

CITY OF CAPE GIRARDEAU, MISSOURI
Cape Girardeau, Missouri

For the Year Ended June 30, 2015

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.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cape Girardeau, Missouri, as of and for the year ended June 30, 2015, 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, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 20 and 80 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2016, 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 11, 2016

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, 2015. 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 \$314,152,314.44 (net position). Of this amount, \$66,798,537.76 (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 of Cape Girardeau's governmental funds reported combined ending fund balances of \$41,841,251.33. Approximately 6.5 percent of this total amount, \$2,731,862.99 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 \$2,731,862.99 or 9.8 percent of total general fund expenditures and transfers.
- o At the end of the current fiscal year, general fund balance reserved for emergencies was \$4,481,729.00 or 16.1 percent of total general fund expenditures and transfers.
- o The City of Cape Girardeau's fixed assets increased \$21,238,439.27 during the year. Net fixed asset additions of \$34,667,410.27 were made during the year. Depreciation for the current fiscal year reduced fixed assets by \$13,428,971.00.
- o The City of Cape Girardeau's total long-term debt increased by \$4,486,443.67 (4.6 percent) during the current fiscal year. During the year the City received disbursements totaling \$12,156,055.49 from loans through the state revolving loan program. These loans are being used to fund costs related to current

construction at the new wastewater treatment plant and continuation of the City's Inflow & Infiltration reduction program.

- o Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$7,669,611.82.

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, and liabilities, with the difference between the total of assets and deferred outflows and liabilities 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.

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).

CITY OF CAPE GIRARDEAU, MISSOURI

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 and sports complexes operations. The government-wide financial statements can be found on pages 21 to 24 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 35 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, and casino revenue funds, which are considered, or have been designated, to be major funds of the City. Data from the other governmental funds are combined into a single, aggregated presentation.

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

The basic governmental fund financial statements can be found on pages 25 to 29 of this report.

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

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

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The basic proprietary fund financial statements can be found on pages 30 to 34 of this report. Budgetary comparison statements for all the proprietary funds are present as supplemental information.

Improvement District transferred a floodwall to the City. During the current year this asset was recorded as a prior period adjustment at \$11,122,485.37, its June 30, 2014 book value. This significantly impacted the City's net investment in capital assets

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 36 of this report.

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.

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 \$314,152,314.44, an increase of \$32,696,487.29 (11.6%). The City's net investment in capital assets (land, buildings, machinery, and equipment less related outstanding debt used to acquire those assets) of \$239,112,508.66 makes up 76.1% of the City's net position.

An additional portion of the City's net assets (2.6 percent) represents 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 \$80,692.87 (1.0%) more than the previous year. The remaining balance of net assets (\$66,798,537.76) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. This reflects a \$20,055,672.00 (42.9%) increase over the previous year. This increase was significantly impacted by an \$8,898,304 prior period adjustment to record the City's 6/30/14 pension related net assets as required by the implementation of GASB Statement No. 68.

This net investment increased \$12,560,122.42 (5.5%) during the current fiscal year. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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.

In 2008, the Main Street Levee and Improvement District and the North Main Street Levee and

	Governmental		Business-type		Total	
	Activity		Activities			
	2015	2014	2015	2014	2015	2014
Current and other assets	57,778,805.60	47,529,113.40	23,929,757.64	22,439,925.27	81,708,563.24	69,969,038.67
Capital assets	182,283,980.73	170,953,665.64	162,700,700.04	152,792,575.86	344,984,680.77	323,746,241.50
Total assets	240,062,786.33	218,482,779.04	186,630,457.68	175,232,501.13	426,693,244.01	393,715,280.17
Deferred outflows	2,566,023.73	-	354,020.27	-	2,920,044.00	-
Long-term liabilities	15,508,515.52	18,294,510.68	81,907,076.53	76,235,517.62	97,415,592.05	94,530,028.30
Current liabilities	6,160,909.27	6,350,267.09	11,884,472.25	11,379,157.63	18,045,381.52	17,729,424.72
Total liabilities	21,669,424.79	24,644,777.77	93,791,548.78	87,614,675.25	115,460,973.57	112,259,453.02
Net position:						
Invested in capital assets,						
Net of related debt	163,824,387.91	152,494,072.82	75,288,120.75	74,058,313.42	239,112,508.66	226,552,386.24
Restricted	5,074,186.02	5,189,433.15	3,167,082.00	2,971,142.00	8,241,268.02	8,160,575.15
Unrestricted	52,060,811.34	36,154,495.30	14,737,726.42	10,588,370.46	66,798,537.76	46,742,865.76
Total net position	220,959,385.27	193,838,001.27	93,192,929.17	87,617,825.88	314,152,314.44	281,455,827.15

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Governmental Activities. Governmental activities increased the City of Cape Girardeau's net position by \$8,804,214.65 (compared to \$9,566,579.31 in the previous fiscal year), thereby accounting for 65.5 percent of the total growth in the net position of the City. Governmental activities accounted for 55.4% of its \$15,906,316.04 increase in unrestricted net position.

City of Cape Girardeau's Change in Net Assets						
	Governmental activities		Business-type activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenue:						
Charges for service	4,860,707.25	4,844,836.93	17,538,252.57	17,847,281.93	22,398,959.82	22,692,118.86
Operating grants and contributions	1,553,178.28	1,013,113.77	1,020.00	14,168.11	1,554,198.28	1,027,281.88
Capital grants and contributions	2,089,054.24	2,069,419.05	1,566,030.12	386,732.41	3,655,084.36	2,456,151.46
General revenues:						
Property taxes	2,228,303.05	2,188,736.30	-	-	2,228,303.05	2,188,736.30
Sales taxes	27,690,472.08	26,698,005.01	-	-	27,690,472.08	26,698,005.01
Other taxes	13,578,026.97	13,312,931.00	-	-	13,578,026.97	13,312,931.00
Other	759,386.03	146,748.95	335,904.03	320,676.33	1,095,290.06	467,425.28
Special item	-	-	-	-	-	-
Total revenues	52,759,127.90	50,273,791.01	19,441,206.72	18,568,858.78	72,200,334.62	68,842,649.79
Expenses:						
Administrative	3,100,622.60	3,184,373.73	-	-	3,100,622.60	3,184,373.73
Capital Improvements	973,033.38	610,145.55	-	-	973,033.38	610,145.55
Development Services	5,854,606.64	6,294,240.09	-	-	5,854,606.64	6,294,240.09
Interest and other costs	617,889.91	723,040.06	-	-	617,889.91	723,040.06
Parks and Recreation	5,127,838.00	5,130,026.42	-	-	5,127,838.00	5,130,026.42
Public Safety	13,903,548.61	13,560,885.70	-	-	13,903,548.61	13,560,855.70
Public Works	8,199,066.78	8,034,915.59	-	-	8,199,066.78	8,034,915.59
Sewer	-	-	8,125,842.41	6,542,500.17	8,125,842.41	6,542,500.17
Water	-	-	7,831,517.08	6,994,762.21	7,831,517.08	6,994,762.21
Solid Waste	-	-	3,257,215.29	3,557,378.36	3,257,215.29	3,557,378.36
Golf Course	-	-	679,453.56	701,911.73	679,453.56	701,911.73
Sporting Complexes	-	-	1,095,071.90	1,084,071.29	1,095,071.90	1,084,071.29
Total expenses	37,776,605.92	37,537,627.14	20,989,100.24	18,880,623.76	58,765,706.16	56,418,250.90
Increase in net position						
before transfers	14,982,521.98	12,736,163.87	(1,547,893.52)	(311,764.98)	13,434,628.46	12,424,398.89
Transfers	(6,178,307.33)	(3,169,587.56)	6,178,307.33	3,169,587.56	-	-
Increase in net position	8,804,214.65	9,566,576.31	4,630,413.81	2,857,822.58	13,434,628.46	12,424,398.89
Net position-beginning of year	193,838,001.27	184,473,693.33	87,617,825.88	84,707,960.69	281,455,827.15	269,181,654.02
Prior period adjustments	18,317,169.35	(202,268.37)	944,689.48	52,042.61	19,261,858.83	(150,225.76)
Net position-end of year	220,959,385.27	193,838,001.27	93,192,929.17	87,617,825.88	314,152,314.44	281,455,827.15

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 \$15,870.32 (0.3%) more the previous year. During the current year, administrative and parks and recreation revenues increased \$119,783.35 (7.0%) and \$116,413.53 (7.8%), respectively, over the previous year. Included in this year's administrative revenue was a \$155,693.25 distribution from a bankruptcy case regarding unpaid lease payments and a \$44,752.36 (5.5%) decline from the previous year's municipal court-related revenues.

The major impacts to parks and recreation revenues were increases of \$41,875.80 (18.5%), \$59,295.44 (12.4%), and \$65,459.92 (71.7%) over the previous revenues associated with the Osage Center, Cape Splash, and internal revenues from salaries charged out to various capital projects. The increase in Osage Center revenue reflected increased activity over the previous year while Cape Splash revenue reflected May 2015 rate increases.

During the current year, development service, public safety, and public works revenues declined \$166,023.73 (11.2%), \$14,593.94 (14.7%), and \$39,708.89 (73.6%), respectively, from the previous year. Development service revenues from the Cape Girardeau Regional Airport decreased \$136,217.04 (17.5%) from the previous year. During the current year, special event fees decreased \$145,520.38 as a result of not having an air show. Decreases of revenue from the airport's FBO operations of \$13,758.54 (3.8%) were offset with increases of revenue from leases at the airport of \$22,541.80 (9.0%). Remaining development service revenue declined \$29,806.69 (4.2%) from the previous year.

Changes to public safety and public works revenues mainly resulted from changes in fire protection fees and internal revenues from services provided by public works.

- Operating grants and contributions were \$540,064.51 (53.3%) more than the previous year. Almost all of this increase related to a pass-through grant to Southeast Missouri State University for a business incubator project.
- Capital grants and contributions increased \$19,635.19 (.9%) from the previous year. During the current year the city received grants and contributions totaling \$61,217.90, \$471,291.15, \$826,225.87, \$501,249.15, \$44,161.91 and \$80,626.79 for a t-hangar/taxiway project at its airport, park trail projects, the business infrastructure project, various street projects, two safe routes to school projects, and various public safety equipment purchases, respectively. In the prior year, the City received \$616,769.10, \$113,377.45, \$57,278.13, \$973,401.84, \$118,578.18 and \$105,253.66, respectively, for these items.
- Property tax revenue was \$39,566.75 (1.8%) more than the previous year. Assessed values finalized by the board of equalization increased \$9,748,607 (2.0%) and \$4,740,694 (4.3%) for real estate and personal property, respectively. New construction of \$7,899,480 was included in the real estate increase. The City's general tax levy rate remained the same as the previous year during the current year.
- Sales tax revenue was 52.5% of the total revenue during the current year versus 53.1% in the previous year. This year's revenue was \$992,467.07 (3.7%) more than the previous year. From fiscal year ending June 30, 2011 through fiscal year ending June 30, 2015, sales tax revenue, adjusted for new taxes, had annual growth rates of 2.0%, 4.9%, 4.6%, 0.7% and 3.7%, respectively.
- Other taxes increased \$265,095.97 (2.0%) from the previous year. Gaming taxes, motor fuel taxes, convention and tourism taxes, and liquor licenses grew \$199,760.25 (6.1%), \$48,541.56 (3.4%), \$116,601.92 (5.8%) and \$3,193.54 (4.6%), respectively. Franchise taxes, merchant licenses, and cigarette taxes declined \$58,929.72 (1.2%), \$35,792.97 (2.6%) and \$8,278.61 (4.7%), respectively, from the previous year.
- Gaming revenue received by the general fund increased \$67,924.52 (2.1%) over the previous year, while gaming revenue received by the riverfront development fund increased \$131,835.73 (233.3%) over the previous year. This was the first full year of revenue for the riverfront development fund.

CITY OF CAPE GIRARDEAU, MISSOURI

Revenues from governmental activities (continued)

- Ameren paid 71.5% of the total franchise tax collected during the year based on its electricity and natural gas revenues. During the current year, Ameren paid \$61,754.72 (1.7%) less than the previous year. Payments received on electricity and natural gas sales decreased \$43,819.97 (1.6%) and \$17,934.75 (2.2%), respectively, from the previous year. Average monthly electric and natural gas rates were 1.2% more and 1.5% less, respectively, during the current year when compared to the previous year.
- During the current year, the City received payments in lieu of gross receipt franchise taxes totaling \$662,260.80 from its water and sewer funds. This was \$20,060.98 (2.9%) less than the previous year. There were no changes to the sewer and water rates during the current year. Sewer and water utility revenues were 2.6% and 2.3% less than the previous year.
- Franchise tax paid during the current year by the City's telecommunication and cable TV service providers increased \$5,951.16 (1.9%) and \$16,934.82 (4.0%), respectively, from the previous year.
- The increase in the convention and tourism taxes was comprised of increases of \$48,727.93 (7.2%) and \$67,873.99 (5.1%) to revenues from the hotel / motel and restaurant taxes, respectively, over the previous year.
- Other revenue, which increased \$612,637.08 (417.5%) from the previous year to \$759,386.03, was comprised of unrestricted grants and contributions, investment earnings, and gain (loss) on sales of assets, which totaled \$52,801.35, \$607,557.43, and \$99,027.25, respectively, during the current year. These revenues grew (declined) \$(5,573.37) (9.5%), \$86,253.87 (16.5%), and \$531,956.58 (122.9%), respectively, from the previous year. During the previous year, the City sold 18 acres from its business park at a loss of \$472,425.48. This site will be used as a regional distribution center by Pepsi MidAmerica.

Expenses from governmental activities

- Total government activities expenses increased \$238,978.78 (.6%) over the previous year. Personnel costs accounted for 50.2% of the total governmental activity expenses. Operating expenses and interest and other costs accounted for 48.2% and 1.6% of the total governmental activity expenses, respectively. 26.0% of the personnel costs were for benefits and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$514,426.63 (3.8%) during the current year, while benefit expenses decreased \$108,498.46 (2.7%). Operating expenses and interest and other costs decreased \$61,799.24 (.3%) and \$105,150.15 (14.5%) during the current year.

Full-time, part-time, and overtime salaries increased \$434,372.81 (3.7%), \$24,574.59 (2.4%), and \$55,479.23 (7.6%), respectively, over the previous year during the current year. The current year included a 2.0% beginning of the year wage increase and a May 1, 2015 wage increase at an estimated cost of \$92,707.00 to implement a new pay plan. The cost of providing retirement benefits was \$147,842.32 less this year from the previous year. During the current year, the City implemented GASB 68, a new accounting principle related treatment of pension expenses. The current year's pension expense was reduced by \$203,476.51 as a result of this implementation.

Vehicle fuel expense decreased \$104,265.45 (21.4%) from the previous year during the current year as a result of significantly lower fuel prices. Administrative, development services, parks and recreation, public safety, and public works vehicle fuel expenses were reduced \$722.19 (19.8%), \$8,412.31 (22.8%), \$13,725.90 (20.3%), \$60,569.55 (20.5%), and \$20,835.50 (24.8%), respectively during the current year.

CITY OF CAPE GIRARDEAU, MISSOURI

Expenses from governmental activities (continued)

- Administrative expenses totaled \$3,100,622.60 (8.2% of total government activities) this year, which was \$83,751.13 (2.6%) less than the previous year. Personnel costs accounted for 51.6% of the total administrative expenses. 23.2% of the personnel costs were for benefits and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$47,155.51 (3.7%) during the current year while benefit expenses decreased \$2,317.32 (0.6%). Operating expenses decreased \$128,589.32 (8.3%) during the current year.

In the previous year, the City spent \$55,392.10 to demolish the building that previously housed the Convention and Visitors Bureau to provide additional downtown parking and \$47,928.31 for leadership training for its department leaders and community partners. Only \$2,009.17 was spent on these items during the current year. Depreciation expense was \$35,555.25 (8.4%) less than the previous year during the current year.

- Development services expenses totaled \$5,854,606.64 (15.5% of total government activities) this year, which was \$439,633.45 (7.0%) less than the previous year. Personnel costs accounted for 36.3% of the total development services expenses. 23.7% of the personnel costs were for benefits and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$81,101.32 (4.6%) during the current year, while benefit expenses decreased \$49,647.83 (9.2%). Operating expenses decreased \$471,086.94 (11.8%) during the current year.

In the previous year, the City spent \$191,746.12 from the airport fund on costs related to an air show and \$1,293,080.64 from its convention and tourism taxes to pay principal and interest on bonds issued by the University to fund construction costs related its River Campus. During the current year, the University returned \$19,037.68 of these payments.

During the current year, the City spent \$92,727.60, \$73,000.00, and \$47,677.03, respectively, on grant funded runway improvements, preliminary design of improvements to Cape Splash, and a future facility study. Only \$12,063.65 was spent on these items in the previous year. Additionally, the City distributed a \$500,000.00 pass through grant to the University for its Business Incubator Project and began paying leases for downtown parking and 2 airport fuel trucks at a total cost of \$37,000. No costs were incurred on these items in the previous year.

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

Economic development payments from sales tax rebates	\$98,054.09 (21.0%) increase
Support of Old Towne Cape	\$60,800.00 (152.0%) increase
Housing rehab grant related expenses	\$112,361.28 (114.4%) increase
Emergency housing grant related expenses	\$60,839.36 (25.7%) decrease
Convention and Tourism Bureau operating contract	\$72,612.00 (12.0%) increase

- Parks and recreation expenses totaled \$5,127,838.00 (13.6% of total government activities) this year, which was \$2,188.42 (<.1%) less than the previous year. Personnel costs accounted for 54.0% of the total parks and recreation expenses. 21.3% of the personnel costs were for benefits and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$62,359.80 (2.9%) during the current year, while benefit expenses decreased \$39,111.19 (6.6%). Operating expenses decreased \$25,437.03 (1.1%) during the current year.

CITY OF CAPE GIRARDEAU, MISSOURI

Expenses from governmental activities (continued)

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

Building repairs and maintenance	\$16,892.15 (48.6%) increase
Transaction charges	\$13,859.14 (97.1%) increase
Natural gas at Central Pool	\$20,686.04 (28.7%) decrease
Special events costs	\$23,590.75 (26.5%) increase
Special project costs	\$16,333.81 (210.9%) increase
Legal claims expense	\$31,957.08 (79.9%) decrease
Depreciation expense	\$56,910.47 (5.7%) decrease

- Public safety expenses totaled \$13,903,548.61 (36.8% of total government activities) this year, which was \$342,662.91 (2.5%) more than the previous year. Personnel costs accounted for 79.2% of the total public safety expenses. 29.2% of the personnel costs were for benefits and the remaining was for salaries including vacation and sick leave expense. Salary and benefit expenses increased \$302,920.14 (4.0%) and \$22,778.72 (0.7%), respectively, during the current year. Operating expenses increased \$16,964.05 (.6%) during the current year.

In the previous year, the City spent \$57,589.20 for grant funded paramedic training and testing supplies and \$32,227.99 for preliminary design costs for a new police station. Only \$52.12 was spent on these two items during the current year. In previous years, medical services to prisoners were provided by City staff. During the second half of this year, this service was contracted to a third party. Amounts paid for this service during the current year was \$10,116.37.

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

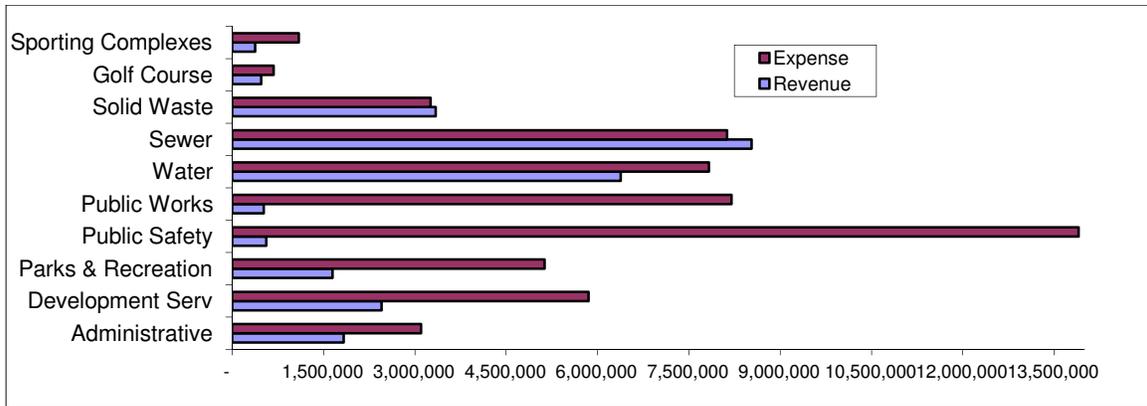
Ammunition costs	\$12,307.59 (94.5%) increase
Demolition of dangerous buildings	\$46,083.25 (292.5%) increase
Specialized training costs	\$19,056.85 (79.4%) increase
Protective attire	\$25,415.63 (44.9%) decrease
Small equipment	\$68,732.29 (41.8%) increase

- Public works expenses totaled \$8,199,066.78 (21.7% of total government activities) this year, which was \$164,151.19 (2.0%) more than the previous year. Personnel costs accounted for 14.0% of the total public works expenses. 29.2% of the personnel costs were for benefits and the remaining was for salaries including vacation and sick leave expense. Salary expenses increased \$20,889.86 (2.6%) during the current year, while benefit expenses decreased \$40,200.84 (12.2%). Operating expenses increased \$183,462.17 (2.7%) during the current year.

Severe winter weather resulted in street repair and maintenance and snow and ice removal supply costs increasing \$197,645.44 (117.8%) over the previous year. Fleet maintenance costs increased \$41,615.47 (22.0%) over the previous year. Depreciation expense was \$51,907.37 (0.9%) less than the previous year during the current year.

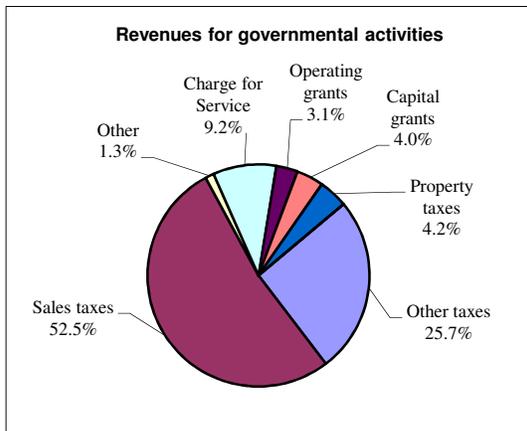
- Capital improvements expenses totaled \$973,033.38 this year, which was \$362,887.83 (59.5%) more than the previous year. The current year included \$745,032.36 in street, curb, and gutter repairs and \$167,460.58 for temporary construction easements, professional services, and other costs paid by the City for an Army Corp of Engineer flood wall project. This year's street, curb, and gutter repair costs were \$346,777.40 (87.4%) more than the previous year. The remaining current year costs totaling \$60,540.44 represent other capital projects that did not meet the City's \$5,000 capitalization threshold (the amount at which the expenditure would be recorded as a capital asset).

CITY OF CAPE GIRARDEAU, MISSOURI



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

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 (52.5%), other taxes (25.7%) and charges for services (9.2%).

The City's general sales tax represents 36.7% of the total sales tax revenue and 46.5% 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 48.1% and 52.8% of the other tax and service charge revenue, respectively. This represents 29.9% and 11.7% of the total general fund revenues, respectively.

Business-type activities

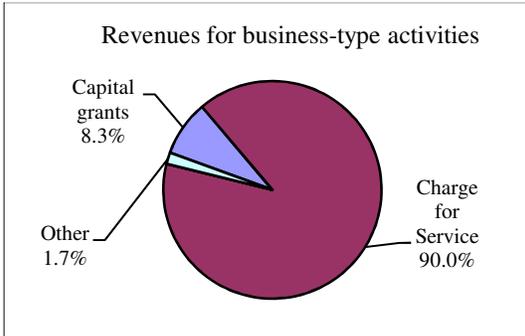
During the current year, business-type activities increased the net position of the City by \$4,630,413.81. During the previous year, these activities increased the City's net position by \$2,857,822.58. Business-type activities before transfers decreased the City's net position by \$1,547,893.52 during the current year. In the previous year, these activities decreased the City's net position by \$311,764.98.

During the current year, there were net transfers from the governmental activities to business-type activities of \$6,178,307.33. In the previous year, there were net transfers from governmental activities to business-type activities of \$3,169,587.56.

Transfers of \$1,627,500.00 in sales tax revenue and \$504,817.85 in general fund revenues to fund bond payments and operating subsidy transfers from the general and parks / storm water sales tax funds totaling \$1,195,495.00 were made during the current year. Last year these transfers totaled \$1,500,000.00 and \$1,065,527.58, respectively. During the current year, capital improvements totaling \$975,617.45 were transferred to the sewer and sports complexes funds from the casino revenue and capital project funds. Last year these transfers were \$598,869.98 from the capital project funds only. During the current year, the business activities received \$73,156.69 of net transfers related to assets transferred to or from other governmental activities. Transfers of \$1,532,000 and \$269,720.34 were received from the capital improvement sales tax – water and employee fringe benefit funds, respectively, to fund water fund construction projects and special payments to the city's retirement plan, respectively.

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The net change in assets before transfers and general revenues in the sewer, water, solid waste, golf, and softball operations totaled \$406,551.84, \$(1,453,641.15), \$84,956.09, \$(204,157.44), and \$(717,506.89), respectively, this year. This compares to \$989,694.25, \$(492,495.93), \$(185,241.84), \$(221,539.12), and (722,858.67), respectively, in the previous year.



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, 2015, the City's governmental funds reported combined ending fund balances of \$41,841,251.33, an increase of \$3,451,198.60 (9.0%) from the prior year. Unassigned fund balances, which are available for spending at the City's discretion, account for \$2,731,862.99 (6.5%) 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, 2015: (1) \$808,551.30 is classified as nonspendable because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact (2) \$32,594,647.87 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) \$4,490,647.60 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) \$1,215,541.57 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, 2015, unassigned fund balance of the general fund was \$2,731,862.99, while total fund balance was \$7,690,024.95. 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 9.8% of total general fund expenditures including transfers. However, included in the reserved fund balance is \$4,481,729.00, which had been reserved to meet the City Charter's emergency reserve requirement. This amount represents 16.1% 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 decreased by \$699,623.07 during the current fiscal year. However, the General Fund Statement of Revenues, Expenditures, and Changes of Fund Balance prepared on a budget basis shows a current fiscal year decrease of \$154,438.19. Differences between the amounts reflected in the two statements can be found in the Notes to Budgetary Comparison Schedules found on pages 85 – 88.

The original adopted general fund budget for the fiscal year ending June 30, 2015 had expenditures exceeding revenues by \$247,419.00. The actual general fund results decreased fund balances by \$154,438.19. Significant deviations from this budget are detailed below:

- o Sales tax revenue was \$355,935.85 (3.6%) more than the previous year, which was \$138,934.16 (1.4%) more than projected for the adopted budget. The adopted budget projected revenues that were 3.0% above the actual fiscal year ending June 30, 2014 revenues. Actual revenues grew 0.8% during the previous year.
- o Franchise tax revenue was \$183,854.08 (3.8%) more than projected for the adopted budget. Franchise taxes from electric utilities,

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natural gas utilities, telecommunications, and cable TV, and the City's water and sewer service exceeded their budgets by \$55,066.86 (2.1%), \$106,393.11 (15.1%), \$24,070.70 (8.2%) and \$24,437.61 (5.9%), respectively. Franchise tax from the City's water and sewer service were \$26,114.20 (3.8%) below their projected budget.

o During the current year, Ameren paid \$61,754.72 (1.7%) less than the previous year. Payments received on electricity and natural gas sales decreased \$43,819.97 (1.6%) and \$17,934.75 (2.2%), respectively, from the previous year. Average monthly electric and natural gas rates were 1.2% more and 1.5% less, respectively, during the current year when compared to the previous year. Projections used in the current year's budget had assumed average electric and natural gas usage from the three years ending December 31, 2013 and rates that were in effect on February 1, 2014.

o During the current year, the City received payments in lieu of gross receipts franchise taxes from its water and sewer funds totaling \$662,260.80. This was \$20,060.98 (2.9%) less than the previous year. The amount of payments in lieu of franchise taxes projected for the current year's budget were based on projected sewer and water revenues, which had been based on projected usage from fiscal year ending June 30, 2014 and no sewer or water rate changes.

o Franchise tax paid during the current year by the City's telecommunication service providers increased \$5,951.16 (1.9%) from the previous year. The amount of projected franchise tax used in the current year's budget was based on projected revenues for fiscal year ending June 30, 2014. Actual revenue during that year exceeded the projected revenues used in the budget by \$18,119.54 (6.1%).

o Franchise tax paid during the current year by the City's cable TV service provider increased \$16,934.82 (4.0%) from the previous year. The amount of projected franchise tax used in the current year's budget was based on annualized revenue

received during the quarter ended September 30, 2013 plus 3%.

o Property tax revenue increased \$34,611.86 (1.9%) over the previous year and was \$43,132.54 (2.4%) more than the projected budget. Assessed values finalized by the board of equalization increased \$9,748,607 (2.0%) and \$4,740,694 (4.3%) for real estate and personal property, respectively. New construction of \$7,899,480 was included in the real estate assessed value increase. The adopted budget for the fiscal year ending June 30, 2015 had assumed 2.0% and 1.0% assessed value growth for real estate and personal property, respectively, and no levy increases. The City's general tax levy rate did not increase during the current year.

o Business license revenue decreased \$35,936.93 (2.7%) from the previous year and was \$56,885.47 (4.2%) less than the projected budget. The adopted budget projected revenues that were 1.5% greater than projected fiscal year ending June 30, 2014 revenues. Actual revenue for fiscal year ending June 30, 2014 was \$1,561.17 (0.1%) less than had been assumed by the budget projections.

o Other license and permit revenue was \$11,035.96 (4.4%) more than the previous year but was \$13,024.26 (4.7%) less than the projected budget.

o Intergovernmental revenue exceeded revenue projected for the budget by \$224,958.85 (45.6%). This year's intergovernmental revenue included \$88,667.14 in revenues from various public safety capital grants and \$172,215.97 for emergency shelter grants. None of these of these revenues had been projected in the current year's budget. The current budget projected \$445,593.00 in grants for operating expenses of public safety. Actual revenue was \$37,830.20 (8.5%) less than this amount during the current year and reflected corresponding reductions in grant related expenses.

o Service charges were \$16,262.28 (7.8%) less than the previous year and were \$46,813.42 (19.6%) less than projected in the budget. Court costs were \$8,145.61 (10.7%) less than the previous year and were \$39,231.43 (57.9%) less than projected in the budget.

CITY OF CAPE GIRARDEAU, MISSOURI

o Fines and forfeits revenue was \$36,606.75 (4.9%) less than the previous year and was \$317,033.50 (31.0%) less than projected in the budget. The adopted budget for fiscal year ending June 30, 2015 had assumed revenue levels equal to the 9.4% above the actual revenue for fiscal year ending June 30, 2013. The number of traffic cases heard by the municipal court in fiscal year ending June 30, 2015 was 37.8% less than those heard in fiscal year ending June 30, 2013.

o During the current fiscal year, total expenditures were \$259,123.66 (1.2%) more than the original budget. Operating expenditures were \$107,288.42 (0.5%) less than their original budget. Actual debt service and capital expenditures exceeded their original budgets by \$272,302.22 (174.7%) and \$94,109.86 (452.5%).

o Transfers to other funds for operating subsidies were \$990,621.96 (25.9%) more than original budget, and transfers for capital expenditures exceeded their original budgets by \$140,798.67 (349.4%). Operating transfers to the public safety trust and solid waste funds exceeded their original budgets by \$476,574.11 and \$505,000.00, respectively. The original budget had not accounted for the renewal of a fire sales tax, which is required to be transferred to the trust fund, and had not accounted for a transfer to the solid waste fund that was used to repay an advance from the general fund.

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 \$2,130,795.30 (8.0%) more than the original adopted budget. The changes that were appropriated by the City Council can be summarized as follows:

Administrative – \$25,739.54 for costs related to legal advice, unanticipated municipal election, and implementation of pay and benefits study.

Development Services – \$205,751.49 for costs related to grant funded community assistance expenditures, implementation of pay and benefits study, a parking lot lease, and vehicle purchase.

Public Safety – \$240,179.49 for grant costs related to various public safety operating grants and the purchase of radios and other equipment; implementation of pay and benefits study; HVAC repairs at Fire Station #1; purchase various items for the School Resource Officers; preliminary costs for an interoperable radio project; and firefighter classes.

Parks and Recreation - \$27,105.94 to pay for the implementation of pay and benefits study and to purchase various capital items.

Public Works – \$242,227.00 for the cost of additional street supplies and for the implementation of pay and benefits study.

Other Debt - \$273,000.00 for the early payoff of a 2006 promissory note.

General Fund Transfer to Airport Fund – \$100,000.00 to cover operating shortfall.

General Fund Transfer to Parks and Recreation Fund – \$10,000.00 to cover operating subsidy shortfall.

General Fund Transfer to Public Safety Trust Fund - \$420,000.00 as required by the Fire Sales Tax.

General Fund Transfer to Housing Development Grants Fund – \$3,000.00 to cover costs not reimbursed by grants.

General Fund Transfer to Sewer Fund - \$9,178.78 to purchase 2 vehicles from sewer fund.

General Fund Transfer to Water Fund - \$9,334.20 to purchase vehicle from water fund.

General Fund Transfer to Solid Waste Fund - \$505,000.00 to fund the repayment to the general fund of a long-term advance.

General Fund Transfer to Sports Complex Fund – \$60,000.00 to cover operating subsidy shortfall and \$278.86 to purchase vehicle from that fund.

CITY OF CAPE GIRARDEAU, MISSOURI

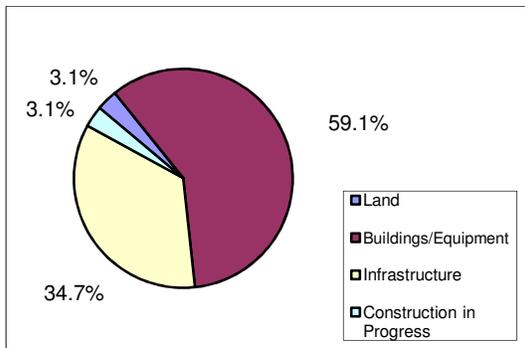
Excess general fund revenues and unrestricted fund balances were used to fund all appropriations that did not have an identified funding source.

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

Capital Assets and Debt Administration

Capital Assets. The City of Cape Girardeau’s investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$344,984,680.77 (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 \$1,308,230.28 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 \$16,303.34 spent to complete a new 10-unit T-Hangar at the Airport, which was partially funded by MODOT.
- o Department of Transportation funds were used to partially fund the \$491,769.32 spent to expand the City’s trail system.
- o \$1,171,658.49 in funds received from the Isle of Capri helped improve lighting along Main Street, provide sewer service at the new business park, emergency battery backup for traffic signals, a Powerhouse energy manager for Osage, and various computer equipment and software items.
- o Construction costs totaling \$898,359.44 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, various water distribution improvements, the addition of water main extensions, and the continuation of the two-inch water main replacement program.
- o Costs totaling \$111,540.89 were incurred for sidewalk construction for the safe routes to school program. These costs were almost entirely funded by the Department of Transportation.
- o In April 2008, voters approved a ½ cent sales tax to pay for storm water and park improvement projects. \$433,804.50 and \$493,950.40 were spent respectively during the current year on these projects.
- o Costs totaling \$8,309,659.59 related to the new Wastewater Treatment Plant were incurred this year and funded by the State Revolving Loan Program.
- o Other sewer projects amounted to \$3,775,382.64 in capital expenditures during the current year. Projects included a storm water sewer system, a sewer lift station, a wastewater scada upgrade, and continuation of the Inflow & Infiltration reduction program.
- o Work at the new Business Park totaled \$2,408,088.11. These projects are still under construction and will include new sewers, streets, water mains, street lights, sidewalks, and storm sewers.

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

CITY OF CAPE GIRARDEAU, MISSOURI

City of Cape Girardeau's Capital Assets (net of depreciation)						
	Governmental		Business-type		Total	
	Activity		Activities			
	2015	2014	2015	2014	2015	2014
Land	10,117,070.83	9,523,689.30	649,917.54	647,165.04	10,766,988.37	10,170,854.34
Buildings and system improvements	20,589,455.03	20,783,013.56	1,984,568.59	2,277,877.35	22,574,023.62	23,060,890.91
Improvements other than buildings	19,411,780.52	9,153,015.04	152,069,859.54	87,065,544.71	171,481,640.06	96,218,559.75
Equipment	5,851,220.69	5,579,516.79	3,906,471.15	3,963,959.07	9,757,691.84	9,543,475.86
Infrastructure	119,667,592.25	122,977,025.08	-	-	119,667,592.25	122,977,025.08
Construction in progress	6,646,861.41	2,937,405.87	4,089,883.22	58,838,029.69	10,736,744.63	61,775,435.56
Total	182,283,980.73	170,953,665.64	162,700,700.04	152,792,575.86	344,984,680.77	323,746,241.50

Long-term debt.

At the end of the fiscal year, the City of Cape Girardeau had total debt outstanding of \$101,688,334.08. Bonded debt outstanding totaling \$87,666,458.40 is secured by revenues of the sewer and water funds and capital improvement sales taxes. The repayment of the remaining debt is subject to annual appropriations. Outstanding debt of the City increased by \$4,486,443.67 (4.6%) during the year.

During the year, the City received disbursements totaling \$12,156,055.49 from loans through the state revolving loan program. These loans are being used to fund costs related to current construction at the new wastewater treatment plant and continuation of the City's Inflow & Infiltration reduction program. Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$7,669,611.82.

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			
	2015	2014	2015	2014	2015	2014
Notes payable	3,969,933.66	4,770,438.97	-	690,092.88	3,969,933.66	5,460,531.85
Special obligation bonds	1,148,227.65	2,409,586.95	560,538.00	722,446.98	1,708,765.65	3,132,033.93
Revenue bonds	806,300.00	851,000.00	86,860,158.40	77,329,757.73	87,666,458.40	78,180,757.73
Leasehold revenue bonds	8,343,176.37	10,428,566.90	-	-	8,343,176.37	10,428,566.90
	14,267,637.68	18,459,592.82	87,420,696.40	78,742,297.59	101,688,334.08	97,201,890.41

CITY OF CAPE GIRARDEAU, MISSOURI

Economic Factors and the Next Year's Budget

Residential development increased significantly during the past year. Values of residential permits issued during the year were 60.8% higher than the previous year and were at their highest levels since fiscal year ending June 30, 2007. Commercial development decreased dramatically during the current year. Values of commercial permits issued during the year were 78.4 % lower than the previous year. Last year, commercial development was at its strongest level in the past 25 years. This year's commercial development was at its lowest levels since fiscal year ending June 30, 2005.

Commercial and residential permits valued at \$20.2 million and \$19.3 million were issued this year. Commercial and residential permits valued at \$93.4 million and \$12.0 million were issued in the previous year. In the current year, 41 single family residence, 8 two family residence, and 4 apartment building permits totaling \$9,225,500, \$2,569,000 and \$6,375,500, respectively, were issued. In the previous year, 43 single family residence, 2 two family residence, and 1 apartment building permits totaling \$9,279,000, \$660,000 and \$800,000, respectively, were issued.

Local employment continues to be stronger than national employment. The Cape Girardeau County unadjusted unemployment rate was only 3.9% in October 2015. Statewide and national unadjusted unemployment rates were 4.3% and 4.8%, respectively, for this month. The unadjusted unemployment rates were 4.5%, 5.1% and 5.5% for the county, state, and nation, respectively, for the previous October. City construction projects and private development provide significant support to local construction employment.

Pepsi MidAmerica completed construction of its \$3,100,000 distribution center and began hiring. The company expects to produce 74 new jobs. The new center will consist of three structures on an 18 acre site at the City's new business park and will distribute a wide array of beverages and products from their snacks division.

In October 2015, plans were announced to demolish the Drury Lodge and restaurant and replace it with a new 168 room hotel and restaurant. Additionally, a new \$11 million convention center will be built on the hotel site.

During the year, the following economic development activity took place in Cape Girardeau and its surrounding communities:

- Buchheits, a regional retail chain, acquired a 54,000 square foot building to be used as a distribution center. 25 new jobs are expected to be created.
- Old Hickory Pits breaks ground for a new facility. 8 new jobs are expected to be created.
- Two local manufacturers added lines to their operation that are expected to create 35 new jobs.
- Verdesian purchased a 400,000 square foot facility for expansion of its manufacturing operations. 25 new jobs are expected to be created.
- Purchase Clinic announced a new sales and customer service office in downtown Cape Girardeau. 12 new professional jobs are expected to be created.

Local Retail Economy. Sales tax is a significant revenue source of the City and is a barometer of the local economy. In the current year, sales tax revenue from the general sales tax increased 3.6%, while inflation grew at 0.7%. In the previous year, sales tax revenue from the general sales tax increased .8%, while inflation grew at 1.6 %.

The City's restaurant gross receipt tax and hotel/motel gross receipt tax increased 5.1% and 7.2%, respectively, during the current year. In the previous year, they decreased .2% and increased 1.1%, respectively.

Regional Retail Center

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

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

Ruler Foods opened its 20,000 square foot store in September 2014. Ruler Foods is a division of Kroger.

Wal-Mart opened its 40,000 square foot Wal-Mart Neighborhood Market store at the site of the former Plaza Galleria building on January 28, 2015.

Dunkin Donuts announced an expansion of its Cape Girardeau operations, which is expected to create 15 new jobs.

CITY OF CAPE GIRARDEAU, MISSOURI

Cape Girardeau continues to be a regional retail center for much of Southeast Missouri and Southern Illinois. Since 2012 the City has increased its share of the local retail market. However, it appears that the City's share of the local retail market may be leveling off.

<u>SALES TAX COMPARISON</u>				
	FY12	FY13	FY14	FY15
Cape Girardeau	42.4%	44.0%	43.8%	43.7%
Carbondale	27.4%	26.7%	26.4%	26.1%
Jackson	9.6%	9.3%	9.6%	9.6%
Perryville	7.2%	7.2%	7.2%	7.4%
Sikeston	13.4%	12.8%	13.0%	13.2%
	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 last two years, it appears that the trend of the City increasing its share of the local market may be ending.

Local Economic Development

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

Payment made by the City pursuant to these agreements totaled \$564,075 during the current year. Payments totaling \$2,499,619 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 actively marketing its new 247.43 acre business park site located along I-55 around the LaSalle interchange. This site was purchased in February, 2013 by the Southeast Missouri State University Foundation. The land will be used for future business development and is best suited for distribution centers, light manufacturing, technology-related businesses, and retail development.

During the past two years, the City has spent \$3,597,486 for road, sidewalk, traffic control, sewer, water, electrical, and natural gas infrastructure at the site.

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, 2016 and financial condition

The adopted general fund budget for the fiscal year ending June 30, 2016, was projected to produce a \$124,379 deficit and included a 1.7% wage increase effective July 1, 2015. Projected revenues used in preparing the budget were based on conservative revenue assumptions.

The approved general fund budget projected the use of \$138,783 prior year's unassigned fund balance to increase the emergency reserve fund balance by \$14,404 and fund \$124,379 in one-time operating expenses.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

City of Cape Girardeau
Statement of Net Position
June 30, 2015

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Pooled cash and investments	\$ 43,725,724.85	\$ 12,568,595.53	\$ 56,294,320.38
Cash and cash equivalents	81,238.69	-	81,238.69
Investments	352,050.78	-	352,050.78
Taxes receivable	4,793,019.68	-	4,793,019.68
Utility charges receivable - current	-	2,295,883.35	2,295,883.35
Special Assessments receivable	226,044.65	22,089.24	248,133.89
Interest receivable	251.02	239.92	490.94
Other receivables	522,003.82	5,295.47	527,299.29
Notes receivable	184,725.20	-	184,725.20
Motor fuel receivable	115,719.21	-	115,719.21
Grants receivable	319,469.07	-	319,469.07
Inventory	237,368.91	1,264,289.93	1,501,658.84
Prepaid items	306,438.72	37,557.50	343,996.22
Internal balances	(210,199.58)	210,199.58	-
Total current assets	\$ 50,653,855.02	\$ 16,404,150.52	\$ 67,058,005.54
Noncurrent assets:			
Restricted cash and cash equivalents	-	5,903,024.22	5,903,024.22
Utility charges receivable - noncurrent	-	408,007.48	408,007.48
Net pension assets	7,124,950.58	1,214,575.42	8,339,526.00
Land	10,117,070.83	649,917.54	10,766,988.37
Buildings	20,589,455.03	1,984,568.59	22,574,023.62
Land Improvements	19,411,780.52	152,069,859.54	171,481,640.06
Equipment	5,851,220.69	3,906,471.15	9,757,691.84
Infrastructure	119,667,592.25	-	119,667,592.25
Construction in process	6,646,861.41	4,089,883.22	10,736,744.63
Total noncurrent assets	\$ 189,408,931.31	\$ 170,226,307.16	\$ 359,635,238.47
Total assets	\$ 240,062,786.33	\$ 186,630,457.68	\$ 426,693,244.01
Deferred outflows of resources:			
Deferred outflow related-pensions	\$ 2,566,023.73	\$ 354,020.27	\$ 2,920,044.00
Total deferred outflows of resources	\$ 2,566,023.73	\$ 354,020.27	\$ 2,920,044.00

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Net Position
June 30, 2015

	Primary Government		Total
	Governmental Activities	Business-type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,891,872.92	\$ 4,108,863.59	\$ 6,000,736.51
Salaries and benefits payable	800,946.03	150,627.54	951,573.57
Interest payable	93,612.57	918,614.95	1,012,227.52
Other liabilities	265,322.81	622,304.70	887,627.51
Estimated claims	381,000.00	-	381,000.00
Due to other governments	1,208.25	66,073.88	67,282.13
Unearned revenues	101,213.85	69,987.59	171,201.44
Current portion of long-term debt			
Notes payable	350,032.84	-	350,032.84
Revenue bonds payable	45,700.00	5,773,000.00	5,818,700.00
Leasehold revenue bonds payable	2,150,000.00	-	2,150,000.00
Special obligation bonds payable	80,000.00	175,000.00	255,000.00
Total current liabilities	<u>\$ 6,160,909.27</u>	<u>\$ 11,884,472.25</u>	<u>\$ 18,045,381.52</u>
Noncurrent liabilities:			
Estimated landfill post closure costs	\$ -	\$ 33,750.00	\$ 33,750.00
Notes payable	3,619,900.82	-	3,619,900.82
Revenue bonds payable	760,600.00	81,087,158.40	81,847,758.40
Leasehold revenue bonds payable	6,193,176.37	-	6,193,176.37
Special obligation bonds payable	1,068,227.65	385,538.00	1,453,765.65
Compensated absences payable	1,369,745.68	182,261.13	1,552,006.81
Net OPEB obligation	2,496,865.00	218,369.00	2,715,234.00
Total noncurrent liabilities	<u>\$ 15,508,515.52</u>	<u>\$ 81,907,076.53</u>	<u>\$ 97,415,592.05</u>
Total liabilities	<u>\$ 21,669,424.79</u>	<u>\$ 93,791,548.78</u>	<u>\$ 115,460,973.57</u>
NET POSITION			
Net investment in capital assets	\$ 163,824,387.91	\$ 75,288,120.75	\$ 239,112,508.66
Restricted for depreciation and replacement	-	277,000.00	277,000.00
Restricted for emergency fund	4,953,920.00	2,890,082.00	7,844,002.00
Restricted for Mausoleum	94,846.40	-	94,846.40
Restricted for Operation and Maintenance	25,419.62	-	25,419.62
Unrestricted	52,060,811.34	14,737,726.42	66,798,537.76
Total net position	<u>\$ 220,959,385.27</u>	<u>\$ 93,192,929.17</u>	<u>\$ 314,152,314.44</u>

See Accompanying Notes to Basic Financial Statements.

**City of Cape Girardeau
Statement of Activities
For the Year Ended June 30, 2015**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
Interest and Other Charges	\$ 617,889.91	\$ -	\$ -	\$ -	\$ (617,889.91)	\$ -	\$ (617,889.91)
Development Services	5,854,606.64	1,318,568.30	1,134,497.28	-	(3,401,541.06)	-	(3,401,541.06)
Public Safety	13,870,405.61	84,879.56	394,942.12	80,626.79	(13,309,957.14)	-	(13,309,957.14)
Public Works	8,237,177.71	14,245.00	-	501,249.15	(7,721,683.56)	-	(7,721,683.56)
Parks and Recreation	5,167,102.92	1,614,272.64	23,738.88	7,500.00	(3,521,591.40)	-	(3,521,591.40)
Capital Improvements	973,033.38	-	-	1,499,678.30	526,644.92	-	526,644.92
Administrative	3,100,622.60	1,828,741.75	-	-	(1,271,880.85)	-	(1,271,880.85)
Total governmental activities	\$ 37,820,838.77	\$ 4,860,707.25	\$ 1,553,178.28	\$ 2,089,054.24	\$ (29,317,899.00)	\$ -	\$ (29,317,899.00)
Business-type activities:							
Golf Course Fund	\$ 679,453.56	\$ 474,276.12	\$ 1,020.00	\$ -	\$ -	\$ (204,157.44)	\$ (204,157.44)
Sewer Fund	8,125,842.41	7,086,698.62	-	1,445,695.63	-	406,551.84	406,551.84
Solid Waste Fund	3,257,215.29	3,342,171.38	-	-	-	84,956.09	84,956.09
Sporting Complexes Fund	1,095,071.90	377,565.01	-	44,232.85	-	(673,274.04)	(673,274.04)
Water Fund	7,831,517.08	6,257,541.44	-	120,334.49	-	(1,453,641.15)	(1,453,641.15)
Total business-type activities	\$ 20,989,100.24	\$ 17,538,252.57	\$ 1,020.00	\$ 1,610,262.97	\$ -	\$ (1,839,564.70)	\$ (1,839,564.70)
Total primary government	\$ 58,809,939.01	\$ 22,398,959.82	\$ 1,554,198.28	\$ 3,699,317.21	\$ (29,317,899.00)	\$ (1,839,564.70)	\$ (31,157,463.70)

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Activities
For the Year Ended June 30, 2015

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		Total
					Governmental Activities	Business-type Activities	
General revenues:							
Property taxes				\$ 2,228,303.05	\$ -	\$ 2,228,303.05	
Sales taxes				27,690,472.08	-	27,690,472.08	
Franchise taxes				4,969,829.08	-	4,969,829.08	
Motor fuel taxes				1,459,353.83	-	1,459,353.83	
Convention and tourism taxes				2,136,403.70	-	2,136,403.70	
Merchant licenses				1,316,019.23	-	1,316,019.23	
Liquor licenses				73,152.38	-	73,152.38	
Other taxes				3,623,268.75	-	3,623,268.75	
Unrestricted grants and contributions				52,801.35	-	52,801.35	
Unrestricted investment earnings				607,557.43	256,465.20	864,022.63	
Gain or Loss on sale of assets				99,027.25	79,438.83	178,466.08	
Transfers				(6,134,074.48)	6,134,074.48	-	
Total general revenues, special items, and transfers				38,122,113.65	6,469,978.51	44,592,092.16	
Change in net position				8,804,214.65	4,630,413.81	13,434,628.46	
Net position - beginning				193,838,001.27	87,617,825.88	281,455,827.15	
Prior period adjustments				18,317,169.35	944,689.48	19,261,858.83	
Net position - ending				\$ 220,959,385.27	\$ 93,192,929.17	\$ 314,152,314.44	

See Accompanying Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS

**City of Cape Girardeau-GAAP
Balance Sheet
Governmental Funds
June 30, 2015**

	<u>General Fund</u>	<u>Airport Fund</u>	<u>Parks and Recreation Fund</u>	<u>Casino Revenue Fund</u>	<u>Transportation Sales Tax IV</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 253,153.18	\$ 73,648.46	\$ 110,241.64	\$ 65,620.72	\$ 475,061.21	\$ 846,408.59	\$ 1,824,133.80
Salaries and benefits payable	563,295.96	20,198.65	101,303.01	-	-	4,169.74	688,967.36
Other liabilities	205,643.74	46,996.51	12,871.56	-	-	(189.00)	265,322.81
Due to other governments	1.63	(0.02)	-	-	-	1,206.64	1,208.25
Payable to other funds	-	-	-	-	-	321,758.60	321,758.60
Unearned revenues	-	1,694.00	98,919.85	-	-	600.00	101,213.85
Deferred revenues	232,469.13	-	-	-	-	110,562.94	343,032.07
Total Current liabilities	<u>1,254,563.64</u>	<u>142,537.60</u>	<u>323,336.06</u>	<u>65,620.72</u>	<u>475,061.21</u>	<u>1,284,517.51</u>	<u>3,545,636.74</u>
Noncurrent liabilities:							
Total Noncurrent liabilities	-	-	-	-	-	-	-
Total liabilities	<u>1,254,563.64</u>	<u>142,537.60</u>	<u>323,336.06</u>	<u>65,620.72</u>	<u>475,061.21</u>	<u>1,284,517.51</u>	<u>3,545,636.74</u>
FUND BALANCES (DEFICITS)							
Nonspendable	264,927.10	15,320.52	26,808.64	488,335.00	-	13,160.04	808,551.30
Restricted	4,574,475.40	-	-	-	8,465,283.81	19,554,888.66	32,594,647.87
Committed	-	-	-	4,490,647.60	-	-	4,490,647.60
Assigned	118,759.46	136,403.16	426,796.19	-	-	533,582.76	1,215,541.57
Unassigned	2,731,862.99	-	-	-	-	-	2,731,862.99
Total fund balances (deficits)	<u>7,690,024.95</u>	<u>151,723.68</u>	<u>453,604.83</u>	<u>4,978,982.60</u>	<u>8,465,283.81</u>	<u>20,101,631.46</u>	<u>41,841,251.33</u>
Total liabilities and fund balances (deficits)	<u>\$ 8,944,588.59</u>	<u>\$ 294,261.28</u>	<u>\$ 776,940.89</u>	<u>\$ 5,044,603.32</u>	<u>\$ 8,940,345.02</u>	<u>\$ 21,386,148.97</u>	<u>\$ 45,386,888.07</u>

See Accompanying Notes to Basic Financial Statements.

**City of Cape Girardeau-GAAP
Balance Sheet
Governmental Funds
June 30, 2015**

	<u>General Fund</u>	<u>Airport Fund</u>	<u>Parks and Recreation Fund</u>	<u>Casino Revenue Fund</u>	<u>Transportation Sales Tax IV</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 8,700.00	\$ -	\$ -	\$ -	\$ -	\$ 57,688.30	\$ 66,388.30
Pooled cash and investments	5,066,390.33	65,696.62	702,903.82	4,271,737.49	8,489,819.15	19,593,248.42	38,189,795.83
Receivables-							
Real estate taxes, net	74,992.10	-	-	-	-	15,331.09	90,323.19
Property taxes, net	17,304.98	-	-	-	-	3,242.08	20,547.06
Sales tax	918,093.72	-	-	-	450,525.87	1,142,918.81	2,511,538.40
Franchise taxes	1,976,759.76	-	-	-	-	-	1,976,759.76
Hotel & motel tax	-	-	-	-	-	193,851.27	193,851.27
Special assessments	132,204.68	-	-	-	-	93,839.97	226,044.65
Other	33,166.56	113,527.06	31,980.41	284,530.83	-	20,232.55	483,437.41
Motor fuel tax	-	-	-	-	-	74,917.39	74,917.39
Vehicle license fees	-	-	-	-	-	13,075.65	13,075.65
Motor vehicle sales tax	-	-	-	-	-	27,726.17	27,726.17
Grants	132,175.28	56,722.74	-	-	-	130,571.05	319,469.07
Other funds	321,758.60	-	-	-	-	-	321,758.60
Inventory	215.48	42,994.34	15,248.02	-	-	6,346.18	64,804.02
Prepaid items	125,596.40	15,320.52	26,808.64	-	-	13,160.04	180,885.60
Total Current assets	<u>8,807,357.89</u>	<u>294,261.28</u>	<u>776,940.89</u>	<u>4,556,268.32</u>	<u>8,940,345.02</u>	<u>21,386,148.97</u>	<u>44,761,322.37</u>
Noncurrent assets:							
Advances to other funds	<u>137,230.70</u>	<u>-</u>	<u>-</u>	<u>488,335.00</u>	<u>-</u>	<u>-</u>	<u>625,565.70</u>
Total Noncurrent assets	<u>137,230.70</u>	<u>-</u>	<u>-</u>	<u>488,335.00</u>	<u>-</u>	<u>-</u>	<u>625,565.70</u>
Total assets	<u>\$ 8,944,588.59</u>	<u>\$ 294,261.28</u>	<u>\$ 776,940.89</u>	<u>\$ 5,044,603.32</u>	<u>\$ 8,940,345.02</u>	<u>\$ 21,386,148.97</u>	<u>\$ 45,386,888.07</u>

See Accompanying Notes to Basic Financial Statements.

**City of Cape Girardeau
Reconciliation of Balance Sheet
To the Statement of Net Position
June 30, 2015**

Fund balances of governmental funds	\$41,841,251.33
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.	180,495,539.08
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.	7,049,209.48
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.	9,403,313.56
Accrued expenses that 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.	(180,652.24)
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.	(14,267,637.68)
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 they do not require the use of current financial resources.	(2,400,336.00)
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.	(1,324,334.33)
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.	343,032.07
Net position of governmental activities	<u>\$220,959,385.27</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Airport Fund	Parks and Recreation Fund	Casino Revenue Fund	Transportation Sales Tax IV	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 17,123,365.33	\$ -	\$ -	\$ 3,268,825.19	\$ 4,919,235.94	\$ 15,305,563.87	\$ 40,616,990.33
Licenses & permits	1,575,202.27	-	-	-	-	2,512.00	1,577,714.27
Intergovernmental	657,732.73	294,582.49	-	-	30,000.00	3,575,051.15	4,557,366.37
Charges for services	192,086.58	367,561.78	1,303,203.17	-	-	83,502.46	1,946,353.99
Internal charges	939,547.46	-	-	-	-	-	939,547.46
Fines and forfeits	704,966.50	-	-	-	-	-	704,966.50
Miscellaneous	516,411.67	275,262.97	8,999.26	-	-	118,513.03	919,186.93
Investment revenue	80,791.86	353.36	5,381.61	56,196.54	88,979.71	283,994.40	515,697.48
Special assessments	65,351.77	-	-	-	-	18,991.80	84,343.57
Total revenues	<u>21,855,456.17</u>	<u>937,760.60</u>	<u>1,317,584.04</u>	<u>3,325,021.73</u>	<u>5,038,215.65</u>	<u>19,388,128.71</u>	<u>51,862,166.90</u>
EXPENDITURES							
Current:							
Administrative	2,462,042.25	-	-	92,602.27	-	-	2,554,644.52
Capital Improvements	-	-	-	-	-	348,434.46	348,434.46
Development Services	2,321,508.30	1,456,993.12	-	-	277,432.59	1,917,159.62	5,973,093.63
Parks and Recreation	1,664,318.46	-	2,513,244.70	24,079.54	-	66,155.41	4,267,798.11
Public Safety	12,813,726.36	-	-	52.12	-	400,264.18	13,214,042.66
Public Works	2,874,265.03	-	-	-	-	-	2,874,265.03
Debt service:							
Administrative charges	477.00	-	-	-	-	8,211.76	8,688.76
Interest	53,719.22	120.09	-	119,401.73	-	481,430.45	654,671.49
Principal	374,000.00	-	-	340,598.27	-	3,455,607.04	4,170,205.31
Capital outlay:							
Administrative	6,981.00	-	-	10,713.00	-	-	17,694.00
Capital Improvements	-	-	-	966,164.12	2,063,145.38	4,107,754.93	7,137,064.43
Development Services	6,821.22	7,839.39	-	12,576.75	-	-	27,237.36
Parks and Recreation	12,165.80	-	3,578.14	51,346.81	-	1,049,737.95	1,116,828.70
Public Safety	72,929.49	-	-	24,356.95	-	941,541.37	1,038,827.81
Public Works	-	-	-	115,199.93	-	-	115,199.93
Total expenditures	<u>22,662,954.13</u>	<u>1,464,952.60</u>	<u>2,516,822.84</u>	<u>1,757,091.49</u>	<u>2,340,577.97</u>	<u>12,776,297.17</u>	<u>43,518,696.20</u>
Excess (deficiency) of revenues over expenditures	<u>(807,497.96)</u>	<u>(527,192.00)</u>	<u>(1,199,238.80)</u>	<u>1,567,930.24</u>	<u>2,697,637.68</u>	<u>6,611,831.54</u>	<u>8,343,470.70</u>
OTHER FINANCING SOURCES (USES)							
Transfers out	(5,118,472.63)	-	(3,421.86)	(486,002.93)	-	(12,020,794.88)	(17,628,692.30)
Transfers in	6,795,999.22	590,727.72	1,272,199.87	260,000.00	260,000.00	5,283,682.59	14,462,609.40
Asset disposition	21,759.38	-	227.61	-	-	-	21,986.99
Total other financing source (uses)	<u>1,699,285.97</u>	<u>590,727.72</u>	<u>1,269,005.62</u>	<u>(226,002.93)</u>	<u>260,000.00</u>	<u>(6,737,112.29)</u>	<u>(3,144,095.91)</u>
SPECIAL ITEMS							
Special payment to employee retirement plan	(1,591,411.08)	(46,777.72)	(62,401.48)	-	-	(1,403.33)	(1,701,993.61)
Net change in fund balances	(699,623.07)	16,758.00	7,365.34	1,341,927.31	2,957,637.68	(126,684.08)	3,497,381.18
Fund balances - beginning	8,405,608.39	138,676.59	464,541.50	3,637,055.29	5,507,646.13	20,236,524.83	38,390,052.73
Prior period adjustment	(15,960.37)	(3,710.91)	(18,302.01)	-	-	(8,209.29)	(46,182.58)
Fund balances - ending	<u>\$ 7,690,024.95</u>	<u>\$ 151,723.68</u>	<u>\$ 453,604.83</u>	<u>\$ 4,978,982.60</u>	<u>\$ 8,465,283.81</u>	<u>\$ 20,101,631.46</u>	<u>\$ 41,841,251.33</u>

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, 2015

Net change in fund balances - total governmental funds	\$3,497,381.18
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 is the amount by which depreciation was more or (less) than capital outlays.	(1,051,473.89)
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 operations are included in governmental activities in the statement of activities.	(1,326,220.10)
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 activities but not in the governmental funds.	1,905,470.12
Accrued expenses that are reported in the statement of activities are not reported as expenditures in governmental funds because they do not require the use of current financial resources.	11,819.81
Increases (decreases) in long-term debt are reported as revenues (expenses) in the fund financial statements but are not included in the statement of activities	4,191,955.14
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.	(40,211.00)
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.	(247,622.99)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	13,335.38
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,849,781.00
Change in net position of governmental activities	\$8,804,214.65

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities					Total Enterprise Funds	Governmental Activities
	Sewer Fund	Water Fund	Solid Waste Fund	Golf Course Fund	Sporting Complexes Fund		Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,850.39
Pooled cash and investments	5,299,939.42	6,518,664.20	520,302.42	77,169.61	152,519.88	12,568,595.53	5,535,929.02
Investments	-	-	-	-	-	-	352,050.78
Utilities charges - current	1,017,197.83	916,637.54	362,047.98	-	-	2,295,883.35	-
Special assessments	16,154.84	5,934.40	-	-	-	22,089.24	-
Other	5,384.58	1,163.95	17.70	(908.40)	(362.36)	5,295.47	38,566.41
Notes receivable	-	-	-	-	-	-	184,725.20
Interest	239.92	-	-	-	-	239.92	251.02
Inventory	-	1,238,238.39	-	5,138.25	20,913.29	1,264,289.93	172,564.89
Prepaid items	19,803.23	8,066.20	6,421.40	314.67	2,952.00	37,557.50	125,553.12
Total current assets	<u>\$ 6,358,719.82</u>	<u>\$ 8,688,704.68</u>	<u>\$ 888,789.50</u>	<u>\$ 81,714.13</u>	<u>\$ 176,022.81</u>	<u>\$ 16,193,950.94</u>	<u>\$ 6,424,490.83</u>
Noncurrent assets:							
Rest cash and cash equivalents	\$ 5,903,024.22	\$ -	\$ -	\$ -	\$ -	\$ 5,903,024.22	\$ -
Utility charges receivable - noncurrent	-	-	408,007.48	-	-	408,007.48	-
Net pensions assets	602,539.67	84,923.80	375,187.29	104,199.85	47,724.81	1,214,575.42	200,565.80
Land	537,677.99	-	112,239.55	-	-	649,917.54	37,500.00
Buildings	8,078,346.00	223,646.63	1,083,623.13	163,674.80	1,006,876.94	10,556,167.50	53,906.45
Equipment	3,990,932.77	2,419,009.74	3,746,948.70	59,727.93	240,333.75	10,456,952.89	5,547,206.93
Other improvements	141,598,234.75	58,179,364.81	344,022.92	1,972,744.42	1,557,642.35	203,652,009.25	155,653.19
Construction in progress	3,003,227.53	903,723.69	182,932.00	-	-	4,089,883.22	-
Accumulated depreciation	<u>(41,677,396.01)</u>	<u>(19,605,797.26)</u>	<u>(3,696,374.27)</u>	<u>(957,010.20)</u>	<u>(767,652.62)</u>	<u>(66,704,230.36)</u>	<u>(4,005,824.92)</u>
Total noncurrent assets	<u>\$ 122,036,586.92</u>	<u>\$ 42,204,871.41</u>	<u>\$ 2,556,586.80</u>	<u>\$ 1,343,336.80</u>	<u>\$ 2,084,925.23</u>	<u>\$ 170,226,307.16</u>	<u>\$ 1,989,007.45</u>
Total assets	<u>\$ 128,395,306.74</u>	<u>\$ 50,893,576.09</u>	<u>\$ 3,445,376.30</u>	<u>\$ 1,425,050.93</u>	<u>\$ 2,260,948.04</u>	<u>\$ 186,420,258.10</u>	<u>\$ 8,413,498.28</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to the pension plan	\$ 156,329.70	\$ 28,739.92	\$ 107,467.30	\$ 22,767.95	\$ 38,715.40	\$ 354,020.27	\$ 87,094.95
Total deferred outflows of resources	<u>\$ 156,329.70</u>	<u>\$ 28,739.92</u>	<u>\$ 107,467.30</u>	<u>\$ 22,767.95</u>	<u>\$ 38,715.40</u>	<u>\$ 354,020.27</u>	<u>\$ 87,094.95</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities					Governmental Activities	
	Sewer Fund	Water Fund	Solid Waste Fund	Golf Course Fund	Sporting Complexes Fund	Total Enterprise Funds	Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 3,022,465.78	\$ 986,497.81	\$ 58,034.44	\$ 15,158.32	\$ 26,707.24	\$ 4,108,863.59	\$ 67,739.12
Salaries and benefits payable	58,968.03	8,047.17	28,078.94	17,638.73	37,894.67	150,627.54	24,939.00
Interest payable	711,699.32	206,915.63	-	-	-	918,614.95	-
Other liabilities	278,359.68	221,032.15	110,304.02	12,608.85	-	622,304.70	-
Estimated claims payable	-	-	-	-	-	-	381,000.00
Due to other governments	21,460.09	44,613.79	-	-	-	66,073.88	-
Unearned revenues	-	-	-	41,557.11	28,430.48	69,987.59	-
Current portion of long-term debt							
Revenue bonds payable	5,218,000.00	555,000.00	-	-	-	5,773,000.00	-
Special obligation bonds payable	-	-	175,000.00	-	-	175,000.00	-
Total current liabilities	<u>\$ 9,310,952.90</u>	<u>\$ 2,022,106.55</u>	<u>\$ 371,417.40</u>	<u>\$ 86,963.01</u>	<u>\$ 93,032.39</u>	<u>\$ 11,884,472.25</u>	<u>\$ 473,678.12</u>
Noncurrent liabilities:							
Net OPEB obligation	9,889.00	40,798.00	81,006.00	74,776.00	11,900.00	218,369.00	96,529.00
Compensated absences payable	64,131.87	8,778.22	57,794.47	20,222.62	31,333.95	182,261.13	45,411.35
Advances from other funds	-	-	488,335.00	70,097.91	67,132.79	625,565.70	-
Revenue bonds payable	69,474,532.33	11,612,626.07	-	-	-	81,087,158.40	-
Special obligation bonds payable	-	-	385,538.00	-	-	385,538.00	-
Est. landfill post closure cost	-	-	33,750.00	-	-	33,750.00	-
Total noncurrent liabilities	<u>\$ 69,548,553.20</u>	<u>\$ 11,662,202.29</u>	<u>\$ 1,046,423.47</u>	<u>\$ 165,096.53</u>	<u>\$ 110,366.74</u>	<u>\$ 82,532,642.23</u>	<u>\$ 141,940.35</u>
Total liabilities	<u>\$ 78,859,506.10</u>	<u>\$ 13,684,308.84</u>	<u>\$ 1,417,840.87</u>	<u>\$ 252,059.54</u>	<u>\$ 203,399.13</u>	<u>\$ 94,417,114.48</u>	<u>\$ 615,618.47</u>
NET POSITION							
Invested in capital assets, net of related debt	40,838,490.70	29,957,129.31	1,216,163.37	1,239,136.95	2,037,200.42	75,288,120.75	1,788,441.65
Restricted for depreciation and replacement	127,000.00	150,000.00	-	-	-	277,000.00	-
Restricted for emergencies	1,647,729.00	908,804.00	333,549.00	-	-	2,890,082.00	-
Unrestricted	7,078,910.64	6,222,073.86	585,290.36	(43,377.61)	59,063.89	13,901,961.14	6,096,533.11
Total net position	<u>\$ 49,692,130.34</u>	<u>\$ 37,238,007.17</u>	<u>\$ 2,135,002.73</u>	<u>\$ 1,195,759.34</u>	<u>\$ 2,096,264.31</u>	<u>92,357,163.89</u>	<u>\$ 7,884,974.76</u>
Difference between business-type adjustments to assets and liabilities.			-	-	-	835,765.28	
Net position of business-type activities						<u>\$ 93,192,929.17</u>	

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities					Governmental Activities	
	Sewer Fund	Water Fund	Solid Waste Fund	Golf Course Fund	Sporting Complexes Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES							
Residential charges	\$ 4,483,484.08	\$ 3,638,807.65	\$ 2,387,422.79	\$ -	\$ -	\$ 10,509,714.52	\$ -
Commerical charges	2,385,597.02	2,366,191.71	38,624.06	-	-	4,790,412.79	-
Transfer station charges	-	-	773,703.75	-	-	773,703.75	-
Other fees and charges	127,625.40	232,129.88	97,086.10	-	-	456,841.38	17,871.49
Concession revenues	-	-	-	32,958.12	53,942.47	86,900.59	-
Internal charges	7,454.16	-	-	-	4,116.00	11,570.16	6,706,502.68
Usage fees	-	-	-	439,974.35	319,224.54	759,198.89	-
Miscellaneous	1,367.96	20,412.20	45,334.68	2,363.65	282.00	69,760.49	1,105.53
Total operating revenues	<u>\$ 7,005,528.62</u>	<u>\$ 6,257,541.44</u>	<u>\$ 3,342,171.38</u>	<u>\$ 475,296.12</u>	<u>\$ 377,565.01</u>	<u>\$ 17,458,102.57</u>	<u>\$ 6,725,479.70</u>
OPERATING EXPENSES							
Personnel services	\$ 1,682,310.71	\$ 266,256.89	\$ 1,091,241.53	\$ 385,601.87	\$ 597,392.61	\$ 4,022,803.61	\$ 851,549.40
Materials & supplies	632,171.06	1,006,423.59	229,137.85	110,488.50	170,512.41	2,148,733.41	623,133.14
Contractual services	684,559.21	2,792,341.07	1,103,707.96	47,567.38	58,728.43	4,686,904.05	4,087,881.03
General operating expenses	520,082.84	379,036.67	34,609.41	156.05	1,005.31	934,890.28	62,315.87
Special programs	16,712.04	242,310.87	19,118.05	4,633.93	81,289.68	364,064.57	37,800.00
Internal service expenses	191,366.21	143,086.71	409,110.00	38,702.82	37,513.78	819,779.52	6,439.00
Depreciation	3,247,884.45	1,667,681.22	408,017.21	95,024.20	158,925.41	5,577,532.49	436,661.07
Total operating expenses	<u>\$ 6,975,086.52</u>	<u>\$ 6,497,137.02</u>	<u>\$ 3,294,942.01</u>	<u>\$ 682,174.75</u>	<u>\$ 1,105,367.63</u>	<u>\$ 18,554,707.93</u>	<u>\$ 6,105,779.51</u>
Operating income (loss)	<u>\$ 30,442.10</u>	<u>\$ (239,595.58)</u>	<u>\$ 47,229.37</u>	<u>\$ (206,878.63)</u>	<u>\$ (727,802.62)</u>	<u>\$ (1,096,605.36)</u>	<u>\$ 619,700.19</u>
NONOPERATING REVENUES (EXPENSES)							
Investment revenue	\$ 178,560.79	\$ 67,908.55	\$ 9,183.67	\$ 455.96	\$ 356.23	\$ 256,465.20	\$ 91,863.95
Gain from sale of asset	68,671.80	468.05	4,447.40	1,133.13	4,718.45	79,438.83	77,271.87
Interest and other charges	(1,206,687.24)	(392,249.88)	(11,403.37)	(4,730.04)	(4,119.38)	(1,619,189.91)	-
Total nonoperating revenues (expenses)	<u>\$ (959,454.65)</u>	<u>\$ (323,873.28)</u>	<u>\$ 2,227.70</u>	<u>\$ (3,140.95)</u>	<u>\$ 955.30</u>	<u>\$ (1,283,285.88)</u>	<u>\$ 169,135.82</u>
Income (loss) before contributions and transfers	<u>\$ (929,012.55)</u>	<u>\$ (563,468.86)</u>	<u>\$ 49,457.07</u>	<u>\$ (210,019.58)</u>	<u>\$ (726,847.32)</u>	<u>\$ (2,379,891.24)</u>	<u>\$ 788,836.01</u>
Contributed cap - connect fee	81,170.00	-	-	-	-	81,170.00	-
Contributed cap - developers	507,811.25	120,334.49	-	-	-	628,145.74	-
Contributed cap - government	964,228.30	-	-	-	55,622.00	1,019,850.30	-
Transfers in	2,242,501.42	1,567,353.10	587,895.08	128,681.64	637,447.65	5,163,878.89	48,181.05
Transfers out	(3,421.86)	(2,000.00)	-	-	-	(5,421.86)	(2,040,555.18)
Change in net position	2,863,276.56	1,122,218.73	637,352.15	(81,337.94)	(33,777.67)	4,507,731.83	(1,203,538.12)
Total net position - beginning	46,291,246.11	36,165,016.48	1,131,667.96	1,214,905.53	2,101,906.50	86,904,742.58	8,876,259.44
Prior period adjustments	537,607.67	(49,228.04)	365,982.62	62,191.75	28,135.48	944,689.48	212,253.44
Total net position - ending	<u>\$ 49,692,130.34</u>	<u>\$ 37,238,007.17</u>	<u>\$ 2,135,002.73</u>	<u>\$ 1,195,759.34</u>	<u>\$ 2,096,264.31</u>	<u>\$ 92,357,163.89</u>	<u>\$ 7,884,974.76</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.						<u>122,681.98</u>	
Change in net position of business-type activities.						<u>4,630,413.81</u>	

City of Cape Girardeau
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Government Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 6,992,821.03	\$ 6,401,669.10	\$ 3,214,111.70	\$ 531,313.98	\$ 459,980.38	\$ 17,599,896.19	\$ 132,176.65
Receipts from interfund services	7,454.16	-	38,624.06	-	4,116.00	50,194.22	6,583,537.84
Other receipts	-	-	-	1,020.00	-	1,020.00	1,793.91
Payments to suppliers	(1,202,807.27)	(3,937,963.14)	(1,477,367.07)	(202,986.52)	(407,212.88)	(7,228,336.88)	(5,031,657.86)
Payments for salaries and benefits	(1,724,298.95)	(276,297.58)	(1,107,737.27)	(368,189.19)	(613,675.55)	(4,090,198.54)	(881,307.76)
Payments for interfund services used	(204,146.41)	(143,149.88)	(409,110.00)	(38,702.82)	(37,513.78)	(832,622.89)	(6,439.00)
Payments made in lieu of franchise taxes	(349,423.63)	(312,837.17)	-	-	-	(662,260.80)	-
Remittance of taxes collected from customers	(15,158.72)	(257,390.24)	-	-	-	(272,548.96)	-
Net cash provided (used) by operating activities	<u>\$ 3,504,440.21</u>	<u>\$ 1,474,031.09</u>	<u>\$ 258,521.42</u>	<u>\$ (77,544.55)</u>	<u>\$ (594,305.83)</u>	<u>\$ 4,565,142.34</u>	<u>\$ 798,103.78</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	\$ 605,631.84	\$ 19,365.98	\$ 587,895.08	\$ 126,681.64	\$ 630,458.65	\$ 1,970,033.19	\$ 48,181.05
Transfers to other funds	-	-	-	-	-	-	(2,035,782.79)
Advance repayment to other funds	-	-	(504,817.85)	(32,536.52)	(20,256.52)	(557,610.90)	-
Advance from other funds	-	-	488,335.00	-	-	488,335.00	-
Interest paid to other funds	-	-	-	(4,730.04)	(4,119.38)	(8,849.42)	-
Subsidy from state grant	1,289.19	-	-	-	-	1,289.19	-
Special payment to employee retirement plan	(131,351.84)	(19,365.98)	(83,077.23)	(22,172.64)	(13,752.65)	(269,720.34)	(48,181.05)
Net cash (used) by noncapital financing	<u>\$ 475,569.19</u>	<u>\$ -</u>	<u>\$ 488,335.00</u>	<u>\$ 67,242.43</u>	<u>\$ 592,330.10</u>	<u>\$ 1,623,476.72</u>	<u>\$ (2,035,782.79)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	\$ 91,709.80	\$ 1,744.04	\$ -	\$ -	\$ 55,622.00	\$ 149,075.84	\$ -
Principal received on promissory note	-	-	-	-	-	-	15,864.65
Interest received on promissory note	-	-	-	-	-	-	3,406.84
Proceeds from sales of capital assets	83,110.42	12,480.93	4,447.40	1,133.13	4,718.45	105,890.33	77,271.87
Proceeds from capital debt	12,156,055.49	-	-	-	-	12,156,055.49	-
Purchase of capital assets	(504,523.69)	(197,050.01)	(155,305.56)	-	(55,622.00)	(912,501.26)	(336,138.54)
Acquisition and construction of capital assets	(15,196,377.88)	(1,099,638.34)	(169,307.00)	-	-	(16,465,323.22)	-
Principal paid on capital debt	(1,648,170.00)	(545,000.00)	(694,842.89)	-	-	(2,888,012.89)	-
Interest paid on capital debt	(1,701,257.16)	(419,281.26)	(24,159.23)	-	-	(2,144,697.65)	-
Transfers in for capital acquisitions	9,369.58	1,547,987.12	-	2,000.00	6,989.00	1,566,345.70	-
Transfers out for capital acquisitions	(3,421.86)	(2,000.00)	-	-	-	(5,421.86)	(4,772.39)
Transfers in for payment of capital related debt	1,627,500.00	-	-	-	-	1,627,500.00	-
Net cash (used) by capital and related financing activities	<u>\$ (5,086,005.30)</u>	<u>\$ (700,757.52)</u>	<u>\$ (1,039,167.28)</u>	<u>\$ 3,133.13</u>	<u>\$ 11,707.45</u>	<u>\$ (6,811,089.52)</u>	<u>\$ (244,367.57)</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Government Activities Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	\$ 182,901.19	\$ 68,669.49	\$ 9,627.47	\$ 480.25	\$ 404.14	\$ 262,082.54	\$ 91,987.15
Proceeds from sales and maturities of investments	-	-	-	-	-	-	350,000.00
Purchase of investments	-	-	-	-	-	-	(352,912.11)
Net change in pooled investments	2,542,156.29	(841,943.06)	282,683.39	6,688.74	(10,135.86)	1,979,449.50	1,392,869.21
Net cash provided by investing activities	<u>2,725,057.48</u>	<u>(773,273.57)</u>	<u>292,310.86</u>	<u>7,168.99</u>	<u>(9,731.72)</u>	<u>2,241,532.04</u>	<u>1,481,944.25</u>
Net increase (decrease) in cash and cash equivalents	1,619,061.58	-	-	-	-	1,619,061.58	(102.33)
Balances - beginning of year	4,283,962.64	-	-	-	-	4,283,962.64	14,952.72
Balances - end of the year	<u>\$ 5,903,024.22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,903,024.22</u>	<u>\$ 14,850.39</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 30,442.10	\$ (239,595.58)	\$ 47,229.37	\$ (206,878.63)	\$ (727,802.62)	\$ (1,096,605.36)	\$ 619,700.19
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	3,247,884.45	1,667,681.22	408,017.21	95,024.20	158,925.41	5,577,532.49	436,661.07
Changes in assets and liabilities:							
Accounts payable - supplier	152,974.81	689,820.71	(144,683.23)	2,434.30	254.47	700,801.06	(219,605.57)
Accounts payable - other	50,405.59	3,489.13	610.03	(293.60)	(6,453.15)	47,758.00	-
Salaries & benefits payable	6,881.08	(1,056.47)	17,098.99	24,530.04	(4,180.34)	43,273.30	(2,532.10)
Customer receivables	24,950.86	(57,482.94)	(62,639.74)	(137.60)	362.36	(94,947.06)	-
Interfund receivables	-	-	-	-	-	-	(8,659.68)
Other operating receivables	-	-	-	-	-	-	688.38
Pension asset/liability	(48,869.32)	(8,984.22)	(33,594.73)	(7,117.36)	(12,102.60)	(110,668.23)	(27,226.26)
Prepaid expenses	39,770.64	49,043.02	26,483.52	3,423.02	4,117.00	122,837.20	(26,801.54)
Inventory	-	(628,883.78)	-	6,133.52	(3,407.36)	(626,157.62)	25,879.29
Unearned revenue	-	-	-	5,337.56	(4,019.00)	1,318.56	-
Net cash provided by operating activities	<u>\$ 3,504,440.21</u>	<u>\$ 1,474,031.09</u>	<u>\$ 258,521.42</u>	<u>\$ (77,544.55)</u>	<u>\$ (594,305.83)</u>	<u>\$ 4,565,142.34</u>	<u>\$ 798,103.78</u>

See Accompanying Notes to Basic Financial Statements.

City of Cape Girardeau-GAAP
Statement of Fiduciary Net Position
June 30, 2015

	Agency funds
ASSETS	
Prepaid items	\$ 23,842.57
Property taxes	17,005.01
Cash and cash equivalents	700.00
Pooled cash and investments	1,385,778.81
Investments	198,000.00
Rest cash and cash equivalents	4,409.41
Real estate taxes	74,929.59
Other	2,207.00
Total assets	\$ 1,706,872.39
 LIABILITIES	
Deferred revenues	\$ 85,957.36
Accounts payable	30,291.61
Salaries and benefits payable	21,460.02
Other liabilities	1,569,163.40
Total liabilities	\$ 1,706,872.39

See accompanying Notes to Basic Financial Statements.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Reporting Entity

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

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

The (CGMDF), (CGPSF), and (CGPDF) are not-for-profit corporations organized and existing under Chapter 355 of the Revised Statutes of Missouri. The (CGMDF) and (CGPSF) board of directors consist of City officials, and the (CGPDF) board of directors consists of Park and Recreation Board members and one City Council member. Due to the significant City influence and financial accountability, the activities of 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.

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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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. 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 in the balance sheet.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

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

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

4. Cash and Investments

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

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Capital Assets

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

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

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

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

6. Encumbrances

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

8. Interfund Transactions

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Bond Premiums, Discounts, and Issuance Costs

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

10. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015 are recorded as prepaid items.

11. Restricted Assets

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

12. Long-Term Obligations

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

13. Receivables

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 Interfund Receivables/Payables

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

16. Advances to Other Funds

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

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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 retire from the City prior to April 1, 2015 with five or more years of service and who are eligible for LAGERS retirement (Note G) or after April 1, 2015 with five or more years of service and have reached their normal retirement ages through LAGERS. Currently, sixty retirees and twenty-two employees meet those eligibility requirements. The City provides health care coverage for them until age 65. The costs of retirees' health care benefits are recognized as expenditures as premiums are paid. For the year ending June 30, 2015, those costs totaled \$801,327.

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 five retiree spouses participating in the health and dental insurance programs as of June 30, 2015.

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, 2015, all infrastructures completed during the fiscal year, including projects started in a previous year, were recorded at their historical costs.

20. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through February 11, 2016, the date the financial statements were available to be issued.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

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, 2015, and reported at fair value, are as follows:

Deposits:		
Demand Deposits	\$	13,439
Interest Bearing Deposit Accounts		<u>2,127,735</u>
Total Deposits		<u>\$ 2,141,174</u>
Investments:		
Negotiable Instruments	\$	50,722,290
Federal Farm Credit Bank		996,920
Federal National Mortgage Association		3,236,385
Federal Home Loan Mortgage Corporation		<u>501,455</u>
Total Investments		<u>\$55,457,050</u>
Accrued Interest Revenue:	\$	<u>81,875</u>
Total Pooled Deposits and Investments		<u>\$57,680,099</u>

As of June 30, 2015, the City had the following pooled investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Negotiable Instruments	07/15/2015 – 06/17/2020	\$ 50,722,290
Federal Farm Credit Bank	05/13/2019 – 07/22/2019	996,920
Federal National Mortgage Assoc.	07/15/2015 – 09/26/2019	3,236,385
Federal Home Loan Mort. Corp.	03/20/2020 – 03/20/2020	<u>501,455</u>
Total		<u>\$ 55,457,050</u>

Reconciliation of Pooled Cash and Investments to Statements:

Governmental Pooled Cash and Investments	\$ 43,725,725
Business-type Pooled Cash and Investments	12,568,595
Fiduciary Pooled Cash and Investments	<u>1,385,779</u>
Total Pooled Cash and Investments	<u>\$ 57,680,099</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE B - DEPOSITS AND INVESTMENTS - Continued

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, 2015, and reported at fair value, are as follows:

Deposits:

Demand Deposits	\$ 430,138
Interest Bearing Deposit Accounts	<u>5,559,234</u>
Total Deposits	<u>\$ 5,989,372</u>

Investments:

Negotiable Instruments	\$ 198,000
U. S. Treasury Note	<u>352,051</u>
Total Investments	<u>\$ 550,051</u>

Total Non-pooled Deposits and Investments \$ 6,539,423

As of June 30, 2015, the City had the following non-pooled investments

Negotiable Instruments	04/12/2014 – 04/12/2017	\$ 198,000
U. S. Treasury Note	11/30/2016 – 11/30/2016	<u>352,051</u>
Total		<u>\$ 550,051</u>

Reconciliation of Non-pooled Deposits and Investments to Statements:

Governmental Cash and Cash Equivalents	\$ 81,239
Governmental Investments	352,051
Business-type Restricted Cash and Cash Equivalents	5,903,024
Fiduciary Cash and Cash Equivalents	<u>203,109</u>
Total Non-pooled Deposits and Investments	<u>\$ 6,539,423</u>

Custodial Credit Risk

Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$59,034,945 at June 30, 2015, that was fully insured by depository insurance or secured with collateral held by the City’s agents in its name. All investments, evidenced by individual securities, are registered in the name of the City.

Investment Interest Rate Risk

The City’s investment policy states that “Market price volatility shall be controlled by matching the City’s investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than seven years.” The maturities of investments held at June 30, 2015 are provided above.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE B - DEPOSITS AND INVESTMENTS - Continued

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, 2015, the City had no concentration of credit risk.

NOTE C - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on August 18, 2014, for collection during this fiscal year and were due on or before December 31. Most of the taxes are collected for the City by Cape Girardeau County in November and December and remitted to the City in December and January. The tax rates assessed at the time were as follows:

General Revenue	\$.3027/100.00 assessed valuation
Public Health	.0567/100.00 assessed valuation
Special Business District #2 (Ad Valorem)	.6869/100.00 assessed valuation

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

Property tax receivable balances as of June 30, 2015 are as follows:

	General Revenue	Public Health	Special Business District	Total
Current property tax	\$ 60,352	\$ 11,305	\$ 1,284	\$ 72,941
Delinquent property tax	39,144	7,332	-	46,476
Reserve for doubtful Property taxes	<u>(7,199)</u>	<u>(1,348)</u>	<u>-</u>	<u>(8,547)</u>
Net property tax receivable	<u>\$ 92,297</u>	<u>\$ 17,289</u>	<u>\$ 1,284</u>	<u>\$ 110,870</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, 2015 is as follows:

	Balance July 1, 2014	Additions	Deductions	Prior Period Adjustment	Current Year Depreciation*	Balance June 30, 2015**
Land	\$ 9,523,689	\$ 593,382	\$ -	\$ -	\$ -	\$ 10,117,071
Buildings	20,783,014	801,231	-	-	994,790	20,589,455
Land improvements	9,153,015	-	-	11,122,485	863,720	19,411,780
Equipment	5,579,517	1,579,655	16,750	-	1,291,201	5,851,221
Infrastructure	122,977,025	1,392,294	-	-	4,701,726	119,667,593
Construction in progress	<u>2,937,406</u>	<u>6,076,642</u>	<u>2,367,187</u>	<u>-</u>	<u>-</u>	<u>6,646,861</u>
Total capital assets	<u>\$170,953,666</u>	<u>\$ 10,443,204</u>	<u>\$ 2,383,937</u>	<u>\$ 11,122,485</u>	<u>\$ 7,851,437</u>	<u>\$ 182,283,981</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, 2015

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, 2015:

	Balance July 1, 2014	Additions	Deductions	Current Year Depreciation	Balance June 30, 2015
Land	\$ 647,165	\$ 2,753	\$ -	\$ -	\$ 649,918
Buildings	2,277,878	-	-	293,309	1,984,569
Improvements other than buildings	87,065,545	69,438,624	-	4,434,310	152,069,859
Equipment	3,963,959	822,169	29,743	849,914	3,906,471
Construction in progress	<u>58,838,028</u>	<u>14,080,709</u>	<u>68,828,854</u>	-	<u>4,089,883</u>
Total capital assets	<u>\$152,792,575</u>	<u>\$ 84,344,255</u>	<u>\$68,858,597</u>	<u>\$ 5,577,533</u>	<u>\$ 162,700,700</u>

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

Governmental Activities:

Administrative	\$ 435,645
Development Services	55,746
Parks and Recreation	963,338
Public Safety	761,287
Public Works	<u>5,635,421</u>
Total	<u>\$ 7,851,437</u>

Business-Type Activities:

Golf Course	\$ 95,024
Sewer	3,247,885
Sporting Complexes	158,926
Solid Waste	408,017
Water	<u>1,667,681</u>
Total	<u>\$ 5,577,533</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, 2015:

<u>Governmental Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Total</u>
Debt payable July 1, 2014	\$ 17,608,593	\$ 851,000	\$ 18,459,593
Discount/Premium	(21,750)	-	(21,750)
Amortization			
Retired	(4,125,505)	(44,700)	(4,170,205)
Issued	-	-	-
Debt payable June 30, 2015	<u>\$ 13,461,338</u>	<u>\$ 806,300</u>	<u>\$ 14,267,638</u>

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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, 2015:

<u>Business-Type Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Total</u>
Debt payable July 1, 2014	\$1,412,540	\$ 77,329,758	\$ 78,742,298
Discount/Premium			
Amortization	(1,909)	(23,431)	(25,340)
Accumulated Interest	-	131,776	131,776
Retired	(850,093)	(2,734,000)	(3,584,093)
Issued	<u>-</u>	<u>12,156,055</u>	<u>12,156,055</u>
Debt payable June 30, 2015	<u>\$ 560,538</u>	<u>\$ 86,860,158</u>	<u>\$ 87,420,696</u>

*Other Debt includes Special Obligation Bonds

Bonds payable for governmental and business-type activities at June 30, 2015 are comprised of the following individual issues:

Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1993:

These bonds are dated August 1, 1993. The proceeds of the bond issue were used to extend and improve the existing sewerage facilities serving the City. Sewerage System Revenue Bonds Series 1993 were retired during the fiscal year ended June 30, 2015.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS – Continued

\$538,379 Water Pollution Control Revenue Bonds (State Revolving Fund Program) Series 1995D due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2016	6.250%	\$ 278,844	\$ 706,156	\$ 985,000
2017	6.250	<u>259,535</u>	<u>715,465</u>	<u>975,000</u>
		<u>\$ 538,379</u>	<u>\$ 1,421,621</u>	<u>\$1,960,000</u>

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

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

The interest due on the Series 1995D Water Pollution Control Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue’s trustee. As the City is reimbursed for sewer project expenditures from the construction funds, the State of Missouri Department of Natural Resources deposits an amount equal to 70% of the disbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve fund will be 70% of the principal amount less the original issue discount. As bonds are retired 70% of the amount of bonds retired will be repaid to the State of Missouri Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2015 was \$376,865. The reserve fund yields 5.83%.

\$3,725,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1996 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2016	5.900%	\$ 895,000	\$ 219,775	\$ 1,114,775
2017	5.900	920,000	166,970	1,086,970
2018	5.900	945,000	112,690	1,057,690
2019	5.900	<u>965,000</u>	<u>56,935</u>	<u>1,021,935</u>
		<u>\$ 3,725,000</u>	<u>\$ 556,370</u>	<u>\$ 4,281,370</u>

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

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

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

The interest due on the Series 1996 Sewerage System Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds, the State of Missouri Department of Natural Resources deposits an amount equal to 70% of the disbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve will be \$9,474,500. As bonds are retired, 70% of the amount of bonds retired will be repaid to the Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2015 was \$2,607,500. 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, 2015, City interest expense was reduced by \$15,901 as a result of this transaction. Over the remaining life of these bonds, the City will receive net present value benefits of approximately \$53,906 from this transaction.

\$6,485,000 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>
2016	5.625%	\$ 475,000	\$ 341,006	\$ 816,006
2017	5.625	555,000	312,037	867,037
2018	5.300	590,000	280,793	870,793
2019	5.400	1,590,000	222,228	1,812,228
2020	5.450	1,655,000	134,199	1,789,199
2021	5.500	<u>1,620,000</u>	<u>44,550</u>	<u>1,664,550</u>
		<u>\$6,485,000</u>	<u>\$1,334,813</u>	<u>\$ 7,819,813</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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

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, 2015 was \$4,580,533. The reserve fund yields 5.16%.

\$1,120,000 Special Obligation Bonds, Series 2005:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2016	4.000%	\$ 80,000	\$ 47,486	\$ 127,486
2017	4.000	85,000	44,286	129,286
2018	4.100	90,000	40,886	130,886
2019	4.125	90,000	37,196	127,196
2020	4.200	95,000	33,484	128,484
2021	4.250	100,000	29,494	129,494
2022	4.250	105,000	25,244	130,244
2023	4.375	110,000	20,781	130,781
2024	4.375	115,000	15,969	130,969
2025	4.375	<u>250,000</u>	<u>10,940</u>	<u>260,940</u>
		<u>\$ 1,120,000</u>	<u>\$305,766</u>	<u>\$1,425,766</u>

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

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

Bank of America 2006 Promissory Note:

On February 9, 2006, the City of Cape Girardeau entered into a promissory note with the Bank of America for \$2,000,000. The purpose of the note was to finance additional costs on constructing fire station #3, purchase of a site for a future fire station, equipment for the sewer and solid waste funds, and site improvements at the new public works headquarter. The Bank of America 2006 Promissory Note was paid in full during the fiscal year ended June 30, 2015.

\$8,315,000 Leasehold Revenue Bonds, Series 2009 due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2016	4.000%	\$2,150,000	\$ 334,594	\$ 2,484,594
2017	4.000	2,240,000	248,594	2,488,594
2018	4.000	2,330,000	158,994	2,488,994
2019	4.100	<u>1,595,000</u>	<u>65,794</u>	<u>1,660,794</u>
		<u>\$8,315,000</u>	<u>\$ 807,976</u>	<u>\$ 9,122,976</u>

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

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

\$560,000 Special Obligation Bonds, Series 2010A due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2016	2.625%	\$ 175,000	\$ 16,894	\$ 191,894
2017	3.000	185,000	12,300	197,300
2018	3.375	<u>200,000</u>	<u>6,750</u>	<u>206,750</u>
		<u>\$ 560,000</u>	<u>\$ 35,944</u>	<u>\$ 595,944</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

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.

\$806,300 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>
2016	1.4900%	\$ 45,700	\$ 11,845	\$ 3,975	\$ 61,520
2017	1.4900	46,800	11,159	3,745	61,704
2018	1.4900	47,900	10,458	3,510	61,868
2019	1.4900	48,900	9,741	3,269	61,910
2020	1.4900	50,100	9,008	3,023	62,131
2021	1.4900	51,100	8,258	2,771	62,129
2022	1.4900	52,300	7,492	2,514	62,306
2023	1.4900	53,500	6,708	2,251	62,459
2024	1.4900	54,700	5,906	1,982	62,588
2025	1.4900	55,900	5,087	1,707	62,694
2026	1.4900	57,200	4,249	1,426	62,875
2027	1.4900	58,500	3,392	1,138	63,030
2028	1.4900	59,900	2,515	844	63,259
2029	1.4900	61,200	1,618	543	63,361
2030	1.4900	<u>62,600</u>	<u>701</u>	<u>235</u>	<u>63,536</u>
		<u>\$ 806,300</u>	<u>\$ 98,137</u>	<u>\$ 32,933</u>	<u>\$ 937,370</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, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$12,220,000 Waterworks System Refunding Revenue Bonds Series 2012A due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2016	2.000%	\$ 555,000	\$ 413,831	\$ 968,831
2017	3.000	570,000	402,731	972,731
2018	3.000	585,000	385,631	970,631
2019	3.000	605,000	368,081	973,081
2020	4.000	620,000	349,931	969,931
2021	3.000	645,000	325,131	970,131
2022	3.000	665,000	305,781	970,781
2023	3.000	685,000	285,831	970,831
2024	3.125	705,000	265,281	970,281
2025	3.250	725,000	243,250	968,250
2026	3.375	750,000	219,688	969,688
2027	3.500	775,000	194,375	969,375
2028	3.625	805,000	167,250	972,250
2029	3.625	835,000	138,069	973,069
2030	4.000	865,000	107,800	972,800
2031	4.000	895,000	73,200	968,200
2032	4.000	<u>935,000</u>	<u>37,400</u>	<u>972,400</u>
		<u>\$ 12,220,000</u>	<u>\$ 4,283,261</u>	<u>\$ 16,503,261</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, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

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

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	Admin <u>Fee</u>	<u>Total</u>
2016	1.430%	\$ 1,256,000	\$ 438,838	\$ 306,880	\$ 2,001,718
2017	1.430	1,288,000	420,763	294,240	2,003,003
2018	1.430	1,319,000	402,237	281,285	2,002,522
2019	1.430	1,352,000	383,255	268,010	2,003,265
2020	1.430	1,385,000	363,806	254,410	2,003,216
2021	1.430	1,419,000	343,879	240,475	2,003,354
2022	1.430	1,455,000	323,459	226,195	2,004,654
2023	1.430	1,491,000	302,524	211,555	2,005,079
2024	1.430	1,527,000	281,074	196,555	2,004,629
2025	1.430	1,565,000	259,102	181,190	2,005,292
2026	1.430	1,604,000	236,586	165,445	2,006,031
2027	1.430	1,644,000	213,506	149,305	2,006,811
2028	1.430	1,684,000	189,854	132,765	2,006,619
2029	1.430	1,726,000	165,622	115,820	2,007,442
2030	1.430	1,769,000	140,791	98,455	2,008,246
2031	1.430	1,813,000	115,337	80,655	2,008,992
2032	1.430	1,857,000	89,253	62,415	2,008,668
2033	1.430	1,904,000	62,534	43,730	2,010,264
2034	1.430	1,950,000	35,142	24,575	2,009,717
2035	1.430	<u>992,000</u>	<u>7,093</u>	<u>4,960</u>	<u>1,004,053</u>
		<u>\$ 31,000,000</u>	<u>\$ 4,774,655</u>	<u>\$ 3,338,920</u>	<u>\$ 39,113,575</u>

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

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

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

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	Admin <u>Fee</u>	<u>Total</u>
2016	1.390%	\$ 134,000	\$ 44,709	\$ 32,165	\$ 210,874
2017	1.390	137,000	42,840	30,820	210,660
2018	1.390	140,000	40,922	29,440	210,362
2019	1.390	143,000	38,969	28,035	210,004
2020	1.390	147,000	36,967	26,595	210,562
2021	1.390	150,000	34,910	25,115	210,025
2022	1.390	153,000	32,818	23,610	209,428
2023	1.390	157,000	30,677	22,070	209,747
2024	1.390	161,000	28,481	20,490	209,971
2025	1.390	165,000	26,229	18,870	210,099
2026	1.390	169,000	23,922	17,210	210,132
2027	1.390	173,000	21,559	15,510	210,069
2028	1.390	177,000	19,140	13,770	209,910
2029	1.390	181,000	16,666	11,990	209,656
2030	1.390	185,000	14,136	10,170	209,306
2031	1.390	189,000	11,551	8,310	208,861
2032	1.390	193,000	8,910	6,410	208,320
2033	1.390	197,000	6,213	4,470	207,683
2034	1.390	202,000	3,461	2,490	207,951
2035	1.390	97,000	674	485	98,159
		<u>\$ 3,250,000</u>	<u>\$ 483,754</u>	<u>\$ 348,025</u>	<u>\$ 4,081,779</u>

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

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$35,750,000 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
2016	1.390%	\$ 1,473,000	\$ 491,838	\$ 353,840	\$ 2,318,678
2017	1.390	1,507,000	471,245	339,025	2,317,270
2018	1.390	1,541,000	450,179	323,870	2,315,049
2019	1.390	1,577,000	428,634	308,370	2,314,004
2020	1.390	1,613,000	406,589	292,510	2,312,099
2021	1.390	1,651,000	384,036	276,285	2,311,321
2022	1.390	1,689,000	360,955	259,680	2,309,635
2023	1.390	1,728,000	337,346	242,695	2,308,041
2024	1.390	1,768,000	313,187	225,315	2,306,502
2025	1.390	1,808,000	288,473	207,535	2,304,008
2026	1.390	1,850,000	263,197	189,350	2,302,547
2027	1.390	1,893,000	237,336	170,745	2,301,081
2028	1.390	1,935,000	210,877	151,710	2,297,587
2029	1.390	1,981,000	183,821	132,245	2,297,066
2030	1.390	2,026,000	156,132	112,325	2,294,457
2031	1.390	2,072,000	127,811	91,950	2,291,761
2032	1.390	2,120,000	98,843	71,110	2,289,953
2033	1.390	2,169,000	69,208	49,790	2,287,998
2034	1.390	2,219,000	38,885	27,975	2,285,860
2035	1.390	<u>1,130,000</u>	<u>7,854</u>	<u>5,650</u>	<u>1,143,504</u>
		<u>\$ 35,750,000</u>	<u>\$ 5,326,446</u>	<u>\$ 3,831,975</u>	<u>\$ 44,908,421</u>

Sewerage System Revenue Bonds through the State of Missouri – Direct Loan Programs were issued by the City on June 18, 2013. There is a 1% administrative fee charged on this loan along with the 1.39% interest rate. Principal is disbursed on this loan as needed. Future payments will be adjusted if all principal of this loan is not disbursed. At June 30, 2015, \$28,374,137 of this loan had been disbursed.

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$3,969,934 Business Park Land Purchase Loan due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2016	2.77%	\$ 350,033	\$ 109,967	\$ 460,000
2017	2.77	359,454	100,546	460,000
2018	2.77	369,686	90,314	460,000
2019	2.77	379,926	80,074	460,000
2020	2.77	390,450	69,550	460,000
2021	2.77	401,104	58,896	460,000
2022	2.77	412,376	47,624	460,000
2023	2.77	423,799	36,201	460,000
2024	2.77	435,538	24,462	460,000
2025	2.77	<u>447,568</u>	<u>12,432</u>	<u>460,000</u>
		<u>\$ 3,969,934</u>	<u>\$ 630,066</u>	<u>\$ 4,600,000</u>

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

The annual requirements to amortize all debt outstanding as of June 30, 2015, including total interest payments of \$20,058,809, are as follows:

Year Ending June 30,	Special Obligation Bonds	Revenue Bonds	Leashold Revenue Bonds	Promissory Note	Total
2016	\$ 319,380	\$ 8,477,402	\$ 2,484,594	\$ 460,000	\$ 11,741,376
2017	326,586	8,494,375	2,488,594	460,000	11,769,555
2018	337,636	7,488,915	2,488,994	460,000	10,775,545
2019	127,196	8,396,427	1,660,794	460,000	10,644,417
2020	128,484	7,347,138	-	460,000	7,935,622
2021	129,494	7,221,510	-	460,000	7,811,004
2022	130,244	5,556,804	-	460,000	6,147,048
2023	130,781	5,556,157	-	460,000	6,146,938
2024	130,969	5,553,971	-	460,000	6,144,940
2025	260,940	5,550,343	-	460,000	6,271,283
2026	-	5,551,273	-	-	5,551,274
2027	-	5,550,366	-	-	5,550,366
2028	-	5,549,625	-	-	5,549,625
2029	-	5,550,594	-	-	5,550,594
2030	-	5,548,345	-	-	5,548,345
2031	-	5,477,814	-	-	5,477,814
2032	-	5,479,341	-	-	5,479,341
2033	-	4,505,945	-	-	4,505,945
2034	-	4,503,528	-	-	4,503,528
2035	-	2,245,715	-	-	2,245,715
	<u>\$2,021,710</u>	<u>\$ 119,605,588</u>	<u>\$ 9,122,976</u>	<u>\$4,600,000</u>	<u>\$ 135,350,275</u>

The cash and investments available to service revenue bonds are \$57,209 and \$2,075,661 for the governmental and business-type activities, respectively.

The cash and investments available to service the special obligation bonds are \$156,097 and \$11,829 in governmental activities and business-type activities, respectively.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE E - LONG-TERM OBLIGATIONS - Continued

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

<u>Governmental Activities:</u>	
Interest and Other Costs	<u>\$617,890</u>
Total	<u>\$617,890</u>
 <u>Business-Type Activities:</u>	
Golf Course	\$ 4,730
Sewer	1,206,687
Sporting Complexes	4,119
Solid Waste	11,404
Water	<u>392,250</u>
Total	<u>\$ 1,619,190</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 \$30,091,579.

NOTE F - DEFICIT FUND BALANCES/RETAINED EARNINGS

These following funds - Housing Development Grant, Street Capital Improvement, Storm Water System Improvements, and Park System Improvements – had their total liabilities exceed their total assets by \$18,058, \$192,091, \$36,623, and \$83,838, 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. This report may be obtained by writing to LAGERS, PO Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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 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, 2015 the following employees were covered by the benefits terms:

Retirees and Beneficiaries	232
Inactive, Non-retired Members	128
Active Members	<u>367</u>
Total	<u>727</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 9.8% (General), 11.2% (Police) and 13.0% (Fire) of annual covered payroll during the current year.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE G - PENSION PLAN – Continued

5. Net Pension Asset

The City’s net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2015.

6. Actuarial Assumptions

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation, 3% price inflation
Salary Increase	3.5% to 6.8% including wage inflation
Investment Rate of Return	7.25% net of investment and administrative expenses

Mortality rates were based on 105% of the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

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

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	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

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.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE G - PENSION PLAN – Continued

8. Changes in the Net Pension Asset

	Increase (Decrease)		
	Plan Fiduciary Net Position	Total Pension Liability	Net Pension Asset
	(a)	(b)	(a) - (b)
Balances at 6/30/2014	\$75,195,148	\$66,296,844	\$8,898,304
Changes for the year:			
Service Cost		1,442,523	(1,442,523)
Interest		4,743,140	(4,743,140)
Difference between expected and actual experience		(344,004)	344,004
Contributions – employer	3,761,696		3,761,696
Net investment income	1,449,891		1,449,891
Benefit payments, including refunds	(3,222,117)	(3,222,117)	-
Administrative expense	(64,218)		(64,218)
Other changes	135,512		135,512
Net changes	<u>2,060,764</u>	<u>2,619,542</u>	<u>(558,778)</u>
Balances at 6/30/2015	<u>\$77,255,912</u>	<u>\$68,916,386</u>	<u>\$8,339,526</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	Rate Assumption	1% Increase
6.25%	7.25%	8.25%
<u>\$(925,761)</u>	<u>\$8,339,526</u>	<u>\$16,053,455</u>

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

For the fiscal year ended June 30, 2015 the City recognized pension expense of \$1,400,430. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows (Inflows) of Resources
Differences in experience	\$ 227,230	\$ (525,996)	\$ (298,766)
Differences in assumptions	-	-	-
Excess (deficit) in investment returns	<u>3,218,810</u>	<u>-</u>	<u>3,218,810</u>
Total	<u>\$ 3,446,040</u>	<u>\$ (525,996)</u>	<u>\$ 2,920,044</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE G - PENSION PLAN – Continued

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

Year ended:	
2016	\$ 759,465
2017	759,465
2018	759,465
2019	759,463
2020	(54,243)
Thereafter	<u>(63,571)</u>
Total	<u>\$ 2,920,044</u>

11. Payable to the Pension Plan

At June 30, 2015 the City reported a payable of \$127,005.56 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS

1. Description

The City follows the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In addition to the relevant disclosures within this note related to GASB Statement No. 45, the financial statements reflect a long-term liability and related expenses of \$2,715,234 and \$871,799, 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 retirees are eligible for Medicare (age 65). Such benefits are not available to members' spouses or dependents; rather, only to eligible former employees as previously described. Specific details of the Plan include the provision of certain medical and dental coverage. These benefits are provided through the City's self-insured programs. The City is under no statutory or contractual obligation to provide these postretirement healthcare benefits. Because the Plan consists solely of the City's firm commitment to provide OPEB through the payment of premiums to its self-insured programs on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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, 2015, the City paid the full premium cost for eligible retired employees who were hired prior to January 1, 2007. For eligible employees hired on/after January 1, 2007, the City paid a percentage of the full premium cost for retired employees with single coverage according to years of service at retirement. For employees with 10 to 14 years of service at retirement the City's subsidy was 50%. The subsidy for employees with 15 to 19 years of service was 60%, 20 to 24 years was 70%, and employees with more than 24 years of service at retirement received 100% subsidy. The retiree is responsible for the full cost of dependent coverage. The plan is financed on a pay-as-you-go basis.

3. Annual OPEB Cost and Net OPEB Obligation

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

	<u>2014</u>	<u>2015</u>
Annual required contribution	\$ 918,466	\$ 871,799
Interest on net OPEB obligation	12,564	119,775
Adjustment to annual required contribution	<u>(153,566)</u>	<u>(163,404)</u>
Annual OPEB cost	\$ 877,464	\$ 828,170
Contributions made	<u>(717,222)</u>	<u>(774,600)</u>
Increase in net OPEB obligation	\$ 160,242	\$ 53,570
Net OPEB obligation, July 1	<u>2,501,422</u>	<u>2,661,664</u>
Net OPEB obligation, June 30	<u>\$ 2,661,664</u>	<u>\$ 2,715,234</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013 - 2015 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>
6/30/15	\$ 828,170	93.5%	\$2,715,234
6/30/14	877,464	81.7%	2,661,664
6/30/13	897,770	84.9%	2,501,422

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS - Continued

4. Funding Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits equaled \$8,885,043, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,885,043. The covered payroll (annual payroll of active employees covered by the Plan) equaled \$15,230,886, and the ratio of the UAAL to the covered payroll equaled 58.3%.

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, 2014, the projected unit credit cost actuarial method was used. Because the City funds its OPEB on a pay-as-you-go basis, the plan has no assets (investments) used specifically for paying the post-retirement medical benefits; therefore, the actuarial assumptions included a 4.5% discount rate, which approximates the expected rate of return on non-pension investments held by the City. Actuarial assumptions also included annual healthcare trend rates of 8.0%, initially, reduced by decrements to an ultimate rate of 4.5% for healthcare costs after ten years. The UAAL is being amortized as a level dollar amount over thirty years based on an open group.

NOTE I - INTEREST EXPENSE

Interest and handling charges, totaling \$661,554, excluding \$1,806 of interfund interest, were incurred by governmental funds during the year ended June 30, 2015. Interest and handling charges, totaling \$1,610,340 excluding \$8,849 of interfund interest, were incurred by proprietary funds during the year ended June 30, 2015. 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, 2015

NOTE J - INTERFUND ACTIVITY

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

A. The following is a summary of interfund transfers for the year ended June 30, 2015:

Fund	Transfer From	Transfer To
General Fund	\$ 5,118,473	\$ 6,795,999
Airport Fund	-	590,728
Park and Recreation Fund	3,422	1,272,200
Health	-	1,403
Public Safety Trust Fund	877,250	1,754,501
A.C. Brase Foundation	30,000	-
Park & Rec Foundation	6,989	-
Public Safety Trust Fund II	377,667	755,333
Casino Revenue Fund	486,003	260,000
Riverfront Region Economic Dev Fund	-	171,003
Housing Development Fund	-	19,745
Motor Fuel Tax Fund	1,120,000	25,637
Transportation Sales Trust I	25,637	-
Transportation Sales Trust II	1,562	-
Transportation Sales Tax Trust III	-	1,562
Transportation Sales Tax Trust IV	-	260,000
Cap Imp Sales Tax - Water System Improve	3,140,881	36
Cap Imp Sales Tax - Sewer System Improve	1,627,500	-
Park/Storm Water Sales Tax-Capital	700,116	30,000
Fire Sales Tax	2,509,834	-
Parks/Storm Water Sales Tax	1,384,563	-
Debt Service	26,335	-
Park Capital Improvements	-	17,624
CDBG Project Fund	-	1,664,245
Wat Sys Impr Projects Fund	36	-
Storm Water Systems Improvements	174,800	586,730
Park System Improvements	17,624	255,863
Sewer Fund	3,422	2,242,501
Water Fund	2,000	1,567,353
Solid Waste Fund	-	587,895
Golf Course Fund	-	128,682
Sporting Complexes Fund	-	637,448
IT Fund	-	10,665
Fleet Management Fund	20,660	37,516
Employee Benefits Fund	1,650,000	-
Fringe Benefits Fund	369,895	-
	<u>\$ 19,674,669</u>	<u>\$ 19,674,669</u>

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE J - INTERFUND ACTIVITY - Continued

B. The following is a summary of interfund balances as of June 30, 2015:

Advance to/from other funds:

	<u>Advances from</u>	<u>Advances to</u>
General Fund	\$ 137,231	\$ -
Casino Revenue Fund	488,335	
Solid Waste Fund	-	488,335
Golf Course Fund	-	70,098
Softball Complex Fund	-	67,133
	<u>\$ 625,566</u>	<u>\$ 625,566</u>

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

NOTE K - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains five enterprise funds that provide sewer, water, solid waste, golf, and sporting complex services. Segment information for the year ended June 30, 2015 was as follows:

	<u>Sewer</u> <u>Fund</u>	<u>Water</u> <u>Fund</u>	<u>Solid Waste</u> <u>Fund</u>	<u>Golf Course</u> <u>Fund</u>	<u>Sporting</u> <u>Complexes</u> <u>Fund</u>	<u>Total</u> <u>Enterprise</u>
Operating revenues	\$ 7,005,529	\$ 6,257,541	\$3,342,171	\$ 475,296	\$ 377,565	\$17,458,102
Depreciation	3,247,885	1,667,681	408,017	95,024	158,925	5,577,532
Operating Income (Loss)	30,442	(239,595)	47,229	(206,879)	(727,802)	(1,096,605)
Operating Transfers In	2,242,501	1,567,353	587,895	128,682	637,448	5,163,879
Net Income (Loss)	2,863,277	1,122,219	637,352	(81,338)	(33,778)	4,507,732
Current Capital Contributions	1,553,210	120,334	-	-	55,622	1,729,166
Property, Plant and Equipment						
Additions	24,877,438	1,434,816	338,238	-	55,622	26,706,114
Deletions	552,545	80,086	114,289	-	-	746,920
Net Working Capital	(2,952,233)	6,666,598	517,372	(5,249)	82,991	4,309,479
Total Assets	128,395,307	50,893,576	3,445,376	1,425,051	2,260,948	186,420,258
Current Liabilities	9,310,953	2,022,107	371,417	86,963	93,032	11,884,472
Long-Term Liabilities	69,548,553	11,662,202	558,089	94,999	43,234	81,907,077
Amounts payable to other funds	-	-	488,335	70,098	67,133	625,566
Total Liabilities	78,859,506	13,684,309	1,417,841	252,059	203,399	94,417,114
Total Net Position	\$ 49,692,130	\$ 37,238,007	\$2,135,003	\$ 1,195,760	\$2,096,264	\$92,357,164

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE L – GOVERNMENTAL FUND BALANCES REPORTING

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

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes long-term receivables that are not currently available for expenditure. These financial statements reflect non-spendable fund balances of \$2,100 that are legally restricted to provide for the perpetual care and maintenance of a mausoleum in the City’s cemetery. Only interest earnings on this amount can be used for mausoleum maintenance. Prepaid expenses of \$180,885 and long-term advance receivables of \$625,566 are also reflected as non-spendable fund balances.

Restricted Fund Balance – Includes amounts that can be spent only for specific purposes because of restrictions by external parties, constitutional provisions, or enabling legislation. These financial statements include the following restricted fund balances. Fund balances totaling \$4,953,920 are restricted by the City Charter to use during officially declared emergencies. Special revenue fund balances totaling \$27,582,735 are restricted by their enabling legislation. \$(34,754) in capital project fund balances are restricted as the result of special revenue transfers and unspent bond proceeds. The remaining \$92,746 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, 2015

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, then related committed balances, next related assigned balances, and finally unassigned balances. Expenditures for a specifically-identified purpose will reduce the specific classification of fund balance that is identified.

	<u>Major Special Revenue Funds</u>						
	<u>General Fund</u>	<u>Airport Fund</u>	<u>Parks and Recreation Fund</u>	<u>Casino Revenue</u>	<u>Transportati on Sales Tax Trust Fund IV</u>	<u>Other Funds</u>	<u>Total</u>
Fund balances							
Nonspendable:							
Prepaid expenses	\$ 125,596	\$ 15,320	\$ 26,809	\$ -	\$ -	\$ 13,160	\$ 180,885
Long-term advance	137,231	-	-	488,335	-	-	625,566
Mausoleum	2,100	-	-	-	-	-	2,100
Restricted for:							
Mausoleum	92,746	-	-	-	-	-	92,746
Emergencies	4,481,729	-	-	-	-	472,191	4,953,920
Convention and tourism	-	-	-	-	-	689,847	689,847
Community development	-	-	-	-	-	75,162	75,162
Public safety	-	-	-	-	-	533,966	533,966
Street projects	-	-	-	-	8,465,284	4,329,182	12,794,466
Water system projects	-	-	-	-	-	4,934,786	4,934,786
Sewer system projects	-	-	-	-	-	3,881,071	3,881,071
Parks and recreation	-	-	-	-	-	230,786	230,786
Park and storm water projects	-	-	-	-	-	3,956,792	3,956,792
Other capital projects	-	-	-	-	-	451,105	451,105
Committed:							
Other capital projects	-	-	-	4,490,648	-	-	4,490,648
Assigned to:							
Airport	-	115,320	-	-	-	-	115,320
Parks and recreation	-	-	399,173	-	-	-	399,173
Operations and Maintenance	-	-	25,420	-	-	-	25,420
Encumbrances	118,759	21,084	2,203	-	-	-	142,046
Public safety	-	-	-	-	-	266,099	266,099
Other capital projects	-	-	-	-	-	31,242	31,242
Parks and recreation	-	-	-	-	-	428,333	428,333
Street projects	-	-	-	-	-	(192,091)	(192,091)
Unassigned:	<u>2,731,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,731,863</u>
	<u>\$ 7,690,024</u>	<u>\$ 151,724</u>	<u>\$ 453,605</u>	<u>\$ 4,978,983</u>	<u>\$ 8,465,284</u>	<u>\$ 20,101,631</u>	<u>\$ 41,841,251</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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

At June 30, 2015, net assets restricted for depreciation and replacement were \$127,000 and \$150,000 for the City's Sewer and Water Funds, respectively, and net assets restricted for emergencies were \$1,647,729, \$908,804, and \$333,549 for the City's Sewer, Water, and Solid Waste Funds, respectively.

At June 30, 2015, the City's Sewer Fund had restricted cash equivalents in sinking reserve funds for Revenue Bonds in the amount of \$5,903,024.

NOTE N - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City closed its landfill in the fiscal year ending June 30, 1994, and an expense provision and related liability were recognized at that time based on the future closure and postclosure care costs that were estimated to be incurred near or after the date the landfill no longer accepted waste. The entire amount of the estimated total costs for landfill closure and postclosure care costs was recognized in prior years since the recognition is based on landfill capacity used to date and the landfill was filled to capacity in prior years. The estimated total future liability for landfill postclosure care costs is \$33,750 as of June 30, 2015, 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, 2015. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

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

NOTE O - RISK MANAGEMENT

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

The City is a member of the Missouri Public Entity Risk Management Fund, a not-for-profit public entity insurance pool established by the state legislature. Through this pool, the City receives coverage for general liability, law enforcement liability, errors and omissions, and employment practice liability. Risks for these coverages are spread across members of the fund. Currently the fund is comprised of 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 fourteen 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, 2015

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

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

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

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

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

The City provided health coverage to its employees through a minimum premium plan administered by Anthem Blue Cross Blue Shield of Missouri, which had an “A” rating by A.M. Best. Under this plan, the City paid the administrator a monthly premium for claims administration, cost management, and specific and aggregate stop loss coverage. The City reimbursed the administrator for claims paid up to the specific stop loss amount of \$150,000 and \$150,000 annually per employee and up to the aggregate stop loss amount (115% of estimated claims) of approximately \$3,400,000 and \$3,500,000 annually beginning January 1, 2014 and 2015, respectively, for all employees. These limits apply only to claims made during the respective calendar years. Rates were charged by the internal service fund to the other City funds to cover the monthly premium to the administrator and claims up to 93.9% and 87.0% of the aggregate stop loss amount for fiscal years ending June 30, 2014 and 2015, 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 Safety National Casualty Corp. that limits the City’s maximum individual claims liability to \$550,000 for USL & H and \$500,000 for other regular employees and per occurrence claims liability to \$1,000,000. Additionally, \$5,000,000 in coverage is provided for annual claims in excess of \$1,699,596. 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. Safety National is rated “A+” by A. M. Best.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE O - RISK MANAGEMENT – Continued

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

CLAIMS LIABILITIES RECONCILIATION

	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Balance June 30, 2010	\$ 131,000	\$ 520,000	\$ 651,000
Provision for Incurred Claims	2,238,055	106,108	2,344,163
Payment of Claims	<u>(2,171,055)</u>	<u>(526,108)</u>	<u>(2,697,163)</u>
Balance June 30, 2011	\$ 198,000	\$ 100,000	\$ 298,000
Provision for Incurred Claims	2,847,800	436,715	3,284,515
Payment of Claims	<u>(2,820,300)</u>	<u>(251,715)</u>	<u>(3,072,015)</u>
Balance June 30, 2012	\$ 225,500	\$ 285,000	\$ 510,500
Provision for Incurred Claims	2,452,823	112,448	2,565,271
Payment of Claims	<u>(2,471,323)</u>	<u>(152,448)</u>	<u>(2,623,771)</u>
Balance June 30, 2013	\$ 207,000	\$ 245,000	\$ 452,000
Provisions for Incurred Claims	2,400,637	591,973	2,992,610
Payment of Claims	<u>(2,371,637)</u>	<u>(535,973)</u>	<u>(2,907,610)</u>
Balance June 30, 2014	\$ 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	<u>\$ 161,000</u>	<u>\$ 220,000</u>	<u>\$ 381,000</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, 2015, utility receivables totaled \$2,931,745. On the financial statements, the utility receivables are shown net of the allowance for doubtful accounts of \$227,854. This results in net utility receivable of \$2,703,891. During the year ended June 30, 2015, the allowance was increased by \$202,792 or approximately 1.26% of the current year's utility charges and accounts totaling \$184,465 were written off.

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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE Q - COMMITMENTS AND CONTINGENCIES

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, 2015, the City had construction commitments outstanding of \$4,365,258. The construction commitments represent incomplete portions of contracts entered into to construct the following: new Wastewater Treatment Plant, various street, sanitary sewer, and storm sewer projects, a recreation trail and the Meadowbrook water storage project. These contracts are expected to be completed within the next fiscal year.

4. Encumbrances

As of June 30, 2015, the City had encumbrances outstanding of \$7,446,686.

NOTE R – PRIOR PERIOD ADJUSTMENTS

The net position of the governmental activities and business-type activities have been increased by \$18,317,169.35 and \$944,689.48, respectively, as of June 30, 2015, from transactions that occurred in previous years. The most significant adjustment to the government activities was an \$11,122,485.37 increase to its net position. This adjustment resulted from recording the June 30, 2014 book value of the Mississippi River Flood Wall. The flood wall had been transferred to the City by the Main Street Levee and Improvement District and the North Main Street Levee and Improvement District in June of 2008 but had not been recognized on the City's financial statements. The net position of the governmental activities was also increased by \$12,723.12 from recognizing improvements to a building at the Cape Girardeau Regional Airport that were contributed by a tenant in a previous year.

During the current year, the City implemented GASB Statement No. 68, which require cities that contribute to a defined benefit pension plan to recognize the net pension asset/liability and the pension expense related to its plan on their financial statements. The net assets of the governmental activities and business-type statements have been increased by \$7,710,096.88 and \$1,188,207.12 as a result of its implementation. The adjustments reflect the net pension assets as of June 30, 2015. Net pension assets are the amount by which the net position of the City's plan exceeded its total pension liability.

Adjustments to fixed assets for projects that had previously been reported as construction in progress in previous periods but ended up not meeting the City's capitalization threshold or were abandoned during the current year resulted in changes that decreased the net position of the governmental activities and business-type activities by \$500,337.98 and \$65,457.29, respectively, as of June 30, 2015.

During the previous year, the liability for compensated absences was overstated by \$18,384.54. Correction of this overstatement resulted in an increase to the net position of the government activities during the current year.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

In the previous year, fund balances of the general, airport, parks and recreation, and other governmental funds were overstated by \$46,182.58. Corrections of these overstatements resulted in a decrease to the net position of the government activities during the current year. These overstatements resulted from recognition of \$31,958.55 in revenue that had been collected but not earned at June 30, 2014, nonrecognition of \$6,959.54 in revenue that had been earned in June 30, 2014 and collected early in the current year, and the \$21,183.57 under recognition of utility expense in the fiscal year ending June 30, 2014.

In the previous year fund balances of the sewer, water, solid waste, golf, and sporting complexes were overstated (understated) by (\$24,816.75), \$134,541.56, (\$.01), \$35,486.05, and \$32,449.48, respectively. Correction of these items resulted in a \$178,060.35 decrease to the net position of the business activities during the current year. Almost all of the sewer fund adjustment related to the overstatement of a payable related to prior year's debt service costs. The water fund adjustment related to the overstatement of the June 30, 2014 inventory amount that was discovered during the current year. The golf and sporting complex adjustments related to the recognition of revenue received during the previous year but not earned until the current year.

NOTE S - CONTINGENCY

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

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

During the fiscal year ended June 30, 2015, no payment was due under the development agreement.

2. In June 2004, the City of Cape Girardeau and Cape Girardeau County entered into a development agreement with a local real estate developer. Under the agreement, the local developer agreed to pay for certain public improvements incurred in conjunction with the development of a 60 acre retail development, and the City and County agreed to reimburse the

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE S - CONTINGENCY – Continued

local business for the \$2,998,434 cost of these improvements plus 4% interest with quarterly payments from available net sales tax revenue generated from any businesses operations located in the development.

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

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

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

The City and the County are obligated only to make quarterly payments as may lawfully be made from funds budgeted and appropriated for that purpose by the City and County. During the fiscal year ended June 30, 2015, the City incurred payments of \$282,082 under the development agreement. This amount is included in the Development Services expenses on the statement of activities.

3. In July 2007, the City entered into a development agreement with Greater Missouri Builders, Inc. (GMB) to reimburse them for costs associated with the Town Plaza Redevelopment Project. In conjunction with this agreement, the City established the Town Plaza Community

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE S - CONTINGENCY – Continued

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 million 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, 2015, the City incurred payments of \$9,210 under the development agreement. This amount is included in the Development Services expenses on the Statement of Activities.

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE S - 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 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, 2015, the City incurred \$272,783 under the development agreement.

NOTE S – Special Item

On May 6, 2015 the City made a \$2,019,895 lump-sum payment to its retirement plan, the Missouri Local Government Employees Retirement System (LAGERS), to fund its unfunded actuarial accrued liabilities calculated by a February 28, 2014 actuarial valuation. The portion of this payment that related to governmental employees, \$1,701,993.61, is reflected as a special item on the statement of revenue, expenditures, and changes in fund balances for governmental funds. The remaining amount was reflected as an increase to the net pension assets on the statement of net position for proprietary funds. Transfers equal to the amount of payment from each fund were received from the employee fringe benefits and workmen's compensation funds.

This payment is reflected as a \$1,750,174.66 increase in net pension assets from governmental activities and as \$269,780.34 increase in net pension assets from business-type activities on the statement of net position.

NOTE T – Subsequent Event

In October 2015, the City entered into a direct loan agreement and promissory note with the Missouri Highways and Transportation Commission for the purpose of replacing a city bridge at a cost of \$3,965,100. The agreement is for ten years commencing on October 1, 2015, with the first payment due on September 1, 2016 at a 3.26% interest rate.

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 16,780,426.00	\$ 16,780,426.00	\$ 17,123,365.33	\$ 342,939.33
Licenses & permits	1,645,112.00	1,645,112.00	1,575,202.27	(69,909.73)
Intergovernmental	493,193.00	493,193.00	718,151.85	224,958.85
Charges for services	238,900.00	238,900.00	192,086.58	(46,813.42)
Internal charges	963,736.00	963,736.00	1,026,894.86	63,158.86
Fines and forfeits	1,022,000.00	1,022,000.00	704,966.50	(317,033.50)
Miscellaneous	345,640.00	345,640.00	482,764.69	137,124.69
Investment revenue	73,917.00	73,917.00	81,505.94	7,588.94
Total revenues	<u>\$ 21,562,924.00</u>	<u>\$ 21,562,924.00</u>	<u>\$ 21,904,938.02</u>	<u>\$ 342,014.02</u>
EXPENDITURES				
Current:				
Administrative Services	\$ 2,717,737.00	\$ 2,565,152.56	\$ 2,432,658.08	\$ 132,494.48
Development Services	2,360,310.00	2,569,240.27	2,386,940.63	182,299.64
Parks and Recreation	1,689,341.00	1,716,815.76	1,687,523.59	29,292.17
Public Safety	12,805,397.00	13,051,790.49	12,839,834.83	211,955.66
Public Works	2,775,700.00	3,022,716.73	2,894,239.45	128,477.28
Total current	<u>\$ 22,348,485.00</u>	<u>\$ 22,925,715.81</u>	<u>\$ 22,241,196.58</u>	<u>\$ 684,519.23</u>
Debt service:				
Administrative charges	\$ -	\$ -	\$ 477.00	\$ (477.00)
Principal	101,000.00	374,000.00	374,000.00	-
Interest	54,894.00	54,894.00	53,719.22	1,174.78
Total debt service	<u>\$ 155,894.00</u>	<u>\$ 428,894.00</u>	<u>\$ 428,196.22</u>	<u>\$ 697.78</u>
Capital outlay:				
Administrative Services	\$ -	\$ 6,981.00	\$ 6,981.00	\$ -
Development Services	-	6,821.22	6,821.22	-
Public Safety	-	86,936.00	80,969.84	5,966.16
Public Works	-	9,000.00	7,972.00	1,028.00
Parks and Recreation	20,800.00	36,186.94	12,165.80	24,021.14
Total capital outlay	<u>20,800.00</u>	<u>145,925.16</u>	<u>114,909.86</u>	<u>31,015.30</u>
Total expenditures	<u>22,525,179.00</u>	<u>23,500,534.97</u>	<u>22,784,302.66</u>	<u>716,232.31</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (962,255.00)</u>	<u>\$ (1,937,610.97)</u>	<u>\$ (879,364.64)</u>	<u>\$ 1,058,246.33</u>
OTHER FINANCING SOURCES (USES)				
Compensation for damages	\$ -	\$ -	\$ 33,646.98	\$ 33,646.98
Special assessments	5,500.00	5,500.00	25,793.68	20,293.68
Advance repayments	52,794.00	52,794.00	557,610.90	504,816.90
Asset disposition	-	-	21,759.38	21,759.38
Transfers in	4,643,594.00	5,326,694.00	5,204,588.14	(122,105.86)
Transfers out	(3,987,052.00)	(5,142,491.33)	(5,118,472.63)	24,018.70
Total other financing source (uses)	<u>\$ 714,836.00</u>	<u>\$ 242,496.67</u>	<u>\$ 724,926.45</u>	<u>\$ 482,429.78</u>
Net change in fund balances	(247,419.00)	(1,695,114.30)	(154,438.19)	1,540,676.11
Fund balances - beginning	7,622,388.72	7,622,388.72	7,622,388.72	-
Fund balances - ending	<u>\$ 7,374,969.72</u>	<u>\$ 5,927,274.42</u>	<u>\$ 7,467,950.53</u>	<u>\$ 1,540,676.11</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 257,000.00	\$ 257,000.00	\$ 280,548.13	\$ 23,548.13
Charges for services	360,014.00	360,014.00	367,561.78	7,547.78
Miscellaneous	265,262.00	265,262.00	275,262.97	10,000.97
Investment revenue	450.00	450.00	380.41	(69.59)
Total revenues	<u>\$ 882,726.00</u>	<u>\$ 882,726.00</u>	<u>\$ 923,753.29</u>	<u>\$ 41,027.29</u>
EXPENDITURES				
Current:				
Development Services	\$ 1,335,446.00	\$ 1,469,060.11	\$ 1,457,825.08	\$ 11,235.03
Total current	<u>\$ 1,335,446.00</u>	<u>\$ 1,469,060.11</u>	<u>\$ 1,457,825.08</u>	<u>\$ 11,235.03</u>
Debt service:				
Interest	\$ -	\$ -	\$ 120.09	\$ (120.09)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120.09</u>	<u>\$ (120.09)</u>
Capital outlay:				
Development Services	\$ 12,300.00	\$ 20,241.08	\$ 7,941.00	\$ 12,300.08
Total capital outlay	<u>\$ 12,300.00</u>	<u>\$ 20,241.08</u>	<u>\$ 7,941.00</u>	<u>\$ 12,300.08</u>
Total expenditures	<u>\$ 1,347,746.00</u>	<u>\$ 1,489,301.19</u>	<u>\$ 1,465,886.17</u>	<u>\$ 23,415.02</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (465,020.00)</u>	<u>\$ (606,575.19)</u>	<u>\$ (542,132.88)</u>	<u>\$ 64,442.31</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 465,020.00	\$ 584,630.00	\$ 543,950.00	\$ (40,680.00)
Total other financing source (uses)	<u>\$ 465,020.00</u>	<u>\$ 584,630.00</u>	<u>\$ 543,950.00</u>	<u>\$ (40,680.00)</u>
Net change in fund balances	\$ -	\$ (21,945.19)	\$ 1,817.12	\$ 23,762.31
Fund balances - beginning	132,492.12	132,492.12	132,492.12	-
Fund balances - ending	<u>\$ 132,492.12</u>	<u>\$ 110,546.93</u>	<u>\$ 134,309.24</u>	<u>\$ 23,762.31</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,335,215.00	\$ 1,335,215.00	\$ 1,303,203.17	\$ (32,011.83)
Miscellaneous	-	-	8,999.26	8,999.26
Investment revenue	5,000.00	5,000.00	5,496.16	496.16
Asset disposition	-	-	227.61	227.61
Total revenues	<u>\$ 1,340,215.00</u>	<u>\$ 1,340,215.00</u>	<u>\$ 1,317,926.20</u>	<u>\$ (22,288.80)</u>
EXPENDITURES				
Current:				
Parks and Recreation	\$ 2,557,324.00	\$ 2,631,746.65	\$ 2,515,727.68	\$ 116,018.97
Total current	<u>\$ 2,557,324.00</u>	<u>\$ 2,631,746.65</u>	<u>\$ 2,515,727.68</u>	<u>\$ 116,018.97</u>
Capital outlay:				
Parks and Recreation	-	18,300.00	-	18,300.00
Total capital outlay	-	18,300.00	-	18,300.00
Total expenditures	2,557,324.00	2,650,046.65	2,515,727.68	134,318.97
Excess (deficiency) of revenues over expenditures	<u>\$ (1,217,109.00)</u>	<u>\$ (1,309,831.65)</u>	<u>\$ (1,197,801.48)</u>	<u>\$ 112,030.17</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,217,109.00	1,312,026.00	1,209,798.39	(102,227.61)
Transfers out	-	(3,421.86)	(3,421.86)	-
Total other financing source (uses)	<u>1,217,109.00</u>	<u>1,308,604.14</u>	<u>1,206,376.53</u>	<u>(102,227.61)</u>
Net change in fund balances	-	(1,227.51)	8,575.05	9,802.56
Fund balances - beginning	460,656.88	460,656.88	460,656.88	-
Fund balances - ending	<u>\$ 460,656.88</u>	<u>\$ 459,429.37</u>	<u>\$ 469,231.93</u>	<u>\$ 9,802.56</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,050,000.00	\$ 3,050,000.00	\$ 3,268,825.19	\$ 218,825.19
Investment revenue	-	-	56,468.60	56,468.60
Total revenues	<u>\$ 3,050,000.00</u>	<u>\$ 3,050,000.00</u>	<u>\$ 3,325,293.79</u>	<u>\$ 275,293.79</u>
EXPENDITURES				
Current:				
Administrative services	\$ 300,000.00	\$ 877,499.79	\$ 583,797.15	\$ 293,702.64
Public safety	-	-	22,864.12	(22,864.12)
Total current	<u>\$ 300,000.00</u>	<u>\$ 877,499.79</u>	<u>\$ 606,661.27</u>	<u>\$ 270,838.52</u>
Debt service:				
Principal	\$ 340,598.00	\$ 340,598.00	\$ 340,598.27	\$ (0.27)
Interest	119,402.00	119,402.00	119,401.73	0.27
Total debt service	<u>\$ 460,000.00</u>	<u>\$ 460,000.00</u>	<u>\$ 460,000.00</u>	<u>\$ (0.00)</u>
Capital outlay:				
Capital improvement projects	\$ 142,400.00	\$ 830,318.73	\$ 418,038.15	\$ 412,280.58
Total capital outlay	<u>\$ 142,400.00</u>	<u>\$ 830,318.73</u>	<u>\$ 418,038.15</u>	<u>\$ 412,280.58</u>
Total expenditures	<u>\$ 902,400.00</u>	<u>\$ 2,167,818.52</u>	<u>\$ 1,484,699.42</u>	<u>\$ 683,119.10</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,147,600.00</u>	<u>\$ 882,181.48</u>	<u>\$ 1,840,594.37</u>	<u>\$ 958,412.89</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 260,000.00	\$ 260,000.00	\$ 260,000.00	\$ -
Transfers out	(428,000.00)	(678,000.00)	(486,002.93)	191,997.07
Total other financing source (uses)	<u>\$ (168,000.00)</u>	<u>\$ (418,000.00)</u>	<u>\$ (226,002.93)</u>	<u>\$ 191,997.07</u>
Net change in fund balances	\$ 1,979,600.00	\$ 464,181.48	\$ 1,614,591.44	\$ 1,150,409.96
Fund balances - beginning	2,566,495.79	2,566,495.79	2,566,495.79	-
Fund balances - ending	<u>\$ 4,546,095.79</u>	<u>\$ 3,030,677.27</u>	<u>\$ 4,181,087.23</u>	<u>\$ 1,150,409.96</u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ 20,000.00	\$ 20,000.00	\$ 42,390.95	\$ 22,390.95
Total revenues	<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 42,390.95</u>	<u>\$ 22,390.95</u>
EXPENDITURES				
Capital outlay:				
Capital improvements	\$ 1,148,000.00	\$ 1,150,000.00	\$ 1,930.00	\$ 1,148,070.00
Total capital outlay	<u>\$ 1,148,000.00</u>	<u>\$ 1,150,000.00</u>	<u>\$ 1,930.00</u>	<u>\$ 1,148,070.00</u>
Total expenditures	<u>\$ 1,148,000.00</u>	<u>\$ 1,150,000.00</u>	<u>\$ 1,930.00</u>	<u>\$ 1,148,070.00</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,128,000.00)</u>	<u>\$ (1,130,000.00)</u>	<u>\$ 40,460.95</u>	<u>\$ 1,170,460.95</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 1,750.00	\$ 1,561.58	\$ (188.42)
Total other financing source (uses)	<u>\$ -</u>	<u>\$ 1,750.00</u>	<u>\$ 1,561.58</u>	<u>\$ (188.42)</u>
Net change in fund balances	\$ (1,128,000.00)	\$ (1,128,250.00)	\$ 42,022.53	\$ 1,170,272.53
Fund balances - beginning	3,206,047.10	3,206,047.10	3,206,047.10	-
Fund balances - ending	<u>\$ 2,078,047.10</u>	<u>\$ 2,077,797.10</u>	<u>\$ 3,248,069.63</u>	<u>\$ 1,170,272.53</u>

See Independent Auditors' Report.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2015

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 an emergency situation, the City Council may amend the initial budget by ordinance. The initial budget was adopted by the City Council on June 16, 2014 and amended on October 6, 2014; April 15, 2015; May 4, 2015; May 18, 2015; and July 6, 2015. The initial budget and final amended budget are both reflected in the financial statements.

For the year ended June 30, 2015, the fund expenditures for Public Safety Trust II, Capital Improvement Sales Tax-Sewer System, Fire Sales Tax, STP-Urban Grant Project, and Community Development Block Grant exceeded their approved budgets by \$377,344; \$12,066; \$56,574; \$113; and \$439,383, respectively.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2015

BUDGETS AND BUDGETARY ACCOUNTING - Continued

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

The following reconciliation adjusts GAAP basis to budget basis:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
	<u>General</u>	<u>Airport</u>	<u>Parks and Recreation</u>	<u>Casino Revenue Fund</u>	<u>Transportation Sales Tax Trust Fund IV</u>	<u>Non-major Funds</u>
GAAP Basis	\$ (699,623)	\$ 16,758	\$ 7,365	\$ 1,341,927	\$ 2,957,638	\$ (126,684)
Increase due to:						
Prior year-end encumbrances						
Administrative services	29,245	-	-	-	-	-
Development services	14,300	30,542	-	-	-	51,561
Parks and recreation	850	-	3,299	-	-	-
Public safety	17,236	-	-	-	-	20,986
Public works	17,790	-	-	-	-	-
Capital improvement	-	-	-	-	-	19,846
Capital outlay	-	-	-	1,067,460	392,319	737,022
Contingency	5,338	-	-	-	-	-
Advance repayments						
from other funds	557,611	-	-	-	-	-
Special payment to LAGERS	1,591,411	46,778	62,401	-	-	-
Adjust investments to market	714	27	115	271	-	3,362
Funds not budgeted annually						216,817
Encumbrance revenue	<u>20,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,866</u>
	<u>2,255,355</u>	<u>77,347</u>	<u>65,815</u>	<u>1,067,731</u>	<u>392,319</u>	<u>1,476,460</u>
Decrease due to:						
Current year-end encumbrances						
Administrative services	4,826	-	-	-	-	-
Development services	13,200	18,822	-	-	-	26,173
Parks and recreation	3,612	-	2,204	-	-	-
Public safety	43,345	-	-	-	-	83,767
Public works	37,764	-	-	-	-	-
Capital improvement	-	-	-	-	-	59,890
Capital outlay	16,012	12,654	-	306,732	1,848,102	917,369
Encumbrance revenue	-	14,034	-	-	-	-
Advance made to						
other funds	-	-	-	488,335	-	-
Special transfer from:						
Employee fringe for LAGERS	1,221,516	46,778	62,401	-	-	-
Risk management for LAGERS	369,895	-	-	-	-	-
Adjust invest to market	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,181</u>	<u>-</u>
	<u>1,710,170</u>	<u>92,288</u>	<u>64,605</u>	<u>795,067</u>	<u>1,849,283</u>	<u>1,087,199</u>
Budget Basis	<u>\$ (154,438)</u>	<u>\$ 1,817</u>	<u>\$ 8,575</u>	<u>\$ 1,614,591</u>	<u>\$ 1,500,674</u>	<u>\$ 262,577</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, 2015

BUDGETS AND BUDGETARY ACCOUNTING - Continued

	<u>Net Income (Loss)</u>				
	<u>Sewer</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Golf Course</u>	<u>Softball Complex</u>
GAAP Basis	\$ 2,863,277	\$ 1,122,219	\$ 637,352	\$ (81,338)	\$ (33,778)
Increase due to :					
Prior year encumbrances					
Operating expenses	137,702	19,314	47,559	12,320	20,109
Capital outlays	11,090,241	639,654	36,107	-	-
Depreciation	3,247,884	1,667,681	408,017	95,024	158,925
Special assessments	10,540	1,744	-	-	-
Bond proceeds	12,156,055	-	-	-	-
Interest cost amortized	129,927	-	-	-	-
Deferred revenue	-	-	-	-	-
Capital outlays	-	-	-	-	-
Interest paid more than accrual	71,584	-	-	-	-
Amount deferred for future debt service for capital appreciation bonds:					
Interest subsidy received	29,172	-	-	-	-
Net OPEB obligation	-	3,026	3,510	33,683	728
Adjust investments to market	3,508	761	444	25	48
Asset dispositions	69,439	12,013	24,000	-	-
Advance from general	-	-	488,335	-	-
Bad debt allowance	<u>91,917</u>	<u>59,269</u>	<u>26,814</u>	<u>-</u>	<u>-</u>
	<u>27,037,969</u>	<u>2,403,462</u>	<u>1,034,786</u>	<u>141,052</u>	<u>179,810</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	274,351	13,639	15,149	-	3,758
Capital outlays	2,410,800	1,275,119	30,285	-	-
Landfill closure and maintenance costs	-	-	1,922	-	-
Interest paid more than accrual	-	5,450	10,847	-	-
Bond principal paid	2,344,250	545,000	1,199,661	32,537	20,257
Amortized bond premium/discount	-	21,582	1,909	-	-
Capital outlays	12,641,802	1,004,538	362,236	-	-
Deferred revenues	82,468	114,376	90,003	-	-
Adjustment to liability for future landfill postclosure maintenance costs	-	-	7,828	-	-
Special transfer from employee fringe for LAGERS	131,352	19,366	83,077	22,173	13,752
Net OPEB obligation	19,419	-	-	-	-
Net pension cost	48,870	8,984	33,595	7,117	12,103
Contributed capital	<u>1,472,040</u>	<u>120,334</u>	<u>-</u>	<u>-</u>	<u>55,622</u>
	<u>19,425,352</u>	<u>3,128,388</u>	<u>1,836,512</u>	<u>61,827</u>	<u>105,492</u>
Budget Basis	<u>\$ 10,475,894</u>	<u>\$ 397,293</u>	<u>\$ (164,374)</u>	<u>\$ (2,113)</u>	<u>\$ 40,540</u>

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2015

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	\$ (143,689)	\$ 60,095	\$(1,050,123)	\$(207,787)	\$ 137,966
Increase due to:					
Prior year encumbrances					
Operating expenses	107,429	936	-	-	-
Capital outlays	-	-	-	-	-
Depreciation	141,847	25,014	-	-	269,800
Deferred revenues	-	15,888	-	-	-
Special payment to LAGERS treated as transfers to other funds in GAAP	-	-	1,650,000	369,895	-
Adjust investments to market	161	56	1,565	708	169
Net OPEB Obligation	<u>2,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>251,835</u>	<u>41,894</u>	<u>1,651,565</u>	<u>370,603</u>	<u>269,969</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	26,151	1,236	-	-	-
Special transfer from employee fringe for LAGERS	10,665	37,516	-	-	-
Net OPEB obligation	-	10,567	-	-	-
Special payment to LAGERS treated as special item in budget	-	-	1,650,000	369,895	-
Net pension cost	7,406	19,820	-	-	-
Capital outlays	<u>92,019</u>	<u>6,228</u>	<u>-</u>	<u>-</u>	<u>235,552</u>
	<u>136,241</u>	<u>75,367</u>	<u>1,650,000</u>	<u>369,895</u>	<u>235,552</u>
Budget Basis	<u>\$ (28,095)</u>	<u>\$ 26,622</u>	<u>\$(1,048,558)</u>	<u>\$(207,079)</u>	<u>\$ 172,383</u>

SUPPLEMENTAL INFORMATION

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,104,691.00	\$ 2,104,691.00	\$ 2,136,403.70	\$ 31,712.70
Investment revenue	2,500.00	2,500.00	6,958.51	4,458.51
Total revenues	<u>2,107,191.00</u>	<u>2,107,191.00</u>	<u>2,143,362.21</u>	<u>36,171.21</u>
EXPENDITURES				
Current:				
Development services	\$ 706,681.00	\$ 784,411.35	\$ 755,433.42	\$ 28,977.93
Total current	<u>\$ 706,681.00</u>	<u>\$ 784,411.35</u>	<u>\$ 755,433.42</u>	<u>\$ 28,977.93</u>
Capital outlay:				
Development services	\$ -	\$ 1,300,000.00	\$ 1,181,126.85	\$ 118,873.15
Total capital outlay	<u>\$ -</u>	<u>\$ 1,300,000.00</u>	<u>\$ 1,181,126.85</u>	<u>\$ 118,873.15</u>
Total expenditures	<u>\$ 706,681.00</u>	<u>\$ 2,084,411.35</u>	<u>\$ 1,936,560.27</u>	<u>\$ 147,851.08</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,400,510.00</u>	<u>\$ 22,779.65</u>	<u>\$ 206,801.94</u>	<u>\$ 184,022.29</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (1,430,277.00)	\$ (1,430,277.00)	\$ -	\$ 1,430,277.00
Total other financing source (uses)	<u>\$ (1,430,277.00)</u>	<u>\$ (1,430,277.00)</u>	<u>\$ -</u>	<u>\$ 1,430,277.00</u>
Net change in fund balances	\$ (29,767.00)	\$ (1,407,497.35)	\$ 206,801.94	\$ 1,614,299.29
Fund balances - beginning	276,841.73	276,841.73	276,841.73	-
Fund balances - ending	<u>\$ 247,074.73</u>	<u>\$ (1,130,655.62)</u>	<u>\$ 483,643.67</u>	<u>\$ 1,614,299.29</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 28,002.00	\$ 28,002.00	\$ 26,002.09	\$ (1,999.91)
Intergovernmental	-	-	12,000.00	12,000.00
Investment revenue	500.00	500.00	1,171.80	671.80
Total revenues	<u>\$ 28,502.00</u>	<u>\$ 28,502.00</u>	<u>\$ 39,173.89</u>	<u>\$ 10,671.89</u>
EXPENDITURES				
Current:				
Development Services	\$ 28,502.00	\$ 46,502.00	\$ 25,081.07	\$ 21,420.93
Total current	<u>\$ 28,502.00</u>	<u>\$ 46,502.00</u>	<u>\$ 25,081.07</u>	<u>\$ 21,420.93</u>
Total expenditures	<u>\$ 28,502.00</u>	<u>\$ 46,502.00</u>	<u>\$ 25,081.07</u>	<u>\$ 21,420.93</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (18,000.00)</u>	<u>\$ 14,092.82</u>	<u>\$ 32,092.82</u>
Net change in fund balances	\$ -	\$ (18,000.00)	\$ 14,092.82	\$ 32,092.82
Fund balances - beginning	79,061.49	79,061.49	79,061.49	-
Fund balances - ending	<u><u>\$ 79,061.49</u></u>	<u><u>\$ 61,061.49</u></u>	<u><u>\$ 93,154.31</u></u>	<u><u>\$ 32,092.82</u></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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 352,561.00	\$ 352,561.00	\$ 351,773.26	\$ (787.74)
Licenses & permits	4,500.00	4,500.00	2,512.00	(1,988.00)
Investment revenue	5,000.00	5,000.00	5,411.58	411.58
Total revenues	<u>\$ 362,061.00</u>	<u>\$ 362,061.00</u>	<u>\$ 359,696.84</u>	<u>\$ (2,364.16)</u>
EXPENDITURES				
Current:				
Public safety	\$ 567,861.00	\$ 569,576.00	\$ 406,087.91	\$ 163,488.09
Total current	<u>\$ 567,861.00</u>	<u>\$ 569,576.00</u>	<u>\$ 406,087.91</u>	<u>\$ 163,488.09</u>
Debt service:				
Total debt service	\$ -	\$ -	\$ -	\$ -
Capital outlay:				
Public Safety	\$ 76,000.00	\$ 76,000.00	\$ 75,997.08	\$ 2.92
Total capital outlay	<u>\$ 76,000.00</u>	<u>\$ 76,000.00</u>	<u>\$ 75,997.08</u>	<u>\$ 2.92</u>
Total expenditures	<u>\$ 643,861.00</u>	<u>\$ 645,576.00</u>	<u>\$ 482,084.99</u>	<u>\$ 163,491.01</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (281,800.00)</u>	<u>\$ (283,515.00)</u>	<u>\$ (122,388.15)</u>	<u>\$ 161,126.85</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (281,800.00)	\$ (283,515.00)	\$ (122,388.15)	\$ 161,126.85
Fund balances - beginning	452,280.79	452,280.79	452,280.79	-
Fund balances - ending	<u>\$ 170,480.79</u>	<u>\$ 168,765.79</u>	<u>\$ 329,892.64</u>	<u>\$ 161,126.85</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,390,000.00	\$ 1,390,000.00	\$ 1,599,683.87	\$ 209,683.87
Investment revenue	6,243.00	6,243.00	13,297.54	7,054.54
Total revenues	<u>\$ 1,396,243.00</u>	<u>\$ 1,396,243.00</u>	<u>\$ 1,612,981.41</u>	<u>\$ 216,738.41</u>
EXPENDITURES				
Current:				
Capital Improvements	\$ -	\$ 21,500.00	\$ 21,210.75	\$ 289.25
Total current	<u>\$ -</u>	<u>\$ 21,500.00</u>	<u>\$ 21,210.75</u>	<u>\$ 289.25</u>
Debt service:				
Total debt service	\$ -	\$ -	\$ -	\$ -
Capital outlay:				
Public works	\$ -	\$ 140,000.00	\$ 88,776.36	\$ 51,223.64
Capital improvements	-	196,534.75	163,678.13	32,856.62
Total capital outlay	<u>\$ -</u>	<u>\$ 336,534.75</u>	<u>\$ 252,454.49</u>	<u>\$ 84,080.26</u>
Total expenditures	<u>\$ -</u>	<u>\$ 358,034.75</u>	<u>\$ 273,665.24</u>	<u>\$ 84,369.51</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,396,243.00</u>	<u>\$ 1,038,208.25</u>	<u>\$ 1,339,316.17</u>	<u>\$ 301,107.92</u>
OTHER FINANCING SOURCES (USES)				
Special assessments	\$ 4,468.00	\$ 4,468.00	\$ 4,578.06	\$ 110.06
Transfers in	-	27,500.00	25,637.41	(1,862.59)
Transfers out	(1,120,000.00)	(1,120,000.00)	(1,120,000.00)	-
Total other financing source (uses)	<u>\$ (1,115,532.00)</u>	<u>\$ (1,088,032.00)</u>	<u>\$ (1,089,784.53)</u>	<u>\$ (1,752.53)</u>
Net change in fund balances	\$ 280,711.00	\$ (49,823.75)	\$ 249,531.64	\$ 299,355.39
Fund balances - beginning	828,627.70	828,627.70	828,627.70	-
Fund balances - ending	<u>\$ 1,109,338.70</u>	<u>\$ 778,803.95</u>	<u>\$ 1,078,159.34</u>	<u>\$ 299,355.39</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,505,000.00	\$ 2,505,000.00	\$ 2,538,305.06	\$ 33,305.06
Investment revenue	37,500.00	37,500.00	77,216.84	39,716.84
Total revenues	<u>\$ 2,542,500.00</u>	<u>\$ 2,542,500.00</u>	<u>\$ 2,615,521.90</u>	<u>\$ 73,021.90</u>
EXPENDITURES				
Current:				
Development services	\$ 128,185.00	\$ 128,185.00	\$ 140,251.31	\$ (12,066.31)
Total current	<u>\$ 128,185.00</u>	<u>\$ 128,185.00</u>	<u>\$ 140,251.31</u>	<u>\$ (12,066.31)</u>
Debt service:				
Administrative charges	\$ 6,000.00	\$ 6,000.00	\$ 5,296.76	\$ 703.24
Principal	44,700.00	44,700.00	44,700.00	-
Interest	12,515.00	12,515.00	12,514.52	0.48
Total debt service	<u>\$ 63,215.00</u>	<u>\$ 63,215.00</u>	<u>\$ 62,511.28</u>	<u>\$ 703.72</u>
Total expenditures	<u>\$ 191,400.00</u>	<u>\$ 191,400.00</u>	<u>\$ 202,762.59</u>	<u>\$ (11,362.59)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,351,100.00</u>	<u>\$ 2,351,100.00</u>	<u>\$ 2,412,759.31</u>	<u>\$ 61,659.31</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 36.46	\$ 36.46
Transfers out	(7,383,000.00)	(7,383,000.00)	(3,140,881.11)	4,242,118.89
Total other financing source (uses)	<u>\$ (7,383,000.00)</u>	<u>\$ (7,383,000.00)</u>	<u>\$ (3,140,844.65)</u>	<u>\$ 4,242,155.35</u>
Net change in fund balances	\$ (5,031,900.00)	\$ (5,031,900.00)	\$ (728,085.34)	\$ 4,303,814.66
Fund balances - beginning	5,688,693.72	5,688,693.72	5,688,693.72	-
Fund balances - ending	<u>\$ 656,793.72</u>	<u>\$ 656,793.72</u>	<u>\$ 4,960,608.38</u>	<u>\$ 4,303,814.66</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 49.94	\$ 49.94
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49.94</u>	<u>\$ 49.94</u>
EXPENDITURES				
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49.94</u>	<u>\$ 49.94</u>
OTHER FINANCING SOURCES (USES)				
Special assessments	\$ -	\$ -	\$ 0.06	\$ 0.06
Transfers out	-	(27,500.00)	(25,637.41)	1,862.59
Total other financing source (uses)	<u>\$ -</u>	<u>\$ (27,500.00)</u>	<u>\$ (25,637.35)</u>	<u>\$ 1,862.65</u>
Net change in fund balances	\$ -	\$ (27,500.00)	\$ (25,587.41)	\$ 1,912.59
Fund balances - beginning	25,587.41	25,587.41	25,587.41	-
Fund balances - ending	<u><u>\$ 25,587.41</u></u>	<u><u>\$ (1,912.59)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,912.59</u></u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,505,000.00	\$ 2,505,000.00	\$ 2,538,309.42	\$ 33,309.42
Investment revenue	56,250.00	56,250.00	42,256.62	(13,993.38)
Total revenues	<u>\$ 2,561,250.00</u>	<u>\$ 2,561,250.00</u>	<u>\$ 2,580,566.04</u>	<u>\$ 19,316.04</u>
EXPENDITURES				
Current:				
Development services	\$ 128,185.00	\$ 128,185.00	\$ 140,251.30	\$ (12,066.30)
Total current	<u>\$ 128,185.00</u>	<u>\$ 128,185.00</u>	<u>\$ 140,251.30</u>	<u>\$ (12,066.30)</u>
Total expenditures	<u>\$ 128,185.00</u>	<u>\$ 128,185.00</u>	<u>\$ 140,251.30</u>	<u>\$ (12,066.30)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,433,065.00</u>	<u>\$ 2,433,065.00</u>	<u>\$ 2,440,314.74</u>	<u>\$ 7,249.74</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (1,627,500.00)	\$ (1,627,500.00)	\$ (1,627,500.00)	\$ -
Total other financing source (uses)	<u>\$ (1,627,500.00)</u>	<u>\$ (1,627,500.00)</u>	<u>\$ (1,627,500.00)</u>	<u>\$ -</u>
Net change in fund balances	\$ 805,565.00	\$ 805,565.00	\$ 812,814.74	\$ 7,249.74
Fund balances - beginning	3,102,428.66	3,102,428.66	3,102,428.66	-
Fund balances - ending	<u>\$ 3,907,993.66</u>	<u>\$ 3,907,993.66</u>	<u>\$ 3,915,243.40</u>	<u>\$ 7,249.74</u>

See Independent Auditors' Report.

City of Cape Girardeau
Transportation Sales Tax II
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ (1,750.00)	\$ (1,561.58)	\$ 188.42
Total other financing source (uses)	\$ -	\$ (1,750.00)	\$ (1,561.58)	\$ 188.42
Net change in fund balances	\$ -	\$ (1,750.00)	\$ (1,561.58)	\$ 188.42
Fund balances - beginning	1,561.58	1,561.58	1,561.58	-
Fund balances - ending	<u>\$ 1,561.58</u>	<u>\$ (188.42)</u>	<u>\$ -</u>	<u>\$ 188.42</u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,033,260.00	\$ 2,033,260.00	\$ 2,459,550.01	\$ 426,290.01
Total revenues	<u>\$ 2,033,260.00</u>	<u>\$ 2,033,260.00</u>	<u>\$ 2,459,550.01</u>	<u>\$ 426,290.01</u>
EXPENDITURES				
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	<u>\$ 2,033,260.00</u>	<u>\$ 2,033,260.00</u>	<u>\$ 2,459,550.01</u>	<u>\$ 426,290.01</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (2,033,260.00)	\$ (2,453,260.00)	\$ (2,509,834.11)	\$ (56,574.11)
Total other financing source (uses)	<u>\$ (2,033,260.00)</u>	<u>\$ (2,453,260.00)</u>	<u>\$ (2,509,834.11)</u>	<u>\$ (56,574.11)</u>
Net change in fund balances	\$ -	\$ (420,000.00)	\$ (50,284.10)	\$ 369,715.90
Fund balances - beginning	275,546.69	275,546.69	275,546.69	-
Fund balances - ending	<u>\$ 275,546.69</u>	<u>\$ (144,453.31)</u>	<u>\$ 225,262.59</u>	<u>\$ 369,715.90</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 14,220.09	\$ 14,220.09
Total revenues	\$ -	\$ -	\$ 14,220.09	\$ 14,220.09
EXPENDITURES				
Current:				
Public safety	\$ 19,998.00	\$ 19,998.00	\$ 12,232.20	\$ 7,765.80
Total current	\$ 19,998.00	\$ 19,998.00	\$ 12,232.20	\$ 7,765.80
Debt service:				
Principal	\$ 1,330,907.00	\$ 1,330,907.00	\$ 1,330,907.04	\$ (0.04)
Interest	59,700.00	59,700.00	59,836.21	(136.21)
Total debt service	\$ 1,390,607.00	\$ 1,390,607.00	\$ 1,390,743.25	\$ (136.25)
Capital outlay:				
Public safety	\$ 15,000.00	\$ 41,706.00	\$ 34,847.48	\$ 6,858.52
Total capital outlay	\$ 15,000.00	\$ 41,706.00	\$ 34,847.48	\$ 6,858.52
Total expenditures	\$ 1,425,605.00	\$ 1,452,311.00	\$ 1,437,822.93	\$ 14,488.07
Excess (deficiency) of revenues over expenditures	\$ (1,425,605.00)	\$ (1,452,311.00)	\$ (1,423,602.84)	\$ 28,708.16
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,033,260.00	\$ 2,453,260.00	\$ 1,754,500.77	\$ (698,759.23)
Transfers out	(1,202,400.00)	(1,412,400.00)	(877,250.37)	535,149.63
Total other financing source (uses)	\$ 830,860.00	\$ 1,040,860.00	\$ 877,250.40	\$ (163,609.60)
Net change in fund balances	\$ (594,745.00)	\$ (411,451.00)	\$ (546,352.44)	\$ (134,901.44)
Fund balances - beginning	594,050.92	594,050.92	594,050.92	-
Fund balances - ending	\$ (694.08)	\$ 182,599.92	\$ 47,698.48	\$ (134,901.44)

See Independent Auditors' Report.

City of Cape Girardeau
Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ (26,500.00)	\$ (26,335.20)	\$ 164.80
Total other financing source (uses)	\$ -	\$ (26,500.00)	\$ (26,335.20)	\$ 164.80
Net change in fund balances	\$ -	\$ (26,500.00)	\$ (26,335.20)	\$ 164.80
Fund balances - beginning	26,335.20	26,335.20	26,335.20	-
Fund balances - ending	<u>\$ 26,335.20</u>	<u>\$ (164.80)</u>	<u>\$ -</u>	<u>\$ 164.80</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 53,294.02	\$ 53,294.02
Investment revenue	1,000.00	1,000.00	132.26	(867.74)
Total revenues	<u>\$ 1,000.00</u>	<u>\$ 1,000.00</u>	<u>\$ 53,426.28</u>	<u>\$ 52,426.28</u>
EXPENDITURES				
Debt service:				
Interest	\$ -	\$ -	\$ 192.87	\$ (192.87)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192.87</u>	<u>\$ (192.87)</u>
Capital outlay:				
Capital Improvements	\$ -	\$ 16,539.41	\$ 8,409.15	\$ 8,130.26
Total capital outlay	<u>\$ -</u>	<u>\$ 16,539.41</u>	<u>\$ 8,409.15</u>	<u>\$ 8,130.26</u>
Total expenditures	<u>\$ -</u>	<u>\$ 16,539.41</u>	<u>\$ 8,602.02</u>	<u>\$ 7,937.39</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,000.00</u>	<u>\$ (15,539.41)</u>	<u>\$ 44,824.26</u>	<u>\$ 60,363.67</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 1,000.00	\$ (15,539.41)	\$ 44,824.26	\$ 60,363.67
Fund balances - beginning	<u>(13,604.15)</u>	<u>(13,604.15)</u>	<u>(13,604.15)</u>	<u>-</u>
Fund balances - ending	<u><u>\$ (12,604.15)</u></u>	<u><u>\$ (29,143.56)</u></u>	<u><u>\$ 31,220.11</u></u>	<u><u>\$ 60,363.67</u></u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ 1,794.00	\$ 1,794.00	\$ 3,362.61	\$ 1,568.61
Total revenues	<u>\$ 1,794.00</u>	<u>\$ 1,794.00</u>	<u>\$ 3,362.61</u>	<u>\$ 1,568.61</u>
EXPENDITURES				
Capital outlay:				
Capital Improvements	\$ -	\$ 533,216.00	\$ 473,970.57	\$ 59,245.43
Total capital outlay	\$ -	\$ 533,216.00	\$ 473,970.57	\$ 59,245.43
Total expenditures	\$ -	\$ 533,216.00	\$ 473,970.57	\$ 59,245.43
Excess (deficiency) of revenues over expenditures	<u>\$ 1,794.00</u>	<u>\$ (531,422.00)</u>	<u>\$ (470,607.96)</u>	<u>\$ 60,814.04</u>
OTHER FINANCING SOURCES (USES)				
Special assessments	\$ 5,319.00	\$ 5,319.00	\$ 14,413.68	\$ 9,094.68
Total other financing source (uses)	<u>\$ 5,319.00</u>	<u>\$ 5,319.00</u>	<u>\$ 14,413.68</u>	<u>\$ 9,094.68</u>
Net change in fund balances	\$ 7,113.00	\$ (526,103.00)	\$ (456,194.28)	\$ 69,908.72
Fund balances - beginning	105,598.44	105,598.44	105,598.44	-
Fund balances - ending	<u>\$ 112,711.44</u>	<u>\$ (420,504.56)</u>	<u>\$ (350,595.84)</u>	<u>\$ 69,908.72</u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,360,000.00	\$ 1,360,000.00	\$ 794,860.85	\$ (565,139.15)
Investment revenue	-	-	351.64	351.64
Total revenues	<u>\$ 1,360,000.00</u>	<u>\$ 1,360,000.00</u>	<u>\$ 795,212.49</u>	<u>\$ (564,787.51)</u>
EXPENDITURES				
Capital outlay:				
Capital Improvements	\$ 1,360,000.00	\$ 1,360,000.00	\$ 816,996.71	\$ 543,003.29
Total capital outlay	<u>\$ 1,360,000.00</u>	<u>\$ 1,360,000.00</u>	<u>\$ 816,996.71</u>	<u>\$ 543,003.29</u>
Total expenditures	<u>\$ 1,360,000.00</u>	<u>\$ 1,360,000.00</u>	<u>\$ 816,996.71</u>	<u>\$ 543,003.29</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,784.22)</u>	<u>\$ (21,784.22)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 17,624.06	\$ 17,624.06
Total other financing source (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,624.06</u>	<u>\$ 17,624.06</u>
Net change in fund balances	\$ -	\$ -	\$ (4,160.16)	\$ (4,160.16)
Fund balances - beginning	<u>21,439.22</u>	<u>21,439.22</u>	<u>21,439.22</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 21,439.22</u></u>	<u><u>\$ 21,439.22</u></u>	<u><u>\$ 17,279.06</u></u>	<u><u>\$ (4,160.16)</u></u>

City of Cape Girardeau
Comm Delvel Block Grant Project
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,316,875.98	\$ 1,316,875.98
Investment revenue	-	-	187.07	187.07
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,317,063.05</u>	<u>\$ 1,317,063.05</u>
EXPENDITURES				
Current:				
Capital Improvements	\$ -	\$ 2,509,884.52	\$ 2,948,132.34	\$ (438,247.82)
Total current	<u>\$ -</u>	<u>\$ 2,509,884.52</u>	<u>\$ 2,948,132.34</u>	<u>\$ (438,247.82)</u>
Debt service:				
Interest	\$ -	\$ -	\$ 1,134.89	\$ (1,134.89)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,134.89</u>	<u>\$ (1,134.89)</u>
Total expenditures	<u>\$ -</u>	<u>\$ 2,509,884.52</u>	<u>\$ 2,949,267.23</u>	<u>\$ (439,382.71)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (2,509,884.52)</u>	<u>\$ (1,632,204.18)</u>	<u>\$ 877,680.34</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 1,090,500.00	\$ 1,664,244.79	\$ 573,744.79
Total other financing source (uses)	<u>\$ -</u>	<u>\$ 1,090,500.00</u>	<u>\$ 1,664,244.79</u>	<u>\$ 573,744.79</u>
Net change in fund balances	\$ -	\$ (1,419,384.52)	\$ 32,040.61	\$ 1,451,425.13
Fund balances - beginning	(31,004.90)	(31,004.90)	(31,004.90)	-
Fund balances - ending	<u>\$ (31,004.90)</u>	<u>\$ (1,450,389.42)</u>	<u>\$ 1,035.71</u>	<u>\$ 1,451,425.13</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,809,600.00	\$ 4,809,600.00	\$ 4,919,235.94	\$ 109,635.94
Intergovernmental	30,000.00	30,000.00	30,000.00	-
Investment revenue	6,250.00	6,250.00	87,798.40	81,548.40
Total revenues	<u>\$ 4,845,850.00</u>	<u>\$ 4,845,850.00</u>	<u>\$ 5,037,034.34</u>	<u>\$ 191,184.34</u>
EXPENDITURES				
Current:				
Development services	\$ 242,850.00	\$ 252,850.00	\$ 277,432.59	\$ (24,582.59)
Total current	<u>\$ 242,850.00</u>	<u>\$ 252,850.00</u>	<u>\$ 277,432.59</u>	<u>\$ (24,582.59)</u>
Debt service:				
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital outlay:				
Capital Improvement Projects	\$ 5,540,000.00	\$ 7,896,116.49	\$ 3,518,928.12	\$ 4,377,188.37
Total capital outlay	<u>\$ 5,540,000.00</u>	<u>\$ 7,896,116.49</u>	<u>\$ 3,518,928.12</u>	<u>\$ 4,377,188.37</u>
Total expenditures	<u>\$ 5,782,850.00</u>	<u>\$ 8,148,966.49</u>	<u>\$ 3,796,360.71</u>	<u>\$ 4,352,605.78</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (937,000.00)</u>	<u>\$ (3,303,116.49)</u>	<u>\$ 1,240,673.63</u>	<u>\$ 4,543,790.12</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 260,000.00	\$ 260,000.00	\$ 260,000.00	\$ -
Total other financing source (uses)	<u>\$ 260,000.00</u>	<u>\$ 260,000.00</u>	<u>\$ 260,000.00</u>	<u>\$ -</u>
Net change in fund balances	\$ (677,000.00)	\$ (3,043,116.49)	\$ 1,500,673.63	\$ 4,543,790.12
Fund balances - beginning	5,110,888.50	5,110,888.50	5,110,888.50	-
Fund balances - ending	<u>\$ 4,433,888.50</u>	<u>\$ 2,067,772.01</u>	<u>\$ 6,611,562.13</u>	<u>\$ 4,543,790.12</u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,252,500.00	\$ 1,252,500.00	\$ 1,269,034.40	\$ 16,534.40
Investment revenue	2,500.00	2,500.00	12,448.01	9,948.01
Total revenues	<u>\$ 1,255,000.00</u>	<u>\$ 1,255,000.00</u>	<u>\$ 1,281,482.41</u>	<u>\$ 26,482.41</u>
EXPENDITURES				
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	<u>\$ 1,255,000.00</u>	<u>\$ 1,255,000.00</u>	<u>\$ 1,281,482.41</u>	<u>\$ 26,482.41</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (1,282,732.00)	\$ (1,450,563.00)	\$ (1,384,563.00)	\$ 66,000.00
Total other financing source (uses)	<u>\$ (1,282,732.00)</u>	<u>\$ (1,450,563.00)</u>	<u>\$ (1,384,563.00)</u>	<u>\$ 66,000.00</u>
Net change in fund balances	\$ (27,732.00)	\$ (195,563.00)	\$ (103,080.59)	\$ 92,482.41
Fund balances - beginning	417,573.20	417,573.20	417,573.20	-
Fund balances - ending	<u>\$ 389,841.20</u>	<u>\$ 222,010.20</u>	<u>\$ 314,492.61</u>	<u>\$ 92,482.41</u>

See Independent Auditors' Report.

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,757,500.00	\$ 3,757,500.00	\$ 3,807,103.09	\$ 49,603.09
Investment revenue	25,000.00	25,000.00	57,118.18	32,118.18
Total revenues	<u>\$ 3,782,500.00</u>	<u>\$ 3,782,500.00</u>	<u>\$ 3,864,221.27</u>	<u>\$ 81,721.27</u>
EXPENDITURES				
Debt service:				
Administrative charges	\$ 3,000.00	\$ 3,000.00	\$ 2,915.00	\$ 85.00
Principal	2,080,000.00	2,080,000.00	2,080,000.00	-
Interest	407,394.00	407,394.00	407,393.76	0.24
Total debt service	<u>\$ 2,490,394.00</u>	<u>\$ 2,490,394.00</u>	<u>\$ 2,490,308.76</u>	<u>\$ 85.24</u>
Capital outlay:				
Parks and recreation	\$ 62,500.00	\$ 62,500.00	\$ 46,734.85	\$ 15,765.15
Total capital outlay	<u>\$ 62,500.00</u>	<u>\$ 62,500.00</u>	<u>\$ 46,734.85</u>	<u>\$ 15,765.15</u>
Total expenditures	<u>\$ 2,552,894.00</u>	<u>\$ 2,552,894.00</u>	<u>\$ 2,537,043.61</u>	<u>\$ 15,850.39</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,229,606.00</u>	<u>\$ 1,229,606.00</u>	<u>\$ 1,327,177.66</u>	<u>\$ 97,571.66</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ -
Transfers out	(1,259,606.00)	(1,259,606.00)	(700,115.91)	559,490.09
Total other financing source (uses)	<u>\$ (1,229,606.00)</u>	<u>\$ (1,229,606.00)</u>	<u>\$ (670,115.91)</u>	<u>\$ 559,490.09</u>
Net change in fund balances	\$ -	\$ -	\$ 657,061.75	\$ 657,061.75
Fund balances - beginning	<u>3,670,230.91</u>	<u>3,670,230.91</u>	<u>3,670,230.91</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 3,670,230.91</u></u>	<u><u>\$ 3,670,230.91</u></u>	<u><u>\$ 4,327,292.66</u></u>	<u><u>\$ 657,061.75</u></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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 165,000.00	\$ 165,000.00	\$ 160,995.82	\$ (4,004.18)
Investment revenue	-	-	12.45	12.45
Total revenues	<u>\$ 165,000.00</u>	<u>\$ 165,000.00</u>	<u>\$ 161,008.27</u>	<u>\$ (3,991.73)</u>
EXPENDITURES				
Current:				
Development services	\$ 177,000.00	\$ 329,617.98	\$ 230,710.77	\$ 98,907.21
Total current	<u>\$ 177,000.00</u>	<u>\$ 329,617.98</u>	<u>\$ 230,710.77</u>	<u>\$ 98,907.21</u>
Debt service:				
Interest	\$ -	\$ -	\$ 344.55	\$ (344.55)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344.55</u>	<u>\$ (344.55)</u>
Total expenditures	<u>\$ 177,000.00</u>	<u>\$ 329,617.98</u>	<u>\$ 231,055.32</u>	<u>\$ 98,562.66</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (12,000.00)</u>	<u>\$ (164,617.98)</u>	<u>\$ (70,047.05)</u>	<u>\$ 94,570.93</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 12,000.00	\$ 15,000.00	\$ 19,745.20	\$ 4,745.20
Total other financing source (uses)	<u>\$ 12,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 19,745.20</u>	<u>\$ 4,745.20</u>
Net change in fund balances	\$ -	\$ (149,617.98)	\$ (50,301.85)	\$ 99,316.13
Fund balances - beginning	6,070.44	6,070.44	6,070.44	-
Fund balances - ending	<u>\$ 6,070.44</u>	<u>\$ (143,547.54)</u>	<u>\$ (44,231.41)</u>	<u>\$ 99,316.13</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 53,275.71	\$ 53,275.71
Investment revenue	-	-	613.36	613.36
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,889.07</u>	<u>\$ 53,889.07</u>
EXPENDITURES				
Current:				
Capital Improvements	\$ -	\$ 76,594.20	\$ 76,707.67	\$ (113.47)
Total current	<u>\$ -</u>	<u>\$ 76,594.20</u>	<u>\$ 76,707.67</u>	<u>\$ (113.47)</u>
Total expenditures	<u>\$ -</u>	<u>\$ 76,594.20</u>	<u>\$ 76,707.67</u>	<u>\$ (113.47)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (76,594.20)</u>	<u>\$ (22,818.60)</u>	<u>\$ 53,775.60</u>
Net change in fund balances	\$ -	\$ (76,594.20)	\$ (22,818.60)	\$ 53,775.60
Fund balances - beginning	50,362.55	50,362.55	50,362.55	-
Fund balances - ending	<u><u>\$ 50,362.55</u></u>	<u><u>\$ (26,231.65)</u></u>	<u><u>\$ 27,543.95</u></u>	<u><u>\$ 53,775.60</u></u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Residential charges	\$ 4,620,000.00	\$ 4,620,000.00	\$ 4,397,073.69	\$ (222,926.31)
Commerical charges	2,540,000.00	2,540,000.00	2,389,539.45	(150,460.55)
Other fees and charges	128,000.00	128,000.00	127,625.40	(374.60)
Internal charges	-	-	7,454.16	7,454.16
Miscellaneous	800.00	800.00	1,367.96	567.96
Investment revenue	113,012.00	113,012.00	182,068.64	69,056.64
Asset disposition	-	-	83,110.42	83,110.42
Total revenues	<u>\$ 7,401,812.00</u>	<u>\$ 7,401,812.00</u>	<u>\$ 7,188,239.72</u>	<u>\$ (213,572.28)</u>
EXPENDITURES				
Current:				
Contractual services	\$ 487,528.00	\$ 879,480.95	\$ 808,944.32	\$ 70,536.63
General operating expenses	450,745.00	459,711.38	423,337.42	36,373.96
Internal service expense	194,947.00	194,947.00	191,366.21	3,580.79
Material and supplies	744,837.00	639,872.53	649,264.09	(9,391.56)
Personnel services	1,830,917.00	1,792,582.00	1,750,599.03	41,982.97
Special projects expense	18,000.00	18,000.00	16,712.04	1,287.96
Total current	<u>\$ 3,726,974.00</u>	<u>\$ 3,984,593.86</u>	<u>\$ 3,840,223.11</u>	<u>\$ 144,370.75</u>
Debt service:				
Administrative charges	\$ 413,160.00	\$ 413,160.00	\$ 82,509.96	\$ 330,650.04
Principal	2,790,420.00	2,932,170.00	2,344,250.00	587,920.00
Interest	1,808,459.00	1,808,459.00	893,494.82	914,964.18
Total debt service	<u>\$ 5,012,039.00</u>	<u>\$ 5,153,789.00</u>	<u>\$ 3,320,254.78</u>	<u>\$ 1,833,534.22</u>
Capital outlay:				
Capital Improvement Projects	\$ -	\$ 3,625,336.05	\$ 3,401,010.34	\$ 224,325.71
Equipment	57,022.00	408,536.62	561,350.42	(152,813.80)
Other Capital Expenditures	1,470,000.00	-	-	-
Total capital outlay	<u>\$ 1,527,022.00</u>	<u>\$ 4,033,872.67</u>	<u>\$ 3,962,360.76</u>	<u>\$ 71,511.91</u>
Total expenditures	<u>\$ 10,266,035.00</u>	<u>\$ 13,172,255.53</u>	<u>\$ 11,122,838.65</u>	<u>\$ 2,049,416.88</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,864,223.00)</u>	<u>\$ (5,770,443.53)</u>	<u>\$ (3,934,598.93)</u>	<u>\$ 1,835,844.60</u>
OTHER FINANCING SOURCES (USES)				
Contributed cap - connect fee	\$ 80,000.00	\$ 80,000.00	\$ 81,170.00	\$ 1,170.00
Special assessments	3,536.00	3,536.00	10,539.80	7,003.80
Bond proceeds	1,390,000.00	1,390,000.00	12,156,055.49	10,766,055.49
Asset disposition	16,000.00	16,000.00	55,000.00	39,000.00
Transfers in	1,926,980.00	1,931,017.49	2,111,149.58	180,132.09
Transfers out	(12,000.00)	(15,421.86)	(3,421.86)	12,000.00
Total other financing source (uses)	<u>\$ 3,404,516.00</u>	<u>\$ 3,405,131.63</u>	<u>\$ 14,410,493.01</u>	<u>\$ 11,005,361.38</u>
Net change in fund balances	\$ 540,293.00	\$ (2,365,311.90)	\$ 10,475,894.08	\$ 12,841,205.98
Fund balances - beginning	(5,605,414.17)	(5,605,414.17)	(5,605,414.17)	-
Fund balances - ending	<u>\$ (5,065,121.17)</u>	<u>\$ (7,970,726.07)</u>	<u>\$ 4,870,479.91</u>	<u>\$ 12,841,205.98</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Residential charges	\$ 3,860,000.00	\$ 3,860,000.00	\$ 3,561,640.33	\$ (298,359.67)
Commerical charges	2,540,500.00	2,540,500.00	2,328,983.49	(211,516.51)
Other fees and charges	209,000.00	209,000.00	232,129.88	23,129.88
Miscellaneous	21,217.00	21,217.00	20,412.20	(804.80)
Investment revenue	60,105.00	60,105.00	68,669.48	8,564.48
Total revenues	<u>\$ 6,690,822.00</u>	<u>\$ 6,690,822.00</u>	<u>\$ 6,211,835.38</u>	<u>\$ (478,986.62)</u>
EXPENDITURES				
Current:				
Contractual services	\$ 2,809,487.00	\$ 2,830,796.71	\$ 2,780,139.54	\$ 50,657.17
General operating expenses	362,395.00	362,169.67	319,767.90	42,401.77
Internal service expense	143,028.00	143,028.00	143,086.71	(58.71)
Material and supplies	1,192,292.00	1,171,207.62	1,012,949.39	158,258.23
Personnel services	296,457.00	297,071.00	272,215.11	24,855.89
Special projects expense	250,000.00	250,000.00	242,310.87	7,689.13
Total current	<u>\$ 5,053,659.00</u>	<u>\$ 5,054,273.00</u>	<u>\$ 4,770,469.52</u>	<u>\$ 283,803.48</u>
Debt service:				
Principal	\$ 545,000.00	\$ 545,000.00	\$ 545,000.00	\$ -
Interest	419,281.00	419,281.00	419,281.26	(0.26)
Total debt service	<u>\$ 964,281.00</u>	<u>\$ 964,281.00</u>	<u>\$ 964,281.26</u>	<u>\$ (0.26)</u>
Capital outlay:				
Capital Improvement Projects	\$ 350,000.00	\$ 3,700,506.69	\$ 1,596,623.84	\$ 2,103,882.85
Equipment	70,700.00	70,700.00	43,880.00	26,820.00
Other Capital Expenditures	7,583,000.00	4,503,000.00	(500.00)	4,503,500.00
Total capital outlay	<u>\$ 8,003,700.00</u>	<u>\$ 8,274,206.69</u>	<u>\$ 1,640,003.84</u>	<u>\$ 6,634,202.85</u>
Total expenditures	<u>\$ 14,021,640.00</u>	<u>\$ 14,292,760.69</u>	<u>\$ 7,374,754.62</u>	<u>\$ 6,918,006.07</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (7,330,818.00)</u>	<u>\$ (7,601,938.69)</u>	<u>\$ (1,162,919.24)</u>	<u>\$ 6,439,019.45</u>
OTHER FINANCING SOURCES (USES)				
Special assessments	\$ 724.00	\$ 724.00	\$ 1,744.04	\$ 1,020.04
Asset disposition	-	-	12,480.93	12,480.93
Transfers in	7,425,000.00	6,584,500.00	1,547,987.12	(5,036,512.88)
Transfers out	-	-	(2,000.00)	(2,000.00)
Total other financing source (uses)	<u>\$ 7,425,724.00</u>	<u>\$ 6,585,224.00</u>	<u>\$ 1,560,212.09</u>	<u>\$ (5,025,011.91)</u>
Net change in fund balances	\$ 94,906.00	\$ (1,016,714.69)	\$ 397,292.85	\$ 1,414,007.54
Fund balances - beginning	4,967,750.31	4,967,750.31	4,967,750.31	-
Fund balances - ending	<u>\$ 5,062,656.31</u>	<u>\$ 3,951,035.62</u>	<u>\$ 5,365,043.16</u>	<u>\$ 1,414,007.54</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Residential charges	\$ 2,425,000.00	\$ 2,425,000.00	\$ 2,366,522.13	\$ (58,477.87)
Commerical charges	37,000.00	37,000.00	38,640.75	1,640.75
Transfer station charges	741,080.00	741,080.00	704,584.65	(36,495.35)
Other fees and charges	93,000.00	93,000.00	97,086.10	4,086.10
Miscellaneous	41,500.00	41,500.00	45,334.68	3,834.68
Investment revenue	10,000.00	10,000.00	9,627.47	(372.53)
Asset disposition	-	-	4,447.40	4,447.40
Total revenues	<u>\$ 3,347,580.00</u>	<u>\$ 3,347,580.00</u>	<u>\$ 3,266,243.18</u>	<u>\$ (81,336.82)</u>
EXPENDITURES				
Current:				
Contractual services	\$ 1,073,229.00	\$ 1,092,946.93	\$ 1,056,810.66	\$ 36,136.27
General operating expenses	53,200.00	53,074.57	7,795.09	45,279.48
Internal service expense	380,669.00	380,669.00	409,110.00	(28,441.00)
Material and supplies	286,923.00	287,330.50	232,330.99	54,999.51
Personnel services	1,118,997.00	1,121,824.00	1,121,942.26	(118.26)
Special projects expense	56,824.00	56,824.00	39,545.81	17,278.19
Total current	<u>\$ 2,969,842.00</u>	<u>\$ 2,992,669.00</u>	<u>\$ 2,867,534.81</u>	<u>\$ 125,134.19</u>
Debt service:				
Administrative charges	\$ 500.00	\$ 500.00	\$ 424.00	\$ 76.00
Principal	206,508.00	1,199,843.00	1,199,660.74	182.26
Interest	27,143.00	27,143.00	23,735.23	3,407.77
Total debt service	<u>\$ 234,151.00</u>	<u>\$ 1,227,486.00</u>	<u>\$ 1,223,819.97</u>	<u>\$ 3,666.03</u>
Capital outlay:				
Capital Improvement Projects	\$ -	\$ 215,000.00	\$ 213,216.50	\$ 1,783.50
Equipment	210,601.00	218,298.81	143,198.56	75,100.25
Total capital outlay	<u>\$ 210,601.00</u>	<u>\$ 433,298.81</u>	<u>\$ 356,415.06</u>	<u>\$ 76,883.75</u>
Total expenditures	<u>\$ 3,414,594.00</u>	<u>\$ 4,653,453.81</u>	<u>\$ 4,447,769.84</u>	<u>\$ 205,683.97</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (67,014.00)</u>	<u>\$ (1,305,873.81)</u>	<u>\$ (1,181,526.66)</u>	<u>\$ 124,347.15</u>
OTHER FINANCING SOURCES (USES)				
Asset disposition	\$ 3,000.00	\$ 3,000.00	\$ 24,000.00	\$ 21,000.00
Advances from other funds	-	488,335.00	488,335.00	-
Transfers in	-	505,000.00	504,817.85	(182.15)
Total other financing source (uses)	<u>\$ 3,000.00</u>	<u>\$ 996,335.00</u>	<u>\$ 1,017,152.85</u>	<u>\$ 20,817.85</u>
Net change in fund balances	\$ (64,014.00)	\$ (309,538.81)	\$ (164,373.81)	\$ 145,165.00
Fund balances - beginning	392,394.51	392,394.51	392,394.51	-
Fund balances - ending	<u>\$ 328,380.51</u>	<u>\$ 82,855.70</u>	<u>\$ 228,020.70</u>	<u>\$ 145,165.00</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Concession revenues	\$ 38,600.00	\$ 38,600.00	\$ 32,958.12	\$ (5,641.88)
Usage fees	471,600.00	471,600.00	439,974.35	(31,625.65)
Miscellaneous	-	-	2,363.65	2,363.65
Investment revenue	500.00	500.00	480.25	(19.75)
Total revenues	<u>\$ 510,700.00</u>	<u>\$ 510,700.00</u>	<u>\$ 475,776.37</u>	<u>\$ (34,923.63)</u>
EXPENDITURES				
Current:				
Contractual services	\$ 34,045.00	\$ 31,265.00	\$ 35,247.38	\$ (3,982.38)
General operating expenses	11,290.00	11,290.00	156.05	11,133.95
Internal service expense	47,312.00	47,312.00	38,702.82	8,609.18
Material and supplies	113,438.00	128,488.00	110,488.50	17,999.50
Personnel services	397,257.00	400,002.00	359,036.23	40,965.77
Special projects expense	7,500.00	7,500.00	4,633.93	2,866.07
Total current	<u>\$ 610,842.00</u>	<u>\$ 625,857.00</u>	<u>\$ 548,264.91</u>	<u>\$ 77,592.09</u>
Debt service:				
Principal	\$ 32,537.00	\$ 32,537.00	\$ 32,536.53	\$ 0.47
Interest	4,730.00	4,730.00	4,730.04	(0.04)
Total debt service	<u>\$ 37,267.00</u>	<u>\$ 37,267.00</u>	<u>\$ 37,266.57</u>	<u>\$ 0.43</u>
Total expenditures	<u>\$ 648,109.00</u>	<u>\$ 663,124.00</u>	<u>\$ 585,531.48</u>	<u>\$ 77,592.52</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (137,409.00)</u>	<u>\$ (152,424.00)</u>	<u>\$ (109,755.11)</u>	<u>\$ 42,668.89</u>
OTHER FINANCING SOURCES (USES)				
Asset disposition	\$ -	\$ -	\$ 1,133.13	\$ 1,133.13
Transfers in	137,409.00	170,509.00	106,509.00	(64,000.00)
Total other financing source (uses)	<u>\$ 137,409.00</u>	<u>\$ 170,509.00</u>	<u>\$ 107,642.13</u>	<u>\$ (62,866.87)</u>
Net change in fund balances	\$ -	\$ 18,085.00	\$ (2,112.98)	\$ (20,197.98)
Fund balances - beginning	12,076.82	12,076.82	12,076.82	-
Fund balances - ending	<u>\$ 12,076.82</u>	<u>\$ 30,161.82</u>	<u>\$ 9,963.84</u>	<u>\$ (20,197.98)</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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Charges for services	\$ -	\$ -	\$ (2,430.00)	\$ (2,430.00)
Concession revenues	76,240.00	76,240.00	53,942.47	(22,297.53)
Internal charges	-	-	4,116.00	4,116.00
Usage fees	340,883.00	340,883.00	321,654.54	(19,228.46)
Miscellaneous	400.00	400.00	282.00	(118.00)
Investment revenue	500.00	500.00	404.14	(95.86)
Asset disposition	-	-	4,718.45	4,718.45
Total revenues	<u>\$ 418,023.00</u>	<u>\$ 418,023.00</u>	<u>\$ 382,687.60</u>	<u>\$ (35,335.40)</u>
EXPENDITURES				
Current:				
Contractual services	\$ 37,759.00	\$ 40,409.00	\$ 43,044.93	\$ (2,635.93)
General operating expenses	3,816.00	3,662.47	1,005.31	2,657.16
Internal service expense	32,921.00	32,921.00	37,513.78	(4,592.78)
Material and supplies	177,528.00	200,452.74	171,458.37	28,994.37
Personnel services	612,620.00	613,190.00	608,767.21	4,422.79
Special projects expense	78,495.00	80,562.79	79,676.68	886.11
Total current	<u>\$ 943,139.00</u>	<u>\$ 971,198.00</u>	<u>\$ 941,466.28</u>	<u>\$ 29,731.72</u>
Debt service:				
Principal	\$ 20,257.00	\$ 20,257.00	\$ 20,256.52	\$ 0.48
Interest	4,119.00	4,119.00	4,119.38	(0.38)
Total debt service	<u>\$ 24,376.00</u>	<u>\$ 24,376.00</u>	<u>\$ 24,375.90</u>	<u>\$ 0.10</u>
Capital outlay:				
Equipment	\$ 15,000.00	\$ 25,725.00	\$ -	\$ 25,725.00
Other Capital Expenditures	18,000.00	18,000.00	-	18,000.00
Total capital outlay	<u>\$ 33,000.00</u>	<u>\$ 43,725.00</u>	<u>\$ -</u>	<u>\$ 43,725.00</u>
Total expenditures	<u>\$ 1,000,515.00</u>	<u>\$ 1,039,299.00</u>	<u>\$ 965,842.18</u>	<u>\$ 73,456.82</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (582,492.00)</u>	<u>\$ (621,276.00)</u>	<u>\$ (583,154.58)</u>	<u>\$ 38,121.42</u>
OTHER FINANCING SOURCES (USES)				
Contributed capital	\$ 4,000.00	\$ 4,000.00	\$ -	\$ (4,000.00)
Transfers in	578,492.00	676,706.00	623,695.00	(53,011.00)
Total other financing source (uses)	<u>\$ 582,492.00</u>	<u>\$ 680,706.00</u>	<u>\$ 623,695.00</u>	<u>\$ (57,011.00)</u>
Net change in fund balances	\$ -	\$ 59,430.00	\$ 40,540.42	\$ (18,889.58)
Fund balances - beginning	39,733.86	39,733.86	39,733.86	-
Fund balances - ending	<u>\$ 39,733.86</u>	<u>\$ 99,163.86</u>	<u>\$ 80,274.28</u>	<u>\$ (18,889.58)</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal charges	\$ 644,164.00	\$ 644,164.00	\$ 644,164.00	\$ -
Investment revenue	-	-	3,026.97	3,026.97
Total revenues	<u>\$ 644,164.00</u>	<u>\$ 644,164.00</u>	<u>\$ 647,190.97</u>	<u>\$ 3,026.97</u>
EXPENDITURES				
Current:				
Contractual services	\$ 239,506.00	\$ 261,206.00	\$ 255,034.20	\$ 6,171.80
General operating expenses	6,950.00	4,250.00	3,220.14	1,029.86
Material and supplies	88,300.00	89,800.00	91,918.61	(2,118.61)
Personnel services	252,572.00	232,072.00	233,093.82	(1,021.82)
Total current	<u>\$ 587,328.00</u>	<u>\$ 587,328.00</u>	<u>\$ 583,266.77</u>	<u>\$ 4,061.23</u>
Debt service:				
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital outlay:				
Equipment	\$ 115,000.00	\$ 115,000.00	\$ 92,019.05	\$ 22,980.95
Total capital outlay	<u>\$ 115,000.00</u>	<u>\$ 115,000.00</u>	<u>\$ 92,019.05</u>	<u>\$ 22,980.95</u>
Total expenditures	<u>\$ 702,328.00</u>	<u>\$ 702,328.00</u>	<u>\$ 675,285.82</u>	<u>\$ 27,042.18</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (58,164.00)</u>	<u>\$ (58,164.00)</u>	<u>\$ (28,094.85)</u>	<u>\$ 30,069.15</u>
Net change in fund balances	\$ (58,164.00)	\$ (58,164.00)	\$ (28,094.85)	\$ 30,069.15
Fund balances - beginning	307,836.70	307,836.70	307,836.70	-
Fund balances - ending	<u><u>\$ 249,672.70</u></u>	<u><u>\$ 249,672.70</u></u>	<u><u>\$ 279,741.85</u></u>	<u><u>\$ 30,069.15</u></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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal charges	\$ 1,313,820.00	\$ 1,313,820.00	\$ 1,451,680.20	\$ 137,860.20
Miscellaneous	-	-	618.58	618.58
Investment revenue	3,383.00	3,383.00	3,783.96	400.96
Total revenues	<u>\$ 1,317,203.00</u>	<u>\$ 1,317,203.00</u>	<u>\$ 1,456,082.74</u>	<u>\$ 138,879.74</u>
EXPENDITURES				
Current:				
Contractual services	\$ 235,149.00	\$ 234,349.66	\$ 227,938.01	\$ 6,411.65
General operating expenses	4,050.00	5,139.00	4,114.76	1,024.24
Internal service expense	6,439.00	6,439.00	6,439.00	-
Material and supplies	417,494.00	562,204.34	531,572.62	30,631.72
Personnel services	656,195.00	656,175.00	653,850.84	2,324.16
Total current	<u>\$ 1,319,327.00</u>	<u>\$ 1,464,307.00</u>	<u>\$ 1,423,915.23</u>	<u>\$ 40,391.77</u>
Capital outlay:				
Equipment	\$ -	\$ 12,727.61	\$ 6,227.61	\$ 6,500.00
Total capital outlay	<u>\$ -</u>	<u>\$ 12,727.61</u>	<u>\$ 6,227.61</u>	<u>\$ 6,500.00</u>
Total expenditures	<u>\$ 1,319,327.00</u>	<u>\$ 1,477,034.61</u>	<u>\$ 1,430,142.84</u>	<u>\$ 46,891.77</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,124.00)</u>	<u>\$ (159,831.61)</u>	<u>\$ 25,939.90</u>	<u>\$ 185,771.51</u>
OTHER FINANCING SOURCES (USES)				
Asset disposition	\$ 15,888.00	\$ 15,888.00	\$ 21,342.52	\$ 5,454.52
Transfers out	(15,888.00)	(20,660.39)	(20,660.18)	0.21
Total other financing source (uses)	<u>\$ -</u>	<u>\$ (4,772.39)</u>	<u>\$ 682.34</u>	<u>\$ 5,454.73</u>
Net change in fund balances	\$ (2,124.00)	\$ (164,604.00)	\$ 26,622.24	\$ 191,226.24
Fund balances - beginning	132,617.85	132,617.85	132,617.85	-
Fund balances - ending	<u>\$ 130,493.85</u>	<u>\$ (31,986.15)</u>	<u>\$ 159,240.09</u>	<u>\$ 191,226.24</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 17,871.49	\$ 17,871.49
Internal charges	3,841,865.00	3,841,865.00	3,775,868.86	(65,996.14)
Miscellaneous	-	-	486.95	486.95
Investment revenue	31,250.00	31,250.00	48,331.95	17,081.95
Total revenues	<u>\$ 3,873,115.00</u>	<u>\$ 3,873,115.00</u>	<u>\$ 3,842,559.25</u>	<u>\$ (30,555.75)</u>
EXPENDITURES				
Current:				
Contractual services	\$ 3,875,365.00	\$ 3,873,865.00	\$ 3,202,516.21	\$ 671,348.79
General operating expenses	-	1,500.00	800.98	699.02
Special projects expense	-	-	37,800.00	(37,800.00)
Total current	<u>\$ 3,875,365.00</u>	<u>\$ 3,875,365.00</u>	<u>\$ 3,241,117.19</u>	<u>\$ 634,247.81</u>
Total expenditures	<u>\$ 3,875,365.00</u>	<u>\$ 3,875,365.00</u>	<u>\$ 3,241,117.19</u>	<u>\$ 634,247.81</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,250.00)</u>	<u>\$ (2,250.00)</u>	<u>\$ 601,442.06</u>	<u>\$ 603,692.06</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (21,032.00)	\$ (21,032.00)	\$ -	\$ 21,032.00
Total other financing source (uses)	<u>\$ (21,032.00)</u>	<u>\$ (21,032.00)</u>	<u>\$ -</u>	<u>\$ 21,032.00</u>
SPECIAL ITEMS				
Special payment to employee retirement plan	\$ -	\$ 1,650,000.00	\$ 1,650,000.00	\$ -
Total special items	<u>\$ -</u>	<u>\$ 1,650,000.00</u>	<u>\$ 1,650,000.00</u>	<u>\$ -</u>
Net change in fund balances	<u>\$ (23,282.00)</u>	<u>\$ (1,673,282.00)</u>	<u>\$ (1,048,557.94)</u>	<u>\$ 624,724.06</u>
Fund balances - beginning	3,331,974.80	3,331,974.80	3,331,974.80	-
Fund balances - ending	<u>\$ 3,308,692.80</u>	<u>\$ 1,658,692.80</u>	<u>\$ 2,283,416.86</u>	<u>\$ 624,724.06</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal charges	\$ 506,539.00	\$ 506,539.00	\$ 515,261.40	\$ 8,722.40
Investment revenue	21,500.00	21,500.00	22,779.37	1,279.37
Total revenues	<u>\$ 528,039.00</u>	<u>\$ 528,039.00</u>	<u>\$ 538,040.77</u>	<u>\$ 10,001.77</u>
EXPENDITURES				
Current:				
Contractual services	\$ 488,239.00	\$ 486,439.00	\$ 320,275.96	\$ 166,163.04
Material and supplies	39,800.00	41,600.00	54,948.26	(13,348.26)
Total current	<u>\$ 528,039.00</u>	<u>\$ 528,039.00</u>	<u>\$ 375,224.22</u>	<u>\$ 152,814.78</u>
Total expenditures	<u>\$ 528,039.00</u>	<u>\$ 528,039.00</u>	<u>\$ 375,224.22</u>	<u>\$ 152,814.78</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,816.55</u>	<u>\$ 162,816.55</u>
SPECIAL ITEMS				
Special payment to employee retirement plan	\$ -	\$ 370,895.00	\$ 369,895.00	\$ (1,000.00)
Total special items	<u>\$ -</u>	<u>\$ 370,895.00</u>	<u>\$ 369,895.00</u>	<u>\$ (1,000.00)</u>
Net change in fund balances	\$ -	\$ (370,895.00)	\$ (207,078.45)	\$ 162,816.55
Fund balances - beginning	1,781,569.99	1,781,569.99	1,781,569.99	-
Fund balances - ending	<u>\$ 1,781,569.99</u>	<u>\$ 1,410,674.99</u>	<u>\$ 1,574,491.54</u>	<u>\$ 162,816.55</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal charges	\$ 357,420.00	\$ 357,420.00	\$ 319,528.22	\$ (37,891.78)
Investment revenue	14,375.00	14,375.00	16,601.29	2,226.29
Asset disposition	-	-	71,817.14	71,817.14
Total revenues	<u>\$ 371,795.00</u>	<u>\$ 371,795.00</u>	<u>\$ 407,946.65</u>	<u>\$ 36,151.65</u>
EXPENDITURES				
Current:				
Material and supplies	\$ -	\$ -	\$ 11.62	\$ (11.62)
Total current	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11.62</u>	<u>\$ (11.62)</u>
Capital outlay:				
Equipment	\$ 249,834.00	\$ 249,834.00	\$ 235,551.88	\$ 14,282.12
Total capital outlay	<u>\$ 249,834.00</u>	<u>\$ 249,834.00</u>	<u>\$ 235,551.88</u>	<u>\$ 14,282.12</u>
Total expenditures	<u>\$ 249,834.00</u>	<u>\$ 249,834.00</u>	<u>\$ 235,563.50</u>	<u>\$ 14,270.50</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 121,961.00</u>	<u>\$ 121,961.00</u>	<u>\$ 172,383.15</u>	<u>\$ 50,422.15</u>
OTHER FINANCING SOURCES (USES)				
Asset disposition	\$ 5,500.00	\$ 5,500.00	\$ -	\$ (5,500.00)
Total other financing source (uses)	<u>\$ 5,500.00</u>	<u>\$ 5,500.00</u>	<u>\$ -</u>	<u>\$ (5,500.00)</u>
Net change in fund balances	\$ 127,461.00	\$ 127,461.00	\$ 172,383.15	\$ 44,922.15
Fund balances - beginning	1,220,261.01	1,220,261.01	1,220,261.01	-
Fund balances - ending	<u><u>\$ 1,347,722.01</u></u>	<u><u>\$ 1,347,722.01</u></u>	<u><u>\$ 1,392,644.16</u></u>	<u><u>\$ 44,922.15</u></u>

See Independent Auditors' Report.

City of Cape Girardeau
Riverfront Region Economic Development
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 168,000.00	\$ 168,000.00	\$ 188,356.00	\$ 20,356.00
Investment revenue	-	-	1,993.76	1,993.76
Total revenues	<u>\$ 168,000.00</u>	<u>\$ 168,000.00</u>	<u>\$ 190,349.76</u>	<u>\$ 22,349.76</u>
EXPENDITURES				
Current:				
Capital Improvements	\$ 100,800.00	\$ 100,800.00	\$ 100,800.00	\$ -
Total current	<u>\$ 100,800.00</u>	<u>\$ 100,800.00</u>	<u>\$ 100,800.00</u>	<u>\$ -</u>
Capital outlay:				
Capital Improvements	\$ 150,000.00	\$ 150,000.00	-	\$ 150,000.00
Total capital outlay	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ -</u>	<u>\$ 150,000.00</u>
Total expenditures	<u>\$ 250,800.00</u>	<u>\$ 250,800.00</u>	<u>\$ 100,800.00</u>	<u>\$ 150,000.00</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (82,800.00)</u>	<u>\$ (82,800.00)</u>	<u>\$ 89,549.76</u>	<u>\$ 172,349.76</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 168,000.00	\$ 168,000.00	\$ 171,002.93	\$ 3,002.93
Total other financing source (uses)	<u>\$ 168,000.00</u>	<u>\$ 168,000.00</u>	<u>\$ 171,002.93</u>	<u>\$ 3,002.93</u>
Net change in fund balances	\$ 85,200.00	\$ 85,200.00	\$ 260,552.69	\$ 175,352.69
Fund balances - beginning	104,615.57	104,615.57	104,615.57	-
Fund balances - ending	<u>\$ 189,815.57</u>	<u>\$ 189,815.57</u>	<u>\$ 365,168.26</u>	<u>\$ 175,352.69</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 131.88	\$ 131.88
Total revenues	\$ -	\$ -	\$ 131.88	\$ 131.88
EXPENDITURES				
Current:				
Public safety	\$ -	\$ 39,665.00	\$ 39,480.47	\$ 184.53
Total current	\$ -	\$ 39,665.00	\$ 39,480.47	\$ 184.53
Debt service:				
Interest	\$ -	\$ -	\$ 13.65	\$ (13.65)
Total debt service	\$ -	\$ -	\$ 13.65	\$ (13.65)
Capital outlay:				
Public safety	\$ -	\$ 258,472.00	\$ 258,320.29	\$ 151.71
Total capital outlay	\$ -	\$ 258,472.00	\$ 258,320.29	\$ 151.71
Total expenditures	\$ -	\$ 298,137.00	\$ 297,814.41	\$ 322.59
Excess (deficiency) of revenues over expenditures	\$ -	\$ (298,137.00)	\$ (297,682.53)	\$ 454.47
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 755,333.34	\$ 755,333.34
Transfers out	-	-	(377,666.67)	(377,666.67)
Total other financing source (uses)	\$ -	\$ -	\$ 377,666.67	\$ 377,666.67
Net change in fund balances	\$ -	\$ (298,137.00)	\$ 79,984.14	\$ 378,121.14
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (298,137.00)	\$ 79,984.14	\$ 378,121.14

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, 2015

	2015
Fiscal Year Ended June 30, 2015	
Total Pension Liability	
Service Costs	\$ 768,458
Interest on the Pension Liability	2,240,283
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(261,952)
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(1,266,841)
Net Change in Total Pension Liability	1,479,948
Total Pension Liability - Beginning	31,145,281
Total Pension Liability - Ending (A)	\$ 32,625,229
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,953,089
Contributions - Employees	-
Net Investment Income	684,825
Benefit Payments, Including Refunds of Employee Contributions	(1,266,841)
Pension Plan Administrative Expense	(40,731)
Other (Net Transfers)	267,961
Net Change in Plan Fiduciary Net Position	1,598,303
Plan Fiduciary Net Position - Beginning	35,266,707
Plan Fiduciary Net Position - Ending (B)	\$ 36,865,010
 Net Pension Liability - Ending (A) - (B)	(4,239,781)
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	113.00%
 Covered Valuation Payroll	\$ 8,987,241
 Net Pension Liability as a Percentage of Covered Valuation Payroll	-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, 2015

	2015
Fiscal Year Ended June 30, 2015	
Total Pension Liability	
Service Costs	\$ 303,651
Interest on the Pension Liability	1,182,926
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	274,477
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(895,666)
Net Change in Total Pension Liability	865,388
Total Pension Liability - Beginning	16,607,053
Total Pension Liability - Ending (A)	\$ 17,472,441
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,043,262
Contributions - Employees	-
Net Investment Income	349,748
Benefit Payments, Including Refunds of Employee Contributions	(895,666)
Pension Plan Administrative Expense	(12,862)
Other (Net Transfers)	(106,927)
Net Change in Plan Fiduciary Net Position	377,555
Plan Fiduciary Net Position - Beginning	18,596,174
Plan Fiduciary Net Position - Ending (B)	\$ 18,973,729
 Net Pension Liability - Ending (A) - (B)	(1,501,288)
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.59%
 Covered Valuation Payroll	\$ 3,223,790
 Net Pension Liability as a Percentage of Covered Valuation Payroll	-46.57%

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 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, 2015

	2015
Fiscal Year Ended June 30, 2015	
Total Pension Liability	
Service Costs	\$ 370,414
Interest on the Pension Liability	1,319,931
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(356,529)
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(1,059,610)
Net Change in Total Pension Liability	274,206
Total Pension Liability - Beginning	18,544,510
Total Pension Liability - Ending (A)	\$ 18,818,716
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 765,345
Contributions - Employees	-
Net Investment Income	415,318
Benefit Payments, Including Refunds of Employee Contributions	(1,059,610)
Pension Plan Administrative Expense	(10,625)
Other (Net Transfers)	(25,522)
Net Change in Plan Fiduciary Net Position	84,906
Plan Fiduciary Net Position - Beginning	21,332,267
Plan Fiduciary Net Position - Ending (B)	\$ 21,417,173
 Net Pension Liability - Ending (A) - (B)	(2,598,457)
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	113.81%
 Covered Valuation Payroll	\$ 3,017,659
 Net Pension Liability as a Percentage of Covered Valuation Payroll	-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.

See Accompanying Note to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF EMPLOYER CONTRIBUTIONS

June 30, 2015

Fiscal Year Ended June 30,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
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%
2007	1,086,823	1,064,869	21,954	13,230,952	8.05%
2006	961,342	961,343	(1)	12,723,536	7.56%

Notes to Schedule:

Valuation Date: February 28, 2015

Notes The roll-forward of total pension liability from February 28, 2015 to June 30, 2015 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
 Amortization Method: Level Percentage of Payroll, Closed
 Remaining Amortization Period: Multiple bases from 14 to 20 years
 Asset Valuation Method: 5-year smoothed market, 20% corridor
 Inflation: 3.5% wage inflation, 3.0% price inflation
 Salary Increases: 3.5% to 6.8%, including wage inflation
 Investment Rate of Return: 7.25%, net of investment and administrative expenses
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition.
 Mortality: 105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period of study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

Other Information: None

See Accompanying Notes to the Basic Financial Statements.

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Cape Girardeau, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Cape Girardeau, Missouri's major federal programs for the year ended June 30, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cape Girardeau, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for 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, 2015.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cape Girardeau, Missouri's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

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

Cape Girardeau, Missouri
February 11, 2016

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

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cape Girardeau, Missouri as of and for the year ended June 30, 2015, 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 11, 2016.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be a material weakness. 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.

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*.

City of Cape Girardeau, Missouri's Response to Findings

The City of Cape Girardeau, Missouri's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City of Cape Girardeau, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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 11, 2016

City of Cape Girardeau, Missouri
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>	
<u>U.S. DEPARTMENT OF DEFENSE:</u>				
Loan of DOD Property (non-cash)	12.	N/A	\$	<u>100,000</u>
<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 (1)	14.228	2013-ED-03 2012-ED-05	\$	<u>632,226</u> <u>500,000</u> \$ 1,132,226
Passed Through Missouri Housing Development Commission - Emergency Solutions Grant Program	14.231	15-711-E 14-755-E 13-755-S	\$	39,255 77,134 <u>52,052</u> <u>168,441</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$	<u>1,300,667</u>
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Bulletproof Vest Partnership Program	16.607	N/A	\$	5,022
Passed Through the City of Poplar Bluff, Missouri - Passed through the Southeast Missouri Drug Task Force - Public Safety Partnership and Community Policing Grants	16.710	N/A		<u>9,251</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			\$	<u>14,273</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, 2015

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>	
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed Through Missouri Department of Transportation -				
Airport Improvement Program	20.106	12-077A-1	\$ 61,218	
		13-077A-1	16,153	
		14-077A-1	<u>100,631</u>	\$ 178,002
Highway Planning and Construction (1)	20.205	STP-1500(022)	\$ 23,835	
		DP-1500(020)	469,633	
		STP-1500(021)	1,658	
		SRTS-INF-H280(106)	42,763	
		SRTS-INF-H31H(103)	1,392	
		TEAP-1501(007)	8,000	
Passed Through Illinois Department of Transportation -				
Highway Planning and Construction (1)		SPR-PL-3000(48)	<u>43,875</u>	591,156
State and Community Highway Safety	20.600	15-PT-02-099	\$ 2,780	
		14-PT-02-021	3,261	
		15-SA-09-001	43,650	
		14-SA-09-001	18,652	
		15-CP-09-001	45,894	
		14-CP-09-001	<u>90,145</u>	\$ 204,382
Alcohol Open Container Requirements	20.607	14-154-AL-021	\$ 1,023	
		14-154-AL-019	775	
		15-154-AL-072	3,466	
		15-154-AL-075	3,179	
		14-154-AL-020	<u>1,457</u>	9,900
Child Safety and Child Booster Seats Incentive Grants	20.613	14-K3-05-001		926
National Priority Safety Programs	20.616	15-M5HVE-03-076	738	
		15-M2HVE-05-020	1,990	
		15-M2HVE-05-027	<u>319</u>	<u>3,047</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$	<u>987,413</u>
<u>ENVIRONMENTAL PROTECTION AGENCY:</u>				
Passed Through Missouri Department of Natural Resources -				
Capitalization Grants for Clean Water State				
Revolving Funds (1)	66.458	C295531-03		<u>\$ 11,649,538</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, 2015

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<u>DELTA REGIONAL AUTHORITY:</u>			
Delta Regional Development	90.200	N/A	\$ 194,000
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES :</u>			
Passed Through the Cape Girardeau Community Caring Council Substance Abuse and Mental Health Services- Projects of Regional and National Significance	93.243	SDA42070104	\$ 1,639
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Assistance to Firefighters Grant	97.044	EMW-2012-FO-06441	6,117
Passed Through Missouri State Emergency Management Agency - Citizen Community Resilience Innovation Challenge	97.053	EMW-2011-SS-00003	576
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0208HSLR050	<u>29,643</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>\$ 36,336</u>
TOTAL FEDERAL AWARDS			<u>\$ 14,283,866</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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity:

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

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

B. Basis of Presentation:

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

C. Basis of Accounting:

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

Identification of major programs.

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

Dollar threshold used to distinguish
between type A and type B programs: \$428,516

Auditee qualified as low-risk auditee: X yes no

2. FINANCIAL STATEMENT FINDINGS:

2015-001 Significant audit adjustments were required:

Criteria: Statement on Auditing Standards (SAS) No. 115 indicates that the “restatement of previously issued financial statements to reflect the correction of a material misstatement” should be regarded as a material weakness in internal controls.

Condition: Prior period adjustments were recorded, which restated beginning net assets by a material amount, the most significant of which was the addition of the downtown floodwall to capital assets with a value of \$11,122,485.

Context: The total capital assets reported in the governmental activities was \$170,953,666 at June 30, 2015.

Effect: Total assets and total equity of previously presented financial statements were understated.

Cause: In 2008 the City assumed the operations and assets of the Main Street Levee and Improvement District and the North Main Street Levee and Improvement District to allow the City to access Federal funding for renovation costs of the floodwall and pumping systems estimated at \$9,000,000. The City subsequently entered into a Project Partnership Agreement with the Army Corp of Engineers to make the needed improvements to the wall and pumping systems. Although the pumping systems were included in the City’s infrastructure assets at the time, the floodwall was inadvertently omitted.

Recommendation:

Management should take steps to ensure all capital assets are appropriately capitalized in the financial statements.

Views of Responsible Officials and Planned Corrective Actions:

The original value that was inadvertently not included in the City's infrastructure in 2008 was \$2,320,000. Improvements to the floodwall and pumping systems made and paid by the Army Corp of Engineers since 2008 make up the remainder of the costs inadvertently not included in the City's infrastructure assets. During the current year, the City paid for certain costs required for the future completion of the renovation project that was their responsibility per the Project Partnership Agreement with the Army Corp of Engineers. These expenditures were the first significant expenditures that the City was required to make as part of the renovation project and called attention to the significant amount of improvements that had already been made and paid for by Army Corp of Engineers in previous years under the Project Partnership Agreement. At that time, the book value of the original floodwall costs and book value of the previous years' improvements were included in the City's infrastructure assets.

When the City implemented GASB 34, it hired an outside firm to do an exhaustive review of its records to look for assets that should be included in the City's infrastructure. Since that time, we have consistently reviewed Council actions for accepting donated assets. In this instance, these renovations were made subject to an agreement entered into with the Army Corp of Engineers and approved by the Council before the renovations were made. Since implementing GASB 34, this is the only instance in which we have entered into an agreement with another entity to make and pay for improvements to the City's infrastructure. We feel confident that all assets are now accurately included in the City's infrastructure

The City should have monitored performance under this contract and included the appropriate amounts in its infrastructure. In the future, we will review all records from Council meetings for

contracts similar to the Project Partnership Agreement and monitor the performance of these agreements. We will review all records from Council meetings for actions where assets are accepted from other entities and make sure that the assets are appropriately included in the City's financial records.

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, 2015

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.