

CITY OF CAPE GIRARDEAU, MISSOURI
Cape Girardeau, Missouri

For the Year Ended June 30, 2010

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, 2010, 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, 2010, 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 28, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 18 and 77 through 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

Cape Girardeau, Missouri
December 28, 2010

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

The discussion and analysis of the City of Cape Girardeau's financial performance provides an overall review of the City's financial activities for the fiscal year ended June 30, 2010. 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 \$231,392,223 (net assets). Of this amount, \$27,076,606 (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 \$27,452,356. Approximately 44.7 percent of this total amount, \$12,283,807 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 \$944,751 or 4.1 percent of total general fund expenditures and transfers.
- o At the end of the current fiscal year, general fund balance reserved for emergencies was \$3,331,396 or 14.3 percent of total general fund expenditures and transfers. This fund balance had been reduced by \$386,630 in previous years pursuant to an emergency declared as a result of a severe ice storm. The city charter requires that reductions of the fund balance reserved for emergencies as a result of a declared emergency should be replenished at least 10% annually.
- o The City of Cape Girardeau's fixed assets increased \$20,417,215 during the year. Net fixed asset additions of \$30,807,817 were made during the year. Depreciation for the current fiscal year reduced fixed assets by \$10,390,602.
- o The City of Cape Girardeau's total long-term debt decreased by \$5,497,402 (7.1 percent) during the current fiscal year. During the year the City issued special obligation bonds totaling \$1,290,031 (net of premium) to purchase six trash trucks that allowed the City to convert to an automated trash pickup system and received a \$1,000,000 allocation of revenue bonds through the state revolving loan program to complete construction of a water transmission main to its water plant from a new well field. Only \$577,294 of the \$1,000,000 allocation was used during the year. As a result, only \$577,294 was reflected as outstanding debt at the end of the year. Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$7,364,727.

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 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

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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. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary

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

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City of Cape Girardeau, assets exceeded liabilities by \$231,392,223, an increase of \$8,920,730 (4.0%). The City's \$195,266,351 net investment in capital assets (land, buildings, machinery, and equipment less related outstanding debt used to acquire those assets) makes up 84.4% of the City's net assets.

This net investment increased \$12,421,280 (6.8%) 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 (3.9 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 \$128,209 (1.4%) more than the previous year. The remaining balance of net assets (\$27,076,606) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. This reflects a \$3,628,759 (11.8%) 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 Activity		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	36,770,324	51,979,663	13,906,388	14,556,300	50,676,712	66,535,963
Capital assets	163,523,667	149,105,969	98,463,847	92,464,329	261,987,514	241,570,298
Total assets	200,293,991	201,085,632	112,370,235	107,020,629	312,664,226	308,106,261
Long-term liabilities outstanding	40,981,943	44,169,722	24,916,665	25,970,177	65,898,608	70,139,899
Other liabilities	9,924,574	9,474,965	5,448,821	6,019,904	15,373,395	15,494,869
Total liabilities	50,906,517	53,644,687	30,365,486	31,990,081	81,272,003	85,634,768
Net assets:						
Invested in capital assets,						
Net of related debt	124,536,400	119,771,644	70,729,951	63,073,427	195,266,351	182,845,071
Restricted	4,683,514	4,622,706	4,365,752	4,298,351	9,049,266	8,921,057
Unrestricted	20,167,560	23,046,595	6,909,046	7,658,770	27,076,606	30,705,365
Total net assets	149,387,474	147,440,945	82,004,749	75,030,548	231,392,223	222,471,493

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Governmental activities. Governmental activities increased the City of Cape Girardeau's net assets by \$2,872,043 (compared to \$4,078,269 in the previous fiscal year). This amount combined with the use of \$2,879,035 (12.5%) of the previous year's unrestricted net assets funded all of the \$4,764,756 (4.0%) increase in net investments in capital assets during the fiscal year.

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

City of Cape Girardeau's Change in Net Assets						
	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenue:						
Charges for service	4,811,586	3,809,396	12,666,105	12,690,661	17,477,691	16,500,057
Operating grants and contributions	1,141,534	1,611,839	15,451	149,306	1,156,985	1,761,145
Capital grants and contributions	3,983,379	1,667,933	536,030	519,341	4,519,409	2,187,274
General revenues:						
Property taxes	1,954,791	1,944,680	-	-	1,954,791	1,944,680
Sales taxes	23,776,186	21,981,847	-	-	23,776,186	21,981,847
Other taxes	8,224,566	7,990,413	-	-	8,224,566	7,990,413
Other	1,225,489	1,666,740	559,385	743,332	1,784,874	2,410,072
Total revenues	45,117,531	40,672,848	13,776,971	14,102,640	58,894,502	54,775,488
Expenses:						
Administrative	6,049,429	5,559,436	-	-	6,049,429	5,559,436
Capital Improvements	225,344	632,998	-	-	225,344	632,998
Development Services	2,395,163	2,580,985	-	-	2,395,163	2,580,985
Interest and other costs	1,861,055	1,388,445	-	-	1,861,055	1,388,445
Parks and Recreation	4,002,531	3,908,389	-	-	4,002,531	3,908,389
Public Safety	12,583,410	12,512,216	-	-	12,583,410	12,512,216
Public Works	6,731,851	6,181,277	-	-	6,731,851	6,181,277
Sewer	-	-	5,858,412	5,495,680	5,858,412	5,495,680
Water	-	-	5,979,806	5,759,009	5,979,806	5,759,009
Solid Waste	-	-	3,202,022	3,146,307	3,202,022	3,146,307
Golf Course	-	-	508,639	522,990	508,639	522,990
Softball Complex	-	-	616,020	507,154	616,020	507,154
Total expenses	33,848,783	32,763,746	16,164,899	15,431,140	50,013,682	48,194,956
Increase in net assets						
before transfers	11,268,748	7,909,102	(2,387,928)	(1,328,500)	8,880,820	6,580,602
Transfers	(8,396,705)	(3,830,833)	8,396,705	3,830,833	-	-
Increase in net assets	2,872,043	4,078,269	6,008,777	2,502,333	8,880,820	6,580,602
Net assets-beginning of year	147,440,945	143,378,443	75,030,549	72,528,216	222,471,494	215,906,659
Prior period adjustments	(925,514)	(15,767)	965,423	-	39,909	(15,767)
Net assets-end of year	149,387,474	147,440,945	82,004,749	75,030,549	231,392,223	222,471,494

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Revenues from governmental activities

- Charges for service increased \$1,002,190 (26.3%) over the previous year. During the year internal charges, court fines, airport special event revenues, and net margin on fuel sales increased \$180,657 (18.6%), \$49,906 (6.3%), \$432,097 (1298.5%) and 102,929 (51.7%), respectively, from revenues earned in the previous year. Also included in this year's service charges was revenue from Cape Splash which began operations at end of May 1020. Significant decreases from the previous year were: (1) development related user fees were down \$92,400 (36.0%) and (2) Osage Centre rentals were down \$21,400 (23.4%).

Internal staff expense charged to capital projects increased significantly this year reflecting progress made on projects funded by the transportation and parks / stormwater sales taxes during the year. The increase in court fines reflect a 2.9% increases in traffic cases handled during the year. During the current year the City hosted the "Blue Angels" at its air show which was supported by significant ticket sales and sponsorship revenue. In the previous year the City had a scaled down air show at the City's Fourth of July celebration that was supported only by sponsorship revenue. The net revenue from this year's air show was \$10,436 compared to a net loss of \$19,722 in the previous year. The increase in the net margin in fuel sales at the airport reflected a 49.9% increase in the number of gallons of fuel sold at the airport during the past year.

During the previous year, 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 caused significant increases in development related users fees. Similar activity did not reoccur during the current year. Rentals of rooms at the Osage Centre declined this year. Part of this decline could have resulted from the remodeling project that took place during the year.

- Operating grants and contributions were \$470,305 (29.2%) less than the previous year. During the previous year the City received \$365,082 in payments from FEMA and SEMA for the reimbursement of costs associated with various natural disaster events and intergovernmental revenue from the County totaling \$84,558 to upgrade the HVAC system at the Common Pleas Courthouse. No revenues were received from these grants in the current year. This year the City received \$76,064 from a Department of the Interior Preserve America Grant to market the City's Downtown Historic District. No revenues were received from this grant in the previous year. During the current year the City received \$353,451 in payments from various neighborhood improvement grants, \$414,959 from various police operating grants and \$97,795 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 \$473,121, 375,536 and \$116,638, respectively.
- Capital grants and contributions increased \$2,315,446 (138.8%) over the previous year. In the current year \$992,889 of donated assets and infrastructure were recorded. This was \$226,207 (32.5%) more than the previous year. Benefiting property owners were charged \$35,541 for a portion of this year's infrastructure costs. This was \$2,210 (31.1%) more than the previous year. This year grants totaling \$1,395,260, \$577,294, and \$261,964 were received respectively for airport capital projects, water system improvements, and public safety equipment. In the previous year grant totaling \$90,075, \$0, and \$3,212 were received for these projects respectively. The remaining grant and contribution revenue received was \$790,431 which was \$54,202 (6.4%) less than the previous year.
- Property tax revenue was \$10,111 (0.5%) more than the previous year. Final adjusted assessed value of real estate increased \$10,120,678 (2.4%) over the previous year. New construction and annexed property accounted for \$5,797,290 and \$206,470 of this increase, respectively. Final adjusted assessed value of personal property decreased \$5,321,727 (5.2%) over the previous year. State law required the City to decrease its levy rate by .9% during the current year.

CITY OF CAPE GIRARDEAU, MISSOURI

Revenues from governmental activities (continued)

- Sales tax revenue was 52.7% of the total revenue during the current year vs. 53.9% in the previous year. This year's revenue, which included the first full year of a new parks / storm water sales tax that went into effect October 1, 2008, was \$1,794,339 (8.2%) more than the previous year. Excluding the effects of the new tax, sales tax revenue would have increased \$304,224 (1.6%) over the previous year. From fiscal year ending June 30, 2007 through fiscal year ending June 30, 2009 sale tax revenue had annual growth rates of 2.8%, .6%, and (1.6%), respectively
- Other taxes increased \$234,153 (2.9%) from the previous year. Franchise taxes, motor fuel taxes, liquor license grew \$274,159 (7.7%), \$13,693 (1.0%), and \$3,612 (5.6%) respectively. Convention and tourism taxes, business licenses, and other taxes decreased \$43,292 (2.5%), \$7,248 (.6%), and \$6,771 (4.2%) respectively.

Ameren paid 72.4% of the total franchise tax collected during the year based on its electricity and natural gas revenues. During the current year Ameren paid \$62,925 (2.2%) less than the previous year. Payments received on natural gas sales declined \$140,709 (14.7%) from the previous year as a result of natural gas rates being approximately 17.5% lower during the current year. Payments received on electricity sales only increased \$77,784 (4.2%) despite rates that were approximately 10% higher than the previous year. It appeared that mild summer temperatures accounted for a majority of the less than expected revenue growth.

During the current year the City received payments in lieu of franchise taxes from its water and sewer funds totaling \$447,304. This was \$304,356 (212.9%) greater than the previous year. In the current year the water and sewer funds paid 5% of their gross receipts. In the previous year water paid 2.5% of its gross receipts. No payment was made by the sewer fund in the previous year.

Franchise tax paid during the current year by the City's telecommunication and cable TV service providers increased \$30,656 (14.1%) and \$2,072 (.6%), respectively, from the previous year.

The decrease in the convention and tourism taxes was comprised of a \$28,110 (2.5%) increase in restaurant taxes from the previous year which was more than offset by a significant \$71,402 (12.0%) decrease in hotel / motel taxes from the previous year.

- Other revenue decreased \$441,251 (26.59%) over the previous year. Investment earnings, which account for 91.4% of other revenue, decreased \$447,679 (28.5%).

Expenses from governmental activities

- Administrative expenses totaled \$6,049,429 this year which was \$489,993 (8.8%) 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 decreased \$68,342 (5.7%) to \$1,131,426 this year.

CITY OF CAPE GIRARDEAU, MISSOURI

Expenses from governmental activities (continued)

Current revenues collected from the hotel, motel, and restaurant taxes not used for the operation of the Convention Visitors Bureau are committed to 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 \$184,706 on such projects, an increase of \$95,382 (106.8%) from the previous year. At the end of the current year there was still \$400,343 available for expenditure on future tourism related projects.

The current year includes the following significant changes in administrative costs: (1) amounts spent on declared natural disaster weather events declined \$172,891 to \$130,176 (2) amount spent on the annual air show increased \$401,940 to \$457,249 (3) amount spent on Preserve America Grant related expenditures increased \$89,434 to \$90,086.

- Capital improvements expenses totaled \$225,344 this year which was \$407,654 (64.4%) less 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 \$2,395,163 this year which was \$185,822 (7.2%) less than the previous year. During the current fiscal year the City made economic development payments totaling \$165,169 as reimbursements on development agreements entered into in previous fiscal years. These payments were \$21,322 (14.8%) more than were made in the previous year.

During the previous 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. No similar costs were included in the current year. Other significant changes in the current year's development service costs were personnel costs decreased \$67,739 (4.1%) and neighborhood improvement projects costs increased \$130,766 (54.5%).

- Interest and other costs totaled \$1,861,055 this year which was \$472,610 (34.0%) more than the previous year. In March 2009 the City issued \$19,885,000 of bonds to finance various park and storm water projects. Interest and other costs incurred on these bonds increased \$650,174 from the previous year to \$836,500. 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 and other costs incurred on these bonds increased \$5,853 from the previous year to \$5,868. Scheduled principal and interest payments were made on all remaining debt during the year.
- Parks and recreation expenses totaled \$4,002,531 this year which was \$94,142 (2.4%) more than the previous year. This year's expenditures include \$38,622 in equipment and vehicle purchases that did not meet the City's \$5,000 capitalization threshold. In the previous year this amount was \$253,008. All of these expenditures were funded by a new sales tax that went into effect October 1, 2008.

This year's expenditures include \$143,282 in operating expenses from Cape Splash. This new family aquatic park opened Memorial Day weekend and was constructed using the parks / storm water sales tax.

This year's expenditures also include additional depreciation and personnel costs. Depreciation expense increased \$107,812 (27.60%) over the previous year. This mainly resulted from equipment purchases and facility construction funded by the parks / storm water sales tax. Personnel costs, excluding Cape Splash, included in this years expenses totaled \$2,386,779 which was \$75,121 (3.2%) greater than the previous year.

CITY OF CAPE GIRARDEAU, MISSOURI

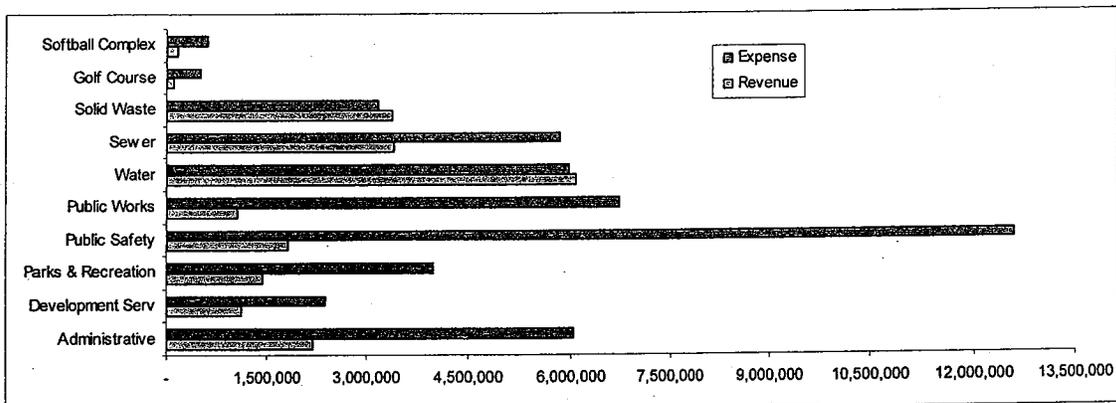
Expenses from governmental activities (continued)

- Public safety expenses totaled \$12,583,410 this year which was \$71,194 (0.6%) more than the previous year. Personnel costs totaled \$10,220,156 during the current year. This was \$59,439 (.6%) less than the previous year. Personnel costs include 3 fire fighter positions that were partially funded by a grant. Associated grant revenue totaling \$97,796 is included in the City's operating grant and contribution revenue for the current year.

Public safety expenses include \$252,578 for communication, rescue, and other equipment. These costs were totally funded by three grants whose revenue is reflected in the City's capital grant and contribution revenue for the current year. During the previous year public safety expenses included \$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 was included in the City's capital grant and contribution revenue for that year.

- Public works expenses totaled \$6,731,851 this year which was \$550,574 (8.9%) more than the previous year. Included in this year's expenses is depreciation expense totaling \$4,475,895 which was \$532,538 (13.5%) more than the previous year and personnel costs totaling \$1,064,708 which was \$59,850 (5.3%) less than the previous year.

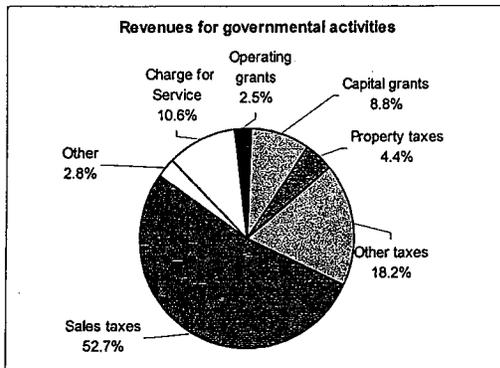
The current year includes the following significant changes in public works expenditures: (1) amounts spent on fleet maintenance declined \$53,128 (22.3%) to \$184,969 (2) internal lease charges for equipment increased \$42,146 (26.4%) to \$202,026 (3) amount spent on street maintenance and snow removal supplies increased \$71,599 (59.6%) to \$191,730.



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 (52.7%), other taxes (18.2%) and charges for services (10.6%).

The City's general sales tax represents 36.7 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 63.4% and 56.4% of the other tax and service charge revenue respectively. This represents 26.9% and 14.0% of the total general fund revenues respectively.

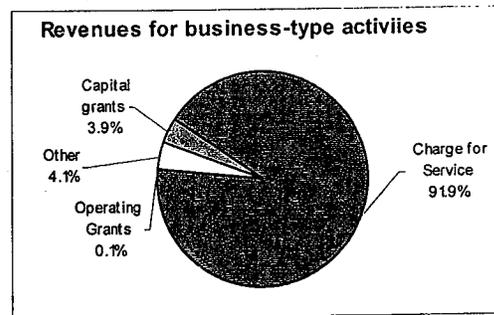
Business-type activities. Business-type activities increased the City of Cape Girardeau's net assets by \$6,008,777 (compared to \$2,502,333 in the previous fiscal year). Excluding transfers from government activities, business-type net assets decreased \$2,387,928 and \$1,328,500, respectively, during the last two years. These decreases were offset by transfers from governmental activities totaling \$8,396,705 and \$3,830,833, respectively, during the past two years.

Transfers of sales tax revenue for bond payments totaling \$1,750,307 and operating subsidy transfers from the general and parks / storm water sales tax funds totaling \$879,323 make up 20.8% and 10.5% of this year's total transfers, respectively. Last year these transfers totaled \$2,210,261 and \$670,851, respectively and represented 57.7% and 17.5% of

that year's transfers. Transfers of water system improvements to the water fund increased

\$1,861,702 from the previous year to \$2,696,528 this year. Park and stormwater system improvements totaling \$2,552,677 and \$273,158 were transferred to the sewer, golf, and softball complex funds this year.

The net change in assets before transfers and general revenues in the sewer, water, solid waste, golf, and softball operations totaled \$(2,424,206), \$107,013, 208,590, \$(401,639), and \$(437,070), respectively, this year. This compares to \$(2,155,036), \$402,981, 233,186, \$(203,158), and \$(349,806), respectively, in the previous year.



Financial Analysis of the City's Funds

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

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

As of June 30, 2010, the City's governmental funds reported combined ending fund balances of \$27,452,356, a decrease of \$15,412,423 (36.0%) from the prior year. Unreserved fund balances, which are available for spending at the City's discretion, account for \$12,283,807 (44.7%) of the total fund balances.

CITY OF CAPE GIRARDEAU, MISSOURI

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 (\$4,163,333), 2) to fund purchase orders open at the end of the year (\$9,365,628), 3) to set aside fund balance not currently available for expenditure equal to long-term loans due from other City funds (\$996,954), 4) to pay debt service (\$243,939), and 5) restricted to a specific use (\$398,696).

The general fund is the chief operating fund of the City. At the end of fiscal year ending June 30, 2010, unreserved fund balance of the general fund was \$944,751 while total fund balance was \$5,520,348. 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 4.1 percent of total general fund expenditures including transfers. However, included in the reserved fund balance is \$3,331,396, which had been reserved to meet the City Charter's emergency reserve requirement. This amount represents 14.3 percent of total general fund expenditures including transfers and could be used if an emergency was declared by the City Council.

The Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance shows that the total fund balance of the City of Cape Girardeau's general fund increased by \$575,278 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 \$617,724. 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, 2010 had a surplus of revenues over expenditures of \$336,436. The actual general fund results increased fund balances by \$617,724. Significant deviations from this budget are detailed below:

- o Sales tax revenue was \$84,776 (1.55%) more than the previous year, which was \$84,776 (.98%) more than projected for the adopted budget. The adopted budget projected revenues that were 1% below actual fiscal year ending June 30, 2008 revenues. Actual revenue

for fiscal year ending June 30, 2009 declined 1.56% from than the previous year.

- o Franchise tax revenue was \$274,159 (7.7%) more than the previous year. The main factor leading to this increase was a \$304,356 (212.9%) increase in revenues collected from the water and sewer funds for payments in lieu of taxes. During the current year both funds' payments were based on 5% of their gross receipts. In the previous year the water fund paid the payment in lieu of taxes based on 2.5% of its gross receipts. No payment was made by the sewer fund in the previous year.

During the current year Ameren, the City's provider of natural gas and electricity, paid \$62,925 (2.2%) less franchise tax than the previous year. Payments received on natural gas sales declined \$140,709 (14.7%) from the previous year as a result of natural gas rates being approximately 17.5% lower during the current year. Payments received on electricity sales only increased \$77,784 (4.2%) despite rates that were approximately 10% higher than the previous year. Mild summer temperatures accounted for a majority of the less than expected revenue growth from electricity sales.

Franchise tax paid during the current year by the City's telecommunication and cable TV service providers increased \$30,656 (14.1%) and \$2,072 (.6%), respectively, from the previous year.

Franchise tax revenue was \$7,538 (.2%) more than projected for the adopted budget. Franchise taxes from telecommunications and City's water and sewer exceeded their budgets by \$68,128 (38.0%) and \$12,629 (2.9%). Franchise taxes from electric and natural gas utilities and cable TV fell short of meeting their by \$61,974 (2.2%) and \$11,245 (3.0%).

- o Real estate and personal property tax revenue increased \$9,111 (.6%) over the previous year and was \$17,813 (1.1%) less projected for the budget.

The final assessed values for real estate grew 2.4% while the final assessed values for personal property declined 5.2% from the previous year. The adopted budget for the fiscal year ending June 30, 2010 had assumed 1.0% and 0.0% assessed value growth respectively.

CITY OF CAPE GIRARDEAU, MISSOURI

- o Business license revenue declined \$7,248 (.6%) over the previous year but still exceeded the projected budget by \$31,243 (2.8%). The adopted budget for fiscal year ending June 30, 2010 had projected revenue that was 3.6% less than fiscal year ending June 30, 2008 actual.
- o Other license and permit revenue was \$19,252 (8.1%) lower this year than the previous year which was \$7,919 (3.8%) more than projected for the budget. Permit revenue associated with the local hospitals' expansion projects that occurred in the previous year caused that year's results to be better than the current year.
- o Intergovernmental revenue exceeded revenue projected for the budget by \$360,943 (61.2%). This year's intergovernmental revenue included \$263,702 in revenues from various public safety capital grants and \$89,064 in disaster relief payments from state and federal agencies to make repairs to streets and other items damaged during the previous year's natural disasters.
- o Service charges were \$73,371 (22.4%) less than the previous year and were \$41,966 (14.1%) less than projected in the budget. During the previous year the City received significant development and plan review fees from one residential development and three commercial developments and as result that year's results were significantly better than the current year.
- o Internal charges were \$186,682 (17.1%) greater than the previous year which was \$128,778 (11.2%) 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 \$49,906 (6.3%) greater than the previous year which was \$43,110 (5.4%) more than projected in the budget. There was a 2.9% increase in traffic violation cases during the years. The adopted budget for fiscal year

ending June 30, 2010 had assumed revenue levels equal to calendar year 2008.

- o During the current fiscal year expenditures were \$39,751 (.2%) more than original budget. Debt service and capital expenditures were less than their original budgets by \$12,025 (6.4%) and \$5,747 (5.0%). Current operating expenditures were \$57,523 (.3%) more than the original budget.

- o Transfers to other funds for operating subsidies were \$23,890 (.6%) less than original budget while transfers for capital expenditures exceeded their original budgets by \$262,323 (3279.0%). Additional transfers for park projects, neighborhood redevelopment, and a downtown parking lot accounted for \$242,014 of the additional transfers.

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

General Fund Budgetary Highlights

Total expenditures and transfers on the final amended budget were \$827,638 (3.6%) more than the original adopted budget. The changes that were appropriated by the City Council can be summarized as follows:

- o \$134,500 to cover costs associated with flash flooding, river flooding and winter storm events that occurred during the previous year which are included in the current year's contingent expenses. These costs were funded by disaster relief payments from state and federal agencies.
- o \$46,000 to cover additional personnel costs and various other operating costs included the current year's parks and recreation expenses.
- o \$38,650 to cover additional election costs and various other operating costs included the current year's administrative expenses.
- o \$15,000 to cover an economic development payment that inadvertently left out of the

CITY OF CAPE GIRARDEAU, MISSOURI

original budget. This payment is included in the current year's development services expenses.

- o \$253,788 to cover additional grant and donation funded operating expenses included in current public safety expenses. The additional operating expenses were funded by previous years' unspent donation revenue and unexpected grants received during the current year.
- o \$6,000 to cover interfund interest costs included in the current years interest expense.
- o \$100,000 to cover costs of grant funded communication equipment included in public safety capital expenses. The additional costs were funded by unexpected grants received during the current year.
- o \$13,000 to cover cost of the roof replacement of the Lorimier Cemetery Mausoleum. This cost is included in parks and recreation capital expenses
- o \$80,000 general fund transfers to the airport and parks and recreation fund to cover the costs of projected operating deficits. Only \$18,547 of this appropriation was actually used.
- o \$54,000 general fund transfer to the community development block grant fund to cover a portion of the local cost of a new downtown parking lot.
- o \$32,000 general fund transfer to the housing development grant fund to cover additional local match portion of various neighborhood improvement grants.
- o \$44,000 general fund transfer to the equipment replacement fund to transfer estimated proceeds of assets sales.

- o \$10,000 general fund transfer to the public safety trust fund to cover the cost of the increased estimated amount that could be available to be transferred based on projected sales tax revenue.

Unused appropriations of development services (\$113,000) were transferred to administrative in current operating expenses.

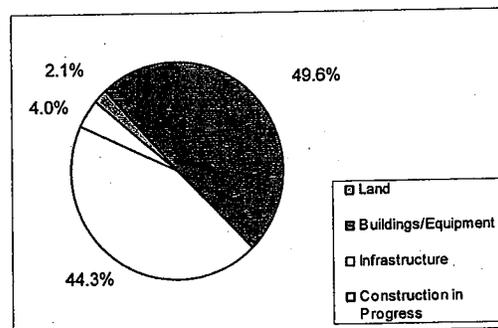
Excess general fund revenues and unrestricted fund balances were used to fund all appropriations that did not have an identified funding source.

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

Capital Assets and Debt Administration

Capital Assets. The City of Cape Girardeau's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounts to \$261,987,514 (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			
	2010	2009	2010	2009	2010	2009
Land	5,375,506	5,370,111	161,990	161,990	5,537,496	5,532,101
Buildings and system improvements	18,493,406	12,253,179	2,089,527	2,204,432	20,582,933	14,457,611
Improvements other than buildings	11,666,628	9,890,277	86,516,462	85,769,063	98,183,090	95,659,340
Equipment	6,082,188	5,902,960	5,049,330	3,058,396	11,131,518	8,961,356
Infrastructure	115,973,947	107,513,636	-	-	115,973,947	107,513,636
Construction in progress	5,931,992	8,175,806	4,646,538	1,270,448	10,578,530	9,446,254
Total	163,523,667	149,105,969	98,463,847	92,464,329	261,987,514	241,570,298

- o \$33,290 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 \$3,022,646 on water system projects were incurred this year. Major water system improvements included the installation of a new raw water line, the addition of water main extensions and continuation of the two-inch water main replacement program.
- o Construction costs totaling \$805,826 were incurred for other improvements. These projects included, traffic signal upgrades, parking lot improvements in the downtown area, and trail construction.

- o Major improvements to the Airport's Airfield, South Ramp and Taxiway amounted to \$1,419,857 in construction costs. These were primarily funded by an American Reinvestment and Recovery Act grant and State Entitlement money.
- o Police and fire station improvements in the amount of \$149,857 were made possible by the passage of a Fire Sales Tax.
- o In April 2008 voters approved a ½ cent sales tax to pay for storm water and park improvement projects. \$270,362 and \$12,675,297 were spent respectively during the current year on these projects.

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

- o Construction costs totaling \$7,321,719 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. \$33,290 in costs was also incurred during the year on street projects not included on the transportation sales tax list of 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 2010						
	Governmental		Business-type		Total	
	Activity		Activities			
	2010	2009	2010	2009	2010	2009
Notes payable	737,605	1,317,125	930,125	457,875	1,667,730	1,775,000
Special obligation bonds	5,661,524	6,471,913	1,289,046	184,577	6,950,570	6,656,490
Revenue bonds	16,362,923	17,455,594	25,770,915	29,107,986	42,133,838	46,563,580
Certificates of participation	2,100,173	2,235,209	-	-	2,100,173	2,235,209
General obligation bonds	-	-	-	-	-	-
Leasehold revenue bonds	18,602,621	19,722,056	-	-	18,602,621	19,722,056
	<u>43,464,846</u>	<u>47,201,897</u>	<u>27,990,086</u>	<u>29,750,438</u>	<u>71,454,932</u>	<u>76,952,335</u>

Long-term debt. At the end of the fiscal year, the City of Cape Girardeau had total debt outstanding of \$71,454,932. Bonded debt outstanding totaling \$42,133,838 is secured by revenues of the sewer and water funds and capital improvement sales taxes. The repayment of the remaining debt is subject to annual appropriations.

The City's total debt decreased by \$5,497,403 (-7.1%) during the year. During the year the City received a \$1,000,000 ARRA direct loan commitment from the State of Missouri to be used to complete the new raw water transmission main. At the end of the current year the City had used \$577,294 of the \$1,000,000 commitment. Regularly scheduled principal payments and amortization of bond premiums / discounts resulted in outstanding long-term debt being reduced by \$6,074,697.

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 reflects the national economy. Values of commercial and residential permits issued during the year were 44.3% and 34.7%, respectively, below the previous year's values and were 19.2% and 70.2

respectively below, fiscal year ending June 30, 2007 values.

Commercial and residential permits valued at \$26.7 million and \$8.1 million were issued this year. Commercial and residential permits valued at \$47.9 million and \$12.4 million were issued in the previous year. Only 34 single family residence building permits totaling \$5,222,898 were issued during the current year compared to 33 totaling \$6,892,992 in the previous year. Commercial permits during the previous year included major projects at the two City hospitals and the construction of a senior citizen's apartment complex. No similar commercial projects were constructed this year.

Local employment continues to be stronger than state and national employment. The Cape Girardeau County unadjusted unemployment rate was only 7.3% in October 2010. This compares favorably with the statewide and national unadjusted unemployment rates which were of 9.4% and 9.6% respectively. The unemployment rates were 6.5%, 8.9% and 9.6% for the county, state, and nation, respectively, for the previous October. City construction projects related to its transportation sales tax and parks and stormwater sales provide significant support to local construction employment.

During the previous year Thorngate Ltd., a high-end men's clothing manufacturer, ceased operations at its Cape Girardeau plant. As a result 310 jobs were lost.

CITY OF CAPE GIRARDEAU, MISSOURI

Within in the past 2 months developments have been announced that will eventually replace these jobs.

In October 2010 TJ Maxx opened a store in the former Goody's store that had closed more 1.5 years ago. This store may produce an additional 30 jobs.

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

Taxable sales subject to the City's general sales tax increased 1.55% during the current year. Since the City is heavily dependent on sales tax revenue for support of its general fund services, any growth of local retail sales can have a positive impact on the City's ability to fund services in the future.

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

Stagnant retail economy. Sales tax is a significant revenue source of the City and is a barometer of the local economy. In the current year sales tax revenue from the general sales tax increased 1.6% while inflation grew at .8%. In the previous year sales tax revenue from the general sales tax decreased 1.6% while inflation grew at 1.9 %.

Although there has been some sales tax revenue increase during the past 3 years, there has been almost no cumulative growth during those years. Sales tax revenue for the fiscal year ending June 30, 2010 was only .5% more than it was for the fiscal year ending June 30, 2007. During that timeframe inflation averaged increasing 2.1% per year.

The City's restaurant gross receipt tax increased 2.5% while the hotel/motel gross receipt tax decreased 12.0% during the current year. In the previous year they increased 3.2% and 2.0%, 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>				
	FY07	FY08	FY09	FY10
Cape Girardeau	40.9%	41.2%	41.1%	41.7%
Carbondale	28.4%	28.6%	27.7%	27.9%
Jackson	10.2%	9.9%	9.9%	9.5%
Perryville	7.1%	7.1%	7.4%	7.4%
Sikeston	13.4%	13.2%	13.9%	13.5%
	100.0%	100.0%	100.0%	100.0%

The previous table, which includes the City of Cape Girardeau and significant retail centers within a 50 mile radius, shows the percentage of estimated sales made by each City to the total estimated sales of the five cities. During the current year is appears City's share of the local market has increased significantly compared to the other years.

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 \$165,169 during the current year. Payments totaling \$806,999 have been made since the beginning of these agreements.

During the year the City spent \$62,968 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.

CITY OF CAPE GIRARDEAU, MISSOURI

Budget for fiscal year ending June 30, 2011 and financial condition The adopted general fund budget for the fiscal year ending June 30, 2011, was projected to produce a \$36,791 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 a 1% wage increase effective July 1, 2010 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 \$20,450 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 only increased 7.1% January 1, 2010 and will not increase on January 1, 2011.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

City of Cape Girardeau
Statement of Net Assets

For the Year Ended June 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,838,890.24	\$ 378,600.58	\$ 3,217,490.82
Investments	26,191,279.82	5,640,952.83	31,832,232.65
Taxes receivable	4,015,476.46	-	4,015,476.46
Utility charges receivable	-	1,703,500.51	1,703,500.51
Special assessments receivable	645,347.61	80,563.62	725,911.23
Interest receivable	122,047.33	32,929.63	154,976.96
Other receivables	348,665.70	23,777.52	372,443.22
Notes receivable	261,457.27	-	261,457.27
Motor fuel receivable	117,563.00	-	117,563.00
Grants receivable	678,296.74	13,831.00	692,127.74
Internal balances	745,515.85	(745,515.85)	-
Inventory	200,250.63	449,051.46	649,302.09
Prepaid items	605,533.42	270,557.21	876,090.63
Restricted cash and cash equivalents	-	2,809,075.25	2,809,075.25
Restricted investments	-	3,249,063.89	3,249,063.89
Land	5,375,505.65	161,989.55	5,537,495.20
Buildings	18,493,406.31	2,089,527.02	20,582,933.33
Other improvements	11,666,628.23	86,516,461.83	98,183,090.06
Equipment	6,082,188.16	5,049,330.15	11,131,518.31
Infrastructure	115,973,946.34	-	115,973,946.34
Construction in process	5,931,992.21	4,646,538.51	10,578,530.72
Total assets	\$ 200,293,990.97	\$ 112,370,234.71	\$ 312,664,225.68

City of Cape Girardeau
Statement of Net Assets
For the Year Ended June 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	\$ 2,844,483.00	\$ 743,135.53	\$ 3,587,618.53
Salaries and benefits payable	1,486,216.41	280,180.30	1,766,396.71
Interest payable	628,132.34	474,682.44	1,102,814.78
Other liabilities	282,353.66	563,650.05	846,003.71
Estimated claims	651,000.00	-	651,000.00
Due to other governments	2,504.85	62,168.61	64,673.46
Unearned revenues	69,365.00	-	69,365.00
Estimated landfill post closure costs	-	49,000.00	49,000.00
Current portion long-term debt:			
Notes payable	44,919.00	30,004.00	74,923.00
Revenue bonds payable	1,110,000.00	3,111,000.00	4,221,000.00
Certificates of participation payable	140,000.00	-	140,000.00
Leasehold revenue bonds payable	1,855,600.00	-	1,855,600.00
Special obligation bonds payable	810,000.00	135,000.00	945,000.00
Long-term debt net of current portion:			
Notes payable	692,686.03	900,121.00	1,592,807.03
Revenue bonds payable	15,830,217.07	22,659,914.99	38,490,132.06
Certificates of participation payable	1,960,172.82	-	1,960,172.82
Leasehold revenue bonds payable	16,169,727.11	-	16,169,727.11
Special obligation bonds payable	4,851,524.37	1,154,046.14	6,005,570.51
Net OPEB Obligation	1,477,615.00	202,583.00	1,680,198.00
Total liabilities	<u>50,906,516.66</u>	<u>30,365,486.06</u>	<u>81,272,002.72</u>
NET ASSETS			
Invested in capital assets, net of related debt	124,536,400.46	70,729,950.61	195,266,351.07
Restricted for debt service	245,669.71	1,108,333.33	1,354,003.04
Restricted for depreciation and replacement	-	1,427,000.00	1,427,000.00
Restricted for emergency fund	4,163,333.00	1,830,419.00	5,993,752.00
Restricted for Mausoleum	108,631.01	-	108,631.01
Restricted for River Campus Project	148,614.50	-	148,614.50
Restricted for Local Access Channel	6,578.70	-	6,578.70
Restricted for Operation and Maintenance	10,686.48	-	10,686.48
Unrestricted	20,167,560.45	6,909,045.71	27,076,606.16
Total net assets	<u>\$ 149,387,474.31</u>	<u>\$ 82,004,748.65</u>	<u>\$ 231,392,222.96</u>

City of Cape Girardeau
Statement of Activities

For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
Administrative	\$ 6,049,428.89	\$ 1,811,138.21	\$ 247,063.95	\$ 149,067.11	\$ (3,842,159.62)	\$ -	\$ (3,842,159.62)
Capital Improvements	225,343.81	-	-	2,318,404.98	2,093,061.17	-	2,093,061.17
Development Services	2,395,162.64	768,056.52	353,451.31	-	(1,273,654.81)	-	(1,273,654.81)
Interest and other costs	1,861,054.64	-	-	-	(1,861,054.64)	-	(1,861,054.64)
Parks and Recreation	4,002,531.33	1,114,935.53	150.00	313,495.43	(2,573,950.37)	-	(2,573,950.37)
Public Safety	12,583,409.97	970,998.43	539,089.95	302,368.12	(10,770,953.47)	-	(10,770,953.47)
Public works	6,731,851.05	146,457.48	1,778.72	900,043.11	(5,683,571.74)	-	(5,683,571.74)
Total governmental activities	33,848,782.33	4,811,586.17	1,141,533.93	3,983,378.75	(23,912,283.48)	-	(23,912,283.48)
Business-type Activities:							
Golf Course	508,639.09	99,536.77	-	7,463.00	-	(401,639.32)	(401,639.32)
Sewer	5,858,411.72	3,206,986.13	439.51	226,780.22	-	(2,424,205.86)	(2,424,205.86)
Softball Complex	616,019.93	178,949.99	-	-	-	(437,069.94)	(437,069.94)
Solid Waste	3,202,021.60	3,245,614.50	14,996.90	150,000.00	-	208,589.80	208,589.80
Water	5,979,806.37	5,995,017.37	15.30	151,786.60	-	107,012.90	107,012.90
Total business-type activities	16,164,898.71	12,686,104.76	15,451.71	536,029.82	-	(2,947,312.42)	(2,947,312.42)
Total primary government	\$ 50,013,681.04	\$ 17,477,690.93	\$ 1,156,985.64	\$ 4,519,408.57	(23,912,283.48)	(2,947,312.42)	(26,859,595.90)

City of Cape Girardeau
Statement of Activities

For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
				Governmental Activities	Business-type Activities	Total
General revenues:						
Property taxes		1,954,791.09		1,954,791.09	-	1,954,791.09
Sales taxes		23,776,185.50		23,776,185.50	-	23,776,185.50
Franchise taxes		3,838,121.58		3,838,121.58	-	3,838,121.58
Motor fuel taxes		1,331,814.15		1,331,814.15	-	1,331,814.15
Convention and tourism taxes		1,675,659.48		1,675,659.48	-	1,675,659.48
Merchant licenses		1,156,242.95		1,156,242.95	-	1,156,242.95
Liquor licenses		68,399.14		68,399.14	-	68,399.14
Other taxes		154,329.54		154,329.54	-	154,329.54
Unrestricted grants and contributions		25,214.27		25,214.27	-	25,214.27
Unrestricted investment earnings		1,120,633.97		1,120,633.97	506,440.93	1,627,074.90
Gain on sale of assets		79,640.54		79,640.54	49,643.06	129,283.60
Other non-operating revenue		-		-	3,301.00	3,301.00
Transfers		(8,396,704.71)		(8,396,704.71)	8,396,704.71	-
Total general revenues		26,784,327.50		26,784,327.50	8,956,089.70	35,740,417.20
Change in net assets		2,872,044.02		2,872,044.02	6,008,777.28	8,880,821.30
Net assets - beginning		147,440,944.51		147,440,944.51	75,030,548.85	222,471,493.36
Prior period adjustment		(925,514.22)		(925,514.22)	965,422.52	39,908.30
Net assets - ending		\$ 149,387,474.31		\$ 149,387,474.31	\$ 82,004,748.65	\$ 231,392,222.96

Primary government:
 Governmental activities:

FUND FINANCIAL STATEMENTS

City of Cape Girardeau
Balance Sheet
Governmental Funds

For the Year Ended June 30, 2010

	General	Airport	Park and Recreation	Trans Sales Tax Trust Fund III	Park Proj from Parks Sales Tax	Other Governmental Funds	Total Governmental Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 106,242.35	\$ 101,174.00	\$ 33,746.45	\$ 326,859.54	\$ 139,326.23	\$ 1,852,062.17	\$ 2,589,410.74
Investments	2,583,811.91	297,547.13	354,643.01	4,870,957.83	5,308,685.72	8,806,459.64	22,222,105.24
Receivables-							
Real estate taxes, net	54,377.53	-	-	-	-	19,958.01	74,335.54
Personal property taxes, net	10,981.50	-	-	-	-	2,054.00	13,035.50
Sales tax	812,235.99	-	-	399,017.87	-	1,011,614.69	2,222,868.55
Franchise taxes	1,556,622.37	-	-	-	-	-	1,556,622.37
Hotel & motel tax	-	-	-	-	-	57,237.31	57,237.31
Restaurant tax	-	-	-	-	-	91,377.19	91,377.19
Special assessments	118,673.39	-	-	-	-	526,674.22	645,347.61
Other	13,774.54	184,078.90	134,777.22	-	682.50	2,404.71	335,717.87
Interest	8,619.08	1,258.31	1,661.25	18,189.15	33,445.10	45,329.59	108,502.48
Motor fuel tax	-	-	-	-	-	85,464.90	85,464.90
Vehicle license fees	-	-	-	-	-	12,524.18	12,524.18
Motor vehicle sales tax	-	-	-	-	-	19,573.92	19,573.92
Grants	155,852.12	85,160.86	19.51	65,788.97	-	371,204.77	678,026.23
Other funds	90,825.45	-	-	-	-	7,588.44	90,825.45
Inventory	113.95	47,629.39	10,715.12	-	-	-	66,046.90
Prepaid items	71,886.24	17,846.50	4,148.72	-	-	28,571.49	122,454.95
Total Current assets:	5,584,018.42	734,695.09	539,711.28	5,680,813.36	5,482,139.55	12,970,099.23	30,991,476.93
Noncurrent assets:							
Advances to other funds	996,953.83	-	-	-	-	-	996,953.83
Total Noncurrent assets:	996,953.83	-	-	-	-	-	996,953.83
Total assets	\$ 6,580,972.25	\$ 734,695.09	\$ 539,711.28	\$ 5,680,813.36	\$ 5,482,139.55	\$ 12,970,099.23	\$ 31,988,430.76

City of Cape Girardeau
Balance Sheet
Governmental Funds

For the Year Ended June 30, 2010

	General	Airport	Park and Recreation	Trans Sales Tax Trust Fund III	Park Proj from Parks Sales Tax	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES							
Current liabilities:							
Accounts payable	\$ 269,817.74	\$ 566,028.57	\$ 113,646.12	\$ 339,154.14	\$ 1,061,971.72	\$ 346,782.26	\$ 2,697,400.55
Salaries and benefits payable	432,383.34	29,836.65	90,313.82	-	1,291.80	4,337.74	558,163.35
Other liabilities	166,548.01	47,138.80	32,076.46	-	-	36,590.39	282,353.66
Due to other governments	-	298.21	-	-	-	2,206.64	2,504.85
Payable to other funds	-	-	-	-	-	90,825.45	90,825.45
Unearned revenues	15,000.00	1,540.00	52,825.00	-	-	-	69,365.00
Deferred revenues	176,875.05	-	-	-	-	658,586.39	835,461.44
Total Current liabilities:	1,060,624.14	644,842.23	288,861.40	339,154.14	1,063,263.52	1,139,328.87	4,536,074.30
Non current liabilities:							
Advances from other funds	-	-	-	-	-	-	-
Total Non current liabilities:	-	-	-	-	-	-	-
Total liabilities:	1,060,624.14	644,842.23	288,861.40	339,154.14	1,063,263.52	1,139,328.87	4,536,074.30
Fund balances:							
Reserved	4,575,597.49	24,112.53	19,737.99	4,471,861.59	2,853,324.12	3,223,916.15	15,168,549.87
Unreserved	944,750.62	65,740.33	231,111.89	869,797.63	1,565,551.91	8,606,854.21	12,283,806.59
Total fund balances	5,520,348.11	89,852.86	250,849.88	5,341,659.22	4,418,876.03	11,830,770.36	27,452,356.46
Total liabilities and fund balances	\$ 6,580,972.25	\$ 734,695.09	\$ 539,711.28	\$ 5,680,813.36	\$ 5,482,139.55	\$ 12,970,099.23	\$ 31,988,430.76

City of Cape Girardeau
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Assets
 For the Year Ended June 30, 2010

Fund balances of governmental funds	\$ 27,452,356.46
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(44,358,164.31)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$61,223,256.64.	161,650,958.56
Internal service funds are used by management to charge the costs of management information systems, fleet management, employee fringe benefits, workmen's compensation, and equipment replacement to individual funds.	5,306,452.75
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	835,461.44
Other accrued expenses which are not payable from current-period revenues are included in governmental activities in the statement of net assets.	(1,499,590.59)
Net assets of governmental activities	\$ 149,387,474.31

City of Cape Girardeau
Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2010

	General	Airport	Park and Recreation	Trans Sales Tax Trust Fund III	Park Projects from Parks Sales Tax	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 14,368,882.32	\$ -	\$ -	\$ 4,234,117.43	\$ -	\$ 12,820,044.81	\$ 31,423,044.56
Licenses & permits	1,373,912.14	-	-	-	-	679.00	1,374,591.14
Intergovernmental	934,598.71	228,781.54	-	16,400.90	-	4,360,025.38	5,539,806.53
Charges for services	254,863.29	793,093.97	928,465.11	-	-	-	1,976,422.37
Internal charges	1,177,813.80	-	1,692.32	-	-	-	1,179,506.12
Fines and forfeits	838,110.26	-	-	-	-	-	838,110.26
Miscellaneous	277,451.63	182,400.10	12,551.30	-	5,500.00	2,695.00	480,598.03
Investment revenue	142,706.87	4,539.12	4,474.05	177,309.98	116,382.05	495,028.47	940,440.54
Special assessments	14,312.36	-	-	-	-	270,981.01	285,293.37
Total revenues	19,362,651.48	1,209,614.73	947,182.78	4,427,828.31	121,882.05	17,949,453.67	44,037,813.02
EXPENDITURES							
Current:							
Administrative	1,789,600.24	1,624,082.37	-	-	-	1,959,259.25	5,372,941.86
Development Services	1,841,502.69	-	-	68,376.79	-	462,827.75	2,372,707.13
Parks and Recreation	1,736,742.34	-	1,669,871.10	-	-	-	3,406,613.44
Public Safety	11,276,321.82	-	-	-	-	338,845.11	11,615,166.93
Public Works	2,230,882.71	-	-	-	-	-	2,230,882.71
Debt Service:							
Administrative charges	470.25	-	-	-	-	65,780.01	66,250.26
Interest	72,967.94	-	20.48	-	-	1,711,400.43	1,784,388.85
Issuance cost	-	-	-	-	-	17,000.00	17,000.00
Principal	101,285.34	-	-	-	-	4,087,844.97	4,189,130.31
Capital outlay	79,103.38	-	15,159.88	6,328,329.58	12,672,288.77	7,037,917.11	26,132,798.72
Total expenditures	19,128,876.61	1,624,082.37	1,685,051.48	6,396,706.37	12,672,288.77	15,680,674.63	57,187,660.21
Excess (deficiency) of revenues over expenditures	233,774.87	(415,267.64)	(737,868.69)	(1,968,878.06)	(12,550,406.72)	2,268,779.04	(13,149,867.19)
OTHER FINANCING SOURCES (USES)							
Transfers out	(4,154,293.06)	(261,782.00)	(1,946.17)	-	(435,125.73)	(8,837,414.31)	(13,690,561.27)
Transfers in	4,431,820.86	676,927.95	913,460.35	923,000.00	647,477.80	3,206,147.21	10,798,834.17
Bond proceeds	-	-	-	-	-	577,293.70	577,293.70
Asset disposition	43,975.18	131.60	18,878.02	-	-	-	62,984.80
Total other financing sources and uses	321,502.98	415,277.55	930,392.20	923,000.00	212,352.07	(5,053,973.40)	(2,251,448.60)
Net Change in fund balances	575,277.85	9.91	192,523.52	(1,045,873.06)	(12,338,054.65)	(2,785,194.36)	(15,401,315.79)
Fund balances - beginning	4,963,577.11	89,842.95	58,326.36	6,380,137.28	16,756,930.68	14,615,964.72	42,864,779.10
Prior period adjustment	(18,506.85)	-	-	7,400.00	-	-	(11,106.85)
Fund balances - ending	\$ 5,520,348.11	\$ 89,852.86	\$ 250,849.88	\$ 5,341,659.22	\$ 4,418,876.03	\$ 11,830,770.36	\$ 27,452,356.46

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
 \$ (15,401,315.79)

Amounts reported for governmental activities in the statement of activities are different because:

Reductions of debt are reported in the fund financial statements as an expense but are not included in the government wide statement of activities. 2,887,228.52

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. 15,050,140.86

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. 595,655.88

Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds. (284,375.28)

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. 24,708.83

Change in net assets of governmental activities
\$ 2,872,044.02

City of Cape Girardeau
Statement of Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Gov. Activities Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 103,506.35	\$ 180,527.91	\$ 85,019.71	\$ 6,142.58	\$ 3,404.03	\$ 378,600.58	\$ 249,479.50
Investments	1,536,256.23	2,661,647.27	1,258,442.37	90,498.28	94,108.68	5,640,952.83	3,969,174.58
Utilities charges, net	453,711.52	855,429.97	394,359.02	-	-	1,703,500.51	-
Special assessments	60,584.08	19,979.54	-	-	-	80,563.62	-
Other	22,352.07	809.65	11.62	250.46	353.72	23,777.52	12,947.83
Notes receivable	-	-	-	-	-	-	261,457.27
Interest	7,525.26	20,092.53	4,799.74	92.81	419.29	32,929.63	13,544.85
Grants	9,736.96	2,051.56	1,414.98	606.47	21.03	13,831.00	270.51
Inventory	-	429,640.20	-	5,556.75	13,854.51	449,051.46	134,203.73
Prepaid items	108,465.47	132,500.21	28,622.99	682.82	285.72	270,557.21	95,326.71
Total Currents assets:	2,302,137.94	4,302,678.84	1,772,670.43	103,830.17	112,446.98	8,593,764.36	4,736,404.98
Noncurrent assets:							
Rest Cash and Cash Equivalents	2,646,432.58	162,396.39	246.28	-	-	2,809,075.25	-
Rest Investments	134,844.70	3,109,562.05	4,657.14	-	-	3,249,063.89	-
Land	49,750.00	-	112,239.55	-	-	161,989.55	37,500.00
Buildings	8,078,346.00	223,646.63	1,051,146.72	140,253.00	99,445.01	9,592,837.36	46,224.45
Equipment	3,195,902.28	2,028,714.11	3,646,308.73	184,220.43	126,586.37	9,181,731.92	4,294,931.00
Other improvements	70,153,566.26	47,800,946.04	333,132.92	1,956,009.88	26,592.57	120,270,247.67	155,653.19
Construction in progress	257,453.39	2,715,289.67	7,391.00	7,463.00	1,658,941.45	4,646,538.51	51,270.86
Accumulated depreciation	(30,615,955.20)	(12,020,466.27)	(2,092,688.62)	(532,509.40)	(127,878.46)	(45,389,497.95)	(2,712,871.16)
Total Noncurrent assets:	53,900,340.01	44,020,088.62	3,062,433.72	1,755,436.91	1,783,686.94	104,521,986.20	1,872,708.34
Total assets	\$ 56,202,477.95	\$ 48,322,767.46	\$ 4,835,104.15	\$ 1,859,267.08	\$ 1,896,133.92	\$ 113,115,750.56	\$ 6,609,113.32

City of Cape Girardeau
Statement of Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Gov. Activities Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 130,940.54	\$ 426,078.20	\$ 105,950.92	\$ 33,436.25	\$ 46,729.62	\$ 743,135.53	\$ 147,082.45
Salaries and benefits payable	105,796.09	6,243.14	67,664.00	46,467.06	54,010.01	280,180.30	56,240.66
Interest payable	426,749.11	47,933.33	-	-	-	474,682.44	354.17
Other liabilities	248,013.71	207,216.79	100,221.75	8,197.80	-	563,650.05	-
Estimated claims payable	-	-	-	-	-	-	651,000.00
Due to other governments	18,321.17	43,847.44	-	-	-	62,168.61	-
Deferred revenues	-	-	-	-	-	-	-
Payable to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Notes Payable	6,750.00	-	23,254.00	-	-	30,004.00	-
Revenue bonds payable	2,186,000.00	925,000.00	-	-	-	3,111,000.00	-
Special oblig bonds payable	-	-	135,000.00	-	-	135,000.00	40,000.00
Total Current liabilities:	<u>3,122,570.62</u>	<u>1,656,318.90</u>	<u>432,090.67</u>	<u>88,101.11</u>	<u>100,739.63</u>	<u>5,399,820.93</u>	<u>894,677.28</u>
Noncurrent liabilities:							
Net OPEB Obligation	93,352.00	15,302.00	70,709.00	17,654.00	5,566.00	202,583.00	75,264.00
Advances from other funds	-	-	620,000.00	217,840.04	159,113.79	996,953.83	-
Notes Payable	202,500.00	-	697,621.00	-	-	900,121.00	-
Revenue bonds payable	19,965,222.22	2,694,692.77	-	-	-	22,659,914.99	-
Special oblig bonds payable	-	-	1,154,046.14	-	-	1,154,046.14	81,281.31
Est landfill post closure cost	-	-	49,000.00	-	-	49,000.00	-
Total Non current liabilities:	<u>20,261,074.22</u>	<u>2,709,994.77</u>	<u>2,591,376.14</u>	<u>235,494.04</u>	<u>164,679.79</u>	<u>25,962,618.96</u>	<u>156,545.31</u>
Total liabilities	<u>23,383,644.84</u>	<u>4,366,313.67</u>	<u>3,023,466.81</u>	<u>323,595.15</u>	<u>265,419.42</u>	<u>31,362,439.89</u>	<u>1,051,222.59</u>
NET ASSETS							
Invested in capital assets, net of related	28,857,723.30	37,254,875.88	1,078,227.58	1,755,436.91	1,783,686.94	70,729,950.61	1,753,019.57
Restricted for debt service	-	1,108,333.33	-	-	-	1,108,333.33	-
Restricted for depr and replacement	127,000.00	1,300,000.00	-	-	-	1,427,000.00	-
Restricted for emergency fund	503,340.00	857,733.00	469,346.00	-	-	1,830,419.00	-
Unrestricted	3,330,769.81	3,435,511.58	264,063.76	(219,764.98)	(152,972.44)	6,657,607.73	3,804,871.16
Total net assets	<u>\$ 32,818,833.11</u>	<u>\$ 43,956,453.79</u>	<u>\$ 1,811,637.34</u>	<u>\$ 1,535,671.93</u>	<u>\$ 1,630,714.50</u>	<u>81,753,310.67</u>	<u>\$ 5,557,890.73</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds' net assets of business-type activities						251,437.98	
						<u>\$ 82,004,748.65</u>	

City of Cape Girardeau
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Gov. Activities Internal Service Funds
Operating revenues:							
Residential charges	\$ 1,853,370.41	\$ 3,422,590.25	\$ 2,106,908.97	\$ -	\$ -	\$ 7,382,869.63	\$ -
Commercial charges	1,214,945.78	2,331,230.58	30,658.69	-	-	3,576,835.05	-
Transfer station charges	-	972,639.72	-	-	-	972,639.72	-
Other fees and charges	50,923.24	165,238.90	84,312.07	4,780.40	55,829.25	300,474.21	-
Concession revenues	-	-	-	-	-	60,609.65	-
Equipment sales	9,477.56	-	-	-	20,057.71	29,535.27	5,170,078.53
Internal charges	-	-	-	94,373.50	102,275.88	196,649.38	-
Usage fees	-	15,957.64	51,095.05	382.87	787.15	68,222.71	-
Miscellaneous	3,128,716.99	5,935,017.37	3,245,614.50	99,536.77	178,949.99	12,587,835.62	5,170,078.53
Total operating revenues							
Operating expenses:							
Personnel services	1,633,135.77	139,850.21	1,209,749.51	265,971.15	435,111.67	3,683,818.31	754,217.53
Materials & supplies	422,843.37	1,113,795.97	135,534.47	87,978.00	86,111.46	1,846,263.27	381,804.35
Contractual services	540,543.37	2,527,261.59	1,218,467.76	23,578.01	30,179.11	4,340,029.84	3,209,457.72
General operating expenses	197,556.19	336,976.43	27,008.13	2,154.78	1,687.00	565,382.53	21,883.96
Special programs	116,832.87	129,651.72	119,444.41	441.37	16,989.32	383,359.69	-
Internal service expenses	174,985.95	84,125.14	215,460.17	42,217.81	31,722.60	548,511.67	3,672.00
Depreciation	2,151,418.45	1,429,555.64	219,373.33	81,058.72	12,799.61	3,894,205.75	308,176.39
Total operating expenses	5,237,315.97	5,751,216.70	3,145,037.78	503,399.84	614,600.77	15,261,571.06	4,679,211.95
Operating income (loss)	(2,108,598.98)	173,800.67	100,576.72	(403,863.07)	(435,650.78)	(2,673,735.44)	490,866.58
Nonoperating revenues (expenses)							
Intergovernmental	7,122.04	423.20	164,996.90	-	-	172,542.14	17,250.00
Investment revenue	209,946.79	233,513.07	61,138.57	680.14	1,162.36	506,440.93	180,193.33
Gain from sale of asset	12,421.16	8,704.22	17,231.78	10,560.90	725.00	49,643.06	16,655.74
Other non-operating revenue	-	-	2,749.00	552.00	-	3,301.00	-
Interest and other charges	(642,922.12)	(206,682.47)	(36,978.06)	(12,162.89)	(8,810.80)	(907,556.33)	(6,980.99)
Issuance cost amortization	(23,416.19)	(18,716.74)	(1,690.38)	-	-	(43,823.31)	(655.68)
Loss from sale of asset	-	-	(56,828.28)	(3,335.54)	-	(60,163.82)	(6,822.87)
Total nonoperating revenues (expenses)	(436,848.32)	17,241.28	150,619.53	(3,705.35)	(6,923.44)	(279,616.33)	199,639.53
Income (loss) before contributions and transfers	(2,545,447.30)	191,041.95	251,196.25	(407,568.45)	(442,574.22)	(2,953,351.77)	690,506.11
Contributed capital - connect fee	78,466.93	-	-	-	-	78,466.93	-
Contributed capital - developers	215,881.01	151,378.70	-	-	-	367,259.71	-
Contributed capital - donations	-	-	-	7,463.00	-	7,463.00	-
Contributed capital - government	273,157.54	2,696,527.65	-	1,070,362.48	1,482,314.41	5,522,362.08	28,308.48
Transfers in	2,008,383.65	-	-	418,266.36	451,909.30	2,878,559.31	(15,140.69)
Transfers out	30,441.83	3,038,948.30	251,196.25	1,088,523.39	1,491,649.49	5,900,759.26	703,673.90
Change in net assets							
Total net assets ~ beginning	32,541,390.39	40,917,505.49	1,560,441.09	(51,943.34)	(80,264.74)	74,887,128.89	4,846,733.70
Prior period adjustment	247,000.89	-	-	499,091.88	219,329.75	965,422.52	7,483.13
Total net assets ~ ending	\$ 32,818,833.11	\$ 43,958,453.79	\$ 1,811,637.34	\$ 1,535,671.93	\$ 1,630,714.50	\$ 81,753,310.67	\$ 5,557,890.73
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.						108,018.02	
Change in net assets of business-type activities.						\$ 6,008,777.28	

City of Cape Girardeau
Statement of Cash Flows
Proprietary Funds

For the Year Ended June 30, 2010

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Government Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 3,097,368.10	\$ 6,088,980.12	\$ 3,175,289.78	\$ 107,509.51	\$ 221,252.26	\$ 12,680,399.77	\$ 127,468.95
Receipts from interfund services	9,477.56	-	30,856.69	-	20,057.71	60,193.96	5,045,956.35
Other receipts	680.16	-	2,749.00	1,052.00	-	4,481.16	400.00
Payments to suppliers	(1,120,741.24)	(3,777,447.53)	(1,490,687.19)	(95,619.45)	(186,696.81)	(6,671,192.22)	(3,846,715.87)
Payments for salaries and benefits	(1,592,486.54)	(135,438.02)	(1,178,356.14)	(247,119.83)	(425,245.48)	(3,578,647.01)	(713,009.95)
Payments for interfund services used	(178,192.09)	(47,691.75)	(215,460.17)	(45,717.81)	(31,722.60)	(518,784.42)	(4,505.00)
Payments made in lieu of franchise taxes	(154,752.24)	(292,551.48)	-	-	-	(447,303.72)	-
Disbursement from escrow	-	-	(102.22)	-	-	(102.22)	(89.58)
Remittance of taxes collected from customers	(17,275.73)	(244,750.47)	-	-	-	(262,026.20)	-
Net cash provided (used) by operating activities	44,077.98	1,591,089.87	324,091.75	(279,895.58)	(402,354.92)	1,277,019.10	609,504.90
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	258,076.67	-	-	169,337.24	311,752.31	739,166.22	-
Transfers to other funds	-	-	-	-	(15,824.36)	(41,241.84)	(14,557.39)
Advance repayment to other funds	-	-	-	(25,417.48)	(15,824.36)	(41,241.84)	-
Interest repayment to other funds	-	-	(24,618.65)	(12,162.88)	(8,810.80)	(45,592.33)	-
Interest paid to other funds	-	-	1,694.86	-	-	19,819.64	20.22
Subsidy from state grant	14,653.91	3,470.87	14,996.90	-	-	14,996.90	-
Subsidy from local grant	-	-	-	-	-	-	-
Net cash (used) by noncapital financing	272,730.58	3,470.87	(7,926.89)	131,756.88	287,117.15	687,148.59	(14,537.17)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	119,923.19	12,995.79	150,000.00	-	-	282,918.98	17,250.00
Principal received on promissory note	-	-	-	-	-	-	13,334.51
Interest received on promissory note	-	-	-	-	-	-	4,555.69
Proceeds from sales of capital assets	12,421.16	21,125.23	46,760.00	10,560.90	725.00	91,592.29	16,714.19
Proceeds from capital debt	-	-	1,762,089.13	-	-	1,762,089.13	-
Purchase of capital assets	(46,740.50)	(363,263.08)	(2,367,535.09)	-	-	(2,777,538.67)	(616,748.82)
Acquisition and construction of capital assets	(103,801.89)	(129,633.74)	(7,391.00)	(66,280.00)	(6,341.33)	(315,447.90)	(40,669.20)
Principal paid on capital debt	(2,185,273.81)	(946,752.99)	(53,313.75)	-	-	(3,185,340.55)	(205,875.00)
Interest paid on capital debt	(1,017,832.12)	(180,934.37)	(13,573.51)	248,929.12	140,156.99	(1,212,340.00)	(6,510.90)
Transfers in for capital acquisitions	-	-	-	-	-	389,086.11	28,308.48
Transfers out for capital acquisitions	1,750,306.98	-	-	-	-	1,750,306.98	(583.30)
Transfers in for payment of capital related debt	-	-	-	-	-	-	-
Net cash (used) by capital and related financing activities	(1,470,996.93)	(1,586,463.16)	(482,964.22)	193,210.02	132,540.66	(3,214,673.65)	(790,224.35)

City of Cape Girardeau
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

Business-type Activities - Enterprise Funds

	Sewer	Water	Solid Waste	Golf Course	Softball Complex	Total Proprietary Funds	Government Activities Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	195,883.54	212,885.28	51,739.87	532.63	656.06	461,497.38	134,175.63
Net change in pooled investments	92,392.35	(247,475.79)	96,175.89	(43,079.82)	(20,252.96)	(122,240.53)	*16,935.72
Net cash provided by investing activities	<u>288,275.89</u>	<u>(34,790.51)</u>	<u>147,915.56</u>	<u>(42,547.19)</u>	<u>(19,596.90)</u>	<u>339,256.85</u>	<u>151,111.35</u>
Net Increase (decrease) in cash and cash equivalents	(665,912.48)	(26,682.93)	(18,883.80)	2,524.13	(2,294.01)	(911,249.09)	(44,145.27)
Balances - beginning of year	3,615,851.41	369,607.23	104,149.79	3,618.45	5,698.04	4,098,924.92	286,141.64
Prior period adjustment							7,483.13
Balances - end of the year	<u>\$ 2,749,938.93</u>	<u>\$ 342,924.30</u>	<u>\$ 85,265.99</u>	<u>\$ 6,142.58</u>	<u>\$ 3,404.03</u>	<u>\$ 3,187,675.83</u>	<u>\$ 249,479.50</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (2,108,598.98)	\$ 173,800.67	\$ 103,325.72	\$ (403,311.07)	\$ (495,650.78)	\$ (2,670,434.44)	\$ 490,866.58
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	2,151,418.45	1,429,555.64	219,373.33	81,058.72	12,799.61	3,894,205.75	308,176.39
Changes in assets and liabilities:							
Accounts payable - supplier	(29,109.18)	(9,151.14)	(10,963.44)	24,669.82	13,850.45	(10,703.49)	(238,461.12)
Accounts payable - other	30,345.18	6,369.86	3,912.54	1,092.50	-	41,740.08	(89.58)
Salaries & benefits payable	40,649.23	4,411.19	31,393.37	18,851.32	9,866.19	105,171.30	41,207.58
Customer receivables	(40,491.34)	(54,494.69)	(23,347.99)	(250.46)	(303.72)	(118,888.20)	3,346.77
Other operating receivables							(1,058.90)
Prepaid expenses	(135.38)	(2,977.23)	398.22	(474.48)	(285.72)	(3,474.59)	1,995.21
Inventory		43,565.57		(1,531.93)	(2,630.95)	39,402.69	3,521.97
Net cash provided by operating activities	<u>\$ 44,077.98</u>	<u>\$ 1,591,099.87</u>	<u>\$ 324,091.75</u>	<u>\$ (279,895.58)</u>	<u>\$ (402,354.92)</u>	<u>\$ 1,277,019.10</u>	<u>\$ 609,504.30</u>

City of Cape Girardeau
Statement of Net Assets
Fiduciary Funds
For the Year Ended June 30, 2010

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 209,392.42
Investments	3,002,652.42
Real estate taxes	53,340.74
Personal property taxes	10,850.48
Other	10,337.18
	\$ 3,286,573.24
LIABILITIES	
Accounts payable	\$ 70,697.09
Salaries and benefits payable	21,439.45
Other liabilities	3,194,436.70
	\$ 3,286,573.24

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Reporting Entity

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

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

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

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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

Agency funds account for the operations of the 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.

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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

4. Capital Assets

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

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, 2010

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, 2010 are recorded as prepaid items.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

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, 2010

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, fifty-six employees meet those eligibility requirements. The City provides health care coverage for them until age 65. The costs of retirees' health care benefits are recognized as expenditures as premiums are paid. For the year ending June 30, 2010, those costs totaled \$485,525.

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 was one surviving spouses participating in the health insurance program and three surviving spouses participating in the dental insurance program as of June 30, 2010.

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, 2010 all infrastructures completed during the fiscal year, including projects started in a previous year, were recorded at their historical costs.

18. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 28, 2010, the date the financial statements were available to be issued.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

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, 2010, and reported at fair value, are as follows:

Deposits:		
Demand Deposits		\$ 700,555
Interest Bearing Deposit Accounts		<u>5,535,403</u>
Total Deposits		<u>\$ 6,235,958</u>
Investments:		
Negotiable Instruments		\$ 32,235,841
Federal Home Loan Bank		1,970,171
Federal National Mortgage Association		3,534,195
US Treasury Note		<u>343,742</u>
Total Investments		<u>\$ 38,083,949</u>
Total Deposits and Investments		<u>\$ 44,319,907</u>
Reconciliation to Statement of Net Assets:		
Cash and Cash Equivalents		\$ 3,217,491
Investments		31,832,233
Restricted Cash and Cash Equivalents		2,809,075
Restricted Investments		3,249,064
Fiduciary Cash and Cash Equivalents		209,392
Fiduciary Investments		<u>3,002,652</u>
Deposits and Investments, Statement of Net Assets		<u>\$ 44,319,907</u>

As of June 30, 2010, the City had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Negotiable Instruments	07/06/2010 – 01/06/2015	\$32,235,841
Federal Home Loan Bank	12/10/2010 – 12/30/2013	1,970,171
Federal National Mortgage Assoc.	08/13/2014 – 02/10/2016	3,534,195
US Treasury Note	11/15/2012	<u>343,742</u>
Total		<u>\$38,083,949</u>

Custodial Credit Risk:

Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$44,709,784 at June 30, 2010, 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, 2010

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, 2010 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, 2010, the City had no concentration of credit risk.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE C - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on August 17, 2009, 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	\$.3004/100.00 assessed valuation
Public Health	.0562/100.00 assessed valuation
Special Business District #2 (Ad Valorem)	.6708/100.00 assessed valuation

Property tax receivable balances as of June 30, 2010 are as follows:

	General Revenue	Special Business District	Public Health	Debt Service	Total
Current property tax	\$52,811	\$6,751	\$ 9,880	\$ -	\$69,442
Delinquent property tax	20,257	3,033	3,791	44	27,125
Reserve for doubtful					
Property taxes	<u>(7,709)</u>	<u>-</u>	<u>(1,443)</u>	<u>(44)</u>	<u>(9,196)</u>
Net property tax receivable	<u>\$65,359</u>	<u>\$9,784</u>	<u>\$12,228</u>	<u>\$ -</u>	<u>\$87,371</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, 2010 is as follows:

	Balance July 1, 2009	Additions	Deductions	Current Year Depreciation*	Balance June 30, 2010**
Land	\$ 5,370,111	\$ 5,395	\$ -	\$ -	\$ 5,375,506
Buildings	12,253,179	6,916,378	-	676,151	18,493,406
Improvements other than buildings	9,890,277	2,399,393	-	623,042	11,666,628
Equipment	5,902,960	1,335,871	21,832	1,134,811	6,082,188
Infrastructure	107,513,636	12,702,079	179,375	4,062,393	115,973,947
Construction in progress	<u>8,175,807</u>	<u>4,019,549</u>	<u>6,263,364</u>	<u>-</u>	<u>5,931,992</u>
Total capital assets	<u>\$149,105,970</u>	<u>\$ 27,378,665</u>	<u>\$ 6,464,571</u>	<u>\$ 6,496,397</u>	<u>\$ 163,523,667</u>

* Includes depreciation expenses from the internal service funds' assets which are included in the expenses of the governmental activities and business activities on the government - wide Statement of Activities as internal charges.

**Includes the internal service funds' assets which are included as part of the governmental activities assets included on the government-wide Statement of Net Assets.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE D - CHANGES IN CAPITAL ASSETS – Continued

Following is a summary of the capital assets for business-type activities on the government-wide statement of net assets for the year ended June 30, 2010:

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	Current Year <u>Depreciation</u>	Balance <u>June 30, 2010</u>
Land	\$ 161,990	\$ -	\$ -	\$ -	\$ 161,990
Buildings	2,204,432	100,380	-	215,285	2,089,527
Improvements other than buildings	85,769,063	3,806,163	3,336	3,055,428	86,516,462
Equipment	3,058,396	2,709,928	95,501	623,493	5,049,330
Construction in progress	<u>1,270,448</u>	<u>4,532,390</u>	<u>1,156,300</u>	-	<u>4,646,538</u>
Total capital assets	<u>\$ 92,464,329</u>	<u>\$ 11,148,861</u>	<u>\$ 1,255,137</u>	<u>\$ 3,894,206</u>	<u>\$ 98,463,847</u>

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

Governmental Activities:

Administrative	\$ 436,770
Development Services	4,844
Parks and Recreation	498,991
Public Safety	771,720
Public Works	<u>4,475,895</u>
Total	<u>\$6,188,220</u>

Business-Type Activities:

Golf Course	\$ 81,059
Sewer	2,151,418
Softball Complex	12,800
Solid Waste	219,373
Water	<u>1,429,556</u>
Total	<u>\$3,894,206</u>

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

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, 2010.

<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, 2009	\$ 29,746,303	\$ 17,455,594	\$ 773,677	\$ 10,285	\$47,985,859
Premium amortization	82,846	(12,671)	-	-	70,175
Retired	(3,304,520)	(1,080,000)	-	(10,285)	(4,394,805)
Additions	<u>-</u>	<u>577,294</u>	<u>27,099</u>	<u>-</u>	<u>604,393</u>
Debt payable June 30, 2010	<u>\$ 26,524,629</u>	<u>\$ 16,940,217</u>	<u>\$ 800,776</u>	<u>\$ -</u>	<u>\$44,265,622</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, 2009	\$ 642,452	\$29,107,985	\$29,750,437
Discount Premium Amortization	(562)	(17,182)	(17,744)
Accumulated Interest	-	375,112	375,112
Bonds Retired	(212,750)	(3,695,000)	(3,907,750)
Bonds Issued	<u>1,790,031</u>	<u>-</u>	<u>1,790,031</u>
Bonds payable at June 30, 2010	<u>\$ 2,219,171</u>	<u>\$25,770,915</u>	<u>\$27,990,086</u>

*Other Debt includes Notes Payable and Special Obligation Bonds

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE E - LONG TERM OBLIGATIONS - Continued

Bonds payable for governmental and business-type activities at June 30, 2010 are comprised of the following individual issues:

\$ 465,000 Special Obligation Refunding and Improvement Bonds, Series 2002:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u>
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>\$ 465,000</u>	<u>\$ 28,287</u>	<u>\$ 493,287</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: \$465,000 for Governmental activities.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$3,595,000 Waterworks System Refunding Revenue Bonds Series 2006A due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
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>\$3,595,000</u>	<u>\$ 318,800</u>	<u>\$ 3,913,800</u>

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

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

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

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$ 785,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1991 due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
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>\$ 785,000</u>	<u>\$ 139,562</u>	<u>\$ 924,562</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, 2010 was \$392,500. 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, 2010, City interest expense was reduced by \$18,107 as a result of this transaction. Over the remaining life of these bonds, the City will receive net present value benefits of approximately \$49,460 from this transaction.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$ 175,000 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>
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>\$175,000</u>	<u>\$24,706</u>	<u>\$ 199,706</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, 2010 was \$122,500. The reserve fund yields 5.15%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$ 2,317,960 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>
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>\$2,317,960</u>	<u>\$ 4,762,040</u>	<u>\$7,080,000</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, 2010 was \$1,622,572. The reserve fund yields 5.83%.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$ 7,690,000 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>
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>\$7,690,000</u>	<u>\$2,371,407</u>	<u>\$10,061,407</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, 2010 was \$5,383,000. The reserve fund yields 5.70%.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

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, 2010, City interest expense was reduced by \$15,570 as a result of this transaction. Over the remaining life of these bonds, the City will receive net present value benefits of approximately \$131,386 from this transaction.

\$ 7,640,000 Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000 due as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
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>\$7,640,000</u>	<u>\$3,273,707</u>	<u>\$10,913,707</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, 2010

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, 2010 was \$5,374,844. The reserve fund yields 5.16%.

\$16,375,000 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>
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>\$16,375,000</u>	<u>\$4,155,487</u>	<u>\$20,530,487</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, 2010

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, 2010 was \$5,135,447. The reserve fund yields 4.71%.

\$18,095,000 Leasehold Revenue Bonds, Series 2009 due as follows:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Total
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>\$18,095,000</u>	<u>\$3,465,658</u>	<u>\$21,560,658</u>

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

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

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$2,100,000 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>
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>\$2,100,000</u>	<u>\$808,990</u>	<u>\$2,908,990</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, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$5,090,000 Special Obligation Bonds, Series 2005:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Total
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>\$ 5,090,000</u>	<u>\$ 1,111,496</u>	<u>\$6,201,496</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, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$1,550,000 Bank of America 2006 Promissory Note:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Total
2011	0.141%	\$ 100,000	\$ 2,150	\$ 102,150
2012	0.141	100,000	2,010	102,010
2013	0.141	100,000	1,868	101,868
2014	0.141	100,000	1,728	101,728
2015	0.141	100,000	1,586	101,586
2016	0.141	100,000	1,446	101,446
2017	0.141	100,000	1,304	101,304
2018	0.141	100,000	1,164	101,164
2019	0.141	100,000	1,022	101,022
2020	0.141	100,000	881	100,881
2021	0.141	100,000	740	100,740
2022	0.141	100,000	599	100,599
2023	0.141	100,000	458	100,458
2024	0.141	100,000	317	100,317
2025	0.141	100,000	176	100,176
2026	0.141	<u>50,000</u>	<u>35</u>	<u>50,035</u>
		<u>\$ 1,550,000</u>	<u>\$ 17,484</u>	<u>\$ 1,567,484</u>

On February 9, 2006, the City of Cape Girardeau entered into a promissory note with the Bank of America for \$2,000,000. The purpose of the note was to finance additional costs on constructing fire station #3, purchase of a site for a future fire station, equipment for the sewer and solid waste funds, and site improvements at the new public works headquarter. The outstanding liability for the note is allocated as follows: \$619,875 for governmental activities and \$930,125 for business-type activities.

Principal payments of \$50,000 are made semi-annually on January 1 and July 1. The principal payments are amortized over 20 years. The City may prepay the note at any time with no additional charges. Interest accrues at a variable rate equal to the sum of the 30-day LIBOR multiplied by 60.938%, plus 0.813%. The rate at June 30, 2010 was 0.141%.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$1,000,000 Waterworks Revenue Bonds, Series 2010 due as follows:

Year Ending June 30,	Interest Rate	Principal Due	Interest Due	Total
2011	1.4900%	\$ 20,600	\$ 8,598	\$ 29,198
2012	1.4900	41,800	14,438	56,238
2013	1.4900	42,800	13,812	56,612
2014	1.4900	43,800	13,170	56,970
2015	1.4900	44,700	12,515	57,215
2016	1.4900	45,700	11,845	57,545
2017	1.4900	46,800	11,159	57,959
2018	1.4900	47,900	10,458	58,358
2019	1.4900	48,900	9,741	58,641
2020	1.4900	50,100	9,008	59,108
2021	1.4900	51,100	8,258	59,358
2022	1.4900	52,300	7,492	59,792
2023	1.4900	53,500	6,708	60,208
2024	1.4900	54,700	5,906	60,606
2025	1.4900	55,900	5,087	60,987
2026	1.4900	57,200	4,249	61,449
2027	1.4900	58,500	3,392	61,892
2028	1.4900	59,900	2,515	62,415
2029	1.4900	61,200	1,618	62,818
2030	1.4900	62,600	701	63,301
		<u>\$ 1,000,000</u>	<u>\$ 160,670</u>	<u>\$ 1,160,670</u>

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

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

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

\$1,275,000 Special Obligation Bonds, Series 2010A due as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	Principal <u>Due</u>	Interest <u>Due</u>	<u>Total</u>
2011	3.2200%	\$ 135,000	\$ 29,717	\$ 164,717
2012	3.2200	130,000	34,294	164,294
2013	3.2200	140,000	30,394	170,394
2014	3.2200	150,000	26,194	176,194
2015	3.2200	160,000	21,694	181,694
2016	3.2200	175,000	16,894	191,894
2017	3.2200	185,000	12,300	197,300
2018	3.2200	<u>200,000</u>	<u>6,750</u>	<u>206,750</u>
		<u>\$ 1,275,000</u>	<u>\$ 178,237</u>	<u>\$ 1,453,237</u>

On March 1, 2010, the City issued \$1,275,000 of Special Obligation Bonds Series 2010A with interest rates varying from 2.2625% to 3.3375%. Principal and interest will be paid by the City from the revenues derived from annual appropriations by the City Council.

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

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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE E - LONG-TERM OBLIGATIONS - Continued

The annual requirements to amortize all debt outstanding as of June 30, 2010 including total interest payments of \$20,816,531 are as follows:

Year Ending <u>June 30,</u>	Special Obligation <u>Bonds</u>	Revenue <u>Bonds</u>	Leasehold Revenue <u>Bonds</u>	Certificates of <u>Participation</u>	Promissory <u>Note</u>	<u>Total</u>
2011	\$ 1,199,808	\$ 6,139,605	\$ 2,487,756	\$ 262,760	\$ 102,150	\$ 10,192,079
2012	1,195,260	6,200,581	2,488,118	265,760	102,010	10,251,729
2013	1,191,282	6,888,488	2,486,532	266,760	101,868	10,934,930
2014	1,003,530	6,059,960	2,487,882	262,160	101,728	9,915,260
2015	1,536,430	5,831,010	2,487,394	262,260	101,586	10,218,680
2016	319,380	5,900,426	2,484,594	266,760	101,446	9,072,606
2017	326,586	5,885,191	2,488,594	265,360	101,304	9,067,035
2018	337,636	4,860,591	2,488,994	263,360	101,164	8,051,745
2019	127,196	2,892,804	1,660,794	266,180	101,022	5,047,996
2020	128,484	1,848,307	-	263,130	100,881	2,340,802
2021	129,494	1,723,908	-	264,500	100,740	2,218,642
2022	130,244	59,792	-	-	100,599	290,635
2023	130,781	60,208	-	-	100,458	291,447
2024	130,969	60,606	-	-	100,317	291,892
2025	260,940	60,987	-	-	100,176	422,103
2026	-	61,449	-	-	50,035	111,484
2027	-	61,892	-	-	-	61,892
2028	-	62,415	-	-	-	62,415
2029	-	62,818	-	-	-	62,818
2030	-	63,301	-	-	-	63,301
	<u>\$ 8,148,020</u>	<u>\$ 54,784,339</u>	<u>\$21,560,658</u>	<u>\$2,908,990</u>	<u>\$1,567,484</u>	<u>\$ 88,969,491</u>

The cash and investments available to service revenue bonds are \$1,015,607 and \$4,566,887 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 \$720,963 and \$266,596, respectively.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

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>\$1,861,055</u>
Total	<u>\$1,861,055</u>
 <u>Business-Type Activities:</u>	
Golf Course	\$ 12,163
Sewer	642,922
Softball Complex	8,811
Solid Waste	36,978
Water	<u>206,682</u>
Total	<u>\$ 907,556</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 \$26,944,080.

NOTE F - DEFICIT FUND BALANCES/RETAINED EARNINGS

The Park Improvements Fund's total liabilities exceeded their total assets by \$6,496.

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE G - PENSION PLAN

1. Plan Description

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

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

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

2. Funding Status

Full-time employees of the City of Cape Girardeau do not contribute to the pension plan. The June 30th statutorily required contribution rates are 6.1% (General), 6.9% (Police) and 11.3% (Fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

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

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

Annual required contribution	\$1,033,703
Interest on net pension obligation	0
Adjustment to annual required contribution	<u>0</u>
Annual pension cost	1,033,703
Actual contributions	<u>1,033,703</u>
Increase (decrease) in NPO	0
NPO beginning of year	<u>0</u>
NPO end of year	<u><u>\$ 0</u></u>

The annual required contribution (ARC) was determined as part of the February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions 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

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE G - PENSION PLAN - Continued

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 29, 2008 was 15 years for the General division, 15 years for the Police division and 15 years for the Fire division.

Three-Year Trend Information

<u>Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$1,140,078	100%	\$ 0
2009	\$1,006,174	100%	\$ 0
2010	\$1,033,703	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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

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 \$1,680,198 and \$1,355,157, respectively, in the governmental and business-type activities combined.

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

2. Funding Policy

Premiums under the Plan for post-employment healthcare benefits are funded in accordance with rates established by the City from appropriate governmental and business-type funds. For the year ended June 30, 2010, the City paid the full premium cost for retired employees who were hired prior to January 1, 2007. For employees hired on/after January 1, 2007, the City paid a percentage of the full premium cost for retired employees with single coverage according to years of service at retirement. For employees with 10 to 14 years of service at retirement the City's subsidy was 50%. The subsidy for employees with 15 to 19 years of service was 60%; 20 to 24 years was 70%, and employees with more than 24 years of service at retirement received 100% subsidy. The retiree is responsible for the full cost of dependent coverage. The plan is financed on a pay-as-you-go basis.

3. Annual OPEB Cost and Net OPEB Obligation

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

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS - Continued

	<u>2009</u>	<u>2010</u>
Annual required contribution	\$ 1,487,797	\$1,355,157
Interest on net OPEB obligation	-0-	41,823
Adjustment to annual required contribution	<u>-0-</u>	<u>(57,057)</u>
Annual OPEB cost	\$ 1,487,797	\$1,339,923
Contributions made	<u>(558,405)</u>	<u>(589,117)</u>
Increase in net OPEB obligation	\$ 929,392	\$ 750,806
Net OPEB obligation, July 1	<u>-0-</u>	<u>929,392</u>
Net OPEB obligation, June 30	<u>\$ 929,392</u>	<u>\$1,680,198</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 were as follows:

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

4. Funding Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits equaled \$11,680,944, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,680,944. The covered payroll (annual payroll of active employees covered by the Plan) equaled \$13,382,053, and the ratio of the UAAL to the covered payroll equaled 87.3%.

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

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

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE H - POSTRETIREMENT HEALTHCARE BENEFITS - Continued

5. Actuarial Methods and Assumptions

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

In the actuarial valuation dated July 1, 2009, the projected unit credit cost actuarial method was used. Because the City funds its OPEB on a pay-as-you-go basis, the plan has no assets (investments) used specifically for paying the post-retirement medical benefits; therefore, the actuarial assumptions included a 4.5% discount rate, which approximates the expected rate of return on non-pension investments held by the City. Actuarial assumptions also included annual healthcare trend rates of 9.0% , initially, reduced by decrements to an ultimate rate of 4.5% for healthcare costs after ten years. The UAAL is being amortized as a level dollar amount over thirty years based on an open group.

NOTE I - INTEREST EXPENSE

Interest and handling charges, totaling \$1,834,050, excluding \$16,589 of interfund interest, was incurred by governmental funds during the year ended June 30, 2010. Interest and handling charges, totaling \$868,945 excluding \$45,592 of interfund interest, was incurred by proprietary funds during the year ended June 30, 2010. 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, 2010:

Advance to/from other funds:

	<u>Advances from</u>	<u>Advances to</u>
General Fund	\$ 996,954	\$ -
Solid Waste Fund	-	620,000
Golf Course Fund	-	217,840
Softball Complex Fund	-	159,114
	<u>\$ 996,954</u>	<u>\$ 996,954</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, 2010

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, 2010:

Fund	Transfer From	Transfer To
General Fund	\$ 4,154,293	\$ 4,431,821
Airport Fund	261,782	676,928
Park and Recreation Fund	1,946	913,460
Convention and Tourism	43,500	-
Housing Development Fund	-	19,637
Motor Fuel Tax Fund	1,325,000	-
Capital Improvement Sales Tax - Water System Improvements	-	42,726
Transportation Sales Tax Trust	-	30,000
Capital Improvement Sales Tax - Sewer System Improvements	1,750,307	-
Transportation Sales Tax Trust II	598,000	-
Fire Sales Tax Fund	2,089,485	-
Public Safety Trust Fund	1,097,521	2,089,485
Transportation Sales Tax Trust III	-	923,000
Park/Storm Water Sales Tax	934,900	-
Park/Storm Water Sales Tax-Capital	953,390	435,126
Debt Service Fund	-	261,782
Community Development Block Grant Project Fund	2,585	124,378
Water System Improvement Projects Fund	42,726	-
Storm Water Projects from Storm Water Tax	-	203,013
Park Improvement Projects from Park Sales Tax	435,126	647,478
Sewer Fund	-	2,008,384
Golf Course Fund	-	418,266
Softball Complex Fund	-	451,909
Fleet Management Fund	15,141	-
Equipment Replacement Fund	-	28,309
	<u>\$ 13,705,702</u>	<u>\$ 13,705,702</u>

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

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, 2010 was as follows:

	Sewer Fund	Water Fund	Solid Waste Fund	Golf Course Fund	Softball Complex Fund	Total Enterprise
Operating revenues	\$ 3,128,717	\$5,935,017	\$3,245,615	\$ 99,537	\$ 178,950	\$12,587,836
Depreciation	2,151,418	1,429,556	219,373	81,059	12,800	3,894,206
Operating Income (Loss)	(2,108,599)	173,801	100,577	(403,863)	(435,651)	(2,673,735)
Operating transfers in	2,008,384	-	-	418,266	451,909	2,878,559
Net Income (Loss)	30,442	3,038,948	251,196	1,088,523	1,491,650	5,900,759
Current Capital Contributions	567,506	2,847,906	-	1,077,826	1,482,314	5,975,552
Property, Plant and Equipment						
Additions	880,229	4,538,344	2,374,926	1,645,376	1,709,986	11,148,861
Deletions	11,024	1,157,697	83,080	3,336	-	1,255,137
Net Working Capital	(820,433)	2,646,360	1,340,580	15,729	11,707	3,193,943
Total Assets	56,202,478	48,322,768	4,835,104	1,859,267	1,896,134	113,115,751
Bonds and Other Long-term						
Liabilities Payable from						
Operating Revenues	22,453,824	3,634,995	2,749,630	235,494	164,680	29,238,623
Total Net Assets	\$32,818,833	\$43,956,454	\$1,811,637	\$1,535,672	\$1,630,715	\$81,753,311

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE L - RESERVATION OF FUND EQUITY

At June 30, 2010, the City had reserved its fund equity as follows:

General Fund

Reserved for emergency fund	\$3,331,396
Reserved for prepaid items	71,888
Reserved for advance	996,954
Reserved for mausoleum maintenance	108,631
Reserved for local access channel	6,578
Reserved for encumbrances	<u>60,150</u>
	<u>\$4,575,597</u>

Airport Fund

Reserved for prepaid items	\$ 17,847
Reserved for encumbrances	<u>6,266</u>
	<u>\$ 24,113</u>

Parks and Recreation Fund

Reserved for prepaid items	\$ 4,149
Reserved for operations and maintenance	10,686
Reserved for encumbrances	<u>4,903</u>
	<u>\$ 19,738</u>

Transportation Sales Tax Trust Fund III

Reserved for encumbrances	<u>\$4,471,862</u>
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Park Projects from Parks Sales Tax

Reserved for encumbrances	<u>\$2,853,324</u>
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Other Governmental Funds

Reserved for encumbrances	\$1,969,123
Reserved for emergencies	831,937
Reserved for prepaid items	28,571
Reserved for debt service	245,670
Reserved for river campus	<u>148,615</u>
	<u>\$3,223,916</u>

City of Cape Girardeau, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE M - RESERVED RETAINED EARNINGS AND RESTRICTED ASSET ACCOUNTS

At June 30, 2010, the City has restricted assets in its Proprietary Funds as follows:

	<u>Depreciation and Replacement</u>	<u>Bond Construction</u>	<u>Revenue Bond Sinking and Reserve Fund</u>	<u>Total</u>
Sewer Fund	\$ 127,000	\$ -	\$2,654,277	\$ 2,781,277
Water Fund	1,300,000	4,389	1,967,569	3,271,958
Solid Waste Fund	-	4,083	820	4,903
	<u>\$1,427,000</u>	<u>\$ 8,472</u>	<u>\$4,622,666</u>	<u>\$6,058,138</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 \$49,000 as of June 30, 2010, 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, 2010. 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, 2010

NOTE O - RISK MANAGEMENT

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

The City is a member of the Missouri Public Entity Risk Management Fund, a not-for-profit public entity insurance pool established by the state legislature. Through this pool, the City receives coverage for general liability, law enforcement liability, errors and omissions, and employment practice liability. Risks for these coverages are spread across members of the fund. Currently the fund is comprised of 887 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 eleven years and has used them to offset the cost of the succeeding year's premiums.

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

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

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

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

The City provided health coverage to its employees through a minimum premium plan administered by Anthem Blue Cross Blue Shield of Missouri, which had an "A" rating by A.M. Best. Under this plan, the City paid the administrator a monthly premium for claims administration, cost management, and specific and aggregate stop loss coverage. The City reimbursed the administrator for claims paid up to the specific stop loss amount of \$125,000 and \$125,000 annually per employee and up to the aggregate stop loss amount of approximately \$2,600,000 and \$2,750,000 annually beginning January 1, 2009 and 2010, 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 City's maximum individual claims liability to \$450,000 for police and firefighters and \$400,000 for other regular employees and per occurrence claims liability to \$1,000,000. Additionally, \$5,000,000 in coverage is provided for annual claims in excess of \$1,330,123. 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, 2010

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, 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	\$ 198,500	\$ 430,000	\$ 628,500
Provision for Incurred Claims	1,843,651	583,662	2,427,313
Payment of Claims	<u>(1,911,151)</u>	<u>(493,662)</u>	<u>(2,404,813)</u>
Balance June 30, 2010	<u>\$ 131,000</u>	<u>\$ 520,000</u>	<u>\$ 651,000</u>

NOTE P - CONCENTRATION OF CREDIT RISK/BAD DEBT ALLOWANCE

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

At June 30, 2010, utility receivables totaled \$1,832,794. On the financial statements, the utility receivables are shown net of the allowance for doubtful accounts of \$129,293. This results in net utility receivable of \$1,703,501. During the year ended June 30, 2010, the allowance was increased by \$90,205 or approximately .76% of the current year's utility charges and accounts totaling \$85,131 were written off.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

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, 2010, the City had construction commitments outstanding of \$8,513,924. The construction commitments represent incomplete portions of contracts entered into to construct the following: various street projects, various rehab projects at the airport, new trail construction, new water supply wells, improvements to existing park structures, new family aquatic center, new community center in Shawnee Park, and housing rehabilitation. These contracts are expected to be completed within the next fiscal year.

4. Encumbrances

As of June 30, 2010, the City had encumbrances outstanding of \$11,608,532.

NOTE R – PRIOR PERIOD ADJUSTMENTS

On the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, there are prior period adjustments that total (\$11,106.85). The two funds affected are General and Transportation Sales Tax Trust III. The adjustments to General Fund consist of prior year retiree's insurance premiums in the amount of (\$7,483.13) being transferred to the Fringe Benefits fund and the reversal of prior year internal salary charges in the amount of (\$11,023.72) originally charged to the Sewer Fund for what was thought to be a sewer project that turned out to be a street project. The \$7,400.00 prior period adjustment in the Transportation Sales Tax Trust III fund adjusts prior year grant revenue for the Fountain Street 2 project.

In a prior period, the Park/Storm Water Sales Tax Project funds paid for various projects that were originally set up as General Fixed Assets instead of Enterprise assets. Reclassification of these items resulted in prior period adjustments on the Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Assets in Sewer, Golf and Softball Complex funds in the amounts of \$247,825.55, \$433,663.39 and \$219,329.75, respectively. In addition, Sewer fund wrote off prior year depreciation for the above assets in the amount of (\$824.66). Also, employees in the Golf fund worked previously on various park projects that are being funded by the Park Sales Tax. Their salaries in the amount of \$65,428.49 were transferred to the project fund. The Internal Service Fund prior period adjustment was the receipt of retiree's insurance premiums of \$7,483.13 in the Fringe Benefits fund.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE R – PRIOR PERIOD ADJUSTMENTS – Continued

All the above entries are included on the City-Wide Statement of Activities. However, the adjustment made to the Internal Service Fund will now show up under the Governmental column. Additionally, the Governmental column is also affected by the reclassification of assets that was discussed earlier in the amount of (\$896,200.51). Also, Construction in Progress cost which had been set up in a prior period for (\$25,689.99) was determined not to be a capital improvement.

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, 2010, the City paid \$12,104 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

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 5 - CONTINGENCY - Continued

plus 4% interest with quarterly payments from available revenue. Available revenue is defined by the agreement as all the net sales tax revenue generated by two .25% City capital improvement sales taxes and the .50% City transportation sales tax and 50% of the net sales tax revenue generated by a .50% County sales tax. All City sales taxes have expiration date that could occur before the total costs of the improvements are reimbursed to the developer. The County sales tax has no expiration date. No provision is made to replace revenues from the City sales taxes that expire if they are not extended. The development agreement remains in effect until the total cost of the public improvements is reimbursed to the developer.

The City and the County are obligated only to make quarterly payments as may lawfully be made from funds budgeted and appropriated for that purpose by the City and County. During the fiscal year ended June 30, 2010, the City incurred payments of \$130,701 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.

City of Cape Girardeau, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE S - CONTINGENCY - Continued

This project was completed during the year at a cost of \$3,203,308. Reimbursement from incremental County and City sales tax revenue will be limited to \$1,164,839.

The City and the County are obligated to make quarterly payments as may lawfully be made from funds budgeted and appropriated for that purpose by the City and County. During the fiscal year ended June 30, 2010, the City incurred payments of \$22,363 under the development agreement. This amount is included in the Development Services expenses on the Statement of Activities.

NOTE T - SUBSEQUENT EVENTS

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

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 14,302,264.00	\$ 14,302,264.00	\$ 14,388,882.32	\$ 66,618.32
Licenses & permits	1,334,750.00	1,334,750.00	1,373,912.14	39,162.14
Intergovernmental	589,416.00	589,416.00	950,358.52	360,942.52
Charges for services	296,829.00	296,829.00	254,863.29	(41,965.71)
Internal charges	1,152,205.00	1,152,205.00	1,280,983.12	128,778.12
Fines and forfeits	795,000.00	795,000.00	838,110.26	43,110.26
Miscellaneous	243,920.00	243,920.00	277,451.63	33,531.63
Investment revenue	106,642.00	106,642.00	136,338.30	29,696.30
Total revenues	18,821,026.00	18,821,026.00	19,480,899.58	659,873.58
EXPENDITURES				
Current:				
Administrative	2,288,625.00	2,445,275.00	1,624,905.22	820,369.78
Contingency	40,000.00	174,500.00	163,756.13	10,743.87
Development Services	1,488,673.00	1,390,673.00	1,920,106.01	(529,433.01)
Parks and Recreation	1,693,286.00	1,738,536.00	1,740,871.71	(2,395.71)
Public Safety	11,184,535.00	11,449,430.00	11,273,413.83	176,016.17
Public Works	2,203,697.00	2,212,516.85	2,233,286.26	(20,769.41)
Total current	18,898,316.00	19,410,930.85	18,956,339.16	454,591.69
Debt service:				
Administrative charges			470.25	(470.25)
Interest	83,753.00	89,753.00	72,967.94	16,785.06
Principal	102,996.00	102,996.00	101,285.34	1,710.66
Total debt service	186,749.00	192,749.00	174,723.53	18,025.47
Capital outlay:				
Administrative	13,500.00	8,500.00	8,524.40	(24.40)
Development Services	5,000.00	5,000.00	-	5,000.00
Parks and Recreation	11,000.00	25,450.00	24,726.78	723.22
Public Safety	67,792.00	156,685.00	58,293.78	98,391.22
Public Works	17,625.00	8,805.15	17,625.00	(8,819.85)
Total capital outlay	114,917.00	204,440.15	109,169.96	95,270.19
Total expenditures	19,200,482.00	19,808,120.00	19,240,232.65	567,887.35
Excess (deficiency) of revenues over (under) expenditures	(379,456.00)	(987,094.00)	240,666.93	1,227,760.93
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	4,580,510.00	4,596,110.00	4,431,820.86	(164,289.14)
Special assessments	10,000.00	10,000.00	14,312.36	4,312.36
Advance repayments	41,242.00	41,242.00	41,241.84	(0.16)
Asset disposition			43,975.18	43,975.18
Transfers out	(3,915,860.00)	(4,135,860.00)	(4,154,293.06)	(18,433.06)
Total other financing sources and uses and special items	715,892.00	511,492.00	377,057.18	(134,434.82)
Net change in fund balances	336,436.00	(475,602.00)	617,724.11	1,093,326.11
Fund balances - beginning	3,863,167.91	3,863,167.91	3,863,167.91	-
Prior period adjustment	(18,506.85)	(18,506.85)	(18,506.85)	-
Fund balances - ending	\$ 4,181,097.06	\$ 3,369,069.06	\$ 4,462,385.17	\$ 1,093,326.11

City of Cape Girardeau
Airport

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 172,400.00	\$ 172,400.00	\$ 228,527.34	\$ 56,127.34
Charges for services	201,150.00	201,150.00	793,093.97	591,943.97
Miscellaneous	391,244.00	391,244.00	182,400.10	(208,843.90)
Investment revenue	2,000.00	2,000.00	4,052.44	2,052.44
Asset disposition	-	-	131.60	131.60
Total revenues	766,794.00	766,794.00	1,208,205.45	441,411.45
EXPENDITURES				
Current:				
Administrative	1,125,090.00	1,467,819.00	1,623,351.40	(155,532.40)
Total current	1,125,090.00	1,467,819.00	1,623,351.40	(155,532.40)
Debt service:				
Interest	1,160.00	1,160.00	-	1,160.00
Principal	11,100.00	11,100.00	-	11,100.00
Total debt service	12,260.00	12,260.00	-	12,260.00
Capital outlay:				
Administrative	8,000.00	4,271.00	-	4,271.00
Total capital outlay	8,000.00	4,271.00	-	4,271.00
Total expenditures	1,145,350.00	1,484,350.00	1,623,351.40	(139,001.40)
Excess (deficiency) of revenues over (under) expenditures	(378,556.00)	(717,556.00)	(415,145.95)	302,410.05
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	640,338.00	690,338.00	676,927.95	(13,410.05)
Transfers out	(261,782.00)	(261,782.00)	(261,782.00)	(13,410.05)
Total other financing sources and uses and special items	378,556.00	428,556.00	415,145.95	289,000.00
Net change in fund balances	-	(289,000.00)	-	-
Fund balances -- beginning	86,374.31	86,374.31	86,374.31	-
Fund balances -- ending	\$ 86,374.31	\$ (202,625.69)	\$ 86,374.31	\$ 289,000.00

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 714,319.00	\$ 714,319.00	\$ 928,465.11	\$ 214,146.11
Internal charges	-	-	1,946.17	1,946.17
Miscellaneous	15,300.00	15,300.00	12,551.30	(2,748.70)
Investment revenue	5,000.00	5,000.00	4,142.66	(857.34)
Total revenues	734,619.00	734,619.00	947,105.24	212,486.24
EXPENDITURES				
Current:				
Parks and Recreation	1,837,361.00	1,881,177.83	1,665,594.15	215,583.68
Total current	1,837,361.00	1,881,177.83	1,665,594.15	215,583.68
Debt service:				
Interest	-	-	20.48	(20.48)
Total debt service	-	-	20.48	(20.48)
Capital outlay:				
Parks and Recreation	19,000.00	18,683.17	7,546.34	11,136.83
Total capital outlay	19,000.00	18,683.17	7,546.34	11,136.83
Total expenditures	1,856,361.00	1,899,861.00	1,673,160.97	226,700.03
Excess (deficiency) of revenues over (under) expenditures	(1,121,742.00)	(1,165,242.00)	(726,055.73)	439,186.27
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	1,121,742.00	1,151,742.00	913,460.35	(238,281.65)
Asset disposition	-	-	18,878.02	18,878.02
Transfers out	-	-	(1,946.17)	(1,946.17)
Total other financing sources and uses and special items	1,121,742.00	1,151,742.00	930,392.20	(221,349.80)
Net change in fund balances	-	(13,500.00)	204,336.47	217,836.47
Fund balances -- beginning	39,468.62	39,468.62	39,468.62	-
Fund balances -- ending	\$ 39,468.62	\$ 25,968.62	\$ 243,805.09	\$ 217,836.47

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2010

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 15, 2009 and amended on August 17, 2009, November 16, 2009, December 21, 2009 and July 6, 2010. The initial budget and final amended budget are both reflected in the financial statements.

For the year ended June 30, 2010, the fund expenditures for Airport, Downtown Business District, Park/Storm Water Sales Tax-Capital, Street Improvements and Risk Management funds exceeded their approved budgets by \$139,001, \$513, \$106,495, \$143 and \$59,832, respectively.

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2010

BUDGETS AND BUDGETARY ACCOUNTING - Continued

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

The following reconciliation adjusts GAAP basis to budget basis:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
	<u>General</u>	<u>Airport</u>	<u>Parks and Recreation</u>	<u>Transportation Trust III</u>	<u>Park Projects From Park Sales Tax</u>	<u>Non-major Funds</u>
GAAP Basis	\$ 575,278	\$ 10	\$ 192,524	\$ (1,045,878)	\$ (12,338,055)	\$ (2,785,195)
Increase 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	-	-	-	5,365,779	-	2,508,819
Contingency	2,000	-	-	-	-	-
Funds not budgeted annually	-	-	-	-	12,338,055	1,573,409
Advance from other funds	41,242	-	-	-	-	-
Adjust investments to market	170	-	-	-	-	668
Encumbrance revenue	<u>15,760</u>	<u>-</u>	<u>-</u>	<u>894,126</u>	<u>-</u>	<u>230,268</u>
	<u>109,136</u>	<u>6,997</u>	<u>17,047</u>	<u>6,259,905</u>	<u>12,338,055</u>	<u>4,530,614</u>
Decrease due to:						
Year-end encumbrances						
Administrative services	1,555	6,266	-	-	-	24,632
Development services	5,809	-	-	-	-	160,483
Parks and recreation	14,834	-	4,903	-	-	-
Public safety	24,022	-	-	-	-	208
Public works	13,931	-	-	-	-	-
Capital outlay	-	-	-	4,471,862	-	632,124
Encumbrance revenue	-	254	-	-	-	1,564,622
Adjust invest to market	<u>6,539</u>	<u>487</u>	<u>332</u>	<u>13,050</u>	<u>-</u>	<u>21,663</u>
	<u>66,690</u>	<u>7,007</u>	<u>5,235</u>	<u>4,484,912</u>	<u>-</u>	<u>2,403,732</u>
Budget Basis	<u>\$ 617,724</u>	<u>\$ -</u>	<u>\$ 204,336</u>	<u>\$ 729,115</u>	<u>\$ -</u>	<u>\$ (658,313)</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, 2010

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	\$ 30,442	\$ 3,038,948	\$ 251,196	\$ 1,088,523	\$ 1,491,649
Increase due to:					
Prior year encumbrances					
Operating expenses	18,140	7,196	455	99	5,695
Capital Outlays	1,514	68,229	-	-	-
Depreciation	2,151,419	1,429,554	219,373	81,059	12,800
Special assessments	35,176	11,425	-	-	-
Bond proceeds	-	-	1,790,031	-	-
Interest cost amortized	372,347	-	-	-	-
Cost of bond refunding amortization	-	52,518	-	-	-
Issuance cost amortization	23,416	18,717	-	-	-
Amortized bond premium/discount	174	-	-	-	-
Amounts deferred to be used for future debt service on capital appreciation bonds					
Construction fund earnings	235,060	-	-	-	-
Interest subsidy received	565,308	-	-	-	-
Net OPEB obligation	39,280	7,306	31,737	8,431	2,638
Asset dispositions	-	29,421	83,080	3,336	-
	<u>3,441,834</u>	<u>1,624,366</u>	<u>2,124,676</u>	<u>92,925</u>	<u>21,133</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	83,026	6,573	10,698	3,341	8,499
Capital outlays	2,042,450	16,470	-	-	-
Landfill closure and maintenance costs	-	-	1,532	-	-
Cost of bond refunding amortization	36	-	64	-	-
Issuance cost amortization	-	-	26,252	-	-
Interest paid more than accrual	23,774	12,399	366	-	-
Bond principal paid	2,907,683	946,753	53,313	25,417	15,824
Amortized Bond premium/discount	-	14,371	784	-	-
Capital outlays	144,190	562,161	2,374,926	68,460	8,341
Adjust investments to market	4,185	15,923	4,602	55	88
Asset Dispositions	-	-	-	-	-
Deferred revenues	19,500	55,604	23,245	-	-
Adjustment to liability for future landfill postclosure maintenance costs	-	-	1,968	-	-
Contributed capital	489,037	2,847,906	-	1,077,825	1,482,314
	<u>5,713,881</u>	<u>4,478,160</u>	<u>2,497,750</u>	<u>1,175,098</u>	<u>1,515,066</u>
Budget Basis	<u>\$(2,241,605)</u>	<u>\$ 185,154</u>	<u>\$ (121,878)</u>	<u>\$ 6,350</u>	<u>\$ (2,284)</u>

City of Cape Girardeau, Missouri
NOTES TO BUDGETARY COMPARISON SCHEDULES
June 30, 2010

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	\$ 7,012	\$ (13,271)	\$ 705,721	\$ (83,239)	\$ 87,450
Increase due to:					
Prior year encumbrances					
Operating expenses	-	4,258	-	-	-
Capital Outlays	-	-	-	-	29,611
Depreciation	41,728	15,819	-	-	250,630
Deferred revenues	-	14,557	-	-	-
Issuance cost amortization	-	995	-	-	546
Difference between proceeds from sale of fixed assets and gain or loss	6,823	-	-	-	14,058
Net OPEB Obligation	4,744	29,840	-	-	-
Adjust investments to market	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>53,295</u>	<u>65,469</u>	<u>-</u>	<u>-</u>	<u>294,845</u>
Decrease due to:					
Year-end encumbrances					
Operating expenses	-	7,058	-	-	-
Capital outlays	51,361	6,935	-	-	6,494
Interest paid more than accrued	-	-	-	-	131
Adjust investments to market	334	348	3,582	12,998	3,428
Amortized Bond premium/discount	-	-	-	-	284
Principal paid	-	160,875	-	-	45,000
Capital outlays	<u>51,532</u>	<u>31,922</u>	<u>-</u>	<u>-</u>	<u>535,051</u>
	<u>103,227</u>	<u>207,138</u>	<u>3,582</u>	<u>12,998</u>	<u>590,388</u>
Budget Basis	<u>\$ (42,920)</u>	<u>\$(154,940)</u>	<u>\$ 702,139</u>	<u>\$ (96,237)</u>	<u>\$ (208,093)</u>

CITY OF CAPE GIRARDEAU, MISSOURI

Schedule of Funding Progress

June 30, 2010

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
2/29/2008	\$ 33,474,714	\$ 30,743,406	(2,731,308)	109%	\$ 13,845,635	29%
2/28/2009	26,852,264	30,816,797	3,964,533	87%	13,852,177	26%
2/28/2010	28,033,747	31,677,279	3,643,532	88%	14,192,849	

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 114.75	\$ 114.75
Total revenues	-	-	114.75	114.75
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	114.75	114.75
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Total other financing sources and uses and special items	-	-	-	-
Net change in fund balances	-	-	114.75	114.75
Fund balances -- beginning	2,911.17	2,911.17	2,911.17	-
Fund balances -- ending	\$ 2,911.17	\$ 2,911.17	\$ 3,025.92	\$ 114.75

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,721,000.00	\$ 1,721,000.00	\$ 1,675,659.48	\$ (45,340.52)
Intergovernmental	-	-	100,695.98	100,695.98
Miscellaneous	-	-	1,800.00	1,800.00
Investment revenue	20,000.00	20,000.00	23,074.77	3,074.77
Total revenues	<u>1,741,000.00</u>	<u>1,741,000.00</u>	<u>1,801,230.23</u>	<u>60,230.23</u>
EXPENDITURES				
Current:				
Administrative	1,810,361.00	2,055,361.00	1,983,891.28	71,469.72
Total current	<u>1,810,361.00</u>	<u>2,055,361.00</u>	<u>1,983,891.28</u>	<u>71,469.72</u>
Total expenditures	<u>1,810,361.00</u>	<u>2,055,361.00</u>	<u>1,983,891.28</u>	<u>71,469.72</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69,361.00)</u>	<u>(314,361.00)</u>	<u>(182,661.05)</u>	<u>131,699.95</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers out	-	(43,500.00)	(43,500.00)	-
Total other financing sources and uses and special items	<u>-</u>	<u>(43,500.00)</u>	<u>(43,500.00)</u>	<u>-</u>
Net change in fund balances	<u>(69,361.00)</u>	<u>(357,861.00)</u>	<u>(226,161.05)</u>	<u>131,699.95</u>
Fund balances -- beginning	891,907.57	891,907.57	891,907.57	-
Fund balances -- ending	<u>\$ 822,546.57</u>	<u>\$ 534,046.57</u>	<u>\$ 665,746.52</u>	<u>\$ 131,699.95</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 19,925.00	\$ 19,925.00	\$ 21,652.66	\$ 1,727.66
Investment revenue	1,075.00	1,075.00	1,487.46	412.46
Total revenues	21,000.00	21,000.00	23,140.12	2,140.12
EXPENDITURES				
Current:				
Development Services	11,000.00	13,200.00	13,712.89	(512.89)
Total current	11,000.00	13,200.00	13,712.89	(512.89)
Debt Service:				
Interest	5,300.00	5,300.00	2,730.03	2,569.97
Principal	4,700.00	4,700.00	7,269.97	(2,569.97)
Total debt service	10,000.00	10,000.00	10,000.00	-
Total expenditures	21,000.00	23,200.00	23,712.89	(512.89)
Excess (deficiency) of revenues over (under) expenditures	-	(2,200.00)	(572.77)	1,627.23
Net change in fund balances	-	(2,200.00)	(572.77)	1,627.23
Fund balances -- beginning	34,401.32	34,401.32	34,401.32	-
Fund balances -- ending	\$ 34,401.32	\$ 32,201.32	\$ 33,828.55	\$ 1,627.23

City of Cape Girardeau
Health

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 311,517.00	\$ 311,517.00	\$ 308,440.63	\$ (3,076.37)
Licenses & permits	4,000.00	4,000.00	679.00	(3,321.00)
Intergovernmental	7,300.00	7,300.00	7,573.33	273.33
Investment revenue	16,200.00	16,200.00	16,704.11	504.11
Total revenues	<u>339,017.00</u>	<u>339,017.00</u>	<u>333,397.07</u>	<u>(5,619.93)</u>
EXPENDITURES				
Current:				
Public Safety	339,016.00	339,016.00	319,276.34	19,739.66
Total current	<u>339,016.00</u>	<u>339,016.00</u>	<u>319,276.34</u>	<u>19,739.66</u>
Total expenditures	<u>339,016.00</u>	<u>339,016.00</u>	<u>319,276.34</u>	<u>19,739.66</u>
Excess (deficiency) of revenues over (under) expenditures	1.00	1.00	14,120.73	14,119.73
Net change in fund balances	1.00	1.00	14,120.73	14,119.73
Fund balances -- beginning	432,567.51	432,567.51	432,567.51	-
Fund balances -- ending	<u>\$ 432,568.51</u>	<u>\$ 432,568.51</u>	<u>\$ 446,688.24</u>	<u>\$ 14,119.73</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,315,000.00	\$ 1,315,000.00	\$ 1,336,556.38	\$ 21,556.38
Investment revenue	5,650.00	5,650.00	6,070.91	420.91
Total revenues	1,320,650.00	1,320,650.00	1,342,627.29	21,977.29
EXPENDITURES				
Current:				
Public Safety	-	200.00	53.25	146.75
Total current	-	200.00	53.25	146.75
Debt Service				
Interest	-	800.00	529.35	270.65
Total debt service	-	800.00	529.35	270.65
Total expenditures	-	1,000.00	582.60	417.40
Excess (deficiency) of revenues over (under) expenditures	1,320,650.00	1,319,650.00	1,342,044.69	22,394.69
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Special assessments	4,350.00	4,350.00	4,370.30	20.30
Transfers out	(1,325,000.00)	(1,325,000.00)	(1,325,000.00)	-
Total other financing sources and uses and special items	(1,320,650.00)	(1,320,650.00)	(1,320,629.70)	20.30
Net change in fund balances	-	(1,000.00)	21,414.99	22,414.99
Fund balances -- beginning	140,133.31	140,133.31	140,133.31	-
Fund balances -- ending	\$ 140,133.31	\$ 139,133.31	\$ 161,548.30	\$ 22,414.99

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 2,311.83	\$ 2,311.83
Total revenues	-	-	2,311.83	2,311.83
EXPENDITURES				
Capital outlay:				
Capital Improvement Projects	-	-	2,605.87	(2,605.87)
Total capital outlay	-	-	2,605.87	(2,605.87)
Total expenditures	-	-	2,605.87	(2,605.87)
Excess (deficiency) of revenues over (under) expenditures	-	-	(294.04)	(294.04)
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers out	(63,500.00)	(63,500.00)	-	63,500.00
Total other financing sources and uses and special items	(63,500.00)	(63,500.00)	-	63,500.00
Net change in fund balances	(63,500.00)	(63,500.00)	(294.04)	63,205.96
Fund balances -- beginning	59,871.16	59,871.16	59,871.16	-
Fund balances -- ending	\$ (3,628.84)	\$ (3,628.84)	\$ 59,577.12	\$ 63,205.96

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,159,000.00	\$ 2,159,000.00	\$ 2,180,814.56	\$ 21,814.56
Investment revenue	101,300.00	101,300.00	87,105.16	(14,194.84)
Total revenues	<u>2,260,300.00</u>	<u>2,260,300.00</u>	<u>2,267,919.72</u>	<u>7,619.72</u>
EXPENDITURES				
Current:				
Development Services:				
Total current	34,500.00	38,300.00	37,878.29	421.71
	<u>34,500.00</u>	<u>38,300.00</u>	<u>37,878.29</u>	<u>421.71</u>
Debt service:				
Administrative charges	63,470.00	63,470.00	60,587.43	2,882.57
Interest	591,413.00	625,287.00	625,218.22	68.78
Principal	1,080,000.00	1,080,000.00	1,080,000.00	-
Total debt service	1,734,883.00	1,768,757.00	1,765,805.65	2,951.35
Total expenditures	<u>1,769,383.00</u>	<u>1,807,057.00</u>	<u>1,803,683.94</u>	<u>3,373.06</u>
Excess (deficiency) of revenues over (under) expenditures	<u>490,917.00</u>	<u>453,243.00</u>	<u>464,235.78</u>	<u>10,992.78</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	-	42,725.87	42,725.87
Total other financing sources and uses and special items	-	-	42,725.87	42,725.87
Net change in fund balances	490,917.00	453,243.00	506,961.65	53,718.65
Fund balances -- beginning	1,745,073.58	1,745,073.58	1,745,073.58	-
Fund balances -- ending	<u>\$ 2,235,990.58</u>	<u>\$ 2,198,316.58</u>	<u>\$ 2,252,035.23</u>	<u>\$ 53,718.65</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 22,500.00	\$ 22,500.00	\$ 19,488.39	\$ (3,011.61)
Total revenues	22,500.00	22,500.00	19,488.39	(3,011.61)
EXPENDITURES				
Debt service:				
Administrative charges	2,500.00	2,500.00	418.00	2,082.00
Interest	17,190.00	17,190.00	17,189.25	0.75
Principal	123,000.00	123,000.00	123,000.00	-
Total debt service	142,690.00	142,690.00	140,607.25	2,082.75
Total expenditures	142,690.00	142,690.00	140,607.25	2,082.75
Excess (deficiency) of revenues over (under) expenditures	(120,190.00)	(120,190.00)	(121,118.86)	(928.86)
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	30,000.00	30,000.00	30,000.00	-
Special assessments	62,500.00	62,500.00	113,235.35	50,735.35
Total other financing sources and uses and special items	92,500.00	92,500.00	143,235.35	50,735.35
Net change in fund balances	(27,690.00)	(27,690.00)	22,116.49	49,806.49
Fund balances -- beginning	211,371.66	211,371.66	211,371.66	-
Fund balances -- ending	\$ 183,681.66	\$ 183,681.66	\$ 233,488.15	\$ 49,806.49

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,159,000.00	\$ 2,159,000.00	\$ 2,180,855.55	\$ 21,855.55
Investment revenue	26,300.00	26,300.00	18,228.62	(8,071.38)
Total revenues	<u>2,185,300.00</u>	<u>2,185,300.00</u>	<u>2,199,084.17</u>	<u>13,784.17</u>
EXPENDITURES				
Current				
Development Services	34,500.00	38,300.00	37,878.29	421.71
Total current	<u>34,500.00</u>	<u>38,300.00</u>	<u>37,878.29</u>	<u>421.71</u>
Total expenditures	<u>34,500.00</u>	<u>38,300.00</u>	<u>37,878.29</u>	<u>421.71</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,150,800.00</u>	<u>2,147,000.00</u>	<u>2,161,205.88</u>	<u>14,205.88</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers out	(2,380,929.00)	(2,380,929.00)	(1,750,306.98)	630,622.02
Total other financing sources and uses and special items	<u>(2,380,929.00)</u>	<u>(2,380,929.00)</u>	<u>(1,750,306.98)</u>	<u>630,622.02</u>
Net change in fund balances	<u>(230,129.00)</u>	<u>(233,929.00)</u>	<u>410,898.90</u>	<u>644,827.90</u>
Fund balances -- beginning	739,496.68	739,496.68	739,496.68	-
Fund balances -- ending	<u>\$ 509,367.68</u>	<u>\$ 505,567.68</u>	<u>\$ 1,150,395.58</u>	<u>\$ 644,827.90</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 62,500.00	\$ 62,500.00	\$ 55,798.43	\$ (6,701.57)
Total revenues	<u>62,500.00</u>	<u>62,500.00</u>	<u>55,798.43</u>	<u>(6,701.57)</u>
EXPENDITURES				
Capital outlay:				
Capital Improvement Projects	384,900.00	547,900.00	545,751.18	2,148.82
Total capital outlay	<u>384,900.00</u>	<u>547,900.00</u>	<u>545,751.18</u>	<u>2,148.82</u>
Total expenditures	<u>384,900.00</u>	<u>547,900.00</u>	<u>545,751.18</u>	<u>2,148.82</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(322,400.00)</u>	<u>(485,400.00)</u>	<u>(489,952.75)</u>	<u>(4,552.75)</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Special assessments	41,125.00	41,125.00	88,576.03	47,451.03
Transfers out	-	(598,000.00)	(598,000.00)	-
Total other financing sources and uses and special items	<u>41,125.00</u>	<u>(556,875.00)</u>	<u>(509,423.97)</u>	<u>47,451.03</u>
Net change in fund balances	<u>(281,275.00)</u>	<u>(1,042,275.00)</u>	<u>(999,376.72)</u>	<u>42,898.28</u>
Fund balances -- beginning	1,046,948.24	1,046,948.24	1,046,948.24	-
Fund balances -- ending	<u>\$ 765,673.24</u>	<u>\$ 4,673.24</u>	<u>\$ 47,571.52</u>	<u>\$ 42,898.28</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,094,350.00	\$ 2,094,350.00	\$ 2,116,933.77	\$ 22,583.77
Investment revenue	2,000.00	2,000.00	-	(2,000.00)
Total revenues	2,096,350.00	2,096,350.00	2,116,933.77	20,583.77
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	2,096,350.00	2,096,350.00	2,116,933.77	20,583.77
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers out	(2,093,850.00)	(2,103,850.00)	(2,089,485.14)	14,364.86
Total other financing sources and uses and special items	(2,093,850.00)	(2,103,850.00)	(2,089,485.14)	14,364.86
Net change in fund balances	2,500.00	(7,500.00)	27,448.63	34,948.63
Fund balances -- beginning	172,059.77	172,059.77	172,059.77	-
Fund balances -- ending	\$ 174,559.77	\$ 164,559.77	\$ 199,508.40	\$ 34,948.63

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 16,800.00	\$ 16,800.00	\$ -	\$ (16,800.00)
Investment revenue	39,200.00	39,200.00	57,187.63	17,987.63
Total revenues	56,000.00	56,000.00	57,187.63	1,187.63
EXPENDITURES				
Current:				
Public Safety	-	15,234.57	15,417.57	(183.00)
Total current	-	15,234.57	15,417.57	(183.00)
Debt service:				
Interest	185,434.00	185,434.00	166,250.82	19,183.18
Principal	571,500.00	920,375.00	920,375.00	-
Total debt service	756,934.00	1,105,809.00	1,086,625.82	19,183.18
Capital outlay:				
Capital Improvement Projects	-	68,000.00	54,161.85	13,838.15
Public Safety	233,666.00	218,431.43	213,810.53	4,620.90
Total capital outlay	233,666.00	286,431.43	267,972.38	18,459.05
Total expenditures	990,600.00	1,407,475.00	1,370,015.77	37,459.23
Excess (deficiency) of revenues over (under) expenditures	(934,600.00)	(1,351,475.00)	(1,312,828.14)	38,646.86
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	2,093,850.00	2,103,850.00	2,089,485.14	(14,364.86)
Transfers out	(1,097,010.00)	(1,102,010.00)	(1,097,521.48)	4,488.52
Total other financing sources and uses and special items	996,840.00	1,001,840.00	991,963.66	(9,876.34)
Net change in fund balances	62,240.00	(349,635.00)	(320,864.48)	28,770.52
Fund balances -- beginning	1,127,864.08	1,127,864.08	1,127,864.08	-
Fund balances -- ending	\$ 1,190,104.08	\$ 778,229.08	\$ 806,999.60	\$ 28,770.52

City of Cape Girardeau
Debt Service
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 27,491.00	\$ 27,491.00	\$ -	\$ (27,491.00)
Investment revenue	11,527.00	11,527.00	6,257.04	(5,269.96)
Total revenues	39,018.00	39,018.00	6,257.04	(32,760.96)
EXPENDITURES				
Debt service:				
Administrative charges	2,842.00	2,842.00	2,821.50	20.50
Interest	136,303.00	140,303.00	137,125.40	3,177.60
Principal	191,900.00	191,900.00	167,000.00	24,900.00
Total debt service	331,045.00	335,045.00	306,946.90	28,098.10
Total expenditures	331,045.00	335,045.00	306,946.90	28,098.10
Excess (deficiency) of revenues over (under) expenditures	(292,027.00)	(296,027.00)	(300,689.86)	(4,662.86)
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	261,782.00	261,782.00	261,782.00	-
Special assessments	33,000.00	33,000.00	33,785.33	785.33
Total other financing sources and uses and special items	294,782.00	294,782.00	295,567.33	785.33
Net change in fund balances	2,755.00	(1,245.00)	(5,122.53)	(3,877.53)
Fund balances -- beginning	294,186.39	294,186.39	294,186.39	-
Fund balances -- ending	\$ 296,941.39	\$ 292,941.39	\$ 289,063.86	\$ (3,877.53)

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 94,914.76	\$ 94,914.76
Investment revenue	8,000.00	8,000.00	4,368.46	(3,631.54)
Total revenues	8,000.00	8,000.00	99,283.22	91,283.22
EXPENDITURES				
Debt Service:				
Interest	-	1,500.00	1,401.76	98.24
Total debt service	-	1,500.00	1,401.76	98.24
Capital outlay:				
Capital Improvement Projects	-	126,300.00	122,568.90	3,731.10
Total capital outlay	-	126,300.00	122,568.90	3,731.10
Total expenditures	-	127,800.00	123,970.66	3,829.34
Excess (deficiency) of revenues over (under) expenditures	8,000.00	(119,800.00)	(24,687.44)	95,112.56
Net change in fund balances	8,000.00	(119,800.00)	(24,687.44)	95,112.56
Fund balances -- beginning	221,614.39	221,614.39	221,614.39	-
Fund balances -- ending	\$ 229,614.39	\$ 101,814.39	\$ 196,926.95	\$ 95,112.56

City of Cape Girardeau
Street Improvements
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 3,960.00	\$ 3,960.00	\$ 6,554.64	\$ 2,594.64
Total revenues	3,960.00	3,960.00	6,554.64	2,594.64
EXPENDITURES				
Capital outlay:				
Capital Improvement Projects	-	-	143.01	(143.01)
Total capital outlay	-	-	143.01	(143.01)
Total expenditures	-	-	143.01	(143.01)
Excess (deficiency) of revenues over (under) expenditures	3,960.00	3,960.00	6,411.63	2,451.63
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Special Assessments	13,200.00	13,200.00	31,014.00	17,814.00
Total other financing sources and uses and special items	13,200.00	13,200.00	31,014.00	17,814.00
Net change in fund balances	17,160.00	17,160.00	37,425.63	20,265.63
Fund balances -- beginning	127.78	127.78	127.78	-
Fund balances -- ending	\$ 17,287.78	\$ 17,287.78	\$ 37,553.41	\$ 20,265.63

City of Cape Girardeau
Park Improvements

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 128,757.81	\$ 128,757.81
Investment revenue	-	-	229.63	229.63
Total revenues	-	-	128,987.44	128,987.44
EXPENDITURES				
Debt service				
Interest	-	-	2,346.83	(2,346.83)
Total debt service	-	-	2,346.83	(2,346.83)
Capital outlay				
Capital Improvement Projects	-	293,300.00	281,740.09	11,559.91
Total capital outlay	-	293,300.00	281,740.09	11,559.91
Total expenditures	-	293,300.00	284,086.92	9,213.08
Excess (deficiency) of revenues over (under) expenditures	-	(293,300.00)	(155,099.48)	138,200.52
Net change in fund balances	-	(293,300.00)	(155,099.48)	138,200.52
Fund balances -- beginning	79,644.77	79,644.77	79,644.77	-
Fund balances -- ending	\$ 79,644.77	\$ (213,655.23)	\$ (75,454.71)	\$ 138,200.52

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	-	-	\$ 300,101.06	\$ 300,101.06
Miscellaneous	-	-	895.00	895.00
Investment revenue	-	-	1,592.50	1,592.50
Total revenues	-	-	302,588.56	302,588.56
EXPENDITURES				
Current:				
Development Services	-	400.00	400.00	-
Total current	-	400.00	400.00	-
Debt service:				
Interest	-	1,500.00	1,445.62	54.38
Total debt service	-	1,500.00	1,445.62	54.38
Capital outlay:				
Capital Improvement Projects	-	420,000.00	424,255.11	(4,255.11)
Total capital outlay	-	420,000.00	424,255.11	(4,255.11)
Total expenditures	-	421,900.00	426,100.73	(4,200.73)
Excess (deficiency) of revenues over (under) expenditures	-	(421,900.00)	(123,512.17)	298,387.83
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	97,500.00	124,378.17	26,878.17
Transfers out	-	(35,500.00)	(2,585.00)	32,915.00
Total other financing sources and uses and special items	-	62,000.00	121,793.17	59,793.17
Net change in fund balances	-	(359,900.00)	(1,719.00)	358,181.00
Fund balances -- beginning	38,459.64	38,459.64	38,459.64	-
Fund balances -- ending	\$ 38,459.64	\$ (321,440.36)	\$ 36,740.64	\$ 358,181.00

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,192,000.00	\$ 4,192,000.00	\$ 4,234,117.43	\$ 42,117.43
Intergovernmental	-	-	910,526.45	910,526.45
Investment revenue	124,500.00	124,500.00	164,259.80	39,759.80
Total revenues	4,316,500.00	4,316,500.00	5,308,903.68	992,403.68
EXPENDITURES				
Current:				
Development Services	65,800.00	69,050.00	68,376.79	673.21
Total current	65,800.00	69,050.00	68,376.79	673.21
Capital outlay:				
Capital Improvement Projects	3,980,300.00	5,494,350.00	5,434,412.31	59,937.69
Total capital outlay	3,980,300.00	5,494,350.00	5,434,412.31	59,937.69
Total expenditures	4,046,100.00	5,563,400.00	5,502,789.10	60,610.90
Excess (deficiency) of revenues over (under) expenditures	270,400.00	(1,246,900.00)	(193,885.42)	1,053,014.58
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	125,000.00	723,000.00	923,000.00	200,000.00
Total other financing sources and uses and special items	125,000.00	723,000.00	923,000.00	200,000.00
Net change in fund balances	395,400.00	(523,900.00)	729,114.58	1,253,014.58
Fund balances -- beginning	928,097.03	928,097.03	928,097.03	-
Prior period adjustment	7,400.00	7,400.00	7,400.00	-
Fund balances -- ending	\$ 1,330,897.03	\$ 411,597.03	\$ 1,664,611.61	\$ 1,253,014.58

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,048,000.00	\$ 1,048,000.00	\$ 1,083,922.05	\$ 35,922.05
Investment revenue	2,125.00	2,125.00	15,366.81	13,241.81
Total revenues	1,050,125.00	1,050,125.00	1,099,288.86	49,163.86
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,050,125.00	1,050,125.00	1,099,288.86	49,163.86
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers out	(1,013,785.00)	(1,032,685.00)	(934,899.75)	97,785.25
Total other financing sources and uses and special items	(1,013,785.00)	(1,032,685.00)	(934,899.75)	97,785.25
Net change in fund balances	36,340.00	17,440.00	164,389.11	146,949.11
Fund balances -- beginning	131,432.32	131,432.32	131,432.32	-
Fund balances -- ending	\$ 167,772.32	\$ 148,872.32	\$ 295,821.43	\$ 146,949.11

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,144,000.00	\$ 3,144,000.00	\$ 3,251,766.11	\$ 107,766.11
Investment revenue	5,375.00	5,375.00	38,551.41	33,176.41
Total revenues	3,149,375.00	3,149,375.00	3,290,317.52	140,942.52
EXPENDITURES				
Debt service:				
Administrative charges	5,000.00	5,000.00	3,997.13	1,002.87
Interest	752,500.00	754,500.00	752,402.21	2,097.79
Principal	1,790,000.00	1,790,000.00	1,790,000.00	-
Total debt service	2,547,500.00	2,549,500.00	2,546,399.34	3,100.66
Capital outlay:				
Parks and Recreation	-	366,300.00	357,380.55	8,919.45
Total capital outlay	-	366,300.00	357,380.55	8,919.45
Total expenditures	2,547,500.00	2,915,800.00	2,903,779.89	12,020.11
Excess (deficiency) of revenues over (under) expenditures	601,875.00	233,575.00	386,537.63	152,962.63
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	-	435,125.73	435,125.73
Transfers out	(599,875.00)	(834,875.00)	(953,390.09)	(118,515.09)
Total other financing sources and uses and special items	(599,875.00)	(834,875.00)	(518,264.36)	316,610.64
Net change in fund balances	2,000.00	(601,300.00)	(131,726.73)	469,573.27
Fund balances -- beginning	820,299.15	820,299.15	820,299.15	-
Fund balances -- ending	\$ 822,299.15	\$ 218,999.15	\$ 688,572.42	\$ 469,573.27

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 325,659.00	\$ 325,659.00	\$ 479,778.31	\$ 154,119.31
Investment revenue	-	-	252.37	252.37
Total revenues	<u>325,659.00</u>	<u>325,659.00</u>	<u>480,030.68</u>	<u>154,371.68</u>
EXPENDITURES				
Current:				
Development Services	325,659.00	748,909.00	505,795.41	243,113.59
Total current	<u>325,659.00</u>	<u>748,909.00</u>	<u>505,795.41</u>	<u>243,113.59</u>
Debt service:				
Interest	-	-	2,716.89	(2,716.89)
Total debt service	<u>-</u>	<u>-</u>	<u>2,716.89</u>	<u>(2,716.89)</u>
Total expenditures	<u>325,659.00</u>	<u>748,909.00</u>	<u>508,512.30</u>	<u>240,396.70</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(423,250.00)</u>	<u>(28,481.62)</u>	<u>394,768.38</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	67,500.00	19,637.26	(47,862.74)
Total other financing sources and uses and special items	<u>-</u>	<u>67,500.00</u>	<u>19,637.26</u>	<u>(47,862.74)</u>
Net change in fund balances	<u>-</u>	<u>(355,750.00)</u>	<u>(8,844.36)</u>	<u>346,905.64</u>
Fund balances -- beginning	8,018.64	8,018.64	8,018.64	-
Fund balances -- ending	<u>\$ 8,018.64</u>	<u>\$ (347,731.36)</u>	<u>\$ (825.72)</u>	<u>\$ 346,905.64</u>

City of Cape Girardeau
Sewer

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7,122.04	\$ 7,122.04
Residential charges	1,878,975.00	1,878,975.00	1,840,767.47	(38,207.53)
Commercial charges	1,423,375.00	1,423,375.00	1,208,048.86	(215,326.14)
Other fees and charges	50,925.00	50,925.00	50,923.24	(1.76)
Internal charges	-	-	9,477.56	9,477.56
Miscellaneous	12,000.00	12,000.00	-	(12,000.00)
Investment revenue	53,400.00	53,400.00	440,822.20	387,422.20
Total revenues	3,418,675.00	3,418,675.00	3,557,161.37	138,486.37
EXPENDITURES				
Current:				
Contractual services	649,898.00	675,208.40	593,604.25	81,604.15
General operating expenses	197,534.00	194,521.00	197,056.19	(2,535.19)
Internal service expense	159,718.00	171,118.00	174,985.95	(3,867.95)
Material and supplies	445,270.00	450,642.60	435,168.67	15,473.93
Personnel services	1,596,543.00	1,625,623.00	1,593,855.70	31,767.30
Special projects expense	25,000.00	25,000.00	116,832.87	(91,832.87)
Total current	3,073,963.00	3,142,113.00	3,111,503.63	30,609.37
Debt service:				
Administrative charges	109,137.00	109,137.00	113,838.75	(4,701.75)
Interest	540,423.00	540,423.00	(384,935.88)	925,358.88
Principal	1,915,093.00	1,915,093.00	2,907,683.26	(992,590.26)
Total debt service	2,564,653.00	2,564,653.00	2,636,586.13	(71,933.13)
Capital outlay:				
Capital Improvement Projects	-	2,030,900.00	2,049,633.47	(18,733.47)
Equipment	115,429.00	104,679.00	45,461.50	59,217.50
Other Capital Expenditures	250,000.00	227,900.00	90,029.94	137,870.06
Total capital outlay	365,429.00	2,363,479.00	2,185,124.91	178,354.09
Total expenditures	6,004,045.00	8,070,245.00	7,933,214.67	137,030.33
Excess (deficiency) of revenues over (under) expenditures	(2,585,370.00)	(4,651,570.00)	(4,376,053.30)	275,516.70
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	2,630,453.00	2,630,453.00	2,008,383.65	(622,069.35)
Connection fees	100,000.00	100,000.00	78,466.93	(21,533.07)
Special assessments	15,000.00	15,000.00	35,176.31	20,176.31
Asset disposition	10,112.00	10,112.00	12,421.16	2,309.16
Total other financing sources and uses and special items	2,755,565.00	2,755,565.00	2,134,448.05	(621,116.95)
Net change in fund balances	170,195.00	(1,896,005.00)	(2,241,605.25)	(345,600.25)
Fund balances -- beginning	2,811,512.85	2,811,512.85	2,811,512.85	-
Prior period adjustment	11,023.72	11,023.72	11,023.72	-
Fund balances -- ending	\$ 2,992,731.57	\$ 926,531.57	\$ 580,931.32	\$ (345,600.25)

City of Cape Girardeau
Water

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final	Original	Final	
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 423.20	\$ 423.20
Residential charges	3,470,250.00	3,470,250.00	3,379,134.21	3,379,134.21	(91,115.79)
Commercial charges	2,396,000.00	2,396,000.00	2,319,082.51	2,319,082.51	(76,917.49)
Other fees and charges	190,125.00	190,125.00	165,238.90	165,238.90	(24,886.10)
Miscellaneous	16,580.00	16,580.00	15,957.64	15,957.64	(622.36)
Investment revenue	169,490.00	169,490.00	216,427.01	216,427.01	46,937.01
Total revenues	6,242,445.00	6,242,445.00	6,096,263.47	6,096,263.47	(146,181.53)
EXPENDITURES					
Current:					
Contractual services	2,640,017.00	2,628,447.00	2,527,980.79	2,527,980.79	100,466.21
General operating expenses	343,416.00	343,176.00	336,786.87	336,786.87	6,389.13
Internal service expense	113,413.00	113,413.00	84,125.14	84,125.14	29,287.86
Material and supplies	1,223,478.00	1,225,985.94	1,112,644.01	1,112,644.01	113,341.93
Personnel services	137,244.00	137,484.00	132,544.60	132,544.60	4,939.40
Special projects expense	115,000.00	115,000.00	129,651.72	129,651.72	(14,651.72)
Total current	4,572,568.00	4,563,505.94	4,323,733.13	4,323,733.13	239,772.81
Debt service:					
Administrative charges	1,000.00	1,000.00	470.25	470.25	529.75
Interest	180,464.00	180,464.00	180,464.12	180,464.12	(0.12)
Principal	946,753.00	946,753.00	946,752.99	946,752.99	0.01
Total debt service	1,128,217.00	1,128,217.00	1,127,687.36	1,127,687.36	529.64
Capital outlay:					
Capital Improvement Projects	303,188.00	301,045.06	186,684.59	186,684.59	114,360.47
Equipment	247,818.00	248,188.00	279,415.08	279,415.08	(31,227.08)
Other Capital Expenditures	38,500.00	49,335.00	44,302.18	44,302.18	5,032.82
Total capital outlay	589,506.00	598,568.06	510,401.85	510,401.85	88,166.21
Total expenditures	6,290,291.00	6,290,291.00	5,961,822.34	5,961,822.34	328,468.66
Excess (deficiency) of revenues over (under) expenditures	(47,846.00)	(47,846.00)	134,441.13	134,441.13	182,287.13
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS					
Transfers in	-	3,000.00	-	3,000.00	(3,000.00)
Investment revenue	1,200.00	1,200.00	1,162.82	1,162.82	(37.18)
Special assessments	4,800.00	4,800.00	11,425.07	11,425.07	6,625.07
Asset disposition	21,224.00	21,224.00	38,125.23	38,125.23	16,901.23
Total other financing sources and uses and special items	27,224.00	30,224.00	50,713.12	50,713.12	20,489.12
Net change in fund balances	(20,622.00)	(17,622.00)	185,154.25	185,154.25	202,776.25
Fund balances -- beginning	5,651,507.97	5,651,507.97	5,651,507.97	5,651,507.97	-
Fund balances -- ending	\$ 5,630,885.97	\$ 5,633,885.97	\$ 5,836,662.22	\$ 5,836,662.22	\$ 202,776.25

City of Cape Girardeau
Solid Waste

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 15,882.00	\$ 15,882.00	\$ 164,996.90	\$ 149,114.90
Residential charges	2,130,520.00	2,130,520.00	2,122,561.92	(7,958.08)
Commercial charges	29,000.00	29,000.00	30,637.91	1,637.91
Transfer station charges	1,050,820.00	1,050,820.00	933,762.33	(117,057.67)
Other fees and charges	84,900.00	84,900.00	84,312.07	(587.93)
Miscellaneous	33,000.00	33,000.00	51,095.05	18,095.05
Investment revenue	44,000.00	44,000.00	56,537.00	12,537.00
Total revenues	3,388,122.00	3,388,122.00	3,443,903.18	55,781.18
EXPENDITURES				
Current:				
Contractual services	1,375,007.00	1,388,841.00	1,219,465.26	169,375.74
General operating expenses	41,510.00	40,580.00	27,008.13	13,571.87
Internal service expense	212,353.00	212,353.00	215,460.17	(3,107.17)
Material and supplies	136,364.00	149,958.00	141,552.80	8,405.20
Personnel services	1,173,208.00	1,173,688.00	1,178,628.64	(4,940.64)
Special projects expense	98,500.00	92,319.00	125,555.62	(33,236.62)
Total current	3,036,942.00	3,057,739.00	2,907,670.62	150,068.38
Debt service:				
Administrative charges	700.00	700.00	-	700.00
Interest	31,332.00	181,332.16	38,192.16	143,139.84
Issuance	-	70,000.00	27,941.97	42,058.03
Principal	53,314.00	53,314.00	53,313.75	0.25
Total debt service	85,346.00	305,346.00	119,447.88	185,898.12
Capital outlay:				
Equipment	188,965.00	2,463,168.00	2,374,926.09	88,241.91
Total capital outlay	188,965.00	2,463,168.00	2,374,926.09	88,241.91
Total expenditures	3,311,253.00	5,826,253.00	5,402,044.59	424,208.41
Excess (deficiency) of revenues over (under) expenditures	76,869.00	(2,438,131.00)	(1,958,141.41)	479,989.59
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Bond proceeds	-	-	1,790,031.10	1,790,031.10
Asset disposition	10,647.00	10,647.00	43,483.62	32,836.62
Other non-operating revenue	-	-	2,749.00	2,749.00
Total other financing sources and uses and special items	10,647.00	10,647.00	1,836,263.72	1,825,616.72
Net change in fund balances	87,516.00	(2,427,484.00)	(121,877.69)	2,305,606.31
Fund balances -- beginning	1,181,097.01	1,181,097.01	1,181,097.01	-
Fund balances -- ending	\$ 1,268,613.01	\$ (1,246,386.99)	\$ 1,059,219.32	\$ 2,305,606.31

City of Cape Girardeau
Golf Course

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
User fees	\$ 156,620.00	\$ 156,620.00	\$ 94,373.50	\$ (62,246.50)
Concession revenues	9,800.00	9,800.00	4,780.40	(5,019.60)
Miscellaneous	-	-	382.87	382.87
Investment revenue	1,400.00	1,400.00	625.44	(774.56)
Total revenues	167,820.00	167,820.00	100,162.21	(67,657.79)
EXPENDITURES				
Current:				
Contractual services	16,365.00	21,126.04	24,142.01	(3,015.97)
General operating expenses	6,560.00	6,935.00	2,154.78	4,780.22
Internal service expense	59,479.00	59,479.00	44,053.81	15,425.19
Material and supplies	80,405.00	76,772.34	88,820.48	(12,048.14)
Personnel services	351,421.00	351,421.00	257,539.66	93,881.34
Special projects expense	3,700.00	2,196.62	441.37	1,755.25
Total current	517,930.00	517,930.00	417,152.11	100,777.89
Debt service:				
Interest	11,849.00	11,849.00	12,162.88	(313.88)
Principal	25,148.00	25,148.00	25,417.48	(269.48)
Total debt service	36,997.00	36,997.00	37,580.36	(583.36)
Capital outlay:				
Capital improvement projects	-	-	68,459.00	(68,459.00)
Total capital outlay	-	-	68,459.00	(68,459.00)
Total expenditures	554,927.00	554,927.00	523,191.47	31,735.53
Excess (deficiency) of revenues over (under) expenditures	(387,107.00)	(387,107.00)	(423,029.26)	(35,922.26)
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	387,107.00	387,107.00	418,266.36	31,159.36
Asset disposition	-	-	10,560.90	10,560.90
Other non-operating revenue	-	-	552.00	552.00
Total other financing sources and uses and special items	387,107.00	387,107.00	429,379.26	42,272.26
Net change in fund balances	-	-	6,350.00	6,350.00
Fund balances -- beginning	5,212.01	5,212.01	5,212.01	-
Fund balances -- ending	\$ 5,212.01	\$ 5,212.01	\$ 11,562.01	\$ 6,350.00

City of Cape Girardeau
Softball Complex

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
User fees	\$ 85,040.00	\$ 85,040.00	\$ 102,275.88	\$ 17,235.88
Concession revenues	49,875.00	49,875.00	55,829.25	5,954.25
Internal charges	-	-	20,057.71	20,057.71
Miscellaneous	5,800.00	5,800.00	787.15	(5,012.85)
Investment revenue	1,600.00	1,600.00	1,075.35	(524.65)
Total revenues	142,315.00	142,315.00	180,025.34	37,710.34
EXPENDITURES				
Current:				
Contractual services	26,177.00	28,367.00	27,397.68	969.32
General operating expenses	2,300.00	2,300.00	1,617.00	683.00
Internal service expense	30,527.00	33,527.00	31,722.60	1,804.40
Material and supplies	74,242.00	96,552.00	91,766.20	4,785.80
Personnel services	442,614.00	442,614.00	432,474.01	10,139.99
Special projects expense	6,100.00	21,700.00	16,989.32	4,710.68
Total current	581,960.00	625,060.00	601,966.81	23,093.19
Debt service:				
Interest	8,562.00	8,562.00	8,810.80	(248.80)
Principal	15,824.00	15,824.00	15,824.36	(0.36)
Total debt service	24,386.00	24,386.00	24,635.16	(249.16)
Capital outlay:				
Capital improvement projects	-	-	8,341.33	(8,341.33)
Total capital outlay	-	-	8,341.33	(8,341.33)
Total expenditures	606,346.00	649,446.00	634,943.30	14,502.70
Excess (deficiency) of revenues over (under) expenditures	(464,031.00)	(507,131.00)	(454,917.96)	52,213.04
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	464,031.00	482,931.00	451,909.30	(31,021.70)
Asset disposition	-	-	725.00	725.00
Total other financing sources and uses and special items	464,031.00	482,931.00	452,634.30	(30,296.70)
Net change in fund balances	-	(24,200.00)	(2,283.66)	21,916.34
Fund balances -- beginning	5,000.00	5,000.00	5,000.00	-
Fund balances -- ending	\$ 5,000.00	\$ (19,200.00)	\$ 2,716.34	\$ 21,916.34

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Internal charges	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	-
Investment revenue	4,000.00	4,000.00	4,066.62	66.62
Total revenues	<u>364,000.00</u>	<u>364,000.00</u>	<u>364,066.62</u>	<u>66.62</u>
EXPENDITURES				
Current:				
Contractual services	104,647.00	104,647.00	115,695.54	(11,048.54)
General operating expenses	2,975.00	1,225.00	1,243.11	(18.11)
Material and supplies	7,625.00	59,049.27	62,925.68	(3,876.41)
Personnel services	123,287.00	123,287.00	124,340.43	(1,053.43)
Total current	<u>238,534.00</u>	<u>288,208.27</u>	<u>304,204.76</u>	<u>(15,996.49)</u>
Capital outlay:				
Equipment	119,120.00	159,445.73	102,892.90	56,552.83
Total capital outlay	<u>119,120.00</u>	<u>159,445.73</u>	<u>102,892.90</u>	<u>56,552.83</u>
Total expenditures	<u>357,654.00</u>	<u>447,654.00</u>	<u>407,097.66</u>	<u>40,556.34</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,346.00</u>	<u>(83,654.00)</u>	<u>(43,031.04)</u>	<u>40,622.96</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Asset Disposition	-	-	111.00	111.00
Total other financing sources and uses and special items	<u>-</u>	<u>-</u>	<u>111.00</u>	<u>111.00</u>
Net change in fund balances	<u>6,346.00</u>	<u>(83,654.00)</u>	<u>(42,920.04)</u>	<u>40,733.96</u>
Fund balances -- beginning	<u>156,493.49</u>	<u>156,493.49</u>	<u>156,493.49</u>	<u>-</u>
Fund balances -- ending	<u>\$ 162,839.49</u>	<u>\$ 72,839.49</u>	<u>\$ 113,573.45</u>	<u>\$ 40,733.96</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	-	\$ 17,250.00	\$ 17,250.00
Internal charges	1,132,520.00	1,132,520.00	1,123,508.55	(9,011.45)
Investment revenue	23,268.00	23,268.00	9,307.33	(13,960.67)
Total revenues	1,155,788.00	1,155,788.00	1,150,065.88	(5,722.12)
EXPENDITURES				
Current:				
Contractual services	206,871.00	180,871.00	188,317.94	(7,446.94)
General operating expenses	4,850.00	4,850.00	1,338.60	3,511.40
Internal service expense	3,672.00	3,672.00	3,672.00	-
Material and supplies	274,682.00	349,490.00	318,124.43	31,365.57
Personnel services	592,015.00	592,255.00	595,293.94	(3,038.94)
Total current	1,082,090.00	1,131,138.00	1,106,746.91	24,391.09
Debt service:				
Interest	6,150.00	6,150.00	1,571.33	4,578.67
Issuance	-	-	(885.42)	885.42
Principal	9,750.00	160,875.00	160,875.00	-
Total debt service	15,900.00	167,025.00	161,560.91	5,464.09
Capital outlay:				
Equipment	14,380.00	10,432.00	34,354.09	(23,922.09)
Other capital expenditures	5,275.00	4,675.00	4,503.00	172.00
Total capital outlay	19,655.00	15,107.00	38,857.09	(23,750.09)
Total expenditures	1,117,645.00	1,313,270.00	1,307,164.91	6,105.09
Excess (deficiency) of revenues over (under) expenditures	38,143.00	(157,482.00)	(157,099.03)	382.97
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Asset disposition	-	-	17,299.84	17,299.84
Transfers out	(19,268.00)	(22,868.00)	(15,140.69)	7,727.31
Total other financing sources and uses and special items	(19,268.00)	(22,868.00)	2,159.15	25,027.15
Net change in fund balances	18,875.00	(180,350.00)	(154,939.88)	25,410.12
Fund balances -- beginning	200,054.95	200,054.95	200,054.95	-
Fund balances -- ending	\$ 218,929.95	\$ 19,704.95	\$ 45,115.07	\$ 25,410.12

City of Cape Girardeau
Fringe Benefits
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Internal charges	\$ 3,780,000.00	\$ 3,780,000.00	\$ 2,913,344.76	\$ (866,655.24)
Investment revenue	10,000.00	10,000.00	43,973.16	33,973.16
Total revenues	<u>3,790,000.00</u>	<u>3,790,000.00</u>	<u>2,957,317.92</u>	<u>(832,682.08)</u>
EXPENDITURES				
Current:				
Contractual services	3,790,000.00	3,790,000.00	2,254,676.38	1,535,323.62
General operating	-	-	502.94	(502.94)
Total current	<u>3,790,000.00</u>	<u>3,790,000.00</u>	<u>2,255,179.32</u>	<u>1,534,820.68</u>
Total expenditures	<u>3,790,000.00</u>	<u>3,790,000.00</u>	<u>2,255,179.32</u>	<u>1,534,820.68</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	702,138.60	702,138.60
Net change in fund balances	-	-	702,138.60	702,138.60
Fund balances -- beginning	666,205.64	666,205.64	666,205.64	-
Prior period adjustment	7,483.13	7,483.13	7,483.13	-
Fund balances -- ending	<u>\$ 673,688.77</u>	<u>\$ 673,688.77</u>	<u>\$ 1,375,827.37</u>	<u>\$ 702,138.60</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Internal charges	\$ 515,000.00	\$ 515,000.00	\$ 515,884.24	\$ 884.24
Investment revenue	40,000.00	40,000.00	53,710.49	13,710.49
Total revenues	<u>555,000.00</u>	<u>555,000.00</u>	<u>569,594.73</u>	<u>14,594.73</u>
EXPENDITURES				
Current:				
Contractual services	521,500.00	571,500.00	647,221.88	(75,721.88)
General operating expenses	32,000.00	32,000.00	18,609.75	13,390.25
Material and supplies	2,500.00	2,500.00	-	2,500.00
Total current	<u>556,000.00</u>	<u>606,000.00</u>	<u>665,831.63</u>	<u>(59,831.63)</u>
Total expenditures	<u>556,000.00</u>	<u>606,000.00</u>	<u>665,831.63</u>	<u>(59,831.63)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,000.00)</u>	<u>(51,000.00)</u>	<u>(96,236.90)</u>	<u>(45,236.90)</u>
Net change in fund balances	(1,000.00)	(51,000.00)	(96,236.90)	(45,236.90)
Fund balances -- beginning	1,085,348.95	1,085,348.95	1,085,348.95	-
Fund balances -- ending	<u>\$ 1,085,348.95</u>	<u>\$ 1,034,348.95</u>	<u>\$ 989,112.05</u>	<u>\$ (45,236.90)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Internal charges	\$ 274,219.00	\$ 274,219.00	\$ 257,340.98	\$ (16,878.02)
Investment revenue	52,000.00	52,000.00	48,445.23	(3,554.77)
Total revenues	326,219.00	326,219.00	305,786.21	(20,432.79)
EXPENDITURES				
Current:				
Material and supplies	-	12,140.00	7,289.97	4,850.03
Total current	-	12,140.00	7,289.97	4,850.03
Debt service:				
Interest	-	6,000.00	5,824.99	175.01
Principal	-	45,000.00	45,000.00	-
Total debt service	-	51,000.00	50,824.99	175.01
Capital outlay:				
Equipment	518,300.00	513,410.00	511,933.73	1,476.27
Total capital outlay	518,300.00	513,410.00	511,933.73	1,476.27
Total expenditures	518,300.00	576,550.00	570,048.69	6,501.31
Excess (deficiency) of revenues over (under) expenditures	(192,081.00)	(250,331.00)	(264,262.48)	(13,931.48)
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers in	-	44,000.00	28,308.48	(15,691.52)
Asset disposition	41,500.00	41,500.00	27,860.74	(13,639.26)
Total other financing sources and uses and special items	41,500.00	85,500.00	56,169.22	(29,330.78)
Net change in fund balances	(150,581.00)	(164,831.00)	(208,093.26)	(43,262.26)
Fund balances -- beginning	1,172,076.93	1,172,076.93	1,172,076.93	-
Prior period adjustment	0.01	0.01	0.01	-
Fund balances -- ending	\$ 1,021,495.94	\$ 1,007,245.94	\$ 963,983.68	\$ (43,262.26)

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 City of Cape Girardeau, Missouri's compliance, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Cape Girardeau, Missouri's major federal programs for the year ended June 30, 2010. The City of Cape Girardeau, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Cape Girardeau, Missouri's management. Our responsibility is to express an opinion on the City of Cape Girardeau, Missouri's compliance based on our audit.

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

In our opinion, City of Cape Girardeau, Missouri complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

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

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

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

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

Cape Girardeau, Missouri
December 28, 2010

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 the City of Cape Girardeau, Missouri as of and for the year ended June 30, 2010, which collectively comprise City of Cape Girardeau, Missouri's basic financial statements and have issued our report thereon dated December 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cape Girardeau, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 10-1.

The City of Cape Girardeau, Missouri's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. 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, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Cape Girardeau, Missouri
December 28, 2010

City of Cape Girardeau, Missouri
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<u>U.S. DEPARTMENT OF DEFENSE:</u>			
Loan of DOD Property (non-cash)	12.	N/A	\$ 100,000
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
Passed Through Missouri Department of Economic Development - Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii (1)	14.228	2004-ND-05 2007-DT-803 2008-DN-02	\$ 109,639 295,800 <u>155,986</u> \$ 561,425
Passed Through Missouri Department of Social Services - Emergency Shelter Grants Program	14.231	ERO1640905	28,784
Passed Through Missouri Housing Development Commission - Home Investment Partnerships Program	14.239	M-08-SG-29-0100 M-09-SG-29-0100	\$ 26,643 <u>63,507</u> \$ 90,150
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 680,359
<u>U.S. DEPARTMENT OF THE INTERIOR:</u>			
Passed Through Department of Natural Resources - Historic Preservation Fund Grants -In Aid	15.904	29-09-21831-004	\$ 4,000
Save America's Treasurers	15.929	N/A	<u>74,768</u>
TOTAL U.S. DEPARTMENT OF THE INTERIOR			\$ 78,768

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, 2010

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Program Number	Disbursements
U.S. DEPARTMENT OF JUSTICE:			
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	\$ 15,035
Passed Through Missouri Department of Public Safety - Violence Against Women Formula Grant	16.588	2008-VAWA-0008 2009-VAWA-0002 R2010-VAWA-002	\$ 17,179 15,924 <u>1,597</u> \$ 34,700
Bulletproof Vest Partnership Program	16.607	N/A	5,111
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-1247	37,838
Recovery Act-Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Governments	16.804	2009-SB-B9-2229	<u>41,139</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			\$ 133,824
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Missouri Department of Transportation - Airport Improvement Program (1)	20.106	08-077A-1 08-077A-1 08-077A-1	\$ 1,907 63,125 <u>1,330,231</u> \$ 1,395,263
Highway Planning and Construction (1)	20.205	ER-M008(002) DP-1503(002) STP-1500(014) STP-1500(015) J010767A DP-1503(003) STP-1500(001) SRTS-INF-H280(501) 500 SRTS-INF-H110(002)	\$ 68,107 23,800 26,426 258,169 25,308 (1,523) 1,795 500 <u>2,478</u> \$ 405,059
Highway Safety Cluster: State and Community Highway Safety	20.600	09-SA-09-01 10-SA-09-1 09-SA-09-02 10SA-09-03 10-154-AL-111 09-PT-02-29 10-PT-02-112	\$ 28,879 63,596 93,111 32,803 16,562 6,842 <u>2,107</u> \$ 243,899
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	09-K8-03-18 10-K8-03-56 09-K8-03-19 10-K8-03-57 LKK073 LKK075 LKK076	\$ 3,484 7,606 1,216 1,478 1,657 1,284 <u>124</u> \$ 16,849
Alcohol Open Container Requirements	20.607	LKK040	1,458
Child Safety and Child Booster Seats Incentive Grants	20.613	LKK063	<u>955</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ 2,063,485

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, 2010

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<u>ENVIRONMENTAL PROTECTION AGENCY:</u>			
Passed Through Missouri Department of Natural Resources -			
State Clean Diesel Grant Program	66.040	DERA-7	\$ 150,000
Capitalization Grants for Clean Water State Revolving Funds	66.458	C295229	10,518
Capitalization Grants for Drinking Water State Revolving Funds (1)	66.468	DW291010 DW291010-03G	\$ 466,811 <u>1,000,438</u>
			<u>1,467,250</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>\$ 1,627,767</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>\$ 1,506</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Passed Through Missouri State Emergency Management Agency - Non-Profit Security Program			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.008	2008-GE-T8-0014	\$ 139,995
	97.036	#FEMA-1748-DR-MO #FEMA-1749-DR-MO #FEMA-1773-DR-MO	\$ 1,501 8,527 <u>19,975</u>
			\$ 30,004
Law Enforcement Officer Reimbursement Program	97.090	HSTS0208HSLR050	\$ 35,629
Assistance to Firefighters Grant	97.044	EMW-2007-FF-00176 EMW-2008-FO-09141	\$ 98,068 <u>43,741</u>
			\$ 141,810
Citizen Corps	97.053	2009-SS-T9-0062	3,134
Passed Through Missouri Department of Homeland Security - Grant Program			
	97.067	2008-GE-T8-0014	<u>21,000</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>\$ 371,571</u>
TOTAL FEDERAL AWARDS			<u>\$ 5,057,280</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, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity:

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

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

B. Basis of Presentation:

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

C. Basis of Accounting:

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

Dollar threshold used to distinguish
between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee: X yes no

2. FINANCIAL STATEMENT FINDINGS:

09-1 Budgetary Limits

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

Condition: Actual expenditures and other financing uses of the Airport Fund, Park Storm Water Sales Tax – Capital Fund, and the Risk Management Fund exceeded budgetary limits by \$139,001, \$106,495 and \$59,832, respectively.

Context: Actual expenditures and other financing uses of the Airport Fund, Park Storm Water Sales Tax – Capital Fund, and the Risk Management Fund totaled \$1,885,133, \$3,857,170, and \$665,831, respectively.

Effect: The City did not comply with the state budget law.

Cause: Management oversight.

Recommendation: The Administration should refrain from authorizing expenditures that exceed budgetary limits. If additional sources of funds become available, the budget should be amended in accordance with statutory requirements prior to the expenditure of those additional moneys.

Views of Responsible
Officials and Planned
Corrective Action:

Management routinely seeks additional appropriations for items not included in the original adopted budget and never intentionally expends funds that have not been appropriated. Air show costs, inter-fund transfers, and estimated workmen's compensation claims at the end of the year accounted for all of the over-budget amounts.

Cost of the air show exceeded its amended budget by \$187,249. However, there were no additional net costs from the original adopted budget. The original adopted budgeted had not projected any revenues or appropriated

any expenditures for an air show. Total air show revenues exceeded total air show expenses by \$10,436. Net costs of the air show did not exceed those included in the original adopted budget.

Transfers to the Park Improvement Projects - Parks/Stormwater Sales Tax Fund from the Parks/Stormwater Sales Tax – Capital Fund exceeded the amended budget by \$108,902. However, the Park Improvement Projects - Parks/Stormwater Sales Tax Fund returned a portion of the \$501,448 originally transferred to it by transferring \$435,126 to the Parks/Stormwater Sales Tax – Capital Fund. If the amount returned would have been offset against the original transfer, there would have no over-budget amount.

Costs of workmen's compensation claims included in the Risk Management Fund budget exceeded its amended budget by \$76,162. These costs include estimated claims due but not paid at the end of each year. City staff had estimated that estimated claims would not increase over the previous year. However, the estimated claims at the end of this year increased \$90,000 over the previous year. If there had been no change in the estimated claims the cost of workmen's compensation claims would not have exceeded its amended budget.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

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

City of Cape Girardeau, Missouri
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2010

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

09-1 Internal controls were not in place to ensure contractors and subcontractors with whom a procurement contract exceeded \$25,000 in federal funds were checked to the federal government's excluded parties list.

Status: Implemented.