

CITY OF CAPE GIRARDEAU, MISSOURI  
Cape Girardeau, Missouri

For the Year Ended June 30, 2011

ANNUAL FINANCIAL REPORT

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

*Certified Public Accountants*

CITY OF CAPE GIRARDEAU, MISSOURI

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ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cape Girardeau, Missouri (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 18 and 78 through 85 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cape Girardeau, Missouri's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Cape Girardeau, Missouri  
December 23, 2011



# CITY OF CAPE GIRARDEAU, MISSOURI

## 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, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the basic financial statements and related notes to those statements to enhance their understanding of the City's financial performance.

### Financial Highlights

- o The assets of the City of Cape Girardeau exceeded its liabilities at the close of the most recent fiscal year by \$241,171,143 (net assets). Of this amount, \$29,728,938 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- o As of the close of the current fiscal year, the City of Cape Girardeau's governmental funds reported combined ending fund balances of \$25,664,527. Approximately 4.9 percent of this total amount, \$1,248,674 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 \$1,411,069 or 6.0 percent of total general fund expenditures and transfers.
- o At the end of the current fiscal year, general fund balance reserved for emergencies was \$3,735,645 or 15.8 percent of total general fund expenditures and transfers. This fund balance had been reduced by \$386,630 in previous years pursuant to an emergency declared as a result of a severe ice storm. The city charter requires that reductions of the fund balance reserved for emergencies as a result of a declared emergency should be replenished at least 10% annually. At the end of the year the total amount originally disbursed had been reimbursed.
- o The City of Cape Girardeau's fixed assets increased \$1,079,978 during the year. Net fixed asset additions of \$12,296,363 were made during the year. Depreciation for the

current fiscal year reduced fixed assets by \$11,216,385.

- o The City of Cape Girardeau's total long-term debt decreased by \$8,489,676 (11.9 percent) during the current fiscal year. During the year the City received final allocations totaling \$422,706 from a direct loan through the state revolving loan program. A total allocation of \$1,000,000 had been authorized in the previous year to complete construction of a water transmission main from new well fields to the City's main water plant. During the year the City used proceeds from the sale of land to the Isle of Capri and debt service reserves to prepay \$1,960,000 of the 2001 Certificates of Participation. These certificates had originally been issued to construct a manufacturing facility at the Cape Girardeau Regional Airport. Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$6,952,382.

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

## CITY OF CAPE GIRARDEAU, MISSOURI

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

Both of the government-wide financial statements distinguish functions of the City of Cape Girardeau that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Cape Girardeau include administrative services, development services, parks and recreation, public safety, and public works. The business-type activities of the City include sewer, water, and solid waste utilities and golf course and softball complex operations. The government-wide financial statements can be found on pages 19 to 22 of this report.

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

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the

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

The City of Cape Girardeau maintains 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, airport, parks and recreation, transportation trust III, and parks projects from parks sales tax funds, which are considered, or have been designated, to be major funds of the City. Data from the other governmental funds are combined into a single, aggregated presentation.

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

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

**Proprietary funds.** The City of Cape Girardeau maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City used enterprise funds to account for its sewer, water, and solid waste utilities and its golf course and softball complex 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 management information systems, fleet management, self-insured employee benefits and workmen's compensation programs, and its internal equipment leasing program.

# CITY OF CAPE GIRARDEAU, MISSOURI

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

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

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

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City of Cape Girardeau, assets exceeded liabilities by \$241,171,143, an increase of \$9,778,920 (4.2%). The City's \$201,661,386 net investment in capital assets (land, buildings, machinery, and equipment less related outstanding debt used to acquire those assets) makes up 83.6% of the City's net assets.

This net investment increased \$6,395,035 (3.3%) during the current fiscal year. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

An additional portion of the City's net assets (4.1 percent) represent resources that are subject to external restrictions on how they may be used. The portion of the City's net assets subject to external restrictions was \$731,553 (8.1%) more than the previous year. The remaining balance of net assets (\$29,728,938) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. This reflects a \$2,652,332 (9.8%) increase over the previous year.

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

City of Cape Girardeau's Net Assets						
	Governmental Activity		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	34,259,413	36,770,324	16,421,436	13,906,388	50,680,849	50,676,712
Capital assets	164,535,596	163,523,667	98,531,896	98,463,847	263,067,492	261,987,514
<b>Total assets</b>	<b>198,795,009</b>	<b>200,293,991</b>	<b>114,953,332</b>	<b>112,370,235</b>	<b>313,748,341</b>	<b>312,664,226</b>
Long-term liabilities outstanding	36,838,770	40,981,943	22,030,103	24,916,665	58,868,873	65,898,608
Other liabilities	7,716,328	9,924,574	5,991,997	5,448,821	13,708,325	15,373,395
<b>Total liabilities</b>	<b>44,555,098</b>	<b>50,906,517</b>	<b>28,022,100</b>	<b>30,365,486</b>	<b>72,577,198</b>	<b>81,272,003</b>
<b>Net assets:</b>						
Invested in capital assets,						
Net of related debt	127,938,045	124,536,400	73,723,341	70,729,951	201,661,386	195,266,351
Restricted	5,147,781	4,683,514	4,633,038	4,365,752	9,780,819	9,049,266
Unrestricted	21,154,085	20,167,560	8,574,853	6,909,046	29,728,938	27,076,606
<b>Total net assets</b>	<b>154,239,911</b>	<b>149,387,474</b>	<b>86,931,232</b>	<b>82,004,749</b>	<b>241,171,143</b>	<b>231,392,223</b>

## CITY OF CAPE GIRARDEAU, MISSOURI

Governmental activities. Governmental activities increased the City of Cape Girardeau's net assets by \$4,552,712 (compared to \$2,872,043 in the previous fiscal year) thereby accounting for 46.6 percent of the total growth in the net assets of the City. Increases in net investments in capital assets during the fiscal year accounted for \$3,401,645 or 74.7% of this year's increase of its governmental activities net assets.

City of Cape Girardeau's Change in Net Assets						
	Governmental activities		Business-type activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>						
<b>Program revenue:</b>						
Charges for service	4,723,907	4,811,586	14,013,089	12,666,105	18,736,996	17,477,691
Operating grants and contributions	1,581,808	1,141,534	68,675	15,451	1,650,483	1,156,985
Capital grants and contributions	2,252,992	3,983,379	417,165	536,030	2,670,157	4,519,409
<b>General revenues:</b>						
Property taxes	1,954,759	1,954,791	-	-	1,954,759	1,954,791
Sales taxes	24,262,759	23,776,186	-	-	24,262,759	23,776,186
Other taxes	8,893,241	8,224,566	-	-	8,893,241	8,224,566
Other	1,019,227	1,225,489	377,390	559,385	1,396,617	1,784,874
Special item	1,628,343	-	-	-	1,628,343	-
<b>Total revenues</b>	<b>46,317,036</b>	<b>45,117,531</b>	<b>14,876,319</b>	<b>13,776,971</b>	<b>61,193,355</b>	<b>58,894,502</b>
<b>Expenses:</b>						
Administrative	5,505,786	6,049,429	-	-	5,505,786	6,049,429
Capital Improvements	432,699	225,344	-	-	432,699	225,344
Development Services	3,032,909	2,395,163	-	-	3,032,909	2,395,163
Interest and other costs	1,622,569	1,861,055	-	-	1,622,569	1,861,055
Parks and Recreation	4,848,823	4,002,531	-	-	4,848,823	4,002,531
Public Safety	12,311,981	12,583,410	-	-	12,311,981	12,583,410
Public Works	6,956,715	6,731,851	-	-	6,956,715	6,731,851
Sewer	-	-	5,910,891	5,858,412	5,910,891	5,858,412
Water	-	-	6,327,558	5,979,806	6,327,558	5,979,806
Solid Waste	-	-	3,381,137	3,202,022	3,381,137	3,202,022
Golf Course	-	-	697,753	508,639	697,753	508,639
Softball Complex	-	-	679,194	616,020	679,194	616,020
<b>Total expenses</b>	<b>34,709,482</b>	<b>33,848,783</b>	<b>16,996,533</b>	<b>16,164,899</b>	<b>51,706,015</b>	<b>50,013,682</b>
<b>Increase in net assets</b>						
before transfers	11,607,554	11,268,748	(2,120,214)	(2,387,928)	9,487,340	8,880,820
Transfers	(7,054,842)	(8,396,705)	7,054,842	8,396,705	-	-
<b>Increase in net assets</b>	<b>4,552,712</b>	<b>2,872,043</b>	<b>4,934,628</b>	<b>6,008,777</b>	<b>9,487,340</b>	<b>8,880,820</b>
<b>Net assets-beginning of year</b>	<b>149,387,474</b>	<b>147,440,945</b>	<b>82,004,749</b>	<b>75,030,549</b>	<b>231,392,223</b>	<b>222,471,494</b>
<b>Inclusion of component units</b>						
not previously reported	314,728	-	-	-	314,728	-
Prior period adjustments	(15,003)	(925,514)	(8,145)	965,423	(23,148)	39,909
<b>Net assets-end of year</b>	<b>154,239,911</b>	<b>149,387,474</b>	<b>86,931,232</b>	<b>82,004,749</b>	<b>241,171,143</b>	<b>231,392,223</b>

## CITY OF CAPE GIRARDEAU, MISSOURI

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

### **Revenues from governmental activities**

- Charges for service decreased \$87,679 (1.8%) over the previous year. This year's revenue includes revenues totaling \$149,150 from foundations controlled by the City that previously had not been included as part of the City's financial statements. This year's revenue also includes a \$150,000 payment from the Isle of Capri that was advanced to the City to cover potential costs of the riverboat gaming licensing process. During the current year the City did not host an air show. This reduced current year revenue by \$466,705. Excluding the previous year's air show revenue, current year's foundation revenue and the payment from the Isle of Capri, the remaining service charge revenue would have increased \$79,876 (1.8%) from the previous year.
- The following are other significant revenue changes that occurred during the current year. During the current year the City implemented an electronic bill paying program which produced \$34,706 in revenue in nine months. Revenues from the Osage Community Centre and Cape Splash Family Aquatic Park increased \$47,701 (34.5%) and \$230,530 (67.0%), respectively. The increased revenue from the Osage Community Centre resulted from increased activity at the facility while the increase revenue from Cape Splash represented the first full year of operation of the facility. Revenues from municipal court and city pools decreased \$202,786 (21.6%) and \$51,962 (34.7%) from the previous year. The municipal court revenue decrease resulted from a 24.2% decrease in traffic violations while the revenue decrease at the city pools resulted from construction at one pool and the closure of the other pool.
- Operating grants and contributions were \$440,274 (38.6%) more than the previous year. During the current year the City received \$108,268 in payments from FEMA and SEMA for the reimbursement of costs associated with flooding in the spring and intergovernmental revenue from the Cape County Special Road District totaling \$30,000 for the Bloomfield Road project. No revenues were received from these grants in the previous year. This year the City received \$76,064 from a Department of the Interior Preserve America Grant to market the City's Downtown Historic District. No revenues were received from this grant in the previous year. During the current year the City received \$688,542 in payments from various neighborhood improvement grants, \$403,262 from various police operating grants and \$61,185 from a SAFER grant to cover the portion of the personnel costs of three additional firefighters. During the previous year payments from these sources were \$353,451, \$417,159 and \$97,795, respectively.
- Capital grants and contributions decreased \$1,730,387 (43.4%) from the previous year. In the current year \$186,622 of donated assets and infrastructure were recorded. This was \$736,267 (394.5%) less than the previous year. Benefiting property owners were charged \$33,118 for a portion of this year's infrastructure costs. This was \$2,423 (7.3%) less than the previous year. This year grants totaling \$98,834, \$422,706, \$137,290, and \$894,126 were received respectively for airport capital projects, water system improvements, public safety equipment, and the Fountain Street project. In the previous year grants totaling \$1,395,260, \$577,294, \$261,963, and \$16,401 were received for these projects respectively. The remaining grant and contribution revenue received was \$480,296 which was \$293,735 (37.9%) less than the previous year.
- Property tax revenue was \$32 less than the previous year. Final adjusted assessed value of real estate increased \$4,198,497 (1.0%) over the previous year. New construction of \$5,523,840 and annexed property of \$147,290 were included in this increase. Final adjusted assessed value of personal property decreased 3,420,388 (3.6%) from the previous year. State law allowed the City to increase its levy rate by .5% during the current year.

## CITY OF CAPE GIRARDEAU, MISSOURI

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### Revenues from governmental activities (continued)

- Sales tax revenue was 52.4% of the total revenue during the current year vs. 52.7% in the previous year. This year's revenue was \$486,573 (2.0%) more than the previous year. From fiscal year ending June 30, 2008 through fiscal year ending June 30, 2010 sale tax revenue, adjusted for new taxes, had annual growth rates of .6%, (1.6%), and 1.6%, respectively.
- Other taxes increased \$668,675 (8.1%) from the previous year. Franchise taxes, cigarette taxes, convention and tourism taxes, business licenses, and motor fuel taxes grew \$513,776 (13.4%), \$13,016 (8.4%), \$90,875 (5.4%), \$30,348 (2.6%), and \$24,131(1.8%), respectively. Liquor licenses decreased \$3,471 (5.1%).
- Ameren paid 72.3% of the total franchise tax collected during the year based on its electricity and natural gas revenues. During the current year Ameren paid \$368,386 (13.3%) more than the previous year. Payments received on natural gas sales only declined \$19,468 (2.4%) from the previous year even though natural gas rates were approximately 3.5% lower during the current year. Payments received on electricity sales increased \$387,854 (19.4%) as a result of rate that averaged 13.9% higher than the previous year and a summer that was hotter than the previous year.
- During the current year the City received payments in lieu of franchise taxes from its water and sewer funds totaling \$479,616. This was \$32,312 (7.2%) greater than the previous year. In the current year the water and sewer funds increased their residential and commercial rates by 5%.
- Franchise tax paid during the current year by the City's telecommunication and cable TV service providers increased \$97,065 (39.2%) and \$16,013 (4.4%), respectively, from the previous year. During the year the City received \$49,600 in back taxes from T- Mobile.
- The increase in the convention and tourism taxes was comprised of \$52,888 (4.6%) and \$37,897 (7.3%) increases in restaurant and hotel / motel taxes, respectively, from the previous year.
- Other revenue declined \$206,262 (16.8%) from the previous year. Investment earnings, which accounted for 61.1% of other revenue, decreased \$497,393 (44.4%). The decrease in investment earning was partially offset by a \$250,791 gain recognized on property transferred to the Isle of Capri for a new gaming development.
- This year's financial statement reflected a special item totaling \$1,628,343. During the year the City received \$2,000,000 from the Isle of Capri pursuant to a development agreement. This agreement designated the Isle of Capri and its project site as preferred developer and site for a potential gaming facility and transferred various properties from the City to the Isle of Capri. The amount received by the City that was above the market value of the properties transferred was treated as a special item.

### Expenses from governmental activities

- Administrative expenses totaled \$5,505,786 this year which was \$543,643 (9.0%) less than the previous year. Excluding personnel costs, the most significant cost item included in this category is the City's support of the "River Campus Project". This is a joint City/University project. The City agreed to make payments from its convention and tourism taxes to pay principal and interest on bonds issued by the University to fund \$8.9 million of construction costs related to a campus, performance center, and museum on property that oversees the Mississippi River. The campus began operating in the fall of 2007. The total cost of the project exceeded \$60 million. The city's payments to Southeast Missouri State University increased \$84,671 (7.5%) to \$1,216,097 this year.

## CITY OF CAPE GIRARDEAU, MISSOURI

### Expenses from governmental activities (continued)

Current revenues collected from the hotel, motel, and restaurant taxes not used for the operation of the Convention Visitors Bureau are committed to pay off the "River Campus" bonds. Unspent hotel, motel, and restaurant taxes collected before November 2004 are used to fund various tourism and economic development related projects. During the current year the City spent \$119,904 on such projects, a decrease of \$64,804 (35.1%) from the previous year. At the end of the current year there was still \$346,107 available for expenditure on future tourism and economic development related projects.

The current year includes the following significant changes in administrative costs: (1) amounts spent on natural disaster events declined \$71,486 to \$88,041 (2) costs were reduced \$457,202 as the result of not hosting an air show in the current year (3) amount spent on Preserve America Grant related expenditures decreased \$38,117 to \$51,968.

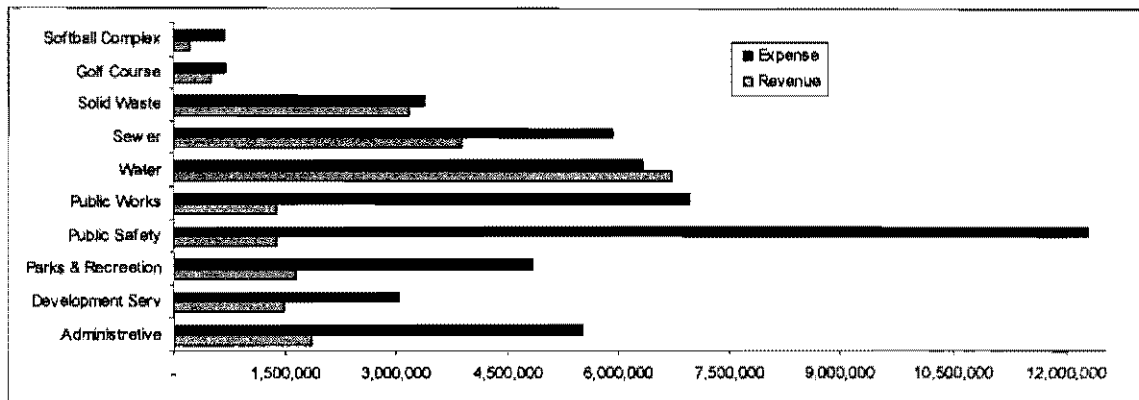
- Capital improvements expenses totaled \$432,699 this year which was \$207,355 (92.0%) more than the previous year. These costs represent street and other capital projects that did not meet the City's \$5,000 capitalization threshold (the amount at which the expenditure would be recorded as a capital asset).
- Development services expenses totaled \$3,032,909 this year which was \$637,746 (26.6%) more than previous year. During the current fiscal year the City spent \$79,897 for legal expenses and other costs related to the gaming licensing process and development of agreement with the Isle of Capri for development of a new casino. This year also included \$27,621 in grant funded expenditures to establish bike routes throughout the City. There were no similar expenditures in the previous year.
- \$871,695 was spent on various neighborhood improvement projects during the current year. This was \$501,343 (135.4%) more than was spent in the previous year.
- Interest and other costs totaled \$1,622,569 this year which was \$238,486 (12.8%) less than the previous year. This decrease resulted from making scheduled principal and interest payments during the current and previous year.
- Parks and recreation expenses totaled \$4,846,823 this year which was \$844,292 (21.1%) more than the previous year. This year's expenditures include \$81,052 and \$407,504 in operating expenses from Shawnee Park Center and "Cape Splash" family aquatic park, respectively. This was the first year of operation for the Shawnee Park Center which opened in the spring of 2011 and the first complete year of operation for Cape Splash which opened Memorial Day of 2010. Both facilities were constructed using the parks / storm water sales tax. Total operating expense for Cape Splash was \$138,196 in the previous year.
- This year's financial statements included expenditures totaling \$137,691 from City controlled foundations that were not included in the financial statements in the previous year. This year's depreciation costs were \$837,596 which was \$338,604 (67.90%) more than previous year. This mainly resulted from equipment purchases and facility construction funded by the parks / storm water sales tax.
- Public safety expenses totaled \$12,311,981 this year which was \$271,429 (2.2%) less than the previous year. Personnel costs totaled \$10,273,710 during the current year. This was \$53,554 (.5%) more than the previous year. Personnel costs include 3 fire fighter positions that were partially funded by a grant. Associated grant revenue totaling \$61,185 is included in the City's operating grant and contribution revenue for the current year. Other grant related operating expenses declined \$91,880 (21.5%) during the current year.

## CITY OF CAPE GIRARDEAU, MISSOURI

### Expenses from governmental activities (continued)

- Public works expenses totaled \$6,956,715 this year which was \$224,864 (3.3%) more than the previous year. Included in this year's expenses is depreciation expense totaling \$4,736,008 which was \$260,113 (5.8%) more than the previous year and personnel costs totaling \$1,094,012 which was \$29,304 (2.8%) more than the previous year.

The current year includes the following significant changes in public works expenditures: (1) amounts spent on traffic control maintenance declined \$39,790 (80.1%) to \$9,886 (2) internal lease charges for equipment increased \$16,157 (8.0%) to \$218,183 (3) amount spent on street maintenance and snow removal supplies decreased \$36,177 (18.9%) to \$155,553.

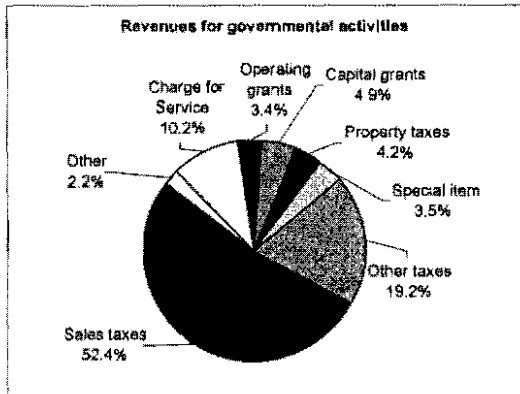


The illustration above makes it clear that all the governmental activities and business-type activities of the City with the exception of water required a subsidy by taxpayers. General revenues in these activities, which include transfers from special revenue sales taxes, were sufficient to provide adequate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



# CITY OF CAPE GIRARDEAU, MISSOURI

## Revenues by Source – Governmental Activities



The above chart summarizes the sources of revenue from government activities. The three main sources of revenue and their share of total governmental revenues are sales tax (52.4%), other taxes (19.2%) and charges for services (10.2%).

The City's general sales tax represents 36.7 percent of the total sales tax revenue and 44.7 percent of the total general fund revenues. The remaining sales taxes are for parks, storm water, transportation, sewer, water, and public safety projects.

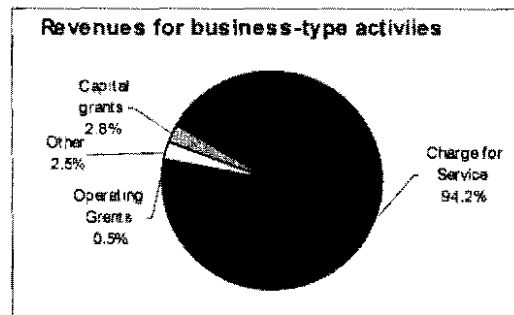
The general fund accounts for 64.9% and 29.1% of the other tax and service charge revenue respectively. This represents 29.1% and 6.9% of the total general fund revenues respectively.

**Business-type activities.** Business-type activities increased the City of Cape Girardeau's net assets by \$4,934,628 (compared to \$6,008,777 in the previous fiscal year). Excluding transfers from government activities, business-type net assets decreased \$2,120,214 and \$2,387,928, respectively, during the last two years. These decreases were offset by transfers from governmental activities totaling \$7,054,842 and \$8,396,705, respectively, during the past two years.

Transfers of sales tax revenue for bond payments totaling \$1,702,899 and operating subsidy transfers from the general and parks / storm water sales tax funds totaling \$836,147 make up 24.1% and 11.9% of this year's total transfers, respectively. Last year these transfers totaled \$1,750,307 and \$879,323, respectively and represented 20.8% and 10.5% of that year's transfers. Transfers of water system

improvements to the water fund decreased \$1,535,944 from the previous year to \$1,160,583 this year. Park and stormwater system improvements totaling \$741,272 and \$74,972 were transferred to the sewer, golf, and softball complex funds this year. Last year these transfers were \$2,552,677 and \$573,158, respectively.

The net change in assets before transfers and general revenues in the sewer, water, solid waste, golf, and softball operations totaled \$(2,035,535), \$395,503, (203,959), \$(193,381), and \$(460,232), respectively, this year. This compares to \$(2,424,206), \$107,013, 208,590, \$(401,639), and \$(437,070), respectively, in the previous year.



## Financial Analysis of the City's Funds

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

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved 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, 2011, the City's governmental funds reported combined ending fund balances of \$25,664,527, a decrease of \$1,787,829 (6.5%) from the prior year. Unassigned fund balances, which are available for spending at the City's discretion, account for \$1,248,674 (4.9%) of the total fund balances.

## CITY OF CAPE GIRARDEAU, MISSOURI

The remainder of the fund balances are classified as nonspendable, restricted, 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, 2011: (1) \$1,077,475 is classified as nonspendable because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact (2) \$21,134,654 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) \$2,200,724 is classified as assigned because its expenditure is constrained by the City's intent to use it for specific purposes.

The general fund is the chief operating fund of the City. At the end of fiscal year ending June 30, 2011, unassigned fund balance of the general fund was \$1,411,069 while total fund balance was \$6,450,686. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents only 6.0 percent of total general fund expenditures including transfers. However, included in the reserved fund balance is \$3,735,645, which had been reserved to meet the City Charter's emergency reserve requirement. This amount represents 15.8 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 \$930,338 during the current fiscal year. However, the General Fund Statement of Revenues, Expenditures, and Changes of Fund Balance prepared on a budget basis shows a current fiscal year increase of \$980,504. Differences between the amounts reflected in the two statements can be found in the Notes to Budgetary Comparison Schedules found on pages 82 to 85.

The original adopted general fund budget for the fiscal year ending June 30, 2011 had a surplus of revenues over expenditures of \$36,791. The actual general fund results increased fund balances by \$980,504. Significant deviations from this budget are detailed below:

- o Sales tax revenue was \$179,600 (2.06%) more than the previous year, which was \$141,105 (1.61%) more than projected for the adopted budget. The adopted budget projected revenues that were 1% above the projected fiscal year ending June 30, 2010 revenues. Actual revenue for fiscal year ending June 30, 2010 increased 1.55% from than the previous year while the budget had assumed it would increase only 1%.

- o Franchise tax revenue was \$513,775 (13.4%) more than the previous year. The main factor leading to this increase was a \$368,386 (13.3%) increase in revenues collected from Ameren, the City's provider of natural gas and electricity. Payments received on natural gas sales only declined \$19,468 (2.4%) from the previous year even though natural gas rates were approximately 3.5% lower during the current year. Payments received on electricity sales increased \$387,854 (19.4%) as a result of rate that averaged 13.9% higher than the previous year and summer that was hotter than the previous year

During the current year the City received payments in lieu of franchise taxes from its water and sewer funds totaling \$479,616. This was \$32,312 (7.2%) greater than the previous year. In the current year the water and sewer funds increased their residential and commercial rates by 5%.

Franchise tax paid during the current year by the City's telecommunication and cable TV service providers increased \$97,065 (39.2%) and \$16,013 (4.4%), respectively, from the previous year. During the year the City received \$49,600 in back taxes from T-Mobile.

Franchise tax revenue was \$523,500 (13.7%) more than projected for the adopted budget. Franchise taxes from telecommunications, City's water and sewer, electric utilities, cable TV exceeded their budgets by \$127,193 (58.5%), \$20,422 (4.5%), \$390,073 (2.5%), and \$1,716 (.5%), respectively. Franchise tax from natural gas utilities was \$15,904 (2.0%) below it projected budget.

- o Real estate and personal property tax revenue increased \$5,654 (.3%) over the previous year and was \$3,110 (.2%) less than the projected budget.

## CITY OF CAPE GIRARDEAU, MISSOURI

Final adjusted assessed value of real estate increased \$4,198,497 (1.0%) over the previous year while final adjusted assessed value of personal property decreased 3,420,388 (3.6%) from the previous year. The adopted budget for the fiscal year ending June 30, 2011 had assumed 1.0% and 0.0% assessed value growth, respectively. State law allowed the City to increase its levy rate by .5% during the current year.

- o Business license revenue increased \$30,348 (2.6%) over the previous year and exceeded the projected budget by \$25,591 (2.2%). The adopted budget for fiscal year ending June 30, 2011 had projected revenue that was equal to actual revenue for fiscal year ending June 30, 2009.

- o Other license and permit revenue was \$15,672 (7.2%) lower this year than the previous year and was \$16,702 (7.6%) less than projected for the budget. The decline resulted from a decline in construction related permits from the previous year.

- o Intergovernmental revenue exceeded revenue projected for the budget by \$203,254 (34.4%). This year's intergovernmental revenue included \$184,162 in revenues from various public safety capital grants and \$28,487 in disaster relief payments from state and federal agencies to make repairs to streets and other items damaged during the previous year's natural disasters.

- o Service charges were \$68,530 (4.5%) less than the previous year but were \$58,185 (4.8%) more than projected in the budget. Internal costs charged to various parks capital projects totaling \$56,908 had not been anticipated in the original budget.

- o Fines and forfeits revenue was \$181,913 (21.5%) less than the previous year and was \$168,618 (20.2%) less than projected in the budget. There was a 24.2% decrease in traffic violation cases during the years. The adopted budget for fiscal year ending June 30, 2011 had assumed revenue levels equal to year ending February 2010 levels.

- o During the current fiscal year expenditures were \$62,326 (.3%) more than original budget. Debt service and operating expenditures were less than their original budgets by \$7,394 (4.4%) and \$129,024 (.7%). Capital expenditures were \$198,744 (971.8%) more than the original budget.

- o Transfers to other funds for operating subsidies were \$16,449 (.4%) more than original budget and transfers for capital expenditures exceeded their original budgets by \$186,803 (12,051.8%).

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

### General Fund Budgetary Highlights

Total expenditures and transfers on the final amended budget were \$789,900 (3.4%) more than the original adopted budget. The changes that were appropriated by the City Council can be summarized as follows:

- o \$23,000 to cover costs associated with implementing electronic council agenda books and costs associated with a customer service survey to establish baselines for tangible results measurements.
- o \$15,000 for the cost of equipment to be used at the City's emergency operations center.
- o \$36,450 to cover the evaluation of the potential purchase of the federal courthouse and additional utility expense.
- o \$138,000 for costs related to the "Ride the City" grant, the riverboat gaming license, and other economic development costs.
- o \$130,300 for costs related to grant funded police vehicle accessories, bullet proof vests, and CERT related expenses and other police and fire operating expenses.

# CITY OF CAPE GIRARDEAU, MISSOURI

- o \$11,350 for additional electricity costs associated with the street department.
- o \$63,350 for additional part-time and overtime salary costs, unbudgeted unemployment assessments, additional utility costs, additional vehicle fuel costs, unbudgeted small equipment purchases, and other parks and recreation operating expenses.
- o \$207,300 for the purchase of land adjacent to the police station and to cover the cost of various grant funded projects.
- o \$13,150 to cover the purchase of a truck from the Water Fund and improvements to the mausoleum.
- o \$95,000 general fund transfers to cover shortfalls in the Airport, Softball Complex and Public Safety Trust Funds.
- o \$30,000 general fund transfers to cover the city's portion of costs associated with grants in Housing Development Grants and Park Improvement Funds.
- o \$27,000 general fund transfer to the Equipment Replacement Fund to transfer proceeds of the city auction.

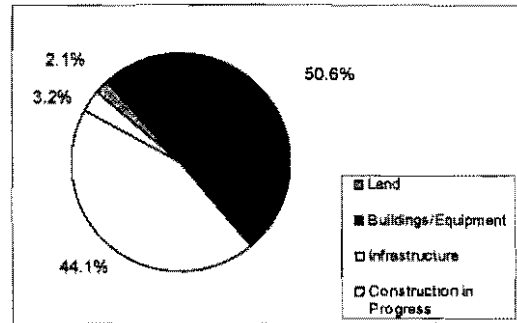
Excess general fund revenues and unrestricted fund balances were used to fund all appropriations that did not have an identified funding source.

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, 2011, amounts to \$263,067,492 (net of accumulated depreciation). This investment in capital assets includes all land, buildings and system improvements, machinery and equipment, and infrastructure owned by the City.

**City Capital Assets**



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

- o Construction costs totaling \$3,775,170 on approved transportation sales tax projects were incurred this year. This tax was originally approved to complete a specific list of street projects, which also included amounts for street repair and overlay, sidewalk construction and repair, and street light installation and upgrades. \$72,266 in costs was also incurred during the year on street projects not included on the transportation sales tax list of projects.
- o Construction costs totaling \$1,428,322 on water system projects were incurred this year. Major water system improvements included the installation of platforms, foundations, power supplies and controls to four new wells, the addition of water main extensions, the continuation of the two-inch water main replacement program and the upgrade to the Route W Booster Pump.
- o Construction costs totaling \$18,940 were incurred for other improvements. These projects included flood and storm water control projects and police and fire station improvements.

**CITY OF CAPE GIRARDEAU, MISSOURI**

City of Cape Girardeau's Capital Assets (net of depreciation)						
	Governmental Activity		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	5,402,766	5,375,506	161,989	161,990	5,564,755	5,537,496
Buildings and system improvements	23,668,979	18,493,406	2,701,428	2,089,527	26,370,407	20,582,933
Improvements other than buildings	11,026,806	11,666,628	85,489,842	86,516,462	96,516,648	98,183,090
Equipment	5,785,693	6,082,188	4,515,275	5,049,330	10,300,968	11,131,518
Infrastructure	116,018,659	115,973,947	-	-	116,018,659	115,973,947
Construction in progress	2,632,693	5,931,992	5,663,362	4,646,538	8,298,055	10,578,530
<b>Total</b>	<b>164,535,596</b>	<b>163,523,667</b>	<b>98,531,896</b>	<b>98,463,847</b>	<b>263,067,492</b>	<b>261,987,514</b>

- o Major improvements to the Airport's Airfield, South Ramp and Taxiway amounted to \$98,834 in construction costs. These were primarily funded by an American Reinvestment and Recovery Act grant and State Entitlement money.
- o Through the Department of Energy another ARRA grant was received to implement energy efficiency and conservation. Two projects were funded: the installation of a new roof at the main fire station and the purchase and installation of 104 new LED streetlights.

- o These projects cost \$147,989 and \$87,540 respectively.
- o Department of Transportation funds were used to partially fund the \$278,791 spent to expand the City's trail system.
- o In April 2008 voters approved a ½ cent sales tax to pay for storm water and park improvement projects. \$74,128 and \$3,760,783 were spent respectively during the current year on these projects.

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

## CITY OF CAPE GIRARDEAU, MISSOURI

City of Cape Girardeau's Outstanding Debt						
Year ended 2011						
	Governmental		Business-type		Total	
	Activity		Activities			
	2011	2010	2011	2010	2011	2010
Notes payable	692,646	737,605	870,117	930,125	1,562,763	1,667,730
Special obligation bonds	4,839,002	5,661,524	1,150,626	1,289,046	5,989,628	6,950,570
Revenue bonds	16,218,078	16,362,923	22,961,375	25,770,915	39,179,453	42,133,838
Certificates of participation	-	2,100,173	-	-	-	2,100,173
General obligation bonds	-	-	-	-	-	-
Leasehold revenue bonds	16,233,412	18,602,621	-	-	16,233,412	18,602,621
	37,983,138	43,464,846	24,982,118	27,990,086	62,965,256	71,454,932

Long-term debt. At the end of the fiscal year, the City of Cape Girardeau had total debt outstanding of \$62,965,255. Bonded debt outstanding totaling \$39,179,453 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 debt decreased by \$8,489,676 (-11.9%) during the year. During the previous year the City received a \$1,000,000 ARRA direct loan commitment from the State of Missouri to be used to complete the new raw water transmission main. At the end of the current year the City had used the entire \$1,000,000 commitment.

During the year the City used proceeds from the sale of land to the Isle of Capri and debt service reserves to prepay \$1,960,000 of the 2001 Certificates of Participation. These certificates had originally been issued to construct a manufacturing facility at the Cape Girardeau Regional Airport.

Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$6,952,382.

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

## CITY OF CAPE GIRARDEAU, MISSOURI

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### **Economic Factors and the Next Year's Budget**

Residential development reflects the national economy. Values of residential permits issued during the year were 37.5% below the previous year's values and was 81.4% below, fiscal year ending June 30, 2007 values. Commercial development remains steady. Values of commercial permits issued during the year were 13.1% above the previous year's values and was only 8.7% below, fiscal year ending June 30, 2007 values.

Commercial and residential permits valued at \$30.2 million and \$5.1 million were issued this year. Commercial and residential permits valued at \$26.7 million and \$8.1 million were issued in the previous year. Only 19 single family residence building permits totaling \$2,760,860 were issued during the current year compared to 34 totaling \$5,222,898 in the previous year.

Local employment continues to be stronger than state and national employment. The Cape Girardeau County unadjusted unemployment rate was only 6.7% in October 2011. This compares favorably with the statewide and national unadjusted unemployment rates which were of 8.5% and 9.0% respectively. The unemployment rates were 7.3%, 9.4% and 9.6% for the county, state, and nation, respectively, for the previous October. City construction projects related to its transportation sales tax and parks and storm water sales provide significant support to local construction employment.

During the year Blair Best Box purchased a commercial facility previously occupied by Thorngate Ltd., a high-end men's clothing manufacturer that had ceased operations at its Cape Girardeau plant. Blair Best Box made a \$2.5 investment in the property and hired approximately 60 people to make recyclable packaging.

In October 2010 TJ Maxx opened a store in the former Goody's store that had been vacant for more 1.5 years. This store produced an additional 30 jobs.

Construction has also begun on an \$8 million retail facility that will house Menards, a home improvement store. The new store is expected to employ approximately 150 people.

In December 2010 the Isle of Capri announced plans for a \$125 million casino development in the downtown area. Construction on the project began this spring and should be completed and operational by December 2012. The development should employ approximately 450 people and produce an estimated \$3 million of additional annual tax revenue for the City after its opening.

During the year the City continued to enhance its position as a regional medical center. Both hospitals have recently opened major new facilities. SoutheastHEALTH opened a new Cancer Center and Saint Francis Medical Center opened a Heart Hospital and Cancer Institute.

Taxable sales subject to the City's general sales tax increased 2.06% during the current year. Since the City is heavily dependent on sales tax revenue for support of its general fund services, any growth of local retail sales can have a positive impact on the City's ability to fund services in the future.

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

Improving 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 2.1% while inflation grew at 1.8%. In the previous year sales tax revenue from the general sales tax increased 1.6% while inflation grew at .8%.

Although there has been some sales tax revenue increase during the past 3 years, there has been very little cumulative growth during those years. Sales tax revenue for the fiscal year ending June 30, 2011 was only 2.0% more than it was for the fiscal year ending June 30, 2008. During that timeframe inflation averaged increasing 1.5% per year.

The City's restaurant gross receipt tax and hotel/motel gross receipt tax increased 4.6% and 7.3%, respectively, during the current year. In the previous year they increased 2.5% and decreased 12.0%, respectively.

# CITY OF CAPE GIRARDEAU, MISSOURI

Regional retail center. Through most of the 1990's Cape Girardeau continued to be a regional retail center for much of Southeast Missouri and Southern Illinois. During the latter part of the 1990's Cape Girardeau began to lose its share of the retail market to other cities in the region as these cities added additional retail outlets in their communities.

<u>SALES TAX COMPARISON</u>				
	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
Cape Girardeau	41.2%	41.1%	41.7%	41.9%
Carbondale	28.6%	27.7%	27.9%	27.9%
Jackson	9.9%	9.9%	9.5%	9.6%
Perryville	7.1%	7.4%	7.4%	7.2%
Sikeston	13.2%	13.9%	13.5%	13.4%
	100.0%	100.0%	100.0%	100.0%

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

### Local Economic Development.

During the current year the City provided \$50,000 of public improvements associated with the new TJ Maxx store and entered into a development agreement that will pay up to \$2 million dollars for public improvements at the new Menards store. These improvements will be paid from additional sales tax generated from this project.

In the previous 7 years the City has entered into 3 long-term development agreements to reimburse companies for the public improvements associated with 3 retail development projects from the additional sales tax generated from those projects. The agreements have resulted in the addition of one major new retailer, the relocation and expansion of another major retailer, and in the conversion of a former Sears's facility into a call center for National Asset Recover Services (NARS).

Payment made by the City pursuant to these agreements totaled \$164,415 during the current

year. Payments totaling \$971,414 have been made since the beginning of these agreements.

During the year the City spent \$64,702 in support of Cape Girardeau Area Magnet, as a result of their membership in that organization. This organization actively solicits business, industry and commerce for the greater Cape Girardeau area which includes neighboring cities Jackson and Scott City and all of Cape Girardeau County.

Budget for fiscal year ending June 30, 2012 and financial condition. The adopted general fund budget for the fiscal year ending June 30, 2012, was projected to produce a \$2,229 surplus.

The adopted general fund budget included a 2% wage increase effective July 1, 2011 and included projected revenue based on conservative revenue assumptions. The approved general fund budget projected adequate revenue to cover its projected personnel and operating costs and \$64,990 in capital costs.

The current budget's health costs appear to have stabilized as a result of a change to a more consumer based health coverage beginning January 1, 2008. Charges required to fund maximum estimated claims did not increase January 1, 2011 and will only increase 3.0% on January 1, 2012.

The City's current financial position had improved during the past couple of years and is good in that it has more than adequate fund balance to cover existing claims and potential emergencies. However, its financial condition or its ability to provide enough reoccurring revenues to meet its reoccurring needs is still less than desirable. Funding of equipment for the general and airport funds, excluding police, fire, and various park divisions is still inadequate.

### **Requests for Information**

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



## BASIC FINANCIAL STATEMENTS

City of Cape Girardeau  
Statement of Net Assets  
For the Year Ended June 30, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,367,824.74	\$ 363,724.18	\$ 3,731,548.92
Investments	23,240,724.16	7,917,950.07	31,158,674.23
Taxes receivable	4,421,245.09	-	4,421,245.09
Utility charges receivable	-	2,174,491.83	2,174,491.83
Special assessments receivable	486,463.02	63,722.24	550,185.26
Interest receivable	114,847.67	35,884.62	150,732.29
Other receivables	327,435.60	23,417.42	350,853.02
Notes receivable	246,642.86	-	246,642.86
Motor fuel receivable	116,155.53	-	116,155.53
Grants receivable	596,803.40	69,478.40	666,281.80
Internal balances	534,598.73	(534,598.73)	-
Inventory	221,604.26	476,998.38	698,602.64
Prepaid items	585,068.40	205,934.59	791,002.99
Restricted cash and cash equivalents	-	2,253,958.29	2,253,958.29
Restricted investments	-	3,370,474.34	3,370,474.34
Land	5,402,765.51	161,989.55	5,564,755.06
Buildings	23,668,979.26	2,701,428.03	26,370,407.29
Other improvements	11,026,806.39	85,489,841.64	96,516,648.03
Equipment	5,785,692.46	4,515,275.42	10,300,967.88
Infrastructure	116,018,658.69	-	116,018,658.69
Construction in process	2,632,693.28	5,663,362.10	8,296,055.38
<b>Total assets</b>	<b>\$ 198,795,009.05</b>	<b>\$ 114,953,332.37</b>	<b>\$ 313,748,341.42</b>

City of Cape Girardeau  
Statement of Net Assets  
For the Year Ended June 30, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 1,967,047.47	\$ 1,328,203.75	\$ 3,295,251.22
Salaries and benefits payable	657,364.96	177,603.10	834,968.06
Interest payable	551,578.62	446,201.35	997,779.97
Other liabilities	248,642.09	582,643.53	831,285.62
Estimated claims	298,000.00	-	298,000.00
Due to other governments	2,206.77	63,983.68	66,190.45
Unearned revenues	67,967.60	-	67,967.60
Estimated landfill post closure costs	-	45,500.00	45,500.00
Current portion long-term debt:			
Notes payable	25,122.00	30,004.00	55,126.00
Revenue bonds payable	1,235,800.00	3,203,000.00	4,438,800.00
Leasehold revenue bonds payable	1,895,000.00	-	1,895,000.00
Special obligation bonds payable	835,000.00	130,000.00	965,000.00
Long-term debt net of current portion:			
Notes payable	667,524.22	840,113.00	1,507,637.22
Revenue bonds payable	14,982,278.23	19,758,374.27	34,740,652.50
Leasehold revenue bonds payable	14,338,411.84	-	14,338,411.84
Special obligation bonds payable	4,004,001.51	1,020,626.43	5,024,627.94
Compensated absences payable	816,676.02	131,343.37	948,019.39
Net OPEB Obligation	1,962,477.00	264,504.00	2,226,981.00
<b>Total liabilities</b>	<b>44,555,098.33</b>	<b>28,022,100.48</b>	<b>72,577,198.81</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	127,938,045.12	73,723,340.65	201,661,385.77
Restricted for debt service	21,529.13	1,121,666.67	1,143,195.80
Restricted for depreciation and replacement	-	1,577,000.00	1,577,000.00
Restricted for emergency fund	4,910,136.00	1,934,372.00	6,844,508.00
Restricted for Mausoleum	90,265.62	-	90,265.62
Restricted for River Campus Project	107,923.84	-	107,923.84
Restricted for Local Access Channel	4,754.91	-	4,754.91
Restricted for Operation and Maintenance	13,170.76	-	13,170.76
Unrestricted	21,154,085.34	8,574,852.57	29,728,937.91
<b>Total net assets</b>	<b>\$ 154,239,910.72</b>	<b>\$ 86,931,231.89</b>	<b>\$ 241,171,142.61</b>

City of Cape Girardeau  
Statement of Activities  
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
Administrative	\$ 5,505,788.20	\$ 1,582,862.40	\$ 228,385.88	\$ 50,368.31	\$ (3,644,189.61)	\$ -	\$ (3,644,189.61)
Capital Improvements	432,898.81	-	-	763,703.25	331,004.64	-	331,004.64
Development Services	3,032,909.13	802,589.47	688,542.34	-	(1,541,777.32)	-	(1,541,777.32)
Interest and other costs	1,622,589.48	-	-	-	(1,622,589.46)	-	(1,622,589.46)
Parks and Recreation	4,848,822.47	1,430,198.88	40,306.88	174,348.51	(3,201,970.60)	-	(3,201,970.60)
Public Safety	12,311,981.43	788,219.20	488,323.23	143,290.50	(10,914,148.50)	-	(10,914,148.50)
Public works	8,956,714.64	140,039.48	138,288.24	1,121,283.57	(5,557,123.35)	-	(5,557,123.35)
<b>Total governmental activities</b>	<b>34,709,481.94</b>	<b>4,723,907.23</b>	<b>1,581,808.37</b>	<b>2,252,992.14</b>	<b>(26,150,774.20)</b>	<b>-</b>	<b>(26,150,774.20)</b>
<b>Business-type Activities:</b>							
Golf Course	697,753.49	485,149.23	-	19,222.90	-	(193,381.36)	(193,381.36)
Sewer	5,910,891.12	3,713,799.35	58,934.65	104,822.41	-	(2,035,534.71)	(2,035,534.71)
Softball Complex	879,193.51	218,485.82	-	476.17	-	(460,231.52)	(460,231.52)
Solid Waste	3,381,138.88	3,175,858.13	1,319.51	-	-	(203,959.24)	(203,959.24)
Water	8,327,558.19	6,419,796.50	10,420.30	292,844.01	-	395,502.62	395,502.62
<b>Total business-type activities</b>	<b>16,996,533.19</b>	<b>14,013,089.03</b>	<b>68,674.48</b>	<b>417,185.49</b>	<b>-</b>	<b>(2,497,604.21)</b>	<b>(2,497,604.21)</b>
<b>Total primary government</b>	<b>\$ 51,706,015.13</b>	<b>\$ 18,736,996.28</b>	<b>\$ 1,650,482.83</b>	<b>\$ 2,870,157.63</b>	<b>(26,150,774.20)</b>	<b>(2,497,604.21)</b>	<b>(28,648,378.41)</b>

City of Cape Girardeau  
Statement of Activities  
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
		General revenues:					
		Property taxes			1,954,759.00	-	1,954,759.00
		Sales taxes			24,262,758.68	-	24,262,758.68
		Franchise taxes			4,351,897.33	-	4,351,897.33
		Motor fuel taxes			1,355,945.43	-	1,355,945.43
		Convention and tourism taxes			1,786,534.92	-	1,786,534.92
		Merchant licenses			1,188,590.81	-	1,188,590.81
		Liquor licenses			64,927.57	-	64,927.57
		Other taxes			167,345.35	-	167,345.35
		Unrestricted grants and contributions			109,286.77	-	109,286.77
		Unrestricted investment earnings			623,241.19	321,153.52	944,394.71
		Gain on sale of assets			286,697.98	55,005.93	341,703.91
		Other non-operating revenue			-	1,230.61	1,230.61
		Special item			1,628,343.32	-	1,628,343.32
		Transfers			(7,054,841.98)	7,054,841.98	-
		Total general revenues			30,703,486.37	7,432,232.04	38,135,718.41
		Change in net assets			4,552,712.17	4,934,627.83	9,487,340.00
		Net assets - beginning			149,702,202.29	82,004,748.65	231,706,950.94
		Prior period adjustment			(15,003.74)	(8,144.59)	(23,148.33)
		Net assets - ending			\$ 154,239,910.72	\$ 86,931,231.89	\$ 241,171,142.61

FUND FINANCIAL STATEMENTS

City of Cape Girardeau  
Balance Sheet  
Governmental Funds  
For the Year Ended June 30, 2011

	General	Airport	Park and Recreation	Trans Sales Tax Trust Fund III	Park Proj from Parks Sales Tax	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 150,571.46	\$ 2,137.06	\$ 31,849.70	\$ 257,843.68	\$ 244,685.41	\$ 2,475,207.63	\$ 3,162,294.94
Investments	3,092,870.66	47,386.62	692,099.47	5,670,913.85	965,441.03	8,280,233.72	18,748,945.35
Receivables-							
Real estate taxes, net	54,511.65	-	-	-	-	17,168.02	71,679.67
Personal property taxes, net	10,167.31	-	-	-	-	1,902.51	12,069.82
Sales tax	887,281.55	-	-	-	-	1,537,144.55	2,424,426.10
Franchise taxes	1,758,484.52	-	-	-	-	-	1,758,484.52
Hotel & motel tax	-	-	-	-	-	59,589.95	59,589.95
Restaurant tax	-	-	-	-	-	94,995.03	94,995.03
Special assessments	101,528.73	-	-	-	-	384,934.29	486,463.02
Other	87,541.15	157,074.47	60,246.80	8,932.13	682.50	3,126.31	317,603.36
Interest	10,404.33	167.74	2,558.98	20,458.30	17,136.26	48,867.91	99,593.52
Motor fuel tax	-	-	-	-	-	84,170.57	84,170.57
Vehicle license fees	-	-	-	-	-	12,192.20	12,192.20
Motor vehicle sales tax	-	-	-	-	-	19,792.76	19,792.76
Grants	317,675.81	89,125.28	-	57,790.62	-	131,446.69	596,038.40
Other funds	285,059.02	-	-	-	-	-	285,059.02
Inventory	195.75	29,980.71	7,913.45	-	-	12,230.14	50,320.05
Prepaid items	125,999.25	16,722.00	2,871.41	-	-	13,941.04	159,533.70
<b>Total Current assets:</b>	<b>6,882,291.19</b>	<b>342,593.88</b>	<b>797,539.81</b>	<b>6,015,938.58</b>	<b>1,227,945.20</b>	<b>13,176,943.32</b>	<b>28,443,251.98</b>
<b>Noncurrent assets:</b>							
Advances to other funds	916,441.97	-	-	-	-	-	916,441.97
<b>Total Noncurrent assets:</b>	<b>916,441.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>916,441.97</b>
<b>Total assets</b>	<b>\$ 7,798,733.16</b>	<b>\$ 342,593.88</b>	<b>\$ 797,539.81</b>	<b>\$ 6,015,938.58</b>	<b>\$ 1,227,945.20</b>	<b>\$ 13,176,943.32</b>	<b>\$ 29,359,693.95</b>

City of Cape Girardeau  
Balance Sheet  
Governmental Funds  
For the Year Ended June 30, 2011

	General	Airport	Park and Recreation	Trans Sales Tax Trust Fund III	Park Proj from Parks Sales Tax	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND</b>							
<b>BALANCES</b>							
Current liabilities:							
Accounts payable	\$ 495,651.09	\$ 125,549.06	\$ 215,158.72	\$ 203,275.48	\$ 394,522.47	\$ 365,901.49	\$ 1,800,058.31
Salaries and benefits payable	443,609.80	22,107.73	98,190.95	-	-	4,810.31	568,718.79
Other liabilities	176,551.23	47,559.55	20,081.27	-	-	4,450.17	248,642.22
Due to other governments	-	-	-	-	-	2,206.64	2,206.64
Payable to other funds	-	-	-	-	-	285,059.02	285,059.02
Unearned revenues	17,000.00	1,694.00	49,273.60	-	-	-	67,967.60
Deferred revenues	215,234.65	-	-	-	-	507,279.32	722,513.97
Total Current liabilities:	1,348,046.77	196,910.34	382,704.54	203,275.48	394,522.47	1,169,706.95	3,695,166.55
Non current liabilities:							
Advances from other funds	-	-	-	-	-	-	-
Total Non current liabilities:	-	-	-	-	-	-	-
Total liabilities	1,348,046.77	196,910.34	382,704.54	203,275.48	394,522.47	1,169,706.95	3,695,166.55
Fund balances:							
Nonspendable	1,044,541.22	16,722.00	2,871.41	-	-	13,340.04	1,077,474.67
Restricted	3,828,565.53	-	-	5,812,663.10	833,422.73	10,663,003.14	21,137,654.50
Assigned	166,510.21	128,961.54	411,963.86	-	-	1,493,288.36	2,200,723.97
Unassigned	1,411,069.43	-	-	-	-	(162,395.17)	1,248,674.26
Total fund balances	6,450,686.39	145,683.54	414,835.27	5,812,663.10	833,422.73	12,007,236.37	25,664,527.40
Total liabilities and fund balances	\$ 7,798,733.16	\$ 342,593.88	\$ 797,539.81	\$ 6,015,938.58	\$ 1,227,945.20	\$ 13,176,943.32	\$ 29,359,693.95



City of Cape Girardeau  
 Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Assets  
 For the Year Ended June 30, 2011

Fund balances of governmental funds	\$ 25,664,527.40
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(39,416,998.31)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$67,509,949.27.	162,694,571.98
Internal service funds are used by management to charge the costs of management information systems, fleet management, employee fringe benefits, workmen's compensation, and equipment replacement to individual funds.	5,980,586.01
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	722,513.97
Other accrued expenses which are not payable from current-period revenues are included in governmental activities in the statement of net assets.	(1,405,290.33)
Net assets of governmental activities	\$ 154,239,910.72

City of Cape Girardeau  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2011

	General	Airport	Park and Recreation	Trans Sales Tax Trust Fund III	Park Projects from Parks Sales Tax	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 15,080,989.21	\$ -	\$ -	\$ 2,810,513.33	\$ -	\$ 14,853,164.54	\$ 32,544,887.08
Licenses & permits	1,388,588.45	-	-	-	-	7,398.00	1,395,986.45
Intergovernmental	828,782.27	220,583.14	-	894,125.55	-	3,086,837.38	5,038,418.34
Charges for services	275,388.93	327,804.94	1,155,058.11	-	-	58,530.24	1,816,782.22
Internal charges	1,100,161.53	-	803.32	-	-	-	1,100,964.85
Fines and forfeits	857,413.38	-	-	-	-	-	857,413.38
Miscellaneous	486,014.95	208,567.12	14,565.88	-	-	81,119.72	780,267.47
Investment revenue	88,888.52	704.34	8,793.31	118,662.72	27,865.41	284,076.69	537,880.98
Special assessments	19,649.37	-	-	-	-	137,036.42	156,685.79
<b>Total revenues</b>	<b>19,904,998.61</b>	<b>757,639.54</b>	<b>1,179,220.42</b>	<b>3,821,301.60</b>	<b>27,865.41</b>	<b>18,536,260.99</b>	<b>44,029,084.57</b>
<b>EXPENDITURES</b>							
Current:							
Administrative	1,744,858.13	1,152,193.33	-	-	-	1,937,528.88	4,834,380.14
Capital Improvements	-	-	-	-	19,355.18	-	19,355.18
Development Services	2,026,847.18	-	-	60,949.78	-	878,281.24	3,069,078.18
Parks and Recreation	1,788,440.35	-	2,091,282.49	-	-	112,910.13	3,873,832.97
Public Safety	11,381,171.42	-	-	-	-	308,928.82	11,890,100.34
Public Works	2,227,359.07	-	-	-	-	-	2,227,359.07
Debt Service:							
Administrative charges	1,091.79	-	-	-	-	67,488.53	68,580.32
Interest	87,381.52	-	-	-	-	1,533,543.66	1,600,905.18
Principal	91,000.00	-	-	-	-	5,788,558.78	5,880,558.78
Capital outlay	159,755.10	-	17,409.25	3,439,347.98	3,780,762.96	2,833,608.35	10,010,801.64
<b>Total expenditures</b>	<b>19,470,864.56</b>	<b>1,152,193.33</b>	<b>2,108,691.74</b>	<b>3,500,297.72</b>	<b>3,780,138.14</b>	<b>13,382,846.29</b>	<b>43,374,651.78</b>
Excess (deficiency) of revenues over expenditures	434,134.05	(394,553.79)	(929,471.32)	121,003.88	(3,752,472.73)	5,175,414.70	654,232.79
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	(4,207,841.45)	(281,782.00)	(1,818.52)	-	(248,384.19)	(12,094,376.67)	(16,813,980.83)
Transfers in	4,877,316.77	723,824.25	1,088,898.25	350,000.00	415,363.62	4,480,417.88	11,733,740.77
Bond proceeds	-	-	-	-	-	422,706.30	422,706.30
Asset disposition	26,350.92	47.50	8,274.98	-	-	250,791.00	285,464.40
<b>Total other financing sources and uses</b>	<b>496,026.24</b>	<b>481,889.75</b>	<b>1,088,454.71</b>	<b>350,000.00</b>	<b>187,019.43</b>	<b>(6,940,481.48)</b>	<b>(4,372,069.36)</b>
<b>Net Change in fund balances before special item</b>	<b>930,338.29</b>	<b>67,335.96</b>	<b>163,985.39</b>	<b>471,003.88</b>	<b>(3,585,453.30)</b>	<b>(1,765,046.79)</b>	<b>(3,717,836.57)</b>
Special item	-	-	-	-	-	1,828,343.32	1,828,343.32
<b>Net Change in fund balances after special item</b>	<b>930,338.29</b>	<b>67,335.96</b>	<b>163,985.39</b>	<b>471,003.88</b>	<b>(3,585,453.30)</b>	<b>(136,703.47)</b>	<b>(2,089,493.25)</b>
Fund balances - beginning	5,520,348.11	89,852.86	250,849.88	5,341,859.22	4,418,878.03	12,145,498.34	27,787,084.44
Prior period adjustment	(0.01)	(11,505.28)	-	-	-	(1,558.50)	(13,063.79)
<b>Fund balances - ending</b>	<b>\$ 6,450,688.39</b>	<b>\$ 145,883.54</b>	<b>\$ 414,835.27</b>	<b>\$ 5,812,863.10</b>	<b>\$ 833,422.73</b>	<b>\$ 12,007,236.37</b>	<b>\$ 25,664,527.40</b>

City of Cape Girardeau  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2011

Net change in fund balances -total governmental funds	\$ (2,089,493.25)
Amounts reported for governmental activities in the statement of activities are different because:	
Reductions of debt are reported in the fund financial statements as an expense but are not included in the government wide statement of activities.	4,941,166.00
Governmental fund report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	1,045,553.37
Internal service funds are used by management to charge the costs of management information systems, fleet management, employee fringe benefits, workmen's compensation, and equipment replacement to individual funds.	674,133.26
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	(112,947.47)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	94,300.25
Change in net assets of governmental activities	<u>\$ 4,552,712.17</u>

City of Cape Girardeau  
Statement of Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2011

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Gov. Activities Internal Service Funds
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 141,428.47	\$ 155,955.63	\$ 56,942.91	\$ 3,687.61	\$ 5,709.56	\$ 363,724.18	\$ 205,529.80
Investments	3,068,987.79	3,397,856.35	1,245,985.09	80,719.37	124,401.47	7,917,950.07	4,491,778.81
Utilities charges, net	858,593.20	883,287.37	432,611.26	-	-	2,174,491.83	-
Special assessments	47,809.21	15,913.03	-	-	-	63,722.24	-
Other	21,133.97	428.01	2.62	1,773.17	79.65	23,417.42	9,832.24
Notes receivable	-	-	-	-	-	-	246,642.86
Interest	8,167.85	22,454.91	4,507.43	297.13	457.30	35,884.62	15,254.15
Grants	56,996.53	10,850.41	1,319.51	-	311.95	69,478.40	765.00
Inventory	-	454,499.78	-	6,514.74	15,983.86	476,998.38	171,284.21
Prepaid items	101,196.47	77,426.03	26,513.82	656.92	141.35	205,934.59	96,251.96
<b>Total Currents assets:</b>	<b>4,304,313.49</b>	<b>5,018,671.52</b>	<b>1,767,882.64</b>	<b>93,648.94</b>	<b>147,085.14</b>	<b>11,331,601.73</b>	<b>5,237,339.03</b>
<b>Noncurrent assets:</b>							
Rest Cash and Cash Equivalents	2,138,838.49	114,946.02	173.78	-	-	2,253,958.29	-
Rest Investments	137,787.49	3,227,871.95	4,814.90	-	-	3,370,474.34	-
Land	49,750.00	-	112,239.55	-	-	161,989.55	37,500.00
Buildings	8,078,346.00	223,646.63	1,051,146.72	140,253.00	931,264.25	10,424,656.60	53,906.45
Equipment	3,233,150.07	1,962,248.77	3,616,293.99	134,468.93	148,376.37	9,094,538.13	4,588,507.14
Other improvements	70,319,679.35	48,170,888.46	333,132.92	1,972,744.42	1,557,642.35	122,354,087.50	155,653.19
Construction in progress	1,693,214.01	3,951,424.19	7,391.00	11,332.90	-	5,663,362.10	10,526.18
Accumulated depreciation	(32,642,779.34)	(13,346,935.86)	(2,422,746.64)	(601,478.45)	(152,796.85)	(49,166,737.14)	(3,005,069.35)
<b>Total Noncurrent assets:</b>	<b>53,007,986.07</b>	<b>44,304,090.16</b>	<b>2,702,446.22</b>	<b>1,657,320.80</b>	<b>2,484,486.12</b>	<b>104,156,329.37</b>	<b>1,841,023.61</b>
<b>Total assets</b>	<b>\$ 57,312,299.56</b>	<b>\$ 49,322,761.68</b>	<b>\$ 4,470,328.86</b>	<b>\$ 1,750,969.74</b>	<b>\$ 2,631,571.26</b>	<b>\$ 115,487,931.10</b>	<b>\$ 7,078,362.64</b>

City of Cape Girardeau  
Statement of Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2011

**Business-type Activities - Enterprise Funds**

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Gov. Activities Internal Service Funds
<b>LIABILITIES</b>							
<b>Current liabilities:</b>							
Accounts payable	\$ 464,113.95	\$ 644,742.13	\$ 130,187.21	\$ 20,185.59	\$ 68,974.87	\$ 1,328,203.75	\$ 166,989.16
Salaries and benefits payable	105,566.24	17,208.62	70,218.41	48,856.12	67,097.08	308,946.47	51,373.00
Interest payable	393,454.47	35,600.00	17,146.88	-	-	446,201.35	237.50
Other liabilities	248,037.79	220,018.82	105,265.42	9,321.50	-	582,643.53	-
Estimated claims payable	-	-	-	-	-	-	298,000.00
Due to other governments	18,729.97	45,253.71	-	-	-	63,983.68	-
Deferred revenues	-	-	-	-	-	-	-
Payable to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Notes Payable	6,750.00	-	23,254.00	-	-	30,004.00	-
Revenue bonds payable	2,238,000.00	965,000.00	-	-	-	3,203,000.00	-
Special oblig bonds payable	-	-	130,000.00	-	-	130,000.00	40,000.00
<b>Total Current liabilities:</b>	<b><u>3,474,852.42</u></b>	<b><u>1,927,823.28</u></b>	<b><u>476,071.92</u></b>	<b><u>78,363.21</u></b>	<b><u>136,071.95</u></b>	<b><u>6,092,982.78</u></b>	<b><u>556,599.66</u></b>
<b>Noncurrent liabilities:</b>							
Net OPEB Obligation	124,171.00	22,186.00	81,120.00	27,999.00	9,028.00	264,504.00	118,419.00
Advances from other funds	-	-	582,817.85	191,135.80	142,488.32	916,441.97	-
Notes Payable	189,000.00	-	651,113.00	-	-	840,113.00	-
Revenue bonds payable	18,040,378.66	1,717,995.61	-	-	-	19,758,374.27	-
Special oblig bonds payable	-	-	1,020,626.43	-	-	1,020,626.43	40,914.73
Est landfill post closure cost	-	-	45,500.00	-	-	45,500.00	-
<b>Total Non current liabilities:</b>	<b><u>18,353,549.66</u></b>	<b><u>1,740,181.61</u></b>	<b><u>2,381,177.28</u></b>	<b><u>219,134.80</u></b>	<b><u>151,516.32</u></b>	<b><u>22,845,559.67</u></b>	<b><u>159,333.73</u></b>
<b>Total liabilities</b>	<b><u>21,828,202.08</u></b>	<b><u>3,668,004.89</u></b>	<b><u>2,857,249.20</u></b>	<b><u>297,498.01</u></b>	<b><u>287,588.27</u></b>	<b><u>28,938,542.45</u></b>	<b><u>715,933.39</u></b>
<b>NET ASSETS</b>							
Invested in capital assets, net of related	30,337,528.43	38,347,025.74	896,979.56	1,657,320.80	2,484,486.12	73,723,340.65	1,761,155.41
Restricted for debt service	-	1,121,666.67	-	-	-	1,121,666.67	-
Restricted for depr and replacement	127,000.00	1,450,000.00	-	-	-	1,577,000.00	-
Restricted for emergency fund	557,193.00	892,481.00	484,698.00	-	-	1,934,372.00	-
Unrestricted	4,462,376.05	3,843,583.38	231,402.10	(203,849.07)	(140,503.13)	8,193,009.33	4,601,273.84
<b>Total net assets</b>	<b><u>\$ 35,484,097.48</u></b>	<b><u>\$ 45,654,756.79</u></b>	<b><u>\$ 1,613,079.66</u></b>	<b><u>\$ 1,453,471.73</u></b>	<b><u>\$ 2,343,982.99</u></b>	<b><u>86,549,388.65</u></b>	<b><u>\$ 6,362,429.25</u></b>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds' net assets of business-type activities						381,843.24	
						<b><u>\$ 86,931,231.89</u></b>	

**City of Cape Girardeau**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

	<u>Sewer</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Golf Course</u>	<u>Softball Complex</u>	<u>Total Proprietary Funds</u>	<u>Gov. Activities Internal Service Funds</u>
<b>Operating revenues:</b>							
Residential charges	\$ 2,140,334.16	\$ 3,681,020.99	\$ 2,139,499.36	\$ -	\$ -	\$ 7,960,854.51	\$ -
Commercial charges	1,442,862.73	2,558,351.67	32,099.33	-	-	4,033,313.73	-
Transfer station charges	-	-	696,156.05	-	-	896,156.05	-
Other fees and charges	52,797.16	163,537.72	84,177.95	-	-	300,512.85	-
Concession revenues	-	-	-	36,360.63	54,935.11	91,295.74	-
Internal charges	7,315.28	-	-	-	3,715.65	11,030.93	5,404,066.40
Usage fees	-	-	-	447,242.45	152,984.05	600,226.50	-
Miscellaneous	813.19	18,686.12	23,925.44	1,546.15	6,851.01	50,021.91	1,207.90
<b>Total operating revenues</b>	<u>3,644,122.54</u>	<u>6,419,796.50</u>	<u>3,175,858.13</u>	<u>465,149.23</u>	<u>218,485.62</u>	<u>13,943,412.22</u>	<u>5,405,274.30</u>
<b>Operating expenses:</b>							
Personnel services	1,605,017.96	153,003.94	1,040,664.58	390,235.23	448,086.34	3,637,030.05	784,251.99
Materials & supplies	481,564.29	1,152,079.39	237,004.86	96,169.42	129,187.90	2,076,025.86	374,160.13
Contractual services	772,605.60	2,711,392.47	1,279,638.16	26,355.38	12,776.90	4,804,768.71	3,154,001.51
General operating expenses	203,355.92	340,198.82	31,776.46	8,966.08	12,777.43	597,076.51	34,499.27
Special programs	15,670.62	252,493.81	78,560.34	8,636.10	32,014.90	387,795.97	-
Internal service expenses	167,383.94	101,852.68	240,213.26	44,965.49	24,486.67	578,904.24	3,992.00
Depreciation	2,146,176.63	1,447,886.71	455,283.02	118,720.55	24,918.39	4,192,989.50	344,523.16
<b>Total operating expenses</b>	<u>5,371,997.56</u>	<u>6,156,909.62</u>	<u>3,363,160.68</u>	<u>696,250.25</u>	<u>684,252.53</u>	<u>16,274,590.84</u>	<u>4,695,428.06</u>
<b>Operating income (loss)</b>	<u>(1,727,875.02)</u>	<u>260,686.68</u>	<u>(187,322.55)</u>	<u>(211,101.02)</u>	<u>(465,766.71)</u>	<u>(2,331,178.62)</u>	<u>709,846.24</u>
<b>Nonoperating revenues (expenses)</b>							
Intergovernmental	56,996.53	119,255.41	1,319.51	-	311.95	177,883.40	765.00
Investment revenue	161,696.07	125,497.64	32,113.79	1,063.47	780.55	321,153.52	85,350.20
Gain from sale of asset	3,895.00	22,859.37	13,942.86	13,548.90	760.00	55,005.93	1,233.58
Other non-operating revenue	-	1,230.61	-	-	-	1,230.61	9,858.34
Interest and other charges	(576,532.65)	(162,850.10)	(51,509.68)	(10,562.32)	(7,750.43)	(811,205.18)	(3,993.31)
Issuance cost amortization	(16,635.79)	(15,205.23)	(6,189.87)	-	-	(40,230.89)	(546.01)
Loss from sale of asset	-	-	(911.54)	-	-	(911.54)	-
Transfers out	-	-	-	-	(4,565.65)	(4,565.65)	(10,898.28)
<b>Total nonoperating revenues (expenses)</b>	<u>(374,776.84)</u>	<u>90,767.70</u>	<u>(11,235.13)</u>	<u>4,070.05</u>	<u>(10,483.58)</u>	<u>(301,639.80)</u>	<u>81,769.52</u>
<b>Income (loss) before contributions and transfers</b>	<u>(2,102,653.66)</u>	<u>351,674.36</u>	<u>(198,557.66)</u>	<u>(207,030.97)</u>	<u>(476,250.29)</u>	<u>(2,632,818.42)</u>	<u>791,615.76</u>
Contributed capital - connect fee	69,676.61	-	-	-	-	69,676.61	-
Contributed capital - developers	104,560.53	184,008.90	-	-	-	288,569.43	-
Contributed capital - donations	-	-	-	19,222.90	-	19,222.90	-
Contributed capital - government	93,611.29	1,160,583.21	-	195.78	722,600.35	1,976,990.62	-
Transfers in	4,505,480.69	8,290.02	-	105,412.09	468,918.43	5,086,081.23	27,737.17
Transfers out	(3,500.00)	-	-	-	-	(3,500.00)	(14,814.41)
<b>Change in net assets</b>	<u>2,867,155.45</u>	<u>1,704,556.51</u>	<u>(198,557.66)</u>	<u>(82,200.20)</u>	<u>713,268.49</u>	<u>4,804,222.57</u>	<u>804,536.52</u>
<b>Total net assets - beginning</b>	<u>32,818,833.11</u>	<u>43,956,453.79</u>	<u>1,811,837.34</u>	<u>1,535,671.93</u>	<u>1,630,714.50</u>	<u>61,753,310.67</u>	<u>5,557,890.73</u>
Prior period adjustment	(1,891.08)	(6,253.51)	-	-	-	(8,144.59)	-
<b>Total net assets - ending</b>	<u>\$ 35,484,097.48</u>	<u>\$ 45,654,756.79</u>	<u>\$ 1,813,079.68</u>	<u>\$ 1,453,471.73</u>	<u>\$ 2,343,982.99</u>	<u>\$ 66,549,388.65</u>	<u>\$ 6,362,429.25</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.						130,405.26	
Change in net assets of business-type activities.						<u>\$ 4,934,827.83</u>	

City of Cape Girardeau  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2011

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Government Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 3,235,543.70	\$ 6,542,178.43	\$ 3,085,983.86	\$ 533,701.25	\$ 291,030.70	\$ 13,788,437.84	\$ 102,381.14
Receipts from interfund services	7,315.28	-	32,099.33	-	3,715.65	43,130.26	5,300,044.26
Other receipts	-	5,279.10	854.60	320.00	-	6,453.70	1,907.80
Payments to suppliers	(1,075,519.82)	(3,898,297.78)	(1,587,387.56)	(199,955.47)	(242,720.77)	(7,003,881.38)	(3,906,555.53)
Payments for salaries and benefits	(1,573,130.67)	(134,946.45)	(1,027,836.69)	(377,435.46)	(431,301.82)	(3,544,451.09)	(744,771.82)
Payments for interfund services used	(170,546.68)	(63,182.06)	(240,213.26)	(48,679.49)	(24,488.67)	(547,110.15)	(4,850.00)
Payments made in lieu of franchise taxes	(161,451.06)	(318,165.21)	-	-	-	(479,616.27)	-
Remittance of taxes collected from customers	(16,283.80)	(254,486.56)	-	-	-	(270,750.36)	-
Net cash provided (used) by operating activities	<u>245,948.95</u>	<u>1,978,379.49</u>	<u>263,700.29</u>	<u>(92,049.17)</u>	<u>(403,764.91)</u>	<u>1,592,212.64</u>	<u>748,156.15</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers from other funds	284,666.81	-	-	104,562.09	486,918.43	836,147.33	-
Transfers to other funds	-	-	-	-	-	-	(14,814.41)
Advance repayment to other funds	-	-	(37,182.15)	(26,704.24)	(16,825.47)	(80,511.86)	-
Interest paid to other funds	-	-	(11,170.89)	(10,562.32)	(7,750.43)	(29,483.64)	(226.56)
Subsidy from federal grant	-	(430.11)	-	-	(275.25)	(705.36)	-
Subsidy from state grant	9,736.98	2,051.56	1,414.98	606.47	21.03	13,831.00	270.51
Net cash (used) by noncapital financing	<u>274,403.77</u>	<u>1,621.45</u>	<u>(48,906.06)</u>	<u>67,902.00</u>	<u>442,288.31</u>	<u>739,277.47</u>	<u>(14,770.48)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital contributions	84,852.59	113,578.27	-	-	275.25	198,706.11	-
Principal received on promissory note	-	-	-	-	-	-	14,814.41
Interest received on promissory note	-	-	-	-	-	-	4,457.06
Proceeds from sales of capital assets	32,622.52	23,594.35	14,261.74	13,548.80	780.00	84,787.51	1,233.58
Purchase of capital assets	(165,330.00)	(55,888.76)	(99,717.26)	-	0.00	(340,736.02)	(261,665.47)
Acquisition and construction of capital assets	(1,283,335.09)	(340,468.85)	3,958.00	(3,364.76)	(3,117.22)	(1,626,325.92)	(75,201.81)
Principal paid on capital debt	(1,785,928.00)	(925,000.00)	(181,508.00)	-	-	(2,892,434.00)	(40,000.00)
Interest paid on capital debt	(713,958.42)	(144,270.25)	(26,611.82)	-	-	(884,840.29)	(4,250.00)
Transfers in for capital acquisitions	2,534,394.88	8,290.02	-	850.00	-	2,543,534.90	27,737.17
Transfers out for capital acquisitions	-	-	-	-	(4,565.65)	(4,565.65)	(10,698.28)
Transfers in for payment of capital related debt	1,702,899.00	-	-	-	-	1,702,899.00	-
Net cash (used) by capital and related financing activities	<u>386,219.48</u>	<u>(1,319,963.22)</u>	<u>(289,617.14)</u>	<u>11,034.14</u>	<u>(6,647.62)</u>	<u>(1,218,974.36)</u>	<u>(343,573.34)</u>

City of Cape Girardeau  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2011

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Government Activities Internal Service Funds
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received	169,976.68	171,844.51	41,811.36	1,183.72	954.22	365,750.51	111,857.34
Net change in pooled investments	(1,546,216.85)	(863,904.88)	2,894.24	9,494.34	(30,524.47)	(2,448,259.82)	(541,357.24)
Proceeds from sales and maturities of investments	-	895,000.00	-	-	-	895,000.00	345,963.94
Purchase of investments	-	(715,000.00)	-	-	-	(715,000.00)	(350,246.09)
Net cash provided by investing activities	<u>(1,376,242.17)</u>	<u>(732,060.37)</u>	<u>44,705.62</u>	<u>10,658.06</u>	<u>(28,570.25)</u>	<u>(2,082,509.11)</u>	<u>(433,762.05)</u>
Net Increase (decrease) in cash and cash equivalents	(489,671.97)	(72,022.65)	(28,149.30)	(2,454.87)	2,305.53	(569,993.36)	(43,949.70)
Balances - beginning of year	2,749,936.93	342,924.30	85,265.99	6,142.58	3,404.03	3,187,675.83	249,479.50
Balances - end of the year	<u>\$ 2,260,266.96</u>	<u>\$ 270,901.65</u>	<u>\$ 57,116.69</u>	<u>\$ 3,687.61</u>	<u>\$ 5,709.56</u>	<u>\$ 2,617,662.47</u>	<u>\$ 205,529.80</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ (1,727,675.02)	\$ 282,117.29	\$ (167,322.55)	\$ (211,101.02)	\$ (465,786.71)	\$ (2,329,948.01)	\$ 710,977.92
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	2,146,176.63	1,447,886.71	495,283.02	118,720.55	24,916.39	4,192,989.50	343,391.48
Changes in assets and liabilities:							
Accounts payable - supplier	211,953.50	287,440.32	19,972.19	(11,137.37)	22,007.80	530,236.44	(310,257.47)
Accounts payable - other	(967.26)	17,952.41	5,043.67	1,123.70	-	23,152.50	-
Salaries & benefits payable	31,887.28	18,057.49	13,047.89	12,799.77	16,786.52	92,578.96	39,480.37
Customer receivables	(403,663.58)	(27,475.78)	(38,243.24)	(1,522.71)	274.07	(470,631.22)	(1,641.00)
Other operating receivables	-	-	-	-	-	-	4,756.59
Prepaid expenses	(11,566.79)	(2,741.39)	(4,060.70)	25.90	144.37	(18,218.61)	(1,471.26)
Inventory	-	(24,859.58)	-	(957.99)	(2,129.35)	(27,946.92)	(37,060.46)
Net cash provided by operating activities	<u>\$ 245,048.95</u>	<u>\$ 1,978,379.49</u>	<u>\$ 283,700.28</u>	<u>\$ (92,049.17)</u>	<u>\$ (403,764.91)</u>	<u>\$ 1,992,212.64</u>	<u>\$ 746,156.15</u>

See Accompanying Notes to Basic Financial Statements.



**City of Cape Girardeau**  
**Statement of Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2011**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 678,614.94
Investments	2,119,983.55
Real estate taxes	52,883.98
Personal property taxes	10,114.01
Other	2,035.13
Interest	<u>9,277.76</u>
Total assets	<u><u>\$ 2,872,909.37</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 37,636.37
Salaries and benefits payable	24,458.27
Other liabilities	<u>2,810,814.73</u>
Total Liabilities	<u><u>\$ 2,872,909.37</u></u>

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**1. Reporting Entity**

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

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

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

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**2. Government-Wide and Fund Financial Statements**

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

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

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

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

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

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The City reports the following major governmental funds:

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

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

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

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

The *park improvement projects from parks sales tax fund* accounts for the expenditure of a capital improvement sales tax that was approved by voters for park construction and improvements.

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

The City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

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

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

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

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

**4. 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.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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 assets. 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.

**5. Encumbrances**

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

**6. 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.

**7. Compensated Absences**

Vested or accumulated vacation pay for proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. Amounts of vested or accumulated vacation leave of governmental funds are reported in the Statement of Net Assets. Employees may accumulate up to 30 days 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.

**8. Bond Premiums, Discounts, and Issuance Costs**

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds. Bond premiums and discounts are presented as either increases or reductions of the face amount of bonds payable whereas issuance costs are recorded as deferred charges. 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.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**9. Cash and Investments**

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

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

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

**10. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2011 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 assets.

**13. Interfund Transactions**

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

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**14. Short-Term Interfund Receivables/Payables**

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

**15. Advances to Other Funds**

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

**16. 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 who retire from the City with five or more years of service and who are eligible for LAGERS retirement (Note G). Currently, sixty-six 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, 2011, those costs totaled \$511,862.

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date for employees and their families and 36 months for surviving spouses and children. There is no associated cost to the City under this program. There was one surviving spouse participating in the health insurance program and one surviving spouse and two children participating in the dental insurance program as of June 30, 2011.



City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**17. Infrastructure**

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

During the year ended June 30, 2011 all infrastructures completed during the fiscal year, including projects started in a previous year, were recorded at their historical costs.

**18. Subsequent Events**

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 23, 2011, the date the financial statements were available to be issued.

**NOTE B - DEPOSITS AND INVESTMENTS**

The City maintains a cash and temporary cash investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined statement of assets, liabilities, and fund balances arising from cash transactions as "Cash and Cash Equivalents" under each fund's caption. The deposits and investments held at June 30, 2011, and reported at fair value, are as follows:

**Deposits:**

Demand Deposits	\$ 468,530
Interest Bearing Deposit Accounts	<u>6,195,592</u>
Total Deposits	<u>\$ 6,664,122</u>

**Investments:**

Negotiable Instruments	\$ 29,161,817
Federal Home Loan Bank	3,087,086
Federal National Mortgage Association	3,788,917
Federal Home Loan Mortgage Corporation	260,943
US Treasury Note	<u>350,369</u>
Total Investments	<u>\$ 36,649,132</u>

<b>Total Deposits and Investments</b>	<b><u>\$ 43,313,254</u></b>
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City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE B - DEPOSITS AND INVESTMENTS - Continued**

**Reconciliation to Statement of Net Assets:**

Cash and Cash Equivalents	\$ 3,731,549
Investments	31,158,674
Restricted Cash and Cash Equivalents	2,253,958
Restricted Investments	3,370,474
Fiduciary Cash and Cash Equivalents	678,615
Fiduciary Investments	<u>2,119,984</u>
Deposits and Investments, Statement of Net Assets	<u>\$ 43,313,254</u>

As of June 30, 2011, the City had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Negotiable Instruments	07/07/2011 – 04/27/2016	<u>\$29,161,816</u>
Federal Home Loan Bank	12/30/2013 – 04/11/2016	3,087,087
Federal National Mortgage Assoc.	08/13/2014 – 04/27/2016	3,788,917
Federal Home Loan Mort. Corp.	04/23/2014	260,943
US Treasury Note	10/31/2012	<u>350,369</u>
Total		<u>\$36,649,132</u>

Custodial Credit Risk:

Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$42,558,845 at June 30, 2011, 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, 2011 are provided above.

Investment Credit Risk

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

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged;
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions;

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE B - DEPOSITS AND INVESTMENTS - Continued**

- 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, 2011, 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 16, 2010, 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	\$ .3018/100.00 assessed valuation
Public Health	.0565/100.00 assessed valuation
Special Business District #2 (Ad Valorem)	.6708/100.00 assessed valuation

Property tax receivable balances as of June 30, 2011 are as follows:

	General Revenue	Special Business District	Public Health	Debt Service	Total
Current property tax	\$52,478	\$3,605	\$ 9,824	\$ -	\$65,907
Delinquent property tax	22,231	3,359	4,160	27	29,777
Reserve for doubtful					
Property taxes	<u>(10,030)</u>	<u>-</u>	<u>(1,878)</u>	<u>(27)</u>	<u>(11,935)</u>
Net property tax receivable	<u>\$64,679</u>	<u>\$6,964</u>	<u>\$12,106</u>	<u>\$ -</u>	<u>\$83,749</u>

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE D - CHANGES IN CAPITAL ASSETS**

A summary of the capital assets for governmental activities included on the government-wide statement of net assets for the year ended June 30, 2011 is as follows:

	Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	Current Year <u>Depreciation*</u>	Balance <u>June 30, 2011**</u>
Land	\$ 5,375,506	\$ 27,260	\$ -	\$ -	\$ 5,402,766
Buildings	18,493,406	6,086,064	-	910,491	23,668,979
Improvements other than buildings	11,666,628	110,545	-	750,367	11,026,806
Equipment	6,082,188	823,484	2,738	1,117,242	5,785,692
Infrastructure	115,973,947	4,290,007	-	4,245,295	116,018,659
Construction in progress	<u>5,931,992</u>	<u>6,604,010</u>	<u>9,903,309</u>	<u>-</u>	<u>2,632,693</u>
Total capital assets	<u>\$163,523,667</u>	<u>\$ 17,941,370</u>	<u>\$ 9,906,047</u>	<u>\$ 7,023,395</u>	<u>\$ 164,535,595</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 Assets.

Following is a summary of the capital assets for business-type activities on the government-wide statement of net assets for the year ended June 30, 2011:

	Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	Current Year <u>Depreciation</u>	Balance <u>June 30, 2011</u>
Land	\$ 161,990	\$ -	\$ -	\$ -	\$ 161,990
Buildings	2,089,527	831,819	-	219,918	2,701,428
Improvements other than buildings	86,516,462	2,083,840	-	3,110,460	85,489,842
Equipment	5,049,330	393,843	65,287	862,611	4,515,275
Construction in progress	<u>4,646,538</u>	<u>3,556,870</u>	<u>2,540,046</u>	<u>-</u>	<u>5,663,362</u>
Total capital assets	<u>\$ 98,463,847</u>	<u>\$ 6,866,372</u>	<u>\$ 2,605,333</u>	<u>\$ 4,192,989</u>	<u>\$ 98,531,897</u>

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE D - CHANGES IN CAPITAL ASSETS - Continued**

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

<u>Governmental Activities:</u>	
Administrative	\$ 421,218
Development Services	4,410
Parks and Recreation	837,596
Public Safety	679,640
Public Works	<u>4,736,008</u>
Total	<u>\$ 6,678,872</u>
 <u>Business-Type Activities:</u>	
Golf Course	\$ 118,720
Sewer	2,146,179
Softball Complex	24,918
Solid Waste	455,283
Water	<u>1,447,889</u>
Total	<u>\$ 4,192,989</u>

**NOTE E - LONG-TERM OBLIGATIONS**

The following is a summary of changes in the long-term debt from governmental activities included on the government-wide statement of net assets for the year ended June 30, 2011:

<u>Governmental Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Total</u>
Debt payable July 1, 2010	\$ 26,524,629	\$ 16,940,217	\$43,464,846
Premium amortization	30,389	(14,245)	16,144
Retired	(4,789,958)	(1,130,600)	(\$,920,558)
Additions	<u>          -</u>	<u>      422,706</u>	<u>      422,706</u>
Debt payable June 30, 2011	<u>\$ 21,765,060</u>	<u>\$ 16,218,078</u>	<u>\$37,983,138</u>

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

The following is a summary of changes in the long-term debt from governmental activities included on the government-wide statement of net assets for the year ended June 30, 2011:

<u>Business-Type Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Total</u>
Bonds payable at July 1, 2010	\$ 2,219,171	\$25,770,915	\$27,990,086
Discount Premium Amortization	(3,420)	(13,760)	(17,180)
Accumulated Interest	-	315,219	315,219
Bonds Retired	(195,008)	(3,111,000)	(3,306,008)
Bonds Issued	<u>          -</u>	<u>          -</u>	<u>          -</u>
 Bonds payable at June 30, 2011	 <u>\$ 2,020,743</u>	 <u>\$22,961,374</u>	 <u>\$24,982,117</u>

\*Other Debt includes Notes Payable and Special Obligation Bonds

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE E - LONG TERM OBLIGATIONS - Continued**

Bonds payable for governmental and business-type activities at June 30, 2011 are comprised of the following individual issues:

\$ 310,000 Special Obligation Refunding and Improvement Bonds, Series 2002:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2012	4.10%	\$ 155,000	\$ 9,455	\$ 164,455
2013	4.10	<u>155,000</u>	<u>3,177</u>	<u>158,177</u>
		<u>\$ 310,000</u>	<u>\$ 12,632</u>	<u>\$ 322,632</u>

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

On October 22, 2002 the City of Cape Girardeau issued \$3,125,000 of Special Obligation Refunding and Improvement Bonds Series 2002 with interest rates varying from 3.00% to 4.50%. The bonds are special obligations of the City payable solely from the income and revenues provided for the year plus any unencumbered balances from prior years.

The bonds were issued by the City for the purpose of providing funds to (a) pay the costs of refunding the Building and Equipment Leasehold Refunding and Improvement Revenue Bonds, Series 1993, issued on behalf of the City by the Cape Girardeau Public Facilities Authority and outstanding in the principal amount of \$1,085,000, (b) pay the costs of refunding the Certificates of Participation (Capital Improvements Projects), Series 1994A, issued on behalf of the City by the Cape Girardeau Public Facilities Authority and outstanding in the principal amount of \$1,255,000 and prepaying the leasehold interest represented thereby, (c) pay the costs of constructing certain street improvements within the City, and (d) pay the costs of issuing the Bonds, under the authority of and in full compliance with the City's Charter and the Constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed (the "Ordinance") and proceedings duly and legally had by the governing body of the City.

The outstanding bond liability for the Special Obligation Refunding and Improvement Bonds Series 2002 is allocated as follows: \$310,000 for Governmental activities.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

\$2,670,000 Waterworks System Refunding Revenue Bonds Series 2006A due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2012	4.00%	\$ 965,000	\$ 106,800	\$1,071,800
2013	4.00	<u>1,705,000</u>	<u>68,200</u>	<u>1,773,200</u>
		<u>\$2,670,000</u>	<u>\$ 175,000</u>	<u>\$ 2,845,000</u>

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

On January 3, 2006 the City issued \$7,160,000 of Waterworks System Refunding Revenue Bonds Series 2006A with interest rates varying from 3.5% to 4.0%. The bonds are special limited obligations of the City payable solely from the net income and revenues derived by the City from the operation of the Waterworks System after payment of costs of operation and maintenance.

The bonds were issued to provide the City with remaining funds needed to retire \$8,170,000 principal amount of Waterworks System Refunding Revenue Bonds, Series 1995.



City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

\$ 610,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1991 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2012	6.875%	\$ 190,000	\$ 41,937	\$ 231,937
2013	6.875	205,000	28,875	233,875
2014	6.875	<u>215,000</u>	<u>14,781</u>	<u>229,781</u>
		<u>\$ 610,000</u>	<u>\$ 85,593</u>	<u>\$ 695,593</u>

These bonds are dated December 1, 1991. The proceeds of the bond issue were used to extend and improve the existing sewerage facilities serving the City.

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

The interest due on the Series 1991 Sewer System Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds held by the trustee, the State of Missouri Department of Natural Resources deposits an amount equal to approximately 51.907% of the reimbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve fund will be \$1,250,000. As bonds are retired 50% of the amount of bonds retired will be repaid to the State of Missouri Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2011 was \$305,000. The reserve fund yields 6.71%.

During the fiscal year-end June 30, 2001, certain bonds originally issued by the State Environmental Improvement and Energy Resources Authority as part of the State Revolving Fund Program were refunded. Annual debt service savings resulting from this transaction are to be used to offset City debt service payments due on Series 1991 Bonds. During the fiscal year ended June 30, 2011, City interest expense was reduced by \$15,752 as a result of this transaction. Over the remaining life of these bonds, the City will receive net present value benefits of approximately \$34,136 from this transaction.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

\$ 144,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1993 due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2012	5.400%	\$ 33,000	\$ 6,885	\$ 39,885
2013	5.400	35,000	5,049	40,049
2014	5.400	37,000	3,106	40,106
2015	5.400	<u>39,000</u>	<u>1,053</u>	<u>40,053</u>
		<u>\$144,000</u>	<u>\$16,093</u>	<u>\$ 160,093</u>

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

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

The interest due on the Series 1993 Sewer System Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds held by the trustee, the State of Missouri Department of Natural Resources deposits an amount equal to approximately 70% of the reimbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve fund will be \$350,000. As bonds are retired, 70% of the amount of bonds retired will be repaid to the State of Missouri Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2011 was \$100,800. The reserve fund yields 5.15%.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

\$ 1,904,386 Water Pollution Control Revenue Bonds (State Revolving Fund Program) Series 1995D  
due as follows:

<u>Year Ending</u> <u>June 30.</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2012	6.150%	\$ 380,828	\$ 654,172	\$ 1,035,000
2013	6.150	354,978	670,022	1,025,000
2014	6.200	326,281	683,719	1,010,000
2015	6.200	303,920	696,080	1,000,000
2016	6.250	278,844	706,156	985,000
2017	6.250	<u>259,535</u>	<u>715,465</u>	<u>975,000</u>
		<u>\$ 1,904,386</u>	<u>\$ 4,125,614</u>	<u>\$ 6,030,000</u>

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

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

The interest due on the Series 1995D Water Pollution Control Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds, the State of Missouri Department of Natural Resources deposits an amount equal to 70% of the disbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve fund will be 70% of the principal amount less the original issue discount. As bonds are retired 70% of the amount of bonds retired will be repaid to the State of Missouri Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2011 was \$1,333,070. The reserve fund yields 5.83%.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

\$ 6,945,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1996 due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2012	5.875%	\$ 765,000	\$ 408,950	\$ 1,173,950
2013	5.875	780,000	364,006	1,144,006
2014	5.875	800,000	318,181	1,118,181
2015	5.875	875,000	271,181	1,146,181
2016	5.900	895,000	219,775	1,114,775
2017	5.900	920,000	166,970	1,086,970
2018	5.900	945,000	112,690	1,057,690
2019	5.900	<u>965,000</u>	<u>56,935</u>	<u>1,021,935</u>
		<u>\$ 6,945,000</u>	<u>\$1,918,688</u>	<u>\$ 8,863,688</u>

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

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

The interest due on the Series 1996 Sewerage System Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds, the State of Missouri Department of Natural Resources deposits an amount equal to 70% of the disbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve will be \$9,474,500. As bonds are retired, 70% of the amount of bonds retired will be repaid to the Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2011 was \$4,861,500. The reserve fund yields 5.70%.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

During the fiscal year ended June 30, 2001, certain bonds originally issued by the State Environmental Improvement and Energy Resources Authority as part of the State Revolving Fund Program were refunded. Annual debt service savings resulting from this transaction are to be used to offset City debt service payments due on Series 1996 Bonds. During the fiscal year ended June 30, 2011, City interest expense was reduced by \$19,669 as a result of this transaction. Over the remaining life of these bonds, the City will receive net present value benefits of approximately \$121,986 from this transaction.

\$ 7,455,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000 due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2012	5.500%	\$ 215,000	\$ 400,896	\$ 615,896
2013	5.500	230,000	388,659	618,659
2014	5.000	250,000	376,084	626,084
2015	5.625	275,000	362,099	637,099
2016	5.625	475,000	341,006	816,006
2017	5.625	555,000	312,037	867,037
2018	5.300	590,000	280,793	870,793
2019	5.400	1,590,000	222,228	1,812,228
2020	5.450	1,655,000	134,199	1,789,199
2021	5.500	<u>1,620,000</u>	<u>44,550</u>	<u>1,664,550</u>
		<u>\$7,455,000</u>	<u>\$2,862,551</u>	<u>\$10,317,551</u>

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

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

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

The interest due on the Series 2000, Sewer System Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issue's trustee. As the City is reimbursed for sewer project expenditures from the construction funds held by the trustee, the State of Missouri Department of Natural Resources deposits an amount equal to approximately 70% of the reimbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve fund will be \$5,848,500. As bonds are retired 70% of the amount of bonds retired will be repaid to the State of Missouri Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2011 was \$5,259,533. The reserve fund yields 5.16%.

\$15,265,000 Waterworks System Revenue Bonds (State Revolving Fund Program) Series 1998 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2012	5.250%	\$ 1,215,000	\$ 760,875	\$ 1,975,875
2013	5.250	1,300,000	697,087	1,997,087
2014	5.250	2,350,000	628,838	2,978,838
2015	5.250	2,445,000	505,462	2,950,462
2016	5.250	2,550,000	377,100	2,927,100
2017	4.500	2,655,000	243,225	2,898,225
2018	4.500	<u>2,750,000</u>	<u>123,750</u>	<u>2,873,750</u>
		<u>\$15,265,000</u>	<u>\$3,336,337</u>	<u>\$18,601,337</u>

These bonds are dated December 1, 1998. The proceeds of the bond issue are being used for the extension and improvements to the waterworks system.

Principal payments are made annually on January 1. Interest is paid semi-annually on January 1 and July 1 beginning on July 1, 1999.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

The interest due on the Series 1998 Waterworks System Revenue Bonds is subsidized by interest earnings on a reserve fund held by the bond issues trustee. As the City is reimbursed for waterworks system expenditures from the construction funds, the Department of Natural Resources deposits an amount equal to 33.41% of the disbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve will be \$8,517,235. As bonds are paid off, 33.41% of the amount of bonds retired will be repaid to the Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2011 was \$4,765,484. The reserve fund yields 4.71%.

\$16,260,000 Leasehold Revenue Bonds, Series 2009 due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2012	3.600%	\$ 1,895,000	\$ 593,118	\$2,488,118
2013	3.700	1,955,000	531,532	2,486,532
2014	3.800	2,015,000	472,882	2,487,882
2015	3.900	2,080,000	407,394	2,487,394
2016	4.000	2,150,000	334,594	2,484,594
2017	4.000	2,240,000	248,594	2,488,594
2018	4.000	2,330,000	158,994	2,488,994
2019	4.100	<u>1,595,000</u>	<u>65,794</u>	<u>1,660,794</u>
		<u>\$16,260,000</u>	<u>\$2,812,902</u>	<u>\$19,072,902</u>

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

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

\$4,435,000 Special Obligation Bonds, Series 2005:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2012	3.500%	\$ 680,000	\$ 186,511	\$ 866,511
2013	3.625	700,000	162,711	862,711
2014	4.000	690,000	137,336	827,336
2015	5.000	1,245,000	109,736	1,354,736
2016	4.000	80,000	47,486	127,486
2017	4.000	85,000	44,286	129,286
2018	4.100	90,000	40,886	130,886
2019	4.125	90,000	37,196	127,196
2020	4.200	95,000	33,484	128,484
2021	4.250	100,000	29,494	129,494
2022	4.250	105,000	25,244	130,244
2023	4.375	110,000	20,781	130,781
2024	4.375	115,000	15,969	130,969
2025	4.375	<u>250,000</u>	<u>10,940</u>	<u>260,940</u>
		<u>\$ 4,435,000</u>	<u>\$ 902,060</u>	<u>\$5,337,060</u>

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

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

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



City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

\$1,450,000 Bank of America 2006 Promissory Note:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
2012	0.972%	\$ 100,000	\$ 13,851	\$ 113,851
2013	0.972	100,000	12,879	112,879
2014	0.972	100,000	11,907	111,907
2015	0.972	100,000	10,935	110,935
2016	0.972	100,000	9,963	109,963
2017	0.972	100,000	8,991	108,991
2018	0.972	100,000	8,019	108,019
2019	0.972	100,000	7,047	107,047
2020	0.972	100,000	6,075	106,075
2021	0.972	100,000	5,103	105,103
2022	0.972	100,000	4,131	104,131
2023	0.972	100,000	3,159	103,159
2024	0.972	100,000	2,187	102,187
2025	0.972	100,000	1,215	101,215
2026	0.972	<u>50,000</u>	<u>243</u>	<u>50,243</u>
		<u>\$ 1,450,000</u>	<u>\$ 105,705</u>	<u>\$ 1,555,705</u>

On February 9, 2006, the City of Cape Girardeau entered into a promissory note with the Bank of America for \$2,000,000. The purpose of the note was to finance additional costs on constructing fire station #3, purchase of a site for a future fire station, equipment for the sewer and solid waste funds, and site improvements at the new public works headquarter. The outstanding liability for the note is allocated as follows: \$579,883 for governmental activities and \$870,117 for business-type activities.

Principal payments of \$50,000 are made semi-annually on January 1 and July 1. The principal payments are amortized over 20 years. The City may prepay the note at any time with no additional charges. Interest accrues at a variable rate equal to the sum of the 30-day LIBOR multiplied by 60.938%, plus 0.813%. The rate at June 30, 2011 was 0.972%.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

\$979,400 Waterworks Revenue Bonds, Series 2010 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2012	1.4900%	\$ 41,800	\$ 14,438	\$ 56,238
2013	1.4900	42,800	13,812	56,612
2014	1.4900	43,800	13,170	56,970
2015	1.4900	44,700	12,515	57,215
2016	1.4900	45,700	11,845	57,545
2017	1.4900	46,800	11,159	57,959
2018	1.4900	47,900	10,458	58,358
2019	1.4900	48,900	9,741	58,641
2020	1.4900	50,100	9,008	59,108
2021	1.4900	51,100	8,258	59,358
2022	1.4900	52,300	7,492	59,792
2023	1.4900	53,500	6,708	60,208
2024	1.4900	54,700	5,906	60,606
2025	1.4900	55,900	5,087	60,987
2026	1.4900	57,200	4,249	61,449
2027	1.4900	58,500	3,392	61,892
2028	1.4900	59,900	2,515	62,415
2029	1.4900	61,200	1,618	62,818
2030	1.4900	<u>62,600</u>	<u>701</u>	<u>63,301</u>
		<u>\$ 979,400</u>	<u>\$ 152,072</u>	<u>\$ 1,131,472</u>

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

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

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

\$1,140,000 Special Obligation Bonds, Series 2010A due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2012	3.000%	\$ 130,000	\$ 34,294	\$ 164,294
2013	3.000	140,000	30,394	170,394
2014	3.000	150,000	26,194	176,194
2015	3.000	160,000	21,694	181,694
2016	2.625	175,000	16,894	191,894
2017	3.000	185,000	12,300	197,300
2018	3.375	<u>200,000</u>	<u>6,750</u>	<u>206,750</u>
		<u>\$ 1,140,000</u>	<u>\$ 148,520</u>	<u>\$ 1,288,520</u>

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

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

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

The annual requirements to amortize all debt outstanding as of June 30, 2011 including total interest payments of \$16,653,767 are as follows:

Year Ending June 30,	Special Obligation Bonds	Revenue Bonds	Leasehold Revenue Bonds	Promissory Note	Total
2012	\$ 1,195,260	\$ 6,200,581	\$2,488,118	\$ 113,851	\$ 9,997,810
2013	1,191,282	6,888,488	2,486,532	112,879	10,679,181
2014	1,003,530	6,059,960	2,487,882	111,907	9,663,279
2015	1,536,430	5,831,010	2,487,394	110,935	9,965,769
2016	319,380	5,900,426	2,484,594	109,963	8,814,363
2017	326,586	5,885,191	2,488,594	108,991	8,809,362
2018	337,636	4,860,591	2,488,994	108,019	7,795,240
2019	127,196	2,892,804	1,660,794	107,047	4,787,841
2020	128,484	1,848,307	-	106,075	2,082,866
2021	129,494	1,723,908	-	105,103	1,958,505
2022	130,244	59,792	-	104,131	294,167
2023	130,781	60,208	-	103,159	294,148
2024	130,969	60,606	-	102,187	293,762
2025	260,940	60,987	-	101,215	423,142
2026	-	61,449	-	50,243	111,692
2027	-	61,892	-	-	61,892
2028	-	62,415	-	-	62,415
2029	-	62,818	-	-	62,818
2030	-	63,301	-	-	63,301
	<u>\$ 6,948,212</u>	<u>\$ 48,644,734</u>	<u>\$19,072,902</u>	<u>\$1,555,705</u>	<u>\$ 76,221,553</u>

The cash and investments available to service revenue bonds are \$1,063,384 and \$4,006,271 for the governmental and business-type activities, respectively.

The cash and investments available to service the special obligation bonds in governmental activities are \$741,434.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE E - LONG-TERM OBLIGATIONS - Continued**

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

<u>Governmental Activities:</u>	
Interest and Other Costs	\$1,622,569
Total	<u>\$1,622,569</u>
 <u>Business-Type Activities:</u>	
Golf Course	\$ 10,562
Sewer	578,533
Softball Complex	7,750
Solid Waste	51,510
Water	<u>162,850</u>
Total	<u>\$ 811,205</u>

Missouri statutes limit the amount of general obligation debt that a city can issue to 5.00% of the total assessed value of taxable property located within that city's boundaries. The legal debt margin for the City of Cape Girardeau is \$27,107,797.

**NOTE F - DEFICIT FUND BALANCES/RETAINED EARNINGS**

The Housing Development Grants Fund's total liabilities exceeded their total assets by \$162,395.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE G - PENSION PLAN**

**1. Plan Description**

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

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

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

**2. Funding Status**

Full-time employees of the City of Cape Girardeau do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates are 7.1% (General), 7.9% (Police) and 12.3% (Fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

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

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

Annual required contribution	\$1,533,704
Interest on net pension obligation	0
Adjustment to annual required contribution	<u>0</u>
Annual pension cost	1,533,704
Actual contributions	<u>1,156,413</u>
Increase (decrease) in NPO	377,291
NPO beginning of year	<u>0</u>
NPO end of year	<u>\$ 377,291</u>

The annual required contribution (ARC) was determined as part of the February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2011 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE G - PENSION PLAN - Continued**

Table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division.

Three-Year Trend Information

<u>Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$1,006,174	100.0%	\$ 0
2010	1,033,703	100.0%	0
2011	1,533,704	75.4%	377,291

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS**

**1. Description**

The City follows the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In addition to the relevant disclosures within this note related to GASB Statement No. 45, the financial statements reflect a long-term liability and related expenses of \$2,226,981 and \$1,253,595, 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 former full-time employees until the retiree is eligible for Medicare (age 65). Such benefits are not available to members' spouses or dependents; rather, only to former employees as previously described. Specific details of the Plan include the provision of certain medical and dental insurance coverage. These benefits are provided through insurance companies. 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 insurance companies 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 from appropriate governmental and business-type funds. For the year ended June 30, 2011, the City paid the full premium cost for retired employees who were hired prior to January 1, 2007.

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

**3. Annual OPEB Cost and Net OPEB Obligation**

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



City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS - Continued**

	<u>2010</u>	<u>2011</u>
Annual required contribution	\$ 1,355,157	\$1,253,595
Interest on net OPEB obligation	41,823	75,609
Adjustment to annual required contribution	<u>(57,057)</u>	<u>(103,150)</u>
Annual OPEB cost	\$ 1,339,923	\$1,226,054
Contributions made	<u>(589,117)</u>	<u>(679,271)</u>
Increase in net OPEB obligation	\$ 750,806	\$ 546,783
Net OPEB obligation, July 1	<u>929,392</u>	<u>1,680,198</u>
Net OPEB obligation, June 30	<u>\$ 1,680,198</u>	<u>\$2,226,981</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2011 were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation -</u> <u>End of Year</u>
6/30/11	\$1,226,054	55.4%	\$ 2,226,981
6/30/10	1,339,923	44.0%	1,680,198
6/30/09	1,487,797	37.5%	929,392

**4. Funding Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits equaled \$11,304,595, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,304,595. The covered payroll (annual payroll of active employees covered by the Plan) equaled \$12,795,822, and the ratio of the UAAL to the covered payroll equaled 88.3%.

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

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

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS - Continued**

**5. Actuarial Methods and Assumptions**

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

In the actuarial valuation dated July 1, 2010, the projected unit credit cost actuarial method was used. Because the City funds its OPEB on a pay-as-you-go basis, the plan has no assets (investments) used specifically for paying the post-retirement medical benefits; therefore, the actuarial assumptions included a 4.5% discount rate, which approximates the expected rate of return on non-pension investments held by the City. Actuarial assumptions also included annual healthcare trend rates of 8.0%, initially, reduced by decrements to an ultimate rate of 4.5% for healthcare costs after ten years. The UAAL is being amortized as a level dollar amount over thirty years based on an open group.

**NOTE I - INTEREST EXPENSE**

Interest and handling charges, totaling \$1,659,421, excluding \$10,064 of interfund interest, was incurred by governmental funds during the year ended June 30, 2011. Interest and handling charges, totaling \$785,488 excluding \$29,710 of interfund interest, was incurred by proprietary funds during the year ended June 30, 2011. No interest cost was capitalized as part of the cost of assets constructed during the period.

**NOTE J - INTERFUND ACTIVITY**

A. The following is a summary of interfund balances as of June 30, 2011:

Advance to/from other funds:

	<u>Advances from</u>	<u>Advances to</u>	
General Fund	\$ 916,442	\$ -	
Solid Waste Fund	-	582,818	
Golf Course Fund	-	191,136	
Softball Complex Fund	<u>-</u>	<u>142,488</u>	
	<u>\$ 916,442</u>	<u>\$ 916,442</u>	

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE J - INTERFUND ACTIVITY - Continued**

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

B. The following is a summary of interfund transfers for the year ended June 30, 2011:

Fund	Transfer From	Transfer To
General Fund	\$ 4,207,641	\$ 4,677,317
Airport Fund	261,782	723,624
Park and Recreation Fund	1,817	1,086,998
Vision 2000	3,102	-
Housing Development Fund	-	18,787
Motor Fuel Tax Fund	1,320,000	-
Capital Improvement Sales Tax -		
Water System Improvements	1,400,000	4,351
Sewer System Improvements	2,816,599	-
Fire Sales Tax Fund	2,135,157	-
Public Safety Trust Fund	1,166,579	2,135,157
Transportation Sales Tax Trust III	-	350,000
Park/Storm Water Sales Tax	1,215,245	-
Park/Storm Water Sales Tax-Capital	153,992	136,535
Casino Revenue Fund	1,879,134	
Debt Service Fund	-	1,955,282
General Capital Improvements Fund	-	60,000
Park Improvements Fund	-	114,817
Community Development Block		
Grant Project Fund	218	325
Water System Improvement		
Projects Fund	4,351	-
Storm Water Projects from		
Storm Water Tax	-	55,164
Park Improvement Projects from		
Park Sales Tax	248,364	415,384
Sewer Fund	3,500	4,505,461
Water Fund	-	8,290
Golf Course Fund	-	105,412
Softball Complex Fund	4,566	466,918
Fleet Management Fund	14,814	-
Equipment Replacement Fund	10,698	27,737
	<u>\$ 16,847,559</u>	<u>\$ 16,847,559</u>

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE K - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City maintains five enterprise funds which provide sewer, water, solid waste, golf, and softball complex services. Segment information for the year ended June 30, 2011 was as follows:

	Sewer <u>Fund</u>	Water <u>Fund</u>	Solid Waste <u>Fund</u>	Golf Course <u>Fund</u>	Softball Complex <u>Fund</u>	Total <u>Enterprise</u>
Operating revenues	\$ 3,644,123	\$6,419,796	\$3,175,858	\$ 485,149	\$ 218,486	\$13,943,412
Depreciation	2,146,179	1,447,889	455,283	118,721	24,918	4,192,990
Operating Income (Loss)	(1,727,875)	260,887	(187,323)	(211,101)	(465,767)	(2,331,179)
Operating transfers in	4,505,461	8,290	-	105,412	466,918	5,086,081
Net Income (Loss)	2,667,155	1,704,557	(198,558)	(82,200)	713,269	4,804,223
Current Capital Contributions	267,849	1,344,592	-	19,419	722,600	2,354,460
Property, Plant and Equipment						
Additions	1,825,121	1,668,019	99,717	9,272	766,258	4,368,387
Deletions	66,644	6,988	4,507	-	40,541	118,680
Net Working Capital	829,661	3,090,848	1,291,811	15,286	11,013	5,238,619
Total Assets	57,312,299	49,322,762	4,470,329	1,750,970	2,631,571	115,487,931
Bonds and Other Long-term						
Liabilities Payable from						
Operating Revenues	20,598,300	2,705,182	2,534,431	219,135	151,516	26,208,564
Total Net Assets	\$35,484,097	\$45,654,757	\$1,613,080	\$1,453,472	\$2,343,983	\$86,549,389

**NOTE L – GOVERNMENTAL FUND BALANCES REPORTING**

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

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes long-term receivables that are not currently available for expenditure. These financial statements reflect non-spendable fund balances of \$2,100 that are legally restricted to provide for the perpetual care and maintenance of a mausoleum in the City’s cemetery. Only interest earnings on this amount can be used for mausoleum maintenance. Prepaid expenses of \$158,932 and long-term advance receivables of \$916,442 are also reflected as non-spendable fund balances.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE L – GOVERNMENTAL FUND BALANCES REPORTING - continued**

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 \$4,910,136 are restricted by the City Charter to use during officially declared emergencies. Special revenue fund balances totaling \$11,614,690 are restricted by their enabling legislation. \$4,411,985 in capital project fund balances are restricted as the result of special revenue transfers and unspent bond proceeds. The remaining \$200,844 in restricted fund balances result from legal agreements with various outside parties.

Committed Fund Balance – These funds can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority (the City Council). Those amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. Typically, a resolution by the city council would be needed to commit a portion of a fund balance for a specific purpose. The City currently has no committed balances.

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, 2011

**NOTE L – FUND BALANCE REPORTING – Continued**

Fund balances	Major Special Revenue Funds				Major Park Projects from Parks Sales Tax	Other Funds	Total
	General Fund	Airport Fund	Parks and Recreation Fund	Transportation Sales Tax Trust Fund III			
<b>Nonspendable:</b>							
Prepaid expenses	\$ 125,999	\$ 16,722	\$ 2,871	\$ -	\$ -	\$ 13,340	\$ 158,932
Long-term advance	916,442	-	-	-	-	-	916,442
Mausoleum	2,100	-	-	-	-	-	2,100
<b>Restricted for:</b>							
Mausoleum	88,166	-	-	-	-	-	88,166
Emergencies	3,735,645	-	-	-	-	1,174,491	4,910,136
Local access channel	4,755	-	-	-	-	-	4,755
Convention and tourism	-	-	-	-	-	356,284	356,284
River campus bonds	-	-	-	-	-	107,924	107,924
Community development	-	-	-	-	-	43,749	43,749
Public safety	-	-	-	-	-	652,981	652,981
Street projects	-	-	-	5,812,663	-	2,064,635	7,877,298
Flood control projects	-	-	-	-	-	44,303	44,303
Water system projects	-	-	-	-	-	3,466,667	3,466,667
Sewer system projects	-	-	-	-	-	964,900	964,900
Parks and recreation	-	-	-	-	-	214,595	214,595
Park and storm water projects	-	-	-	-	833,423	1,048,214	1,881,637
Other capital projects	-	-	-	-	-	524,260	524,260
<b>Assigned to:</b>							
Airport	-	128,962	-	-	-	-	128,962
Parks and recreation	-	-	398,793	-	-	-	398,793
Operations and maintenance	-	-	13,171	-	-	-	13,171
Encumbrances	166,510	-	-	-	-	-	166,510
Other capital projects	-	-	-	-	-	35,775	35,775
Debt service	-	-	-	-	-	21,529	21,529
Other projects	-	-	-	-	-	6,353	6,353
Public safety	-	-	-	-	-	858,825	858,825
Parks and recreation	-	-	-	-	-	301,596	301,596
Other capital projects	-	-	-	-	-	220,237	220,237
Community development	-	-	-	-	-	65	65
Street projects	-	-	-	-	-	48,908	48,908
<b>Unassigned:</b>	<u>1,411,069</u>	-	-	-	-	<u>(162,395)</u>	<u>1,248,674</u>
	<u>\$ 6,450,686</u>	<u>\$ 145,684</u>	<u>\$ 414,835</u>	<u>\$ 5,812,663</u>	<u>\$ 833,423</u>	<u>\$ 12,007,236</u>	<u>\$ 25,664,527</u>

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2011

**NOTE M - RESERVED RETAINED EARNINGS AND RESTRICTED ASSET ACCOUNTS**

At June 30, 2011, the City has restricted assets in its Proprietary Funds as follows:

	<u>Depreciation and Replacement</u>	<u>Bond Construction</u>	<u>Revenue Bond Sinking and Reserve Fund</u>	<u>Total</u>
Sewer Fund	\$ 127,000	\$ -	\$2,149,626	\$ 276,626
Water Fund	1,450,000	4,516	1,888,302	3,342,818
Solid Waste Fund	-	4,145	844	4,989
	<u>\$1,577,000</u>	<u>\$ 8,661</u>	<u>\$4,038,772</u>	<u>\$5,624,433</u>

**NOTE N - LANDFILL CLOSURE AND POSTCLOSURE CARE COST**

State and federal laws and regulations require the City to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City closed its landfill in the fiscal year ending June 30, 1994, and an expense provision and related liability were recognized at that time based on the future closure and postclosure care costs that were estimated to be incurred near or after the date the landfill no longer accepted waste. The entire amount of the estimated total costs for landfill closure and postclosure care costs was recognized in prior years since the recognition is based on landfill capacity used to date and the landfill was filled to capacity in prior years. The estimated total future liability for landfill postclosure care costs is \$45,500 as of June 30, 2011, 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, 2011. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE O - RISK MANAGEMENT**

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

The City is a member of the Missouri Public Entity Risk Management Fund, a not-for-profit public entity insurance pool established by the state legislature. Through this pool, the City receives coverage for general liability, law enforcement liability, errors and omissions, and employment practice liability. Risks for these coverages are spread across members of the fund. Currently the fund is comprised of 860 Missouri counties, municipalities, and special districts. Premiums for these coverages are actuarially determined based on actual claims of the pool and individual claims of the City. Each year, portions of premiums not required because of below expected claims are returned to the members. The City has received refunds of premiums in each of the last twelve years and has used them to offset the cost of the succeeding year's premiums.

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

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

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

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

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

The City provided health coverage to its employees through a minimum premium plan administered by Anthem Blue Cross Blue Shield of Missouri, which had an "A" rating by A.M. Best. Under this plan, the City paid the administrator a monthly premium for claims administration, cost management, and specific and aggregate stop loss coverage. The City reimbursed the administrator for claims paid up to the specific stop loss amount of \$150,000 and \$150,000 annually per employee and up to the aggregate stop loss amount (115% of estimated claims) of approximately \$2,750,000 and \$2,800,000 annually beginning January 1, 2010 and 2011, respectively, for all employees. These limits apply only to claims made during the respective calendar years. Rates were charged by the internal service fund to the other City funds to cover the monthly premium to the administrator and claims up to 100.0% and 93.5% of the aggregate stop loss amount for fiscal years ending June 30, 2010 and 2011 respectively.



City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE O - RISK MANAGEMENT – Continued**

Corporate Claims Management, Inc. administers the City's workers' compensation plan. Under this plan, the City pays the administrator a per claim fee to administer its claims. All claims are paid directly by the City. The City has purchased insurance coverage from Safety National Casualty Corp. that limits the City's maximum individual claims liability to \$550,000 for USL & H and \$400,000 for other regular employees and per occurrence claims liability to \$1,000,000. Additionally, \$5,000,000 in coverage is provided for annual claims in excess of \$1,699,596. Rates are charged by the internal service fund to the other City funds based on rates and experience factors established by the National Council on Compensation Insurance and City of Cape Girardeau actual claims trends. Safety National is rated "A" by A. M. Best.

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, 2006	\$ 509,500	\$ 705,000	\$ 1,214,500
Provision for Incurred Claims	2,520,411	517,676	3,038,087
Payment of Claims	<u>(2,384,161)</u>	<u>(552,676)</u>	<u>(2,936,837)</u>
Balance June 30, 2007	\$ 645,750	\$ 670,000	\$ 1,315,750
Provision for Incurred Claims	1,812,199	6,009	1,818,208
Payment of Claims	<u>(2,346,449)</u>	<u>(406,009)</u>	<u>(2,752,458)</u>
Balance June 30, 2008	\$ 111,500	\$ 270,000	\$ 381,500
Provision for Incurred Claims	1,860,053	523,905	2,383,958
Payment of Claims	<u>(1,773,053)</u>	<u>(363,905)</u>	<u>(2,136,958)</u>
Balance June 30, 2009	\$ 198,500	\$ 430,000	\$ 628,500
Provision for Incurred Claims	1,843,651	583,662	2,427,313
Payment of Claims	<u>(1,911,151)</u>	<u>(493,662)</u>	<u>(2,404,813)</u>
Balance June 30, 2010	\$ 131,000	\$ 520,000	\$ 651,000
Provision for Incurred Claims	2,238,055	106,108	2,344,163
Payment of Claims	<u>(2,171,055)</u>	<u>(526,108)</u>	<u>(2,697,163)</u>
Balance June 30, 2011	<u>\$ 198,000</u>	<u>\$ 100,000</u>	<u>\$ 298,000</u>

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE P - CONCENTRATION OF CREDIT RISK/BAD DEBT ALLOWANCE**

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

At June 30, 2011, utility receivables totaled \$2,268,627. On the financial statements, the utility receivables are shown net of the allowance for doubtful accounts of \$94,135. This results in net utility receivable of \$2,174,492. During the year ended June 30, 2011, the allowance was increased by \$35,520 or approximately .28% of the current year's utility charges and accounts totaling \$70,678 were written off.

**NOTE Q - COMMITMENTS AND CONTINGENCIES**

**1. Litigation**

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

**2. Grant Audit**

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

**3. Construction Commitments**

As of June 30, 2011, the City had construction commitments outstanding of \$5,570,846. The construction commitments represent incomplete portions of contracts entered into to construct the following: various street projects, trail construction, platforms, power supply, and fiber optic cabling for 4 new raw water supply wells, the rehabilitation of a commercial building, and housing rehabilitation. These contracts are expected to be completed within the next fiscal year.

**4. Encumbrances**

As of June 30, 2011, the City had encumbrances outstanding of \$8,165,801.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE R – PRIOR PERIOD ADJUSTMENTS**

On the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, there are prior period adjustments that total (\$13,063.79). General Fund had a (\$.01) adjustment due to actual receipts from the FEMA ice storm disaster that occurred during January 2009 being less than originally thought. Airport Fund had a prior period adjustment of (\$11,505.28) for painting done by DSW on the hangar they rented during September 2009, the value of which was supposed to be applied toward their rent due. Finally, the Housing Development Grants fund had a prior period adjustment of (\$1,558.50) for a receivable that had been set up for administrative fees due from the Neighborhood Stabilization Grant which were decreased because funds were not obligated by the due date.

The Proprietary Funds Statement of Revenues, Expenses, and Changes in fund Net Assets had prior period adjustments in both Sewer and Water funds which had to do with Construction in Progress costs for projects expected to be capitalized upon their completion. Sewer fund had (\$1,631.40) reversed due to completed project cost being under the \$5,000.00 capitalization threshold. Also, (\$259.68) was set up for engineering time thought to be a sewer project that turned out to be a street project. Water fund had an adjustment in the amount of (\$6,253.51) for costs associated with a water main extension that will be privately maintained by St. Francis Hospital. The previous year's financial statements had assumed that the extension would be maintained by the City and the costs were included with the City's fixed assets.

The Statement of Activities includes a prior period adjustment in the amount of (\$1,939.95) on the governmental side for the decrease in Construction in Progress for items determined not to be a general fixed asset. The previous Governmental Fund and Proprietary Fund adjustments were also included as prior period adjustments on the Statements of Activities.

**NOTE S - CONTINGENCY**

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 5 - CONTINGENCY - Continued**

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

During the fiscal year ended June 30, 2011, no payment was due under the development agreement.

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

The local developer has completed these improvements with a total cost of \$2,998,434. The City and County are required by the development agreement to reimburse the developer for these costs plus 4% interest with quarterly payments from available revenue. Available revenue is defined by the agreement as all the net sales tax revenue generated by two .25% City capital improvement sales taxes and the .50% City transportation sales tax and 50% of the net sales tax revenue generated by a .50% County sales tax. All City sales taxes have expiration date 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.

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, 2011, the City incurred payments of \$151,594 under the development agreement. This amount is included in the Development Services expenses on the statement of activities.

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

**NOTE S - CONTINGENCY - Continued**

This project involves 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 is 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. It's anticipated that the CID will implement a 1% sales tax. Improvements to the redevelopment project will receive 100% real estate tax abatement for the first 10 years and 50% real estate tax abatement for the next 15 years. The current Sears facility will receive 50% real estate tax abatement for 25 years. Based on 2006 assessed values the abatement of City taxes on the unimproved Sears facility would be \$627.53.

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

This project was completed during the year at a cost of \$3,203,308. Reimbursement from incremental County and City sales tax revenue will be 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, 2011, the City incurred payments of \$39,729 under the development agreement. This amount is included in the Development Services expenses on the Statement of Activities.

**NOTE T – SUBSEQUENT EVENTS**

On November 15, 2010 the City approved Abatement Order on Consent #1003 issued by the Missouri Department of Natural Resources. This was an administrative action taken by the Missouri Department of Natural Resources as result of their belief that the City was in violation of the Missouri Clean Water Law. As a result of the Order, the City has agreed to pay a \$15,000 civil fine, commit at least \$111,000 to a supplemental environmental project, and construct a new wastewater treatment plant that is in compliance with current Missouri Clean Water Law.

**City of Cape Girardeau  
General  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 14,412,898.00	\$ 14,412,898.00	\$ 15,080,989.21	\$ 668,091.21
Licenses & permits	1,379,700.00	1,379,700.00	1,388,588.45	8,888.45
Intergovernmental	590,465.00	590,465.00	888,828.37	298,363.37
Charges for services	258,841.00	258,841.00	275,398.93	16,557.93
Internal charges	1,150,055.00	1,150,055.00	1,189,365.66	39,310.66
Fines and forfeits	825,000.00	825,000.00	857,413.38	(167,586.62)
Miscellaneous	288,597.00	288,597.00	466,014.95	177,417.95
Investment revenue	103,497.00	103,497.00	106,166.80	2,669.80
<b>Total revenues</b>	<u>19,008,853.00</u>	<u>19,008,853.00</u>	<u>20,050,565.75</u>	<u>1,041,712.75</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	2,308,845.00	1,708,095.00	1,661,249.58	46,845.42
Contingency	40,000.00	40,000.00	95,640.13	(55,640.13)
Development Services	1,528,638.00	2,222,638.00	2,129,734.90	92,903.10
Parks and Recreation	1,748,864.00	1,812,764.00	1,777,702.79	35,061.21
Public Safety	11,477,712.00	11,616,012.00	11,362,158.98	233,853.02
Public Works	2,231,659.00	2,346,509.00	2,241,115.28	105,393.72
<b>Total current</b>	<u>19,331,318.00</u>	<u>19,746,018.00</u>	<u>19,287,601.66</u>	<u>458,416.34</u>
Debt service:				
Administrative charges	470.00	470.00	1,091.79	(621.79)
Interest	75,377.00	75,377.00	67,361.52	8,015.48
Principal	91,000.00	91,000.00	91,000.00	-
<b>Total debt service</b>	<u>166,847.00</u>	<u>166,847.00</u>	<u>159,453.31</u>	<u>7,393.69</u>
Capital outlay:				
Administrative	20,450.00	9,450.00	-	9,450.00
Parks and Recreation	-	7,600.00	7,608.00	(8.00)
Public Safety	-	214,300.00	204,475.64	9,824.36
Public Works	-	7,500.00	7,112.58	387.42
<b>Total capital outlay</b>	<u>20,450.00</u>	<u>238,850.00</u>	<u>219,194.22</u>	<u>19,855.78</u>
<b>Total expenditures</b>	<u>19,518,615.00</u>	<u>20,151,715.00</u>	<u>19,666,249.19</u>	<u>485,465.81</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(509,762.00)</u>	<u>(1,142,862.00)</u>	<u>364,316.56</u>	<u>1,527,178.56</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	4,468,290.00	4,853,290.00	4,677,316.77	(175,973.23)
Special assessments	9,000.00	9,000.00	19,849.37	10,849.37
Advance repayments	73,652.00	73,652.00	80,511.86	6,859.86
Asset disposition	-	-	28,350.92	28,350.92
Transfers out	(4,004,369.00)	(4,161,189.00)	(4,207,841.45)	(48,452.45)
<b>Total other financing sources and uses and special items</b>	<u>546,553.00</u>	<u>774,753.00</u>	<u>596,187.47</u>	<u>(178,565.53)</u>
<b>Net change in fund balances</b>	<u>38,791.00</u>	<u>(368,109.00)</u>	<u>980,504.03</u>	<u>1,348,613.03</u>
Fund balances -- beginning	4,462,385.17	4,462,385.17	4,462,385.17	-
Prior period adjustment	(0.01)	(0.01)	(0.01)	-
<b>Fund balances -- ending</b>	<u>\$ 4,499,176.16</u>	<u>\$ 4,094,276.18</u>	<u>\$ 5,442,889.19</u>	<u>\$ 1,348,613.03</u>

City of Cape Girardeau  
 Airport  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 276,980.00	\$ 276,980.00	\$ 225,043.31	\$ (51,936.69)
Charges for services	323,100.00	323,100.00	327,804.94	4,704.94
Miscellaneous	205,836.00	205,836.00	208,567.12	2,731.12
Investment revenue	720.00	720.00	1,326.13	606.13
Asset disposition	-	-	47.50	47.50
<b>Total revenues</b>	<u>806,636.00</u>	<u>806,636.00</u>	<u>762,789.00</u>	<u>(43,847.00)</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	1,191,488.00	1,251,838.00	1,160,934.52	90,903.48
<b>Total current</b>	<u>1,191,488.00</u>	<u>1,251,838.00</u>	<u>1,160,934.52</u>	<u>90,903.48</u>
Debt service:				
Interest	599.00	599.00	-	599.00
Principal	11,800.00	11,800.00	-	11,800.00
<b>Total debt service</b>	<u>12,399.00</u>	<u>12,399.00</u>	<u>-</u>	<u>12,399.00</u>
Capital outlay:				
Administrative	1,550.00	11,550.00	-	11,550.00
<b>Total capital outlay</b>	<u>1,550.00</u>	<u>11,550.00</u>	<u>-</u>	<u>11,550.00</u>
<b>Total expenditures</b>	<u>1,205,437.00</u>	<u>1,275,787.00</u>	<u>1,160,934.52</u>	<u>114,852.48</u>
<b>Excess (deficiency) of revenues         over (under) expenditures</b>	<u>(398,801.00)</u>	<u>(469,151.00)</u>	<u>(398,145.52)</u>	<u>71,005.48</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	660,583.00	715,583.00	723,624.25	8,041.25
Transfers out	(261,782.00)	(261,782.00)	(261,782.00)	-
<b>Total other financing sources and uses and special items</b>	<u>398,801.00</u>	<u>453,801.00</u>	<u>461,842.25</u>	<u>8,041.25</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(15,350.00)</u>	<u>63,696.73</u>	<u>79,046.73</u>
Fund balances -- beginning	86,374.31	86,374.31	86,374.31	-
Prior period adjustment	(11,505.28)	(11,505.28)	(11,505.28)	-
Fund balances -- ending	<u>\$ 74,869.03</u>	<u>\$ 59,519.03</u>	<u>\$ 138,565.76</u>	<u>\$ 79,046.73</u>

**City of Cape Girardeau  
Park and Recreation  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 902,472.00	\$ 902,472.00	\$ 1,154,872.72	\$ 252,400.72
Internal charges	-	-	1,025.66	1,025.66
Miscellaneous	13,800.00	13,800.00	14,765.68	965.68
Investment revenue	3,240.00	3,240.00	11,327.14	8,087.14
Total revenues	<u>919,512.00</u>	<u>919,512.00</u>	<u>1,181,991.20</u>	<u>262,479.20</u>
<b>EXPENDITURES</b>				
Current:				
Parks and Recreation	2,145,194.00	2,327,894.00	2,089,912.81	237,981.19
Total current	<u>2,145,194.00</u>	<u>2,327,894.00</u>	<u>2,089,912.81</u>	<u>237,981.19</u>
Capital outlay:				
Parks and Recreation	-	-	17,409.25	(17,409.25)
Total capital outlay	<u>-</u>	<u>-</u>	<u>17,409.25</u>	<u>(17,409.25)</u>
Total expenditures	<u>2,145,194.00</u>	<u>2,327,894.00</u>	<u>2,107,322.06</u>	<u>220,571.94</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,225,682.00)</u>	<u>(1,408,382.00)</u>	<u>(925,330.86)</u>	<u>483,051.14</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	1,225,682.00	1,225,682.00	1,086,998.25	(138,683.75)
Asset disposition	-	-	8,274.98	8,274.98
Transfers out	-	-	(1,816.52)	(1,816.52)
Total other financing sources and uses and special items	<u>1,225,682.00</u>	<u>1,225,682.00</u>	<u>1,093,456.71</u>	<u>(132,225.29)</u>
Net change in fund balances	-	(182,700.00)	168,125.85	350,825.85
Fund balances – beginning	243,805.09	243,805.09	243,805.09	-
Fund balances – ending	<u>\$ 243,805.09</u>	<u>\$ 61,105.09</u>	<u>\$ 411,930.94</u>	<u>\$ 350,825.85</u>

See Independent Auditors' Report.



City of Cape Girardeau  
Transportation Sales Tax Trust Fund III  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,985,000.00	\$ 2,985,000.00	\$ 2,610,513.33	\$ (374,486.67)
Investment revenue	48,000.00	48,000.00	151,219.84	103,219.84
Total revenues	<u>3,033,000.00</u>	<u>3,033,000.00</u>	<u>2,761,733.17</u>	<u>(271,266.83)</u>
<b>EXPENDITURES</b>				
Current:				
Development Services	63,000.00	72,000.00	60,949.76	11,050.24
Total current	<u>63,000.00</u>	<u>72,000.00</u>	<u>60,949.76</u>	<u>11,050.24</u>
Capital outlay:				
Capital Improvement Projects	1,175,369.00	3,525,369.00	1,690,573.03	1,834,795.97
Total capital outlay	<u>1,175,369.00</u>	<u>3,525,369.00</u>	<u>1,690,573.03</u>	<u>1,834,795.97</u>
Total expenditures	<u>1,238,369.00</u>	<u>3,597,369.00</u>	<u>1,751,522.79</u>	<u>1,845,846.21</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,794,631.00</u>	<u>(564,369.00)</u>	<u>1,010,210.38</u>	<u>1,574,579.38</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	350,000.00	350,000.00	350,000.00	-
Total other financing sources and uses and special items	<u>350,000.00</u>	<u>350,000.00</u>	<u>350,000.00</u>	<u>-</u>
Net change in fund balances	2,144,631.00	(214,369.00)	1,360,210.38	1,574,579.38
Fund balances -- beginning	1,664,611.61	1,664,611.61	1,664,611.61	-
Fund balances -- ending	<u>\$ 3,809,242.61</u>	<u>\$ 1,450,242.61</u>	<u>\$ 3,024,821.99</u>	<u>\$ 1,574,579.38</u>

City of Cape Girardeau, Missouri  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
June 30, 2011

## **BUDGETS AND BUDGETARY ACCOUNTING**

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

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year ending the following June 30th at the first meeting of June each year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between programs within any department; however, any revisions that alter the total appropriations of any department must be approved by the City Council. Departments may not legally exceed their appropriations without approval from the City Council. Appropriations expire at the end of the year; however, outstanding encumbrances at the end of the year are honored by the City.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Budgets for all funds are adopted on a budgetary basis.
7. If, during the fiscal year, the City Manager certifies there are additional revenues to appropriate, unencumbered appropriation balances within a department, or there is an emergency situation, the City Council may amend the initial budget by ordinance. The initial budget was adopted by the City Council on June 21, 2010 and amended on February 22, 2011, March 21, 2011, and July 5, 2011. The initial budget and final amended budget are both reflected in the financial statements.

For the year ended June 30, 2011, the fund expenditures for Vision 2000, Downtown Business District, Motor Fuel, Capital Improvement Sales Tax-Water System Improvements, Capital Improvement Sales Tax-Sewer System Improvements, Transportation Sales Tax Trust Fund II, Transportation Sales Tax Trust Fund IV, General Capital Improvements, and Park Improvements exceeded their approved budgets by \$3,102, \$1,594, \$290, \$6,627, \$7,654, \$23,516, \$127,920, \$137,817 and \$2,985, respectively.

City of Cape Girardeau, Missouri  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
June 30, 2011

**BUDGETS AND BUDGETARY ACCOUNTING - Continued**

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds reports revenues and expenditures on the modified accrual basis of accounting in accordance with GAAP. The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis) for all governmental fund types is prepared on a budgetary basis which includes encumbrances as expenditures.

The following reconciliation adjusts GAAP basis to budget basis:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and <u>Other Financing Uses</u>					
	<u>General</u>	<u>Airport</u>	<u>Parks and Recreation</u>	<u>Transportation Trust III</u>	<u>Park Projects From Park Sales Tax</u>	<u>Non-major Funds</u>
GAAP Basis	\$ 930,338	\$ 67,336	\$ 163,985	\$ 471,004	\$ (3,585,453)	\$ (136,703)
Increase due to:						
Year-end encumbrances						
Administrative services	1,555	6,266	-	-	-	24,632
Development services	5,809	-	-	-	-	160,483
Parks and recreation	14,834	-	4,903	-	-	12,712
Public Safety	24,021	-	-	-	-	208
Public Works	13,931	-	-	-	-	-
Capital outlay	-	-	-	4,471,862	-	632,124
Contingency	-	-	-	-	-	-
Funds not budgeted annually	-	-	-	-	3,585,453	287,951
Advance from other funds	80,512	-	-	-	-	-
Adjust investments to market	16,178	622	2,534	34,557	-	51,416
Encumbrance revenue	<u>68,425</u>	<u>4,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,210</u>
	<u>225,265</u>	<u>11,368</u>	<u>7,437</u>	<u>4,506,419</u>	<u>3,585,453</u>	<u>1,560,736</u>
Decrease due to:						
Year-end encumbrances						
Administrative services	8,838	15,007	-	-	-	-
Development services	24,916	-	-	-	-	38,416
Parks and recreation	1,263	-	3,296	-	-	4,885
Public safety	98,857	-	-	-	-	25,454
Public works	27,688	-	-	-	-	-
Capital outlay	-	-	-	2,723,087	-	519,191
Contingency	4,948	-	-	-	-	-
Encumbrance revenue	8,589	-	-	894,126	-	520,742
Adjust invest to market	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>175,099</u>	<u>15,007</u>	<u>3,296</u>	<u>3,617,213</u>	<u>-</u>	<u>1,108,688</u>
Budget Basis	<u>\$ 980,504</u>	<u>\$ 63,697</u>	<u>\$ 168,126</u>	<u>\$ 1,360,210</u>	<u>\$ -</u>	<u>\$ 315,345</u>

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

City of Cape Girardeau, Missouri  
 NOTES TO BUDGETARY COMPARISON SCHEDULES  
 June 30, 2011

**BUDGETS AND BUDGETARY ACCOUNTING - Continued**

	<u>Net Income (Loss)</u>				
	<u>Sewer</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Golf Course</u>	<u>Softball Complex</u>
GAAP Basis	\$ 2,667,155	\$ 1,704,557	\$ (198,558)	\$ (82,200)	\$ 713,268
Increase due to :					
Prior year encumbrances					
Operating expenses	83,026	6,573	10,698	3,341	8,498
Capital Outlays	2,042,450	16,470	-	-	-
Depreciation	2,146,179	1,447,889	455,283	118,721	24,918
Special assessments	12,775	4,066	-	-	-
Bond proceeds	-	-	-	-	-
Interest cost amortized	313,157	-	-	-	-
Cost of bond refunding amortization	-	42,610	-	-	-
Issuance cost amortization	18,836	15,205	6,190	-	-
Interest paid more than accrual	-	-	17,148	-	-
Amortized bond premium/discount	-	-	-	-	-
Adjust investments to market	10,545	42,780	9,405	285	232
Amounts deferred to be used for future debt service on capital appreciation bonds					
Construction fund earnings	148,596	-	-	-	-
Interest subsidy received	365,025	-	-	-	-
Net OPEB obligation	30,819	6,884	10,411	10,345	3,462
Asset dispositions	68,128	735	4,507	-	-
	<u>5,239,536</u>	<u>1,583,212</u>	<u>513,642</u>	<u>132,692</u>	<u>37,110</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	1,031,534	174,935	16,832	249	7,646
Capital outlays	826,492	10,236	-	-	-
Landfill closure and maintenance costs	-	-	1,611	-	-
Cost of bond refunding amortization	-	-	-	-	-
Issuance cost amortization	-	-	-	-	-
Interest paid more than accrual	33,295	12,333	-	-	-
Bond principal paid	2,199,500	925,000	218,690	26,704	16,625
Amortized Bond premium/discount	-	11,697	3,420	-	-
Capital outlays	1,630,323	323,427	99,717	1,187	3,117
Adjust investments to market	-	-	-	-	-
Asset Dispositions	-	-	-	-	-
Deferred revenues	404,804	28,369	38,406	-	-
Adjustment to liability for future landfill postclosure maintenance costs	-	-	1,889	-	-
Contributed capital	198,172	1,344,592	-	19,419	722,600
	<u>6,324,120</u>	<u>2,830,589</u>	<u>380,565</u>	<u>47,559</u>	<u>749,988</u>
Budget Basis	<u>\$ 1,582,571</u>	<u>\$ 457,180</u>	<u>\$ (65,481)</u>	<u>\$ 2,933</u>	<u>\$ 390</u>

City of Cape Girardeau, Missouri  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
June 30, 2011

**BUDGETS AND BUDGETARY ACCOUNTING - Continued**

	<u>Net Income (Loss)</u>				
	Data	Fleet	Employee	Risk	Equipment
	<u>Processing</u>	<u>Management</u>	<u>Fringe</u>	<u>Management</u>	<u>Replacement</u>
GAAP Basis	\$ 64,125	\$ (59,566)	\$ 382,707	\$ 374,041	\$ 43,231
Increase due to:					
Prior year encumbrances					
Operating expenses	-	7,058	-	-	-
Capital Outlays	51,361	6,935	-	-	6,494
Depreciation	58,336	17,949	-	-	268,239
Deferred revenues	-	14,814	-	-	-
Issuance cost amortization	-	-	-	-	546
Difference between proceeds from sale of fixed assets and gain or loss	-	-	-	-	-
Net OPEB Obligation	7,581	35,574	-	-	-
Adjust investments to market	<u>655</u>	<u>25</u>	<u>11,619</u>	<u>16,197</u>	<u>6,188</u>
	<u>117,933</u>	<u>82,355</u>	<u>11,619</u>	<u>16,197</u>	<u>281,467</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	330	4,157	-	-	-
Capital outlays	58,651	-	-	-	-
Interest paid more than accrued	-	-	-	-	117
Adjust investments to market	-	-	-	-	-
Amortized Bond premium/discount	-	-	-	-	367
Principal paid	-	-	-	-	40,000
Capital outlays	<u>79,125</u>	<u>17,867</u>	<u>-</u>	<u>-</u>	<u>215,846</u>
	<u>138,106</u>	<u>22,024</u>	<u>-</u>	<u>-</u>	<u>256,330</u>
Budget Basis	<u>\$ 43,952</u>	<u>\$ 765</u>	<u>\$ 394,326</u>	<u>\$390,238</u>	<u>\$ 68,368</u>

CITY OF CAPE GIRARDEAU, MISSOURI

Schedule of Funding Progress

June 30, 2011

Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2009	\$ 26,852,264	\$ 30,816,797	\$ 3,964,533	87%	\$ 13,852,177	29%
2/28/2010	28,033,747	31,677,279	3,643,532	88%	14,192,849	26%
2/28/2011	28,180,987	32,648,850	4,467,863	86%	13,842,403	32%

See Independent Auditors' Report.

**SUPPLEMENTAL INFORMATION**

City of Cape Girardeau  
 Vision 2000  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ -	\$ -	\$ 86.82	\$ 86.82
Total revenues	-	-	86.82	86.82
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	86.82	86.82
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers out	-	-	(3,101.94)	(3,101.94)
Total other financing sources and uses and special items	-	-	(3,101.94)	(3,101.94)
Net change in fund balances	-	-	(3,015.12)	(3,015.12)
Fund balances -- beginning	3,025.92	3,025.92	3,025.92	-
Fund balances -- ending	<u>\$ 3,025.92</u>	<u>\$ 3,025.92</u>	<u>\$ 10.80</u>	<u>\$ (3,015.12)</u>

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City of Cape Girardeau  
Convention and Tourism  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,720,920.00	\$ 1,720,920.00	\$ 1,766,534.92	\$ 45,614.92
Intergovernmental	-	-	25,539.02	25,539.02
Miscellaneous	-	-	500.00	500.00
Investment revenue	21,000.00	21,000.00	12,929.01	(8,070.99)
Total revenues	<u>1,741,920.00</u>	<u>1,741,920.00</u>	<u>1,805,502.95</u>	<u>63,582.95</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	1,790,740.00	1,975,090.00	1,912,896.65	62,193.35
Total current	<u>1,790,740.00</u>	<u>1,975,090.00</u>	<u>1,912,896.65</u>	<u>62,193.35</u>
Total expenditures	<u>1,790,740.00</u>	<u>1,975,090.00</u>	<u>1,912,896.65</u>	<u>62,193.35</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,820.00)</u>	<u>(233,170.00)</u>	<u>(107,393.70)</u>	<u>125,776.30</u>
Net change in fund balances	(48,820.00)	(233,170.00)	(107,393.70)	125,776.30
Fund balances – beginning	665,746.52	665,746.52	665,746.52	-
Fund balances – ending	<u>\$ 616,926.52</u>	<u>\$ 432,576.52</u>	<u>\$ 558,352.82</u>	<u>\$ 125,776.30</u>

City of Cape Girardeau  
Downtown Business District  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 20,825.00	\$ 20,825.00	\$ 32,051.70	\$ 11,226.70
Investment revenue	1,500.00	1,500.00	1,102.03	(397.97)
Total revenues	<u>22,325.00</u>	<u>22,325.00</u>	<u>33,153.73</u>	<u>10,828.73</u>
<b>EXPENDITURES</b>				
Current:				
Development Services	12,325.00	12,325.00	13,919.49	(1,594.49)
Total current	<u>12,325.00</u>	<u>12,325.00</u>	<u>13,919.49</u>	<u>(1,594.49)</u>
Debt Service:				
Interest	5,073.00	5,073.00	5,033.22	39.78
Principal	4,927.00	4,927.00	4,966.78	(39.78)
Total debt service	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>
Total expenditures	<u>22,325.00</u>	<u>22,325.00</u>	<u>23,919.49</u>	<u>(1,594.49)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>9,234.24</u>	<u>9,234.24</u>
Net change in fund balances	-	-	9,234.24	9,234.24
Fund balances -- beginning	33,828.55	33,828.55	33,828.55	-
Fund balances -- ending	<u>\$ 33,828.55</u>	<u>\$ 33,828.55</u>	<u>\$ 43,062.79</u>	<u>\$ 9,234.24</u>

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City of Cape Girardeau  
Health  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 310,440.00	\$ 310,440.00	\$ 309,707.80	\$ (732.20)
Licenses & permits	4,000.00	4,000.00	7,396.00	3,396.00
Intergovernmental	7,575.00	7,575.00	7,948.99	373.99
Investment revenue	12,000.00	12,000.00	12,669.42	669.42
Total revenues	<u>334,015.00</u>	<u>334,015.00</u>	<u>337,722.21</u>	<u>3,707.21</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	334,015.00	334,015.00	312,949.16	21,065.84
Total current	<u>334,015.00</u>	<u>334,015.00</u>	<u>312,949.16</u>	<u>21,065.84</u>
Total expenditures	<u>334,015.00</u>	<u>334,015.00</u>	<u>312,949.16</u>	<u>21,065.84</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>24,773.05</u>	<u>24,773.05</u>
Net change in fund balances	-	-	24,773.05	24,773.05
Fund balances -- beginning	448,688.24	446,688.24	446,688.24	-
Fund balances -- ending	<u>\$ 446,688.24</u>	<u>\$ 446,688.24</u>	<u>\$ 471,461.29</u>	<u>\$ 24,773.05</u>

City of Cape Girardeau  
Motor Fuel Tax  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,324,000.00	\$ 1,324,000.00	\$ 1,356,235.59	\$ 32,235.59
Investment revenue	3,740.00	3,740.00	8,913.96	5,173.96
Total revenues	<u>1,327,740.00</u>	<u>1,327,740.00</u>	<u>1,365,149.55</u>	<u>37,409.55</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	-	289.63	(289.63)
Total current	<u>-</u>	<u>-</u>	<u>289.63</u>	<u>(289.63)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>289.63</u>	<u>(289.63)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,327,740.00</u>	<u>1,327,740.00</u>	<u>1,364,859.92</u>	<u>37,119.92</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Special assessments	4,468.00	4,468.00	4,570.65	102.65
Transfers out	(1,320,000.00)	(1,320,000.00)	(1,320,000.00)	-
Total other financing sources and uses and special items	<u>(1,315,532.00)</u>	<u>(1,315,532.00)</u>	<u>(1,315,429.35)</u>	<u>102.65</u>
Net change in fund balances	12,208.00	12,208.00	49,430.57	37,222.57
Fund balances -- beginning	161,548.30	161,548.30	161,548.30	-
Fund balances -- ending	<u>\$ 173,756.30</u>	<u>\$ 173,756.30</u>	<u>\$ 210,978.87</u>	<u>\$ 37,222.57</u>

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City of Cape Girardeau  
 Capital Improvement Sales Tax-Flood Control  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ -	\$ -	\$ 1,587.77	\$ 1,587.77
Total revenues	-	-	1,587.77	1,587.77
<b>EXPENDITURES</b>				
Capital outlay:				
Capital Improvement Projects	-	17,000.00	17,654.60	(654.60)
Total capital outlay	-	17,000.00	17,654.60	(654.60)
Total expenditures	-	17,000.00	17,654.60	(654.60)
Excess (deficiency) of revenues over (under) expenditures	-	(17,000.00)	(16,066.83)	933.17
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers out	-	(45,000.00)	-	45,000.00
Total other financing sources and uses and special items	-	(45,000.00)	-	45,000.00
Net change in fund balances	-	(62,000.00)	(16,066.83)	45,933.17
Fund balances -- beginning	59,577.12	59,577.12	59,577.12	-
Fund balances -- ending	\$ 59,577.12	\$ (2,422.88)	\$ 43,510.29	\$ 45,933.17

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City of Cape Girardeau  
 Capital Improvement Sales Tax-Water System Improvements  
 Statement of Revenue, Expenditure, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,190,700.00	\$ 2,190,700.00	\$ 2,225,580.51	\$ 34,880.51
Investment revenue	100,000.00	100,000.00	78,918.05	(21,081.95)
Total revenues	<u>2,290,700.00</u>	<u>2,290,700.00</u>	<u>2,304,498.56</u>	<u>13,798.56</u>
<b>EXPENDITURES</b>				
Current:				
Development Services:	38,000.00	40,700.00	48,354.01	(7,654.01)
Total current	<u>38,000.00</u>	<u>40,700.00</u>	<u>48,354.01</u>	<u>(7,654.01)</u>
Debt service:				
Administrative charges	59,719.00	62,469.00	61,534.57	934.43
Interest	561,120.00	583,370.00	583,277.85	92.15
Principal	1,110,000.00	1,130,600.00	1,130,600.00	-
Total debt service	<u>1,730,839.00</u>	<u>1,776,439.00</u>	<u>1,775,412.42</u>	<u>1,026.58</u>
Total expenditures	<u>1,768,839.00</u>	<u>1,817,139.00</u>	<u>1,823,766.43</u>	<u>(6,627.43)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>521,861.00</u>	<u>473,561.00</u>	<u>480,732.13</u>	<u>7,171.13</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	-	4,350.97	4,350.97
Transfer out	-	(1,400,000.00)	(1,400,000.00)	-
Total other financing sources and uses and special items	<u>-</u>	<u>(1,400,000.00)</u>	<u>(1,395,649.03)</u>	<u>4,350.97</u>
Net change in fund balances	521,861.00	(926,439.00)	(914,916.90)	11,522.10
Fund balances – beginning	2,252,035.23	2,252,035.23	2,252,035.23	-
Fund balances – ending	<u>\$ 2,773,896.23</u>	<u>\$ 1,325,596.23</u>	<u>\$ 1,337,118.33</u>	<u>\$ 11,522.10</u>

City of Cape Girardeau  
Transportation Sales Tax Trust Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ 12,400.00	\$ 12,400.00	\$ 12,074.45	\$ (325.55)
Total revenues	<u>12,400.00</u>	<u>12,400.00</u>	<u>12,074.45</u>	<u>(325.55)</u>
<b>EXPENDITURES</b>				
Debt service:				
Administrative charges	470.00	470.00	418.00	52.00
Interest	12,423.00	12,423.00	12,423.00	-
Principal	123,000.00	123,000.00	123,000.00	-
Total debt service	<u>135,893.00</u>	<u>135,893.00</u>	<u>135,841.00</u>	<u>52.00</u>
Capital outlay:				
Capital Improvement Projects	-	3,500.00	3,447.68	52.32
Total capital outlay	<u>-</u>	<u>3,500.00</u>	<u>3,447.68</u>	<u>52.32</u>
Total expenditures	<u>135,893.00</u>	<u>139,393.00</u>	<u>139,288.68</u>	<u>104.32</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(123,493.00)</u>	<u>(126,993.00)</u>	<u>(127,214.23)</u>	<u>(221.23)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Special assessments	55,100.00	55,100.00	58,916.14	3,816.14
Total other financing sources and uses and special items	<u>55,100.00</u>	<u>55,100.00</u>	<u>58,916.14</u>	<u>3,816.14</u>
Net change in fund balances	(68,393.00)	(71,893.00)	(68,298.09)	3,594.91
Fund balances -- beginning	233,488.15	233,488.15	233,488.15	-
Fund balances -- ending	<u>\$ 165,095.15</u>	<u>\$ 161,595.15</u>	<u>\$ 165,190.06</u>	<u>\$ 3,594.91</u>

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City of Cape Girardeau  
 Capital Improvement Sales Tax-Sewer System Improvements  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,190,700.00	\$ 2,190,700.00	\$ 2,225,604.58	\$ 34,904.58
Investment revenue	12,000.00	12,000.00	15,215.46	3,215.46
Total revenues	<u>2,202,700.00</u>	<u>2,202,700.00</u>	<u>2,240,820.04</u>	<u>38,120.04</u>
<b>EXPENDITURES</b>				
Current				
Development Services	38,000.00	40,700.00	46,354.00	(7,654.00)
Total current	<u>38,000.00</u>	<u>40,700.00</u>	<u>46,354.00</u>	<u>(7,654.00)</u>
Total expenditures	<u>38,000.00</u>	<u>40,700.00</u>	<u>46,354.00</u>	<u>(7,654.00)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,164,700.00</u>	<u>2,162,000.00</u>	<u>2,192,466.04</u>	<u>30,466.04</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers out	(1,702,899.00)	(2,816,599.00)	(2,816,599.00)	-
Total other financing sources and uses and special items	<u>(1,702,899.00)</u>	<u>(2,816,599.00)</u>	<u>(2,816,599.00)</u>	<u>-</u>
Net change in fund balances	461,801.00	(654,599.00)	(624,132.96)	30,466.04
Fund balances – beginning	1,150,395.58	1,150,395.58	1,150,395.58	-
Fund balances – ending	<u>\$ 1,612,196.58</u>	<u>\$ 495,796.58</u>	<u>\$ 526,262.62</u>	<u>\$ 30,466.04</u>



City of Cape Girardeau  
Transportation Sales Tax Trust Fund II  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ 6,700.00	\$ 6,700.00	\$ 9,922.29	\$ 3,222.29
Total revenues	<u>6,700.00</u>	<u>6,700.00</u>	<u>9,922.29</u>	<u>3,222.29</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Capital improvement Projects	-	-	(23,516.49)	23,516.49
Total capital outlay	-	-	(23,516.49)	23,516.49
Total expenditures	-	-	(23,516.49)	23,516.49
Excess (deficiency) of revenues over (under) expenditures	<u>6,700.00</u>	<u>6,700.00</u>	<u>33,438.78</u>	<u>26,738.78</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Special assessments	41,100.00	41,100.00	29,541.91	(11,558.09)
Total other financing sources and uses and special items	<u>41,100.00</u>	<u>41,100.00</u>	<u>29,541.91</u>	<u>(11,558.09)</u>
Net change in fund balances	47,800.00	47,800.00	62,980.69	15,180.69
Fund balances – beginning	47,571.52	47,571.52	47,571.52	-
Fund balances – ending	<u>\$ 95,371.52</u>	<u>\$ 95,371.52</u>	<u>\$ 110,552.21</u>	<u>\$ 15,180.69</u>

City of Cape Girardeau  
 Fire Sales Tax  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,123,310.00	\$ 2,123,310.00	\$ 2,152,560.98	\$ 29,250.98
Total revenues	<u>2,123,310.00</u>	<u>2,123,310.00</u>	<u>2,152,560.98</u>	<u>29,250.98</u>
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>2,123,310.00</u>	<u>2,123,310.00</u>	<u>2,152,560.98</u>	<u>29,250.98</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers out	(2,120,774.00)	(2,170,774.00)	(2,135,156.89)	35,617.11
Total other financing sources and uses and special items	<u>(2,120,774.00)</u>	<u>(2,170,774.00)</u>	<u>(2,135,156.89)</u>	<u>35,617.11</u>
Net change in fund balances	2,536.00	(47,464.00)	17,404.09	64,868.09
Fund balances -- beginning	199,508.40	199,508.40	199,508.40	-
Fund balances -- ending	<u>\$ 202,044.40</u>	<u>\$ 152,044.40</u>	<u>\$ 216,912.49</u>	<u>\$ 64,868.09</u>

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City of Cape Girardeau  
Public Safety Trust  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ 21,900.00	\$ 21,900.00	\$ 31,942.87	\$ 10,042.87
Total revenues	<u>21,900.00</u>	<u>21,900.00</u>	<u>31,942.87</u>	<u>10,042.87</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	-	3,541.86	(3,541.86)
Total current	<u>-</u>	<u>-</u>	<u>3,541.86</u>	<u>(3,541.86)</u>
Debt service:				
Administrative charges	500.00	500.00	1,878.46	(1,378.46)
Interest	151,156.00	151,156.00	145,847.15	5,308.85
Principal	563,992.00	563,992.00	563,992.00	-
Total debt service	<u>715,648.00</u>	<u>715,648.00</u>	<u>711,717.61</u>	<u>3,930.39</u>
Capital outlay:				
Capital Improvement Projects	-	-	1,398.37	(1,398.37)
Public Safety	239,441.00	239,441.00	232,030.39	7,410.61
Total capital outlay	<u>239,441.00</u>	<u>239,441.00</u>	<u>233,428.76</u>	<u>6,012.24</u>
Total expenditures	<u>955,089.00</u>	<u>955,089.00</u>	<u>948,688.23</u>	<u>6,400.77</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(933,189.00)</u>	<u>(933,189.00)</u>	<u>(916,745.36)</u>	<u>16,443.64</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	2,120,774.00	2,145,774.00	2,135,156.89	(10,617.11)
Transfers out	(1,159,387.00)	(1,184,387.00)	(1,166,578.44)	17,808.56
Total other financing sources and uses and special items	<u>961,387.00</u>	<u>961,387.00</u>	<u>968,578.45</u>	<u>7,191.45</u>
Net change in fund balances	28,198.00	28,198.00	51,833.09	23,635.09
Fund balances -- beginning	806,999.60	806,999.60	806,999.60	-
Fund balances -- ending	<u>\$ 835,197.60</u>	<u>\$ 835,197.60</u>	<u>\$ 858,832.69</u>	<u>\$ 23,635.09</u>

City of Cape Girardeau  
Debt Service  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ 4,420.00	\$ 4,420.00	\$ 5,184.74	\$ 764.74
Total revenues	<u>4,420.00</u>	<u>4,420.00</u>	<u>5,184.74</u>	<u>764.74</u>
<b>EXPENDITURES</b>				
Debt service:				
Administrative charges	2,842.00	2,842.00	2,821.50	20.50
Interest	125,992.00	125,992.00	125,992.00	-
Principal	172,000.00	2,132,000.00	2,132,000.00	-
Total debt service	<u>300,834.00</u>	<u>2,260,834.00</u>	<u>2,260,813.50</u>	<u>20.50</u>
Total expenditures	<u>300,834.00</u>	<u>2,260,834.00</u>	<u>2,260,813.50</u>	<u>20.50</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(296,414.00)</u>	<u>(2,256,414.00)</u>	<u>(2,255,628.76)</u>	<u>785.24</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	261,782.00	1,955,282.00	1,955,282.00	-
Special assessments	33,000.00	33,000.00	33,517.94	517.94
Total other financing sources and uses and special items	<u>294,782.00</u>	<u>1,988,282.00</u>	<u>1,988,799.94</u>	<u>517.94</u>
Net change in fund balances	(1,632.00)	(268,132.00)	(266,828.82)	1,303.18
Fund balances – beginning	289,063.86	289,063.86	289,063.86	-
Fund balances – ending	<u>\$ 287,431.86</u>	<u>\$ 20,931.86</u>	<u>\$ 22,235.04</u>	<u>\$ 1,303.18</u>

See Independent Auditors' Report.

City of Cape Girardeau  
 General Capital Improvements  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 92,978.53	\$ 92,978.53
Investment revenue	6,000.00	6,000.00	4,111.13	(1,888.87)
Total revenues	<u>6,000.00</u>	<u>6,000.00</u>	<u>97,089.66</u>	<u>91,089.66</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Capital Improvement Projects	-	-	137,817.44	(137,817.44)
Total capital outlay	-	-	137,817.44	(137,817.44)
Total expenditures	<u>-</u>	<u>-</u>	<u>137,817.44</u>	<u>(137,817.44)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,000.00</u>	<u>6,000.00</u>	<u>(40,727.78)</u>	<u>(46,727.78)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	-	60,000.00	60,000.00
Total other financing sources and uses and special items	<u>-</u>	<u>-</u>	<u>60,000.00</u>	<u>60,000.00</u>
Net change in fund balances	6,000.00	6,000.00	19,272.22	13,272.22
Fund balances -- beginning	196,926.95	196,926.95	196,926.95	-
Fund balances -- ending	<u>\$ 202,926.95</u>	<u>\$ 202,926.95</u>	<u>\$ 216,199.17</u>	<u>\$ 13,272.22</u>

City of Cape Girardeau  
Street Improvements  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ 6,800.00	\$ 6,800.00	\$ 6,689.59	\$ (110.41)
Total revenues	<u>6,800.00</u>	<u>6,800.00</u>	<u>6,689.59</u>	<u>(110.41)</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,800.00</u>	<u>6,800.00</u>	<u>6,689.59</u>	<u>(110.41)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Special Assessments	13,700.00	13,700.00	10,489.78	(3,210.22)
Total other financing sources and uses and special items	<u>13,700.00</u>	<u>13,700.00</u>	<u>10,489.78</u>	<u>(3,210.22)</u>
Net change in fund balances	20,500.00	20,500.00	17,179.37	(3,320.63)
Fund balances – beginning	37,553.41	37,553.41	37,553.41	-
Fund balances – ending	<u>\$ 58,053.41</u>	<u>\$ 58,053.41</u>	<u>\$ 54,732.78</u>	<u>\$ (3,320.63)</u>

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See Independent Auditors' Report.

City of Cape Girardeau  
Park Improvements  
Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 20,503.05	\$ 20,503.05
Investment revenue	-	-	161.83	161.83
Total revenues	-	-	20,664.88	20,664.88
<b>EXPENDITURES</b>				
<b>Debt service</b>				
Interest	-	-	3,111.66	(3,111.66)
Total debt service	-	-	3,111.66	(3,111.66)
<b>Capital outlay</b>				
Capital Improvement Projects	-	65,000.00	64,873.15	126.85
Total capital outlay	-	65,000.00	64,873.15	126.85
Total expenditures	-	65,000.00	67,984.81	(2,984.81)
Excess (deficiency) of revenues over (under) expenditures	-	(65,000.00)	(47,319.93)	17,680.07
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	5,000.00	114,816.85	109,816.85
Total other financing sources and uses and special items	-	5,000.00	114,816.85	109,816.85
Net change in fund balances	-	(60,000.00)	67,496.92	127,496.92
Fund balances -- beginning	(75,454.71)	(75,454.71)	(75,454.71)	-
Fund balances -- ending	\$ (75,454.71)	\$ (135,454.71)	\$ (7,957.79)	\$ 127,496.92

City of Cape Girardeau  
Community Development Block Grant Projects  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 399,999.94	\$ 399,999.94
Investment revenue	-	-	949.81	949.81
Total revenues	<u>-</u>	<u>-</u>	<u>400,949.75</u>	<u>400,949.75</u>
<b>EXPENDITURES</b>				
Current:				
Development Services	-	405,000.00	400,340.44	4,659.56
Total current	<u>-</u>	<u>405,000.00</u>	<u>400,340.44</u>	<u>4,659.56</u>
Debt service:				
Interest	-	-	295.00	(295.00)
Total debt service	<u>-</u>	<u>-</u>	<u>295.00</u>	<u>(295.00)</u>
Total expenditures	<u>-</u>	<u>405,000.00</u>	<u>400,635.44</u>	<u>4,364.56</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(405,000.00)</u>	<u>314.31</u>	<u>405,314.31</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	-	325.00	325.00
Transfers out	-	-	(218.11)	(218.11)
Total other financing sources and uses and special items	<u>-</u>	<u>-</u>	<u>106.89</u>	<u>106.89</u>
Net change in fund balances	-	(405,000.00)	421.20	405,421.20
Fund balances -- beginning	36,740.64	36,740.64	36,740.64	-
Fund balances -- ending	<u>\$ 36,740.64</u>	<u>\$ (368,259.36)</u>	<u>\$ 37,161.84</u>	<u>\$ 405,421.20</u>

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City of Cape Girardeau  
 Transportation Sales Tax Trust Fund IV  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 1,694,721.60	\$ 1,694,721.60
Intergovernmental	-	-	30,000.00	30,000.00
Investment revenue	-	-	5,986.70	5,986.70
Total revenues	<u>-</u>	<u>-</u>	<u>1,730,708.30</u>	<u>1,730,708.30</u>
<b>EXPENDITURES</b>				
Current				
Development Services	-	-	7,047.13	(7,047.13)
Total current	<u>-</u>	<u>-</u>	<u>7,047.13</u>	<u>(7,047.13)</u>
Debt service:				
Interest	-	-	5.19	(5.19)
Total debt service	<u>-</u>	<u>-</u>	<u>5.19</u>	<u>(5.19)</u>
Capital outlay:				
Capital improvement projects	-	150,000.00	270,867.42	(120,867.42)
Total capital outlay	<u>-</u>	<u>150,000.00</u>	<u>270,867.42</u>	<u>(120,867.42)</u>
Total expenditures	<u>-</u>	<u>150,000.00</u>	<u>277,919.74</u>	<u>(127,919.74)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(150,000.00)</u>	<u>1,452,788.56</u>	<u>1,602,788.56</u>
Fund balances -- beginning	-	-	-	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ (150,000.00)</u>	<u>\$ 1,452,788.56</u>	<u>\$ 1,602,788.56</u>

City of Cape Girardeau  
 Park Storm Water Sales Tax  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,062,180.00	\$ 1,062,180.00	\$ 1,111,600.62	\$ 49,420.62
Investment revenue	3,000.00	3,000.00	20,483.07	17,483.07
Total revenues	<u>1,065,180.00</u>	<u>1,065,180.00</u>	<u>1,132,083.69</u>	<u>66,903.69</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Parks and Recreation	100,000.00	100,000.00	-	100,000.00
Total capital outlay	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>	<u>100,000.00</u>
Total expenditures	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>	<u>100,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>965,180.00</u>	<u>965,180.00</u>	<u>1,132,083.69</u>	<u>166,903.69</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers out	(1,015,245.00)	(1,115,245.00)	(1,215,245.00)	(100,000.00)
Total other financing sources and uses and special items	<u>(1,015,245.00)</u>	<u>(1,115,245.00)</u>	<u>(1,215,245.00)</u>	<u>(100,000.00)</u>
Net change in fund balances	(50,065.00)	(150,065.00)	(83,161.31)	66,903.69
Fund balances – beginning	295,821.43	295,821.43	295,821.43	-
Fund balances – ending	<u>\$ 245,756.43</u>	<u>\$ 145,756.43</u>	<u>\$ 212,660.12</u>	<u>\$ 66,903.69</u>

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City of Cape Girardeau  
 Park Storm Water Sales Tax-Capital  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,186,500.00	\$ 3,186,500.00	\$ 3,334,801.83	\$ 148,301.83
Investment revenue	4,500.00	4,500.00	33,979.62	29,479.62
Total revenues	<u>3,191,000.00</u>	<u>3,191,000.00</u>	<u>3,368,781.45</u>	<u>177,781.45</u>
<b>EXPENDITURES</b>				
Debt service:				
Administrative charges	5,000.00	5,000.00	3,657.50	1,342.50
Interest	652,756.00	652,756.00	652,756.26	(0.26)
Principal	1,835,000.00	1,835,000.00	1,835,000.00	-
Total debt service	<u>2,492,756.00</u>	<u>2,492,756.00</u>	<u>2,491,413.76</u>	<u>1,342.24</u>
Capital outlay:				
Parks and Recreation	132,651.00	132,651.00	123,275.81	9,375.19
Total capital outlay	<u>132,651.00</u>	<u>132,651.00</u>	<u>123,275.81</u>	<u>9,375.19</u>
Total expenditures	<u>2,625,407.00</u>	<u>2,625,407.00</u>	<u>2,614,689.57</u>	<u>10,717.43</u>
Excess (deficiency) of revenues over (under) expenditures	<u>565,593.00</u>	<u>565,593.00</u>	<u>754,091.88</u>	<u>188,498.88</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	-	136,534.74	136,534.74
Capital outlay	-	-	(5,460.18)	(5,460.18)
Transfers out	(662,954.00)	(662,954.00)	(148,531.82)	514,422.18
Total other financing sources and uses and special items	<u>(662,954.00)</u>	<u>(662,954.00)</u>	<u>(17,457.26)</u>	<u>645,496.74</u>
Net change in fund balances	(97,361.00)	(97,361.00)	736,634.62	833,995.62
Fund balances – beginning	688,572.42	688,572.42	688,572.42	-
Fund balances – ending	<u>\$ 591,211.42</u>	<u>\$ 591,211.42</u>	<u>\$ 1,425,207.04</u>	<u>\$ 833,995.62</u>

City of Cape Girardeau  
Housing Development Grants  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 648,159.00	\$ 648,159.00	\$ 541,082.34	\$ (107,076.66)
Investment revenue	-	-	105.10	105.10
Total revenues	<u>648,159.00</u>	<u>648,159.00</u>	<u>541,187.44</u>	<u>(106,971.56)</u>
<b>EXPENDITURES</b>				
Current:				
Development Services	648,159.00	753,159.00	730,295.40	22,863.60
Total current	<u>648,159.00</u>	<u>753,159.00</u>	<u>730,295.40</u>	<u>22,863.60</u>
Debt service:				
Interest	-	-	4,802.33	(4,802.33)
Total debt service	<u>-</u>	<u>-</u>	<u>4,802.33</u>	<u>(4,802.33)</u>
Total expenditures	<u>648,159.00</u>	<u>753,159.00</u>	<u>735,097.73</u>	<u>18,061.27</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(105,000.00)</u>	<u>(193,910.29)</u>	<u>(88,910.29)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	25,000.00	18,787.22	(6,212.78)
Total other financing sources and uses and special items	<u>-</u>	<u>25,000.00</u>	<u>18,787.22</u>	<u>(6,212.78)</u>
Net change in fund balances	-	(80,000.00)	(175,123.07)	(95,123.07)
Fund balances -- beginning	(825.72)	(825.72)	(825.72)	-
Prior period adjustment	(1,558.50)	(1,558.50)	(1,558.50)	-
Fund balances -- ending	<u>\$ (2,384.22)</u>	<u>\$ (82,384.22)</u>	<u>\$ (177,507.29)</u>	<u>\$ (95,123.07)</u>

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City of Cape Girardeau  
 Casino Revenue  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ -	\$ -	\$ 8,674.26	\$ 8,674.26
Total revenues	-	-	8,674.26	8,674.26
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	8,674.26	8,674.26
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Asset disposition	-	-	250,791.00	250,791.00
Special item	-	-	1,628,343.32	1,628,343.32
Transfers in	-	-	-	-
Transfers out	-	(2,000,000.00)	(1,879,134.32)	120,865.68
Total other financing sources and uses and special items	-	(2,000,000.00)	-	2,000,000.00
Net change in fund balances	-	(2,000,000.00)	8,674.26	2,008,674.26
Fund balances -- beginning	-	-	-	-
Fund balances -- ending	\$ -	\$ (2,000,000.00)	\$ 8,674.26	\$ 2,008,674.26

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City of Cape Girardeau  
 FAU Grant Projects  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 44,422.20	\$ 44,422.20
Investment revenue	-	-	13,449.82	13,449.82
Total revenues	<u>-</u>	<u>-</u>	<u>57,872.02</u>	<u>57,872.02</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Capital Improvement Projects	-	75,000.00	56,314.12	18,685.88
Total capital outlay	<u>-</u>	<u>75,000.00</u>	<u>56,314.12</u>	<u>18,685.88</u>
Total expenditures	<u>-</u>	<u>75,000.00</u>	<u>56,314.12</u>	<u>18,685.88</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(75,000.00)</u>	<u>1,557.90</u>	<u>76,557.90</u>
Net change in fund balances	-	(75,000.00)	1,557.90	76,557.90
Fund balances -- beginning	516,158.94	516,158.94	516,158.94	-
Fund balances -- ending	<u>\$ 516,158.94</u>	<u>\$ 441,158.94</u>	<u>\$ 517,716.84</u>	<u>\$ 76,557.90</u>

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See Independent Auditors' Report.

City of Cape Girardeau  
Sewer  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 58,986.53	\$ 58,986.53
Residential charges	1,916,250.00	1,916,250.00	1,908,560.51	(7,689.49)
Commercial charges	1,323,750.00	1,323,750.00	1,269,832.46	(53,917.54)
Other fees and charges	54,600.00	54,600.00	52,797.18	(1,802.82)
Internal charges	-	-	7,315.28	7,315.28
Miscellaneous	500.00	500.00	813.19	313.19
Investment revenue	285,528.00	285,528.00	320,838.61	35,310.61
Total revenues	<u>3,580,628.00</u>	<u>3,580,628.00</u>	<u>3,617,153.76</u>	<u>36,525.76</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	438,419.00	1,671,975.15	1,718,611.51	(46,636.36)
General operating expenses	212,531.00	214,005.24	203,376.04	10,629.20
Internal service expense	190,676.00	190,676.00	165,997.65	24,678.35
Material and supplies	468,971.00	518,220.61	465,365.26	52,855.35
Personnel services	1,583,365.00	1,583,365.00	1,574,068.16	9,278.84
Special projects expense	25,000.00	25,000.00	15,850.70	9,149.30
Total current	<u>2,916,962.00</u>	<u>4,203,242.00</u>	<u>4,143,507.32</u>	<u>59,734.68</u>
Debt service:				
Administrative charges	98,443.00	98,443.00	98,721.29	(278.29)
Interest	478,017.00	478,017.00	(165,075.35)	643,092.35
Principal	1,563,074.00	1,563,074.00	2,199,500.00	(636,426.00)
Total debt service	<u>2,139,534.00</u>	<u>2,139,534.00</u>	<u>2,133,145.94</u>	<u>6,388.06</u>
Capital outlay:				
Capital Improvement Projects	-	140,000.00	132,754.94	7,245.06
Equipment	312,150.00	312,150.00	264,571.85	47,578.15
Other Capital Expenditures	235,000.00	95,000.00	17,038.00	77,962.00
Total capital outlay	<u>547,150.00</u>	<u>547,150.00</u>	<u>414,364.79</u>	<u>132,785.21</u>
Total expenditures	<u>5,605,646.00</u>	<u>6,889,926.00</u>	<u>6,691,018.05</u>	<u>198,907.95</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,025,018.00)</u>	<u>(3,309,298.00)</u>	<u>(3,073,864.29)</u>	<u>235,433.71</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	1,955,799.00	4,469,499.00	4,505,460.69	35,961.69
Connection fees	85,000.00	85,000.00	69,676.81	(15,323.19)
Special assessments	5,000.00	5,000.00	12,774.87	7,774.87
Asset disposition	85,329.00	85,329.00	72,022.52	(13,306.48)
Transfers out	-	-	(3,500.00)	(3,500.00)
Total other financing sources and uses and special items	<u>2,131,128.00</u>	<u>4,644,828.00</u>	<u>4,656,434.89</u>	<u>11,506.89</u>
Net change in fund balances	108,110.00	1,335,530.00	1,582,570.60	247,040.60
Fund balances -- beginning	580,931.32	580,931.32	580,931.32	-
Fund balances -- ending	<u>\$ 687,041.32</u>	<u>\$ 1,916,461.32</u>	<u>\$ 2,163,501.92</u>	<u>\$ 247,040.60</u>

See Independent Auditors' Report.

City of Cape Girardeau  
Water  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 119,255.41	\$ 119,255.41
Residential charges	3,613,500.00	3,613,500.00	3,660,972.93	47,472.93
Commercial charges	2,521,000.00	2,521,000.00	2,550,030.63	29,030.63
Other fees and charges	184,350.00	184,350.00	163,537.72	(20,812.28)
Miscellaneous	16,860.00	16,880.00	18,116.73	1,236.73
Investment revenue	144,000.00	144,000.00	167,600.93	23,600.93
Total revenues	<u>6,479,730.00</u>	<u>6,479,730.00</u>	<u>6,679,514.35</u>	<u>199,784.35</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	2,674,297.00	2,805,076.26	2,869,707.52	(64,631.26)
General operating expenses	362,299.00	363,129.00	340,198.62	22,930.38
Internal service expense	96,859.00	96,859.00	101,852.88	(4,993.88)
Material and supplies	1,287,092.00	1,275,572.74	1,160,574.39	114,998.35
Personnel services	133,572.00	201,412.00	146,119.94	55,292.06
Special projects expense	115,000.00	115,000.00	254,045.06	(139,045.06)
Total current	<u>4,649,119.00</u>	<u>4,857,049.00</u>	<u>4,872,498.41</u>	<u>(15,449.41)</u>
Debt service:				
Administrative charges	300.00	300.00	470.25	(170.25)
Interest	143,800.00	143,800.00	143,800.00	-
Principal	925,000.00	925,000.00	925,000.00	-
Total debt service	<u>1,069,100.00</u>	<u>1,069,100.00</u>	<u>1,069,270.25</u>	<u>(170.25)</u>
Capital outlay:				
Capital Improvement Projects	318,348.00	318,348.00	267,738.34	50,609.66
Equipment	107,225.00	59,895.00	49,454.76	10,440.24
Total capital outlay	<u>425,573.00</u>	<u>378,243.00</u>	<u>317,193.10</u>	<u>61,049.90</u>
Total expenditures	<u>6,143,792.00</u>	<u>6,304,392.00</u>	<u>6,258,961.78</u>	<u>45,430.24</u>
Excess (deficiency) of revenues over (under) expenditures	<u>335,938.00</u>	<u>175,338.00</u>	<u>420,552.58</u>	<u>245,214.59</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	-	8,290.02	8,290.02
Investment revenue	600.00	600.00	676.65	76.65
Special assessments	1,600.00	1,600.00	4,086.51	2,486.51
Asset disposition	9,125.00	9,125.00	23,594.35	14,469.35
Total other financing sources and uses and special items	<u>11,325.00</u>	<u>11,325.00</u>	<u>36,627.53</u>	<u>25,302.53</u>
Net change in fund balances	347,263.00	186,863.00	457,180.12	270,517.12
Fund balances -- beginning	5,836,662.22	5,836,662.22	5,836,662.22	-
Fund balances -- ending	<u>\$ 6,183,925.22</u>	<u>\$ 6,023,325.22</u>	<u>\$ 6,293,842.34</u>	<u>\$ 270,517.12</u>

See Independent Auditors' Report.



City of Cape Girardeau  
Solid Waste  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 15,882.00	\$ 15,882.00	\$ 1,319.51	\$ (14,562.49)
Residential charges	2,115,000.00	2,115,000.00	2,133,733.92	18,733.92
Commercial charges	31,500.00	31,500.00	32,509.59	1,009.59
Transfer station charges	964,700.00	964,700.00	863,105.19	(101,594.81)
Other fees and charges	85,200.00	85,200.00	84,177.95	(1,022.05)
Miscellaneous	18,000.00	18,000.00	23,925.44	5,925.44
Investment revenue	22,500.00	22,500.00	41,519.07	19,019.07
Total revenues	<u>3,252,782.00</u>	<u>3,252,782.00</u>	<u>3,180,290.67</u>	<u>(72,491.33)</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	1,312,937.00	1,367,578.88	1,292,863.78	74,715.10
General operating expenses	34,176.00	34,676.00	32,268.57	2,407.43
Internal service expense	199,414.00	199,414.00	240,213.26	(40,799.26)
Material and supplies	170,640.00	250,862.72	231,397.26	19,465.46
Personnel services	1,055,031.00	1,055,031.00	1,037,590.54	17,440.46
Special projects expense	98,500.00	94,085.40	79,333.43	14,751.97
Total current	<u>2,870,698.00</u>	<u>3,001,648.00</u>	<u>2,913,666.84</u>	<u>87,981.16</u>
Debt service:				
Administrative charges	-	-	261.25	(261.25)
Interest	77,327.00	77,327.00	37,521.26	39,805.74
Principal	192,451.00	192,451.00	218,690.15	(26,239.15)
Total debt service	<u>269,778.00</u>	<u>269,778.00</u>	<u>256,472.66</u>	<u>13,305.34</u>
Capital outlay:				
Equipment	147,950.00	92,000.00	93,170.30	(1,170.30)
Total capital outlay	<u>147,950.00</u>	<u>92,000.00</u>	<u>93,170.30</u>	<u>(1,170.30)</u>
Total expenditures	<u>3,288,426.00</u>	<u>3,363,426.00</u>	<u>3,263,309.80</u>	<u>100,116.20</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,644.00)</u>	<u>(110,644.00)</u>	<u>(83,019.13)</u>	<u>27,624.87</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Asset disposition	8,300.00	8,300.00	17,538.12	9,238.12
Total other financing sources and uses and special items	<u>8,300.00</u>	<u>8,300.00</u>	<u>17,538.12</u>	<u>9,238.12</u>
Net change in fund balances	<u>(27,344.00)</u>	<u>(102,344.00)</u>	<u>(65,481.01)</u>	<u>36,862.99</u>
Fund balances -- beginning	1,059,219.32	1,059,219.32	1,059,219.32	-
Fund balances -- ending	<u>\$ 1,031,875.32</u>	<u>\$ 956,875.32</u>	<u>\$ 993,738.31</u>	<u>\$ 36,862.99</u>

See Independent Auditors' Report.

City of Cape Girardeau  
Golf Course  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
User fees	\$ 458,200.00	\$ 458,200.00	\$ 447,242.45	\$ (10,957.55)
Concession revenues	28,700.00	28,700.00	36,360.63	7,660.63
Miscellaneous	-	-	1,546.15	1,546.15
Investment revenue	1,500.00	1,500.00	1,368.04	(131.96)
Total revenues	<u>488,400.00</u>	<u>488,400.00</u>	<u>486,517.27</u>	<u>(1,882.73)</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	20,125.00	24,567.00	24,004.82	562.18
General operating expenses	8,840.00	7,808.00	8,968.08	(1,160.08)
Internal service expense	49,359.00	53,859.00	46,965.49	6,893.51
Material and supplies	79,977.00	106,167.00	95,428.44	10,738.56
Personnel services	365,906.00	377,406.00	379,890.23	(2,484.23)
Special projects expense	9,700.00	9,700.00	8,836.10	863.90
Total current	<u>533,907.00</u>	<u>579,507.00</u>	<u>564,093.16</u>	<u>15,413.84</u>
Debt service:				
Interest	10,563.00	10,563.00	10,562.32	0.68
Principal	26,704.00	26,704.00	26,704.24	(0.24)
Total debt service	<u>37,267.00</u>	<u>37,267.00</u>	<u>37,266.56</u>	<u>0.44</u>
Capital outlay:				
Capital improvement projects	-	-	1,185.76	(1,185.76)
Total capital outlay	<u>-</u>	<u>-</u>	<u>1,185.76</u>	<u>(1,185.76)</u>
Total expenditures	<u>571,174.00</u>	<u>616,774.00</u>	<u>602,545.48</u>	<u>14,228.52</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(82,774.00)</u>	<u>(128,374.00)</u>	<u>(116,028.21)</u>	<u>12,345.79</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	82,774.00	82,774.00	105,412.09	22,638.09
Asset disposition	-	-	13,548.90	13,548.90
Total other financing sources and uses and special items	<u>82,774.00</u>	<u>82,774.00</u>	<u>118,960.99</u>	<u>36,186.99</u>
Net change in fund balances	-	(45,600.00)	2,932.78	48,532.78
Fund balances – beginning	11,562.01	11,562.01	11,562.01	-
Fund balances – ending	<u>\$ 11,562.01</u>	<u>\$ (34,037.99)</u>	<u>\$ 14,494.79</u>	<u>\$ 48,532.78</u>

See Independent Auditors' Report.

City of Cape Girardeau  
Softball Complex  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 311.95	\$ 311.95
User fees	125,230.00	125,230.00	152,984.05	27,754.05
Concession revenues	52,955.00	52,955.00	54,935.11	1,980.11
Internal charges	-	-	3,715.65	3,715.65
Miscellaneous	7,500.00	7,500.00	6,851.01	(648.99)
Investment revenue	600.00	600.00	992.23	392.23
Total revenues	<u>186,285.00</u>	<u>186,285.00</u>	<u>219,790.00</u>	<u>33,505.00</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	29,257.00	24,257.00	10,527.77	13,729.23
General operating expenses	2,865.00	2,865.00	12,777.43	(9,912.43)
Internal service expense	29,380.00	29,380.00	24,488.67	4,891.33
Material and supplies	88,524.00	121,924.00	126,875.66	(4,951.66)
Personnel services	472,035.00	472,035.00	444,626.34	27,408.66
Special projects expense	17,908.00	17,908.00	35,723.90	(17,815.90)
Total current	<u>639,969.00</u>	<u>668,369.00</u>	<u>655,019.77</u>	<u>13,349.23</u>
Debt service:				
Interest	7,750.00	7,750.00	7,750.43	(0.43)
Principal	16,626.00	16,626.00	16,625.47	0.53
Total debt service	<u>24,376.00</u>	<u>24,376.00</u>	<u>24,375.90</u>	<u>0.10</u>
Capital outlay:				
Capital improvement projects	-	-	3,117.22	(3,117.22)
Total capital outlay	<u>-</u>	<u>-</u>	<u>3,117.22</u>	<u>(3,117.22)</u>
Total expenditures	<u>664,345.00</u>	<u>692,745.00</u>	<u>682,512.89</u>	<u>10,232.11</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(478,060.00)</u>	<u>(506,460.00)</u>	<u>(462,722.89)</u>	<u>43,737.11</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	478,060.00	493,060.00	466,918.43	(26,141.57)
Asset disposition	-	-	760.00	760.00
Transfers out	-	-	(4,565.65)	(4,565.65)
Total other financing sources and uses and special items	<u>478,060.00</u>	<u>493,060.00</u>	<u>463,112.78</u>	<u>(29,947.22)</u>
Net change in fund balances	-	(13,400.00)	389.89	13,789.89
Fund balances -- beginning	2,716.34	2,716.34	2,716.34	-
Fund balances -- ending	<u>\$ 2,716.34</u>	<u>\$ (10,683.66)</u>	<u>\$ 3,106.23</u>	<u>\$ 13,789.89</u>

City of Cape Girardeau  
Management Information Systems  
Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual  
For the Year Ended June 30, 2010

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Internal charges	\$ 400,000.00	\$ 400,000.00	\$ 398,125.00	\$ (1,875.00)
Investment revenue	2,100.00	2,100.00	2,805.43	705.43
Total revenues	<u>402,100.00</u>	<u>402,100.00</u>	<u>400,930.43</u>	<u>(1,169.57)</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	123,881.00	130,381.00	112,670.14	17,710.86
General operating expenses	3,375.00	3,375.00	606.37	2,768.63
Material and supplies	11,250.00	21,695.00	21,922.32	(227.32)
Personnel services	142,714.00	142,714.00	135,364.49	7,349.51
Total current	<u>281,220.00</u>	<u>298,165.00</u>	<u>270,563.32</u>	<u>27,601.68</u>
Capital outlay:				
Equipment	121,000.00	104,055.00	86,414.98	17,640.02
Total capital outlay	<u>121,000.00</u>	<u>104,055.00</u>	<u>86,414.98</u>	<u>17,640.02</u>
Total expenditures	<u>402,220.00</u>	<u>402,220.00</u>	<u>356,978.30</u>	<u>45,241.70</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(120.00)</u>	<u>(120.00)</u>	<u>43,952.13</u>	<u>44,072.13</u>
Net change in fund balances	(120.00)	(120.00)	43,952.13	44,072.13
Fund balances – beginning	113,573.45	113,573.45	113,573.45	-
Fund balances – ending	<u>\$ 113,453.45</u>	<u>\$ 113,453.45</u>	<u>\$ 157,525.58</u>	<u>\$ 44,072.13</u>

City of Cape Girardeau  
Fleet Management  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 765.00	\$ 765.00
Internal charges	1,166,500.00	1,166,500.00	1,186,474.64	19,974.64
Miscellaneous	-	-	20.00	20.00
Investment revenue	4,500.00	4,500.00	4,604.29	104.29
Total revenues	<u>1,171,000.00</u>	<u>1,171,000.00</u>	<u>1,191,863.93</u>	<u>20,863.93</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	217,354.00	208,804.00	220,696.22	(11,892.22)
General operating expenses	4,850.00	4,850.00	4,770.06	79.94
Internal service expense	3,992.00	3,992.00	3,992.00	-
Material and supplies	291,632.00	346,729.00	345,983.16	745.84
Personnel services	606,918.00	609,918.00	605,732.50	4,185.50
Total current	<u>1,124,746.00</u>	<u>1,174,293.00</u>	<u>1,181,173.94</u>	<u>(6,880.94)</u>
Debt service:				
Interest	-	-	226.56	(226.56)
Total debt service	<u>-</u>	<u>-</u>	<u>226.56</u>	<u>(226.56)</u>
Capital outlay:				
Equipment	39,000.00	36,753.00	7,753.00	29,000.00
Other capital expenditures	-	3,200.00	3,179.00	21.00
Total capital outlay	<u>39,000.00</u>	<u>39,953.00</u>	<u>10,932.00</u>	<u>29,021.00</u>
Total expenditures	<u>1,163,746.00</u>	<u>1,214,246.00</u>	<u>1,192,332.50</u>	<u>21,913.50</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,254.00</u>	<u>(43,246.00)</u>	<u>(468.57)</u>	<u>42,777.43</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Asset disposition	-	-	16,047.99	16,047.99
Transfers out	(19,268.00)	(19,268.00)	(14,814.41)	4,453.59
Total other financing sources and uses and special items	<u>(19,268.00)</u>	<u>(19,268.00)</u>	<u>1,233.58</u>	<u>20,501.58</u>
Net change in fund balances	<u>(12,014.00)</u>	<u>(62,514.00)</u>	<u>765.01</u>	<u>63,279.01</u>
Fund balances -- beginning	45,115.07	45,115.07	45,115.07	-
Fund balances -- ending	<u>\$ 33,101.07</u>	<u>\$ (17,398.93)</u>	<u>\$ 45,880.08</u>	<u>\$ 63,279.01</u>

See Independent Auditors' Report.

City of Cape Girardeau  
Fringe Benefits  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Internal charges	\$ 3,351,000.00	\$ 3,351,000.00	\$ 3,010,839.28	\$ (340,160.72)
Miscellaneous	-	-	1,187.90	1,187.90
Investment revenue	19,500.00	19,500.00	50,866.87	31,366.87
Total revenues	<u>3,370,500.00</u>	<u>3,370,500.00</u>	<u>3,062,894.05</u>	<u>(307,605.95)</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	3,370,500.00	3,370,500.00	2,668,568.23	701,931.77
Total current	<u>3,370,500.00</u>	<u>3,370,500.00</u>	<u>2,668,568.23</u>	<u>701,931.77</u>
Total expenditures	<u>3,370,500.00</u>	<u>3,370,500.00</u>	<u>2,668,568.23</u>	<u>701,931.77</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>394,325.82</u>	<u>394,325.82</u>
Net change in fund balances	-	-	394,325.82	394,325.82
Fund balances -- beginning	1,375,827.37	1,375,827.37	1,375,827.37	-
Fund balances -- ending	<u>\$ 1,375,827.37</u>	<u>\$ 1,375,827.37</u>	<u>\$ 1,770,153.19</u>	<u>\$ 394,325.82</u>

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City of Cape Girardeau  
Risk Management  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Internal charges	\$ 522,894.00	\$ 522,894.00	\$ 532,830.03	\$ 9,936.03
Investment revenue	35,550.00	35,550.00	42,281.78	6,731.78
Total revenues	<u>558,444.00</u>	<u>558,444.00</u>	<u>575,111.81</u>	<u>16,667.81</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	523,944.00	523,944.00	155,751.04	368,192.96
General operating expenses	32,000.00	32,000.00	29,122.84	2,877.16
Material and supplies	2,500.00	2,500.00	-	2,500.00
Total current	<u>558,444.00</u>	<u>558,444.00</u>	<u>184,873.88</u>	<u>373,570.12</u>
Total expenditures	<u>558,444.00</u>	<u>558,444.00</u>	<u>184,873.88</u>	<u>373,570.12</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>390,237.93</u>	<u>390,237.93</u>
Net change in fund balances	-	-	390,237.93	390,237.93
Fund balances -- beginning	989,112.05	989,112.05	989,112.05	-
Fund balances -- ending	<u>\$ 989,112.05</u>	<u>\$ 989,112.05</u>	<u>\$ 1,379,349.98</u>	<u>\$ 390,237.93</u>

City of Cape Girardeau  
 Equipment Replacement  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2011

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Internal charges	\$ 277,003.00	\$ 277,003.00	\$ 275,797.45	\$ (1,205.55)
Investment revenue	30,000.00	30,000.00	29,133.51	(866.49)
Total revenues	<u>307,003.00</u>	<u>307,003.00</u>	<u>304,930.96</u>	<u>(2,072.04)</u>
<b>EXPENDITURES</b>				
Debt service:				
Interest	-	4,250.00	4,250.00	-
Principal	-	40,000.00	40,000.00	-
Total debt service	<u>-</u>	<u>44,250.00</u>	<u>44,250.00</u>	<u>-</u>
Capital outlay:				
Equipment	185,516.00	214,817.72	209,351.97	5,465.75
Total capital outlay	<u>185,516.00</u>	<u>214,817.72</u>	<u>209,351.97</u>	<u>5,465.75</u>
Total expenditures	<u>185,516.00</u>	<u>259,067.72</u>	<u>253,601.97</u>	<u>5,465.75</u>
Excess (deficiency) of revenues over (under) expenditures	<u>121,487.00</u>	<u>47,935.28</u>	<u>51,328.99</u>	<u>3,393.71</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	27,000.00	27,737.17	737.17
Asset disposition	22,400.00	22,400.00	-	(22,400.00)
Transfers out	-	(10,698.28)	(10,698.28)	-
Total other financing sources and uses and special items	<u>22,400.00</u>	<u>38,701.72</u>	<u>17,038.89</u>	<u>(21,662.83)</u>
Net change in fund balances	143,887.00	86,637.00	68,367.88	(18,269.12)
Fund balances -- beginning	963,983.88	963,983.68	963,983.68	-
Fund balances -- ending	<u>\$ 1,107,870.68</u>	<u>\$ 1,050,620.68</u>	<u>\$ 1,032,351.56</u>	<u>\$ (18,269.12)</u>



ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the City of Cape Girardeau, Missouri's compliance, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Cape Girardeau, Missouri's major federal programs for the year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Cape Girardeau, Missouri's management. Our responsibility is to express an opinion on the City of Cape Girardeau, Missouri's compliance based on our audit.

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

In our opinion, City of Cape Girardeau, Missouri complied, in all material respects, with the 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, 2011.

## Internal Control Over Compliance

Management of the City of Cape Girardeau, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cape Girardeau, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cape Girardeau, Missouri's internal control over compliance.

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

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

This report is intended solely for the information and use of the Honorable Mayor, Members of the City Council, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Cape Girardeau, Missouri  
December 23, 2011

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

*Certified Public Accountants*

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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 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, 2011, which collectively comprise City of Cape Girardeau, Missouri's basic financial statements and have issued our report thereon dated December 23, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Cape Girardeau, Missouri's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Cape Girardeau, Missouri's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

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

This report is intended solely for the information and use of the Honorable Mayor, Members of the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Cape Girardeau, Missouri  
December 23, 2011

City of Cape Girardeau, Missouri  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<b><u>U.S. DEPARTMENT OF DEFENSE:</u></b>			
Loan of DOD Property (non-cash)	12.	N/A	<u>\$ 100,000</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u></b>			
Passed Through Missouri Department of Economic Development - Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	2004-ND-05 2006-PF-38 2008-DN-301 2010-DT-01 2008-DN-02	\$ 173,164 400,000 311,368 8,790 <u>122,107</u> \$ 1,015,429
Passed Through Missouri Department of Social Services - Emergency Shelter Grants Program	14.231	ERO1640905	29,360
Passed Through Missouri Housing Development Commission - Home Investment Partnerships Program	14.239	M-09-SG-29-0100	<u>\$ 71,869</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b><u>\$ 1,116,658</u></b>
<b><u>U.S. DEPARTMENT OF THE INTERIOR:</u></b>			
Passed Through Missouri Department of Natural Resources - Historic Preservation Fund Grants - In Aid	15.904	29-09-21831-004	\$ 8,000
Save America's Treasurers	15.929	N/A	<u>50,171</u>
<b>TOTAL U.S. DEPARTMENT OF THE INTERIOR</b>			<b><u>\$ 58,171</u></b>

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

City of Cape Girardeau, Missouri  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<b>U.S. DEPARTMENT OF JUSTICE:</b>			
Passed Through Missouri Department of Public Safety -			
Violence Against Women Formula Grant	16.588	2010-VAWA-0011-OS 2009-VAWA-0002	\$ 14,347 18,193
ARRA-Violence Against Women Formulat Grant		R2010-VAWA-002-OS	<u>4,436</u> \$ 36,976
Bulletproof Vest Partnership Program	16.607	N/A	5,119
Passed Through the City of Poplar Bluff, Missouri -			
Passed through the Southeast Missouri Drug Task Force -			
Public Safety Partnership and Community Policing Grants	16.710	N/A	6,149
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-0557	37,456
ARRA - Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Governments			
	16.804	2009-SB-B9-2229	<u>27,513</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 113,213</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through Missouri Department of Transportation -			
ARRA - Airport Improvement Program	20.106	08-077A-1	\$ 98,834
Highway Planning and Construction			
	20.205	DP-1503(002) STP-1500(014) J010767A DP-1503(003) SRTS-NI-H300(502) SRTS-INF-H110(002)	\$ 494,126 173,805 60,374 2,522 <u>4,848</u> \$ 735,675
Highway Safety Cluster:			
State and Community Highway Safety	20.600	11-SA-09-2 11-CP-09-1 11-PT-02-85 10-SA-09-1 10-SA-09-03 10-154-AL-111 10-PT-02-112	\$ 38,730 55,099 2,282 32,765 26,734 54,593 <u>5,714</u> \$ 215,917
Alcohol Impaired Driving Countermeasures			
Incentive Grants I	20.601	11-K8-03-76 10-K8-03-56 11-K8-03-77 10-K8-03-57 LKK073 LKK081 SAF006 SAF007	\$ 7,964 1,844 587 361 1,130 742 997 <u>134</u> \$ 13,759
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>\$ 1,064,185</u>

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

City of Cape Girardeau, Missouri  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>	
<b><u>ENVIRONMENTAL PROTECTION AGENCY:</u></b>				
Passed Through Missouri Department of Natural Resources -				
ARRA - Capitalization Grants for Drinking Water State Revolving Funds (1)	66.468	DW291010-03G ER10-ARRA-MO4010136	\$ 999,562 <u>108,405</u>	\$ 1,107,967
ARRA - Brownfields Assessment and Cleanup Cooperative Agreement	66.818	N/A		<u>25,990</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY				<u>\$ 1,133,957</u>
<b><u>U.S. DEPARTMENT OF ENERGY:</u></b>				
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (1)	81.128	N/A		<u>\$ 187,219</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>				
Passed Through the Community Caring Counsel - Substance Abuse and Mental Health Services- Projects of Regional and National Significance				
	93.243	SDA42070104		<u>\$ 1,612</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u></b>				
Passed Through Missouri State Emergency Management Agency -				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	#FEMA-1980-DR-MO	\$ 12,658	
Law Enforcement Officer Reimbursement Program	97.090	HSTS0208HSLR050		35,538
Assistance to Firefighters Grant	97.044	EMW-2007-FE-00176 EMW-2008-FO-09141 EMW-2009-FO-09319	\$ 59,848 75,451 <u>19,264</u>	154,563
Passed Through Missouri State Emergency Management Agency -				
Citizen Corps	97.053	2009-SS-T9-0062 2010-SS-TO-0039	\$ 19,366 <u>2,510</u>	<u>21,876</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>\$ 224,635</u>
TOTAL FEDERAL AWARDS				<u>\$ 3,999,650</u>

(1) Identified major program.

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



City of Cape Girardeau, Missouri  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity:

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

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

B. Basis of Presentation:

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

C. Basis of Accounting:

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



Dollar threshold used to distinguish  
between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee:

X  yes          no

2. FINANCIAL STATEMENT FINDINGS:

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

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

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

City of Cape Girardeau, Missouri  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2011

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

09-1 Noncompliance with Section 67.080. RSMo, no expenditure of public monies should be made unless it is authorized in the budget.

Status: Implemented.