

CITY OF CAPE GIRARDEAU, MISSOURI  
Cape Girardeau, Missouri

For the Year Ended June 30, 2009

ANNUAL FINANCIAL REPORT

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

*Certified Public Accountants*

CITY OF CAPE GIRARDEAU, MISSOURI

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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, 2009, 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, 2009, 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 17, 2009, 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.

The management's discussion and analysis and budgetary comparison information on pages 3 through 18 and 75 through 81 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cape Girardeau, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements of the City of Cape Girardeau, Missouri. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

Cape Girardeau, Missouri  
December 17, 2009

REQUIRED SUPPLEMENTARY INFORMATION

# CITY OF CAPE GIRARDEAU, MISSOURI

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## 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, 2009. 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 \$222,471,493 (net assets). Of this amount, \$30,705,365 (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 \$42,864,779. Approximately 60.0 percent of this total amount, \$25,710,828 is available for spending at the government's discretion (unreserved fund balance).
- o At the end of the current fiscal year, the unreserved fund balance for the general fund was \$522,700 or 2.2 percent of total general fund expenditures and transfers.
- o At the end of the current fiscal year, general fund balance reserved for emergencies was \$3,164,101 or 13.4 percent of total general fund expenditures and transfers. During the current year, pursuant to of an emergency that was declared in the previous year as a result of a severe ice storm, \$137,270 was used from the balance reserved for emergencies to pay for the installation of generators at City Hall and the City's community center.
- o The City implemented GASB Statement No. 45 during the current year. This pronouncement requires that the expense for non-pension postemployment benefits be recognized as earned by employees and not when paid by the City. As a result additional expenses and liabilities were recognized this year totaling \$816,220 and \$113,191 in the

governmental and business-type activities, respectively.

- o The City of Cape Girardeau's fixed assets increased \$9,059,594 during the year. Net fixed asset additions of \$18,597,710 were made during the year. Depreciation for the current fiscal year reduced fixed assets by \$9,538,116.
- o The City of Cape Girardeau's total long-term debt increased by \$13,933,068 (22.1 percent) during the current fiscal year. During the year the City issued leasehold revenue bonds totaling \$19,740,196 (net of discount) to fund various park and storm water improvements and entered into a \$125,000 note payable to finance a portion of the land costs for a new downtown parking lot. Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$5,932,128.

### 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.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes

# CITY OF CAPE GIRARDEAU, MISSOURI

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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 29 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, excluding the following capital project funds which have project length budgets: water system improvements, storm water improvements from parks / storm water sales tax and park improvements from parks / storm water sales tax. 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. In the case of the City of Cape Girardeau, assets exceeded liabilities by \$222,471,493, an increase of \$6,564,834 (3.0%). The City's \$182,845,071 net investment in capital assets (land, buildings, machinery, and

equipment less related outstanding debt used to acquire those assets) makes up 82.2% of the City's net assets. This net investment increased \$14,696,740 (8.7%) 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 (4.0 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 \$112,953 (1.3%) more than the previous year. The remaining balance of net assets (\$30,705,365) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. This reflects an \$8,244,859 (21.2%) decrease 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		Business-type		Total	
	Activity		Activities			
	2009	2008	2009	2008	2009	2008
Current and other assets	51,979,663	37,356,399	14,556,300	14,955,466	66,535,963	52,311,865
Capital assets	149,105,969	139,183,129	92,464,329	93,327,575	241,570,298	232,510,704
<b>Total assets</b>	<b>201,085,632</b>	<b>176,539,528</b>	<b>107,020,629</b>	<b>108,283,041</b>	<b>308,106,261</b>	<b>284,822,569</b>
Long-term liabilities outstanding	43,394,183	27,478,600	25,970,177	29,323,667	69,364,360	56,802,267
Other liabilities	10,250,504	5,682,485	6,019,904	6,431,158	16,270,408	12,113,643
<b>Total liabilities</b>	<b>53,644,687</b>	<b>33,161,085</b>	<b>31,990,081</b>	<b>35,754,825</b>	<b>85,634,768</b>	<b>68,915,910</b>
<b>Net assets:</b>						
Invested in capital assets,						
Net of related debt	119,771,644	107,745,365	63,073,427	60,402,966	182,845,071	168,148,331
Restricted	4,622,706	4,728,902	4,298,351	4,079,202	8,921,057	8,808,104
Unrestricted	23,046,595	30,904,176	7,658,770	8,046,048	30,705,365	38,950,224
<b>Total net assets</b>	<b>147,440,945</b>	<b>143,378,443</b>	<b>75,030,548</b>	<b>72,528,216</b>	<b>222,471,493</b>	<b>215,906,659</b>

## CITY OF CAPE GIRARDEAU, MISSOURI

Governmental activities. Governmental activities increased the City of Cape Girardeau's net assets by \$4,078,269 (compared to \$4,962,682 in the previous fiscal year). This amount combined with the use of \$7,857,581 (25.4%) of the previous year's unrestricted net assets funded 99.2% of the \$12,026,279 (11.2%) increase in net investments in capital assets during the fiscal year.

City of Cape Girardeau's Change in Net Assets						
	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
<b>Program revenue:</b>						
Charges for service	3,907,466	3,708,717	12,690,661	12,354,339	16,598,127	16,063,056
Operating grants and contributions	1,611,839	1,096,778	149,306	101,738	1,761,145	1,198,516
Capital grants and contributions	1,667,933	1,800,663	519,340	1,550,464	2,187,273	3,351,127
<b>General revenues:</b>						
Property taxes	1,944,680	1,878,043	-	-	1,944,680	1,878,043
Sales taxes	21,981,847	19,442,199	-	-	21,981,847	19,442,199
Other taxes	7,990,413	8,101,466	-	-	7,990,413	8,101,466
Other	1,666,740	1,828,812	743,332	744,391	2,410,072	2,573,203
<b>Total revenues</b>	<b>40,770,918</b>	<b>37,856,678</b>	<b>14,102,639</b>	<b>14,750,932</b>	<b>54,873,557</b>	<b>52,607,610</b>
<b>Expenses:</b>						
Administrative	6,415,924	6,236,764	-	-	6,415,924	6,236,764
Capital Improvements	632,998	412,001	-	-	632,998	412,001
Development Services	2,010,202	1,808,457	-	-	2,010,202	1,808,457
Interest and other costs	1,388,445	1,278,387	-	-	1,388,445	1,278,387
Parks and Recreation	3,873,940	3,351,269	-	-	3,873,940	3,351,269
Public Safety	12,512,216	11,231,769	-	-	12,512,216	11,231,769
Public Works	6,028,091	5,745,817	-	-	6,028,091	5,745,817
Sewer	-	-	5,495,680	5,097,187	5,495,680	5,097,187
Water	-	-	5,759,009	5,769,156	5,759,009	5,769,156
Solid Waste	-	-	3,146,307	2,933,006	3,146,307	2,933,006
Golf Course	-	-	522,990	545,128	522,990	545,128
Softball Complex	-	-	507,154	464,179	507,154	464,179
<b>Total expenses</b>	<b>32,861,816</b>	<b>30,064,464</b>	<b>15,431,140</b>	<b>14,808,656</b>	<b>48,292,956</b>	<b>44,873,120</b>
<b>Increase in net assets</b>						
<b>before transfers</b>	<b>7,909,102</b>	<b>7,792,214</b>	<b>(1,328,501)</b>	<b>(57,724)</b>	<b>6,580,601</b>	<b>7,734,490</b>
Transfers	(3,830,833)	(2,829,532)	3,830,833	2,829,532	-	-
<b>Increase in net assets</b>	<b>4,078,269</b>	<b>4,962,682</b>	<b>2,502,332</b>	<b>2,771,808</b>	<b>6,580,601</b>	<b>7,734,490</b>
Net assets-beginning of year	143,378,443	138,387,051	72,528,216	69,801,354	215,906,659	208,188,405
Prior period adjustments	(15,767)	28,710	-	(44,946)	(15,767)	(16,236)
<b>Net assets-end of year</b>	<b>147,440,945</b>	<b>143,378,443</b>	<b>75,030,548</b>	<b>72,528,216</b>	<b>222,471,493</b>	<b>215,906,659</b>

## CITY OF CAPE GIRARDEAU, MISSOURI

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

### Revenues from governmental activities

- Charges for service increased \$198,749 (5.4%) over the previous year. During the year special event revenues, net margin on fuel sales, and rental revenues at the Cape Girardeau Regional airport decreased \$92,777 (72.3%), \$79,430 (28.5%), and 35,924 (17.2%), respectively, from revenues earned in the previous year. Significant increases from the previous year were: (1) internal charges were up \$219,655 (25.6%), (2) development related user fees were up \$112,042 (62.8%) and (3) recreation special events and league fees were up \$50,898 (62.8%).

In the previous year the airport had a week-end air show supported by sponsorships and gate receipts. During the current year the City had a scaled down air show at the City's Fourth of July celebration that was supported only by sponsorship revenue. Although this change resulted in a decline of the special event revenue, it did lower the net cost of the air show by \$21,968 (52.7%) from the previous year. The decline in the net margin in fuel sales at the airport reflected a 27.7% decrease in the number of gallons of fuel sold at the airport during the past year. Lease revenue from the manufacturing facility located on the airport premises declined \$39,000 (100%) this year. Three additional months of rentals were deferred this year. At the end of the current year \$383,000 or 28 months of rental payments have been deferred on this facility during the past three years.

Internal staff expense charged to capital projects increased significantly this year reflecting the progress made on projects during the year. The increase in development related user fees this year was the result of increased building permit and plan review fees associated with two large hospital expansion projects and one elderly apartment complex and inspection fees associated with a large residential subdivision. The increase in recreation special event and league revenue resulted from increased fees and activity during the year and also resulted in a \$21,627 (37.9%) increase in costs related to these activities.

- Operating grants and contributions were \$515,061 (47.0%) more than the previous year. This year the City received a Historic Preservation Courthouse Grant from the Missouri Department of Natural Resources and intergovernmental revenue from the County totaling \$81,770 to upgrade the HVAC system at the Common Pleas Courthouse and a \$250,000 Community Development Block Grant that was passed through to the developer of a senior citizen apartment complex. No revenues were received from these grants in the previous year. During the current year the City received \$364,823 in payments from FEMA and SEMA for the reimbursement of costs associated with various natural disaster events during the year and \$116,638 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 \$279,929 and \$5,616 respectively.
- Capital grants and contributions decreased \$132,730 (7.7%) over the previous year. In the current year \$696,681 of donated assets and infrastructure were recorded. This was \$203,236 (29.7%) less than the previous year. Benefiting property owners were charged \$33,331 for a portion of this year's infrastructure costs. This was \$15,044 (31.1%) less than the previous year. The remaining grant and contribution revenue was \$937,921 which was \$85,550 (10.0%) more than the previous year.
- Property tax revenue was \$66,637 (3.5%) more than the previous year. Final adjusted assessed value of real estate increased \$12,403,432 (3.0%) over the previous year. New construction and annexed property accounted for \$11,591,480 and \$46,930 of this increase, respectively. Final adjusted assessed value of personal property decreased \$1,651,378 (1.5%) over the previous year. State law allowed the City to increase its levy rate by 1.3% during the current year.

## CITY OF CAPE GIRARDEAU, MISSOURI

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### Revenues from governmental activities (continued)

- Sales tax revenue was 53.9% of the total revenue during the current year vs. 51.4% in the previous year. This year's revenue, which included the new parks / storm water sales tax that went into effect October 1, 2008, was \$2,539,648 (13.1%) more than the previous year. Excluding the effects of the new tax, sales tax revenue would have decreased \$309,926 (1.6%) from the previous year. From fiscal year ending June 30, 2006 through fiscal year ending June 30, 2008 sale tax revenue had annual growth rates of 4.1%, 2.8% and .6%, respectively. During the first weekend in August customers can purchase limited amounts of school supplies, clothing, and computers without being charged sales tax. It is estimated that the holiday may reduce annual revenue by as much as .25%.
- Other taxes decreased \$111,053 (1.4%) from the previous year. Convention and tourism taxes and liquor license taxes grew \$46,796 (2.8%) and, \$4,384 (7.4%) respectively. Motor fuel taxes, franchise taxes, other taxes, business licenses decreased \$88,978 (6.3%), \$65,121 (1.8%), \$4,675 (2.8%) and \$3,459 (.3%) respectively.

The increase in the convention and tourism taxes was comprised of a \$35,347 (3.2%) increase in restaurant taxes and an \$11,449 (2.0%) increase in hotel / motel taxes.

Ameren paid 79.7% of the total franchise tax collected during the year based on its electricity and natural gas revenues. During the current year Ameren paid \$95,777 (3.5%) more than the previous year. The previous year's payments had been reduced by approximately \$100,000 as a result of a rebate given to its natural gas customers during that year.

Franchise tax paid during the current year by the City's telecommunication and cable TV service providers decreased \$145,405 (40.1%) and \$15,168 (4.0%), respectively, from the previous year. During the previous year the City's telecommunication providers had paid \$176,334 in back taxes as a result of the settlement of a state-wide law suit. During the current year the City received \$27,500 in back taxes from its telecommunication service providers. During the previous year a \$30,000 charge to the City's cable TV provider for support of the public access channel expired.

In November of the previous year the State began withholding from its monthly motor fuel tax distribution to the City amounts that had previously been overpaid to the City in error during the three previous years. This additional withholding, which will expire at the end of the next fiscal year, was a contributing factor in this year's motor fuel tax reduction. Another contributing factor in this year's reduction was a \$41,274 (18.2%) decline in the amount of state motor vehicle sales tax that distributed to the City.

- Other revenue decreased \$162,072 (8.9%) over the previous year. Investment earnings, which account for 94.1% of other revenue, decreased \$162,601 (10.4%).

### Expenses from governmental activities

- Administrative expenses totaled \$6,415,924 this year which was \$179,160 (2.9%) more 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 \$28,766 (2.5%) to \$1,199,768 this year.

## CITY OF CAPE GIRARDEAU, MISSOURI

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### Expenses from governmental activities (continued)

Costs of development services, parks and recreation, and public works employees and related overhead charged to other City funds for services and various construction projects are included as part of administrative services costs. In the current year these costs totaled \$856,488. This was \$218,043 (34.1%) more than the previous year. This year's costs included \$113,871 in costs of public works employees used for the solid waste fund's leaf and limb pickup programs. Almost all remaining costs related to various construction projects. Internal charge revenue is included in charges for services revenues equal to these costs.

Current revenues collected from the hotel, motel, and restaurant taxes not used for the operation of the Convention Visitors Bureau are committed to payoff the "River Campus" bonds. Unspent hotel, motel, and restaurant taxes collected before November 2004 are used to fund various tourism related projects. During the current year the City spent \$89,976 on such projects, a decrease of \$77,491 (46.3%) from the previous year. At the end of the current year there was still \$610,460 available for expenditure on future tourism related projects.

The additional current year's costs resulting from implementing GASB 45 were \$58,201.

- Capital improvements expenses totaled \$632,998 this year which was \$220,997 (53.6%) 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 \$2,010,202 this year which was \$201,745 (11.2%) more than the previous year. During the current fiscal year the City made economic development payments totaling \$211,279 as reimbursements on development agreements entered into in previous fiscal years. These payments were \$29,338 (16.1%) more than were made in the previous year.

During the current year the City recognized \$250,000 in costs associated with a grant that was passed through to a local developer. The developer used the money to purchase an old school building in the City from the public school system. This building was reconstructed into a senior citizen apartment complex during the year. The \$250,000 grant is included in the City's operating grant and contribution revenue for the current year.

Development services expenses included \$239,986 in costs associated with neighborhood improvement projects. The current year's costs for neighborhood improvement projects were \$17,837 (7.4%) less than the previous year. Associated grant revenue totaling \$223,121 is included in the City's operating grant and contribution revenue for the current year.

General community development costs included in this year's development services expense were only \$13,040. This was \$65,627 (83.4%) less than the previous year.

Development services personnel costs decreased \$41,027 (4.4%) this year over the previous year. The key factor for this decrease was the allocation of more personnel costs to capital projects of the City. Personnel costs are charged to the City's capital projects based on hours worked and total hourly costs. These costs are included in the administrative services function.

The additional current year's costs resulting from implementing GASB 45 were \$65,196.

- Interest and other costs totaled \$1,388,445 this year which was \$110,058 (8.6%) more than the previous year. In March 2009 the City issued \$19,885,000 of bonds to finance various park and storm water projects. In June 2009 the City entered into a \$125,000 note payable to finance a portion of the cost of land for a new downtown parking lot. Interest on this new debt totaled \$198,483 during the current year. Scheduled principal and interest payments were made on all remaining debt during the year.
- Parks and recreation expenses totaled \$3,873,940 this year which was \$522,671 (15.6%) more than the previous year. This year's expenditures include \$254,684 in equipment and vehicle purchases that did not meet the City's \$5,000 capitalization threshold. All of these expenditures were funded by a new parks / storm water sales

## CITY OF CAPE GIRARDEAU, MISSOURI

tax that went into effect October 1, 2008. The golf course spent \$150,990 on new carts during the current year. These costs are included in the above equipment and vehicle purchases.

Personnel costs included in this years expenses totaled \$2,140,644 which was \$165,582 (8.4%) greater than the previous year. This year's costs included 5 new full-time employees and a 6% mid-year increase for its minimum wage employees. The cost of the new employees was funded by the new parks / storm water sales tax.

The additional current year's costs resulting from implementing GASB 45 were \$99,776.

- Public safety expenses totaled \$12,512,216 this year which was \$1,280,447 (11.4%) more than the previous year. Personnel costs totaled \$9,581,460 during the current year. This was \$111,996 (5.6%) more than the previous year. Increased workmen's compensation and health coverage costs accounted for 65.7% of the personnel cost increase. Personnel costs also included 3 new fire fighter positions that were partially funded by a grant. Associated grant revenue totaling \$116,638 is included in the City's operating grant and contribution revenue for the current year.

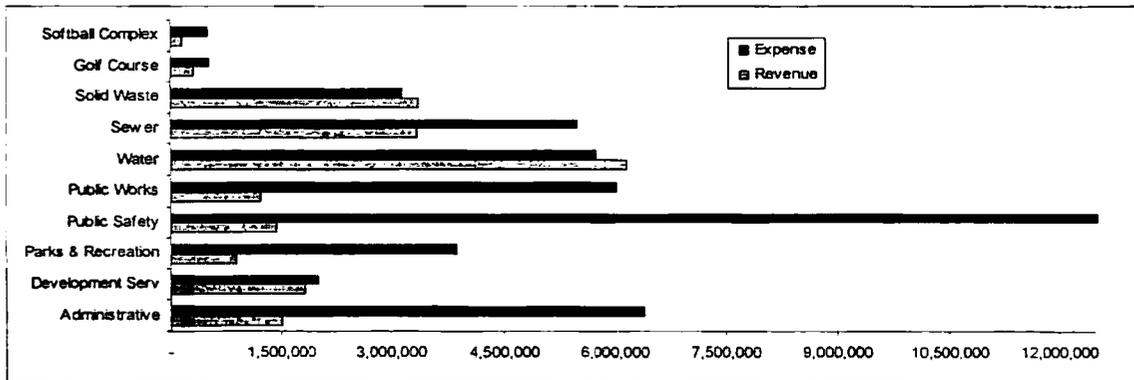
Public safety expenses include \$68,168 for putting flashing beacons at school sites throughout the City. The costs were funded through a "Safe Routes to School" grant. Associated grant revenue totaling \$70,462 is included in the City's capital grant and contribution revenue for the current year.

Other significant cost increases during the current year were depreciation which increased 24.0% from the previous year to \$759,642 and fleet maintenance costs which increased 26.8% from the previous year to \$253,387.

The additional current year's costs resulting from implementing GASB 45 were \$505,098

- Public works expenses totaled \$6,028,091 this year which was \$282,274 (4.9%) more than the previous year. Included in this year's expense is depreciation expense totaling \$3,943,357 and personnel costs totaling \$898,497. These expenses increased \$117,274 (3.1%) and \$116,582 (14.9%), respectively, from the previous year. Increased workmen's compensation and health coverage costs accounted for 51% of the personnel cost increase.

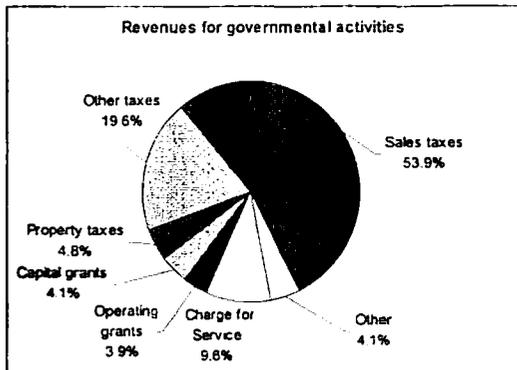
The additional current year's costs resulting from implementing GASB 45 were \$47,268.



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

# 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 (53.9%), other taxes (19.6%) and charges for services (9.6%).

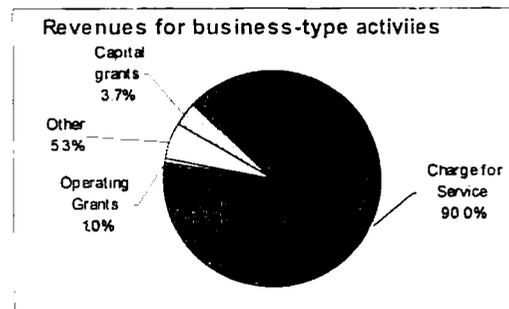
The City's general sales tax represents 39.1 percent of the total sales tax revenue and 45.0 percent of the total general fund revenues. The remaining sales taxes are for parks, storm water, transportation, sewer, water, and public safety projects.

The general fund accounts for 62.0% and 68.4% of the other tax and service charge revenue respectively. This represents 25.9% and 14.0% of the total general fund revenues respectively.

**Business-type activities.** Business-type activities increased the City of Cape Girardeau's net assets by \$2,502,332 (compared to \$2,771,808 in the previous fiscal year). Excluding transfers from government activities, business-type net assets decreased \$1,328,501 and \$57,724, respectively, during the last two years. These decreases were offset by transfers from governmental activities totaling \$3,830,833 and \$2,829,532, respectively, during the past two years.

Transfers of sales tax revenue for bond payments totaling \$2,210,261 and operating subsidy transfers from the general and parks / storm water sales tax funds totaling \$670,851 make up 57.7% and 17.5% of this year's total transfers, respectively. Last year these transfers totaled \$2,198,604 and \$472,744, respectively and represented 77.7% and 16.7% of that year's transfers. Transfers of water system improvements from the capital projects fund increased \$796,242 from the previous year to \$834,426 this year.

The net change in assets before transfers and general revenues in the sewer, water, solid waste, golf, and softball operations totaled \$(2,155,036), \$402,981, 233,186, \$(203,158), and \$(349,806), respectively, this year. This compares to \$(737,275), \$168,835, 202,608, \$(132,568), and \$(303,715), respectively, in the previous year.



# CITY OF CAPE GIRARDEAU, MISSOURI

## Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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, 2009, the City's governmental funds reported combined ending fund balances of \$42,864,779, an increase of \$12,861,590 (42.9%) from the prior year. Unreserved fund balances, which are available for spending at the City's discretion, amount for \$25,696,560 (59.9%) of the total fund balances. The remainder of the fund balances are reserved to indicate that they are not available for new spending because they have already been committed 1) to meet the City's Charter required emergency reserves (\$4,107,607), 2) to fund purchase orders open at the end of the year (\$11,351,876), 3) to set aside fund balance not currently available for expenditure equal to long-term loans due from other City funds (\$1,038,196), 4) to pay debt service (\$260,486), and 5) restricted to a specific use (\$410,054).

The general fund is the chief operating fund of the City. At the end of fiscal year ending June 30, 2009, unreserved fund balance of the general fund was \$522,700 while total fund balance was \$4,963,577. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents only 2.2 percent of total general fund expenditures including transfers. However, included in the reserved fund balance is \$3,164,101, which had been reserved to meet the City Charter's emergency reserve requirement. This amount represents 13.4 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 decreased by \$216,389 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 \$40,858. Differences between the amounts reflected in the two statements can be found in the Notes to Budgetary Comparison Schedules found on pages 78 - 81.

The original adopted general fund budget for the fiscal year ending June 30, 2009 was balanced with the projected use of \$37,899 in accumulated fund balances from previous years. The actual general fund results increased fund balances by \$40,858. Significant deviations from this budget are detailed below:

- o Sales tax revenue was \$135,831 (1.56%) less than the previous year, which was \$347,774 (3.89%) less than projected for the adopted budget. The amount projected in the adopted budget assumed 1% growth for fiscal year ending June 30, 2008 and 2% growth for fiscal year ending June 30, 2009. Actual revenue for fiscal year ending June 30, 2008 was only .57% greater than the previous year.
- o Franchise tax revenue was \$66,021 (1.8%) less than the previous year. The main factor leading to this decrease was a \$145,405 (40.1%) decrease in revenues collected from telecommunication service providers.

In the previous year, as a result of settlement of a state-wide law suit, the City began collecting taxes from all providers of telecommunication service. Approximately \$176,334 of the telecommunication related franchise taxes received in the previous year was for prior years' taxes. This year only \$27,500 of taxes collected related to prior years.

Approximately 2/3 of this year's reduction in the telecommunication franchise tax revenue was offset by a \$95,777 (3.5%) increase in franchise tax revenue from the City's electric and natural gas provider. This increase resulted mainly from a rebate given to natural gas customers in the previous year that reduced that year's franchise tax revenue.

## CITY OF CAPE GIRARDEAU, MISSOURI

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Franchise tax revenue was \$113,112 (3.3%) more than projected for the adopted budget. Franchise taxes from electric and natural gas utilities, telecommunications, and cable TV exceeded their budgets by \$50,360 (1.8%), \$57,472 (36.0%), and \$11,682 (3.3%).

- o Real estate and personal property tax revenue increased \$43,499 (2.9%) over the previous year which was \$43,290 (2.7%) more than projected for the budget.

The final assessed values for real estate grew 3.0% while the final assessed values for personal property declined 1.1% from the previous year. The adopted budget for fiscal year ending June 30, 2009 had assumed 1.0% and 2.0% assessed value growth respectively.

- o Business license revenue declined \$3,459 (.3%) over the previous year but still exceeded the projected budget by \$5,791 (.5%). The adopted budget for fiscal year ending June 30, 2009 had assumed 2% growth on projected revenue for fiscal year ending June 30, 2008.

- o Other license and permit revenue was \$48,040 (25.4%) higher this year than the previous year which was \$23,921 (11.2%) more than projected for the budget. Permit revenue associated with the local hospitals' expansion projects was the main contributor to this year's positive results.

- o Intergovernmental revenue exceeded revenue projected for the budget by \$516,843 (87.2%). This year's intergovernmental revenue included \$441,701 in disaster relief payments from state and federal agencies resulting from various natural disasters during the year and other capital grants totaling \$108,468. The grant revenue for providing police security at the airport was \$65,892 less than expected this year because of the lack of commercial air service at the airport for a good portion of the year.

- o Service charges were \$48,533 (17.4%) greater than the previous year which was \$33,892 (11.5%) more than projected in the budget. During the year the City received significant development and plan review

fees from one residential development and three commercial developments.

- o Internal charges were \$219,857 (25.2%) greater than the previous year which was \$114,651 (11.7%) more than projected in the budget. During the year the City made better than anticipated progress on completion of its major capital projects. This resulted in more internal salaries being charged to these projects than had been anticipated by the budget.

- o Fines and forfeits revenue was \$5,860 (.7%) more than the previous year despite a 9.9% decline in the number of traffic violation cases. Fines and forfeits revenue was \$64,796 (7.6%) less than projected for the budget. The adopted budget for fiscal year ending June 30, 2009 had assumed revenue levels equal to fiscal year ending June 30, 2007 actual results.

- o During the current fiscal year expenditures were \$22,192 (.1%) more than original budget. Debt service and capital expenditures exceeded the original budget by \$11,686 (6.2%) and \$174,022 (488.2%). Current operating expenditures were \$163,516 (.9%) less than the original budget.

- o Transfers to other funds for operating subsidies and capital expenditures exceeded their original budgets by \$145,541 (3.9%) and \$30,063 (51.0%) respectively. Additional transfers to the airport fund accounted for \$204,463 of the additional operating subsidies.

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.

# CITY OF CAPE GIRARDEAU, MISSOURI

## General Fund Budgetary Highlights

Total expenditures and transfers on the final amended budget were \$1,368,500 (5.9%) more than the original adopted budget. The changes can be summarized as follows:

- o \$335,000 to cover costs associated with sinkhole mitigation, flash flooding, river flooding and winter storm events that occurred during the year which are included in current contingent expenses. These costs were funded by disaster relief payments from state and federal agencies.
- o \$137,000 to cover costs to install generators at City Hall and the Osage Community Centre during the year which are included in current contingent expenses. These costs were funded from the emergency reserve fund.
- o \$40,000 to cover additional operating expenses of the police division included in current public safety expenses. The additional operating expenses were funded by previous years' unspent donation revenue.
- o \$9,500 to cover costs of repairing ice damage done to a maintenance building at Arena Park included in current parks and recreation expenses.
- o \$85,000 to cover costs of replacing the HVAC system at the Common Pleas Courthouse included in development services capital outlay expenses. \$81,770 of the additional costs was covered by intergovernmental revenue.
- o \$92,000 for final payment on option to purchase land next to public works headquarters included in public works capital outlay expenses. This expenditure was previously appropriated in the previous fiscal year.
- o \$500,000 general fund transfers to the airport and parks and recreation fund to cover the costs of projected operating deficits. Only \$204,463 of this appropriation was actually used.

- o \$165,000 general fund transfer to the community development block grant fund to cover local cost of land for a new downtown parking lot. Only \$43,264 of this transfer was actually made because \$125,000 of the land cost was eventually funded by debt.

- o \$5,000 general fund transfer to the airport fund to cover the cost of a floor scrubber. This transfer was never made.

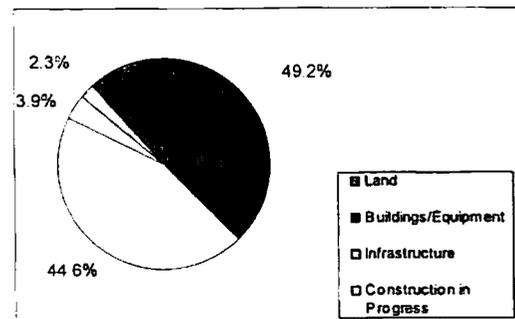
Unused appropriations of development services (\$140,000), parks and recreation (\$5,000), public safety (\$5,000), and public works (\$23,000) were transferred to administrative in current operating expenses.

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

## 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, 2009, amounts to \$241,570,298 (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



# CITY OF CAPE GIRARDEAU, MISSOURI

City of Cape Girardeau's Capital Assets (net of depreciation)						
	Governmental		Business-type		Total	
	Activity		Activities			
	2009	2008	2009	2008	2009	2008
Land	5,370,111	4,948,851	161,990	161,990	5,532,101	5,110,841
Buildings and system improvements	12,253,179	12,006,556	2,204,432	2,401,870	14,457,611	14,408,426
Improvements other than buildings	9,890,277	10,438,168	85,769,063	86,308,300	95,659,340	96,746,468
Equipment	5,902,960	4,367,125	3,058,396	3,002,885	8,961,356	7,370,010
Infrastructure	107,513,636	103,172,322	-	-	107,513,636	103,172,322
Construction in progress	8,175,806	4,250,107	1,270,448	1,452,530	9,446,254	5,702,637
<b>Total</b>	<b>149,105,969</b>	<b>139,183,129</b>	<b>92,464,329</b>	<b>93,327,575</b>	<b>241,570,298</b>	<b>232,510,704</b>

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

- o Construction costs totaling \$9,777,574 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. \$76,538 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 \$1,092,415 on water system projects were incurred this year. Major water system improvements included well drilling in the southern part of the City, adding water main extensions and the two-inch water main replacement program.
- o Construction costs totaling \$745,156 were incurred for other improvements. These projects included hangar renovation at the airport, heating/cooling system upgrade at the Common Pleas court house, traffic signal upgrades, parking lot improvements in the downtown area, and trail construction.
- o Construction costs totaling \$529,698 on sewer system projects were incurred this year. A capital improvement sales tax was originally approved in 1994 to complete a specific list of improvements to the sewer system. Over \$33,350,000 in revenue bonds have been issued through the State Revolving Loan Program to complete these projects. All of the projects on the list are now complete.
- o Police and fire station improvements in the amount of \$129,231 were made possible by the passage of a Fire Sales Tax.
- o Total expenditures to complete the remodeling of the aviation terminal building at the Airport amounted to \$72,485. This was partially funded by grant revenue.
- o In April 2008 voters approved a ½ cent sales tax to pay for storm water and park improvement projects. \$247,760 and \$1,904,347 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 2009						
	Governmental		Business-type		Total	
	Activity		Activities			
	2009	2008	2009	2008	2009	2008
Notes payable	1,317,125	1,264,375	457,875	485,625	1,775,000	1,750,000
Special obligation bonds	6,471,913	7,270,161	184,577	379,012	6,656,490	7,649,173
Revenue bonds	17,455,594	18,485,931	29,107,986	32,660,905	46,563,580	51,146,836
Certificates of participation	2,235,209	2,365,258	-	-	2,235,209	2,365,258
General obligation bonds	-	-	-	-	-	-
Leasehold revenue bonds	19,722,056	108,000	-	-	19,722,056	108,000
	<u>47,201,897</u>	<u>29,493,725</u>	<u>29,750,438</u>	<u>33,525,542</u>	<u>76,952,335</u>	<u>63,019,267</u>

**Long-term debt.** At the end of the fiscal year, the City of Cape Girardeau had total debt outstanding of \$76,952,335. Bonded debt outstanding totaling \$46,563,580 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 increased by \$13,933,068 (22.1%) during the year. During the year the City issued leasehold revenue bonds totaling \$19,740,196 (net of discount) to fund various park and storm water improvements and entered into a \$125,000 note payable to finance a portion of the land costs for a new downtown parking lot. Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$5,932,128. Revenues from a parks / storm water sales tax passed in April 2008 will be used to repay the leasehold revenue bonds issued this year.

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

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

Commercial and residential development held up reasonably well during the current year. However, residential development is approximately 45% below fiscal year ending June 30, 2007 levels.

Commercial and residential permits valued at \$47.9 million and \$12.4 million were issued this year. Commercial and residential permits valued at \$28.8 million and \$12.5 million were issued in the previous year. Only 33 single family residence building permits totaling \$6,892,992 were issued during the current year compared to 50 totaling \$9,437,324 in the previous year. Most of the decline in single family residence building permits during the past year was offset by a \$2,030,000 (263.6%) increase in apartment building permits. Driving factors for the increase in Commercial permits were projects at the two City hospitals and the construction of a senior citizen's apartment complex.

During the current year Thorngate Ltd., a high-end men's clothing manufacturer, ceased operations at its Cape Girardeau plant. As a result 310 jobs were lost. However, the Cape Girardeau County preliminary unadjusted unemployment rate was only 6.5% in October 2009. This compares favorably with the preliminary statewide and national unadjusted unemployment rates which were of 8.9% and 9.6% respectively. The unemployment rates were 4.7% and

# CITY OF CAPE GIRARDEAU, MISSOURI

6.3% for the county and state respectively for the previous October

Taxable sales subject to the City's general sales tax declined 1.56% during the current year. Since the City is heavily dependent on sales tax revenue for support of its general fund services, slowed growth of local retail sales can have a significant 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.

Stagnant economy. Sales tax is a significant revenue source of the City and is a barometer of the local economy. In the current year sales tax revenue from the general sales tax decreased 1.6% while inflation grew at 1.9%. In the previous year sales tax revenue from the general sales tax increased .6% while inflation grew at 3.5%. General sales tax revenue growth was flat during the first five months of the current 2010 fiscal year.

The City's restaurant and hotel/motel gross receipt taxes increased 3.2% and 2.0%, respectively, this year. In the previous year they increased 5.4% and 3.9%, respectively.

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>				
	FY06	FY07	FY08	FY09
Cape Girardeau	40.6%	40.9%	41.2%	41.1%
Carbondale	29.0%	28.4%	28.6%	27.7%
Jackson	9.9%	10.2%	9.9%	9.9%
Perryville	7.0%	7.1%	7.1%	7.4%
Sikeston	13.5%	13.4%	13.2%	13.9%
	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. Since the fiscal year ending June 30, 2006 the City's share of the local market has increased slightly.

Local Economic Development. Since 2004 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 \$211,279 during the current year. Payments totaling \$641,830 have been made since the beginning of these agreements.

During the year the City spent \$61,433 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, 2010 and financial condition. In April of 2008 the citizens passed a ½% parks / storm water sales tax which became effective October 1, 2008. 25% of the new sales tax is being used for parks and storm water operating expenses. The adopted general fund budget for the fiscal year ending June 30, 2010, which includes the total impact of the new sales tax, was projected to produce a \$336,436 surplus to help increase the City's unrestricted general fund balance and provide a cushion against a further economic slow down.

The adopted general fund budget included no wage increases 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 \$136,917 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

## CITY OF CAPE GIRARDEAU, MISSOURI

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only increased 6.6% January 1, 2009 and will only increase 7.1% on January 1, 2010.

The City's current financial position 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, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,744,282.77	\$ 428,345.73	\$ 7,172,628.50
Investments	37,415,437.30	5,546,054.43	42,961,491.73
Taxes receivable	3,776,401.68	-	3,776,401.68
Utility charges receivable	-	1,605,861.52	1,605,861.52
Special assessments receivable	915,926.94	127,165.00	1,043,091.94
Interest receivable	212,168.48	1,618.55	213,787.03
Other receivables	173,082.32	2,528.31	175,610.63
Notes receivable	276,014.66	-	276,014.66
Motor fuel receivable	111,264.47	-	111,264.47
Grants receivable	610,150.39	33,195.83	643,346.22
Internal balances	894,775.71	(894,775.71)	-
Inventory	195,233.55	488,454.15	683,687.70
Prepaid Items	654,924.36	335,381.19	990,305.55
Restricted cash and cash equivalents	-	3,670,579.19	3,670,579.19
Restricted investments	-	3,211,892.05	3,211,892.05
Land	5,370,111.05	161,989.55	5,532,100.60
Buildings	12,253,179.30	2,204,432.06	14,457,611.36
Other improvements	9,890,277.19	85,769,062.95	95,659,340.14
Equipment	5,902,959.61	3,058,396.31	8,961,355.92
Infrastructure	107,513,635.82	-	107,513,635.82
Construction in process	8,175,806.58	1,270,448.32	9,446,254.90
<b>Total assets</b>	<b>\$ 201,085,632.18</b>	<b>\$ 107,020,629.43</b>	<b>\$ 308,106,261.61</b>

City of Cape Girardeau  
Statement of Net Assets  
For the Year Ended June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 2,701,605.72	\$ 765,010.68	\$ 3,466,616.40
Salaries and benefits payable	1,345,692.18	263,425.09	1,609,117.27
Interest payable	690,585.32	511,221.13	1,201,806.45
Other liabilities	197,596.31	520,831.32	718,427.63
Estimated claims	628,500.00	-	628,500.00
Due to other governments	12,491.98	9,385.44	21,877.42
Unearned revenues	50,099.22	-	50,099.22
Deferred revenues	-	4,077.79	4,077.79
Estimated landfill post closure costs	-	52,500.00	52,500.00
Current portion long-term debt:			-
Notes payable	43,395.00	13,875.00	57,270.00
Revenue bonds payable	1,080,000.00	3,695,000.00	4,775,000.00
Certificates of participation payable	135,000.00	-	135,000.00
Leasehold revenue bonds payable	1,790,000.00	-	1,790,000.00
Special obligation bonds payable	800,000.00	184,576.99	984,576.99
Long-term debt net of current portion:			
Notes payable	1,273,730.00	444,000.00	1,717,730.00
Revenue bonds payable	16,375,593.64	25,412,985.84	41,788,579.48
Certificates of participation payable	2,100,209.22	-	2,100,209.22
Leasehold revenue bonds payable	17,932,056.13	-	17,932,056.13
Special obligation bonds payable	5,671,912.85	-	5,671,912.85
Net OPEB Obligation	816,220.10	113,191.30	929,411.40
<b>Total liabilities</b>	<b>53,644,687.67</b>	<b>31,990,080.58</b>	<b>85,634,768.25</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	119,771,643.71	63,073,426.93	182,845,070.64
Restricted for debt service	246,218.27	1,096,666.67	1,342,884.94
Restricted for depreciation and replacement	-	1,427,000.00	1,427,000.00
Restricted for emergency fund	4,107,607.00	1,774,685.00	5,882,292.00
Restricted for Mausoleum	104,882.80	-	104,882.80
Restricted for River Campus Project	150,920.90	-	150,920.90
Restricted for Local Access Channel	8,578.70	-	8,578.70
Restricted for Operation and Maintenance	4,498.09	-	4,498.09
Unrestricted	23,046,595.04	7,658,770.25	30,705,365.29
<b>Total net assets</b>	<b>\$ 147,440,944.51</b>	<b>\$ 75,030,548.85</b>	<b>\$ 222,471,493.36</b>

City of Cape Girardeau  
Statement of Activities  
For the Year Ended June 30, 2009

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>							
Governmental activities:							
Administrative	\$ 6,415,924.02	\$ 929,489.45	\$ 259,862.08	\$ 333,016.67	\$ (4,893,555.82)	\$ -	\$ (4,893,555.82)
Capital Improvements	832,997.97	-	-	241,034.80	(391,963.17)	-	(391,963.17)
Development Services	2,010,202.14	1,367,517.74	473,121.41	-	(169,562.99)	-	(169,562.99)
Interest and other costs	1,388,445.21	-	-	-	(1,388,445.21)	-	(1,388,445.21)
Parks and Recreation	3,873,940.26	683,408.60	13,579.80	208,196.45	(2,968,755.61)	-	(2,968,755.61)
Public Safety	12,512,215.88	917,250.40	517,737.44	11,557.43	(11,065,670.61)	-	(11,065,670.61)
Public works	6,028,091.10	9,800.00	347,538.94	874,127.83	(4,796,624.33)	-	(4,796,624.33)
Total governmental activities	<u>32,861,818.58</u>	<u>3,907,486.19</u>	<u>1,611,839.47</u>	<u>1,667,933.18</u>	<u>(25,674,577.74)</u>	<u>-</u>	<u>(25,674,577.74)</u>
Business-type Activities:							
Golf Course	522,989.75	319,832.14	-	-	-	(203,157.61)	(203,157.61)
Sewer	5,495,679.84	3,052,369.67	94,578.86	193,697.78	-	(2,155,035.55)	(2,155,035.55)
Softball Complex	507,153.83	142,610.08	8.82	14,729.36	-	(349,805.57)	(349,805.57)
Solid Waste	3,146,307.73	3,353,499.54	25,994.57	-	-	233,186.38	233,186.38
Water	5,759,009.16	5,822,350.36	28,725.73	310,913.66	-	402,980.59	402,980.59
Total business-type activities	<u>15,431,140.31</u>	<u>12,690,681.79</u>	<u>149,305.98</u>	<u>519,340.78</u>	<u>-</u>	<u>(2,071,831.76)</u>	<u>(2,071,831.76)</u>
Total primary government	<u>\$ 48,292,958.89</u>	<u>\$ 16,598,127.98</u>	<u>\$ 1,761,145.45</u>	<u>\$ 2,187,273.96</u>	<u>(25,674,577.74)</u>	<u>(2,071,831.76)</u>	<u>(27,746,409.50)</u>

City of Cape Girardeau  
Statement of Activities  
For the Year Ended June 30, 2009

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		1,944,679.90	-	-	1,944,679.90
		Sales taxes		21,981,846.59	-	-	21,981,846.59
		Franchise taxes		3,563,962.45	-	-	3,563,962.45
		Motor fuel taxes		1,318,120.90	-	-	1,318,120.90
		Convention and tourism taxes		1,718,951.45	-	-	1,718,951.45
		Merchant licenses		1,163,490.65	-	-	1,163,490.65
		Liquor licenses		64,787.50	-	-	64,787.50
		Other taxes		161,100.75	-	-	161,100.75
		Unrestricted grants and contributions		60,481.69	-	-	60,481.69
		Unrestricted investment earnings		1,568,312.95	674,570.25	-	2,242,883.20
		Gain on sale of assets		3,387.50	68,587.37	-	71,974.87
		Other non-operating revenue		34,557.53	174.21	-	34,731.74
		Transfers		(3,830,833.02)	3,830,833.02	-	-
		Total general revenues		29,752,846.84	4,574,164.85	-	34,327,011.69
		Change in net assets		4,078,269.10	2,502,333.09	-	6,580,602.19
		Net assets - beginning		143,378,442.56	72,528,215.76	-	215,906,658.32
		Prior period adjustment		(15,767.15)	-	-	(15,767.15)
		Net assets - ending		\$ 147,440,944.51	\$ 75,030,548.85	-	\$ 222,471,493.36

## FUND FINANCIAL STATEMENTS

City of Cape Girardeau  
Balance Sheet  
Governmental Funds  
For the Year Ended June 30, 2009

	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	\$ 132,923.49	\$ 4,665.14	\$ 15,571.39	\$ 446,666.77	\$ 2,635,352.23	\$ 3,222,962.11	\$ 6,458,141.13
Investments	1,791,839.98	61,120.37	202,292.18	5,836,967.98	14,576,109.60	10,988,532.94	33,456,863.05
<b>Receivables-</b>							
Real estate taxes, net	46,867.39	-	-	-	-	14,343.72	61,211.11
Personal property taxes, net	11,760.00	-	-	-	-	2,200.24	13,960.24
Sales tax	717,330.87	-	-	344,149.45	-	887,665.56	1,949,145.88
Franchise taxes	1,601,163.55	-	-	-	-	-	1,601,163.55
Hotel & motel tax	-	-	-	-	-	56,824.84	56,824.84
Restaurant tax	-	-	-	-	-	94,096.06	94,096.06
Special assessments	124,930.15	-	-	-	-	790,996.79	915,926.94
Other	26,765.09	81,868.95	48,367.84	-	-	2,450.69	159,452.57
Interest	130,835.87	-	-	-	46,192.69	35,139.92	212,168.48
Motor fuel tax	-	-	-	-	-	84,298.89	84,298.89
Vehicle license fees	-	-	-	-	-	12,333.49	12,333.49
Motor vehicle sales tax	-	-	-	-	-	14,632.09	14,632.09
Grants	217,436.60	56,832.32	19.51	41,988.07	-	293,583.16	609,859.66
Other funds	31,376.00	-	-	-	-	-	31,376.00
Inventory	127.28	52,941.23	-	-	-	4,439.34	57,507.85
Prepaid items	73,155.60	18,812.09	4,187.00	-	-	45,019.43	141,174.12
<b>Total Current assets:</b>	<b>4,906,511.87</b>	<b>276,240.10</b>	<b>270,437.92</b>	<b>6,669,772.27</b>	<b>17,257,654.52</b>	<b>16,549,519.27</b>	<b>45,930,135.95</b>
<b>Noncurrent assets:</b>							
Advances to other funds	1,038,195.67	-	-	-	-	-	1,038,195.67
<b>Total Noncurrent assets:</b>	<b>1,038,195.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,038,195.67</b>
<b>Total assets</b>	<b>\$ 5,944,707.54</b>	<b>\$ 276,240.10</b>	<b>\$ 270,437.92</b>	<b>\$ 6,669,772.27</b>	<b>\$ 17,257,654.52</b>	<b>\$ 16,549,519.27</b>	<b>\$ 46,968,331.62</b>

City of Cape Girardeau  
Balance Sheet  
Governmental Funds  
For the Year Ended June 30, 2009

	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 BALANCES</b>							
<b>Current liabilities:</b>							
Accounts payable	\$ 285,528.90	\$ 118,303.52	\$ 69,780.26	\$ 289,634.99	\$ 500,723.84	\$ 975,682.82	\$ 2,239,654.33
Salaries and benefits payable	361,767.39	19,235.81	78,073.39	-	-	3,794.33	462,870.92
Other liabilities	118,196.35	47,317.82	30,698.69	-	-	1,295.83	197,508.69
Due to other governments	-	-	-	-	-	2,206.64	2,206.64
Payable to other funds	-	-	-	-	-	31,376.00	31,376.00
Unearned revenues	15,000.00	1,540.00	33,559.22	-	-	-	50,099.22
Deferred revenues	200,637.79	-	-	-	-	919,198.93	1,119,836.72
<b>Total Current liabilities:</b>	<b>981,130.43</b>	<b>186,397.15</b>	<b>212,111.56</b>	<b>289,634.99</b>	<b>500,723.84</b>	<b>1,933,554.55</b>	<b>4,103,552.52</b>
<b>Non current liabilities:</b>							
Advances from other funds	-	-	-	-	-	-	-
<b>Total Non current liabilities:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>981,130.43</b>	<b>186,397.15</b>	<b>212,111.56</b>	<b>289,634.99</b>	<b>500,723.84</b>	<b>1,933,554.55</b>	<b>4,103,552.52</b>
<b>Fund balances:</b>							
Reserved	4,440,876.76	25,809.09	25,732.22	5,365,778.86	3,022,451.83	4,287,569.71	17,168,218.47
Unreserved	522,700.35	64,033.86	32,594.14	1,014,358.42	13,734,478.85	10,328,395.01	25,696,560.63
<b>Total fund balances</b>	<b>4,963,577.11</b>	<b>89,842.95</b>	<b>58,326.36</b>	<b>6,380,137.28</b>	<b>16,756,930.68</b>	<b>14,615,964.72</b>	<b>42,864,779.10</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,944,707.54</b>	<b>\$ 276,240.10</b>	<b>\$ 270,437.92</b>	<b>\$ 6,669,772.27</b>	<b>\$ 17,257,654.52</b>	<b>\$ 16,549,519.27</b>	<b>\$ 46,968,331.62</b>

**City of Cape Girardeau**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Assets**  
**For the Year Ended June 30, 2009**

Fund balances of governmental funds	\$ 42,864,779.10
<p>Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:</p>	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(47,245,393.83)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$55,533,201.88.	147,522,708.20
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.	4,703,313.74
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	1,119,836.72
Other accrued expenses which are not payable from current-period revenues are included in governmental activities in the statement of net assets.	(1,524,299.42)
Net assets of governmental activities	\$ 147,440,944.51

City of Cape Girardeau  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2009

	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	\$ 13,963,653.14	\$ -	\$ -	\$ 4,105,410.01	\$ -	\$ 11,271,845.31	\$ 29,400,914.46
Licenses & permits	1,400,412.28	-	-	-	-	4,047.00	1,405,059.28
Intergovernmental	1,106,342.67	475,556.82	28.96	905.55	-	2,238,112.42	3,820,946.42
Charges for services	328,233.97	253,799.10	607,771.19	-	-	-	1,189,804.32
Internal charges	1,094,301.23	-	-	-	-	-	1,094,301.23
Fines and forfeits	788,203.83	-	-	-	-	-	788,203.83
Miscellaneous	286,890.53	172,746.18	15,594.85	-	-	83,016.92	568,248.48
Investment revenue	142,778.98	1,884.34	6,577.94	360,756.33	52,368.26	781,556.34	1,345,922.19
Special assessments	10,979.50	-	-	-	-	219,704.27	230,683.77
<b>Total revenues</b>	<b>19,121,796.13</b>	<b>903,986.50</b>	<b>629,972.94</b>	<b>4,527,077.89</b>	<b>52,368.26</b>	<b>14,808,882.26</b>	<b>39,844,083.98</b>
<b>EXPENDITURES</b>							
Current:							
Administrative	3,174,061.88	1,196,938.41	-	-	-	1,823,107.87	6,194,108.16
Development Services	1,339,536.31	-	-	63,630.16	-	568,891.36	1,972,057.83
Parks and Recreation	1,580,430.47	-	1,618,260.48	-	21,763.38	-	3,220,454.33
Public Safety	11,059,433.70	-	-	-	-	402,835.97	11,462,269.67
Public Works	2,045,728.02	-	-	-	-	1,993.00	2,047,689.02
Debt Service:							
Administrative charges	470.25	-	-	-	-	60,729.21	61,199.46
Interest	96,011.88	6,904.07	987.27	-	5,525.04	1,036,101.81	1,145,590.07
Issuance cost	-	-	-	-	206,728.14	9,344.87	216,073.01
Principal	103,492.85	38,315.30	-	-	-	1,936,100.00	2,077,908.15
Capital outlay	209,670.50	162,754.87	13,213.80	5,458,300.34	1,904,281.83	7,818,290.44	15,566,511.58
<b>Total expenditures</b>	<b>19,608,833.86</b>	<b>1,404,972.65</b>	<b>1,632,461.55</b>	<b>5,521,930.50</b>	<b>2,138,298.19</b>	<b>13,657,364.53</b>	<b>43,963,861.28</b>
Excess (deficiency) of revenues over expenditures	(487,037.73)	(500,986.15)	(1,002,488.61)	(994,852.61)	(2,085,929.93)	851,517.73	(4,119,777.30)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	(4,092,199.88)	(254,235.40)	-	-	(835,831.61)	(10,060,615.91)	(15,242,882.60)
Transfers in	4,330,912.15	694,276.62	1,017,834.36	325,000.00	792,530.35	5,178,479.11	12,339,032.79
Bond proceeds	-	-	-	-	18,868,458.87	976,580.18	19,863,039.05
Asset disposition	3,387.50	-	-	-	-	-	3,387.50
Other non-operation revenue	28,548.99	6,008.54	-	-	-	-	34,557.53
<b>Total other financing sources and uses</b>	<b>270,648.96</b>	<b>446,049.86</b>	<b>1,017,834.36</b>	<b>325,000.00</b>	<b>18,843,157.61</b>	<b>(3,805,558.02)</b>	<b>18,997,134.27</b>
Net Change in fund balances	(216,388.77)	(54,936.19)	15,345.75	(669,852.61)	16,757,227.68	(2,954,038.89)	12,877,356.97
Fund balances - beginning	5,189,680.41	150,831.75	42,980.61	7,049,988.89	(297.00)	17,570,003.62	30,003,189.28
Prior period adjustment	(9,714.53)	(6,052.61)	-	-	-	(0.01)	(15,767.15)
<b>Fund balances - ending</b>	<b>\$ 4,963,577.11</b>	<b>\$ 89,842.95</b>	<b>\$ 58,326.36</b>	<b>\$ 6,380,137.28</b>	<b>\$ 16,756,930.68</b>	<b>\$ 14,615,964.72</b>	<b>\$ 42,864,779.10</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, 2009

Net change in fund balances -total governmental funds	\$ 12,877,358.97
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Reductions of debt are reported in the fund financial statements as an expense but are not included in the government wide statement of activities.	(17,563,550.20)
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.	9,460,251.36
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.	464,208.32
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	(219,997.48)
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.	(939,999.87)
Change in net assets of governmental activities	\$ 4,078,269.10

City of Cape Girardeau  
Statement of Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009

**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	\$ 126,262.41	\$ 188,791.93	\$ 103,974.90	\$ 3,618.45	\$ 5,698.04	\$ 428,345.73	\$ 286,141.64
Investments	1,625,811.09	2,449,021.48	1,350,089.39	47,363.76	73,768.71	5,546,054.43	3,958,574.25
Utilities charges, net	434,350.98	800,536.44	370,974.10	-	-	1,605,861.52	-
Special assessments	95,760.39	31,404.61	-	-	-	127,165.00	-
Other	1,221.27	1,208.49	48.55	-	50.00	2,528.31	13,629.75
Notes receivable	-	-	-	-	-	-	276,014.66
Interest	289.32	1,329.23	-	-	-	1,618.55	-
Grants	23,951.36	5,507.13	3,109.84	606.47	21.03	33,195.83	290.73
Inventory	-	473,205.77	-	4,024.82	11,223.56	488,454.15	137,725.70
Prepaid items	131,710.29	200,757.32	2,705.24	208.34	-	335,381.19	98,863.02
<b>Total Currents assets:</b>	<b><u>2,439,357.11</u></b>	<b><u>4,151,762.40</u></b>	<b><u>1,830,902.02</u></b>	<b><u>55,821.84</u></b>	<b><u>90,761.34</u></b>	<b><u>8,568,604.71</u></b>	<b><u>4,771,239.75</u></b>
<b>Noncurrent assets:</b>							
Rest Cash and Cash Equivalents	3,489,589.00	180,815.30	174.89	-	-	3,670,579.19	-
Rest Investments	133,497.43	3,073,810.38	4,584.24	-	-	3,211,892.05	-
Land	49,750.00	-	112,239.55	-	-	161,989.55	37,500.00
Buildings	8,078,346.00	174,311.63	1,051,146.72	140,253.00	48,400.97	9,492,458.32	46,224.45
Equipment	3,218,572.28	1,786,663.50	1,890,639.64	243,318.43	131,955.22	7,271,149.07	4,009,128.53
Other improvements	69,488,656.43	46,296,781.89	333,132.92	551,268.84	26,592.57	116,696,432.65	155,653.19
Construction in progress	86,245.31	1,184,203.01	-	-	-	1,270,448.32	-
Accumulated depreciation	(28,520,293.59)	(10,644,920.80)	(2,402,101.17)	(740,385.46)	(120,447.70)	(42,428,148.72)	(2,665,244.82)
<b>Total Noncurrent assets:</b>	<b><u>56,024,362.86</u></b>	<b><u>42,051,664.91</u></b>	<b><u>989,816.79</u></b>	<b><u>194,454.81</u></b>	<b><u>86,501.06</u></b>	<b><u>99,346,800.43</u></b>	<b><u>1,583,261.35</u></b>
<b>Total assets</b>	<b><u>\$ 58,463,719.97</u></b>	<b><u>\$ 46,203,427.31</u></b>	<b><u>\$ 2,820,718.81</u></b>	<b><u>\$ 250,276.65</u></b>	<b><u>\$ 177,262.40</u></b>	<b><u>\$ 107,915,405.14</u></b>	<b><u>\$ 6,354,501.10</u></b>

City of Cape Girardeau  
Statement of Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009

**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	\$ 194,095.23	\$ 421,130.38	\$ 110,334.57	\$ 6,777.49	\$ 32,673.01	\$ 765,010.68	\$ 461,951.39
Salaries and benefits payable	103,614.77	9,154.60	67,810.91	35,857.17	46,987.64	263,425.09	48,621.74
Interest payable	450,522.85	60,332.06	366.22	-	-	511,221.13	485.42
Other liabilities	217,980.71	199,438.71	96,306.60	7,105.30	-	520,831.32	87.62
Estimated claims payable	-	-	-	-	-	-	628,500.00
Due to other governments	2,332.29	7,053.15	-	-	-	9,385.44	-
Deferred revenues	4,077.79	-	-	-	-	4,077.79	-
Payable to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Notes Payable	6,750.00	-	7,125.00	-	-	13,875.00	4,875.00
Revenue bonds payable	2,805,000.00	890,000.00	-	-	-	3,695,000.00	-
Special oblig bonds payable	89,009.21	56,705.49	38,862.29	-	-	184,576.99	45,000.00
<b>Total Current liabilities:</b>	<b>3,873,382.85</b>	<b>1,643,814.39</b>	<b>320,805.59</b>	<b>49,739.96</b>	<b>79,660.65</b>	<b>5,967,403.44</b>	<b>1,189,521.17</b>
<b>Noncurrent liabilities:</b>							
Net OPEB Obligation	54,071.93	7,996.39	38,972.13	9,222.51	2,928.34	113,191.30	40,680.84
Advances from other funds	-	-	620,000.00	243,257.52	174,938.15	1,038,195.67	-
Notes Payable	216,000.00	-	228,000.00	-	-	444,000.00	156,000.00
Revenue bonds payable	21,778,874.80	3,634,111.04	-	-	-	25,412,985.84	-
Special oblig bonds payable	-	-	-	-	-	-	121,565.39
Est landfill post closure cost	-	-	52,500.00	-	-	52,500.00	-
<b>Total Non current liabilities:</b>	<b>22,048,946.73</b>	<b>3,642,107.43</b>	<b>939,472.13</b>	<b>252,480.03</b>	<b>177,866.49</b>	<b>27,060,872.81</b>	<b>318,246.23</b>
<b>Total liabilities</b>	<b>25,922,329.58</b>	<b>5,285,921.82</b>	<b>1,260,277.72</b>	<b>302,219.99</b>	<b>257,527.14</b>	<b>33,028,276.25</b>	<b>1,507,767.40</b>
<b>NET ASSETS</b>							
Invested in capital assets, net of related	27,663,458.44	34,413,744.06	715,268.56	194,454.81	86,501.06	63,073,426.93	1,258,954.60
Restricted for debt service	-	1,096,666.67	-	-	-	1,096,666.67	-
Restricted for depr and replacement	127,000.00	1,300,000.00	-	-	-	1,427,000.00	-
Restricted for emergency fund	451,224.00	855,118.00	468,343.00	-	-	1,774,685.00	-
Unrestricted	4,299,707.95	3,251,976.76	376,829.53	(246,398.15)	(166,765.80)	7,515,350.29	3,587,779.10
<b>Total net assets</b>	<b>\$ 32,541,390.39</b>	<b>\$ 40,917,505.49</b>	<b>\$ 1,560,441.09</b>	<b>\$ (51,943.34)</b>	<b>\$ (80,264.74)</b>	<b>74,887,128.89</b>	<b>\$ 4,846,733.70</b>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds' net assets of business-type activities						143,419.96	
						<u>\$ 75,030,548.85</u>	

City of Cape Girardeau  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Gov. Activities Internal Service Funds
<b>Operating revenues:</b>							
Residential charges	\$ 1,800,536.72	\$ 3,308,780.50	\$ 2,098,922.17	\$ -	\$ -	\$ 7,208,239.39	\$ -
Commercial charges	1,129,678.98	2,327,425.03	30,154.39	-	-	3,487,258.40	-
Transfer station charges	-	-	1,104,171.71	-	-	1,104,171.71	-
Other fees and charges	42,669.17	169,280.45	86,542.39	-	-	298,472.01	-
Concession revenues	-	-	-	17,392.42	45,712.58	63,105.00	-
Equipment sales	-	-	-	7,583.75	6,597.50	14,181.25	-
Internal charges	-	-	-	-	-	-	4,980,790.38
Usage fees	-	-	-	295,596.40	82,620.31	378,216.71	-
Miscellaneous	11,344.80	16,884.38	33,708.88	-	7,679.69	69,617.75	1,893.06
<b>Total operating revenues</b>	<b>2,984,229.67</b>	<b>5,822,350.36</b>	<b>3,353,499.54</b>	<b>320,572.57</b>	<b>142,610.08</b>	<b>12,023,262.22</b>	<b>4,992,683.44</b>
<b>Operating expenses:</b>							
Personnel services	1,633,160.22	137,677.77	1,271,648.89	354,107.48	372,070.48	3,768,664.84	778,356.53
Materials & supplies	422,251.56	1,044,938.83	121,296.01	49,982.32	74,982.54	1,713,451.26	311,971.94
Contractual services	241,427.45	2,531,430.34	1,256,040.27	16,895.77	13,432.08	4,059,225.91	3,165,611.55
General operating expenses	50,248.88	174,950.00	41,234.68	8,601.65	1,122.26	276,157.47	33,904.41
Special programs	178,735.59	134,081.70	82,389.75	4,938.59	5,146.52	415,272.15	-
Internal service expenses	180,879.10	106,498.33	196,109.66	37,893.85	24,210.46	545,591.40	2,681.00
Depreciation	2,093,634.95	1,369,551.99	162,067.58	44,715.79	11,598.37	3,681,568.68	271,187.99
<b>Total operating expenses</b>	<b>4,800,337.75</b>	<b>5,499,128.96</b>	<b>3,140,766.84</b>	<b>517,135.45</b>	<b>502,582.71</b>	<b>14,460,931.71</b>	<b>4,583,713.42</b>
<b>Operating Income (loss)</b>	<b>(1,816,108.08)</b>	<b>323,221.40</b>	<b>212,732.70</b>	<b>(196,562.88)</b>	<b>(359,952.63)</b>	<b>(1,838,669.49)</b>	<b>428,970.02</b>
<b>Nonoperating revenues (expenses)</b>							
Intergovernmental	122,154.98	31,855.68	25,994.57	-	8.82	180,014.05	92.85
Investment revenue	268,624.31	327,480.58	73,998.52	3,115.27	1,351.57	674,570.25	222,390.76
Gain from sale of asset	18,640.37	-	-	49,210.00	737.00	68,587.37	-
Other non-operating revenue	174.21	-	-	-	-	174.21	6,817.72
Interest and other charges	(702,246.70)	(249,309.22)	(36,121.63)	(13,556.27)	(9,500.00)	(1,010,733.82)	(10,341.82)
Issuance cost amortization	(29,523.02)	(22,278.06)	82.13	-	-	(51,718.95)	(680.45)
<b>Total nonoperating revenues (expenses)</b>	<b>(322,175.85)</b>	<b>87,748.98</b>	<b>63,953.59</b>	<b>38,769.00</b>	<b>(7,402.61)</b>	<b>(139,106.89)</b>	<b>218,299.06</b>
<b>Income (loss) before contributions and transfers</b>	<b>(2,138,283.93)</b>	<b>410,970.38</b>	<b>276,686.29</b>	<b>(157,793.88)</b>	<b>(387,355.24)</b>	<b>(1,975,776.38)</b>	<b>647,269.08</b>
Contributed capital - connect fee	68,140.00	-	-	-	-	68,140.00	-
Contributed capital - developers	166,119.64	307,783.71	-	-	-	473,903.35	-
Contributed capital - donations	-	-	-	-	14,729.36	14,729.36	-
Contributed capital - government	-	834,426.19	-	-	-	834,426.19	-
Transfers in	2,382,640.35	128,000.00	-	128,310.60	373,160.88	3,012,111.83	7,705.00
Transfers out	(5,000.00)	(500.00)	(10,205.00)	-	-	(15,705.00)	(100,262.02)
<b>Change in net assets</b>	<b>473,816.06</b>	<b>1,680,680.28</b>	<b>266,481.29</b>	<b>(29,483.28)</b>	<b>20,535.00</b>	<b>2,411,829.35</b>	<b>554,712.06</b>
<b>Total net assets ~ beginning</b>	<b>32,067,774.33</b>	<b>39,236,825.21</b>	<b>1,293,959.80</b>	<b>(22,460.06)</b>	<b>(100,799.74)</b>	<b>72,475,299.54</b>	<b>4,292,021.64</b>
<b>Total net assets ~ ending</b>	<b>\$ 32,541,390.39</b>	<b>\$ 40,917,505.49</b>	<b>\$ 1,560,441.09</b>	<b>\$ (51,943.34)</b>	<b>\$ (80,264.74)</b>	<b>\$ 74,887,128.89</b>	<b>\$ 4,846,733.70</b>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.						90,503.74	
Change in net assets of business-type activities.						<b>\$ 2,502,333.09</b>	

**City of Cape Girardeau**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2009**

**Business-type Activities - Enterprise Funds**

	<u>Sewer</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Golf Course</u>	<u>Softball Complex</u>	<u>Total Proprietary Funds</u>	<u>Government Activities Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 2,949,000.03	\$ 5,949,567.11	\$ 3,243,207.51	\$ 363,160.02	\$ 202,523.34	\$ 12,708,126.01	\$ 116,282.90
Receipts from interfund services	-	-	30,154.30	-	-	30,154.39	4,073,139.00
Other receipts	23,916.59	-	-	-	-	23,916.59	1,893.00
Payments to suppliers	(876,916.76)	(3,815,903.27)	(1,464,585.09)	(132,439.37)	(174,625.65)	(6,464,530.14)	(3,042,503.04)
Payments for salaries and benefits	(1,585,907.83)	(127,729.55)	(1,233,169.74)	(340,466.40)	(361,787.65)	(3,649,061.17)	(738,047.25)
Payments for interfund services used	(182,416.76)	(68,141.33)	(196,109.86)	(39,509.85)	(24,210.46)	(508,388.06)	(3,490.00)
Payments made in lieu of franchise taxes	-	(142,947.81)	-	-	-	(142,947.81)	-
Remittance of taxes collected from customers	(15,486.91)	(234,274.77)	-	-	-	(249,761.68)	-
Net cash provided (used) by operating activities	<u>312,796.36</u>	<u>1,562,510.36</u>	<u>359,557.41</u>	<u>(149,255.60)</u>	<u>(358,100.42)</u>	<u>1,727,508.13</u>	<u>1,207,275.65</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers from other funds	172,379.35	128,000.00	-	128,310.80	309,459.54	738,149.49	7,705.00
Transfers to other funds	(5,000.00)	(500.00)	(10,205.00)	-	63,701.34	47,996.34	(14,999.02)
Advance repayment to other funds	-	-	-	(24,192.72)	(15,061.85)	(39,254.57)	-
Interest paid to other funds	-	-	(29,586.05)	(13,556.27)	(9,500.00)	(52,642.32)	-
Subsidy from federal grant	121,581.26	31,739.93	18,641.85	-	7.79	171,970.83	2,153.10
Subsidy from local grant	-	-	17,142.35	-	-	17,142.35	-
Net cash (used) by noncapital financing	<u>288,960.81</u>	<u>159,239.93</u>	<u>(4,006.85)</u>	<u>90,561.61</u>	<u>348,606.82</u>	<u>883,362.12</u>	<u>(5,140.92)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital contributions	131,125.47	19,215.23	-	-	-	150,340.70	14.62
Principal received on promissory note	-	-	-	-	-	-	4,626.77
Interest received on promissory note	-	-	-	-	-	-	13,403.30
Proceeds from sales of capital assets	61,221.21	-	-	49,210.00	737.00	131,168.21	150,769.95
Purchase of capital assets	(382,996.47)	(255,516.08)	(45,610.39)	-	-	(684,124.94)	(898,117.71)
Acquisition and construction of capital assets	(665,625.47)	(257,989.11)	-	-	-	(923,614.58)	-
Principal paid on capital debt	(2,293,733.98)	(919,820.72)	(55,425.30)	-	-	(3,268,980.00)	(64,750.00)
Interest paid on capital debt	(1,214,970.12)	(215,594.45)	(6,684.87)	-	-	(1,437,255.44)	(10,667.67)
Transfers out for capital acquisitions	-	-	-	-	-	-	(95,263.00)
Transfers in for payment of capital related debt	2,210,261.00	-	-	-	-	2,210,261.00	-
Net cash (used) by capital and related financing activities	<u>(2,134,726.36)</u>	<u>(1,629,705.13)</u>	<u>(107,720.56)</u>	<u>49,210.00</u>	<u>737.00</u>	<u>(3,822,205.05)</u>	<u>(890,003.74)</u>

City of Cape Girardeau  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2009

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	247,673.01	271,805.11	59,754.15	2,551.47	1,090.82	582,874.56	172,535.88
Net change in pooled investments	(21,237.71)	(240,180.97)	(260,044.88)	7,707.08	6,711.55	(507,044.71)	(398,897.19)
Proceeds from sales and maturities of investments	202,000.00	730,000.00	-	-	-	932,000.00	350,000.00
Purchase of investments	-	(720,715.00)	-	-	-	(720,715.00)	(323,239.00)
Net cash provided by investing activities	<u>428,435.30</u>	<u>40,909.14</u>	<u>(200,290.51)</u>	<u>10,258.55</u>	<u>7,802.37</u>	<u>287,114.85</u>	<u>(199,600.31)</u>
Net Increase (decrease) in cash and cash equivalents	(1,104,534.09)	132,954.32	47,539.49	774.56	(954.23)	(924,219.95)	112,530.68
Balances - beginning of year	4,720,385.50	238,652.91	56,610.30	2,843.89	6,652.27	5,023,144.87	173,610.96
Balances - end of the year	<u>\$ 3,615,851.41</u>	<u>\$ 369,607.23</u>	<u>\$ 104,140.79</u>	<u>\$ 3,618.45</u>	<u>\$ 5,698.04</u>	<u>\$ 4,098,924.92</u>	<u>\$ 286,141.64</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ (1,816,108.08)	\$ 323,221.40	\$ 212,732.70	\$ (190,562.88)	\$ (359,952.03)	\$ (1,836,669.49)	\$ 428,970.02
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	2,093,634.95	1,369,551.99	162,067.58	44,715.79	11,598.37	3,681,568.68	271,187.99
Changes in assets and liabilities:							
Accounts payable - supplier	(9,734.64)	(7,626.78)	(2,079.28)	(10,140.96)	(18,571.45)	(48,153.09)	488,093.69
Accounts payable - other	31,563.20	6,474.16	4,823.52	(818.50)	-	42,042.38	-
Salaries & benefits payable	47,252.39	9,948.22	38,479.15	13,116.08	10,282.83	119,078.67	40,309.28
Customer receivables	(33,373.70)	(82,472.80)	(55,615.57)	30.50	(50.00)	(171,481.69)	(1,367.50)
Other operating receivables	-	-	-	-	-	-	(8,454.41)
Prepaid expenses	(437.70)	2,562.82	(850.69)	3.67	-	1,278.10	(85,478.55)
Inventory	-	(59,148.59)	-	400.70	(1,407.54)	(60,155.43)	52,015.13
Net cash provided by operating activities	<u>\$ 312,796.36</u>	<u>\$ 1,562,510.38</u>	<u>\$ 359,557.41</u>	<u>\$ (149,255.60)</u>	<u>\$ (358,100.42)</u>	<u>\$ 1,727,508.13</u>	<u>\$ 1,207,275.65</u>

**City of Cape Girardeau**  
**Statement of Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2009**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 88,058.80
Investments	3,487,800.37
Real estate taxes	45,079.03
Personal property taxes	12,561.79
Other	<u>40.94</u>
Total assets	<u><u>\$ 3,633,540.93</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 91,157.05
Salaries and benefits payable	19,954.14
Other liabilities	<u>3,522,429.74</u>
Total Liabilities	<u><u>\$ 3,633,540.93</u></u>

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

**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. For the year ended June 30, 2009, the CGPFA had no assets, liabilities, revenues, or expenses.

Although not a component unit of the City, the City handles the funds of and provides accounting and other services for several entities. Since these funds are held by the City, these entities are shown as Agency Funds in the financial statements.

**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.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

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

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

The City reports the following major 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 library, arena improvement committee, and parks development foundation.

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.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

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

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

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

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

**4. Capital Assets**

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

Depreciation of all exhaustible capital assets is charged as an expense against operations in proprietary funds and a program cost of governmental activities in the statement of activities. Assets are reported net of depreciation on proprietary fund and government-wide statement of net 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.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

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

**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.

**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, 2009 are recorded as prepaid items.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

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

**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.

**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.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

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

**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, forty-five employees meet those eligibility requirements. The City provides health care coverage for them until age 65. The cost of retirees' health care benefits is recognized as an expenditure as premiums are paid. For the year ending June 30, 2009, those costs totaled \$460,644.

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 36 months for surviving spouses. There is no associated cost to the City under this program. There were two surviving spouses participating in the health insurance program and one surviving spouse participating in the dental insurance program as of June 30, 2009.

**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, 2009 all infrastructures completed during the fiscal year, including projects started in a previous year, were recorded at their historical costs.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

**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, 2009, and reported at fair value, are as follows:

<b>Deposits:</b>	
Demand Deposits	\$ 441,106
Interest Bearing Deposit Accounts	<u>10,490,160</u>
Total Deposits	<u>\$ 10,931,266</u>
<b>Investments:</b>	
Negotiable Instruments	\$ 44,068,065
Federal Home Loan Bank	3,249,467
Federal National Mortgage Association	2,015,985
US Treasury Note	<u>327,667</u>
Total Investments	<u>\$ 49,661,184</u>
<b>Total Deposits and Investments</b>	<b><u>\$ 60,592,450</u></b>
<b>Reconciliation to Statement of Net Assets:</b>	
Cash and Cash Equivalents	\$ 7,172,628
Investments	42,961,492
Restricted Cash and Cash Equivalents	3,670,579
Restricted Investments	3,271,892
Fiduciary Cash and Cash Equivalents	88,059
Fiduciary Investments	<u>3,487,800</u>
Deposits and Investments, Statement of Net Assets	<u>\$60,592,450</u>

As of June 30, 2009, the City had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Negotiable Instruments	07/06/2009 – 05/28/2014	\$44,068,065
Federal Home Loan Bank	07/10/2009 – 04/04/2013	3,249,467
Federal National Mortgage Assoc.	08/15/2009 – 04/20/2012	2,015,985
US Treasury Note	11/15/2012	<u>327,667</u>
Total		<u>\$49,661,184</u>

Custodial Credit Risk:

Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$60,592,245 at June 30, 2009, that was fully insured by depository insurance or secured with collateral held by the City's agents in its name. All investments, evidenced by individual securities, are registered in the name of the City.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

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

Investment Interest Rate Risk

The City's investment policy states that "Market price volatility shall be controlled by matching the City's investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than seven years." The maturities of investments held at June 30, 2009 are provided above.

Investment Credit Risk

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

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

Concentration of Investment Credit Risk

The City places no limit on the amount it may invest in any one issuer. At June 30, 2009, the City had no concentration of credit risk.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

**NOTE C - PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on August 18, 2008, for collection during this fiscal year and were due on or before December 31. Most of the taxes are collected in November and December. The tax rates assessed at the time were as follows:

General Revenue	\$ .3030/100.00 assessed valuation
Public Health	.0567/100.00 assessed valuation
Special Business District #2 (Ad Valorem)	.6763/100.00 assessed valuation

Property tax receivable balances as of June 30, 2009 are as follows:

	General Revenue	Special Business District	Public Health	Debt Service	Total
Current property tax	\$52,372	\$5,573	\$ 9,800	\$ -	\$67,745
Delinquent property tax	16,212	-	3,035	44	19,291
Reserve for doubtful Property taxes	<u>(9,957)</u>	<u>-</u>	<u>(1,864)</u>	<u>(44)</u>	<u>(11,865)</u>
Net property tax receivable	<u>\$58,627</u>	<u>\$5,573</u>	<u>\$10,971</u>	<u>\$ -</u>	<u>\$75,171</u>

**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, 2009 is as follows:

	Balance July 1, 2008	Additions	Deductions	Accumulated Depreciation	Balance June 30, 2009
Land	\$ 4,948,851	\$ 421,260	\$ -	\$ -	\$ 5,370,111
Buildings	12,006,556	845,669	-	599,046	12,253,179
Improvements other than buildings	10,438,168	62,127	-	610,018	9,890,277
Equipment	4,367,125	2,912,823	622,503	754,485	5,902,960
Infrastructure	103,172,322	7,993,117	-	3,651,803	107,513,636
Construction in progress	<u>4,250,107</u>	<u>3,927,578</u>	<u>1,878</u>	<u>-</u>	<u>8,175,807</u>
Total capital assets	<u>\$139,183,129</u>	<u>\$ 16,162,574</u>	<u>\$ 624,381</u>	<u>\$ 5,615,352</u>	<u>\$ 149,105,970</u>

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

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

Additions and deletions to the enterprise funds for the fiscal year 2009 were \$3,014,267 and \$473,092 respectively. Additions and deletions to the internal service funds were \$909,929 and \$535,236 respectively.

A summary of the proprietary fund type capital assets included on the proprietary fund statement of net assets for the year ended June 30, 2009 is as follows:

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Land	\$ 161,990	\$ 37,500
Buildings	9,492,458	46,224
Improvements other than building	116,696,433	155,653
Equipment	7,271,149	4,009,129
Construction in progress	<u>1,270,448</u>	<u>-</u>
	\$134,892,478	\$ 4,248,506
Less: accumulated depreciation	<u>42,428,149</u>	<u>2,665,245</u>
	<u>\$ 92,464,329</u>	<u>\$ 1,583,261</u>

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

Governmental Activities:

Administrative	\$ 449,760
Development Services	8,521
Parks and Recreation	391,079
Public Safety	759,642
Public Works	<u>3,976,357</u>
Total	<u>\$5,585,359</u>

Business-Type Activities:

Golf Course	\$ 44,716
Sewer	2,093,635
Softball Complex	11,598
Solid Waste	162,068
Water	<u>1,369,552</u>
Total	<u>\$3,681,569</u>

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

**NOTE E - LONG-TERM OBLIGATIONS**

The following is a summary of changes in the long-term debt included on the City's statement of net assets for the year ended June 30, 2009.

<u>Governmental Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Unused Paid Leave</u>	<u>Due to Other Governments</u>	<u>Total</u>
Debt payable July 1, 2008	\$ 11,007,793	\$ 18,485,931	\$ 783,608	\$ 27,693	\$30,305,025
Premium amortization	(26,251)	(5,337)	-	-	(31,588)
Retired	(1,390,043)	(1,025,000)	( 9,931)	(17,408)	(2,442,382)
Additions	<u>20,154,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,154,804</u>
Debt payable June 30, 2009	<u>\$ 29,746,303</u>	<u>\$ 17,455,594</u>	<u>\$ 773,677</u>	<u>\$ 10,285</u>	<u>\$47,985,859</u>

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

<u>Business-Type Activities</u>	<u>Other Debt*</u>	<u>Revenue Bonds</u>	<u>Total</u>
Bonds payable at July 1, 2008	\$ 864,637	\$32,660,905	\$33,525,542
Discount Premium Amortization	565	(20,514)	(19,949)
Accumulated Interest	-	460,594	460,594
Bonds Retired	(222,750)	(3,993,000)	(4,215,750)
Bonds Issued	<u>-</u>	<u>-</u>	<u>-</u>
Bonds payable at June 30, 2009	<u>\$642,452</u>	<u>\$29,107,985</u>	<u>\$29,750,437</u>

\*Other Debt includes Notes Payable and Special Obligation Bonds

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

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

Bonds payable for governmental and business-type activities at June 30, 2009 are comprised of the following individual issues:

\$ 805,000 Special Obligation Refunding and Improvement Bonds, Series 2002:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2010	4.00%	\$ 340,000	\$ 25,130	\$ 365,130
2011	4.00	155,000	15,655	170,655
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>\$ 805,000</u>	<u>\$ 53,417</u>	<u>\$ 858,417</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: \$620,000 for Governmental activities and \$185,000 for Business-type activities.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

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

\$4,485,000 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>
2010	4.00%	\$ 890,000	\$ 179,400	\$1,069,400
2011	4.00	925,000	143,800	1,068,800
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>\$4,485,000</u>	<u>\$ 498,200</u>	<u>\$ 4,983,200</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 need 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, 2009

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

\$ 950,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1991 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>
2010	6.875%	\$ 165,000	\$ 65,312	\$ 230,312
2011	6.875	175,000	53,969	228,969
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>\$ 950,000</u>	<u>\$ 204,874</u>	<u>\$1,154,874</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, 2009 was \$475,000. 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, 2009, City interest expense was reduced by \$15,305 as a result of this transaction. Over the remaining life of these bonds, the City will receive net present value benefits of approximately \$66,296 from this transaction.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

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

\$ 205,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1993 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2010	5.400%	\$ 30,000	\$ 10,260	\$ 40,260
2011	5.400	31,000	8,613	39,613
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>\$205,000</u>	<u>\$34,966</u>	<u>\$ 239,966</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, 2009 was \$147,197. The reserve fund yields 5.15%.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

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

\$ 3,040,369 Water Pollution Control Revenue Bonds (State Revolving Fund Program) Series 1995D  
 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2010	6.050%	\$ 722,409	\$ 992,591	\$ 1,715,000
2011	6.100	413,574	636,426	1,050,000
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>\$3,040,369</u>	<u>\$ 5,754,631</u>	<u>\$8,795,000</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, 2009 was \$2,128,258. The reserve fund yields 5.83%.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

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

\$ 8,420,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1996 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2010	5.700%	\$ 730,000	\$ 494,329	\$ 1,224,329
2011	5.875	745,000	452,719	1,197,719
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>\$8,420,000</u>	<u>\$2,865,736</u>	<u>\$11,285,736</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, 2009 was \$6,061,063. The reserve fund yields 5.70%.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

**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, 2009, City interest expense was reduced by \$16,329 as a result of this transaction. Over the remaining life of these bonds, the City will receive net present value benefits of approximately \$141,778 from this transaction.

\$ 7,805,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000 due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2010	4.625%	\$ 165,000	\$ 419,319	\$ 584,319
2011	4.700	185,000	411,156	596,156
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>\$7,805,000</u>	<u>\$3,693,026</u>	<u>\$11,498,026</u>

These bonds are dated November 1, 2000. The proceeds of the bond issue will be 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, 2009

**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, 2009 was \$5,619,605. The reserve fund yields 5.16%.

\$17,455,000 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>
2010	4.375%	\$ 1,080,000	\$ 866,400	\$ 1,946,400
2011	5.250	1,110,000	819,150	1,929,150
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>\$17,455,000</u>	<u>\$5,021,887</u>	<u>\$22,476,887</u>

These bonds are dated December 1, 1998. The proceeds of the bond issue will be 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, 2009

**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, 2009 was \$5,145,503. The reserve fund yields 4.71%.

\$19,885,000 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>
2010	4.000%	\$ 1,790,000	\$ 752,403	\$2,542,403
2011	3.600	1,835,000	652,756	2,487,756
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>\$19,885,000</u>	<u>\$4,218,061</u>	<u>\$24,103,061</u>

The revenue bonds are an obligation of the City of Cape Girardeau, Missouri. Principal and interest will be paid by the City from proceeds of a ½ cent sales tax. Proceeds of the bonds will be used for the construction of a family aquatic center and for storm water control 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, 2009

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

\$2,235,000 Certificates of Participation, Series 2001:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2010	4.800%	\$ 135,000	\$ 129,240	\$ 264,240
2011	5.000	140,000	122,760	262,760
2012	5.800	150,000	115,760	265,760
2013	5.800	160,000	106,760	266,760
2014	5.800	165,000	97,160	262,160
2015	5.800	175,000	87,260	262,260
2016	5.800	190,000	76,760	266,760
2017	5.800	200,000	65,360	265,360
2018	6.000	210,000	53,360	263,360
2019	6.000	225,000	41,180	266,180
2020	6.000	235,000	28,130	263,130
2021	6.000	<u>250,000</u>	<u>14,500</u>	<u>264,500</u>
		<u>\$2,235,000</u>	<u>\$938,230</u>	<u>\$3,173,230</u>

The certificates are obligations of the City under a Lease Purchase Agreement between the City and UMB Bank, NA. The Corporation also acts as the trustee who receives the rental payments for the benefit of the certificate holders. The purpose of the 2001 Series certificates was to construct and equip an airport manufacturing facility.

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, 2009

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

\$5,735,000 Special Obligation Bonds, Series 2005:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Total
2010	3.500%	\$ 645,000	\$ 232,011	\$ 877,011
2011	3.500	655,000	209,436	864,436
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>\$ 5,735,000</u>	<u>\$ 1,343,507</u>	<u>\$7,078,507</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, 2009

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

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: \$1,031,250 for governmental activities and \$618,750 for business-type activities.

\$1,650,000 Bank of America 2006 Promissory Note:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Total
2010	1.094%	\$ 100,000	\$ 18,051	\$ 118,051
2011	1.094	100,000	16,957	116,957
2012	1.094	100,000	15,863	115,863
2013	1.094	100,000	14,769	114,769
2014	1.094	100,000	13,675	113,675
2015	1.094	100,000	12,581	112,581
2016	1.094	100,000	11,487	111,487
2017	1.094	100,000	10,393	110,393
2018	1.094	100,000	9,299	109,299
2019	1.094	100,000	8,205	108,205
2020	1.094	100,000	7,111	107,111
2021	1.094	100,000	6,017	106,017
2022	1.094	100,000	4,923	104,923
2023	1.094	100,000	3,829	103,829
2024	1.094	100,000	2,735	102,735
2025	1.094	100,000	1,641	101,641
2026	1.094	<u>50,000</u>	<u>547</u>	<u>50,547</u>
		<u>\$ 1,650,000</u>	<u>\$ 158,083</u>	<u>\$ 1,808,083</u>

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, 2009 was 1.094%.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

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

The annual requirements to amortize all debt outstanding as of June 30, 2009 including total interest payments of \$25,153,615 are as follows:

Year Ending June 30,	Special Obligation Bonds	Revenue Bonds	Leasehold Revenue Bonds	Certificates of Participation	Promissory Note	Total
2010	\$ 1,242,141	\$ 6,810,020	\$ 2,542,403	\$ 264,240	\$ 90,398	\$ 10,949,202
2011	1,035,091	6,110,407	2,487,756	262,760	167,165	10,063,179
2012	1,030,966	6,144,343	2,488,118	265,760	163,535	10,092,722
2013	1,020,888	6,831,876	2,486,532	266,760	262,361	10,868,417
2014	827,336	6,002,990	2,487,882	262,160	146,275	9,726,643
2015	1,354,736	5,773,795	2,487,394	262,260	142,645	10,020,830
2016	127,486	5,842,881	2,484,594	266,760	139,015	8,860,736
2017	129,286	5,827,232	2,488,594	265,360	135,484	8,845,956
2018	130,886	4,802,233	2,488,994	263,360	131,755	7,817,228
2019	127,196	2,834,163	1,660,794	266,180	128,125	5,016,458
2020	128,484	1,789,199	-	263,130	124,495	2,305,308
2021	129,494	1,664,550	-	264,500	120,925	2,179,469
2022	130,244	-	-	-	117,235	247,479
2023	130,781	-	-	-	113,602	244,383
2024	130,969	-	-	-	110,005	240,974
2025	260,940	-	-	-	106,345	367,285
2026	-	-	-	-	102,715	102,715
	<u>\$ 7,936,924</u>	<u>\$ 60,433,689</u>	<u>\$24,103,061</u>	<u>\$3,173,230</u>	<u>\$2,302,080</u>	<u>\$ 97,948,984</u>

The cash and investments available to service revenue bonds are \$987,037 and \$5,364,573 for the governmental and business-type activities, respectively.

The cash and investments available to service the special obligation bonds and certificates of participation in governmental activities are \$682,644 and \$1,149,290, respectively.

Included in business-type activities restricted cash and investments on the statement of net assets is \$35,303, which is the balance in the 2000 sewer project account which represent incomplete projects at June 30, 2009. If the project funds are not used, the remaining balance can be applied against debt.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

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

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

<u>Governmental Activities:</u>	
Interest and Other Costs	<u>\$1,388,445</u>
Total	<u>\$1,388,445</u>
 <u>Business-Type Activities:</u>	
Golf Course	\$ 13,556
Sewer	702,247
Softball Complex	9,500
Solid Waste	36,122
Water	<u>249,309</u>
Total	<u>\$1,010,734</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 \$26,343,182.

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

The Park Improvements Fund's, Golf Course Fund's and the Softball Complex Fund's total liabilities exceeded their total assets by \$5,447, \$51,943 and \$80,265 respectively.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

**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 is 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 401a 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 Policy**

The City of Cape Girardeau's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 6.1% (general), 6.1% (police), and 12.1% (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**

For 2009, the political subdivision's annual pension cost of \$1,006,174 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 28, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% 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 the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males projected to 2000 set back 1 year for men and 7 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 15 years.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

**NOTE G - PENSION PLAN - Continued**

<u>Three-Year Trend Information</u>			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/07	\$1,065,567	100%	\$ 0
06/30/08	\$1,140,078	100%	\$ 0
06/30/09	\$1,006,174	100%	\$ 0

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, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS**

**1. Description**

The City follows the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In addition to the relevant disclosures within this note related to GASB Statement No. 45, the financial statements reflect a long-term liability and related expenses of \$929,392 and \$1,487,797, 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.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

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

**2. Funding Policy**

Premiums under the Plan for post-employment healthcare benefits are funded in accordance with rates established by the City from appropriate governmental and business-type funds. For the year ended June 30, 2009, 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:

Annual required contribution	\$ 1,487,797
Interest on net OPEB obligation	-0-
Adjustment to annual required contribution	-0-
Annual OPEB cost	<u>\$ 1,487,797</u>
Contributions made	<u>(558,405)</u>
Increase in net OPEB obligation	\$ 929,392
Net OPEB obligation, July 1, 2008	-0-
Net OPEB obligation, June 30, 2009	<u><u>\$ 929,392</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 were as follows:

Fiscal Year <u>Ended</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB Obligation - <u>End of Year</u>
6/30/09	\$1,487,797	37.53%	\$ 929,392

Because 2009 was the transition for GASB Statement 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the above illustration does not reflect similar information respective of years preceding 2009.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

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

**4. Funding Status and Funding Progress**

As of July 1, 2008, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits equaled \$12,044,967, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,044,967. The covered payroll (annual payroll of active employees covered by the Plan) equaled \$12,992,284, and the ratio of the UAAL to the covered payroll equaled 92.71%.

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, presented as RSI following the notes to the financial statements, 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. Additionally, because 2009 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the RSI does not reflect similar information respective of years preceding 2009.

**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, 2008, 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 and dental cost trend rates of 10.0% and 5.0%, respectively, initially, reduced by decrements to an ultimate rate of 4.5% and 3.0%, respectively for healthcare and dental costs after ten years. The UAAL is being amortized as a level dollar amount over thirty years based on an open group.

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

**NOTE I - INTEREST EXPENSE**

Interest and handling charges, totaling \$1,161,808, excluding \$44.981 of interfund interest, was incurred by governmental funds during the year ended June 30, 2009. Interest and handling charges, totaling \$968,433 excluding \$52,642 of interfund interest, was incurred by proprietary funds during the year ended June 30, 2009. 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, 2009:

Advance to/from other funds:

	<u>Advances from</u>	<u>Advances to</u>
General Fund	\$ 1,038,196	\$ -
Solid Waste Fund	-	620,000
Golf Course Fund	-	243,258
Softball Complex Fund	-	174,938
	<u>\$ 1,038,196</u>	<u>\$ 1,038,196</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, 2009

**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, 2009:

Fund	Transfer From	Transfer To
General Fund	\$ 4,092,200	\$ 4,330,912
Airport Fund	254,235	694,277
Park and Recreation Fund	-	1,017,834
Vision 2000 Fund	-	26
Convention and Tourism	6,500	-
Downtown Business District Fund	50,000	-
Housing Development Fund	-	15,813
Motor Fuel Tax Fund	1,370,000	-
Capital Improvement Sales Tax - Water System Improvements	1,604,560	128,404
Capital Improvement Sales Tax - Sewer System Improvements	2,210,261	-
Fire Sales Tax Fund	2,093,112	-
Public Safety Trust Fund	1,075,624	2,093,112
Transportation Sales Tax Trust III	-	325,000
Park/Storm Water Sales Tax	582,593	-
Park/Storm Water Sales Tax-Capital	863,465	835,832
Debt Service Fund	-	254,235
Street Improvement Fund	75,000	-
FAU Grants Fund	-	150,000
Community Development Block Grant Project Fund	1,097	99,764
Water System Improvement Projects Fund	128,404	1,484,560
Storm Water Projects from Storm Water Tax	-	116,734
Park Improvement Projects from Park Sales Tax	835,832	792,530
Sewer Fund	5,000	2,382,640
Water Fund	500	128,000
Solid Waste Fund	10,205	-
Golf Course Fund	-	128,311
Softball Complex Fund	-	373,161
Fleet Management Fund	14,999	500
Equipment Replacement Fund	85,263	7,205
	<u>\$ 15,358,850</u>	<u>\$ 15,358,850</u>

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

**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, 2009 was as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Solid Waste Fund</u>	<u>Golf Course Fund</u>	<u>Softball Complex Fund</u>	<u>Total Enterprise</u>
Operating revenues	\$ 2,984,230	\$5,822,350	\$3,353,500	\$ 320,573	\$ 142,610	\$12,622,522
Depreciation	2,093,635	1,369,552	162,068	44,716	11,598	3,681,569
Operating Income (Loss)	(1,816,108)	323,221	212,733	(196,563)	(359,952)	(1,836,669)
Operating transfers in	2,382,640	128,000	-	128,311	373,161	3,012,112
Net Income (Loss)	473,616	1,680,680	266,481	(29,483)	20,535	2,411,829
Current Capital Contributions	234,260	1,142,210	-	-	14,729	1,391,199
Property, Plant and Equipment						
Additions	1,212,087	1,718,841	68,610	-	14,729	3,014,267
Deletions	137,205	335,887	-	-	-	473,092
Net Working Capital	(1,466,733)	2,507,948	1,510,096	6,082	11,101	2,601,201
Total Assets	58,463,720	46,203,427	2,820,719	250,277	177,262	107,915,405
Bonds and Other Long-term						
Liabilities Payable from						
Operating Revenues	24,949,706	4,588,813	985,459	252,480	177,867	30,954,325
Total Net Assets	\$32,541,390	\$40,917,506	\$1,560,441	\$ (51,943)	\$ (80,265)	\$74,887,129

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

**NOTE L - RESERVATION OF FUND EQUITY**

At June 30, 2009, the City had reserved its fund equity as follows:

General Fund

Reserved for emergency fund	\$3,164,101
Reserved for prepaid items	73,155
Reserved for advance	1,038,196
Reserved for mausoleum maintenance	104,883
Reserved for local access channel	8,579
Reserved for encumbrances	<u>51,963</u>
	<u>\$4,440,877</u>

Airport Fund

Reserved for prepaid items	\$ 18,812
Reserved for encumbrances	<u>6,997</u>
	<u>\$ 25,809</u>

Parks and Recreation Fund

Reserved for prepaid items	\$ 4,187
Reserved for operations and maintenance	4,498
Reserved for encumbrances	<u>17,047</u>
	<u>\$ 25,732</u>

Transportation Sales Tax Trust Fund III

Reserved for encumbrances	<u>\$5,365,779</u>
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Park Projects from Parks Sales Tax

Reserved for encumbrances	<u>\$3,022,452</u>
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Other Governmental Funds

Reserved for encumbrances	\$2,887,638
Reserved for emergencies	943,506
Reserved for prepaid items	45,019
Reserved for debt service	260,486
Reserved for river campus	<u>150,921</u>
	<u>\$4,287,570</u>

City of Cape Girardeau, Missouri  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2009

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

At June 30, 2009, 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	\$ 35,344	\$3,460,742	\$ 3,623,086
Water Fund	1,300,000	4,238	1,950,388	3,254,626
Solid Waste Fund	-	3,967	792	4,759
	<u>\$1,427,000</u>	<u>\$ 43,549</u>	<u>\$5,411,922</u>	<u>\$6,882,471</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 \$52,500 as of June 30, 2009, 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, 2009. 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, 2009

**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 employee benefit liability. Risks for these coverages are spread across members of the fund. Currently the fund is comprised of 899 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 ten years and has used them to offset the cost of the succeeding year's premiums.

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

Airport liability is carried by Specialty 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.

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 Right Choice Managed Care, 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 \$125,000 and \$125,000 annually per employee and up to the aggregate stop loss amount of approximately \$2,400,000 and \$2,400,000 annually beginning January 1, 2007 and 2008, 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 the aggregate stop loss amount.

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 maximum individual claims to \$400,000, for all regular employees. Additionally, \$5,000,000 in coverage is provided for annual claims in excess of \$1,200,000. Rates are charged by the internal service fund to the other City funds based on rates and experience factors established by the National Council on Compensation Insurance. Safety National is rated "A" by A. M. Best.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

**NOTE O - RISK MANAGEMENT - Continued**

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

CLAIMS LIABILITIES RECONCILIATION

	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Balance June 30, 2004	\$ 330,000	\$ 355,000	\$ 685,000
Provision for Incurred Claims	1,761,942	526,837	2,288,779
Payments of Claims	<u>(1,916,942)</u>	<u>(346,837)</u>	<u>(2,263,779)</u>
Balance June 30, 2005	\$ 175,000	\$ 535,000	\$ 710,000
Provision for Incurred Claims	2,400,142	548,809	2,948,951
Payment of Claims	<u>(2,065,642)</u>	<u>(378,809)</u>	<u>(2,444,451)</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	<u>\$ 198,500</u>	<u>\$ 430,000</u>	<u>\$ 628,500</u>

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

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

At June 30, 2009, utility receivables totaled \$1,730,081. On the financial statements, the utility receivables are shown net of the allowance for doubtful accounts of \$124,219. This results in net utility receivable of \$1,605,862. During the year ended June 30, 2009, the allowance was increased by \$82,611 or approximately .70% of the current year's utility charges and accounts totaling \$89,857 were written off.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

**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, 2009, the City had construction commitments outstanding of \$10,437,518. The construction commitments represent incomplete portions of contracts entered into to construct the following: various street projects, renovation of the police station and Fire Station #1, generator installation and HVAC upgrade at Fire Station #1, various rehab projects at the airport, floodwall mural lighting, new trail construction, new water supply wells, improvements to existing park structures, new maintenance building at Arena Park, new family aquatic center, parking lot overlay at water plant #2, and housing rehabilitation. These contracts are expected to be completed within the next fiscal year.

**4. Encumbrances**

As of June 30, 2009, the City had encumbrances outstanding of \$11,487,072.

**NOTE R – PRIOR PERIOD ADJUSTMENTS**

The (\$9,714.53) prior period adjustment in the General fund on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance reflects grant revenue recognized in previous years based on expenditures that were determined to be unallowable this year. The (\$6,052.61) prior period adjustment in the Airport fund represents Federal Excise Tax that was paid in prior years on fuel sold to Military and Federal Civilian Aircraft that the City was not able to collect.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

**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.

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, 2009, the City paid \$15,255 under the development agreement. This amount is included in the Development Services expenses on the Statement of Activities.

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

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

**NOTE S - CONTINGENCY - Continued**

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, 2009, the City incurred payments of \$119,633 under the development agreement. This amount is included in the Development Services expenses on the statement of activities.

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

This project 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.

City of Cape Girardeau, Missouri  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2009

**NOTE S - CONTINGENCY - Continued**

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, 2009, the City incurred payments of \$8,959 under the development agreement. This amount is included in the Development Services expenses on the Statement of Activities.

REQUIRED SUPPLEMENTAL INFORMATION

City of Cape Girardeau  
General  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 14,154,216.00	\$ 14,154,216.00	\$ 13,963,653.14	\$ (190,562.86)
Licenses & permits	1,370,700.00	1,370,700.00	1,400,412.28	29,712.28
Intergovernmental	592,499.00	592,499.00	1,109,342.33	516,843.33
Charges for services	294,342.00	294,342.00	328,233.97	33,891.97
Internal charges	979,650.00	979,650.00	1,094,301.23	114,651.23
Fines and forfeits	853,000.00	853,000.00	788,203.83	(64,796.17)
Miscellaneous	250,860.00	250,860.00	279,365.80	28,505.80
Investment revenue	160,588.00	160,588.00	132,312.55	(28,275.45)
Total revenues	<u>18,655,855.00</u>	<u>18,655,855.00</u>	<u>19,095,825.13</u>	<u>439,970.13</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	2,267,551.00	2,440,551.00	2,432,310.94	8,240.06
Contingency	50,000.00	522,000.00	492,773.44	29,226.56
Development Services	1,667,853.00	1,528,963.00	1,350,698.81	178,264.19
Parks and Recreation	1,688,250.00	1,692,750.00	1,588,408.39	104,341.61
Public Safety	11,326,766.00	11,361,766.00	11,069,046.50	292,719.50
Public Works	2,136,826.00	2,113,826.00	2,040,491.35	73,334.65
Total current	<u>19,137,246.00</u>	<u>19,659,856.00</u>	<u>18,973,729.43</u>	<u>686,126.57</u>
Debt service:				
Administrative Charges	-	-	470.25	(470.25)
Interest	84,796.00	84,796.00	96,011.88	(11,215.88)
Principal	103,493.00	103,493.00	103,492.85	0.15
Total debt service	<u>188,289.00</u>	<u>188,289.00</u>	<u>199,974.98</u>	<u>(11,685.98)</u>
Capital outlay:				
Administrative	-	-	5,295.00	(5,295.00)
Development Services	14,000.00	97,890.00	91,464.75	6,425.25
Parks and Recreation	7,500.00	7,500.00	7,500.00	-
Public Safety	14,148.00	14,148.00	13,434.90	713.10
Public Works	-	92,000.00	91,975.85	24.15
Total capital outlay	<u>35,648.00</u>	<u>211,538.00</u>	<u>209,670.50</u>	<u>1,867.50</u>
Total expenditures	<u>19,361,183.00</u>	<u>20,059,683.00</u>	<u>19,383,374.91</u>	<u>676,308.09</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(705,328.00)</u>	<u>(1,403,828.00)</u>	<u>(287,549.78)</u>	<u>1,116,278.22</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	4,534,270.00	4,534,270.00	4,338,436.88	(195,833.12)
Special assessments	7,500.00	7,500.00	10,979.50	3,479.50
Advance repayments	39,255.00	39,255.00	39,254.57	(0.43)
Asset disposition	-	-	3,387.50	3,387.50
Other non-operating revenue	-	-	28,548.99	28,548.99
Transfers out	(3,913,596.00)	(4,583,596.00)	(4,092,199.68)	491,396.32
Total other financing sources and uses and special items	<u>667,429.00</u>	<u>(2,571.00)</u>	<u>328,407.76</u>	<u>330,978.76</u>
Net change in fund balances	<u>(37,899.00)</u>	<u>(1,406,399.00)</u>	<u>40,857.98</u>	<u>1,447,256.98</u>
Fund balances – beginning	3,832,024.46	3,832,024.46	3,832,024.46	-
Prior period adjustment	(9,714.53)	(9,714.53)	(9,714.53)	-
Fund balances – ending	<u>\$ 3,784,410.93</u>	<u>\$ 2,415,910.93</u>	<u>\$ 3,863,167.91</u>	<u>\$ 1,447,256.98</u>

City of Cape Girardeau  
 Airport  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 167,000.00	\$ 167,000.00	\$ 430,094.75	\$ 263,094.75
Charges for services	363,920.00	360,920.00	253,799.16	(107,120.84)
Miscellaneous	415,331.00	415,331.00	172,746.18	(242,584.82)
Investment revenue	1,000.00	1,000.00	1,170.46	170.46
Total revenues	<u>947,251.00</u>	<u>944,251.00</u>	<u>857,810.55</u>	<u>(86,440.45)</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	1,203,898.00	1,224,056.00	1,194,380.46	29,675.54
Total current	<u>1,203,898.00</u>	<u>1,224,056.00</u>	<u>1,194,380.46</u>	<u>29,675.54</u>
Debt service:				
Interest	1,752.00	1,752.00	6,964.07	(5,212.07)
Principal	15,415.00	38,315.00	38,315.30	(0.30)
Total debt service	<u>17,167.00</u>	<u>40,067.00</u>	<u>45,279.37</u>	<u>(5,212.37)</u>
Capital outlay:				
Administrative	34,000.00	149,342.00	112,707.80	36,634.20
Total capital outlay	<u>34,000.00</u>	<u>149,342.00</u>	<u>112,707.80</u>	<u>36,634.20</u>
Total expenditures	<u>1,255,065.00</u>	<u>1,413,465.00</u>	<u>1,352,367.63</u>	<u>61,097.37</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(307,814.00)</u>	<u>(469,214.00)</u>	<u>(494,557.08)</u>	<u>(25,343.08)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	523,814.00	958,814.00	694,276.82	(264,537.18)
Other non-operating revenue	-	-	6,008.54	6,008.54
Transfers out	(258,000.00)	(258,000.00)	(254,235.40)	3,764.60
Total other financing sources and uses and special items	<u>265,814.00</u>	<u>700,814.00</u>	<u>446,049.96</u>	<u>(254,764.04)</u>
Net change in fund balances	(42,000.00)	231,600.00	(48,507.12)	(280,107.12)
Fund balances -- beginning	140,934.04	140,934.04	140,934.04	-
Prior period adjustment	(6,052.61)	(6,052.61)	(6,052.61)	-
Fund balances -- ending	<u>\$ 92,881.43</u>	<u>\$ 366,481.43</u>	<u>\$ 86,374.31</u>	<u>\$ (280,107.12)</u>

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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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 28.96	\$ 28.96
Charges for services	574,243.00	574,243.00	607,771.19	33,528.19
Miscellaneous	14,800.00	14,800.00	15,594.85	794.85
Investment revenue	6,000.00	6,000.00	5,319.27	(680.73)
Total revenues	<u>595,043.00</u>	<u>595,043.00</u>	<u>628,714.27</u>	<u>33,671.27</u>
<b>EXPENDITURES</b>				
Current:				
Parks and Recreation	1,503,094.00	1,650,789.20	1,624,994.02	25,795.18
Total current	<u>1,503,094.00</u>	<u>1,650,789.20</u>	<u>1,624,994.02</u>	<u>25,795.18</u>
Debt service:				
Interest	-	-	987.27	(987.27)
Total debt service	<u>-</u>	<u>-</u>	<u>987.27</u>	<u>(987.27)</u>
Capital outlay:				
Parks and Recreation	75,955.00	26,666.80	22,827.34	3,839.46
Total capital outlay	<u>75,955.00</u>	<u>26,666.80</u>	<u>22,827.34</u>	<u>3,839.46</u>
Total expenditures	<u>1,579,049.00</u>	<u>1,677,456.00</u>	<u>1,648,808.63</u>	<u>28,647.37</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(984,006.00)</u>	<u>(1,082,413.00)</u>	<u>(1,020,094.36)</u>	<u>62,318.64</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	984,006.00	1,054,006.00	1,017,834.36	(36,171.64)
Asset disposition	-	-	2,000.00	2,000.00
Total other financing sources and uses and special items	<u>984,006.00</u>	<u>1,054,006.00</u>	<u>1,019,834.36</u>	<u>(34,171.64)</u>
Net change in fund balances	-	(28,407.00)	(260.00)	28,147.00
Fund balances -- beginning	39,728.62	39,728.62	39,728.62	-
Fund balances -- ending	<u>\$ 39,728.62</u>	<u>\$ 11,321.62</u>	<u>\$ 39,468.62</u>	<u>\$ 28,147.00</u>

City of Cape Girardeau, Missouri  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
June 30, 2009

**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.

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 16, 2008 and amended on July 6, 2009. The initial budget and final amended budget are both reflected in the financial statements.

For the year ended June 30, 2009, the fund expenditures for Street Improvements and Park Improvements funds exceeded their approved budgets by \$9,575 and \$278, respectively.

City of Cape Girardeau, Missouri  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
June 30, 2009

**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 Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis) for all governmental fund types is prepared on a budgetary basis which includes encumbrances as expenditures.

The following reconciliation adjusts GAAP basis to budget basis:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
	<u>General</u>	<u>Airport</u>	<u>Parks and Recreation</u>	<u>Transportation Trust III</u>	<u>Park Projects From Park Sales Tax</u>	<u>Non-major Funds</u>
GAAP Basis	\$(216,389)	\$(54,936)	\$ 15,346	\$ (669,853)	\$16,757,228	\$( 2,954,039)
Increase due to:						
Year-end encumbrances						
Administrative services	3,000	59,602	-	-	-	23,783
Development services	470	-	-	-	-	40,765
Parks and recreation	4,836	-	2,700	-	-	-
Public Safety	9,705	-	-	-	-	33,260
Public Works	10,940	-	-	-	-	-
Capital outlay	-	-	-	3,962,196	-	4,557,480
Contingency	248,471	-	-	-	-	-
Advance from other funds	39,255	-	-	-	-	-
Adjust investments to market	-	-	-	-	-	413
Asset dispositions	-	-	2,000	-	-	-
Expenses related to pass-through grant	-	-	-	-	-	250,000
Encumbrance revenue	<u>3,000</u>	<u>4,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,781,369</u>
	<u>319,677</u>	<u>64,187</u>	<u>4,700</u>	<u>3,962,196</u>	<u>-</u>	<u>6,687,070</u>
Decrease due to:						
Year-end encumbrances						
Administrative services	494	6,997	-	-	-	-
Development services	11,633	-	-	-	-	25,040
Parks and recreation	12,814	-	17,047	-	-	94,703
Public safety	19,318	-	-	-	-	97,707
Public works	5,705	-	-	-	-	-
Capital outlay	-	-	-	5,365,778	-	2,508,818
Contingency	2,000	-	-	-	-	-
Funds not budgeted annually	-	-	-	-	16,757,228	1,313,268
Encumbrance revenue	-	50,047	-	-	-	51,684
Asset dispositions	-	-	2,000	-	-	-
Pass-through grant revenue	-	-	-	-	-	250,000
Adjust invest to market	<u>10,466</u>	<u>714</u>	<u>1,259</u>	<u>67,948</u>	<u>-</u>	<u>110,314</u>
	<u>62,430</u>	<u>57,758</u>	<u>20,306</u>	<u>5,433,726</u>	<u>16,757,228</u>	<u>4,451,534</u>
Budget Basis	<u>\$ 40,858</u>	<u>\$ (48,507)</u>	<u>\$ (260)</u>	<u>\$ (2,141,383)</u>	<u>\$ -</u>	<u>\$ (718,503)</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, 2009

**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	\$ 473,616	\$ 1,680,680	\$ 266,481	\$ (29,483)	\$ 20,535
Increase due to :					
Prior year encumbrances					
Operating expenses	14,130	13,423	470	400	685
Capital Outlays	143,405	24,300	5,994	-	-
Depreciation	2,093,633	1,369,554	162,068	44,716	11,598
Special assessments	42,282	15,932	-	-	-
Interest cost amortized	457,187	-	-	-	-
Cost of bond refunding amortization	-	62,321	-	-	-
Deferred revenue	-	-	-	-	-
Issuance cost amortization	29,523	22,278	-	-	-
Amortized bond premium/discount	181	-	461	-	-
Amounts deferred to be used for future debt service on capital appreciation bonds					
Construction fund earnings	254,360	-	-	-	-
Interest subsidy received	604,015	-	-	-	-
Net OPEB obligation	54,072	7,996	38,972	9,223	2,928
Asset dispositions	<u>62,407</u>	<u>87,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,755,195</u>	<u>1,602,804</u>	<u>207,965</u>	<u>54,339</u>	<u>15,211</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	18,140	7,196	455	99	5,694
Capital outlays	1,514	68,229	-	-	-
Landfill closure and maintenance costs	-	-	3,444	-	-
Cost of bond refunding amortization	37	-	147	-	-
Interest paid more than accrual	24,097	11,423	463	-	-
Bond principal paid	3,240,504	919,821	55,426	24,193	15,062
Amortized Bond premium/discount	-	17,184	-	-	-
Capital outlays	981,979	617,081	45,610	-	-
Adjust investments to market	16,932	68,336	14,249	564	261
Asset Dispositions	-	-	-	-	-
Deferred revenues	32,253	77,497	55,660	-	-
Issuance cost amortization	-	-	82	-	-
Encumbrance related revenue	-	-	-	-	-
Adjustment to liability for future landfill postclosure maintenance costs	-	-	8,056	-	-
Contributed capital	<u>166,120</u>	<u>1,142,210</u>	<u>-</u>	<u>-</u>	<u>14,729</u>
	<u>4,481,576</u>	<u>2,928,977</u>	<u>183,592</u>	<u>24,856</u>	<u>35,746</u>
Budget Basis	<u>\$ (252,765)</u>	<u>\$ 354,507</u>	<u>\$ 290,854</u>	<u>\$ -</u>	<u>\$ -</u>

City of Cape Girardeau, Missouri  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
June 30, 2009

**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	\$ 86,414	\$ (33,579)	\$ 516,343	\$ (13,670)	\$ (796)
Increase due to:					
Prior year encumbrances					
Operating expenses	85	122	-	-	-
Capital Outlays	-	-	-	-	19,784
Depreciation	33,915	13,994	-	-	223,279
Deferred revenues	-	3,561	-	-	-
Issuance cost amortization	-	114	-	-	546
Difference between proceeds from sale of fixed assets and gain or loss	-	-	-	-	167,770
Net OPEB Obligation	5,214	35,466	-	-	-
Adjust investments to market	-	-	-	-	-
	<u>39,214</u>	<u>53,257</u>	<u>-</u>	<u>-</u>	<u>411,379</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	-	4,257	-	-	-
Capital outlays	-	-	-	-	29,611
Interest paid more than accrued	-	-	-	-	160
Adjust investments to market	1,329	1,255	7,270	8,429	15,826
Asset dispositions	-	-	-	-	17,000
Amortized Bond premium/discount	-	-	-	-	186
Principal paid	-	9,750	-	-	55,000
Capital outlays	<u>120,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>764,054</u>
	<u>121,822</u>	<u>15,262</u>	<u>7,270</u>	<u>8,429</u>	<u>881,837</u>
Budget Basis	<u>\$ 3,806</u>	<u>\$ 4,416</u>	<u>\$ 509,073</u>	<u>\$ (22,099)</u>	<u>\$ (471,254)</u>

CITY OF CAPE GIRARDEAU, MISSOURI

Schedule of Funding Progress

June 30, 2009

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
2/28/2007	\$ 31,670,051	\$ 29,087,073	(2,582,978)	109%	\$ 13,120,224	
2/29/2008	33,474,714	30,743,406	(2,731,308)	109%	13,845,635	
2/28/2009	26,852,264	30,816,797	3,964,533	87%	13,852,177	29%

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ -	\$ -	\$ 133.62	\$ 133.62
Total revenues	-	-	133.62	133.62
<b>EXPENDITURES</b>				
Current:				
Administrative	1,000.00	1,000.00	26.24	973.76
Total current	1,000.00	1,000.00	26.24	973.76
Total expenditures	1,000.00	1,000.00	26.24	973.76
Excess (deficiency) of revenues over (under) expenditures	(1,000.00)	(1,000.00)	107.38	1,107.38
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	1,000.00	1,000.00	26.24	(973.76)
Total other financing sources and uses and special items	1,000.00	1,000.00	26.24	(973.76)
Net change in fund balances	-	-	133.62	133.62
Fund balances -- beginning	2,777.55	2,777.55	2,777.55	-
Fund balances -- ending	\$ 2,777.55	\$ 2,777.55	\$ 2,911.17	\$ 133.62

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,669,750.00	\$ 1,669,750.00	\$ 1,718,951.45	\$ 49,201.45
Miscellaneous	-	-	10,400.00	10,400.00
Investment revenue	28,000.00	28,000.00	34,438.28	6,438.28
Total revenues	<u>1,697,750.00</u>	<u>1,697,750.00</u>	<u>1,763,789.73</u>	<u>66,039.73</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	1,732,632.00	1,912,632.00	1,799,299.13	113,332.87
Total current	<u>1,732,632.00</u>	<u>1,912,632.00</u>	<u>1,799,299.13</u>	<u>113,332.87</u>
Total expenditures	<u>1,732,632.00</u>	<u>1,912,632.00</u>	<u>1,799,299.13</u>	<u>113,332.87</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,882.00)</u>	<u>(214,882.00)</u>	<u>(35,509.40)</u>	<u>179,372.60</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers out	-	-	(6,500.00)	(6,500.00)
Total other financing sources and uses and special items	<u>-</u>	<u>-</u>	<u>(6,500.00)</u>	<u>(6,500.00)</u>
Net change in fund balances	(34,882.00)	(214,882.00)	(42,009.40)	172,872.60
Fund balances -- beginning	933,916.97	933,916.97	933,916.97	-
Fund balances -- ending	<u>\$ 899,034.97</u>	<u>\$ 719,034.97</u>	<u>\$ 891,907.57</u>	<u>\$ 172,872.60</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 19,925.00	\$ 19,925.00	\$ 22,976.03	\$ 3,051.03
Miscellaneous	-	-	41.99	41.99
Investment revenue	2,075.00	2,075.00	2,395.99	320.99
Total revenues	<u>22,000.00</u>	<u>22,000.00</u>	<u>25,414.01</u>	<u>3,414.01</u>
<b>EXPENDITURES</b>				
Current:				
Development Services	12,000.00	12,000.00	12,293.53	(293.53)
Total current	<u>12,000.00</u>	<u>12,000.00</u>	<u>12,293.53</u>	<u>(293.53)</u>
Capital outlay:				
Development Services	10,000.00	10,000.00	-	10,000.00
Total capital outlay	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>	<u>10,000.00</u>
Total expenditures	<u>22,000.00</u>	<u>22,000.00</u>	<u>12,293.53</u>	<u>9,706.47</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>13,120.48</u>	<u>13,120.48</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers out	-	(50,000.00)	(50,000.00)	-
Total other financing sources and uses and special items	<u>-</u>	<u>(50,000.00)</u>	<u>(50,000.00)</u>	<u>-</u>
Net change in fund balances	-	(50,000.00)	(36,879.52)	13,120.48
Fund balances – beginning	71,280.84	71,280.84	71,280.84	-
Fund balances – ending	<u>\$ 71,280.84</u>	<u>\$ 21,280.84</u>	<u>\$ 34,401.32</u>	<u>\$ 13,120.48</u>

City of Cape Girardeau  
Health  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 298,916.00	\$ 298,916.00	\$ 307,713.13	\$ 8,797.13
Licenses & permits	6,000.00	6,000.00	4,647.00	(1,353.00)
Intergovernmental	6,300.00	6,300.00	7,544.92	1,244.92
Investment revenue	14,650.00	14,650.00	19,536.27	4,886.27
Total revenues	<u>325,866.00</u>	<u>325,866.00</u>	<u>339,441.32</u>	<u>13,575.32</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	325,866.00	325,866.00	314,716.75	11,149.25
Total current	<u>325,866.00</u>	<u>325,866.00</u>	<u>314,716.75</u>	<u>11,149.25</u>
Total expenditures	<u>325,866.00</u>	<u>325,866.00</u>	<u>314,716.75</u>	<u>11,149.25</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>24,724.57</u>	<u>24,724.57</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Total other financing sources and uses and special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>24,724.57</u>	<u>24,724.57</u>
Fund balances -- beginning	407,842.94	407,842.94	407,842.94	-
Fund balances -- ending	<u>\$ 407,842.94</u>	<u>\$ 407,842.94</u>	<u>\$ 432,567.51</u>	<u>\$ 24,724.57</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,425,000.00	\$ 1,425,000.00	\$ 1,388,366.90	\$ (36,633.10)
Investment revenue	15,965.00	15,965.00	13,111.18	(2,853.82)
Total revenues	<u>1,440,965.00</u>	<u>1,440,965.00</u>	<u>1,401,478.08</u>	<u>(39,486.92)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	-	70,462.00	(70,462.00)
Total current	<u>-</u>	<u>-</u>	<u>70,462.00</u>	<u>(70,462.00)</u>
Capital outlay:				
Capital Improvement Projects	130,000.00	130,000.00	-	130,000.00
Total capital outlay	<u>130,000.00</u>	<u>130,000.00</u>	<u>-</u>	<u>130,000.00</u>
Total expenditures	<u>130,000.00</u>	<u>130,000.00</u>	<u>70,462.00</u>	<u>59,538.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,310,965.00</u>	<u>1,310,965.00</u>	<u>1,331,016.08</u>	<u>20,051.08</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Special assessments	8,935.00	8,935.00	4,614.10	(4,320.90)
Transfers out	(1,620,000.00)	(1,705,000.00)	(1,370,000.00)	335,000.00
Total other financing sources and uses and special items	<u>(1,611,065.00)</u>	<u>(1,696,065.00)</u>	<u>(1,365,385.90)</u>	<u>330,679.10</u>
Net change in fund balances	(300,100.00)	(385,100.00)	(34,369.82)	350,730.18
Fund balances -- beginning	174,503.13	174,503.13	174,503.13	-
Fund balances -- ending	<u>\$ (125,596.87)</u>	<u>\$ (210,596.87)</u>	<u>\$ 140,133.31</u>	<u>\$ 350,730.18</u>

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ 2,600.00	\$ 2,600.00	\$ 2,807.92	\$ 207.92
Total revenues	<u>2,600.00</u>	<u>2,600.00</u>	<u>2,807.92</u>	<u>207.92</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Capital Improvement Projects	-	5,000.00	3,523.24	1,476.76
Total capital outlay	-	5,000.00	3,523.24	1,476.76
Total expenditures	-	5,000.00	3,523.24	1,476.76
∞				
Excess (deficiency) of revenues over (under) expenditures	<u>2,600.00</u>	<u>(2,400.00)</u>	<u>(715.32)</u>	<u>1,684.68</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Total other financing sources and uses and special items	-	-	-	-
Net change in fund balances	2,600.00	(2,400.00)	(715.32)	1,684.68
Fund balances -- beginning	60,586.48	60,586.48	60,586.48	-
Fund balances -- ending	<u>\$ 63,186.48</u>	<u>\$ 58,186.48</u>	<u>\$ 59,871.16</u>	<u>\$ 1,684.68</u>

City of Cape Girardeau  
 Capital Improvement Sales Tax-Water System Improvements  
 Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,235,000.00	\$ 2,235,000.00	\$ 2,147,530.91	\$ (87,469.09)
Investment revenue	98,750.00	98,750.00	132,445.68	33,695.68
Total revenues	<u>2,333,750.00</u>	<u>2,333,750.00</u>	<u>2,279,976.59</u>	<u>(53,773.41)</u>
<b>EXPENDITURES</b>				
Current:				
Development Services:	36,500.00	36,500.00	33,305.87	3,194.13
Total current	<u>36,500.00</u>	<u>36,500.00</u>	<u>33,305.87</u>	<u>3,194.13</u>
Debt service:				
Administrative charges	67,215.00	67,215.00	57,489.71	9,725.29
Interest	910,475.00	910,475.00	666,089.18	244,385.82
Principal	1,025,000.00	1,025,000.00	1,025,000.00	-
Total debt service	<u>2,002,690.00</u>	<u>2,002,690.00</u>	<u>1,748,578.89</u>	<u>254,111.11</u>
Total expenditures	<u>2,039,190.00</u>	<u>2,039,190.00</u>	<u>1,781,884.76</u>	<u>257,305.24</u>
Excess (deficiency) of revenues over (under) expenditures	<u>294,560.00</u>	<u>294,560.00</u>	<u>498,091.83</u>	<u>203,531.83</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	60,000.00	60,000.00	128,403.56	68,403.56
Transfer out	(1,604,560.00)	(1,604,560.00)	(1,604,560.00)	-
Total other financing sources and uses and special items	<u>(1,544,560.00)</u>	<u>(1,544,560.00)</u>	<u>(1,476,156.44)</u>	<u>68,403.56</u>
Net change in fund balances	<u>(1,250,000.00)</u>	<u>(1,250,000.00)</u>	<u>(978,064.61)</u>	<u>271,935.39</u>
Fund balances -- beginning	2,723,138.19	2,723,138.19	2,723,138.19	-
Fund balances -- ending	<u>\$ 1,473,138.19</u>	<u>\$ 1,473,138.19</u>	<u>\$ 1,745,073.58</u>	<u>\$ 271,935.39</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ 38,850.00	\$ 38,850.00	\$ 26,653.69	\$ (12,196.31)
Total revenues	<u>38,850.00</u>	<u>38,850.00</u>	<u>26,653.69</u>	<u>(12,196.31)</u>
<b>EXPENDITURES</b>				
Debt service:				
Administrative charges	2,500.00	2,500.00	418.00	2,082.00
Interest	22,263.00	22,263.00	22,263.00	-
Principal	123,000.00	123,000.00	123,000.00	-
Total debt service	<u>147,763.00</u>	<u>147,763.00</u>	<u>145,681.00</u>	<u>2,082.00</u>
Capital outlay:				
Capital Improvement Projects	-	170,000.00	166,623.57	3,376.43
Total capital outlay	<u>-</u>	<u>170,000.00</u>	<u>166,623.57</u>	<u>3,376.43</u>
Total expenditures	<u>147,763.00</u>	<u>317,763.00</u>	<u>312,304.57</u>	<u>5,458.43</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(108,913.00)</u>	<u>(278,913.00)</u>	<u>(285,650.88)</u>	<u>(6,737.88)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Special Assessments	97,500.00	97,500.00	112,490.05	14,990.05
Total other financing sources and uses and special items	<u>97,500.00</u>	<u>97,500.00</u>	<u>112,490.05</u>	<u>14,990.05</u>
Net change in fund balances	(11,413.00)	(181,413.00)	(173,160.83)	8,252.17
Fund balances – beginning	384,532.49	384,532.49	384,532.49	-
Fund balances – ending	<u>\$ 373,119.49</u>	<u>\$ 203,119.49</u>	<u>\$ 211,371.66</u>	<u>\$ 8,252.17</u>

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,235,000.00	\$ 2,235,000.00	\$ 2,147,571.52	\$ (87,428.48)
Investment revenue	27,750.00	27,750.00	22,502.43	(5,247.57)
Total revenues	<u>2,262,750.00</u>	<u>2,262,750.00</u>	<u>2,170,073.95</u>	<u>(92,676.05)</u>
<b>EXPENDITURES</b>				
Current				
Development Services	36,500.00	36,500.00	33,305.87	3,194.13
Total current	<u>36,500.00</u>	<u>36,500.00</u>	<u>33,305.87</u>	<u>3,194.13</u>
Total expenditures	<u>36,500.00</u>	<u>36,500.00</u>	<u>33,305.87</u>	<u>3,194.13</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,226,250.00</u>	<u>2,226,250.00</u>	<u>2,136,768.08</u>	<u>(89,481.92)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers out	(2,210,261.00)	(2,210,261.00)	(2,210,261.00)	-
Total other financing sources and uses and special items	<u>(2,210,261.00)</u>	<u>(2,210,261.00)</u>	<u>(2,210,261.00)</u>	<u>-</u>
Net change in fund balances	15,989.00	15,989.00	(73,492.92)	(89,481.92)
Fund balances – beginning	812,989.60	812,989.60	812,989.60	-
Fund balances – ending	<u>\$ 828,978.60</u>	<u>\$ 828,978.60</u>	<u>\$ 739,496.68</u>	<u>\$ (89,481.92)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ 150,290.00	\$ 150,290.00	\$ 200,016.40	\$ 49,726.40
Total revenues	<u>150,290.00</u>	<u>150,290.00</u>	<u>200,016.40</u>	<u>49,726.40</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Capital Improvement Projects	250,000.00	500,000.00	330,136.40	169,863.60
Total capital outlay	<u>250,000.00</u>	<u>500,000.00</u>	<u>330,136.40</u>	<u>169,863.60</u>
Total expenditures	<u>250,000.00</u>	<u>500,000.00</u>	<u>330,136.40</u>	<u>169,863.60</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99,710.00)</u>	<u>(349,710.00)</u>	<u>(130,120.00)</u>	<u>219,590.00</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Special assessments	41,195.00	41,195.00	41,789.81	594.81
Total other financing sources and uses and special items	<u>41,195.00</u>	<u>41,195.00</u>	<u>41,789.81</u>	<u>594.81</u>
Net change in fund balances	(58,515.00)	(308,515.00)	(88,330.19)	220,184.81
Fund balances -- beginning	1,135,278.43	1,135,278.43	1,135,278.43	-
Fund balances -- ending	<u>\$ 1,076,763.43</u>	<u>\$ 826,763.43</u>	<u>\$ 1,046,948.24</u>	<u>\$ 220,184.81</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,174,000.00	\$ 2,174,000.00	\$ 2,081,529.12	\$ (92,470.88)
Investment revenue	3,650.00	3,650.00	2,220.27	(1,429.73)
Total revenues	<u>2,177,650.00</u>	<u>2,177,650.00</u>	<u>2,083,749.39</u>	<u>(93,900.61)</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,177,650.00</u>	<u>2,177,650.00</u>	<u>2,083,749.39</u>	<u>(93,900.61)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfer out	(2,166,000.00)	(2,166,000.00)	(2,093,111.88)	72,888.12
Total other financing sources and uses and special items	<u>(2,166,000.00)</u>	<u>(2,166,000.00)</u>	<u>(2,093,111.88)</u>	<u>72,888.12</u>
Net change in fund balances	11,650.00	11,650.00	(9,362.49)	(21,012.49)
Fund balances -- beginning	181,422.26	181,422.26	181,422.26	-
Fund balances -- ending	<u>\$ 193,072.26</u>	<u>\$ 193,072.26</u>	<u>\$ 172,059.77</u>	<u>\$ (21,012.49)</u>

City of Cape Girardeau  
Public Safety Trust  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 16,800.00	\$ 16,800.00	\$ -	\$ (16,800.00)
Investment revenue	37,200.00	37,200.00	69,488.22	32,288.22
Total revenues	<u>54,000.00</u>	<u>54,000.00</u>	<u>69,488.22</u>	<u>15,488.22</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	4,000.00	16,673.33	(12,673.33)
Total current	<u>-</u>	<u>4,000.00</u>	<u>16,673.33</u>	<u>(12,673.33)</u>
Debt service:				
Interest	206,483.00	206,483.00	191,434.95	15,048.05
Principal	551,500.00	551,500.00	551,500.00	-
Total debt service	<u>757,983.00</u>	<u>757,983.00</u>	<u>742,934.95</u>	<u>15,048.05</u>
Capital outlay:				
Capital Improvement Projects	-	220,000.00	202,312.82	17,687.18
Public Safety	301,300.00	307,300.00	296,417.24	10,882.76
Total capital outlay	<u>301,300.00</u>	<u>527,300.00</u>	<u>498,730.06</u>	<u>28,569.94</u>
Total expenditures	<u>1,059,283.00</u>	<u>1,289,283.00</u>	<u>1,258,338.34</u>	<u>30,944.66</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,005,283.00)</u>	<u>(1,235,283.00)</u>	<u>(1,188,850.12)</u>	<u>46,432.88</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	2,166,000.00	2,166,000.00	2,099,511.92	(66,488.08)
Transfer out	(1,120,219.00)	(1,120,219.00)	(1,075,624.47)	44,594.53
Total other financing sources and uses and special items	<u>1,045,781.00</u>	<u>1,045,781.00</u>	<u>1,023,887.45</u>	<u>(21,893.55)</u>
Net change in fund balances	40,498.00	(189,502.00)	(164,962.67)	24,539.33
Fund balances -- beginning	1,292,826.75	1,292,826.75	1,292,826.75	-
Fund balances -- ending	<u>\$ 1,333,324.75</u>	<u>\$ 1,103,324.75</u>	<u>\$ 1,127,864.08</u>	<u>\$ 24,539.33</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 27,281.00	\$ 27,281.00	\$ 76,174.89	\$ 48,893.89
Investment revenue	15,950.00	15,950.00	10,499.60	(5,450.40)
Total revenues	<u>43,231.00</u>	<u>43,231.00</u>	<u>86,674.49</u>	<u>43,443.49</u>
<b>EXPENDITURES</b>				
Debt service:				
Administrative charges	3,000.00	3,000.00	2,821.50	178.50
Interest	144,827.00	146,827.00	146,310.91	516.09
Principal	185,500.00	236,600.00	236,600.00	-
Total debt service	<u>333,327.00</u>	<u>386,427.00</u>	<u>385,732.41</u>	<u>694.59</u>
Total expenditures	<u>333,327.00</u>	<u>386,427.00</u>	<u>385,732.41</u>	<u>694.59</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(290,096.00)</u>	<u>(343,196.00)</u>	<u>(299,057.92)</u>	<u>44,138.08</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	258,000.00	258,000.00	254,235.40	(3,764.60)
Special assessments	33,000.00	33,000.00	35,586.46	2,586.46
Total other financing sources and uses and special items	<u>291,000.00</u>	<u>291,000.00</u>	<u>289,821.86</u>	<u>(1,178.14)</u>
Net change in fund balances	904.00	(52,196.00)	(9,236.06)	42,959.94
Fund balances -- beginning	303,422.45	303,422.45	303,422.45	-
Fund balances -- ending	<u>\$ 304,326.45</u>	<u>\$ 251,226.45</u>	<u>\$ 294,186.39</u>	<u>\$ 42,959.94</u>

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, 2009

	<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	\$ -	\$ -	\$ 1,588,243.78	\$ 1,588,243.78
Investment revenue	<u>8,000.00</u>	<u>8,000.00</u>	<u>10,390.30</u>	<u>2,390.30</u>
Total revenues	<u>8,000.00</u>	<u>8,000.00</u>	<u>1,598,634.08</u>	<u>1,590,634.08</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Capital Improvement Projects	-	<u>1,606,000.00</u>	<u>1,592,984.60</u>	<u>13,015.40</u>
Total capital outlay	-	<u>1,606,000.00</u>	<u>1,592,984.60</u>	<u>13,015.40</u>
Total expenditures	-	<u>1,606,000.00</u>	<u>1,592,984.60</u>	<u>13,015.40</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,000.00</u>	<u>(1,598,000.00)</u>	<u>5,649.48</u>	<u>1,603,649.48</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Total other financing sources and uses and special items	-	-	-	-
Net change in fund balances	<u>8,000.00</u>	<u>(1,598,000.00)</u>	<u>5,649.48</u>	<u>1,603,649.48</u>
Fund balances -- beginning	<u>215,964.91</u>	<u>215,964.91</u>	<u>215,964.91</u>	<u>-</u>
Fund balances -- ending	<u>\$ 223,964.91</u>	<u>\$ (1,382,035.09)</u>	<u>\$ 221,614.39</u>	<u>\$ 1,603,649.48</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, 2009

	<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>				
Investment revenue	\$ 7,580.00	\$ 7,580.00	\$ 12,550.98	\$ 4,970.98
Total revenues	<u>7,580.00</u>	<u>7,580.00</u>	<u>12,550.98</u>	<u>4,970.98</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Capital Improvement Projects	-	75,500.00	75,074.83	425.17
Total capital outlay	<u>-</u>	<u>75,500.00</u>	<u>75,074.83</u>	<u>425.17</u>
Total expenditures	<u>-</u>	<u>75,500.00</u>	<u>75,074.83</u>	<u>425.17</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,580.00</u>	<u>(67,920.00)</u>	<u>(62,523.85)</u>	<u>5,396.15</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Special Assessments	21,600.00	21,600.00	25,223.85	3,623.85
Transfers out	-	(65,000.00)	(75,000.00)	(10,000.00)
Total other financing sources and uses and special items	<u>21,600.00</u>	<u>(43,400.00)</u>	<u>(49,776.15)</u>	<u>(6,376.15)</u>
Net change in fund balances	29,180.00	(111,320.00)	(112,300.00)	(980.00)
Fund balances -- beginning	112,427.78	112,427.78	112,427.78	-
Fund balances -- ending	<u>\$ 141,607.78</u>	<u>\$ 1,107.78</u>	<u>\$ 127.78</u>	<u>\$ (980.00)</u>

City of Cape Girardeau  
Park Improvements  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 410,664.92	\$ 410,664.92
Investment revenue	-	-	5,507.56	5,507.56
Total revenues	-	-	416,172.48	416,172.48
<b>EXPENDITURES</b>				
<b>Debt Service</b>				
Interest	-	-	8.53	(8.53)
Total debt service	-	-	8.53	(8.53)
<b>Capital Outlay</b>				
Capital Improvement Projects	-	520,000.00	520,269.70	(269.70)
Total capital outlay	-	520,000.00	520,269.70	(269.70)
Total expenditures	-	520,000.00	520,278.23	(278.23)
Excess (deficiency) of revenues over (under) expenditures	-	(520,000.00)	(104,105.75)	415,894.25
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Total other financing sources and uses and special items	-	-	-	-
Net change in fund balances	-	(520,000.00)	(104,105.75)	415,894.25
Fund balances -- beginning	183,750.53	183,750.53	183,750.53	-
Prior period adjustment	(0.01)	(0.01)	(0.01)	-
Fund balances -- ending	<u>\$ 183,750.52</u>	<u>\$ (336,249.48)</u>	<u>\$ 79,644.77</u>	<u>\$ 415,894.25</u>

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00
Investment revenue	6,000.00	6,000.00	14,774.50	8,774.50
<b>Total revenues</b>	<u>6,000.00</u>	<u>6,000.00</u>	<u>54,774.50</u>	<u>48,774.50</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Capital Improvement Projects	-	72,500.00	70,002.17	2,497.83
Total capital outlay	-	72,500.00	70,002.17	2,497.83
<b>Total expenditures</b>	<u>-</u>	<u>72,500.00</u>	<u>70,002.17</u>	<u>2,497.83</u>
<b>Excess (deficiency) of revenues         over (under) expenditures</b>	<u>6,000.00</u>	<u>(66,500.00)</u>	<u>(15,227.67)</u>	<u>51,272.33</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	150,000.00	150,000.00	-
<b>Total other financing sources and uses and special items</b>	<u>-</u>	<u>150,000.00</u>	<u>150,000.00</u>	<u>-</u>
<b>Net change in fund balances</b>	6,000.00	83,500.00	134,772.33	51,272.33
Fund balances -- beginning	206,798.71	206,798.71	206,798.71	-
Prior period adjustment	163,322.91	163,322.91	163,322.91	-
Fund balances -- ending	<u>\$ 376,121.62</u>	<u>\$ 453,621.62</u>	<u>\$ 504,893.95</u>	<u>\$ 51,272.33</u>

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 112,529.53	\$ 112,529.53
Investment revenue	-	-	2,130.25	2,130.25
Total revenues	-	-	114,659.78	114,659.78
<b>EXPENDITURES</b>				
Current:				
Development Services	-	50,000.00	46,269.48	3,730.52
Total current	-	50,000.00	46,269.48	3,730.52
Debt service:				
Interest	-	-	2,043.51	(2,043.51)
Total debt service	-	-	2,043.51	(2,043.51)
Capital outlay:				
Capital Improvement Projects	-	300,000.00	301,019.93	(1,019.93)
Total capital outlay	-	300,000.00	301,019.93	(1,019.93)
Total expenditures	-	350,000.00	349,332.92	667.08
Excess (deficiency) of revenues over (under) expenditures	-	(350,000.00)	(234,673.14)	115,326.86
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	215,000.00	99,763.68	(115,236.32)
Bond proceeds	-	-	122,842.75	122,842.75
Transfers out	-	(5,000.00)	(1,097.00)	3,903.00
Total other financing sources and uses and special items	-	210,000.00	221,509.43	11,509.43
Net change in fund balances	-	(140,000.00)	(13,163.71)	126,836.29
Fund balances -- beginning	51,623.35	51,623.35	51,623.35	-
Fund balances -- ending	\$ 51,623.35	\$ (88,376.65)	\$ 38,459.64	\$ 126,836.29

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,343,000.00	\$ 4,343,000.00	\$ 4,165,416.01	\$ (177,583.99)
Intergovernmental	365,000.00	365,000.00	905.55	(364,094.45)
Investment revenue	127,300.00	127,300.00	292,808.50	165,508.50
<b>Total revenues</b>	<u>4,835,300.00</u>	<u>4,835,300.00</u>	<u>4,459,130.06</u>	<u>(376,169.94)</u>
<b>EXPENDITURES</b>				
Current:				
Development Services:	72,000.00	72,000.00	63,630.16	8,369.84
<b>Total current</b>	<u>72,000.00</u>	<u>72,000.00</u>	<u>63,630.16</u>	<u>8,369.84</u>
Capital outlay:				
Capital Improvement Projects	4,795,000.00	9,750,000.00	6,861,883.28	2,888,116.72
<b>Total capital outlay</b>	<u>4,795,000.00</u>	<u>9,750,000.00</u>	<u>6,861,883.28</u>	<u>2,888,116.72</u>
<b>Total expenditures</b>	<u>4,867,000.00</u>	<u>9,822,000.00</u>	<u>6,925,513.44</u>	<u>2,896,486.56</u>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<u>(31,700.00)</u>	<u>(4,986,700.00)</u>	<u>(2,466,383.38)</u>	<u>2,520,316.62</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	650,000.00	650,000.00	325,000.00	(325,000.00)
<b>Total other financing sources and uses and special items</b>	<u>650,000.00</u>	<u>650,000.00</u>	<u>325,000.00</u>	<u>(325,000.00)</u>
<b>Net change in fund balances</b>	618,300.00	(4,336,700.00)	(2,141,383.38)	2,195,316.62
Fund balances – beginning	3,076,880.41	3,076,880.41	3,076,880.41	-
Prior period adjustment	(7,400.00)	(7,400.00)	(7,400.00)	-
Fund balances – ending	<u>\$ 3,687,780.41</u>	<u>\$ (1,267,219.59)</u>	<u>\$ 928,097.03</u>	<u>\$ 2,195,316.62</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 681,000.00	\$ 681,000.00	\$ 711,393.28	\$ 30,393.28
Investment revenue	-	-	2,631.62	2,631.62
Total revenues	<u>681,000.00</u>	<u>681,000.00</u>	<u>714,024.90</u>	<u>33,024.90</u>
<b>EXPENDITURES</b>				
Current:				
Parks and Recreation	-	1,000.00	-	1,000.00
Total current	<u>-</u>	<u>1,000.00</u>	<u>-</u>	<u>1,000.00</u>
Capital outlay:				
Parks and Recreation	-	17,500.00	-	17,500.00
Total capital outlay	<u>-</u>	<u>17,500.00</u>	<u>-</u>	<u>17,500.00</u>
Total expenditures	<u>-</u>	<u>18,500.00</u>	<u>-</u>	<u>18,500.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>681,000.00</u>	<u>662,500.00</u>	<u>714,024.90</u>	<u>51,524.90</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfer out	(664,363.00)	(664,363.00)	(582,592.58)	81,770.42
Total other financing sources and uses and special items	<u>(664,363.00)</u>	<u>(664,363.00)</u>	<u>(582,592.58)</u>	<u>81,770.42</u>
Net change in fund balances	16,637.00	(1,863.00)	131,432.32	133,295.32
Fund balances – beginning	-	-	-	-
Fund balances – ending	<u>\$ 16,637.00</u>	<u>\$ (1,863.00)</u>	<u>\$ 131,432.32</u>	<u>\$ 133,295.32</u>

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,316,000.00	\$ 2,316,000.00	\$ 2,134,179.87	\$ (181,820.13)
Investment revenue	-	-	6,924.85	6,924.85
Total revenues	<u>2,316,000.00</u>	<u>2,316,000.00</u>	<u>2,141,104.72</u>	<u>(174,895.28)</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Parks and Recreation	-	1,299,000.00	1,289,145.53	9,854.47
Total capital outlay	-	<u>1,299,000.00</u>	<u>1,289,145.53</u>	<u>9,854.47</u>
Total expenditures	-	<u>1,299,000.00</u>	<u>1,289,145.53</u>	<u>9,854.47</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,316,000.00</u>	<u>1,017,000.00</u>	<u>851,959.19</u>	<u>(165,040.81)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	-	835,831.61	835,831.61
Interest and other charges	-	(5,000.00)	(4,026.23)	973.77
Transfer out	(2,043,000.00)	(2,043,000.00)	(863,465.42)	1,179,534.58
Total other financing sources and uses and special items	<u>(2,043,000.00)</u>	<u>(2,048,000.00)</u>	<u>(31,660.04)</u>	<u>2,016,339.96</u>
Net change in fund balances	273,000.00	(1,031,000.00)	820,299.15	1,851,299.15
Fund balances – beginning	-	-	-	-
Fund balances – ending	<u>\$ 273,000.00</u>	<u>\$ (1,031,000.00)</u>	<u>\$ 820,299.15</u>	<u>\$ 1,851,299.15</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 250,000.00	\$ 250,000.00	\$ 170,446.86	\$ (79,553.14)
Investment revenue	-	-	179.90	179.90
<b>Total revenues</b>	<b>250,000.00</b>	<b>250,000.00</b>	<b>170,626.76</b>	<b>(79,373.24)</b>
<b>EXPENDITURES</b>				
Current:				
Development Services	250,000.00	250,000.00	177,991.61	72,008.39
<b>Total current</b>	<b>250,000.00</b>	<b>250,000.00</b>	<b>177,991.61</b>	<b>72,008.39</b>
Debt service:				
Interest	-	-	3,809.19	(3,809.19)
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>3,809.19</b>	<b>(3,809.19)</b>
<b>Total expenditures</b>	<b>250,000.00</b>	<b>250,000.00</b>	<b>181,800.80</b>	<b>68,199.20</b>
<b>Excess (deficiency) of revenues         over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(11,174.04)</b>	<b>(11,174.04)</b>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	25,000.00	30,000.00	15,812.72	(14,187.28)
<b>Total other financing sources and uses and special items</b>	<b>25,000.00</b>	<b>30,000.00</b>	<b>15,812.72</b>	<b>(14,187.28)</b>
<b>Net change in fund balances</b>	<b>25,000.00</b>	<b>30,000.00</b>	<b>4,638.68</b>	<b>(25,361.32)</b>
Fund balances – beginning	3,379.96	3,379.96	3,379.96	-
Fund balances – ending	<b>\$ 28,379.96</b>	<b>\$ 33,379.96</b>	<b>\$ 8,018.64</b>	<b>\$ (25,361.32)</b>

City of Cape Girardeau  
Sewer  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 122,154.98	\$ 122,154.98
Residential charges	1,785,000.00	1,785,000.00	1,789,560.27	4,560.27
Commercial charges	1,134,000.00	1,134,000.00	1,108,402.39	(25,597.61)
Other fees and charges	41,000.00	41,000.00	42,669.17	1,669.17
Miscellaneous	12,500.00	12,500.00	11,344.80	(1,155.20)
Investment revenue	50,800.00	50,800.00	506,051.99	455,251.99
<b>Total revenues</b>	<b>3,023,300.00</b>	<b>3,023,300.00</b>	<b>3,580,183.60</b>	<b>556,883.60</b>
<b>EXPENDITURES</b>				
Current:				
Contractual services	215,956.00	247,038.21	252,967.10	(5,928.89)
General operating expenses	169,000.00	157,534.54	50,748.88	106,785.66
Internal service expense	130,225.00	150,225.00	180,879.10	(30,654.10)
Material and supplies	411,915.00	402,798.25	415,678.25	(12,880.00)
Personnel services	1,512,555.00	1,564,355.00	1,579,088.29	(14,733.29)
Special projects expense	83,843.00	204,143.00	177,279.59	26,863.41
<b>Total current</b>	<b>2,523,294.00</b>	<b>2,726,094.00</b>	<b>2,656,841.21</b>	<b>69,452.79</b>
Debt service:				
Administrative charges	119,790.00	119,790.00	113,365.57	6,424.43
Interest	332,682.00	(452,318.00)	(448,366.36)	(3,951.62)
Principal	2,097,274.00	3,240,504.00	3,240,503.98	0.02
<b>Total debt service</b>	<b>2,549,746.00</b>	<b>2,907,976.00</b>	<b>2,905,503.17</b>	<b>2,472.83</b>
Capital outlay:				
Capital Improvement Projects	-	360,000.00	410,808.07	(50,808.07)
Equipment	60,000.00	322,847.00	315,597.09	7,249.91
Other Capital Expenditures	250,000.00	182,410.00	113,682.54	68,727.46
<b>Total capital outlay</b>	<b>310,000.00</b>	<b>865,257.00</b>	<b>840,087.70</b>	<b>25,169.30</b>
<b>Total expenditures</b>	<b>5,383,040.00</b>	<b>6,499,327.00</b>	<b>6,402,232.08</b>	<b>97,094.92</b>
<b>Excess (deficiency) of revenues         over (under) expenditures</b>	<b>(2,359,740.00)</b>	<b>(3,476,027.00)</b>	<b>(2,822,048.48)</b>	<b>653,978.52</b>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	2,372,404.00	2,372,404.00	2,382,640.35	10,236.35
Connection fees	100,000.00	100,000.00	68,140.00	(31,860.00)
Special assessments	6,250.00	6,250.00	42,281.88	36,031.88
Asset disposition	10,000.00	10,000.00	81,047.00	71,047.00
Other non-operating revenue	-	-	174.21	174.21
Transfers out	-	-	(5,000.00)	(5,000.00)
<b>Total other financing sources and uses and special items</b>	<b>2,488,654.00</b>	<b>2,488,654.00</b>	<b>2,569,283.44</b>	<b>80,629.44</b>
<b>Net change in fund balances</b>	<b>128,914.00</b>	<b>(987,373.00)</b>	<b>(252,765.04)</b>	<b>734,607.96</b>
Fund balances -- beginning	3,064,277.89	3,064,277.89	3,064,277.89	-
Fund balances -- ending	<b>\$ 3,193,191.89</b>	<b>\$ 2,076,904.89</b>	<b>\$ 2,811,512.85</b>	<b>\$ 734,607.96</b>

City of Cape Girardeau  
Water  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 31,855.68	\$ 31,855.68
Residential charges	3,335,250.00	3,335,250.00	3,278,170.87	(57,079.13)
Commercial charges	2,359,500.00	2,359,500.00	2,280,538.04	(78,961.96)
Other fees and charges	196,000.00	196,000.00	169,260.45	(26,739.55)
Miscellaneous	16,200.00	16,200.00	16,884.38	684.38
Investment revenue	170,700.00	170,700.00	259,144.74	88,444.74
Total revenues	<u>6,077,650.00</u>	<u>6,077,650.00</u>	<u>6,035,854.16</u>	<u>(41,795.84)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Contractual services	2,687,071.00	2,699,215.29	2,524,768.04	174,447.25
General operating expenses	205,300.00	205,300.00	175,139.56	30,160.44
Internal service expense	99,313.00	99,313.00	106,498.33	(7,185.33)
Material and supplies	1,070,666.00	1,065,086.35	1,047,433.64	17,652.71
Personnel services	133,735.00	133,735.00	129,681.38	4,053.62
Special projects expense	115,000.00	115,000.00	134,081.70	(19,081.70)
Total current	<u>4,311,085.00</u>	<u>4,317,649.64</u>	<u>4,117,602.65</u>	<u>200,046.99</u>
<b>Debt service:</b>				
Administrative charges	700.00	700.00	470.25	229.75
Interest	214,724.00	214,724.00	215,124.20	(400.20)
Principal	919,821.00	919,821.00	919,820.72	0.28
Total debt service	<u>1,135,245.00</u>	<u>1,135,245.00</u>	<u>1,135,415.17</u>	<u>(170.17)</u>
<b>Capital outlay:</b>				
Capital Improvement Projects	288,750.00	288,750.00	255,739.11	33,010.89
Equipment	467,100.00	460,535.36	385,776.08	74,759.28
Other Capital Expenditures	39,000.00	39,000.00	17,246.40	21,753.60
Total capital outlay	<u>794,850.00</u>	<u>788,285.36</u>	<u>658,761.59</u>	<u>129,523.77</u>
Total expenditures	<u>6,241,180.00</u>	<u>6,241,180.00</u>	<u>5,911,779.41</u>	<u>329,400.59</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(163,530.00)</u>	<u>(163,530.00)</u>	<u>124,074.75</u>	<u>287,604.75</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	120,000.00	120,000.00	128,000.00	8,000.00
Special assessments	2,300.00	2,300.00	15,932.28	13,632.28
Asset disposition	78,450.00	78,450.00	87,000.00	8,550.00
Transfers out	-	-	(500.00)	(500.00)
Total other financing sources and uses and special items	<u>200,750.00</u>	<u>200,750.00</u>	<u>230,432.28</u>	<u>29,682.28</u>
Net change in fund balances	37,220.00	37,220.00	354,507.03	317,287.03
Fund balances – beginning	5,297,000.94	5,297,000.94	5,297,000.94	-
Fund balances – ending	<u>\$ 5,334,220.94</u>	<u>\$ 5,334,220.94</u>	<u>\$ 5,651,507.97</u>	<u>\$ 317,287.03</u>

City of Cape Girardeau  
Solid Waste  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 17,000.00	\$ 17,000.00	\$ 25,994.57	\$ 8,994.57
Residential charges	2,074,150.00	2,074,150.00	2,090,574.55	16,424.55
Commercial charges	29,000.00	29,000.00	30,748.78	1,748.78
Transfer station charges	992,800.00	992,800.00	1,056,265.30	63,465.30
Other fees and charges	86,000.00	86,000.00	86,542.39	542.39
Miscellaneous	48,000.00	48,000.00	33,708.88	(14,291.12)
Investment revenue	44,000.00	44,000.00	59,749.58	15,749.58
Total revenues	<u>3,290,950.00</u>	<u>3,290,950.00</u>	<u>3,383,584.05</u>	<u>92,634.05</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Contractual services	1,203,648.00	1,244,499.30	1,258,358.84	(13,859.54)
General operating expenses	43,080.00	45,251.50	40,764.68	4,486.82
Internal service expense	205,032.00	205,032.00	196,109.66	8,922.34
Material and supplies	163,361.00	158,354.40	122,414.90	35,939.50
Personnel services	1,282,850.00	1,282,850.00	1,233,138.76	49,711.24
Special projects expense	98,500.00	95,198.80	100,425.68	(5,226.88)
Total current	<u>2,996,471.00</u>	<u>3,031,186.00</u>	<u>2,951,212.52</u>	<u>79,973.48</u>
<b>Debt service:</b>				
Administrative charges	700.00	700.00	-	700.00
Interest	37,335.00	37,335.00	36,270.92	1,064.08
Principal	55,425.00	55,425.00	55,425.30	(0.30)
Total debt service	<u>93,460.00</u>	<u>93,460.00</u>	<u>91,696.22</u>	<u>1,763.78</u>
<b>Capital outlay:</b>				
Equipment	31,710.00	36,995.00	39,616.39	(2,621.39)
Total capital outlay	<u>31,710.00</u>	<u>36,995.00</u>	<u>39,616.39</u>	<u>(2,621.39)</u>
Total expenditures	<u>3,121,641.00</u>	<u>3,161,641.00</u>	<u>3,082,525.13</u>	<u>79,115.87</u>
Excess (deficiency) of revenues over (under) expenditures	<u>169,309.00</u>	<u>129,309.00</u>	<u>301,058.92</u>	<u>171,749.92</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Asset disposition	2,800.00	2,800.00	-	(2,800.00)
Transfers out	-	-	(10,205.00)	(10,205.00)
Total other financing sources and uses and special items	<u>2,800.00</u>	<u>2,800.00</u>	<u>(10,205.00)</u>	<u>(13,005.00)</u>
Net change in fund balances	172,109.00	132,109.00	290,853.92	158,744.92
Fund balances – beginning	890,243.09	890,243.09	890,243.09	-
Fund balances – ending	<u>\$ 1,062,352.09</u>	<u>\$ 1,022,352.09</u>	<u>\$ 1,181,097.01</u>	<u>\$ 158,744.92</u>

City of Cape Girardeau  
Golf Course  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
User fees	\$ 402,646.00	\$ 402,646.00	\$ 295,596.40	\$ (107,049.60)
Concession revenues	30,000.00	30,000.00	24,976.17	(5,023.83)
Investment revenue	1,000.00	1,000.00	2,551.47	1,551.47
Total revenues	<u>433,646.00</u>	<u>433,646.00</u>	<u>323,124.04</u>	<u>(110,521.96)</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	19,963.00	19,963.00	16,895.77	3,067.23
General operating expenses	7,400.00	7,400.00	8,601.65	(1,201.65)
Internal service expense	74,372.00	74,372.00	37,893.85	36,478.15
Material and supplies	76,184.00	76,490.00	50,080.82	26,409.18
Personnel services	334,510.00	334,510.00	344,884.97	(10,374.97)
Special projects expense	9,700.00	9,394.00	4,538.59	4,855.41
Total current	<u>522,129.00</u>	<u>522,129.00</u>	<u>462,895.65</u>	<u>59,233.35</u>
Debt service:				
Interest	13,074.00	13,074.00	13,556.27	(482.27)
Principal	24,193.00	24,193.00	24,192.72	0.28
Total debt service	<u>37,267.00</u>	<u>37,267.00</u>	<u>37,748.99</u>	<u>(481.99)</u>
Total expenditures	<u>559,396.00</u>	<u>559,396.00</u>	<u>500,644.64</u>	<u>58,751.36</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,750.00)</u>	<u>(125,750.00)</u>	<u>(177,520.60)</u>	<u>(51,770.60)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	125,750.00	125,750.00	128,310.60	2,560.60
Asset disposition	-	-	49,210.00	49,210.00
Total other financing sources and uses and special items	<u>125,750.00</u>	<u>125,750.00</u>	<u>177,520.60</u>	<u>51,770.60</u>
Net change in fund balances	-	-	-	-
Fund balances -- beginning	5,212.01	5,212.01	5,212.01	-
Fund balances -- ending	<u>\$ 5,212.01</u>	<u>\$ 5,212.01</u>	<u>\$ 5,212.01</u>	<u>\$ -</u>

City of Cape Girardeau  
Softball Complex  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 8.82	\$ 8.82
User fees	65,300.00	65,300.00	82,620.31	17,320.31
Concession revenues	35,500.00	35,500.00	52,310.08	16,810.08
Miscellaneous	5,500.00	5,500.00	7,679.69	2,179.69
Investment revenue	1,600.00	1,600.00	1,090.82	(509.18)
Total revenues	<u>107,900.00</u>	<u>107,900.00</u>	<u>143,709.72</u>	<u>35,809.72</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	20,640.00	18,842.12	18,512.08	330.04
General operating expenses	3,500.00	1,940.00	507.51	1,432.49
Internal service expense	27,436.00	27,436.00	24,210.46	3,225.54
Material and supplies	65,490.00	76,507.88	75,527.04	980.84
Personnel services	367,528.00	379,103.00	369,142.14	9,960.86
Special projects expense	5,800.00	5,000.00	5,146.52	(146.52)
Total current	<u>490,394.00</u>	<u>508,829.00</u>	<u>493,045.75</u>	<u>15,783.25</u>
Debt service:				
Interest	9,314.00	9,314.00	9,500.00	(186.00)
Principal	15,062.00	15,062.00	15,061.85	0.15
Total debt service	<u>24,376.00</u>	<u>24,376.00</u>	<u>24,561.85</u>	<u>(185.85)</u>
Capital outlay:				
Equipment	6,860.00	-	-	-
Total capital outlay	<u>6,860.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>521,630.00</u>	<u>533,205.00</u>	<u>517,607.60</u>	<u>15,597.40</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(413,730.00)</u>	<u>(425,305.00)</u>	<u>(373,897.88)</u>	<u>51,407.12</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	413,730.00	413,730.00	373,160.88	(40,569.12)
Asset disposition	-	-	737.00	737.00
Total other financing sources and uses and special items	<u>413,730.00</u>	<u>413,730.00</u>	<u>373,897.88</u>	<u>(39,832.12)</u>
Net change in fund balances	-	(11,575.00)	-	11,575.00
Fund balances – beginning	5,000.00	5,000.00	5,000.00	-
Fund balances – ending	<u>\$ 5,000.00</u>	<u>\$ (6,575.00)</u>	<u>\$ 5,000.00</u>	<u>\$ 11,575.00</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Internal charges	\$ 367,000.00	\$ 367,000.00	\$ 367,000.00	\$ -
Investment revenue	2,000.00	2,000.00	5,538.31	3,538.31
Total revenues	<u>369,000.00</u>	<u>369,000.00</u>	<u>372,538.31</u>	<u>3,538.31</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	98,677.00	98,677.00	103,756.27	(5,079.27)
General operating expenses	4,045.00	4,045.00	899.31	3,145.69
Material and supplies	9,300.00	35,620.42	23,841.01	11,779.41
Personnel services	123,651.00	123,651.00	119,742.78	3,908.22
Total current	<u>235,673.00</u>	<u>261,993.42</u>	<u>248,239.37</u>	<u>13,754.05</u>
Capital outlay:				
Equipment	133,000.00	116,679.58	120,493.00	(3,813.42)
Total capital outlay	<u>133,000.00</u>	<u>116,679.58</u>	<u>120,493.00</u>	<u>(3,813.42)</u>
Total expenditures	<u>368,673.00</u>	<u>378,673.00</u>	<u>368,732.37</u>	<u>9,940.63</u>
Excess (deficiency) of revenues over (under) expenditures	<u>327.00</u>	<u>(9,673.00)</u>	<u>3,805.94</u>	<u>13,478.94</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Total other financing sources and uses and special items	-	-	-	-
Net change in fund balances	327.00	(9,673.00)	3,805.94	13,478.94
Fund balances -- beginning	152,687.55	152,687.55	152,687.55	-
Fund balances -- ending	<u>\$ 153,014.55</u>	<u>\$ 143,014.55</u>	<u>\$ 156,493.49</u>	<u>\$ 13,478.94</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 92.85	\$ 92.85
Internal charges	1,130,000.00	1,130,000.00	1,152,620.87	22,620.87
Investment revenue	18,272.00	18,272.00	11,859.93	(6,412.07)
Total revenues	<u>1,148,272.00</u>	<u>1,148,272.00</u>	<u>1,164,573.65</u>	<u>16,301.65</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	195,219.00	266,123.86	232,763.09	33,360.77
General operating expenses	4,850.00	3,150.00	1,633.22	1,516.78
Internal service expense	2,681.00	2,681.00	2,681.00	-
Material and supplies	258,345.00	295,440.14	288,338.93	7,101.21
Personnel services	649,240.00	622,940.00	617,932.91	5,007.09
Total current	<u>1,110,335.00</u>	<u>1,190,335.00</u>	<u>1,143,349.15</u>	<u>46,985.85</u>
Debt service:				
Interest	6,728.00	6,728.00	2,937.67	3,790.33
Principal	9,750.00	9,750.00	9,750.00	-
Total debt service	<u>16,478.00</u>	<u>16,478.00</u>	<u>12,687.67</u>	<u>3,790.33</u>
Capital outlay:				
Equipment	5,000.00	-	-	-
Total capital outlay	<u>5,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,131,813.00</u>	<u>1,206,813.00</u>	<u>1,156,036.82</u>	<u>50,776.18</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,459.00</u>	<u>(58,541.00)</u>	<u>8,536.83</u>	<u>67,077.83</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	-	500.00	500.00
Asset disposition	-	-	3,560.30	3,560.30
Other non-operating revenue	-	-	6,817.72	6,817.72
Transfers out	(16,272.00)	(16,272.00)	(14,999.02)	1,272.98
Total other financing sources and uses and special items	<u>(16,272.00)</u>	<u>(16,272.00)</u>	<u>(4,121.00)</u>	<u>12,151.00</u>
Net change in fund balances	187.00	(74,813.00)	4,415.83	79,228.83
Fund balances – beginning	195,639.12	195,639.12	195,639.12	-
Fund balances – ending	<u>\$ 195,826.12</u>	<u>\$ 120,826.12</u>	<u>\$ 200,054.95</u>	<u>\$ 79,228.83</u>

City of Cape Girardeau  
Fringe Benefits  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Internal charges	\$ 3,640,000.00	\$ 3,640,000.00	\$ 2,733,411.42	\$ (906,588.58)
Miscellaneous	-	-	1,893.06	1,893.06
Investment revenue	4,000.00	4,000.00	29,994.95	25,994.95
Total revenues	<u>3,644,000.00</u>	<u>3,644,000.00</u>	<u>2,765,299.43</u>	<u>(878,700.57)</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	3,640,000.00	3,640,000.00	2,254,041.56	1,385,958.44
General Operating	-	-	2,185.07	(2,185.07)
Total current	<u>3,640,000.00</u>	<u>3,640,000.00</u>	<u>2,256,226.63</u>	<u>1,383,773.37</u>
Total expenditures	<u>3,640,000.00</u>	<u>3,640,000.00</u>	<u>2,256,226.63</u>	<u>1,383,773.37</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,000.00</u>	<u>4,000.00</u>	<u>509,072.80</u>	<u>505,072.80</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Total other financing sources and uses and special items	-	-	-	-
Net change in fund balances	4,000.00	4,000.00	509,072.80	505,072.80
Fund balances – beginning	157,132.84	157,132.84	157,132.84	-
Fund balances – ending	<u>\$ 161,132.84</u>	<u>\$ 161,132.84</u>	<u>\$ 666,205.64</u>	<u>\$ 505,072.80</u>

City of Cape Girardeau  
Risk Management  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Internal charges	\$ 522,457.00	\$ 522,457.00	\$ 525,543.69	\$ 3,086.69
Investment revenue	46,500.00	46,500.00	60,426.18	13,926.18
Total revenues	<u>568,957.00</u>	<u>568,957.00</u>	<u>585,969.87</u>	<u>17,012.87</u>
<b>EXPENDITURES</b>				
Current:				
Contractual services	541,457.00	891,457.00	578,692.61	312,764.39
General operating expenses	25,000.00	25,000.00	29,376.37	(4,376.37)
Material and supplies	2,500.00	2,500.00	-	2,500.00
Total current	<u>568,957.00</u>	<u>918,957.00</u>	<u>608,068.98</u>	<u>310,888.02</u>
Total expenditures	<u>568,957.00</u>	<u>918,957.00</u>	<u>608,068.98</u>	<u>310,888.02</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(350,000.00)</u>	<u>(22,099.11)</u>	<u>327,900.89</u>
Net change in fund balances	-	(350,000.00)	(22,099.11)	327,900.89
Fund balances -- beginning	1,107,448.06	1,107,448.06	1,107,448.06	-
Fund balances -- ending	<u>\$ 1,107,448.06</u>	<u>\$ 757,448.06</u>	<u>\$ 1,085,348.95</u>	<u>\$ 327,900.89</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Internal charges	\$ 244,384.00	\$ 244,384.00	\$ 212,214.40	\$ (32,169.60)
Investment revenue	60,000.00	60,000.00	80,461.91	20,461.91
Total revenues	<u>304,384.00</u>	<u>304,384.00</u>	<u>292,676.31</u>	<u>(11,707.69)</u>
<b>EXPENDITURES</b>				
Current:				
Material and supplies	-	11.00	11.00	-
Total current	<u>-</u>	<u>11.00</u>	<u>11.00</u>	<u>-</u>
Debt service:				
Interest	-	7,750.00	7,750.00	-
Principal	-	55,000.00	55,000.00	-
Total debt service	<u>-</u>	<u>62,750.00</u>	<u>62,750.00</u>	<u>-</u>
Capital outlay:				
Equipment	526,828.00	801,817.00	790,881.04	10,935.96
Total capital outlay	<u>526,828.00</u>	<u>801,817.00</u>	<u>790,881.04</u>	<u>10,935.96</u>
Total expenditures	<u>526,828.00</u>	<u>864,578.00</u>	<u>853,642.04</u>	<u>10,935.96</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(222,444.00)</u>	<u>(560,194.00)</u>	<u>(560,965.73)</u>	<u>(771.73)</u>
<b>OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS</b>				
Transfers in	-	-	7,205.00	7,205.00
Asset disposition	12,000.00	12,000.00	167,769.95	155,769.95
Transfers out	(85,263.00)	(85,263.00)	(85,263.00)	-
Total other financing sources and uses and special items	<u>(73,263.00)</u>	<u>(73,263.00)</u>	<u>89,711.95</u>	<u>162,974.95</u>
Net change in fund balances	(295,707.00)	(633,457.00)	(471,253.78)	162,203.22
Fund balances -- beginning	1,643,330.71	1,643,330.71	1,643,330.71	-
Fund balances -- ending	<u>\$ 1,347,623.71</u>	<u>\$ 1,009,873.71</u>	<u>\$ 1,172,076.93</u>	<u>\$ 162,203.22</u>

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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 compliance of City of Cape Girardeau, Missouri, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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 City of Cape Girardeau, Missouri's management. Our responsibility is to express an opinion on 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 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 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 requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

## Internal Control Over Compliance

The management of 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 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cape Girardeau, Missouri's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

The City of Cape Girardeau, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Cape Girardeau, Missouri's response and, accordingly, we express no opinion on it.

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, SEABAUGH & STRODER, L.L.C.

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

Cape Girardeau, Missouri  
December 17, 2009

# BEUSSINK, HEY, ROE, SEABAUGH & 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 City of Cape Girardeau, Missouri as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 17, 2009. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Cape Girardeau, Missouri's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Cape Girardeau, Missouri's financial statements that is more than inconsequential will not be prevented or detected by the City of Cape Girardeau, Missouri's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Cape Girardeau, Missouri's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 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, 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, SEABAUGH & STRODER, L.L.C.

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

Cape Girardeau, Missouri  
December 17, 2009

City of Cape Girardeau, Missouri  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2009

<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	\$ 100,000
<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 (1)	14.228	2004-ND-05 2002-ND-04 2007-ND-801 2007-DT-803 2008-DN-02	\$ 42,734 36,950 250,000 75,000 <u>14</u> \$ 404,698
Passed Through Missouri Department of Social Services -			
Emergency Shelter Grants Program	14.231	ERO 1640905	30,566
Passed Through Missouri Housing Development Commission -			
Home Investment Partnerships Program	14.239	M-07-SG-29-0100	<u>102,558</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 537,822</u>
<b><u>U.S. DEPARTMENT OF THE INTERIOR:</u></b>			
Save America's Treasurers	15.929	N/A	\$ <u>1,296</u>
<b><u>U.S. DEPARTMENT OF JUSTICE:</u></b>			
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	\$ 958
Passed Through Missouri Department of Public Safety -			
Violence Against Women Formula Grant	16.588	2008-VAWA-0008 2007-VAWA-0004	\$ 14,725 <u>17,117</u> 31,842
Bulletproof Vest Partnership Program	16.607	N/A	1,459
Edward Byrne Memorial Justice Assistance Grant	16.738	2007-DJ-BX-1432	\$ 1,852
Passed Through Missouri Department of Public Safety -			
Edward Byrne Memorial Justice Assistance Grant	16.738	2007-LBGJ-139	<u>6,848</u> \$ 8,700
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 42,959</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, 2009

<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 TRANSPORTATION:</u></b>			
Passed Through Missouri Department of Transportation -			
Airport Improvement Program	20.106	AIRE 055-77A 08-77A-1	\$ 68,860 <u>90,076</u> \$ 158,936
Highway Planning and Construction (1)	20.205	DP-1503(002) DP-1503(003) ER-M008(002) STP-1500(014) STP-1500(015) STP-1500(016) SRTS-NI-H280(501) SRTS-INF-H110(002)	\$ 906 35,959 26,699 5,685 124,775 40,000 2,162 <u>67,952</u> \$ 304,138
Highway Safety Cluster:			
State and Community Highway Safety	20.600	09-SA-09-01 08-SA-09-02 09-SA-09-02 08-SA-09-03 09-PT-02-29 08-PT-02-24 LKK058 LKK047	\$ 46,636 29,043 63,173 74,716 2,417 6,915 1,923 <u>474</u> 225,297
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	08-K8-03-16 08-K8-03-18 08-K8-03-17 08-K8-03-19	\$ 3,676 8,360 1,203 <u>703</u> 13,942
Alcohol Open Container Requirements	20.607	LKK033 LKK040	\$ 769 <u>1,517</u> 2,286
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>\$ 704,599</u>
<b><u>ENVIRONMENTAL PROTECTION AGENCY:</u></b>			
Passed Through Missouri Department of Natural Resources -			
Capitalization Grants for Clean Water State Revolving Funds	66.458	C295229	\$ 216,795
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW291010	<u>182,745</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>\$ 399,540</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, 2009

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed Through the Community Caring Counsel - Substance Abuse and Mental Health Services- Projects of Regional and National Significance	93.243	SDA42070104	\$ <u>1,157</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Law Enforcement Officer Reimbursement Program	97.090	N/A	\$ 29,247
Assistance to Firefighters Grant	97.044	N/A	116,638
Passed Through Missouri State Emergency Management Agency - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	#FEMA-1748-DR-MO #FEMA-1749-DR-MO #FEMA-1773-DR-MO #FEMA-1809-DR-MO #FEMA-1822-DR-MO	\$ 4,704 90,279 35,520 163,386 <u>242,440</u> 536,329
Citizen Corps	97.053	2007-GE-T7-0034	<u>20,779</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			\$ <u>702,993</u>
TOTAL FEDERAL AWARDS			<u>\$ 2,490,366</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, 2009

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.



2. FINANCIAL STATEMENT FINDINGS:

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

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

09-1 Procurement and Suspension and Debarment Requirements.

Program:	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CFDA No. 14.228) and Highway Planning and Construction (CFDA No. 20.205).
Criteria:	Internal controls must be in place to provide reasonable assurance that procurement of goods and services are made in compliance with the provisions of the A-102 Common Rule and that covered transactions are not made with a debarred or suspended party.
Condition:	We noted covered transactions with seven different contractors and subcontractors where their status to do business with the federal government was not verified.
Questioned Costs:	None.
Context:	During the year ended June 30, 2009, payments of approximately \$715,500 were made to contractors that qualify as covered transactions. Although none of the recipients were disbarred or suspended, verification of their status was not performed prior to the payments being made.
Effect:	The lack of internal control could allow the City to make ineligible payments without being detected.
Cause:	Management oversight.
Recommendation:	The City should put procedures in place to ensure that when the value of a procurement contract exceeds \$25,000, the principals are not suspended or debarred.

Management's Response:

As of January 1, 2010, the City's grant procedures will be modified to have all requests for payments on grant related projects approved by the City's grant administrator. Such approval will be granted only after all contractors and subcontractors involved have been verified not to be on the Excluded Parties List. Additionally all future contracts on grant related projects will include a certification requirement for the primary contractor stating that no contractor or subcontractor involved with the project will be on the Excluded Parties List.

City of Cape Girardeau, Missouri  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2009

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

08-1 Actual expenditures of the Airport, Motor Fuel, Softball Complex, and Fleet Management Funds exceeded their approved budgets by \$125,798, \$4,532, \$11,523, and \$191,904, respectively.

Status: Implemented.