

CITY OF CAPE GIRARDEAU, MISSOURI
Cape Girardeau, Missouri

For the Year Ended June 30, 2021

ANNUAL FINANCIAL REPORT

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

Certified Public Accountants

CITY OF CAPE GIRARDEAU, MISSOURI

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1-3
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-10
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	11
STATEMENT OF ACTIVITIES	12
FUND FINANCIAL STATEMENTS	
GOVERNMENTAL FUNDS FINANCIAL STATEMENTS	
BALANCE SHEET	13
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT FUNDS TO THE STATEMENT OF NET POSITION	14
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	15
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	16
PROPRIETARY FUNDS FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	17-18
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	19
STATEMENT OF CASH FLOWS	20-21
FIDUCIARY FUNDS FINANCIAL STATEMENTS	
STATEMENT OF FIDUCIARY NET POSITION	22

STATEMENT OF CHANGES TO FIDUCIARY NET POSITION	23
NOTES TO BASIC FINANCIAL STATEMENTS	24-67
REQUIRED SUPPLEMENTAL INFORMATION	
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL	68
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – TRANSPORTATION SALES TAX TRUST FUND V	69
NOTES TO BUDGETARY COMPARISON SCHEDULES	70-71
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – GENERAL DIVISION	72
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – POLICE DIVISION	73
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – FIRE DIVISION	74
SCHEDULE OF EMPLOYER CONTRIBUTIONS	75
SCHEDULE OF CHANGES IN THE CITY’S TOTAL OPEB LIABILITY AND RELATED RATIOS	76
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS	77-78
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	79-80
<u>ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION</u>	
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	81-83
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	84-85

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	86-88
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	89
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	90-92
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	93
CORRECTIVE ACTION PLAN	94-95

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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, 2021, 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, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension liability schedules on pages 4 through 10 and 68 through 76 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 and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison fund financial statements, combining nonmajor 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, combining nonmajor 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 7, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cape Girardeau, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of 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 7, 2022

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, 2021. 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 and deferred inflows at the close of the most recent fiscal year by \$373,022,268 (net position).
- o As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$51,037,987. Approximately 4.5% of this total amount, \$2,321,766 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 \$3,491,216 or 11.2% of total general fund expenditures and transfers.
- o At the end of the current fiscal year, general fund balance reserved for emergencies was \$3,214,442 or 10.3% of total general fund expenditures and transfers.
- o The City's total long-term debt decreased by \$4,346,539 (4.9%) during the current fiscal year as a result of new debt, early payoff and amortization and regularly scheduled principal payments.

During the year \$10,300,000 in new debt was issued to fund a new City Hall project. The debt service on the new debt will be repaid from a new capital improvement sales tax which replaced an expiring capital improvement sales tax which had previously supported the construction of the City's sewer plant.

Overview of the Financial Statements

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

Government-wide Financial Statements.

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

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

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

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

CITY OF CAPE GIRARDEAU, MISSOURI

type activities of the City include sewer, water and solid waste utilities and golf course, indoor sports complex and sports complexes operations. The government-wide financial statements can be found on pages 11 to 12 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 maintained 28 individual governmental funds during the current year. 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 fund, general capital improvement and transportation trust V, 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.

Basic governmental fund financial statements can be found on pages 13 to 16 of this report.

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

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. All of these are considered, or have been designated, to be major funds of the City. Data from the other proprietary funds are combined into a single aggregated presentation.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 17 to 21 of this report.

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 24 of this report.

CITY OF CAPE GIRARDEAU, MISSOURI

Government-wide Financial Analysis

\$326,409,149 makes up 87.5% of the City's net position.

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 and deferred inflows by \$373,022,268, an increase of \$19,134,328 (5.4%). The City's net investment in capital assets (land, buildings, machinery, and equipment less related outstanding debt used to acquire those assets) of

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

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

Revenues from General Fund activities:

- During the current fiscal year, the City saw the following changes in its significant revenue sources:
 - General Taxes (Sales, Property, Franchise, and other) – \$1,107,939 increase over prior year.
 - Represents 71.65% of current year General Fund Revenue
 - Licenses and Permits - \$200,965 increase over prior year.
 - Represents 7.16% of current year General Fund Revenue
 - Charges for Services - \$226,729 increase over prior year.
 - Represents 3.09% of current year General Fund Revenue
 - Fines and Forfeits- \$44,386 decrease over prior year.
 - Represents 1.71% of current year General Fund Revenue
- Operating and Capital grants and contributions increased \$2,978,644 from the previous year. The increase surrounding grants and contributions is primarily driven by federal funds related to the CARES Act and American Rescue Plan funds provided to the City and the Airport. This will continue and increase as the City continues to spend these funds on designated projects through December 2024.
- Sales tax revenue was 44.80% of the total General Fund revenue during the current year. This year's revenue was \$1,032,794 (9.93%) more than the previous year. The large increase of the sales tax through the pandemic is driven by federal stimulus payments from the federal government. The payments are projected to slow and eventually end thus not allowing the growth rate to be sustainable in the long-term.
- Other taxes were \$75,145 above the previous year. These include franchise taxes, property, merchant licenses, liquor licenses, cigarette taxes, and economic activity taxes.
 - Franchise tax paid during the current year by the City's cable TV service providers decreased \$14,453 from the previous year. The decline related to less revenue from city's cable service providers. In future years this revenue source will continue to decline due to changes to the State's use tax legislation that will lower this charge from the current 5% fee to 2.5% over 5 years beginning in 2023.
- The convention and tourism taxes saw increases during the current year. The restaurant tax increased by \$66,330 and hotel/motel tax increased by \$112,175 from the previous year. The increases in the year over year numbers were heavily driven by the fiscal year 2019-2020 revenues being hurt by COVID-19 closures and cancelations of events and closure of some venues.
- Gaming revenue received by the casino revenue fund and the riverfront development fund increased \$420,883 and \$59,498 from the previous year. The Casino was closed approximately 2.5 months during the prior year as a result of COVID-19 which drastically affected the prior year numbers resulting in significant increases this year. Revenues in casino revenue fund for the current year is still lower than the pre-pandemic revenues by \$206,554.
- Interest and investment revenue in the General Fund decreased \$37,954, while investment revenue decreased \$765,161 for all governmental funds during the current year.

CITY OF CAPE GIRARDEAU, MISSOURI

Expenses from General Fund activities:

- Total General Fund expenses increased \$997,960 (3.92%) over the previous year. With capital outlay increasing \$457,669 and operating expenses in the Public Safety division increasing \$500,623 they represent the majority of the overall increase in expenditures in the General Fund for the current year.
- Full-time and Part-Time salary expense decreased \$1,045 in the General Fund and \$207,443 for all funds during the current year. Overtime salary expense increased \$18,633 in the General Fund and \$26,377 for all funds during the current year. The current year included a 1% across the board wage increase at the beginning of the year.
- Annual cost of the City's employee health and dental plan and its workmen's compensation plan reflects actual claims incurred during the year. The cost of these plans increased (decreased) \$(30,460) and \$507,499, respectively, during the current year. During the previous year the cost of these plans increased (decreased) \$(53,103) and \$266,215, respectively.
- Interest and other costs expenses totaled \$1,076,976 this year which was \$41,630 more than the previous year.

Revenues from Proprietary Fund activities:

- During the current fiscal year, the City saw the following changes in its operating revenue:
 - Sewer – \$291,738 increase over prior year.
 - Water Fund - \$500,491 increase over prior year.
 - Solid Waste - \$521,248 increase over prior year.
 - Non-Major Funds (Golf Course, Indoor Sports Complex and Sports Complexes) - \$552,717 increase over prior year.
- Operating and Capital grants and contributions increased \$171,870 from the previous year.
- The City implemented rate increases in Residential Water, Residential Trash and Commercial Water of 2.52%, 4.63% and 4.55% respectively at the beginning of the current year.

Expenses from Proprietary Fund activities:

- Total Proprietary expense variations are as follows:
 - Sewer Fund - \$616,344 decrease over prior year
 - Water Fund - \$321,040 increase over prior year
 - Solid Waste Fund - \$16,752 decrease over prior year
 - Golf Course - \$51,561 decrease over prior year
 - Indoor Sports Complex - \$80,090 increase over prior year
 - Sporting Complexes - \$147,372 decrease over prior year
- Personnel expenses, salaries and benefits, decreased \$862,683 in the proprietary funds in total.
 - Sewer decreased \$415,681
 - Water decreased \$123,353
 - Solid Waste decreased \$183,960
 - Non-Major Funds decreased \$139,689
 - A large portion of the decrease in salaries is related to a significant amount of open positions in each of these funds over the current year.

CITY OF CAPE GIRARDEAU, MISSOURI

Financial Analysis of the City's Funds

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

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

As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$ 51,037,987, an increase of \$5,762,539 (12.73%) from the prior year. Unassigned fund balances, which are available for spending at the City's discretion, account for \$2,321,766 (4.55%) of the total fund balances.

The remainder of the fund balances are classified as non-spendable, 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, 2021: (1) \$2,872,455 is classified as non-spendable because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact (2) \$42,462,953 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) \$1,537,213 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) \$1,743,600 is classified as assigned because its expenditure is constrained by the City's intent to use it for specific purposes.

The general fund is the chief operating fund of the City. At the end of fiscal year ending June, unassigned fund balance of the general fund was \$3,491,216 while total fund balance was \$7,177,905. 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 13.2% of total general fund expenditures including transfers.

However, included in the restricted fund balance is \$3,404,268, which had been reserved to meet the required City Charter emergency reserve. This amount represents 12.9 percent of total general fund expenditures including transfers and could be used if an emergency was declared by the City Council.

The Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance shows that the total fund balance of the City of Cape Girardeau's general fund increased by \$1,409,315 as a result of the current year's operations.

Proprietary funds. The City of Cape Girardeau's enterprise funds, Sewer, Water and Solid Waste, are presented as major funds for purposes of this report while Golf Course, Indoor Sports Complex and Sporting Complexes funds are reported as non-major funds.

General Fund Budgetary Highlights

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, 2021 amounts to \$399,124,720 (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.

Long-term debt.

At the end of the fiscal year, the City of Cape Girardeau had total debt outstanding of \$107,225,362. Bonded debt outstanding totaling \$60,442,893 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.

The City's total long-term debt increased by \$2,104,597 (2.00%) during the current fiscal year as a result of \$10,300,000 in new debt, the early payoff of \$566,900 of bonds and \$7,516,434 in amortization and regularly scheduled principal payments.

CITY OF CAPE GIRARDEAU, MISSOURI

During the year \$10,300,000.00 in new debt was issued to fund a new City Hall project and other Capital Improvement Sales Tax projects. The debt service on the new debt will be repaid from a new capital improvement sales tax which replaced an expiring capital improvement sales tax which had previously supported the construction of the City's sewer plant.

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

Economic Factors and the Next Year's Budget

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 9.93%. The current year's sales tax revenue was impacted by COVID-19 but in a positive manner. Sales tax revenue increased at an above standard rate. An analysis of recent federal stimulus programs were found to be the leading factor in the increase. Once factoring in the amount of funds provided to the citizens of Cape Girardeau it was found that without the stimulus payments it was likely that sales tax revenue would have been flat over the prior year. This leaves a cause for concern going into future years that lack of growth in the sales tax revenue could lead the City to not be able to grow with inflation on a regular basis.

Use Tax

In November 2021, the citizens of Cape Girardeau voted to approve a use tax on the purchase of goods via the internet. This approval will lower the City's dependence on the sales tax. Over recent years with the growth of internet shopping and Missouri's lack of a standardized use tax to capture the sales has left the City of Cape Girardeau at a disadvantage. This passage will allow the City to capture the revenue leakage that was growing annually due to the continuous increase in internet sales. In addition, following the passage it was discovered that the revenue would begin January 1, 2022 instead of the expected 2023 as was stated in the legislation. This revenue stream will allow the City to uphold the promise of strengthening its employee pay and benefits to get them

competitive in the market we compete in. This has led to the implementation of the revised pay plan as proposed to the City Council. It will host a 5.5% increase to the pay plan in fiscal year 2023 and 6.2% in fiscal year 2024.

Regional Retail Center.

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

Cape Girardeau continues to be a regional retail center for much of Southeast Missouri and Southern Illinois. Since 2017 the City's share of the local retail market has improved modestly.

Local Economic Development.

In the previous 15 years the City has entered into 6 long-term development agreements to reimburse companies for public improvements associated with 5 retail development projects and a hotel / convention center development project from 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, the addition of a 168 room hotel and related 20,000 square foot convention center, and in the conversion of a former Sears's facility into a call center. Details of these agreements can be found in Note T in the Notes to the Financial Statements section.

The City is continuing to market its 247.43 acre business park site purchased in February, 2013 from the Southeast Missouri University Foundation and located along I-55 around the LaSalle interchange. The land will be used for future business development and is best suited for distribution centers, light manufacturing, technology-related businesses and retail development. The City is exploring grant options for improvements to the industrial park to expedite growth.

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

CITY OF CAPE GIRARDEAU, MISSOURI

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, 2022 and financial condition

The adopted general fund budget for the fiscal year ending June 30, 2021, was projected to produce a balanced budget and included a 5.5% increase to the revised pay plan effective July 1, 2022. Projected revenues used in preparing the budget were based on conservative revenue assumptions that assumed no further negative impact from the COVID-19 pandemic.

Although the City's current financial position has deteriorated over the past five years it still has more than adequate fund balance to cover existing claims and potential emergencies. With the recent passage of the Use Tax and recent strength in the sales tax numbers the City is recovering from the prior financial issues it faced. In addition, a more aggressive and robust approach to the retirement of debt in all areas the City is positioning itself to strengthen its financial position over the next few fiscal cycles. The City's general fund ended the current year with \$3,491,216 (125% increase) in unassigned fund balance.

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, MISSOURI

STATEMENT OF NET POSITION

June 30, 2021

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Current Assets:</u>			
Pooled Cash and Investments	\$ 53,984,181	\$ 24,744,959	\$ 78,729,140
Cash and Cash Equivalents	13,315	-	13,315
Investments	405,272	-	405,272
Taxes Receivable	3,988,468	-	3,988,468
Utility Charges Receivable	-	2,052,213	2,052,213
Special Assessments Receivable	383,764	3,465	387,229
Interest Receivable	42	-	42
Other Receivables	678,238	13,494	691,732
Motor Fuel Receivable	148,673	-	148,673
Grants Receivable	1,857,805	302,827	2,160,632
Inventory	317,981	726,934	1,044,915
Prepaid Items	455,238	39,746	494,984
Internal Balances	632,367	(632,367)	-
Total Current Assets	<u>\$ 62,865,344</u>	<u>\$ 27,251,271</u>	<u>\$ 90,116,615</u>
<u>Noncurrent Assets:</u>			
Restricted Cash and Cash Equivalents	\$ -	\$ 4,766,109	\$ 4,766,109
Net Pension Assets	22,016,289	3,684,683	25,700,972
Land	10,959,666	1,985,018	12,944,684
Buildings, Net	33,012,266	14,989,052	48,001,318
Improvements, Net	18,773,232	149,724,683	168,497,915
Furniture, Machinery and Equipment, Net	15,236,933	7,655,587	22,892,520
Infrastructure and Improvements, Net	132,489,125	-	132,489,125
Construction in Progress	11,502,280	2,796,878	14,299,158
Total Capital Assets, Net	<u>\$ 243,989,791</u>	<u>\$ 185,602,010</u>	<u>\$ 429,591,801</u>
TOTAL ASSETS	<u>\$ 306,855,135</u>	<u>\$ 212,853,281</u>	<u>\$ 519,708,416</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflow from Pension Plan	\$ 1,661,067	\$ 75,746	\$ 1,736,813
Deferred Outflow from Retiree Health Plan	921,834	159,435	1,081,269
Total Deferred Outflows of Resources	<u>2,582,901</u>	<u>235,181</u>	<u>2,818,082</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF NET POSITION

June 30, 2021

<u>LIABILITIES</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
<u>Current Liabilities:</u>	<u>Activities</u>	<u>Activities</u>	
Accounts Payable	\$ 2,909,379	\$ 653,811	\$ 3,563,190
Salaries and Benefits Payable	1,203,376	228,462	1,431,838
Interest Payable	60,874	370,904	431,778
Other Liabilities	566,587	1,068,791	1,635,378
Estimated Claims	1,101,500	-	1,101,500
Due to Other Governments	1,207	72,779	73,986
Unearned Revenues	170,079	3,378,208	3,548,287
Notes Payable, Current Portion	412,376	-	412,376
Revenue Bonds Payable, Current Portion	-	3,907,000	3,907,000
Special Obligation Bonds Payable Current Portion	1,875,000	256,760	2,131,760
Total Current Liabilities	<u>\$ 8,300,378</u>	<u>\$ 9,936,715</u>	<u>\$ 18,237,093</u>
 <u>Long-Term Liabilities:</u>			
Estimated Landfill Post Closure Costs	\$ -	\$ 9,900	\$ 9,900
Notes Payable	2,034,591	-	2,034,591
Revenue Bonds Payable	-	56,535,893	56,535,893
Special Obligation Bonds Payable	39,950,269	2,253,473	42,203,742
Compensated Absences Payable	1,110,130	130,115	1,240,245
Net OPEB Obligation	10,506,600	901,477	11,408,077
Total Long-Term Liabilities	<u>\$ 53,601,590</u>	<u>\$ 59,830,858</u>	<u>\$ 113,432,448</u>
 TOTAL LIABILITIES	 <u>\$ 61,901,968</u>	 <u>\$ 69,767,573</u>	 <u>\$ 131,669,541</u>
 <u>DEFERRED INFLOWS</u>			
<u>OF RESOURCES</u>			
Deferred Inflow From Pension Plan	\$ 14,598,172	\$ 2,303,113	\$ 16,901,285
Deferred Inflow from Retiree Health Plan	821,271	112,133	933,404
Total Deferred Inflows of Resources	<u>\$ 15,419,443</u>	<u>\$ 2,415,246</u>	<u>\$ 17,834,689</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 202,004,931	\$ 124,404,218	\$ 326,409,149
Restricted	42,562,953	3,695,665	46,258,618
Unrestricted	(12,451,259)	12,805,760	354,501
 TOTAL NET POSITION	 <u>\$ 232,116,625</u>	 <u>\$ 140,905,643</u>	 <u>\$ 373,022,268</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Interest and Other Charges	\$ 1,076,976	\$ -	\$ -	\$ -	\$ (1,076,976)	\$ -	\$ (1,076,976)
Development Services	7,125,162	1,556,719	1,376,582	1,754,924	(2,436,937)	-	(2,436,937)
Public Safety	14,342,312	1,091,791	627,874	404,689	(12,217,958)	-	(12,217,958)
Public Works	8,852,538	27,842	-	29,509	(8,795,187)	-	(8,795,187)
Parks and Recreation	5,610,346	1,327,032	99,744	-	(4,183,570)	-	(4,183,570)
Administrative	3,134,900	1,462,251	-	610,060	(1,062,589)	-	(1,062,589)
Total Governmental Activities	<u>\$ 40,142,234</u>	<u>\$ 5,465,635</u>	<u>\$ 2,104,200</u>	<u>\$ 2,799,182</u>	<u>\$ (29,773,217)</u>	<u>\$ -</u>	<u>\$ (29,773,217)</u>
Business-Type Activities:							
Golf Course Fund	\$ 668,645	\$ 681,899	\$ 2,110	\$ -	\$ -	\$ 15,364	\$ 15,364
Indoor Sports Complex	1,069,440	809,426	808	-	-	(259,206)	(259,206)
Sewer Fund	8,924,983	8,625,200	207	472,485	-	172,909	172,909
Solid Waste Fund	4,711,055	5,292,691	28,801	-	-	610,437	610,437
Sporting Complexes Fund	1,198,736	418,469	1,038	-	-	(779,229)	(779,229)
Water Fund	8,264,713	7,398,283	-	285,224	-	(581,206)	(581,206)
Total Business-Type Activities	<u>\$ 24,837,572</u>	<u>\$ 23,225,968</u>	<u>\$ 32,964</u>	<u>\$ 757,709</u>	<u>\$ -</u>	<u>\$ (820,931)</u>	<u>\$ (820,931)</u>
Total Primary Government	<u>\$ 64,979,806</u>	<u>\$ 28,691,603</u>	<u>\$ 2,137,164</u>	<u>\$ 3,556,891</u>	<u>\$ (29,773,217)</u>	<u>\$ (820,931)</u>	<u>\$ (30,594,148)</u>
General Revenues:							
Taxes:							
Property Taxes					\$ 2,672,828	\$ -	\$ 2,672,828
Sales Tax					31,219,948	-	31,219,948
Franchise Tax					4,399,661	-	4,399,661
Motor Fuel Tax					1,612,524	-	1,612,524
Convention and Other Taxes					2,434,237	-	2,434,237
Other Taxes					2,999,223	-	2,999,223
Merchant Licenses					1,354,849	-	1,354,849
Liquor Licenses					96,963	-	96,963
Investment Income					602,370	177,265	779,635
Gain (Loss) on Disposal of Capital Assets					79,458	77,284	156,742
Unrestricted Grants and Internal Balances					1,741,008	-	1,741,008
					(7,248,915)	7,248,915	-
Total General Revenues and Transfers					<u>41,964,154</u>	<u>\$ 7,503,464</u>	<u>\$ 49,467,618</u>
Change in Net Position					\$ 12,190,937	\$ 6,682,533	\$ 18,873,470
Net Position - July 1, 2020					219,948,580	133,939,360	353,887,940
Prior Period Adjustments					(22,892)	283,750	260,858
Net Position - June 30, 2021					<u>\$232,116,625</u>	<u>\$140,905,643</u>	<u>\$ 373,022,268</u>

See Accompanying Notes to the Basic Financial Statements.

FUND FINANCIAL STATEMENTS

CITY OF CAPE GIRARDEAU, MISSOURI

BALANCE SHEET -
GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Transportation Sales Tax Trust Fund V	General Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
<u>CURRENT ASSETS:</u>					
Cash and Cash Equivalents	\$ 13,315	\$ -	\$ -	\$ -	\$ 13,315
Pooled Cash and Investments	6,495,047	14,036,487	8,873,831	19,290,076	48,695,441
Receivables:					
Real Estate Taxes, Net	218,931	-	-	42,365	261,296
Property Taxes, Net	27,873	-	-	5,220	33,093
Sales Tax	1,117,161	-	-	1,938,896	3,056,057
Franchise Tax	397,395	-	-	-	397,395
Hotel and Motel Tax	-	-	-	90,706	90,706
Resturant Tax	-	-	-	149,921	149,921
Special Assesments	344,878	-	-	38,886	383,764
Other	186,109	-	-	433,891	620,000
Motor Fuel Tax	-	-	-	89,688	89,688
Vehicle License Fees	-	-	-	43,364	43,364
Motor Vehicle Sales Tax	-	-	-	15,621	15,621
Grants	131,560	-	-	1,726,245	1,857,805
Other Funds	1,247,149	-	-	383,090	1,630,239
Inventory	79	-	-	112,296	112,375
Prepaid Items	109,932	-	-	114,455	224,387
TOTAL CURRENT ASSETS	10,289,429	14,036,487	8,873,831	24,474,720	57,674,467
<u>NONCURRENT ASSETS:</u>					
Advances to Other Funds	\$ -	\$ -	\$ -	\$ 2,645,968	\$ 2,645,968
TOTAL NONCURRENT ASSETS	\$ -	\$ -	\$ -	\$ 2,645,968	\$ 2,645,968
TOTAL ASSETS	\$ 10,289,429	\$ 14,036,487	\$ 8,873,831	\$ 27,120,688	\$ 60,320,435
<u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES:</u>					
Accounts Payable	\$ 198,567	\$ 62,603	\$ 1,797,952	\$ 782,691	\$ 2,841,813
Salaries and Benefits Payable	918,757	-	-	191,838	1,110,595
Other Liabilities	491,170	-	-	75,417	566,587
Due to Other Governments	-	-	-	1,207	1,207
Payable to Other Funds	-	-	-	1,630,239	1,630,239
Unearned Revenues	34,570	-	-	135,509	170,079
Deferred Revenues	1,468,460	-	-	85,484	1,553,944
CURRENT LIABILITIES	\$ 3,111,524	\$ 62,603	\$ 1,797,952	\$ 2,902,385	\$ 7,874,464
<u>NONCURRENT LIABILITIES:</u>					
Advances from Other Funds	\$ -	\$ -	\$ -	\$ 1,407,984	\$ 1,407,984
TOTAL NONCURRENT LIABILITIES	\$ -	\$ -	\$ -	\$ 1,407,984	\$ 1,407,984
TOTAL LIABILITIES	\$ 3,111,524	\$ 62,603	\$ 1,797,952	\$ 4,310,369	\$ 9,282,448
<u>FUND BALANCE:</u>					
Nonspendable	\$ 112,032	\$ -	\$ -	\$ 2,760,423	\$ 2,872,455
Restricted	3,404,268	13,973,884	7,075,879	18,108,922	42,562,953
Committed	-	-	-	1,537,213	1,537,213
Assigned	170,389	-	-	1,573,211	1,743,600
Unassigned	3,491,216	-	-	(1,169,450)	2,321,766
TOTAL FUND BALANCE	7,177,905	13,973,884	7,075,879	22,810,319	51,037,987
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,289,429	\$ 14,036,487	\$ 8,873,831	\$ 27,120,688	\$ 60,320,435

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2021

Total fund balance - total governmental funds (Statement 3)	\$ 51,037,987
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet, net of accumulated depreciation of \$145,986,507.	220,149,103
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.	6,018,963
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 not require the use of or provide current financial resources.	8,810,549
Accrued expenses which are included in governmental activities in the statement of net position but not in governmental funds because they are not payable from current financial resources.	(110,779)
Non-current net OPEB obligation included in governmental activities of the statement of net position for employee post-retirement healthcare benefits is not include in governmental funds because it does not require the use of current financial resources.	(10,036,229)
Non-current compensated absences are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	(1,034,677)
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	
Notes Payable	\$ (2,446,967)
Special Obligation Bonds Payable	<u>(41,825,269)</u>
	(44,272,236)
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.	<u>1,553,944</u>
Net position of governmental activities (Statement 1)	<u>\$ 232,116,625</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2021

	<u>General Fund</u>	<u>Sales Tax Trust Fund V</u>	<u>General Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>					
Taxes	\$ 18,287,948	\$ 3,947,727	\$ -	\$ 21,479,971	\$ 43,715,646
Licenses and Permits	1,827,947	-	-	1,735	1,829,682
Intergovernmental	2,527,433	-	-	4,667,212	7,194,645
Charges for Services	787,681	-	-	1,715,730	2,503,411
Internal Charges	1,138,192	-	-	-	1,138,192
Fines and Forfeits	436,640	-	-	-	436,640
Miscellaneous	436,130	-	-	376,880	813,010
Investment Revenue	55,459	134,352	77,282	291,620	558,713
Special Assessments	11,166	-	-	15,541	26,707
TOTAL REVENUES	<u>\$ 25,508,596</u>	<u>\$ 4,082,079</u>	<u>\$ 77,282</u>	<u>\$ 28,548,689</u>	<u>\$ 58,216,646</u>
<u>EXPENDITURES:</u>					
Current:					
Administrative Services	\$ 3,177,014	\$ -	\$ -	\$ 67,214	\$ 3,244,228
Development Services	2,563,299	268,722	-	3,755,905	6,587,926
Parks and Recreation	1,583,814	-	-	2,724,964	4,308,778
Public Safety	15,506,438	-	-	544,239	16,050,677
Public Works	2,609,448	-	-	-	2,609,448
Debt Service:					
Interest	-	-	-	1,107,306	1,107,306
Principal	-	-	-	2,538,004	2,538,004
Capital Outlay:					
Administrative Services	744,834	-	-	-	744,834
Development Services	-	-	-	2,745,256	2,745,256
Capital Improvements	-	2,596,633	8,605,593	2,566,237	13,768,463
Parks and Recreation	-	-	-	126,012	126,012
Public Safety	103,785	-	-	1,754,052	1,857,837
TOTAL EXPENDITURES	<u>\$ 26,288,632</u>	<u>\$ 2,865,355</u>	<u>\$ 8,605,593</u>	<u>\$ 17,929,189</u>	<u>\$ 55,688,769</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (780,036)</u>	<u>\$ 1,216,724</u>	<u>\$ (8,528,311)</u>	<u>\$ 10,619,500</u>	<u>\$ 2,527,877</u>
<u>OTHER FINANCING SOURCES (USES):</u>					
Transfers In	\$ 6,939,905	\$ -	\$ 4,198,893	\$ 8,008,768	\$ 19,147,566
Transfers Out	(4,841,329)	-	-	(21,527,437)	(26,368,766)
Compensation for Damages	39,117	-	-	17,084	56,201
Asset Disposition	52,110	-	-	19,100	71,210
Bond Proceeds	-	-	10,300,000	-	10,300,000
Capital Contributions	-	-	-	50,000	50,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 2,189,803</u>	<u>\$ -</u>	<u>\$ 14,498,893</u>	<u>\$ (13,432,485)</u>	<u>\$ 3,256,211</u>
NET CHANGE IN FUND BALANCES	\$ 1,409,767	\$ 1,216,724	\$ 5,970,582	\$ (2,812,985)	\$ 5,784,088
FUND BALANCE, July 1, 2020	5,768,590	12,757,160	1,105,297	25,644,383	45,275,430
PRIOR PERIOD ADJUSTMENT	<u>(452)</u>	<u>-</u>	<u>-</u>	<u>(21,079)</u>	<u>(21,531)</u>
FUND BALANCE, June 30, 2021	<u>\$ 7,177,905</u>	<u>\$ 13,973,884</u>	<u>\$ 7,075,879</u>	<u>\$ 22,810,319</u>	<u>\$ 51,037,987</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

RECONCILIATION OF THE STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

Net Change in fund balances - total governmental funds (Statement 4)	\$ 5,784,088
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets expended in the current period.	19,584,879
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(10,006,380)
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 the governmental funds.	39,655
Changes in compensated absences does not require the use of current financial resources and is therefore not reported as expenditures in governmental funds.	385,354
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	923,808
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.	3,510,751
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, premium, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(7,731,666)
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.	<u>(299,552)</u>
Change in net position of governmental activities (Statement 2)	<u>\$ 12,190,937</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2021

	Business-Type Activities					
	Sewer Fund	Water Fund	Solid Waste Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<u>ASSETS</u>						
<u>CURRENT ASSETS:</u>						
Pooled Cash and Investments	\$ 13,573,099	\$ 7,169,522	\$ 2,902,611	\$ 1,099,727	\$ 24,744,959	\$ 5,288,740
Investments	-	-	-	-	-	405,272
Receivables:						
Utility Charges, Net	814,920	857,492	379,801	-	2,052,213	-
Special Assessments	3,465	-	-	-	3,465	-
Other	3,149	9,799	546	-	13,494	58,238
Interest	-	-	-	-	-	42
Grants	-	-	302,827	-	302,827	-
Inventory	-	684,616	-	42,318	726,934	205,606
Prepaid Items	20,159	12,488	3,747	3,352	39,746	230,851
Total Current Assets	<u>\$ 14,414,792</u>	<u>\$ 8,733,917</u>	<u>\$ 3,589,532</u>	<u>\$ 1,145,397</u>	<u>\$ 27,883,638</u>	<u>\$ 6,188,749</u>
<u>NONCURRENT ASSETS:</u>						
Restricted Cash and Cash Equivalents	\$ 4,301,085	\$ 461,383	\$ 3,641	\$ -	\$ 4,766,109	\$ -
Net Pension Asset	1,541,288	269,773	1,128,966	744,656	3,684,683	869,275
Land	537,678	-	112,240	1,335,100	1,985,018	37,500
Buildings	8,093,164	356,244	4,928,942	13,402,721	26,781,071	53,906
Equipment	7,875,542	2,926,269	4,467,625	1,426,790	16,696,226	6,780,216
Other Improvements	160,182,535	69,552,457	344,023	5,409,647	235,488,662	155,653
Construction in Progress	1,823,454	973,265	-	159	2,796,878	-
Accumulated Depreciation	(66,718,037)	(30,060,238)	(4,317,299)	(5,501,063)	(106,596,637)	(5,202,876)
Total Current Assets	<u>117,636,709</u>	<u>44,479,153</u>	<u>6,668,138</u>	<u>16,818,010</u>	<u>185,602,010</u>	<u>2,693,674</u>
TOTAL ASSETS	\$ 132,051,501	\$ 53,213,070	\$ 10,257,670	\$ 17,963,407	\$ 213,485,648	\$ 8,882,423
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>						
Deferred Outflow from Pension Plan	\$ 49,065	\$ 7,706	\$ 28,406	\$ (9,431)	\$ 75,746	\$ 9,383
Deferred Outflow from Retiree Health Plan	53,370	7,270	62,141	36,654	159,435	53,109
Total Deferred Outflows of Resources	<u>\$ 102,435</u>	<u>\$ 14,976</u>	<u>\$ 90,547</u>	<u>\$ 27,223</u>	<u>\$ 235,181</u>	<u>\$ 62,492</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2021

	Business-Type Activities					
<u>LIABILITIES</u>	Sewer Fund	Water Fund	Solid Waste Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<u>CURRENT LIABILITIES:</u>						
Accounts Payable	\$ 132,805	\$ 306,479	\$ 105,803	\$ 108,724	\$ 653,811	\$ 67,566
Salaries and Benefits Payable	66,933	11,756	51,059	98,714	228,462	42,876
Interest Payable	364,384	-	6,520	-	370,904	-
Other Liabilities	454,882	386,694	206,128	21,087	1,068,791	-
Estimated Claims Payable	-	-	-	-	-	1,101,500
Due to other Governments	23,457	49,322	-	-	72,779	-
Unearned Revenues	3,262,438	-	-	115,770	3,378,208	-
Revenue Bonds Payable, Current Portion	3,297,000	610,000	-	-	3,907,000	-
Special Obligation Bonds Payable, Current Portion	-	-	256,760	-	256,760	-
Total Current Liabilities	<u>\$ 7,601,899</u>	<u>\$ 1,364,251</u>	<u>\$ 626,270</u>	<u>\$ 344,295</u>	<u>\$ 9,936,715</u>	<u>\$ 1,211,942</u>
 <u>NONCURRENT LIABILITIES:</u>						
Net OPEB Obligation	\$ 306,774	\$ 51,342	\$ 336,446	\$ 206,915	\$ 901,477	\$ 386,417
Compensated Absences Payable	41,045	2,020	44,562	42,488	130,115	75,453
Advances from Other Funds	-	-	1,237,984	-	1,237,984	-
Revenue Bonds Payable	48,471,000	8,064,893	-	-	56,535,893	-
Special Obligation Bonds Payable	-	-	2,253,473	-	2,253,473	-
Estimated Landfill Post Closure Cost	-	-	9,900	-	9,900	-
Total NonCurrent Liabilities	<u>\$ 48,818,819</u>	<u>\$ 8,118,255</u>	<u>\$ 3,882,365</u>	<u>\$ 249,403</u>	<u>\$ 61,068,842</u>	<u>\$ 461,870</u>
 TOTAL LIABILITIES	<u>\$ 56,420,718</u>	<u>\$ 9,482,506</u>	<u>\$ 4,508,635</u>	<u>\$ 593,698</u>	<u>\$ 71,005,557</u>	<u>\$ 1,673,812</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>						
Deferred Inflow from Pension Plan	\$ 913,189	\$ 170,580	\$ 694,283	\$ 525,061	\$ 2,303,113	\$ 610,023
Deferred Inflow from Retiree Health Plan	44,084	4,779	40,151	23,119	112,133	36,500
Total Deferred Inflows of Resources	<u>\$ 957,273</u>	<u>\$ 175,359</u>	<u>\$ 734,434</u>	<u>\$ 548,180</u>	<u>\$ 2,415,246</u>	<u>\$ 646,523</u>
 <u>NET POSITION</u>						
Net Investment in Capital Assets	\$ 60,026,336	\$ 43,137,997	\$ 5,166,531	\$ 16,073,354	\$ 124,404,218	\$ 1,824,399
Restricted:						
Depreciation and Replacement	-	150,000	-	-	150,000	-
Emergencies	1,430,965	1,015,649	714,169	384,882	3,545,665	-
Unrestricted	<u>13,318,644</u>	<u>(733,465)</u>	<u>(775,552)</u>	<u>390,516</u>	<u>12,200,143</u>	<u>4,800,181</u>
TOTAL NET POSITION	<u>\$ 74,775,945</u>	<u>\$ 43,570,181</u>	<u>\$ 5,105,148</u>	<u>\$ 16,848,752</u>	<u>140,300,026</u>	<u>\$ 6,624,580</u>
 Difference between business-type adjustments to assets and liabilities					<u>605,617</u>	
Net position of business-type activities					<u>\$ 140,905,643</u>	

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS

Year Ended June 30, 2021

	Business-Type Activities					Internal Service Funds
	Sewer Fund	Water Fund	Solid Waste Fund	Non-Major Enterprise Funds	Total Enterprise Funds	
<u>OPERATING REVENUES:</u>						
Residential Charges	\$ 4,756,781	\$ 4,582,387	\$ 3,014,264	\$ -	\$ 12,353,432	\$ -
Commercial Charges	2,360,182	2,677,263	51,285	-	5,088,730	-
Transfer Station Charges	-	-	1,992,946	-	1,992,946	-
Other Fees and Charges	113,412	97,001	84,828	-	295,241	4,564
Concession Revenues	-	-	-	305,366	305,366	-
Internal Charges	644	-	-	-	644	7,853,671
Usage Fees	-	-	-	1,585,783	1,585,783	5,387
Miscellaneous	45,019	21,259	149,368	1,312	216,958	2,818
TOTAL OPERATING REVENUES	<u>\$ 7,276,038</u>	<u>\$ 7,377,910</u>	<u>\$ 5,292,691</u>	<u>\$ 1,892,461</u>	<u>\$ 21,839,100</u>	<u>\$ 7,866,440</u>
<u>OPERATING EXPENDITURES:</u>						
Personnel Services	\$ 1,339,784	\$ 182,109	\$ 1,071,175	\$ 1,226,495	\$ 3,819,563	\$ 926,840
Materials and Supplies	664,702	1,442,666	205,303	360,789	2,673,460	534,228
Contractual Services	940,503	3,855,177	2,400,347	293,436	7,489,463	6,335,796
General Operating Expenses	441,336	405,002	23,280	6,764	876,382	40,497
Special Programs	38,131	-	71,853	122,105	232,089	1,676
Internal Services Expenses	171,791	150,133	408,494	89,085	819,503	7,989
Depreciation	4,274,323	2,048,626	400,059	811,257	7,534,265	386,224
TOTAL OPERATING EXPENDITURES	<u>\$ 7,870,570</u>	<u>\$ 8,083,713</u>	<u>\$ 4,580,511</u>	<u>\$ 2,909,931</u>	<u>\$ 23,444,725</u>	<u>\$ 8,233,250</u>
TOTAL OPERATING INCOME (LOSS)	<u>\$ (594,532)</u>	<u>\$ (705,803)</u>	<u>\$ 712,180</u>	<u>\$ (1,017,470)</u>	<u>\$ (1,605,625)</u>	<u>\$ (366,810)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Intergovernmental	\$ 207	\$ -	\$ 28,801	\$ 3,956	\$ 32,964	\$ 158
Investment Revenue	79,021	64,914	26,433	6,897	177,265	43,657
Gain from Sale of Assets	62,690	18,945	925	-	82,560	1,080
Compensation for Damages	-	20,373	-	-	20,373	-
Loss of Sale of Assets	(5,276)	-	-	-	(5,276)	-
Interest and Other Charges	(1,036,928)	(182,623)	(123,203)	-	(1,342,754)	-
Transfers In	5,828,001	1,194,771	-	670,925	7,693,697	351
Transfers Out	(222,391)	(222,391)	-	-	(444,782)	(28,066)
Contributed Capital - Government	1,126,117	-	-	17,336	1,143,453	-
Contributed Capital - Connect Fee	223,045	-	-	-	223,045	-
Contributed Capital - Developers	472,485	285,224	-	-	757,709	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ 6,526,971</u>	<u>\$ 1,179,213</u>	<u>\$ (67,044)</u>	<u>\$ 699,114</u>	<u>\$ 8,338,254</u>	<u>\$ 17,180</u>
NET CHANGE IN NET POSITION	\$ 5,932,439	\$ 473,410	\$ 645,136	\$ (318,356)	\$ 6,732,629	\$ (349,630)
NET POSITION, July 1, 2020	68,843,506	43,096,771	4,176,262	17,167,108	133,283,647	6,975,571
PRIOR PERIOD ADJUSTMENT	-	-	283,750	-	283,750	(1,361)
NET POSITION, June 30, 2021	<u>\$ 74,775,945</u>	<u>\$ 43,570,181</u>	<u>\$ 5,105,148</u>	<u>\$ 16,848,752</u>	<u>\$ 140,300,026</u>	<u>\$ 6,624,580</u>
Adjustments to reflect the consolidation of internal service fund activities related to the enterprise funds					(50,096)	
Change in Net Position of Business-Type Activities					<u>\$ 140,249,930</u>	

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2021

	Business-Type Activities					Internal Service Funds
	Sewer Fund	Water Fund	Solid Waste Fund	Non-Major Enterprise Funds	Total Enterprise Funds	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>						
Receipts from Customers	\$ 7,371,962	\$ 7,505,138	\$ 5,375,472	\$ 1,909,474	\$ 22,162,046	\$ 12,769
Receipts from Interfund Services	644	-	-	-	644	7,983,575
Other Receipts	-	-	-	-	-	-
Payments to Suppliers	(1,691,826)	(5,331,853)	(2,823,167)	(780,209)	(10,627,055)	(7,039,786)
Payments for Salaries and Benefits	(1,599,810)	(219,040)	(1,219,244)	(1,344,089)	(4,382,183)	(1,070,160)
Payments for Interfund Services Used	(171,791)	(150,133)	(408,494)	(89,085)	(819,503)	(7,989)
Payments Made in Lieu of Franchise Taxes	(356,656)	(349,413)	-	-	(706,069)	-
Other Payments	(30,178)	(11,085)	(2,278)	-	(43,541)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,522,345	\$ 1,443,614	\$ 922,289	\$ (303,909)	\$ 5,584,339	\$ (121,591)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>						
Transfers from Other Funds	\$ 1,411,175	\$ 1,194,771	\$ -	\$ 670,925	\$ 3,276,871	\$ 351
Transfers to Other Funds	(222,391)	(222,391)	-	-	(444,782)	(28,066)
Interest Paid to Other Funds	-	-	(41,146)	-	(41,146)	-
Subsidy From Federal Grant	3,262,645	1,319	2,337	3,956	3,270,257	385
Subsidy From State Grant	4,634	-	28,350	500	33,484	-
Subsidy From Local Grant	-	-	(16,464)	-	(16,464)	-
Short-Term Advance from Other Funds	-	-	(1,472)	-	(1,472)	-
Short-Term Advance to Other Funds	1,472	-	-	-	1,472	-
Insurance Claims	-	20,373	-	-	20,373	324,500
Repayment of Long-Term Advance from Other Funds	-	-	(8,864)	-	(8,864)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 4,457,535	994,072	(37,259)	675,381	6,089,729	297,170
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>						
Capital Contributions	\$ 240,419	\$ -	\$ -	\$ -	\$ 240,419	\$ -
Purchase of Capital Assets	(588,582)	(781,818)	-	-	(1,370,400)	(423,385)
Acquisition and Construction of Capital Assets	(405,567)	(632,649)	-	-	(1,038,216)	-
Principal Paid on Capital Debt	(4,840,000)	(525,000)	(150,000)	-	(5,515,000)	-
Interest Paid on Capital Debt	(1,103,960)	(182,623)	(82,370)	-	(1,368,953)	-
Proceeds from Sales of Capital Assets	77,314	18,945	925	-	97,184	-
Transfers In for Payment of Capital Related Debt	4,416,826	-	-	-	4,416,826	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,203,550)	(2,103,145)	(231,445)	-	(4,538,140)	(423,385)

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2021

	Business-Type Activities					Internal Service Funds
	Sewer Fund	Water Fund	Solid Waste Fund	Non-Major Enterprise Funds	Total Enterprise Funds	
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>						
Interest Received	\$ 79,300	\$ 64,914	\$ 26,433	\$ 6,897	\$ 177,544	\$ 43,657
Net Change in Pooled Investments	(7,508,945)	61,928	(676,377)	(378,369)	(8,501,763)	204,149
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (7,429,645)</u>	<u>\$ 126,842</u>	<u>\$ (649,944)</u>	<u>\$ (371,472)</u>	<u>\$ (8,324,219)</u>	<u>\$ 247,806</u>
NET CHANGE IN CASH	(1,653,315)	461,383	3,641	-	(1,188,291)	-
CASH, July 1, 2020	<u>\$ 5,954,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,954,400</u>	<u>\$ -</u>
CASH, June 30, 2021	<u>\$ 4,301,085</u>	<u>\$ 461,383</u>	<u>\$ 3,641</u>	<u>\$ -</u>	<u>\$ 4,766,109</u>	<u>\$ -</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u>						
<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>						
Operating Income (Loss)	\$ (594,532)	\$ (705,803)	\$ 712,180	\$ (1,017,470)	\$ (1,605,625)	\$ (366,810)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	4,274,323	2,048,626	400,059	811,257	7,534,265	386,224
Changes in Assets and Liabilities:						
Accounts Payable - Supplier	(37,463)	(55,690)	(146,376)	(5,438)	(244,967)	(34,183)
Accounts Payable - Other	37,837	31,903	18,046	1,042	88,828	-
Salaries and Benefits Payable	816	486	(1,292)	(14,793)	(14,783)	(1,090)
Customer Receivables	96,568	127,228	82,781	4,200	310,777	-
Interfund Receivables	-	-	-	-	-	129,904
Other Operating Receivables	-	-	-	-	-	-
Prepaid Expenses	5,638	7,863	3,668	(231)	16,938	(68,341)
OPEB Liability	(36,049)	6,529	33,512	27,978	31,970	19,575
Pension Asset/Liability	(224,793)	(43,946)	(180,289)	(130,779)	(579,807)	(161,805)
Inventory	-	26,418	-	7,512	33,930	(25,065)
Unearned Revenue	-	-	-	12,813	12,813	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,522,345</u>	<u>\$ 1,443,614</u>	<u>\$ 922,289</u>	<u>\$ (303,909)</u>	<u>\$ 5,584,339</u>	<u>\$ (121,591)</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION

June 30, 2021

ASSETS

ASSETS:

Cash and Cash Equivalents	\$	700
Pooled Cash and Investments		2,412,282
Receivables:		
Real Estate Taxes, Net		221,158
Property Taxes, Net		27,830
Grants		94,518
Prepaid Items		<u>44,704</u>
TOTAL ASSETS	\$	<u><u>2,801,192</u></u>

LIABILITIES

LIABILITIES:

Accounts Payable	\$	22,200
Salaries and Benefits Payable		37,215
Deferred Revenues		249,602
Funds Held for Agency Funds		<u>2,492,175</u>
TOTAL LIABILITIES	\$	<u><u>2,801,192</u></u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF CHANGES IN
FUDUCIARY NET POSITION

Year Ended June 30, 2021

ADDITIONS

Taxes	\$ 1,836,223
Intergovernmental	495,362
Other Fees and Charges	28,192
Miscellaneous	32,233
Investment Revenue	8,842
TOTAL REVENUES	<u>\$ 2,400,852</u>

DEDUCTIONS

Personnel Services	\$ 867,534
Contractual Services	346,156
Materials and Supplies	168,123
General Operating Expenses	175,551
Debt Service:	
Interest	146,475
Principal	555,000
TOTAL EXPENDITURES	<u>\$ 2,258,839</u>

CHANGE IN NET POSITION \$ 142,013

ASSETS/LIABILITIES, July 1, 2020 2,659,179

ASSETS/LIABILITIES, June 30, 2021 \$ 2,801,192

See Accompanying Notes to the Basic Financial Statements.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Reporting Entity

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

The CGPFA is a not-for-profit corporation organized and existing under Chapter 355 of the Revised Statutes of Missouri. The CGPFA board of directors consists of City officials and City Council members. Due to the significant City influence and financial accountability, the activities of the CGPFA are blended with the financial presentation of the City. The CGPFA executed a bond indenture for the purpose of issuing and securing the Series 2009 Bonds. These bonds were used for the construction of various storm water control improvements, Cape Splash Family Aquatic Center, Shawnee Park Community Center, and various other park related improvements. The CGPFA entered into a Lease Purchase Agreement with the City from which the lease payments were used solely to retire the debt. All debt was retired and remaining assets, \$162.10 in cash, were returned to the City prior to the current year. No activity occurred during the current year.

The CGPDF is a not-for-profit corporation organized and existing under Chapter 355 of the Revised Statutes of Missouri. 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 this foundation are included in the financial presentation of the City. This foundation was established to receive donations to be used for the benefit of the City.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 Custodial Funds in the financial statements.

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 non-fiduciary activities of the primary government and its component units. The effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 generally 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.

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

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year-end on behalf of the City also are recognized as revenue. Fines and permit revenues are not susceptible to accrual because, generally, they are not measurable until received in cash. With the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet.

The City reports the following major governmental funds:

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

The *general capital improvements fund* accounts for the receipts and expenditures of capital projects.

The *transportation sales tax trust fund V* 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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Additionally, the City reports the following fund types:

Internal service funds account for the management of 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.

Custodial funds account for the operations of the Cape Girardeau Public Library and the SEMO Metropolitan Planning Organization.

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

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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

5. Capital Assets

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

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

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

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

6. Encumbrances

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

7. Inventories

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Inter-fund Transactions

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

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

9. Bond Premiums, Discounts, and Issuance Costs

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

10. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid items.

11. Restricted Assets

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

12. Long-Term Obligations

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

13. Receivables

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

14. Compensated Absences

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

15. Short-Term Inter-fund Receivables/Payables

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

16. Advances to Other Funds

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

17. Pensions

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

18. Post-Employment Health Care Benefits

In addition to the pension benefits described in Note G, it is the City's policy to provide postretirement health care benefits to employees hired prior to July 1, 2010 who retired from the City prior to April 1, 2012 with five or more years of service and who were eligible for LAGERS retirement (Note G) or after April 1, 2012 after reaching their normal retirement ages through LAGERS with five or more years of service. Currently, forty-five retirees and twenty-three 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, 2021, those costs totaled \$784,316.

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 four retiree spouses participating in the health insurance program and five retiree spouses participating in the dental insurance program as of June 30, 2021.

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, 2021 all infrastructures completed during the fiscal year, including projects started in a previous year, were recorded at their historical costs.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

20. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through February 7, 2022, the date the financial statements were available to be issued.

NOTE B - DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Pooled cash and investments" on the various financial statements. The pooled deposits and investments held at June 30, 2021, and reported at fair value, are as follows:

Deposits:		
	Demand Deposits	\$ -0-
	Interest Bearing Deposit Accounts	<u>66,050,542</u>
	Total Deposits	<u>\$ 66,050,542</u>
Investments:		
	Negotiable Instruments	<u>\$ 15,031,371</u>
	Total Investments	<u>\$ 15,031,371</u>
Accrued Interest Revenue		<u>\$ 59,509</u>
Total Pooled Deposits and Investments		<u>\$ 81,141,422</u>

As of June 30, 2021, the City had the following pooled investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Negotiable Instruments	07/21/21 – 03/06/26	<u>\$15,031,371</u>
Total		<u>\$15,031,371</u>

Reconciliation of Pooled Cash and Investments to Statements:

Governmental Pooled Cash and Investments	\$53,984,181
Business-type Pooled Cash and Investments	24,744,959
Fiduciary Pooled Cash and Investments	<u>2,412,282</u>
Total Pooled Cash and Investments	<u>\$81,141,422</u>

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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, 2021, and reported at fair value, are as follows:

Deposits:

Demand Deposits	\$ 276,670
Interest Bearing Deposit Accounts	<u>4,503,454</u>
Total Deposits	<u>\$4,780,124</u>

Investments:

U. S. Treasury Note	<u>\$ 405,272</u>
Total Investments	<u>\$ 405,272</u>

Total Non-pooled Deposits and Investments	<u>\$5,185,396</u>
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As of June 30, 2021, the City had the following non-pooled investments

U. S. Treasury Note	12/15/21 – 12/15/21	<u>\$ 405,272</u>
Total		<u>\$ 405,272</u>

Reconciliation of Non-pooled Deposits and Investments to Statements:

Governmental Cash and Cash Equivalents	\$ 13,315
Governmental Investments	405,272
Business-type Restricted Cash and Cash Equivalents	4,766,109
Fiduciary Cash and Cash Equivalents	<u>700</u>
Total Non-pooled Deposits and Investments	<u>\$5,185,396</u>

Custodial Credit Risk:

Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$71,354,100 at June 30, 2021, 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, 2021 are provided above.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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, 2021, 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 17, 2020, 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	\$.3044/100.00 assessed valuation
Public Health	.0570/100.00 assessed valuation
Special Business District #2 (Ad Valorem)	.7076/100.00 assessed valuation

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE C - PROPERTY TAXES - continued

Property tax receivable balances as of June 30, 2021 are as follows:

	General Revenue	Special Business District	Public Health	Total
Current property tax	\$ 63,705	\$ 1,498	\$ 11,792	\$ 76,995
Delinquent property tax	193,840	-	36,307	230,147
Reserve for doubtful property taxes	<u>(10,741)</u>	<u>-</u>	<u>(2,012)</u>	<u>(12,753)</u>
Net property tax receivable	<u>\$ 246,804</u>	<u>\$ 1,498</u>	<u>\$ 46,087</u>	<u>\$ 294,389</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, 2021 is as follows:

	Balance July 1, 2020	Additions	Deductions	Current Year Depreciation*	Balance 6/30/2021**
Land	\$ 9,407,604	\$ 1,552,062	\$ -	\$ -	\$ 10,959,666
Buildings	33,751,773	911,464	-	1,650,971	33,012,266
Land improvements	19,624,442	198,637	-	1,049,847	18,773,232
Equipment	10,397,423	6,793,121	26,389	1,927,222	15,236,933
Infrastructure	134,479,705	3,612,389	-	5,602,969	132,489,125
Construction in progress	<u>4,740,606</u>	<u>13,199,677</u>	<u>6,438,003</u>	<u>-</u>	<u>11,502,280</u>
Total capital assets	<u>\$212,401,553</u>	<u>\$ 26,267,350</u>	<u>\$ 6,464,392</u>	<u>\$ 10,231,009</u>	<u>\$ 221,973,502</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, 2021

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, 2021:

	Balance July 1, 2020	Additions	Deductions	Current Year Depreciation*	Balance 6/30/2021**
Land	\$ 1,985,018	\$ -	\$ -	\$ -	\$ 1,985,018
Buildings	15,480,406	-	-	(491,354)	14,989,052
Improvements other than buildings	154,047,615	1,770,909	-	(6,093,841)	149,724,683
Equipment	8,202,722	426,207	(24,272)	(949,070)	7,655,587
Construction in progress	958,265	2,517,642	(679,029)	-	2,796,878
Total capital assets	<u>\$180,674,026</u>	<u>\$ 4,714,758</u>	<u>\$ (703,301)</u>	<u>\$ (7,534,265)</u>	<u>\$ 177,151,218</u>

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

Governmental Activities:

Administrative	\$ 998
Development Services	736,756
Parks and Recreation	1,654,605
Public Safety	808,920
Public Works	6,805,101
Total	<u>\$ 10,006,380</u>

Business-Type Activities:

Golf Course	\$ 1,145,460
Sewer	4,274,323
Sporting Complexes	339,634
Sportsplex	326,163
Solid Waste	400,059
Water	2,048,626
Total	<u>\$ 7,534,265</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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, 2021:

<u>Government Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Total</u>
Debt payable June 30, 2020	\$ 35,973,670	\$ 566,900	\$ 36,540,570
Discount/Premium			
Amortization	(30,330)	-	(30,330)
Issued	10,300,000	-	10,300,000
Retired	<u>(1,971,104)</u>	<u>(566,900)</u>	<u>(2,538,004)</u>
Debt payable June 30, 2021	<u>\$ 44,272,236</u>	<u>\$ -</u>	<u>\$ 44,272,236</u>

*Other Debt includes Notes Payable and Special Obligation Bonds.

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, 2021:

<u>Business-Type Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Total</u>
Debt payable June 30, 2020	\$ 2,659,957	\$ 65,920,238	\$ 68,580,195
Discount/Premium			
Amortization	276	(112,345)	(112,069)
Issued	-	-	-
Retired	<u>(150,000)</u>	<u>(5,365,000)</u>	<u>(5,515,000)</u>
Debt payable June 30, 2021	<u>\$ 2,510,233</u>	<u>\$ 60,442,893</u>	<u>\$ 62,953,126</u>

*Other Debt includes Special Obligation Bonds

Bonds payable for governmental and business-type activities at June 30, 2021 are comprised of the following individual issues:

Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000

On November 1, 2000 the City issued \$8,355,000 of Sewerage System Revenue Bonds. The proceeds of the bond issue were used to extend and improve the existing sewerage facilities serving the City. The bonds were issued with interest varying from 4.4 percent to 5.5 percent. The bonds were paid off during the year ended June 30, 2021.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE E - LONG-TERM OBLIGATIONS – Continued

Waterworks Revenue Bonds, Series 2010

On January 1, 2010, the City issued \$1,000,000 of Waterworks Revenue Bonds. The proceeds of the bond issue were used to construct a transmission main from new well fields to Water Plant #1. The bonds were issued with an interest rate of 1.49 percent. These bonds were paid in full during June 30, 2021.

\$22,981,000 Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2012 due as follows:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Admin Fee	Total
2022	1.430%	\$ 1,455,000	\$ 323,459	\$ 113,097	\$ 1,891,557
2023	1.430%	1,491,000	302,524	105,777	1,899,301
2024	1.430%	1,527,000	281,074	98,278	1,906,352
2025	1.430%	1,565,000	259,102	90,595	1,914,697
2026	1.430%	1,604,000	236,586	82,722	1,923,308
2027	1.430%	1,644,000	213,506	74,653	1,932,159
2028	1.430%	1,684,000	189,854	66,382	1,940,236
2029	1.430%	1,726,000	165,622	57,910	1,949,532
2030	1.430%	1,769,000	140,791	49,228	1,959,019
2031	1.430%	1,813,000	115,337	40,327	1,968,664
2032	1.430%	1,857,000	89,253	31,208	1,977,461
2033	1.430%	1,904,000	62,534	21,865	1,988,399
2034	1.430%	1,950,000	35,142	12,287	1,997,429
2035	1.430%	992,000	7,093	2,480	1,001,573
Total		<u>\$22,981,000</u>	<u>\$2,421,877</u>	<u>\$ 846,809</u>	<u>\$26,249,687</u>

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

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$2,399,000 Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2013A due as follows:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Admin Fee	Total
2022	1.390%	\$ 153,000	\$ 32,818	\$ 11,805	\$ 197,623
2023	1.390%	157,000	30,677	11,035	198,712
2024	1.390%	161,000	28,481	10,245	199,726
2025	1.390%	165,000	26,229	9,435	200,664
2026	1.390%	169,000	23,922	8,605	201,527
2027	1.390%	173,000	21,559	7,755	202,314
2028	1.390%	177,000	19,140	6,885	203,025
2029	1.390%	181,000	16,666	5,995	203,661
2030	1.390%	185,000	14,136	5,085	204,221
2031	1.390%	189,000	11,551	4,155	204,706
2032	1.390%	193,000	8,910	3,205	205,115
2033	1.390%	197,000	6,213	2,235	205,448
2034	1.390%	202,000	3,461	1,245	206,706
2035	1.390%	97,000	675	242	97,917
Total		<u>\$ 2,399,000</u>	<u>\$ 244,438</u>	<u>\$ 87,927</u>	<u>\$ 2,731,365</u>

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

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$26,388,000 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
2022	1.390%	\$ 1,689,000	\$ 360,955	\$ 129,840	\$ 2,179,795
2023	1.390%	1,728,000	337,346	121,348	2,186,694
2024	1.390%	1,768,000	313,188	112,657	2,193,845
2025	1.390%	1,808,000	288,474	103,768	2,200,242
2026	1.390%	1,850,000	263,196	94,675	2,207,871
2027	1.390%	1,893,000	237,336	85,372	2,215,708
2028	1.390%	1,935,000	210,877	75,855	2,221,732
2029	1.390%	1,981,000	183,821	66,123	2,230,944
2030	1.390%	2,026,000	156,132	56,162	2,238,294
2031	1.390%	2,072,000	127,810	45,975	2,245,785
2032	1.390%	2,120,000	98,843	35,555	2,254,398
2033	1.390%	2,169,000	69,208	24,895	2,263,103
2034	1.390%	2,219,000	38,885	13,987	2,271,872
2035	1.390%	<u>1,130,000</u>	<u>7,853</u>	<u>2,825</u>	<u>1,140,678</u>
Total		<u>\$26,388,000</u>	<u>\$2,693,924</u>	<u>\$ 969,037</u>	<u>\$30,050,961</u>

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

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

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

\$2,446,968 Note Payable - Southeast Missouri State University Foundation due as follows:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Total
2022	3.26%	\$ 412,376	\$ 47,624	\$ 460,000
2023	3.26%	423,799	36,201	460,000
2024	3.26%	435,538	24,462	460,000
2025	3.26%	447,569	12,431	460,000
2026	2.77%	280,504	179,496	460,000
2027	2.77%	<u>447,182</u>	<u>12,818</u>	<u>460,000</u>
Total		<u>\$ 2,446,968</u>	<u>\$ 313,032</u>	<u>\$2,760,000</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM OBLIGATIONS - Continued

On February 4, 2013, the City entered into an agreement with the Southeast Missouri State University Foundation for the purchase of approximately 247.43 acres located on the east side of Interstate 55 along LaSalle Street for the purpose of creating a business park. During the fiscal year ending June 30, 2017, the City entered into an agreement with Southeast Missouri State University for the university to make \$1.84 million in improvements to the City’s Capaha Park Baseball Field in exchange for the City amending the original note dated February 4, 2013 to include two additional payments of \$460,000 due on February 4, 2026 and 2027.

The total purchase price of the land was \$6,000,000, with \$480,000 paid at the time of closing and twelve (12) annual payments of \$460,000 commencing 12 months from the closing date of the sale. The note payable was recorded at the net present value of the payments discounted at 3.26%. The note payable was later adjusted for the two additional payments at the net present value of the payments discounted at 2.77%.

\$6,300,000 Special Obligation Bonds, Series 2015A due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2022	2.500%	\$ 655,000	\$ 192,335	\$ 847,335
2023	2.500%	670,000	175,960	845,960
2024	2.750%	695,000	159,210	854,210
2025	3.000%	720,000	140,098	860,098
2026	3.000%	330,000	118,497	448,497
2027	3.000%	340,000	108,598	448,598
2028	3.125%	355,000	98,397	453,397
2029	3.250%	365,000	87,304	452,304
2030	3.350%	370,000	75,441	445,441
2031	3.375%	360,000	63,046	423,046
2032	3.500%	345,000	50,896	395,896
2033	3.500%	355,000	38,821	393,821
2034	3.500%	365,000	26,397	391,397
2035	3.625%	265,000	13,621	278,621
2036	3.650%	110,000	4,015	114,015
Total		<u>\$ 6,300,000</u>	<u>\$1,352,636</u>	<u>\$7,652,636</u>

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

In August 2015, the City of Cape Girardeau issued \$9,625,000.00 of Special Obligation Bonds, Series 2015 with the interest rates varying from 2.500% to 3.625%. The bonds are special obligations of the City payable solely from the revenues derived from annual appropriations by the City Council.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM OBLIGATIONS - Continued

The bonds were issued by the City for the purpose of providing funds to (a) construct, furnish, and equip a new fire station; construct a new transfer station; renovate and improve existing fire and police stations; renovate and expand a new police station; acquire vehicles for the fire department; and construct an indoor sports complex, (b) fund capitalized interest on the Bonds and, (c) pay the costs of issuing the Bonds, under the authority of and in full compliance with the City’s Charter and the Constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed and proceedings duly and legally had by the governing body of the City.

\$16,575,000 Special Obligation Bonds, Series 2016 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2022	2.000%	\$ 1,220,000	\$ 449,919	\$ 1,669,919
2023	2.000%	1,330,000	425,519	1,755,519
2024	2.000%	1,370,000	398,919	1,768,919
2025	2.000%	1,420,000	371,518	1,791,518
2026	2.000%	1,460,000	343,119	1,803,119
2027	2.125%	1,505,000	313,919	1,818,919
2028	3.000%	1,550,000	281,937	1,831,937
2029	4.000%	1,625,000	235,438	1,860,438
2030	4.000%	1,715,000	170,437	1,885,437
2031	3.000%	1,190,000	101,838	1,291,838
2032	3.000%	430,000	66,137	496,137
2033	3.000%	450,000	53,238	503,238
2034	3.000%	470,000	39,737	509,737
2035	3.000%	490,000	25,638	515,638
2036	3.125%	<u>350,000</u>	<u>10,937</u>	<u>360,937</u>
Total		<u>\$16,575,000</u>	<u>\$3,288,250</u>	<u>\$19,863,250</u>

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

In May 2016, the City of Cape Girardeau issued \$27,350,000 of Special Obligation Bonds, Series 2016 with interest rates varying from 2.000% to 4.000%. The bonds are special obligations of the City payable solely from the revenues derived from annual appropriations by the City Council.

The bonds were issued by the City for the purpose of providing funds to (a) refund all of the Leasehold Revenue Bonds, Series 2009, (b) expanding, renovating, and equipping a building to serve as a new police headquarters; constructing an indoor sports complex; constructing, furnishing, and equipping a new fire station; and other capital improvement projects and, (c) pay the costs of issuing the Bonds, under the authority of and in full compliance with the City’s Charter and the constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed and proceedings duly and legally had by the governing body of the City.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$8,710,000 Special Obligation Bonds, Series 2018 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2022	N/A	\$ -0-	\$ 297,610	\$ 297,610
2023	N/A	-0-	297,610	297,610
2024	N/A	-0-	297,610	297,610
2025	N/A	-0-	297,610	297,610
2026	N/A	-0-	297,610	297,610
2027	N/A	-0-	297,610	297,610
2028	N/A	-0-	297,610	297,610
2029	N/A	-0-	297,610	297,610
2030	N/A	-0-	297,610	297,610
2031	3.300%	1,755,000	297,610	2,052,610
2032	3.400%	2,460,000	239,695	2,699,695
2033	3.450%	2,540,000	156,055	2,696,055
2034	3.500%	<u>1,955,000</u>	<u>68,425</u>	<u>2,023,425</u>
Total		<u>\$ 8,710,000</u>	<u>\$3,440,275</u>	<u>\$12,150,275</u>

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

In October 2018, the City of Cape Girardeau issued \$8,710,000 of Special Obligation Bonds, Series 2018 with interest rates varying from 3.300% to 3.500%. 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) pay the costs of stormwater and parks projects, and (b) 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, 2021

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$8,125,000 Waterworks Refunding Revenue Bonds, Series 2019 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2022	4.000%	\$ 610,000	\$ 284,150	\$ 894,150
2023	4.000%	635,000	259,750	894,750
2024	4.000%	660,000	234,350	894,350
2025	4.000%	685,000	207,950	892,950
2026	4.000%	710,000	180,550	890,550
2027	4.000%	740,000	152,150	892,150
2028	3.000%	770,000	122,550	892,550
2029	3.000%	795,000	99,450	894,450
2030	3.000%	815,000	75,600	890,600
2031	3.000%	840,000	51,150	891,150
2032	3.000%	<u>865,000</u>	<u>25,950</u>	<u>890,950</u>
Total		<u>\$ 8,125,000</u>	<u>\$1,693,600</u>	<u>\$ 9,818,600</u>

On October 15, 2019, the City issued \$8,650,000 of Refunding Revenue Bonds with total proceeds of \$9,394,508 at a true interest cost of 2.13%. The proceeds were used to refund the outstanding Series 2012A Bonds.

The Bonds were issued with interest varying from 3.0% 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, 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, 2021

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$17,135,000 Special Obligation Bonds, Series 2020 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2022	2.460%	\$ -0-	\$ 364,850	\$ 364,850
2023	2.460%	1,135,000	413,260	1,548,260
2024	2.460%	1,165,000	385,592	1,550,592
2025	2.460%	1,190,000	355,210	1,545,210
2026	2.460%	1,225,000	325,094	1,550,094
2027	2.460%	1,255,000	294,168	1,549,168
2028	2.460%	1,280,000	263,230	1,543,230
2029	2.460%	1,310,000	230,256	1,540,256
2030	2.460%	1,345,000	197,148	1,542,148
2031	2.460%	1,380,000	163,166	1,543,166
2032	2.460%	1,410,000	128,676	1,538,676
2033	2.460%	1,445,000	92,770	1,537,770
2034	2.460%	1,480,000	56,294	1,536,294
2035	2.460%	<u>1,515,000</u>	<u>18,945</u>	<u>1,533,945</u>
Total		<u>\$17,135,000</u>	<u>\$3,288,659</u>	<u>\$20,423,659</u>

On January 3, 2020, the City of Cape Girardeau issued \$17,135,000 of Special Obligation Bonds, Series 2020 with a 2.46% interest rate. The bonds are special obligations of the City payable solely from the revenues derived from annual appropriations by the City Council. Proceeds of the bonds will be received as follows:

January 3, 2020	\$1,835,000
September 15, 2020	2,300,000
December 1, 2020	4,000,000
June 1, 2021	4,000,000
December 1, 2021	5,000,000

Interest is only charged on principal that has been received.

The bonds were issued by the City for the purpose of providing funds to (a) pay the cost the relocation and renovation of City Hall, and (b) may be used to finance, in any priority, the construction of a new airport terminal and air traffic control tower at Cape Girardeau Regional Airport, improvements to the Waterworks System, and street improvements.

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM OBLIGATIONS - Continued

The cash and investments available to service revenue bonds are \$-0- and \$6,436,442 for the governmental and business-type activities, respectively.

The cash and investments available to service the special obligation bonds are \$23,424 and \$13,026 in governmental activities and business-type activities, respectively.

The annual requirements to amortize all debt outstanding as of June 30, 2021 including total interest payments of \$18,736,692 and total administrative fees of \$1,903,775 are as follows:

Year Ending June 30,	Special Obligation Bonds	Revenue Bonds	Promissory Note	Total
2022	\$ 3,179,714	\$ 5,163,125	\$ 460,000	\$ 8,802,839
2023	4,447,349	5,179,457	460,000	10,086,806
2024	4,471,331	5,194,273	460,000	10,125,604
2025	4,494,436	5,208,553	460,000	10,162,989
2026	4,099,320	5,223,256	460,000	9,782,576
2027	4,114,295	5,242,331	460,000	9,816,626
2028	4,126,174	5,257,543	-0-	9,383,717
2029	4,150,608	5,278,587	-0-	9,429,195
2030	4,170,636	5,292,134	-0-	9,462,770
2031	5,310,660	5,310,306	-0-	10,620,966
2032	5,130,404	5,327,924	-0-	10,458,328
2033	5,130,884	4,456,949	-0-	9,587,833
2034	4,460,853	4,476,007	-0-	8,936,860
2035	2,328,204	2,240,168	-0-	4,568,372
2036	<u>474,952</u>	<u>-0-</u>	<u>-0-</u>	<u>474,952</u>
Total	<u>\$ 60,089,820</u>	<u>\$68,850,613</u>	<u>\$2,760,000</u>	<u>\$ 131,700,433</u>

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

<u>Governmental Activities:</u>	
Interest and Other Costs	<u>\$1,076,976</u>
Total	<u>\$1,076,976</u>
 <u>Business-Type Activities:</u>	
Sewer	\$1,036,928
Solid Waste	123,099
Water	<u>182,623</u>
Total	<u>\$1,342,650</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM OBLIGATIONS - Continued

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 \$33,990,237.

NOTE F - DEFICIT FUND BALANCES/RETAINED EARNINGS

Airport Fund had its total liabilities exceed its total assets by \$915,476.

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.

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.

Effective September 1, 2018 the City began providing benefits to its current employees under the LT-14 (65) benefit program available through LAGERS. Previously the City was providing benefits to its current employees under the LT-8 (65) benefit program. Future benefits will be based on the final 3 year average salary multiplied by 1.75% 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.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE G - PENSION PLAN – Continued

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, 2021 the following employees were covered by the benefits terms:

Retirees and Beneficiaries	292
Inactive, Non-retired Members	172
Active Members	<u>362</u>
 Total	 <u>826</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. Additional adjustments are made to these rates based on the over or under funded status of each plan with additional charges to finance any unfunded accrued liability or credits to use a portion of the assets from plans that have more assets than accrued liability. During the current year employer annual contribution rates were 8.4% (General), 11.4% (Police) and 14.3% (Fire) of annual covered payroll.

The original annual required contribution (ARC) was determined as part of the February 28, 2021 annual actuarial valuation using the entry age actuarial cost method.

5. Net Pension Asset

The City’s net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2021.

6. Actuarial Assumptions

The total pension liability in the February 28, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary Increase	2.75% to 7.15% including wage inflation
Investment Rate of Return	7.00% net of investment expenses

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE G - PENSION PLAN – Continued

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115 percent of the PubG-2010 retiree for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115 percent of the PubNS-2010 disabled retiree mortality table for males and females. The pre-retirement mortality tables used were 75 percent of the PubG-2010 employee mortality table for males and females of general groups and 75 percent of the PubS-2010 employee mortality table for males and females of the Police, Fire, and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2021 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	25.00%	-0.29%

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, 2021

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 6/30/2020	\$ 96,500,740	\$ 94,471,321	\$ 2,029,419
Changes for the year:			
Service cost	-	1,924,659	(1,924,659)
Interest	-	6,753,785	(6,753,785)
Difference between expected and actual experience	-	(2,922,148)	2,922,148
Changes in assumptions	-	(1,560,082)	1,560,082
Contributions - employer	1,811,487	-	1,811,487
Net investment income	26,370,995	-	26,370,995
Benefit payments, including refunds	(4,602,874)	(4,602,874)	-
Administrative expense	(79,000)	-	(79,000)
Other changes	(235,715)	-	(235,715)
Net changes	<u>23,264,893</u>	<u>(406,660)</u>	<u>23,671,553</u>
Balances at 6/30/2021	<u>\$ 119,765,633</u>	<u>\$ 94,064,661</u>	<u>\$ 25,700,972</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
6.00%	7.00%	8.00%
\$12,445,997	\$25,700,972	\$36,629,229

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE G - PENSION PLAN – Continued

9. Pension Revenue, Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2021 the City recognized pension revenue of \$2,430,789. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Outflows (Inflows) of Resources</u>
Differences in experience	\$ 1,667,231	\$ (2,852,137)	\$ (1,184,906)
Differences in assumptions	69,582	(1,269,830)	(1,200,248)
Excess (deficit) in investment returns	<u>-0-</u>	<u>(12,779,318)</u>	<u>(12,779,318)</u>
Total	<u>\$ 1,736,813</u>	<u>\$ (16,901,285)</u>	<u>\$(15,164,472)</u>

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

Year ended:	
2022	\$ (3,999,971)
2023	(3,170,209)
2024	(3,208,758)
2025	(4,571,919)
2026	(198,599)
Thereafter	<u>(15,016)</u>
Total	<u>\$(15,164,472)</u>

10. Payable to the Pension Plan

At June 30, 2021 the City reported a payable of \$131,409 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS

1. Description

The City follows the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition to the relevant disclosures within this note related to GASB Statement No. 75, the financial statements reflect a long-term liability and related expenses of \$11,408,077 and \$727,443, respectively, in the governmental and business-type activities combined.

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

2. Funding Policy

Premiums under the Plan for post-employment healthcare benefits are funded in accordance with rates established by the City for its governmental and business-type funds. Effective July 1, 2010, employees hired on or after that date will not qualify for retiree healthcare coverage. Effective April 1, 2012 employees who retire early (prior to age 55 for police and fire and prior to age 60 for all other city employees) are not eligible for retiree healthcare coverage. For the year ended June 30, 2020, 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. Employees Covered by Benefit Terms

As of June 30, 2021, the following employees were covered by the benefit terms:

Retirees	46
Active	<u>156</u>
Total	<u>202</u>

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS – Continued

4. Total OPEB Liability

The City’s total OPEB liability of \$408,076 was measured as of June 30, 2021, and was determined by an actuarial valuation date of June 30, 2020 with no adjustments to get to the June 30, 2021 measurement date.

5. Actuarial Assumptions and Other Inputs

Inflation - 3.25%

Salary increases - 3.25% plus merit / productivity increases as shown on the Missouri Local Government Retirement System’s June 30, 2019 actuarial valuation

Discount Rate - 2.19% as of July 1, 2021 and 2.66% as of July 1, 2020

Healthcare cost trend rates - Medical / Rx cost trend rate of 7.5% for 2022, gradually decreasing to an ultimate rate of 4.5% for 2028 and beyond

Dental cost trend rate of 3.5% for 2022, gradually decreasing to an ultimate rate of 3.0% for 2023 and beyond

Mortality – SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 is used for General employees and retirees. SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019 is used for Police and Fire employees and retirees. SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019 is used for surviving spouses.

Actuarial Cost Method - Entry Age Normal

The discount rate was based on 20 Year Bond GO Index.

The plan has not had a formal actuarial experience study performed.

6. Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 11,224,899
Changes for the Year:	
Service Cost	254,490
Interest on Total OPEB Liability	295,897
Change of Benefit Terms	203,482
Effect of Economic/Demographic Gains or Losses	(237,748)
Effect of Assumptions Changes or Inputs	382,609
Benefit Payments	<u>(715,552)</u>
Net Changes	<u>183,178</u>
Balance at June 30, 2021	<u>\$ 11,408,077</u>

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS – Continued

7. Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.19%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point higher (3.19%) or lower (1.19%) than the current rate.

Sensitivity of Net OPEB Liability as of June 30, 2021
 to the Healthcare Cost Trend Rate Assumption

	Healthcare Cost Trend Rates		
	<u>1% Decrease</u>	<u>Rate Assumption</u>	<u>1% Increase</u>
Net OPEB liability	\$ 10,364,641	\$ 11,408,077	\$ 12,605,628

The following presents the total OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City’s total OPEB liability would be if it were calculated using trend rates that are one percentage point higher or lower than the current trend rates.

Sensitivity of Net OPEB Liability as of June 30, 2021
 to the Healthcare Cost Trend Rate Assumption

	Healthcare Cost Trend Rates		
	<u>1% Decrease</u>	<u>Rate Assumption</u>	<u>1% Increase</u>
Net OPEB liability	\$ 10,364,641	\$ 11,408,077	\$ 12,605,628

8. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$727,443. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows Resources</u>
Differences between expected and actual experience	\$ -0-	\$ (933,404)
Changes of assumptions or other inputs	<u>1,081,269</u>	<u>-0-</u>
Total	<u>\$1,081,269</u>	<u>\$ (933,404)</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS – Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the City’s OPEB expense as follows:

Year Ended June 30:	
2022	\$ (26,425)
2023	(26,426)
2024	171,743
2025	28,973
2026	-0-
Thereafter	<u>-0-</u>
Total	<u>\$ 147,865</u>

NOTE I - INTEREST EXPENSE

Interest and handling charges totaling \$1,105,439, excluding \$1,867 of inter-fund interest, were incurred by governmental funds during the year ended June 30, 2021. Interest and handling charges totaling \$1,301,504, excluding \$41,146 of inter-fund interest, were incurred by proprietary funds during the year ended June 30, 2021. No interest cost was capitalized as part of the cost of assets constructed during the period.

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE J - INTER-FUND ACTIVITY

A. The following is a summary of inter-fund transfers for the year ended June 30, 2021:

Fund	Transfer From	Transfer To
General Fund	\$ 4,841,329	\$ 6,939,905
Park and Recreation Fund	333,333	1,884,448
Convention and Tourism Fund	505,456	-
Public Safety Trust Fund	20,700	-
Park & Recreation Foundation	7,000	-
Public Safety Trust Fund II	1,371,911	3,097,856
Casino Revenue Fund	2,271,916	-
Riverfront Region Economic Dev Fund	1,695,113	212,918
Housing Development Grant	-	20,062
Motor Fuel Tax Fund	1,595,109	-
Cap Imp Sales Tax - Water System Improve	794,771	-
Cap Imp Sales Tax - Sewer System Improve	4,416,826	-
Park/Storm Water Sales Tax - Capital II	76,175	76,246
Park/Storm Water Sales Tax - Cap	3,772,583	-
Fire Sales Tax	2,743,823	-
Parks/Storm Water Sales Tax	1,361,050	-
General Capital Improvements	400,000	-
Airport Fund	-	65,493
Downtown Business District Fund	2,500	-
Capital Improvement Sales Tax Fund	-	4,198,893
Transportatin Sales Tax Fund IV	-	196,558
Park System Improvements	76,228	93,797
Stormwater System Improvements Ph 2	82,943	2,361,390
Sewer Fund	222,391	5,828,001
Water Fund	222,391	1,194,771
Indoor Sportsplex	-	172,123
Sporting Complexes	-	498,802
Fleet Management Fund	351	-
Equipment Replacement Fund	-	351
Employee Benefits Fund	27,715	-
	<u>\$ 26,841,614</u>	<u>\$ 26,841,614</u>

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE J - INTER-FUND ACTIVITY - Continued

B. The following is a summary of inter-fund balances as of June 30, 2021:

Advance to/from other funds:

	<u>Advances from</u>	<u>Advances to</u>
Casino Revenue Fund	\$ 2,645,968	\$ -0-
Airport Fund	-0-	1,407,984
Solid Waste Fund	-0-	1,237,984
	\$ 2,645,968	\$ 2,645,968

The inter-fund balances are a result of advances used to purchase capital assets. The advances are earning 3% and 3.5% annual interest and are set up to be repaid based on a 20 year amortization. Final payments are expected on June 1, 2035 and June 1, 2039.

NOTE K – GOVERNMENTAL FUND BALANCES REPORTING

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

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes long-term receivables that are not currently available for expenditure. These financial statements reflect non-spendable fund balances of \$2,100.00 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 \$218,369 and long-term advance receivables of \$2,645,968 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 \$4,774,663 are restricted by the City Charter to use during officially declared emergencies. Special revenue fund balances totaling \$24,201,546 are restricted by their enabling legislation. \$13,170,536 in capital project fund balances are restricted as the result of special revenue transfers and unspent bond proceeds. The remaining \$189,826 in restricted fund balances result from legal agreements with various outside parties.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE K – GOVERNMENTAL FUND BALANCES REPORTING - continued

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.

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE K – GOVERNMENTAL FUND BALANCES REPORTING – Continued

	General Fund	General Capital Improvements	Transportation Sales Tax Trust Fund V	Other Funds	Total
Fund balances					
Nonspendable:					
Prepaid expenses	\$ 109,932	\$ -	\$ -	\$ 114,455	\$ 224,387
Long-term advance	-	-	-	2,645,968	2,645,968
Mausoleum	2,100	-	-	-	2,100
Restricted for:					
Mausoleum	104,365	-	-	-	104,365
Emergencies	3,214,442	-	-	1,560,221	4,774,663
Undistributed TIF revenue	85,461	-	-	-	85,461
Convention and tourism	-	-	-	1,887,270	1,887,270
Community development	-	-	-	340,483	340,483
Public safety	-	-	-	274,149	274,149
Street projects	-	-	13,973,884	1,753,610	15,727,494
Sewer system projects	-	-	-	5,120,930	5,120,930
Parks and recreation	-	-	-	4,908,530	4,908,530
Other capital projects	-	7,075,879	-	2,263,729	9,339,608
Committed:					
Other capital projects	-	-	-	1,537,213	1,537,213
Assigned to:					
Parks and recreation	-	-	-	654,696	654,696
Operations and mtce	-	-	-	382,187	382,187
Encumbrances	170,389	-	-	56,701	227,090
Public safety	-	-	-	479,627	479,627
Unassigned:	<u>3,491,216</u>	<u>-</u>	<u>-</u>	<u>(1,169,450)</u>	<u>2,321,766</u>
	<u>\$7,177,905</u>	<u>\$ 7,075,879</u>	<u>\$ 13,973,884</u>	<u>\$22,810,319</u>	<u>\$51,037,987</u>

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

At June 30, 2021, net position restricted for depreciation and replacement was \$150,000.00 for the City’s Water Fund, and net position restricted for emergencies were \$1,430,965, \$1,015,649, \$714,169, and \$384,882 for the City’s Sewer, Water, Solid Waste, respectively.

At June 30, 2021, the City’s Sewer Fund had restricted cash equivalents in sinking reserve funds for Revenue Bonds in the amount of \$4,766,104.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE M - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City closed its landfill in the fiscal year ending June 30, 1994, and an expense provision and related liability were recognized at that time based on the future closure and post closure care costs that were estimated to be incurred near or after the date the landfill no longer accepted waste. The entire amount of the estimated total costs for landfill closure and post closure care costs was recognized in prior years since the recognition is based on landfill capacity used to date, and the landfill was filled to capacity in prior years. The estimated total future liability for landfill post closure care costs is \$9,900.00 as of June 30, 2021, 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, 2021. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

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

NOTE N - 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; cyber-attacks; 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 fifteen fiscal years.

The City's insurance coverage is as follows:

Commercial general liability, law enforcement liability, public officials errors and omissions, and employment-related practices liability is carried by One Beacon/Intact Insurance Specialty Solutions – Producer Sunstar Insurance Group, LLC DBA W. E. Walker Lakenan.

Cyber Risk liability (Risk Manager PLUS+) coverage is carried by The Travelers Companies/Bond & Specialty Insurance – Producer Sunstar Insurance Group, LLC DBA W. E. Walker Lakenan.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE N - RISK MANAGEMENT – Continued

Vehicle loss and accident liability is carried by One Beacon/Intact Insurance Specialty Solutions – Producer Sunstar Insurance Group, LLC DBA W. E. Walker Lakenan.

Airport liability is carried by National Union Fire Insurance Company - Producer EBCO Aviation Underwriters.

Property insurance is carried by Chubb Group of Insurance Companies/Federal Insurance Company – Producer Sunstar Insurance Group, LLC DBA W. E. Walker Lakenan.

Equipment coverage is carried by Travelers Property Casualty Company – Producer Sunstar Insurance Group, LLC DBA W. E. Walker Lakenan.

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 self-insured plan administered by Anthem Blue Cross Blue Shield of Missouri. Anthem had an "A" rating by A.M. Best. Under the plans, the City paid the administrator a monthly premium for claims administration, cost management, and specific and aggregate stop loss coverage. The City reimbursed the administrator for claims paid up to the specific stop loss amount of \$150,000 per employee during each calendar year included in the current fiscal year. The City also reimbursed the administrator for total claims paid up to the annual aggregate stop loss amounts (125% of estimated claims) of approximately \$4,300,000 and \$4,500,000 for years ending June 30, 2020 and June 30, 2021, respectively. 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 76.0% of the aggregate stop loss amount during the current fiscal year.

Thomas McGee Group administers the City's workers' compensation plan. Under this plan, the City pays the administrator a per claim fee to administer its claims. All claims are paid directly by the City. The City has purchased insurance coverage from Midwest Employers that limits the City's maximum individual claims liability to \$750,000 for USL & H and \$750,000 for other regular employees and per occurrence claims liability to \$1,000,000. 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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE N - 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, 2016	\$ 306,500	\$ 372,000	\$ 678,500
Provisions for Incurred Claims	2,879,190	381,333	3,260,523
Payment of Claims	<u>(3,046,190)</u>	<u>(395,333)</u>	<u>(3,441,523)</u>
Balance June 30, 2017	\$ 139,500	\$ 358,000	\$ 497,500
Provisions for Incurred Claims	2,933,406	644,378	3,577,734
Payment of Claims	<u>(2,973,906)</u>	<u>(376,828)</u>	<u>(3,350,734)</u>
Balance June 30, 2018	\$ 99,000	\$ 625,500	\$ 724,500
Provisions for Incurred Claims	3,696,756	482,643	4,179,399
Payment of Claims	<u>(3,466,756)</u>	<u>(570,043)</u>	<u>(4,036,799)</u>
Balance June 30, 2019	\$ 329,000	\$ 538,100	\$ 867,100
Provisions for Incurred Claims	3,501,872	817,620	4,319,492
Payment of Claims	<u>(3,696,872)</u>	<u>(712,720)</u>	<u>(4,409,592)</u>
Balance June 30, 2020	\$ 134,000	\$ 643,000	\$ 777,000
Provisions for Incurred Claims	3,471,412	1,325,119	4,796,531
Payment of Claims	<u>(3,252,412)</u>	<u>(1,219,619)</u>	<u>(4,472,031)</u>
Balance June 30, 2021	<u>\$ 353,000</u>	<u>\$ 748,500</u>	<u>\$ 1,101,500</u>

NOTE O - 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, 2021, utility receivables totaled \$2,237,477. On the financial statements, the utility receivables are shown net of the allowance for doubtful accounts of \$185,264. This results in net utility receivable of \$2,052,213. During the year ended June 30, 2021, the allowance was increased by \$31,824 and accounts totaling \$108,343 were written off.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE P - COMMITMENTS AND CONTINGENCIES

1. Litigation

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

2. Grant Audit

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

3. Construction Commitments

As of June 30, 2021, the City had construction commitments outstanding of \$7,426,342. The construction commitments represent incomplete portions of contracts entered into to construct various street projects, water plant #1 filter and secondary basin rehab, and design/build a new City Hall. These contracts are expected to be completed within the next fiscal year.

4. Encumbrances

As of June 30, 2021, the City had encumbrances outstanding of \$9,028,741.

5. Unused Letter of Credit

The City has an unused letter of credit in the amount of \$10,000,000 at June 30, 2021. The letter has been issued in the form of Taxable Industrial Revenue Bond, Series 2021. The bonds will accrue interest at 5% and will mature on December 1 of the fifteenth calendar year following the completion date of the project. The proceeds will be used for the River Campus Arts expansion project.

NOTE Q – PRIOR PERIOD ADJUSTMENTS

The net position of the governmental funds was decreased by \$22,892, while the business activities was increased by \$283,750, as of June 30, 2021, from transactions that occurred in previous years. Grant revenue, which was previously thought to be recoverable, was not received for the Airport Improvement Grant and the Safe Communities Grant for \$21,079 and \$452, respectively. A receivable was reversed due to an insurance claim recorded on stolen parts that was never actually filed for \$1,361. This adjustment resulted in the net position of governmental funds being decreased by \$22,892. A prior year grant receivable was not recorded for trucks purchased that were subsequently reimbursed partially by grant funds. This adjustment resulted in the net position of the business activities being increased by \$283,750.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE R - TAX ABATEMENTS

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

During the current fiscal year \$5,758 in real property taxes were abated related to provisions of Chapter 353. The abatements related to a project to convert an abandoned retail building into an office building for a national call center. These abatements will expire in 2032.

The City has established one Redevelopment Project Area in the Cape Downtown Tax Increment Financing District (TIF) according to Missouri TIF laws. During the current year \$131,856 in real property taxes were abated related to provisions of these laws. Abatement of City real property taxes accounted for \$9,891 of this amount. Payments in lieu of taxes are made to the City by owners of the abated properties based on the abated assessed values for all taxing entities included in the TIF. These deposits are kept in a special allocation fund to be used to reimburse developers for approved redevelopment projects within the TIF.

NOTE S - CONTINGENCY

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

This project involved the conversion of the former Sears facility into a call center for National Asset Recover Services (NARS) and other various improvements, such as facade improvements, parking facilities, roof reconstruction, and HVAC enhancements. Total reimbursements to GMB for redevelopment costs were limited to \$3.6 million plus 7.5% interest. These reimbursements will be made from incremental County and City sales tax revenues, an additional CID sales tax, and real estate tax abatements. Reimbursements from incremental County and City sales tax revenue will be limited to \$1.2 of the \$3.6 million total.

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE S – CONTINGENCY - continued

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 \$628.

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, 2021, the City incurred payments of \$51,785 under the development agreement. This amount is included in the Development Services expenses on the statement of activities.

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

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

In October 2012, the City of Cape Girardeau and Cape Girardeau County entered into an amendment to the original development agreement. Under the agreement, the local developer agreed to pay for additional public improvements incurred in conjunction with the development of the 60 acre retail development, and the City and County agreed to reimburse the local business for the \$2,024,360 cost of these improvements from available net sales tax revenue generated from an Academy Sports retail store. Academy Sports began operation in May 2013.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE S - CONTINGENCY – Continued

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

The City and the County are obligated only to make quarterly payments as may lawfully be made from funds budgeted and appropriated for that purpose by the City and County. During the fiscal year ended June 30, 2021 the City incurred payments of \$287,913 under the development agreement. This amount is included in the Development Services expenses on the statement of activities.

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

The local developer has completed all public improvements at a cost of \$2,943,843. The City is required by the development agreement to reimburse the developer for these costs from available revenues. Available revenue is defined by the agreement as all the net sales tax revenue generated by two .25% City capital improvement sales taxes and the .50% City transportation sales tax that exceed a baseline amount. The transportation sales tax has an expiration date that occurs during the contract period. 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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE S - CONTINGENCY – Continued

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, 2021, the City incurred \$424,660 under the development agreement. This amount is included in the Development Services expenses on the statement of activities.

4. In November 2015, the City of Cape Girardeau entered into a development agreement with Drury Southwest, Inc. (the “Company”). Under this agreement, the Company agreed to construct a 168-room hotel and adjoining restaurant with an approximately 20,000 square foot conference center. In recognition of the significant economic benefits to the City, once the facility became operational, the City agreed to reimburse the Company for part of the cost of constructing the conference center from available net sales tax revenues generated from the operations of the hotel, restaurant, and conference center.

As of October 3, 2017, the Company had substantially completed the project, having incurred \$6,938,689 in costs under the development agreement. The City is required by the agreement to reimburse the developer for these costs, up to a maximum of \$6,250,000, from available revenues. Available revenue is defined by the agreement as all the net sales tax revenue generated by the 1% general sales tax and two .25% capital improvement sales taxes relating to the operations of the hotel, restaurant, and conference center. One of the capital improvement sales taxes has an expiration date 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 20 years from December 31, 2017, or as soon as the City has completely reimbursed the Company for the total of reimbursable costs, if that happens first.

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, 2021, the City incurred \$53,351 under the development agreement.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND

Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes	\$ 17,514,458	\$ 17,514,458	\$ 18,287,948	\$ 773,490
Licenses and Permits	1,737,402	1,737,402	1,827,947	90,545
Intergovernmental	678,381	1,074,887	2,527,433	1,452,546
Charges for Services	1,162,544	1,162,544	787,681	(374,863)
Internal Charges	1,183,378	1,183,378	1,138,192	(45,186)
Fines and Forfeits	635,000	635,000	436,640	(198,360)
Miscellaneous	506,403	575,411	444,683	(130,728)
Investment Revenue	69,615	69,615	75,233	5,618
TOTAL REVENUES	\$ 23,487,181	\$ 23,952,695	\$ 25,525,757	\$ 1,573,062
<u>EXPENDITURES:</u>				
Current:				
Administrative Services	\$ 3,160,321	\$ 3,401,479	\$ 3,306,541	\$ 94,938
Development Services	2,504,548	2,795,275	2,565,336	229,939
Parks and Recreation	1,692,696	1,710,391	1,583,814	126,577
Public Safety	15,590,060	16,216,883	15,523,298	693,585
Public Works	2,681,989	2,681,990	2,606,053	75,937
Capital Outlay:				
Administrative Services	-	747,855	744,834	3,021
Public Safety	-	143,955	103,785	40,170
TOTAL EXPENDITURES	\$ 25,629,614	\$ 27,697,828	\$ 26,433,661	\$ 1,264,167
REVENUES OVER (UNDER) EXPENDITURES	\$ (2,142,433)	\$ (3,745,133)	\$ (907,904)	\$ 308,895
<u>OTHER FINANCING SOURCES (USES):</u>				
Compensation for Damages	\$ -	\$ 5,124	\$ 39,117	\$ 33,993
Special Assessments	14,280	14,280	11,166	(3,114)
Asset Disposition	-	-	52,110	52,110
Transfers In	6,550,241	6,904,587	6,939,905	35,318
Transfers Out	(4,342,008)	(5,201,928)	(4,841,329)	360,599
TOTAL OTHER FINANCING SOURCES (USES)	\$ 2,222,513	\$ 1,722,063	\$ 2,200,969	\$ 478,906
TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ 80,080	\$ (2,023,070)	\$ 1,293,065	\$ 787,801
FUND BALANCE, July 1, 2020	5,941,846	4,980,495	5,697,299	716,804
PRIOR PERIOD ADJUSTMENT	-	-	(452)	(452)
FUND BALANCE, June 30, 2021	\$ 6,021,926	\$ 2,957,425	\$ 6,989,912	\$ 1,504,153

See Independent Auditors' Report.

CITY OF CAPE GIRARDEAU, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - TRANSPORTATION SALES TAX TRUST FUND V

Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes	\$ 3,115,019	\$ 3,115,019	\$ 3,947,727	\$ 832,708
Investment Revenue	<u>45,000</u>	<u>45,000</u>	<u>190,514</u>	<u>145,514</u>
TOTAL REVENUES	<u>\$ 3,160,019</u>	<u>\$ 3,160,019</u>	<u>\$ 4,138,241</u>	<u>\$ 978,222</u>
<u>EXPENDITURES:</u>				
Current:				
Development Services	\$ 169,500	\$ 271,000	\$ 350,110	(79,110)
Capital Outlay:				
Capital Improvements	<u>6,500,000</u>	<u>6,493,375</u>	<u>2,159,256</u>	<u>4,334,119</u>
TOTAL EXPENDITURES	<u>\$ 6,669,500</u>	<u>\$ 6,764,375</u>	<u>\$ 2,509,366</u>	<u>\$ 4,255,009</u>
TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ (3,509,481)	\$ (3,604,356)	\$ 1,628,875	\$ (3,276,787)
FUND BALANCE, July 1, 2020	4,704,038	12,704,038	11,966,857	(737,181)
PRIOR PERIOD ADJUSTMENT	<u>81,387</u>	<u>81,387</u>	<u>81,387</u>	<u>-</u>
FUND BALANCE, June 30, 2021	<u>\$ 1,275,944</u>	<u>\$ 9,181,069</u>	<u>\$ 13,677,119</u>	<u>\$ (4,013,968)</u>

See Independent Auditors' Report.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2021

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 Park Improvement Projects from Park/Storm Water Sales Tax Fund Phase 2 - which have project length budgets - and the Cape Girardeau Municipal Development Foundation, and the Cape Girardeau Parks Development Foundation, whose main purposes are to solicit and collect donations.

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year ending the following June 30th at the first meeting of June each year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between programs within any department; however, any revisions that alter the total appropriations of any department must be approved by the City Council. Departments may not legally exceed their appropriations without approval from the City Council. Appropriations expire at the end of the year; however, outstanding encumbrances at the end of the year are honored by the City.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Budgets for all funds are adopted on a budgetary basis.
7. If, during the fiscal year, the City Manager certifies there are additional revenues to appropriate, unencumbered appropriation balances within a department, or there is an emergency situation, the City Council may amend the initial budget by ordinance. The initial budget was adopted by the City Council on June 1, 2020 and amended on February 15, 2021; May 17, 2021; and July 19, 2021. The initial budget and final amended budget are both reflected in the financial statements.

For the year ended June 30, 2021, the fund expenditures for Convention and Tourism, Transportation Trust Fund IV, Transportation Sales Tax Fund VI, Public Safety Trust Fund, Parks/Stormwater Sales Tax-Capital II, Community Development Block Grants, and Risk Management Fund exceeded their approved budgets by \$741, \$43,949, \$23,935, \$12,100, \$81,261 \$24,900, and \$510,355, respectively.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2021

BUDGETS AND BUDGETARY ACCOUNTING - Continued

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

The following reconciliation adjusts GAAP basis to budget basis:

	<u>General</u>	<u>Transportation Sales Tax Trust Fund V</u>
GAAP Basis	\$ 1,409,767	\$ 1,216,724
Increase due to:		
Prior year-end encumbrances		
Administrative services	2,992	-
Development services	4,557	81,387
Public safety	6,829	-
Public works	10,982	-
Capital outlay	-	670,643
Adjust investments to market	-	56,162
	<u>\$ 25,360</u>	<u>\$ 808,192</u>
Decrease due to:		
Current year-end encumbrances		
Administrative services	132,519	-
Development services	6,594	-
Public safety	23,689	-
Public works	7,587	-
Capital outlay	-	233,266
Adjust investment to market	(19,774)	-
Encumbrance revenue	(8,553)	-
	<u>142,062</u>	<u>233,266</u>
Budget Basis	<u>\$ 1,293,065</u>	<u>\$ 1,791,650</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

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

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

June 30, 2021

Fiscal Year Ended June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service Costs	\$ 1,003,826	\$ 1,013,062	\$ 863,072	\$ 847,662	\$ 813,616	\$ 795,771	\$ 768,458
Interest on the Pension Liability	3,328,657	3,125,720	2,770,920	2,668,902	2,567,279	2,346,499	2,240,283
Changes of Benefit Terms	-	-	3,061,598	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(1,736,406)	517,894	(113,254)	(568,794)	(678,078)	(183,850)	(261,952)
Changes of Assumptions	(849,035)	-	-	-	-	1,388,735	-
Benefit Payments, Including Refunds of Employee Contributions	(1,948,702)	(1,760,611)	(1,763,786)	(1,340,034)	(1,296,403)	(1,324,473)	(1,266,841)
Net Change in Total Pension Liability	(201,660)	2,896,065	4,818,550	1,607,736	1,406,414	3,022,682	1,479,948
Total Pension Liability - Beginning	<u>46,376,676</u>	<u>43,480,611</u>	<u>38,662,061</u>	<u>37,054,325</u>	<u>35,647,911</u>	<u>32,625,229</u>	<u>31,145,281</u>
Total Pension Liability - Ending (A)	<u>\$ 46,175,016</u>	<u>\$ 46,376,676</u>	<u>\$ 43,480,611</u>	<u>\$ 38,662,061</u>	<u>\$ 37,054,325</u>	<u>\$ 35,647,911</u>	<u>\$ 32,625,229</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 888,369	\$ 864,919	\$ 3,608,999	\$ 847,162	\$ 745,001	\$ 820,228	\$ 1,953,089
Contributions - Employees	-	-	-	-	16,008	-	-
Net Investment Income	13,287,050	637,692	3,002,641	4,823,411	4,214,232	(82,162)	684,825
Benefit Payments, Including Refunds of Employee Contributions	(1,948,702)	(1,760,611)	(1,763,786)	(1,340,034)	(1,296,403)	(1,324,473)	(1,266,841)
Pension Plan Administrative Expense	(48,802)	(64,681)	(58,089)	(40,041)	(38,351)	(37,018)	(40,731)
Other (Net Transfers)	(270,930)	32,102	(122,011)	(225,107)	(15,167)	(298,285)	267,961
Net Change in Plan Fiduciary Net Position	11,906,985	(290,579)	4,667,754	4,065,391	3,625,320	(921,710)	1,598,303
Plan Fiduciary Net Position - Beginning	<u>48,011,186</u>	<u>48,301,765</u>	<u>43,634,011</u>	<u>39,568,620</u>	<u>35,943,300</u>	<u>36,865,010</u>	<u>35,266,707</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 59,918,171</u>	<u>\$ 48,011,186</u>	<u>\$ 48,301,765</u>	<u>\$ 43,634,011</u>	<u>\$ 39,568,620</u>	<u>\$ 35,943,300</u>	<u>\$ 36,865,010</u>
Net Pension Liability - Ending (A) - (B)	(13,743,155)	(1,634,510)	(4,821,154)	(4,971,950)	(2,514,295)	(295,389)	(4,239,781)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	129.76%	103.52%	111.09%	112.86%	106.79%	100.83%	113.00%
Covered Valuation Payroll	\$ 9,337,017	\$ 10,105,920	\$ 9,908,724	\$ 9,841,879	\$ 9,707,798	\$ 9,109,297	\$ 8,987,241
Net Pension Liability as a Percentage of Covered Valuation Payroll	-147.19%	-16.17%	-48.66%	-50.52%	-25.90%	-3.24%	-47.18%

Notes to the Schedule:

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

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, 2021

Fiscal Year Ended June 30,	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Costs	\$ 439,563	\$ 418,343	\$ 370,763	\$ 367,842	\$ 345,371	\$ 309,133	\$ 303,651
Interest on the Pension Liability	1,683,903	1,593,730	1,425,037	1,377,421	1,327,202	1,248,307	1,182,926
Changes of Benefit Terms	-	-	839,984	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(1,126,893)	343,900	767,339	(5,046)	21,040	(83,909)	274,477
Changes of Assumptions	(262,033)	-	-	-	-	481,968	-
Benefit Payments, Including Refunds of Employee Contributions	(1,134,760)	(1,110,912)	(1,088,863)	(1,081,050)	(945,268)	(827,008)	(895,666)
Net Change in Total Pension Liability	<u>(400,220)</u>	<u>1,245,061</u>	<u>2,314,260</u>	<u>659,167</u>	<u>748,345</u>	<u>1,128,491</u>	<u>865,388</u>
Total Pension Liability - Beginning	<u>23,567,765</u>	<u>22,322,704</u>	<u>20,008,444</u>	<u>19,349,277</u>	<u>18,600,932</u>	<u>17,472,441</u>	<u>16,607,053</u>
Total Pension Liability - Ending (A)	<u>\$ 23,167,545</u>	<u>\$ 23,567,765</u>	<u>\$ 22,322,704</u>	<u>\$ 20,008,444</u>	<u>\$ 19,349,277</u>	<u>\$ 18,600,932</u>	<u>\$ 17,472,441</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 481,997	\$ 449,883	\$ 1,359,472	\$ 392,375	\$ 366,721	\$ 337,743	\$ 1,043,262
Contributions - Employees	-	-	-	-	-	-	-
Net Investment Income	6,219,863	300,296	1,519,462	2,382,243	2,267,369	(46,280)	349,748
Benefit Payments, Including Refunds of Employee Contributions	(1,134,760)	(1,110,912)	(1,088,863)	(1,081,050)	(945,268)	(827,008)	(895,666)
Pension Plan Administrative Expense	(16,334)	(22,319)	(19,439)	(13,830)	(13,148)	(12,366)	(12,862)
Other (Net Transfers)	(12,112)	84,957	91,515	(42,272)	156,567	50,565	(106,927)
Net Change in Plan Fiduciary Net Position	<u>5,538,654</u>	<u>(298,095)</u>	<u>1,862,147</u>	<u>1,637,466</u>	<u>1,832,241</u>	<u>(497,346)</u>	<u>377,555</u>
Plan Fiduciary Net Position - Beginning	<u>23,510,142</u>	<u>23,808,237</u>	<u>21,946,090</u>	<u>20,308,624</u>	<u>18,476,383</u>	<u>18,973,729</u>	<u>18,596,174</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 29,048,796</u>	<u>\$ 23,510,142</u>	<u>\$ 23,808,237</u>	<u>\$ 21,946,090</u>	<u>\$ 20,308,624</u>	<u>\$ 18,476,383</u>	<u>\$ 18,973,729</u>
Net Pension Liability - Ending (A) - (B)	(5,881,251)	57,623	(1,485,533)	(1,937,646)	(959,347)	124,549	(1,501,288)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	125.39%	99.76%	106.65%	109.68%	104.96%	99.33%	108.59%
Covered Valuation Payroll	\$ 3,836,832	\$ 4,179,275	\$ 3,776,550	\$ 3,943,991	\$ 3,818,933	\$ 3,536,454	\$ 3,223,790
Net Pension Liability as a Percentage of Covered Valuation Payroll	-153.28%	1.38%	-39.34%	-49.13%	-25.12%	3.52%	-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.

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, 2021

Fiscal Year Ended June 30,	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Costs	\$ 481,270	\$ 451,444	\$ 397,573	\$ 401,292	\$ 388,806	\$ 375,784	\$ 370,414
Interest on the Pension Liability	1,741,225	1,662,942	1,505,476	1,472,645	1,452,993	1,336,826	1,319,931
Changes of Benefit Terms	-	-	951,134	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(58,849)	466,159	765,218	(152,061)	(515,001)	461,181	(356,529)
Changes of Assumptions	(449,014)	-	-	-	-	508,788	-
Benefit Payments, Including Refunds of Employee Contributions	(1,519,412)	(1,511,600)	(1,437,533)	(1,102,750)	(1,022,379)	(1,148,773)	(1,059,610)
Net Change in Total Pension Liability	195,220	1,068,945	2,181,868	619,126	304,419	1,533,806	274,206
Total Pension Liability - Beginning	24,526,880	23,457,935	21,276,067	20,656,941	20,352,522	18,818,716	18,544,510
Total Pension Liability - Ending (A)	<u>\$ 24,722,100</u>	<u>\$ 24,526,880</u>	<u>\$ 23,457,935</u>	<u>\$ 21,276,067</u>	<u>\$ 20,656,941</u>	<u>\$ 20,352,522</u>	<u>\$ 18,818,716</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 441,121	\$ 369,502	\$ 1,334,300	\$ 370,929	\$ 326,044	\$ 375,209	\$ 765,345
Contributions - Employees	-	-	-	-	-	-	-
Net Investment Income	6,873,082	335,978	1,640,175	2,629,862	2,374,115	(40,593)	415,318
Benefit Payments, Including Refunds of Employee Contributions	(1,519,412)	(1,511,600)	(1,437,533)	(1,102,750)	(1,022,379)	(1,148,773)	(1,059,610)
Pension Plan Administrative Expense	(13,864)	(17,476)	(14,968)	(10,585)	(10,113)	(9,925)	(10,625)
Other (Net Transfers)	47,327	144,451	(101,158)	(28,894)	100,165	18,256	(25,522)
Net Change in Plan Fiduciary Net Position	5,828,254	(679,145)	1,420,816	1,858,562	1,767,832	(805,826)	84,906
Plan Fiduciary Net Position - Beginning	24,979,412	25,658,557	24,237,741	22,379,179	20,611,347	21,417,173	21,332,267
Plan Fiduciary Net Position - Ending (B)	<u>\$ 30,807,666</u>	<u>\$ 24,979,412</u>	<u>\$ 25,658,557</u>	<u>\$ 24,237,741</u>	<u>\$ 22,379,179</u>	<u>\$ 20,611,347</u>	<u>\$ 21,417,173</u>
Net Pension Liability - Ending (A) - (B)	(6,085,566)	(452,532)	(2,200,622)	(2,961,674)	(1,722,238)	(258,825)	(2,598,457)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	124.62%	101.85%	109.38%	113.92%	108.34%	101.27%	113.81%
Covered Valuation Payroll	\$ 3,432,689	\$ 3,442,123	\$ 3,211,902	\$ 3,290,770	\$ 3,283,135	\$ 3,099,147	\$ 3,017,659
Net Pension Liability as a Percentage of Covered Valuation Payroll	-177.28%	-13.15%	-68.51%	-90.00%	-52.46%	-8.35%	-86.11%

Notes to the Schedule:

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

CITY OF CAPE GIRARDEAU, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF EMPLOYER CONTRIBUTIONS

June 30, 2021

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
2021	\$ 1,873,332	\$ 1,812,073	\$ 61,259	\$ 17,166,508	10.56%
2020	1,683,841	1,683,841	-	17,188,695	9.80%
2019	1,728,666	1,728,666	-	17,300,564	9.99%
2018	1,644,496	1,610,466	34,030	16,990,644	9.48%
2017	1,437,766	1,437,766	-	16,749,343	8.58%
2016	1,533,180	1,533,180	-	16,040,522	9.56%
2015	1,741,546	1,741,546	-	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%

Notes to Schedule:

Valuation Date: February 28, 2021

Notes The roll-forward of total pension liability from February 28, 2021 to June 30, 2021 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding
 Amortization Method: A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized of the greater of (i) the remaining initial amortization period or (ii) 15 years.
 Remaining Amortization Period: Multiple bases from 14 to 15 years
 Asset Valuation Method: 5-year smoothed market, 20% corridor
 Inflation: 2.75% wage inflation, 2.25% price inflation
 Salary Increases: 2.75% to 7.15%, including wage inflation
 Investment Rate of Return: 7.00%, net of investment expenses
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition.
 Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other Information: None

CITY OF CAPE GIRARDEAU, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

June 30, 2021

Calendar Year Ended June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Costs	\$ 254,489	\$ 258,793	\$ 251,092	\$ 303,952
Interest on Total OPEB Liability	295,897	365,681	428,525	407,566
Effect of Economic/Demographic Gains or Losses	(34,266)	(231,761)	(961,604)	(519,247)
Effect of Assumptions Changes or Inputs	382,609	1,023,004	271,656	158,158
Benefit Payments	<u>(715,552)</u>	<u>(694,578)</u>	<u>(609,858)</u>	<u>(608,774)</u>
Net Change in Total OPEB Liability	183,177	721,139	(620,189)	(258,345)
Total OPEB Liability - Beginning	<u>11,224,899</u>	<u>10,503,760</u>	<u>11,123,949</u>	<u>11,382,294</u>
Total OPEB Liability - Ending	<u>\$ 11,408,076</u>	<u>\$ 11,224,899</u>	<u>\$ 10,503,760</u>	<u>\$ 11,123,949</u>
Covered Employee Payroll	7,465,766	7,230,766	9,369,121	9,074,209
Total OPEB Liability as a Percentage of Covered Employee Payroll	152.81%	155.24%	112.11%	122.59%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

SUPPLEMENTAL INFORMATION

CITY OF CAPE GIRARDEAU MISSOURI

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021

	Airport Fund	Parks and Recreation Fund	Health Fund	Convention and Tourism Fund	Downtown Business District Fund	Public Safety Trust Fund	A.C. Brase Foundation Fund	Park Development Foundation Fund	Public Safety Trust Fund II	Casino Revenue Fund	Riverfront Region Economic Development Fund	Community Development Grant Fund	Motor Fuel Tax Fund
ASSETS													
CURRENT ASSETS:													
Pooled Cash and Investments	\$ 55,323	\$ 1,340,544	\$ 393,470	\$ 1,729,954	\$ 151,474	\$ 16,042	\$ 51,509	\$ 606,191	\$ 684,449	\$ 1,346,998	\$ 3,047	\$ 12,955	\$ 154,280
Receivables:													
Real Estate Taxes, Net	-	-	40,867	-	1,498	-	-	-	-	-	-	-	-
Property Taxes, Net	-	-	5,220	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel and Motel Tax	-	-	-	90,706	-	-	-	-	-	-	-	-	-
Resturant Tax	-	-	-	149,921	-	-	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-	-	-	-	38,886
Other	120,905	23,852	-	-	-	-	-	-	-	270,465	18,669	-	-
Motor Fuel Tax	-	-	-	-	-	-	-	-	-	-	-	-	89,688
Vehicle License Fees	-	-	-	-	-	-	-	-	-	-	-	-	43,364
Motor Vehicle Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-	15,621
Grants	1,662,242	-	-	-	-	-	-	3,000	-	-	-	32,233	-
Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	83,654	16,386	-	12,256	-	-	-	-	-	-	-	-	-
Prepaid Items	17,254	19,912	3,300	70,539	-	-	-	300	-	2,500	650	-	-
TOTAL CURRENT ASSETS	\$ 1,939,378	\$ 1,400,694	\$ 442,857	\$ 2,053,376	\$ 152,972	\$ 16,042	\$ 51,509	\$ 609,491	\$ 684,449	\$ 1,619,963	\$ 22,366	\$ 45,188	\$ 341,839
NONCURRENT ASSETS:													
Advances to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,645,968	\$ -	\$ -	\$ -
TOTAL NONCURRENT ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,645,968	\$ -	\$ -	\$ -
TOTAL ASSETS	\$ 1,939,378	\$ 1,400,694	\$ 442,857	\$ 2,053,376	\$ 152,972	\$ 16,042	\$ 51,509	\$ 609,491	\$ 684,449	\$ 4,265,931	\$ 22,366	\$ 45,188	\$ 341,839
LIABILITIES AND FUND BALANCE													
CURRENT LIABILITIES:													
Accounts Payable	\$ 135,020	\$ 158,616	\$ 11,127	\$ -	\$ -	\$ -	\$ -	\$ 6,018	\$ 3,615	\$ -	\$ 2,620	\$ -	\$ -
Salaries and Benefits Payable	35,854	149,028	6,956	-	-	-	-	-	-	-	-	-	-
Other Liabilities	55,073	20,344	-	-	-	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to Other Funds	1,218,706	-	-	-	-	-	-	-	-	-	20	28,423	-
Unearned Revenues	2,217	133,292	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenues	-	-	45,100	-	1,498	-	-	-	-	-	-	-	38,886
TOTAL CURRENT LIABILITIES	\$ 1,446,870	\$ 461,280	\$ 63,183	\$ -	\$ 1,498	\$ -	\$ -	\$ 6,018	\$ 3,615	\$ -	\$ 2,640	\$ 28,423	\$ 38,886
NONCURRENT LIABILITIES:													
Advances from Other Funds	\$ 1,407,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NONCURRENT LIABILITIES	\$ 1,407,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 2,854,854	\$ 461,280	\$ 63,183	\$ -	\$ 1,498	\$ -	\$ -	\$ 6,018	\$ 3,615	\$ -	\$ 2,640	\$ 28,423	\$ 38,886
FUND BALANCE:													
Nonspendable	\$ 17,254	\$ 19,912	\$ 3,300	\$ 70,539	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ 2,648,468	\$ 650	\$ -	\$ -
Restricted	236,720	490,913	366,075	1,982,837	151,474	-	-	-	217,249	80,250	19,062	16,765	302,953
Committed	-	-	-	-	-	-	-	-	-	1,537,213	-	-	-
Assigned	-	428,589	10,299	-	-	16,042	51,509	603,173	463,585	-	14	-	-
Unassigned	(1,169,450)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	\$ (915,476)	\$ 939,414	\$ 379,674	\$ 2,053,376	\$ 151,474	\$ 16,042	\$ 51,509	\$ 603,473	\$ 680,834	\$ 4,265,931	\$ 19,726	\$ 16,765	\$ 302,953
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,939,378	\$ 1,400,694	\$ 442,857	\$ 2,053,376	\$ 152,972	\$ 16,042	\$ 51,509	\$ 609,491	\$ 684,449	\$ 4,265,931	\$ 22,366	\$ 45,188	\$ 341,839

See Independent Auditors' Report

CITY OF CAPE GIRARDEAU MISSOURI
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021

	Transportation Sales Tax Trust Fund IV	Transportation Sales Tax Trust Fund VI	Capital Improvement Sales Tax - Water System Improvements Fund	Capital Improvement Sales Tax - Sewer System Improvements Fund	Capital Improvement Sales Tax - General Improvements Fund	Park/ Stormwater Sales Tax - Capital Fund	Park/ Stormwater Sales Tax - Capital II Fund	Fire Sales Tax Fund	Parks/ Stormwater Sales Tax Fund	Community Development Block Grant Projects Fund	Park System Improvements Fund	Stormwater System Improvements Phase II Fund	Park System Improvements Phase II Fund	Total Nonmajor Governmental Funds
ASSETS														
CURRENT ASSETS:														
Pooled Cash and Investments	\$ 32,406	\$ 1,059,049	\$ -	\$ 867,770	\$ 2,152,990	\$ 1,858,825	\$ -	\$ -	\$ 127,775	\$ 10,340	\$ -	\$ 4,516,123	\$ 2,118,562	\$ 19,290,076
Receivables:														
Real Estate Taxes, Net	-	-	-	-	-	-	-	-	-	-	-	-	-	42,365
Property Taxes, Net	-	-	-	-	-	-	-	-	-	-	-	-	-	5,220
Sales Tax	-	548,298	-	279,112	279,112	418,669	-	274,149	139,556	-	-	-	-	1,938,896
Hotel and Motel Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	90,706
Resturant Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	149,921
Special Assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	38,886
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	433,891
Motor Fuel Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	89,688
Vehicle License Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	43,364
Motor Vehicle Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	15,621
Grants	-	-	-	-	-	-	-	-	-	28,770	-	-	-	1,726,245
Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	383,090
Inventory	-	-	-	-	-	383,090	-	-	-	-	-	-	-	112,296
Prepaid Items	-	-	-	-	-	-	-	-	-	-	-	-	-	114,455
TOTAL CURRENT ASSETS	\$ 32,406	\$ 1,607,347	\$ -	\$ 1,146,882	\$ 2,432,102	\$ 2,660,584	\$ -	\$ 274,149	\$ 267,331	\$ 39,110	\$ -	\$ 4,516,123	\$ 2,118,562	\$ 24,474,720
NONCURRENT ASSETS:														
Advances to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,645,968
TOTAL NONCURRENT ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,645,968
TOTAL ASSETS	\$ 32,406	\$ 1,607,347	\$ -	\$ 1,146,882	\$ 2,432,102	\$ 2,660,584	\$ -	\$ 274,149	\$ 267,331	\$ 39,110	\$ -	\$ 4,516,123	\$ 2,118,562	\$ 27,120,688
LIABILITIES AND FUND BALANCE														
CURRENT LIABILITIES:														
Accounts Payable	\$ 32,159	\$ 104,087	\$ -	\$ 57,794	\$ 76,794	\$ -	\$ -	\$ -	\$ -	\$ 28,770	\$ -	\$ 72,841	\$ 93,230	\$ 782,691
Salaries and Benefits Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	191,838
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	75,417
Due to Other Governments	-	-	-	-	-	-	-	-	-	1,207	-	-	-	1,207
Payable to Other Funds	-	-	-	-	-	-	-	-	-	-	-	383,090	-	1,630,239
Unearned Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	135,509
Deferred Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	85,484
TOTAL CURRENT LIABILITIES	\$ 32,159	\$ 104,087	\$ -	\$ 57,794	\$ 76,794	\$ -	\$ -	\$ -	\$ -	\$ 29,977	\$ -	\$ 455,931	\$ 93,230	\$ 2,902,385
NONCURRENT LIAILITIES:														
Advances from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,407,984
TOTAL NONCURRENT LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,407,984
TOTAL LIABILITIES	\$ 32,159	\$ 104,087	\$ -	\$ 57,794	\$ 76,794	\$ -	\$ -	\$ -	\$ -	\$ 29,977	\$ -	\$ 455,931	\$ 93,230	\$ 4,310,369
FUND BALANCE:														
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,760,423
Restricted	247	1,503,260	-	1,089,088	2,355,308	2,660,584	-	274,149	267,331	9,133	-	4,060,192	2,025,332	18,108,922
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-	1,537,213
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	1,573,211
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,169,450)
TOTAL FUND BALANCE	\$ 247	\$ 1,503,260	\$ -	\$ 1,089,088	\$ 2,355,308	\$ 2,660,584	\$ -	\$ 274,149	\$ 267,331	\$ 9,133	\$ -	\$ 4,060,192	\$ 2,025,332	\$ 22,810,319
TOTAL LIABILITIES AND FUND BALANCE	\$ 32,406	\$ 1,607,347	\$ -	\$ 1,146,882	\$ 2,432,102	\$ 2,660,584	\$ -	\$ 274,149	\$ 267,331	\$ 39,110	\$ -	\$ 4,516,123	\$ 2,118,562	\$ 27,120,688

See Independent Auditors' Report.

CITY OF CAPE GIRARDEAU, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2021

	Airport Fund	Parks and Recreation Fund	Health Fund	Convention and Tourism Fund	Downtown Business District Fund	Public Safety Trust Fund	A.C. Brase Foundation Fund	Park Development Foundation Fund	Public Safety Trust Fund II	Casino Revenue Fund	Riverfront Region Economic Development Fund	Community Development Grant Fund	Motor Fuel Tax Fund
REVENUES:													
Taxes	\$ -	\$ -	\$ 392,700	\$ 2,434,237	\$ 34,029	\$ -	\$ -	\$ -	\$ -	\$ 2,563,718	\$ 218,117	\$ -	\$ -
Licenses and Permits	-	-	1,735	-	-	-	-	-	-	-	-	-	-
Intergovernmental	2,500,099	3,569	10,319	-	-	-	3,000	-	-	-	-	47,801	1,612,524
Charges for Services	488,688	1,131,204	-	-	-	-	13,919	81,919	-	-	-	-	-
Special Assessment	-	-	-	-	-	-	-	-	-	-	-	-	15,541
Miscellaneous	277,414	4,963	-	-	1,325	-	-	93,174	-	-	-	-	-
Investment Revenue	-	16,177	2,406	20,112	1,219	99	446	5,264	10,703	58,752	282	-	4,187
TOTAL REVENUES	\$ 3,266,201	\$ 1,155,913	\$ 407,160	\$ 2,454,349	\$ 36,573	\$ 99	\$ 14,365	\$ 183,357	\$ 10,703	\$ 2,622,470	\$ 218,399	\$ 47,801	\$ 1,632,252
EXPENDITURES:													
Current:													
Administrative Services	\$ -	\$ -	\$ -	\$ 143	\$ -	\$ -	\$ -	\$ -	\$ 286	\$ 66,785	\$ -	\$ -	\$ -
Development Services	1,747,975	-	-	787,499	6,084	-	-	-	-	-	125,198	56,501	-
Parks and Recreation	-	2,637,798	-	-	-	-	1,880	85,286	-	-	-	-	-
Public Safety	-	-	376,713	-	-	3,400	-	-	151,464	12,072	-	-	-
Capital Outlay:													
Public Safety	-	-	-	-	-	-	-	-	-	1,754,052	-	-	-
Development Services	2,745,256	-	-	-	-	-	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-	-	-	-	-	-	1,462
Parks and Recreation	-	-	-	-	-	-	-	5,436	-	-	-	-	-
Debt Service:													
Interest	-	-	-	253,015	-	-	-	-	344,774	58,896	1,052	492	-
Principal	-	-	-	600,000	-	-	-	-	970,000	401,104	-	-	-
TOTAL EXPENDITURES	\$ 4,493,231	\$ 2,637,798	\$ 376,713	\$ 1,640,657	\$ 6,084	\$ 3,400	\$ 1,880	\$ 90,722	\$ 1,466,524	\$ 2,292,909	\$ 126,250	\$ 56,993	\$ 1,462
REVENUES OVER (UNDER) EXPENDITURES	\$ (1,227,030)	\$ (1,481,885)	\$ 30,447	\$ 813,692	\$ 30,489	\$ (3,301)	\$ 12,485	\$ 92,635	\$ (1,455,821)	\$ 329,561	\$ 92,149	\$ (9,192)	\$ 1,630,790
OTHER FINANCING SOURCES (USES):													
Compensation for Damages	\$ -	\$ 16,684	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset Disposition	-	4,900	-	-	-	12,100	-	-	2,100	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	65,493	1,884,448	-	-	-	-	-	-	3,097,856	-	212,918	20,062	-
Transfers Out	-	(333,333)	-	(505,456)	(2,500)	(20,700)	-	(7,000)	(1,371,911)	(2,271,916)	(1,695,113)	-	(1,595,109)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 65,493	\$ 1,572,699	\$ 400	\$ (505,456)	\$ (2,500)	\$ (8,600)	\$ -	\$ (7,000)	\$ 1,728,045	\$ (2,271,916)	\$ (1,482,195)	\$ 20,062	\$ (1,595,109)
TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ (1,161,537)	\$ 90,814	\$ 30,847	\$ 308,236	\$ 27,989	\$ (11,901)	\$ 12,485	\$ 85,635	\$ 272,224	\$ (1,942,355)	\$ (1,390,046)	\$ 10,870	\$ 35,681
FUND BALANCE, July 1, 2020	267,140	848,600	348,827	1,745,140	123,485	27,943	39,024	517,838	408,610	6,208,286	1,409,772	5,895	267,272
PRIOR PERIOD ADJUSTMENT	(21,079)	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCE, June 30, 2021	\$ (915,476)	\$ 939,414	\$ 379,674	\$ 2,053,376	\$ 151,474	\$ 16,042	\$ 51,509	\$ 603,473	\$ 680,834	\$ 4,265,931	\$ 19,726	\$ 16,765	\$ 302,953

See Independent Auditors' Report.

CITY OF CAPE GIRARDEAU, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2021

	Transportation Sales Tax Trust Fund IV	Transportation Sales Tax Trust Fund VI	Capital Improvement Sales Tax - Water System Improvements Fund	Capital Improvement Sales Tax - Sewer System Improvements Fund	Capital Improvement Sales Tax - General Improvements Fund	Park/ Stormwater Sales Tax - Capital Fund	Park/ Stormwater Sales Tax - Capital II Fund	Fire Sales Tax Fund	Parks/ Stormwater Sales Tax Fund	Community Development Block Grant Projects Fund	Park System Improvements Fund	Stormwater System Improvements Phase II Fund	Park System Improvements Phase II Fund	Total Nonmajor Governmental Funds
REVENUES:														
Taxes	\$ -	\$ 1,621,022	\$ -	\$ 2,854,726	\$ 2,861,185	\$ 4,286,899	\$ -	\$ 2,784,372	\$ 1,428,966	\$ -	\$ -	\$ -	\$ -	\$ 21,479,971
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-	-	1,735
Intergovernmental	-	-	-	-	-	-	-	-	-	489,900	-	-	-	4,667,212
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	-	-	1,715,730
Special Assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	15,541
Miscellaneous	-	-	4	-	-	-	-	-	-	-	-	-	-	376,880
Investment Revenue	(1,868)	6,171	-	32,413	26,661	41,485	-	1,636	10,960	125	561	46,136	7,693	291,620
TOTAL REVENUES	\$ (1,868)	\$ 1,627,193	\$ 4	\$ 2,887,139	\$ 2,887,846	\$ 4,328,384	\$ -	\$ 2,786,008	\$ 1,439,926	\$ 490,025	\$ 561	\$ 46,136	\$ 7,693	\$ 28,548,689
EXPENDITURES:														
Current:														
Administrative Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,214
Development Services	-	119,458	-	211,645	211,645	-	-	-	-	489,900	-	-	-	3,755,905
Parks and Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	2,724,964
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	590	544,239
Capital Outlay:														
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	1,754,052
Development Services	-	-	-	-	-	-	-	-	-	-	-	-	-	2,745,256
Capital Improvements	325,274	4,470	-	-	384,445	-	-	-	-	-	12,689	1,134,018	703,467	2,565,825
Parks and Recreation	-	-	-	-	-	120,576	-	-	-	-	-	-	-	126,012
Debt Service:														
Interest	412	5	15,597	-	135,476	297,928	71	-	-	-	-	-	-	1,107,718
Principal	-	-	566,900	-	-	-	-	-	-	-	-	-	-	2,538,004
TOTAL EXPENDITURES	\$ 325,686	\$ 123,933	\$ 582,497	\$ 211,645	\$ 731,566	\$ 418,504	\$ 71	\$ -	\$ -	\$ 489,900	\$ 12,689	\$ 1,134,018	\$ 704,057	\$ 17,929,189
REVENUES OVER (UNDER) EXPENDITURES	\$ (327,554)	\$ 1,503,260	\$ (582,493)	\$ 2,675,494	\$ 2,156,280	\$ 3,909,880	\$ (71)	\$ 2,786,008	\$ 1,439,926	\$ 125	\$ (12,128)	\$ (1,087,882)	\$ (696,364)	\$ 10,619,500
OTHER FINANCING SOURCES (USES):														
Compensation for Damages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	17,084
Asset Disposition	-	-	-	-	-	-	-	-	-	-	-	-	-	19,100
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000
Transfers In	196,558	-	-	-	-	-	76,246	-	-	-	93,797	-	2,361,390	8,008,768
Transfers Out	-	-	(794,771)	(4,416,826)	(400,000)	(3,772,583)	(76,175)	(2,743,823)	(1,361,050)	-	(76,228)	-	(82,943)	(21,527,437)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 196,558	\$ -	\$ (794,771)	\$ (4,416,826)	\$ (400,000)	\$ (3,772,583)	\$ 71	\$ (2,743,823)	\$ (1,361,050)	\$ -	\$ 17,569	\$ -	\$ 2,328,447	\$ (13,432,485)
TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ (130,996)	\$ 1,503,260	\$ (1,377,264)	\$ (1,741,332)	\$ 1,756,280	\$ 137,297	\$ -	\$ 42,185	\$ 78,876	\$ 125	\$ 5,441	\$ (1,087,882)	\$ 1,632,083	\$ (2,812,985)
FUND BALANCE, July 1, 2020	131,243	-	1,377,264	2,830,420	599,028	2,523,287	-	231,964	188,455	9,008	(5,441)	5,148,074	393,249	25,644,383
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,079)
FUND BALANCE, June 30, 2021	\$ 247	\$ 1,503,260	\$ -	\$ 1,089,088	\$ 2,355,308	\$ 2,660,584	\$ -	\$ 274,149	\$ 267,331	\$ 9,133	\$ -	\$ 4,060,192	\$ 2,025,332	\$ 22,810,319

See Independent Auditors' Report.

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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

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RHEANNA L. GREER, CPA

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Cape Girardeau, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Cape Girardeau, Missouri's major federal programs for the year ended June 30, 2021. The City of Cape Girardeau, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the 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, 2021.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-002 to be a significant deficiency.

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

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

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

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

Cape Girardeau, Missouri
February 7, 2022

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, 2021, 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 7, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Cape Girardeau, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cape Girardeau, Missouri's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cape Girardeau, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the Schedule of Findings and Questioned Costs as item 2021-001.

City of Cape Girardeau's Response to the Finding

City of Cape Girardeau's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. City of Cape Girardeau'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 7, 2022

City of Cape Girardeau, Missouri
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<u>U.S. DEPARTMENT OF DEFENSE:</u>			
Loan of DOD Property (non-cash)	12.UNKNOWN	N/A	\$ 100,000
<u>TOTAL U.S. DEPARTMENT OF DEFENSE</u>			<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	14.228	2019-PF-08	\$ 489,900
Passed Through Missouri Housing Development Commission - Emergency Solutions Grant Program	14.231	20-714-E	<u>73,263</u>
<u>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			<u>\$ 563,163</u>
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
COVID 19- Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1125	\$ 50,881
Bulletproof Vest Partnership Program	16.607	BUBX15079622	11,105
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0535	<u>6,741</u>
<u>TOTAL U.S. DEPARTMENT OF JUSTICE</u>			<u>\$ 68,727</u>

City of Cape Girardeau, Missouri
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Program Number</u>	<u>Disbursements</u>
U.S. DEPARTMENT OF TRANSPORTATION:			
COVID-19 - Airport Improvement Program (1)	20.106	3-29-0013-014-2021	\$ 782,964
Passed Through Missouri Department of Transportation -			
Airport Improvement Program (1)	20.106	13-077A-2	633,446
		19-077A-1	202,256
		21-077A-1	<u>648,917</u>
Total Airport Improvement Program			\$ 2,267,583
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	ER 1500(024)	\$ 5,000
		MO-81-0013	304,873
		ER 1518(006)	14,397
Passed Through Illinois Department of Transportation -			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	SPR-PL-3000(48)	<u>2,322</u>
Total Highway Planning and Construction Cluster			326,592
Passed Through Missouri Department of Transportation -			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	20-PT-02-005	\$ 2,872
		21-PT-02-060	10,794
		20-CP-09-005	36,094
		21-CP-09-004	<u>64,691</u>
Total Highway Safety Cluster			114,451
Alcohol Open Container Requirements	20.607	20-154-AL-006	\$ 945
		21-154-AL-069	<u>2,505</u>
			<u>3,450</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>\$ 2,712,076</u>

City of Cape Girardeau, Missouri
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<u>U.S. DEPARTMENT OF THE TREASURY:</u>			
Passed Through Cape Girardeau County COVID-19 - Coronavirus Relief Fund (1)	21.019		\$ 1,666,695
Passed Through Missouri Department of Labor and Industrial Relations - COVID-19 - Coronavirus Relief Fund (1)	21.019		<u>19,563</u>
		Total COVID-19 - Coronavirus Relief Fund	1,686,258
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>1,686,258</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Passed Through the Missouri State Emergency Management Agency Emergency Management Performance Grants	97.042	EMK-2020-EP-00004-23	35,696
Assistance to Firefighters Grant	97.044	EMW-2019-FG-06016	127,871
Passed Through Missouri Office of Homeland Security - Homeland Security Grant Program	97.067	EMW-2019-SS-00039 EMW-2018-SS-00044 EMW-2020-SS-00051	\$ 6,983 18,188 <u>11,050</u> 36,221
Direct - Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00494	137,781
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0216HSLR823	<u>16,385</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>\$ 353,954</u>
TOTAL FEDERAL AWARDS			<u>\$ 5,484,178</u>

(1) Identified major program.

City of Cape Girardeau, Missouri
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity:

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

B. Basis of Presentation:

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

C. Basis of Accounting:

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

D. Indirect Cost Rate:

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

E. Subrecipients:

The total expenditures the Community Development Block Grant, CFDA 14-228 of \$489,900 was made to a subrecipient.

City of Cape Girardeau, Missouri
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

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

Internal control over financial reporting:

- Material weaknesses identified? yes X no
- Significant deficiencies identified? yes X none reported

Noncompliance material to financial statements
noted? X yes no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.106	Airport Improvement Program
21.019	COVID-19 – Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee: X yes no

2. FINANCIAL STATEMENT FINDINGS:

2021-001 Budgeted Expenditures:

Criteria: According to Section 67.080 RSMo, no expenditure of public monies shall be made unless it is authorized in the budget.

Condition: Actual expenditures exceeded budgetary limits by \$510,355 in the risk Management Fund.

Cause: The City had the fund balance for the expenditures in this fund, but was unaware they did not budget enough until after year end.

Effect: The City authorized expenditures in excess of budgetary limits.

Recommendation: The City Council should legally adopt the budget for all funds and monitor the budget more closely. If additional sources of funds become available throughout the year, the original budgets should be amended to allow the expenditure of such monies.

Views of Responsible
Officials and Planned
Corrective Action:

The City Council will to the best of their ability, communicate with the City Finance Department and comply with statutes and correct the findings as noted in the financial statements.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

2021-002 Internal Control over Reporting on the Schedule of Expenditures of Federal Awards:

Criteria: Adequate internal controls over the Schedule of Expenditures of Federal Awards is necessary to ensure the schedule is accurate.

Condition: Expenditures totaling \$283,750 were not reported on the June 30, 2020 Schedule of Expenditures of Federal Awards. Instead, they were incorrectly reported for June 30, 2021.

Cause: The City accounting department was unaware the \$283,750 spent during the year ended June 30, 2020 was federal grant expenditures until the fiscal year ended June 30, 2021 when the reimbursement was received.

Effect: The Schedule of Expenditures of Federal Awards would have been overstated by \$283,750 for the year ended June 30, 2021.

Recommendation: The City should institute adequate internal controls over reporting expenditures on the Schedule of Expenditures of Federal Awards to ensure it is reported accurately.

Views of Responsible
Officials and Planned
Corrective Action:

The City Finance Department and City Manager will institute internal controls over reporting the information used to compile the Schedule of Expenditures of Federal Awards to ensure it is accurate going forward.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2021

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

1. FINANCIAL STATEMENT FINDINGS:

2020-001 Budgeted Expenditures:

Criteria: According to Section 67.080 RSMo, no expenditure of public monies shall be made unless it is authorized in the budget.

Recommendation: The City Council should legally adopt the budget for all funds and monitor the budget more closely. If additional sources of funds become available throughout the year, the original budgets should be amended to allow the expenditure of such monies.

Status: Not implemented. See Finding 2021-001.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No Federal findings were reported in the prior year.



FINANCE DIRECTOR

CITY HALL
P.O. BOX 617
CAPE GIRARDEAU, MO 63702-0617

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2021

The City of Cape Girardeau, Missouri respectfully submits the following corrective action plan for its finding in the Schedule of Finding and Questioned Costs.

- Finding: 2021-001 Budgeted Expenditures
- Finding Type: Material Non-Compliance
- Name of Contact Person: Mr. Dustin Ziebold, Finance Director
- Recommendation: The City Council should legally adopt the budget for all funds and monitor the budget more closely. If additional sources of funds become available throughout the year, the original budgets should be amended to allow the expenditure of such monies.
- Corrective Action: The City Council with to the best of their ability, communicate with the City Finance Department and comply with statutes and correct the findings as noted in the financial statements.
- Proposed Completion Date: Immediately
-
- Finding: 2021-002 Internal Control over Reporting on the Schedule of Expenditures Of Federal Awards
- Finding Type: Significant Deficiency
- Name of Contact Person: Mr. Dustin Ziebold, Finance Director
- Recommendation: The City should institute adequate internal controls over reporting expenditures on the Schedule of Expenditures of Federal Awards to ensure it is accurately reported.

Corrective Action: The City Finance Department and City Manager will institute internal controls over reporting the information used to compile the Schedule of Expenditures of Federal Awards to ensure its accuracy going forward.

Proposed
Completion Date: Immediately