38	1,274,399.38	-
Fund balances - ending	<u>\$ 844,399.38</u>	<u>\$ 785,899.38</u>	<u>\$ 862,479.63</u>	<u>\$ 76,580.25</u>

See Independent Auditors' Report.

City of Cape Girardeau
Transportation Sales Tax I
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 47.65	\$ 47.65
Total revenues	-	-	47.65	47.65
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	47.65	47.65
OTHER FINANCING SOURCES (USES)				
Special assessments	-	-	762.35	762.35
Transfers out	-	(1,500.00)	(810.00)	690.00
Total other financing source (uses)	-	(1,500.00)	(47.65)	1,452.35
Net change in fund balances	-	(1,500.00)	-	1,500.00
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (1,500.00)	\$ -	\$ 1,500.00

See Independent Auditors' Report.

City of Cape Girardeau
 Cap Imp Sales Tax-Sewer System
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,061,800.00	\$ 3,061,800.00	\$ 2,965,959.29	\$ (95,840.71)
Investment revenue	30,000.00	30,000.00	23,884.08	(6,115.92)
Total revenues	<u>3,091,800.00</u>	<u>3,091,800.00</u>	<u>2,989,843.37</u>	<u>(101,956.63)</u>
EXPENDITURES				
Current:				
Development Services	163,475.00	172,400.00	179,649.57	(7,249.57)
Total current	<u>163,475.00</u>	<u>172,400.00</u>	<u>179,649.57</u>	<u>(7,249.57)</u>
Total expenditures	<u>163,475.00</u>	<u>172,400.00</u>	<u>179,649.57</u>	<u>(7,249.57)</u>
Excess (deficiency) of revenues over expenditures	<u>2,928,325.00</u>	<u>2,919,400.00</u>	<u>2,810,193.80</u>	<u>(109,206.20)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(4,550,000.00)</u>	<u>(4,550,000.00)</u>	<u>(4,340,000.00)</u>	<u>210,000.00</u>
Total other financing source (uses)	<u>(4,550,000.00)</u>	<u>(4,550,000.00)</u>	<u>(4,340,000.00)</u>	<u>210,000.00</u>
Net change in fund balances	(1,621,675.00)	(1,630,600.00)	(1,529,806.20)	100,793.80
Fund balances - beginning	2,014,722.64	2,014,722.64	2,014,722.64	-
Fund balances - ending	<u>\$ 393,047.64</u>	<u>\$ 384,122.64</u>	<u>\$ 484,916.44</u>	<u>\$ 100,793.80</u>

See Independent Auditors' Report.

City of Cape Girardeau
Public Safety Trust Fund II
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 10,135.50	\$ 10,135.50
Total revenues	-	-	10,135.50	10,135.50
EXPENDITURES				
Current:				
Public Safety	-	-	(277.83)	277.83
Total current	-	-	(277.83)	277.83
Debt service:				
Administrative charges	-	-	199.04	(199.04)
Principal	1,269,403.00	1,269,403.00	835,000.00	434,403.00
Interest	-	-	434,401.54	(434,401.54)
Total debt service	1,269,403.00	1,269,403.00	1,269,600.58	(197.58)
Capital outlay:				
Public Safety	254,286.00	254,286.00	235,814.97	18,471.03
Total capital outlay	254,286.00	254,286.00	235,814.97	18,471.03
Total expenditures	1,523,689.00	1,523,689.00	1,505,137.72	18,551.28
Excess (deficiency) of revenues over expenditures	(1,523,689.00)	(1,523,689.00)	(1,495,002.22)	28,686.78
OTHER FINANCING SOURCES (USES)				
Transfers in	2,921,668.00	3,118,168.00	2,997,413.85	(120,754.15)
Transfers out	(1,294,115.00)	(1,536,021.00)	(1,478,389.72)	57,631.28
Total other financing source (uses)	1,627,553.00	1,582,147.00	1,519,024.13	(63,122.87)
Net change in fund balances	103,864.00	58,458.00	24,021.91	(34,436.09)
Fund balances - beginning	587,199.70	587,199.70	587,199.70	-
Fund balances - ending	\$ 691,063.70	\$ 645,657.70	\$ 611,221.61	\$ (34,436.09)

See Independent Auditors' Report.

City of Cape Girardeau
 Fire Sales Tax Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,588,335.00	\$ 2,588,335.00	\$ 2,492,439.58	\$ (95,895.42)
Total revenues	<u>2,588,335.00</u>	<u>2,588,335.00</u>	<u>2,492,439.58</u>	<u>(95,895.42)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>2,588,335.00</u>	<u>2,588,335.00</u>	<u>2,492,439.58</u>	<u>(95,895.42)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,588,335.00)	(2,588,335.00)	(2,469,217.89)	119,117.11
Total other financing source (uses)	<u>(2,588,335.00)</u>	<u>(2,588,335.00)</u>	<u>(2,469,217.89)</u>	<u>119,117.11</u>
Net change in fund balances	-	-	23,221.69	23,221.69
Fund balances - beginning	235,117.10	235,117.10	235,117.10	-
Fund balances - ending	<u>\$ 235,117.10</u>	<u>\$ 235,117.10</u>	<u>\$ 258,338.79</u>	<u>\$ 23,221.69</u>

See Independent Auditors' Report.

City of Cape Girardeau
Public Safety Trust Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 738.25	\$ 738.25
Total revenues	-	-	738.25	738.25
EXPENDITURES				
Current:				
Public Safety	25,000.00	25,000.00	14,431.74	10,568.26
Total current	25,000.00	25,000.00	14,431.74	10,568.26
Total expenditures	25,000.00	25,000.00	14,431.74	10,568.26
Excess (deficiency) of revenues over expenditures	(25,000.00)	(25,000.00)	(13,693.49)	11,306.51
OTHER FINANCING SOURCES (USES)				
Compensation for damages	-	-	(35.80)	(35.80)
Asset disposition	-	-	9,545.39	9,545.39
Transfers out	-	(26,500.00)	(26,140.61)	359.39
Total other financing source (uses)	-	(26,500.00)	(16,631.02)	9,868.98
Net change in fund balances	(25,000.00)	(51,500.00)	(30,324.51)	21,175.49
Fund balances - beginning	70,650.49	70,650.49	70,650.49	-
Fund balances - ending	\$ 45,650.49	\$ 19,150.49	\$ 40,325.98	\$ 21,175.49

See Independent Auditors' Report.

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,110,097.52	\$ 3,110,097.52
Investment revenue	-	-	31,431.95	31,431.95
Total revenues	-	-	3,141,529.47	3,141,529.47
EXPENDITURES				
Capital outlay:				
Capital Improvement Projects	-	5,123,750.00	5,117,258.13	6,491.87
Total capital outlay	-	5,123,750.00	5,117,258.13	6,491.87
Total expenditures	-	5,123,750.00	5,117,258.13	6,491.87
Excess (deficiency) of revenues over expenditures	-	(5,123,750.00)	(1,975,728.66)	3,148,021.34
OTHER FINANCING SOURCES (USES)				
Other loan proceeds	-	-	3,265,100.00	3,265,100.00
Total other financing source (uses)	-	-	3,265,100.00	3,265,100.00
Net change in fund balances	-	(5,123,750.00)	1,289,371.34	6,413,121.34
Fund balances - beginning	77,805.03	77,805.03	77,805.03	-
Fund balances - ending	\$ 77,805.03	\$ (5,045,944.97)	\$ 1,367,176.37	\$ 6,413,121.34

See Independent Auditors' Report.

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 51.30	\$ 51.30
Investment revenue	-	-	303.11	303.11
Total revenues	-	-	354.41	354.41
EXPENDITURES				
Capital outlay:				
Capital Improvement Projects	-	5,500.00	5,249.67	250.33
Total capital outlay	-	5,500.00	5,249.67	250.33
Total expenditures	-	5,500.00	5,249.67	250.33
Excess (deficiency) of revenues over expenditures	-	(5,500.00)	(4,895.26)	604.74
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	5,103.06	5,103.06
Total other financing source (uses)	-	-	5,103.06	5,103.06
Net change in fund balances	-	(5,500.00)	207.80	5,707.80
Fund balances - beginning	26,623.45	26,623.45	26,623.45	-
Fund balances - ending	\$ 26,623.45	\$ 21,123.45	\$ 26,831.25	\$ 5,707.80

See Independent Auditors' Report.

City of Cape Girardeau
Community Development Block Grant Project
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 539.74	\$ 539.74
Total revenues	-	-	539.74	539.74
EXPENDITURES				
Current:				
Development Services	-	-	(51,651.00)	51,651.00
Total current	-	-	(51,651.00)	51,651.00
Total expenditures	-	-	(51,651.00)	51,651.00
Excess (deficiency) of revenues over expenditures	-	-	52,190.74	52,190.74
Net change in fund balances	-	-	52,190.74	(51,111.26)
Fund balances - beginning	2,206.67	2,206.67	2,206.67	-
Fund balances - ending	\$ 2,206.67	\$ 2,206.67	\$ 54,397.41	\$ (51,111.26)

See Independent Auditors' Report.

City of Cape Girardeau
Transportation Sales Tax III
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 26,790.36	\$ 26,790.36
Total revenues	-	-	26,790.36	26,790.36
EXPENDITURES				
Capital outlay:				
Capital Improvement Projects	2,000,000.00	2,220,000.00	1,953,989.52	266,010.48
Total capital outlay	2,000,000.00	2,220,000.00	1,953,989.52	266,010.48
Total expenditures	2,000,000.00	2,220,000.00	1,953,989.52	266,010.48
Excess (deficiency) of revenues over expenditures	(2,000,000.00)	(2,220,000.00)	(1,927,199.16)	292,800.84
Net change in fund balances	(2,000,000.00)	(2,220,000.00)	(1,927,199.16)	292,800.84
Fund balances - beginning	2,078,453.99	2,078,453.99	2,078,453.99	-
Fund balances - ending	\$ 78,453.99	\$ (141,546.01)	\$ 151,254.83	\$ 292,800.84

See Independent Auditors' Report.

City of Cape Girardeau
Parks/Stormwater Sales Tax
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,336,950.00	\$ 1,336,950.00	\$ 1,282,383.72	\$ (54,566.28)
Investment revenue	-	-	12,633.99	12,633.99
Total revenues	<u>1,336,950.00</u>	<u>1,336,950.00</u>	<u>1,295,017.71</u>	<u>(41,932.29)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>1,336,950.00</u>	<u>1,336,950.00</u>	<u>1,295,017.71</u>	<u>(41,932.29)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,444,249.00)	(1,543,817.00)	(1,452,502.60)	91,314.40
Total other financing source (uses)	<u>(1,444,249.00)</u>	<u>(1,543,817.00)</u>	<u>(1,452,502.60)</u>	<u>91,314.40</u>
Net change in fund balances	(107,299.00)	(206,867.00)	(157,484.89)	49,382.11
Fund balances - beginning	472,107.04	472,107.04	472,107.04	-
Fund balances - ending	<u>\$ 364,808.04</u>	<u>\$ 265,240.04</u>	<u>\$ 314,622.15</u>	<u>\$ 49,382.11</u>

See Independent Auditors' Report.

City of Cape Girardeau
Housing Development Grant Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 175,000.00	\$ 175,000.00	\$ 173,914.73	\$ (1,085.27)
Investment revenue	-	-	42.56	42.56
Total revenues	<u>175,000.00</u>	<u>175,000.00</u>	<u>173,957.29</u>	<u>(1,042.71)</u>
EXPENDITURES				
Current:				
Development Services	200,000.00	200,000.00	128,543.86	71,456.14
Total current	<u>200,000.00</u>	<u>200,000.00</u>	<u>128,543.86</u>	<u>71,456.14</u>
Debt service:				
Interest	-	-	492.44	(492.44)
Total debt service	<u>-</u>	<u>-</u>	<u>492.44</u>	<u>(492.44)</u>
Total expenditures	<u>200,000.00</u>	<u>200,000.00</u>	<u>129,036.30</u>	<u>70,963.70</u>
Excess (deficiency) of revenues over expenditures	<u>(25,000.00)</u>	<u>(25,000.00)</u>	<u>44,920.99</u>	<u>69,920.99</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000.00	25,000.00	-	(25,000.00)
Total other financing source (uses)	<u>25,000.00</u>	<u>25,000.00</u>	<u>-</u>	<u>(25,000.00)</u>
Net change in fund balances	-	-	44,920.99	44,920.99
Fund balances - beginning	(44,576.10)	(44,576.10)	(44,576.10)	-
Fund balances - ending	<u>\$ (44,576.10)</u>	<u>\$ (44,576.10)</u>	<u>\$ 344.89</u>	<u>\$ 44,920.99</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 609,868.82	\$ 609,868.82
Investment revenue	-	-	27.88	27.88
Total revenues	-	-	609,896.70	609,896.70
EXPENDITURES				
Debt service:				
Interest	-	1,000.00	1,997.58	(997.58)
Total debt service	-	1,000.00	1,997.58	(997.58)
Capital outlay:				
Capital Improvement Projects	-	849,000.00	823,203.15	25,796.85
Total capital outlay	-	849,000.00	823,203.15	25,796.85
Total expenditures	-	850,000.00	825,200.73	24,799.27
Excess (deficiency) of revenues over expenditures	-	(850,000.00)	(215,304.03)	634,695.97
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	213,334.33	213,334.33
Transfers out	-	-	(8,511.69)	(8,511.69)
Total other financing source (uses)	-	-	204,822.64	204,822.64
Net change in fund balances	-	(850,000.00)	(10,481.39)	839,518.61
Fund balances - beginning	10,481.39	10,481.39	10,481.39	-
Fund balances - ending	\$ 10,481.39	\$ (839,518.61)	\$ (0.00)	\$ 839,518.61

See Independent Auditors' Report.

City of Cape Girardeau
Sewer Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 37,143.22	\$ 37,143.22
Residential charges	4,488,000.00	4,488,000.00	4,453,358.67	(34,641.33)
Commerical charges	2,430,300.00	2,430,300.00	2,426,195.13	(4,104.87)
Other fees and charges	127,500.00	127,500.00	129,209.73	1,709.73
Internal charges	-	-	19,899.08	19,899.08
Miscellaneous	3,000.00	3,000.00	2,034.84	(965.16)
Investment revenue	110,000.00	110,000.00	103,523.33	(6,476.67)
Total revenues	<u>7,158,800.00</u>	<u>7,158,800.00</u>	<u>7,171,364.00</u>	<u>12,564.00</u>
EXPENDITURES				
Current:				
Contractual services	871,620.00	1,325,588.65	1,013,809.70	311,778.95
General operating expenses	411,555.00	431,814.78	446,069.42	(14,254.64)
Internal service expense	205,747.00	183,247.00	163,403.38	19,843.62
Material and supplies	1,016,910.00	886,580.28	805,043.92	81,536.36
Personnel services	1,820,540.00	1,820,540.00	1,728,976.00	91,564.00
Special projects expense	18,000.00	207,557.00	218,022.98	(10,465.98)
Total current	<u>4,344,372.00</u>	<u>4,855,327.71</u>	<u>4,375,325.40</u>	<u>480,002.31</u>
Debt service:				
Administrative charges	734,561.00	721,061.00	715,750.34	5,310.66
Principal	5,382,000.00	5,382,000.00	5,382,000.00	-
Interest	1,063,003.00	1,037,003.00	1,036,898.42	104.58
Total debt service	<u>7,179,564.00</u>	<u>7,140,064.00</u>	<u>7,134,648.76</u>	<u>5,415.24</u>
Capital outlay:				
Capital Improvement Projects	562,000.00	1,637,055.04	1,732,803.42	(95,748.38)
Equipment	125,827.00	120,030.25	132,051.77	(12,021.52)
Total capital outlay	<u>687,827.00</u>	<u>1,757,085.29</u>	<u>1,864,855.19</u>	<u>(107,769.90)</u>
Total expenditures	<u>12,211,763.00</u>	<u>13,752,477.00</u>	<u>13,374,829.35</u>	<u>377,647.65</u>
Excess (deficiency) of revenues over expenditures	<u>(5,052,963.00)</u>	<u>(6,593,677.00)</u>	<u>(6,203,465.35)</u>	<u>390,211.65</u>
OTHER FINANCING SOURCES (USES)				
Compensation for damages	-	-	35,561.92	35,561.92
Contributed cap - connect fee	85,000.00	85,000.00	162,660.00	77,660.00
Special assessments	-	-	11,834.42	11,834.42
Bond proceeds	-	-	2,484,549.25	2,484,549.25
Asset disposition	-	-	23,493.05	23,493.05
Transfers in	5,018,328.00	5,018,328.00	5,103,336.00	85,008.00
Transfers out	-	-	(278.58)	(278.58)
Total other financing source (uses)	<u>5,103,328.00</u>	<u>5,103,328.00</u>	<u>7,821,156.06</u>	<u>2,717,828.06</u>
Net change in fund balances	50,365.00	(1,490,349.00)	1,617,690.71	3,108,039.71
Fund balances - beginning	6,174,857.86	6,174,857.86	6,174,857.86	-
Prior period adjustment	-	-	(3,302.94)	(3,302.94)
Fund balances - ending	<u>\$ 6,225,222.86</u>	<u>\$ 4,684,508.86</u>	<u>\$ 7,789,245.63</u>	<u>\$ 3,104,736.77</u>

See Independent Auditors' Report.

City of Cape Girardeau
Water Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Residential charges	\$ 3,758,000.00	\$ 3,758,000.00	\$ 3,844,942.37	\$ 86,942.37
Commerical charges	2,524,500.00	2,524,500.00	2,575,795.22	51,295.22
Other fees and charges	225,800.00	225,800.00	279,816.75	54,016.75
Miscellaneous	25,717.00	25,717.00	30,855.12	5,138.12
Investment revenue	56,250.00	56,250.00	72,133.98	15,883.98
Total revenues	<u>6,590,267.00</u>	<u>6,590,267.00</u>	<u>6,803,543.44</u>	<u>213,276.44</u>
EXPENDITURES				
Current:				
Contractual services	3,009,009.00	3,044,009.00	2,968,827.12	75,181.88
General operating expenses	330,335.00	329,687.40	359,254.87	(29,567.47)
Internal service expense	159,774.00	159,774.00	176,668.57	(16,894.57)
Material and supplies	1,286,509.00	1,204,750.55	1,127,745.71	77,004.84
Personnel services	303,269.00	283,269.00	242,877.75	40,391.25
Special projects expense	-	395,520.00	353,349.08	42,170.92
Total current	<u>5,088,896.00</u>	<u>5,417,009.95</u>	<u>5,228,723.10</u>	<u>188,286.85</u>
Debt service:				
Principal	570,000.00	570,000.00	570,000.00	-
Interest	394,182.00	394,182.00	394,181.26	0.74
Total debt service	<u>964,182.00</u>	<u>964,182.00</u>	<u>964,181.26</u>	<u>0.74</u>
Capital outlay:				
Capital Improvement Projects	2,682,300.00	3,013,301.04	601,698.57	2,411,602.47
Equipment	136,750.00	177,131.01	161,249.02	15,881.99
Total capital outlay	<u>2,819,050.00</u>	<u>3,190,432.05</u>	<u>762,947.59</u>	<u>2,427,484.46</u>
Total expenditures	<u>8,872,128.00</u>	<u>9,571,624.00</u>	<u>6,955,851.95</u>	<u>2,615,772.05</u>
Excess (deficiency) of revenues over expenditures	<u>(2,281,861.00)</u>	<u>(2,981,357.00)</u>	<u>(152,308.51)</u>	<u>2,829,048.49</u>
OTHER FINANCING SOURCES (USES)				
Special assessments	-	-	769.11	769.11
Asset disposition	-	-	36,565.74	36,565.74
Transfers in	2,337,800.00	2,337,800.00	474,063.35	(1,863,736.65)
Transfers out	-	-	(8,000.00)	(8,000.00)
Total other financing source (uses)	<u>2,337,800.00</u>	<u>2,337,800.00</u>	<u>503,398.20</u>	<u>(1,834,401.80)</u>
Net change in fund balances	55,939.00	(643,557.00)	351,089.69	994,646.69
Fund balances - beginning	5,316,261.88	5,316,261.88	5,316,261.88	-
Prior period adjustment	-	-	(426.87)	(426.87)
Fund balances - ending	<u>\$ 5,372,200.88</u>	<u>\$ 4,672,704.88</u>	<u>\$ 5,666,924.70</u>	<u>\$ 994,219.82</u>

See Independent Auditors' Report.

City of Cape Girardeau
Solid Waste Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 8,639.09	\$ 8,639.09
Residential charges	2,521,850.00	2,521,850.00	2,492,097.51	(29,752.49)
Commercial charges	39,500.00	39,500.00	42,735.30	3,235.30
Transfer station charges	968,675.00	968,675.00	1,546,977.99	578,302.99
Other fees and charges	71,050.00	71,050.00	82,213.54	11,163.54
Miscellaneous	101,500.00	101,500.00	92,858.71	(8,641.29)
Investment revenue	5,000.00	5,000.00	16,797.41	11,797.41
Total revenues	<u>3,707,575.00</u>	<u>3,707,575.00</u>	<u>4,282,319.55</u>	<u>574,744.55</u>
EXPENDITURES				
Current:				
Contractual services	1,171,562.00	1,937,659.54	1,917,603.33	20,056.21
General operating expenses	10,164.00	14,605.29	13,633.57	971.72
Internal service expense	452,055.00	452,055.00	408,157.47	43,897.53
Material and supplies	235,667.00	191,319.14	187,271.84	4,047.30
Personnel services	1,115,936.00	1,115,936.00	1,117,074.07	(1,138.07)
Special projects expense	68,000.00	59,604.00	31,917.62	27,686.38
Total current	<u>3,053,384.00</u>	<u>3,771,178.97</u>	<u>3,675,657.90</u>	<u>95,521.07</u>
Debt service:				
Administrative charges	-	-	368.44	(368.44)
Principal	338,719.00	338,719.00	338,718.94	0.06
Interest	119,620.00	119,620.00	119,619.85	0.15
Total debt service	<u>458,339.00</u>	<u>458,339.00</u>	<u>458,707.23</u>	<u>(368.23)</u>
Capital outlay:				
Capital Improvement Projects	7,000.00	8,205.03	(106,130.74)	114,335.77
Total capital outlay	<u>7,000.00</u>	<u>8,205.03</u>	<u>(106,130.74)</u>	<u>114,335.77</u>
Total expenditures	<u>3,518,723.00</u>	<u>4,237,723.00</u>	<u>4,028,234.39</u>	<u>209,488.61</u>
Excess (deficiency) of revenues over expenditures	<u>188,852.00</u>	<u>(530,148.00)</u>	<u>254,085.16</u>	<u>784,233.16</u>
OTHER FINANCING SOURCES (USES)				
Compensation for damages	-	-	5,106.01	5,106.01
Asset disposition	-	-	416.25	416.25
Transfers in	-	13,500.00	13,500.00	-
Total other financing source (uses)	<u>-</u>	<u>13,500.00</u>	<u>19,022.26</u>	<u>5,522.26</u>
Net change in fund balances	188,852.00	(516,648.00)	273,107.42	789,755.42
Prior period adjustment			(446.20)	
Fund balances - beginning	579,986.70	579,986.70	579,986.70	-
Fund balances - ending	<u>\$ 768,838.70</u>	<u>\$ 63,338.70</u>	<u>\$ 852,647.92</u>	<u>\$ 789,755.42</u>

See Independent Auditors' Report.

City of Cape Girardeau
Golf Course Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Concession revenues	\$ 38,200.00	\$ 38,200.00	\$ 39,595.04	\$ 1,395.04
Usage fees	475,500.00	475,500.00	464,255.69	(11,244.31)
Miscellaneous	-	-	2,021.40	2,021.40
Investment revenue	500.00	500.00	1,107.71	607.71
Total revenues	<u>514,200.00</u>	<u>514,200.00</u>	<u>506,979.84</u>	<u>(7,220.16)</u>
EXPENDITURES				
Current:				
Contractual services	33,259.00	33,255.23	29,059.85	4,195.38
General operating expenses	4,990.00	5,115.00	3,865.07	1,249.93
Internal service expense	41,466.00	41,466.00	40,446.66	1,019.34
Material and supplies	100,400.00	102,059.77	99,808.35	2,251.42
Personnel services	385,302.00	383,521.00	372,680.38	10,840.62
Special projects expense	11,500.00	11,500.00	3,965.37	7,534.63
Total current	<u>576,917.00</u>	<u>576,917.00</u>	<u>549,825.68</u>	<u>27,091.32</u>
Debt service:				
Principal	35,914.00	35,914.00	35,914.23	(0.23)
Interest	1,353.00	1,353.00	1,352.33	0.67
Total debt service	<u>37,267.00</u>	<u>37,267.00</u>	<u>37,266.56</u>	<u>0.44</u>
Capital outlay:				
Capital Improvement Projects	-	5,000.00	-	5,000.00
Total capital outlay	<u>-</u>	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>
Total expenditures	<u>614,184.00</u>	<u>619,184.00</u>	<u>587,092.24</u>	<u>32,091.76</u>
Excess (deficiency) of revenues over expenditures	<u>(99,984.00)</u>	<u>(104,984.00)</u>	<u>(80,112.40)</u>	<u>24,871.60</u>
OTHER FINANCING SOURCES (USES)				
Asset disposition	-	-	1,688.13	1,688.13
Transfers in	99,984.00	109,984.00	78,424.27	(31,559.73)
Total other financing source (uses)	<u>99,984.00</u>	<u>109,984.00</u>	<u>80,112.40</u>	<u>(29,871.60)</u>
Net change in fund balances	-	5,000.00	-	(5,000.00)
Fund balances - beginning	5,000.00	5,000.00	5,000.00	-
Fund balances - ending	<u>\$ 5,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ (5,000.00)</u>

See Independent Auditors' Report.

City of Cape Girardeau
Sporting Complexes Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Concession revenues	\$ 58,300.00	\$ 58,300.00	\$ 57,517.46	\$ (782.54)
Usage fees	341,406.00	341,406.00	294,189.39	(47,216.61)
Miscellaneous	7,150.00	7,150.00	610.75	(6,539.25)
Investment revenue	500.00	500.00	342.55	(157.45)
Total revenues	<u>407,356.00</u>	<u>407,356.00</u>	<u>352,660.15</u>	<u>(54,695.85)</u>
EXPENDITURES				
Current:				
Contractual services	60,240.00	65,074.00	53,328.00	11,746.00
General operating expenses	2,792.00	3,879.00	4,112.84	(233.84)
Internal service expense	42,025.00	42,025.00	46,990.26	(4,965.26)
Material and supplies	191,912.00	204,491.00	180,902.22	23,588.78
Personnel services	651,548.00	674,048.00	643,789.68	30,258.32
Special projects expense	77,497.00	115,497.00	111,345.42	4,151.58
Total current	<u>1,026,014.00</u>	<u>1,105,014.00</u>	<u>1,040,468.42</u>	<u>64,545.58</u>
Debt service:				
Principal	22,359.00	22,359.00	22,359.42	(0.42)
Interest	2,017.00	2,017.00	2,262.68	(245.68)
Total debt service	<u>24,376.00</u>	<u>24,376.00</u>	<u>24,622.10</u>	<u>(246.10)</u>
Capital outlay:				
Equipment	7,500.00	7,500.00	-	7,500.00
Total capital outlay	<u>7,500.00</u>	<u>7,500.00</u>	<u>-</u>	<u>7,500.00</u>
Total expenditures	<u>1,057,890.00</u>	<u>1,136,890.00</u>	<u>1,065,090.52</u>	<u>71,799.48</u>
Excess (deficiency) of revenues over expenditures	<u>(650,534.00)</u>	<u>(729,534.00)</u>	<u>(712,430.37)</u>	<u>17,103.63</u>
OTHER FINANCING SOURCES (USES)				
Compensation for damages	-	-	57,951.65	57,951.65
Asset disposition	-	-	34.23	34.23
Transfers in	650,534.00	677,534.00	654,439.13	(23,094.87)
Total other financing source (uses)	<u>650,534.00</u>	<u>677,534.00</u>	<u>712,425.01</u>	<u>34,891.01</u>
Net change in fund balances	-	(52,000.00)	(5.36)	51,994.64
Prior period adjustment			(12.50)	
Fund balances - beginning	5,000.00	5,000.00	5,000.00	-
Fund balances - ending	<u>\$ 5,000.00</u>	<u>\$ (47,000.00)</u>	<u>\$ 4,982.14</u>	<u>\$ 51,994.64</u>

See Independent Auditors' Report.

City of Cape Girardeau
Indoor Sports Complex Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Concession revenues	\$ -	\$ -	\$ 11,832.00	\$ 11,832.00
Usage fees	-	-	32,587.41	32,587.41
Miscellaneous	-	-	5,000.00	5,000.00
Investment revenue	-	-	83.70	83.70
Total revenues	<u>-</u>	<u>-</u>	<u>49,503.11</u>	<u>49,503.11</u>
EXPENDITURES				
Current:				
Contractual services	-	71,384.00	35,496.56	35,887.44
General operating expenses	-	5,837.00	2,320.97	3,516.03
Internal service expense	-	2,625.00	2,334.95	290.05
Material and supplies	-	175,243.00	132,373.08	42,869.92
Personnel services	28,484.77	163,658.77	129,608.26	34,050.51
Special projects expense	-	19,691.00	1,865.15	17,825.85
Total current	<u>28,484.77</u>	<u>438,438.77</u>	<u>303,998.97</u>	<u>134,439.80</u>
Debt service:				
Interest	-	-	481.04	(481.04)
Total debt service	<u>-</u>	<u>-</u>	<u>481.04</u>	<u>(481.04)</u>
Capital outlay:				
Equipment	-	62,824.00	100,776.37	(37,952.37)
Total capital outlay	<u>-</u>	<u>62,824.00</u>	<u>100,776.37</u>	<u>(37,952.37)</u>
Total expenditures	<u>28,484.77</u>	<u>501,262.77</u>	<u>405,256.38</u>	<u>96,006.39</u>
Excess (deficiency) of revenues over expenditures	<u>(28,484.77)</u>	<u>(501,262.77)</u>	<u>(355,753.27)</u>	<u>145,509.50</u>
OTHER FINANCING SOURCES (USES)				
Contributed cap - other	-	-	39,000.00	39,000.00
Transfers in	-	350,000.00	332,497.43	(17,502.57)
Total other financing source (uses)	<u>-</u>	<u>350,000.00</u>	<u>371,497.43</u>	<u>21,497.43</u>
Net change in fund balances	<u>(28,484.77)</u>	<u>(151,262.77)</u>	<u>15,744.16</u>	<u>167,006.93</u>
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ (28,484.77)</u>	<u>\$ (151,262.77)</u>	<u>\$ 15,744.16</u>	<u>\$ 167,006.93</u>

See Independent Auditors' Report.

City of Cape Girardeau
Information Technology Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal charges	\$ 702,000.00	\$ 702,000.00	\$ 703,800.00	\$ 1,800.00
Investment revenue	1,000.00	1,000.00	1,303.76	303.76
Total revenues	<u>703,000.00</u>	<u>703,000.00</u>	<u>705,103.76</u>	<u>2,103.76</u>
EXPENDITURES				
Current:				
Contractual services	212,036.00	247,036.00	249,383.28	(2,347.28)
General operating expenses	6,950.00	6,950.00	4,963.88	1,986.12
Material and supplies	100,150.00	102,550.00	100,960.93	1,589.07
Personnel services	273,278.00	273,278.00	274,000.16	(722.16)
Total current	<u>592,414.00</u>	<u>629,814.00</u>	<u>629,308.25</u>	<u>505.75</u>
Capital outlay:				
Equipment	137,200.00	134,800.00	131,057.49	3,742.51
Total capital outlay	<u>137,200.00</u>	<u>134,800.00</u>	<u>131,057.49</u>	<u>3,742.51</u>
Total expenditures	<u>729,614.00</u>	<u>764,614.00</u>	<u>760,365.74</u>	<u>4,248.26</u>
Excess (deficiency) of revenues over expenditures	<u>(26,614.00)</u>	<u>(61,614.00)</u>	<u>(55,261.98)</u>	<u>6,352.02</u>
Net change in fund balances	(26,614.00)	(61,614.00)	(55,261.98)	6,352.02
Fund balances - beginning	259,933.77	259,933.77	259,933.77	-
Fund balances - ending	<u>\$ 233,319.77</u>	<u>\$ 198,319.77</u>	<u>\$ 204,671.79</u>	<u>\$ 6,352.02</u>

See Independent Auditors' Report.

City of Cape Girardeau
Fleet Management Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 10,810.18	\$ 10,810.18
Internal charges	1,460,000.00	1,460,000.00	1,483,521.22	23,521.22
Miscellaneous	-	-	1,205.44	1,205.44
Investment revenue	2,818.00	2,818.00	5,229.12	2,411.12
Total revenues	<u>1,462,818.00</u>	<u>1,462,818.00</u>	<u>1,500,765.96</u>	<u>37,947.96</u>
EXPENDITURES				
Current:				
Contractual services	240,745.00	333,366.70	318,514.43	14,852.27
General operating expenses	4,350.00	7,493.53	7,505.62	(12.09)
Internal service expense	7,017.00	7,017.00	7,017.00	-
Material and supplies	511,029.00	518,728.85	499,390.75	19,338.10
Personnel services	699,677.00	656,211.92	634,391.83	21,820.09
Special projects expense	-	52,848.00	52,847.96	0.04
Total current	<u>1,462,818.00</u>	<u>1,575,666.00</u>	<u>1,519,667.59</u>	<u>55,998.41</u>
Capital outlay:				
Equipment	-	-	4,372.50	(4,372.50)
Total capital outlay	<u>-</u>	<u>-</u>	<u>4,372.50</u>	<u>(4,372.50)</u>
Total expenditures	<u>1,462,818.00</u>	<u>1,575,666.00</u>	<u>1,524,040.09</u>	<u>51,625.91</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(112,848.00)</u>	<u>(23,274.13)</u>	<u>89,573.87</u>
OTHER FINANCING SOURCES (USES)				
Compensation for damages	-	-	59,479.53	59,479.53
Asset disposition	16,453.00	16,453.00	19,787.52	3,334.52
Transfers out	(16,453.00)	(16,453.00)	(3,627.50)	12,825.50
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>75,639.55</u>	<u>75,639.55</u>
Net change in fund balances	-	(112,848.00)	52,365.42	165,213.42
Prior period adjustment			(15.03)	
Fund balances - beginning	<u>208,926.71</u>	<u>208,926.71</u>	<u>208,926.71</u>	<u>-</u>
Fund balances - ending	<u>\$ 208,926.71</u>	<u>\$ 96,078.71</u>	<u>\$ 261,277.10</u>	<u>\$ 165,213.42</u>

See Independent Auditors' Report.

City of Cape Girardeau
Employee Benefits Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 20,000.00	\$ 20,000.00	\$ 31,091.68	\$ 11,091.68
Internal charges	3,584,089.00	3,584,089.00	3,981,004.84	396,915.84
Miscellaneous	-	-	861.47	861.47
Investment revenue	25,000.00	25,000.00	30,938.78	5,938.78
Total revenues	<u>3,629,089.00</u>	<u>3,629,089.00</u>	<u>4,043,896.77</u>	<u>414,807.77</u>
EXPENDITURES				
Current:				
Contractual services	3,541,122.00	3,956,122.00	3,527,209.59	428,912.41
General operating expenses	25,000.00	22,500.00	13,525.57	8,974.43
Material and supplies	-	2,500.00	483.72	2,016.28
Special projects expense	3,000.00	19,750.00	19,682.88	67.12
Total current	<u>3,569,122.00</u>	<u>4,000,872.00</u>	<u>3,560,901.76</u>	<u>439,970.24</u>
Total expenditures	<u>3,569,122.00</u>	<u>4,000,872.00</u>	<u>3,560,901.76</u>	<u>439,970.24</u>
Excess (deficiency) of revenues over expenditures	<u>59,967.00</u>	<u>(371,783.00)</u>	<u>482,995.01</u>	<u>854,778.01</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(59,967.00)</u>	<u>(59,967.00)</u>	-	59,967.00
Total other financing source (uses)	<u>(59,967.00)</u>	<u>(59,967.00)</u>	-	59,967.00
Net change in fund balances	-	(431,750.00)	482,995.01	914,745.01
Fund balances - beginning	2,268,491.92	2,268,491.92	2,268,491.92	-
Fund balances - ending	<u>\$ 2,268,491.92</u>	<u>\$ 1,836,741.92</u>	<u>\$ 2,751,486.93</u>	<u>\$ 914,745.01</u>

See Independent Auditors' Report.

City of Cape Girardeau
 Worker's Compensation Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal charges	\$ 539,048.00	\$ 539,048.00	\$ 541,407.88	\$ 2,359.88
Investment revenue	15,875.00	15,875.00	16,783.49	908.49
Total revenues	<u>554,923.00</u>	<u>554,923.00</u>	<u>558,191.37</u>	<u>3,268.37</u>
EXPENDITURES				
Current:				
Contractual services	499,923.00	499,923.00	413,204.17	86,718.83
General operating expenses	52,500.00	52,500.00	54,673.72	(2,173.72)
Material and supplies	2,500.00	2,500.00	-	2,500.00
Total current	<u>554,923.00</u>	<u>554,923.00</u>	<u>467,877.89</u>	<u>87,045.11</u>
Total expenditures	<u>554,923.00</u>	<u>554,923.00</u>	<u>467,877.89</u>	<u>87,045.11</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>90,313.48</u>	<u>90,313.48</u>
Net change in fund balances	-	-	90,313.48	90,313.48
Fund balances - beginning	1,154,871.51	1,154,871.51	1,154,871.51	-
Fund balances - ending	<u>\$ 1,154,871.51</u>	<u>\$ 1,154,871.51</u>	<u>\$ 1,245,184.99</u>	<u>\$ 90,313.48</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal charges	\$ 351,357.00	\$ 351,357.00	\$ 315,870.27	\$ (35,486.73)
Investment revenue	12,500.00	12,500.00	18,070.17	5,570.17
Total revenues	<u>363,857.00</u>	<u>363,857.00</u>	<u>333,940.44</u>	<u>(29,916.56)</u>
EXPENDITURES				
Current:				
Material and supplies	-	-	11.63	(11.63)
Total current	<u>-</u>	<u>-</u>	<u>11.63</u>	<u>(11.63)</u>
Capital outlay:				
Equipment	532,500.00	532,500.00	493,603.46	38,896.54
Total capital outlay	<u>532,500.00</u>	<u>532,500.00</u>	<u>493,603.46</u>	<u>38,896.54</u>
Total expenditures	<u>532,500.00</u>	<u>532,500.00</u>	<u>493,615.09</u>	<u>38,884.91</u>
Excess (deficiency) of revenues over expenditures	<u>(168,643.00)</u>	<u>(168,643.00)</u>	<u>(159,674.65)</u>	<u>8,968.35</u>
OTHER FINANCING SOURCES (USES)				
Asset disposition	15,000.00	15,000.00	168,044.29	153,044.29
Transfers in	-	-	21,655.34	21,655.34
Transfers out	<u>-</u>	<u>(75,000.00)</u>	<u>(75,000.00)</u>	<u>-</u>
Total other financing source (uses)	<u>15,000.00</u>	<u>(60,000.00)</u>	<u>114,699.63</u>	<u>174,699.63</u>
Net change in fund balances	(153,643.00)	(228,643.00)	(44,975.02)	183,667.98
Prior period adjustment			(237.05)	
Fund balances - beginning	1,445,716.53	1,445,716.53	1,445,716.53	-
Fund balances - ending	<u>\$ 1,292,073.53</u>	<u>\$ 1,217,073.53</u>	<u>\$ 1,400,504.46</u>	<u>\$ 183,667.98</u>

See Independent Auditors' Report.

City of Cape Girardeau
Riverfront Region Economic Development Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 190,000.00	\$ 190,000.00	\$ 198,960.02	\$ 8,960.02
Investment revenue	-	-	8,810.33	8,810.33
Total revenues	<u>190,000.00</u>	<u>190,000.00</u>	<u>207,770.35</u>	<u>17,770.35</u>
EXPENDITURES				
Current:				
Development Services	140,000.00	211,300.00	207,533.80	3,766.20
Total current	<u>140,000.00</u>	<u>211,300.00</u>	<u>207,533.80</u>	<u>3,766.20</u>
Capital outlay:				
Development Services	720,000.00	648,700.00	-	648,700.00
Total capital outlay	<u>720,000.00</u>	<u>648,700.00</u>	<u>-</u>	<u>648,700.00</u>
Total expenditures	<u>860,000.00</u>	<u>860,000.00</u>	<u>207,533.80</u>	<u>652,466.20</u>
Excess (deficiency) of revenues over expenditures	<u>(670,000.00)</u>	<u>(670,000.00)</u>	<u>236.55</u>	<u>670,236.55</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	190,000.00	205,000.00	202,266.68	(2,733.32)
Total other financing source (uses)	<u>190,000.00</u>	<u>205,000.00</u>	<u>202,266.68</u>	<u>(2,733.32)</u>
Net change in fund balances	(480,000.00)	(465,000.00)	202,503.23	667,503.23
Fund balances - beginning	656,167.46	656,167.46	656,167.46	-
Fund balances - ending	<u>\$ 176,167.46</u>	<u>\$ 191,167.46</u>	<u>\$ 858,670.69</u>	<u>\$ 667,503.23</u>

See Independent Auditors' Report.

City of Cape Girardeau
Transportation Sales Tax V
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,176,670.00	\$ 5,176,670.00	\$ 4,984,710.94	\$ (191,959.06)
Intergovernmental	-	-	18,964.55	18,964.55
Investment revenue	18,750.00	18,750.00	49,115.51	30,365.51
Total revenues	<u>5,195,420.00</u>	<u>5,195,420.00</u>	<u>5,052,791.00</u>	<u>(142,629.00)</u>
EXPENDITURES				
Current:				
Development Services	285,600.00	285,600.00	334,181.09	(48,581.09)
Total current	<u>285,600.00</u>	<u>285,600.00</u>	<u>334,181.09</u>	<u>(48,581.09)</u>
Capital outlay:				
Capital Improvement Projects	4,265,000.00	4,265,000.00	2,010,792.59	2,254,207.41
Total capital outlay	<u>4,265,000.00</u>	<u>4,265,000.00</u>	<u>2,010,792.59</u>	<u>2,254,207.41</u>
Total expenditures	<u>4,550,600.00</u>	<u>4,550,600.00</u>	<u>2,344,973.68</u>	<u>2,205,626.32</u>
Excess (deficiency) of revenues over expenditures	<u>644,820.00</u>	<u>644,820.00</u>	<u>2,707,817.32</u>	<u>2,062,997.32</u>
Net change in fund balances	644,820.00	644,820.00	2,707,817.32	2,062,997.32
Fund balances - beginning	2,023,594.01	2,023,594.01	2,023,594.01	-
Fund balances - ending	<u>\$ 2,668,414.01</u>	<u>\$ 2,668,414.01</u>	<u>\$ 4,731,411.33</u>	<u>\$ 2,062,997.32</u>

See Independent Auditors' Report.

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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

Certified Public Accountants

DEBRA BEUSSINK EUDY, CPA
EVERETT E. HEY, CPA
JERRY W. ROE, CPA

16 South Silver Springs Road
Cape Girardeau, Missouri 63703
Telephone (573) 334-7971
Facsimile (573) 334-8875

JEFFREY C. STRODER, CPA
SCOTT J. ROE, CPA
DAVID E. PRASANPHANICH, CPA

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

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 Compliance Supplement* that could have a direct and material effect on each of the City of Cape Girardeau, Missouri's major federal programs for the year ended June 30, 2017. The City of Cape Girardeau, Missouri's major federal programs are 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Cape Girardeau, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of 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 each major federal program. However, our audit does not provide a legal determination of the City of Cape Girardeau, Missouri's compliance.

Opinion on Each 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 each of its major federal programs for the year ended June 30, 2017.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of 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 the Uniform Guidance. 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 6, 2018

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

Certified Public Accountants

DEBRA BEUSSINK EUDY, CPA
EVERETT E. HEY, CPA
JERRY W. ROE, CPA

16 South Silver Springs Road
Cape Girardeau, Missouri 63703
Telephone (573) 334-7971
Facsimile (573) 334-8875

JEFFREY C. STRODER, CPA
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DAVID E. PRASANPHANICH, CPA

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, 2017, 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 6, 2018.

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 City'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 6, 2018

City of Cape Girardeau, Missouri
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

<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.UNKNOWN	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	\$ 6,789
Passed Through Missouri Housing Development Commission - Emergency Solutions Grant Program	14.231	16-721-E 17-721-E	\$ 100,697 <u>52,110</u> <u>152,807</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 159,596</u>
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 7,556
Public Safety Partnership and Community Policing Grants (1)	16.710	N/A	191,281
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	<u>15,483</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 214,320</u>

The Accompanying Notes to the 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, 2017

<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	14-077A-2	\$ 1,345	
		15-077A-1	8,581	
		16-077A-1	<u>61,802</u>	\$ 71,728
Highway Planning and Construction (1)	20.205	DP-1500(020)	\$ 62,067	
		ER-1518(005)	3,110,097	
		STP-1500(022)	600,079	
		SPR-PL-3000(48)	2,221	
		MO-81-0013	<u>58,633</u>	3,833,097
Highway Safety Cluster:				
State and Community Highway Safety	20.600	17-OP-05-002	\$ 1,895	
		17-OP-05-012	174	
		16-PT-02-123	6,457	
		17-PT-02-097	1,788	
		16-SA-09-004	22,522	
		17-SA-09-001	24,394	
		16-CP-09-005	115,996	
		17-CP-09-003	<u>66,922</u>	240,148
National Priority Safety Programs	20.616	17-M5HVE-03-038	\$ 3,984	
		16-M2HVE-05-001	298	
		16-M5HVE-03-082	3,855	
		17-M5HVE-03-039	<u>5,759</u>	<u>13,896</u>
Total Highway Safety Cluster				254,044
Alcohol Open Container Requirements	20.607	16-154-AL-137		1,252
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>\$ 4,160,121</u>
<u>ENVIRONMENTAL PROTECTION AGENCY:</u>				
Passed Through Missouri Department of Natural Resources -				
Capitalization Grants for Clean Water State Revolving Funds	66.458	C295531-03		<u>\$ 2,346,652</u>

The Accompanying Notes to the 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, 2017

<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 Missouri Department of Health and Human Services - Assistance Programs for Chronic Disease Prevention and Control	93.945	5U58DP004817-02	\$ <u>999</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ <u>999</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Passed Through the Missouri State Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters	97.036	FEMA-4317-DR-MO	\$ 42,415
Passed Through Missouri Office of Homeland Security - Homeland Security Grant Program	97.067	EMW-2016-SS-00049 EMW-2015-SS-00020-019 EMW-2014-SS000002-S01-011	\$ 10,753 14,589 <u>707</u> 26,049
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0216HSLR823	<u>36,575</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			\$ <u>105,039</u>
TOTAL FEDERAL AWARDS			\$ <u>7,086,727</u>

(1) Identified major program.

The Accompanying Notes to the 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, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the City of Cape Girardeau, Missouri under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Cape Girardeau, Missouri

B. Basis of Presentation:

The Schedule is presented in accordance with the Uniform Guidance, 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.

D. Indirect Cost Rate:

The City’s grant programs involve reimbursement of the City’s actual costs of administering the programs, and therefore, the City is not reimbursed for indirect costs and does not apply any indirect cost rate.

City of Cape Girardeau, Missouri
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of report issued on whether the financial statements
audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? yes X no
- Significant deficiencies identified? 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 federal programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516 (A)? yes X no

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program</u>
16.710	Public Safety Partnership and Community Policing Grants
20.205	Highway Planning and Construction

Dollar threshold used to distinguish
between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee: _____ yes X no

2. FINANCIAL STATEMENT FINDINGS:

No findings 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, 2016

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.