Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

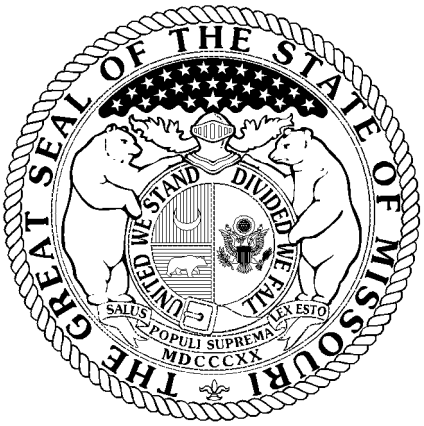
Missouri

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2011



JEREMIAH W. (JAY) NIXON

Governor

KELVIN L. SIMMONS
Commissioner
Office of Administration

STACY NEAL
Director
Division of Accounting

Prepared by
Office of Administration, Division of Accounting

On the Cover:

Alley Spring, Ozark National Scenic Riverways
Courtesy of Division of Tourism

This report can be viewed on the Internet at http://www.oa.mo.gov/acct/cafrfy2011/index.htm

STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2011

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*The **Introductory Section** includes material to familiarize the reader with the organizational structure of the State, the nature and scope of services the State provides, and a summary of the financial activities of the State and the factors that influence these activities.*

Jeremiah W. (Jay) Nixon
Governor

Kelvin L. Simmons
Commissioner

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Stacy Neal
Director

January 25, 2012

The Honorable Jeremiah W. (Jay) Nixon
The Honorable Members of the Legislature
Citizens of the State of Missouri

In accordance with generally accepted accounting principles, I submit to you the Comprehensive Annual Financial Report (CAFR) of the State of Missouri for the fiscal year ended June 30, 2011. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for its contents.

The report is prepared to show the financial position and operating results of the State. The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

An annual audit of the basic financial statements is completed each year by the State Auditor's Office. The State Auditor conducts the audit in accordance with generally accepted government auditing standards, and his opinion has been included in this report. The State Auditor conducts a "Single Audit" of all federal funds in accordance with the Federal Single Audit Act of 1984, and the U.S. Office of Management and Budget Circular A-133, "Audit of State and Local Governments and Non-Profit Organizations."

A narrative introduction, overview, and analysis of the basic financial statements is presented in the *Management's Discussion and Analysis (MD&A)* section of this report. This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE GOVERNMENT

Missouri was organized as a territory in 1812 and was the second state (after Louisiana) of the Louisiana Purchase to be admitted to the Union. Statehood was granted on August 10, 1821, making Missouri the 24th state. The State encompasses 68,945 square miles.

The State operates under three branches of government: executive, legislative, and judicial. The executive branch consists of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, and Attorney General. The legislative branch consists of 34 members of the Senate and 163 members of the House of Representatives. The judicial branch is a three-tier court system: the Supreme Court, the State's highest court, has statewide jurisdiction; a court of appeals that consists of districts established by the General Assembly; and a system of circuit courts that has original jurisdiction over all cases and matters, civil and criminal.

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, judicial systems, economic development, conservation and natural resources, labor relations, and general administration.

The State operates on a legally adopted budget in order to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the General Assembly and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process that original appropriations are requested. Budgets are established at the program level. Expenditures cannot exceed the individual appropriation amount. The Governor has the authority to reduce the allotments of appropriations in any fund if it appears that the revenue estimate will not be met. Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

The financial reporting entity of the State includes all of the funds of the primary government as well as component units for which the State is financially accountable. The transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

ECONOMIC CONDITION AND OUTLOOK

State Economy

Missouri continues to recover from the national recession, which began in 2007, and ended in summer 2009. Unfortunately, the recovery has been sluggish, hampered by European fiscal troubles, domestic government cutbacks, higher gasoline prices, and adverse weather events at home and abroad. Even though the economic environment continues to be challenging, key economic statistics are showing improvement. Missouri's personal income increased 2.6% in 2010 after declining the previous year and has shown a small amount of growth in 2011. Missouri's employment stood at 2.66 million in June 2011, 12,900 more than in June 2010. The State's seasonally adjusted unemployment rate improved to 8.8% in June 2011, compared to 9.5% one year earlier. The national rate was 9.2% in June 2011.

Source: Missouri Economic Research and Information Center/RealtyTrac

Improving Missouri's business climate and generating new jobs continues to be a statewide focus and three laws recently passed in 2011 should aid that goal. First, Senate Bill 19 passed which eliminates the corporate franchise tax over a phase out period of 5 years. The elimination of the franchise tax is expected to reduce general revenue collections up to $126 million based on continued historic growth rates. Increased economic activity generated by this tax reduction is expected to help offset any loss of revenue collections. These provisions also apply to the bank franchise tax. The change to banks may result in an increase in the bank tax however, because banking institutions use the amount of the bank franchise tax as a credit to reduce their bank tax.

Second, House Bill 45 which changes the definition of a small business was approved. Under the new law, a small business is a business with less than 50 employees rather than 25 employees. The bill authorizes an income tax deduction for small businesses of $10,000 for each new full-time job created or $20,000 for each full-time job created if the business offers health insurance and pays at least 50% of health insurance premiums. The income tax deduction is effective for tax years 2011 through 2014. The small business income tax deduction is expected to reduce general revenue collections by $10.7 million to $21.4 million each year however, increased economic activity generated by this tax reduction may help offset the loss of revenue collections.

Finally, House Bill 163 changes the maximum duration of regular unemployment benefits from 26 weeks to 20 weeks. This results in an annual savings of $108 million to Missouri's Unemployment Compensation Trust Fund. The bill also revised state statutes to allow Missouri to continue to participate in the 100% federal reimbursement of extended benefits authorized in the federal Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

Long-Term Financial Planning

Missouri continues to focus on controlling the growth of mandatory programs though cost-effective alternatives and cost containment initiatives while improving the delivery of services though administrative efficiencies. The State is actively pursuing opportunities to consolidate functions and thrive in a period of reduced financial resources. These initiatives cross all areas of state government and are too numerous to list completely in this document. One example is the downsizing of the state workforce by over 3,300 positions. Other examples follow.

The State has actively engaged in reducing its physical footprint by reducing and consolidating leased space. These efforts include maximizing the use of state-owned property as well as re-evaluating regional and local offices to ensure the efficient use of state resources. This has led to the elimination of over 360,000 square feet of leased space. The State has also reduced heating and cooling costs through various efforts to improve the energy efficiency of state offices.

The state pension plan for new State employees was changed effective January 1, 2011. All new State employees will be required to contribute towards the cost of their retirement plan, the minimum age for retirement was increased, and other changes were enacted to reduce costs by over $500 million over the next 20 years.

Another major focus of the State has been to ensure its health care services are provided in a cost effective manner. These efforts have included helping individuals with multiple chronic conditions better manage their health. By focusing on preventative measures for these high cost individuals, the State can reduce costs and improve health care outcomes for State employees and Medicaid recipients.

In addition, the Missouri Department of Transportation (MoDOT) recently announced the Bolder Five Year Direction plan which provides another example of how Missouri is changing the way services are provided. When fully implemented, MoDOT will reduce its staff by 1,200 positions, reduce its physical locations by 135, and reduce its equipment by 740 pieces. The Plan is expected to free up an average of $117 million per year which will be redirected to statewide transportation needs.

In addition to improving the efficiency of government, the State is actively pursuing opportunities to capitalize on historically low interest rates. In July 2010, the State refunded outstanding water pollution control, stormwater control, and fourth state building general obligation bonds for economic savings. When finalized, the bond sale produced budgetary savings of $36.8 million in fiscal year 2011, cash savings of $19.5 million over the life of the bonds, and present value savings of 11.1 %. Subsequent bond sales have been completed including:

	FY 12 Budgetary Savings	PV Savings	Date Sold
COPS Refunding	$12.2 million	8.45%	May 2011
BPB Refunding	$26.2 million	13.40%	September 2011
MU Arena Refunding	$200,000	14.18%	November 2011

A comprehensive review of all outstanding debt is currently occurring to ensure all opportunities to save State resources are fully explored.

Relevant Financial Policies

Article X, Sections 16-24 of the Constitution of Missouri (the "Tax Limitation Amendment"), imposes a limit on the amount of taxes that may be imposed by the General Assembly in any fiscal year. This limit is tied to total state revenues for fiscal year 1981, as defined in the Tax Limitation Amendment and adjusted annually based on a formula which is tied to increases in the personal income of Missouri for certain designated periods. If the revenue limit is exceeded by one percent or more in any fiscal year, the excess revenue will be refunded based on the liability reported on state income tax returns. If the excess revenue collected is less than one percent of the revenue limit, the excess revenue shall be transferred to the General Revenue Fund.

The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or if the General Assembly approves by a two-thirds vote an emergency declaration by the Governor. Strong economic growth resulted in revenues above the total state revenue limit in fiscal years 1995-1999. The State has refunded to income taxpayers $979 million in excess revenue for these fiscal years. The revenue limit was not exceeded in fiscal years 2000 through 2011, inclusive. The State is currently $4.4 billion below the limit and does not expect the limit to be exceeded in fiscal year 2012.

Major Intiatives

Cost-effective alternatives and streamlining government functions will continue to be the focus on controlling the growth of mandatory programs. Operating funding priorities are focused in the areas of education and jobs.

Missouri has invested in capital assets in fiscal year 2011 with expenditures of $165.2 million ($33.2 million general revenue) for maintenance and new construction projects throughout the State and appropriated $132.1 million ($89.6 million general revenue) in fiscal year 2012. In addition, Missouri invested $1.4 billion in fiscal year 2011 and an estimated $1.2 billion in fiscal year 2012 for road and bridge construction and maintenance, as part of a long-range plan to improve the State's highway and bridge infrastructure using state gasoline tax revenues, tax revenues on motor vehicle sales, and federal matching/stimulus dollars.

Education. Despite economic challenges, education remains a top priority for Missouri. House Bill 223 was passed and creates Advanced Placement (AP) Incentive Grant Program and the Nursing Education Incentive Program. The purpose of the AP program is to entice high school students to math and science courses in order to generate better prepared students that pursue post secondary degrees in science, technology, engineering, and mathematics. The estimated annual cost is less than $100,000. To address the increased nursing needs statewide, the Nursing Education program provides for approximately 13 full-time faculty positions at public four-year institutions with a nursing program. The State Board of Nursing has agreed to donate $1 million per year for three years for this program.

Healthcare. House Bill 412 was passed and extends the sunset of the Missouri (MO) Rx Program to August 28, 2014. The program provides prescription drug assistance to qualifying Medicare beneficiaries through coordination with Medicare's (Part D) Prescription Drug Program. The MO Rx program covers over 225,000 Missourians and pays 50% of deductibles, co-pays, and the coverage gap (often referred to as the donut hole). Annual appropriations to support the MO Rx Program are $19.6 million.

Economic Development. In October 2011, an agreement was signed between the State and China to increase exports to China by $100 million over the next three years. During 2010, Missouri exported a total of $987.4 million in goods to China and $773 million was exported during the first eight months of 2011, which was an increase of more than 25% over the same period in 2010. In addition, there are numerous Missouri businesses that plan to close deals with Chinese customers during the trade mission for an additional $100 million. The intent of the investment agreement is to create jobs in Missouri and improve the state's economy.

ACKNOWLEDGEMENTS

While the Office of Administration, Division of Accounting, is responsible for the contents of this report, no one division could do it alone. Many people were involved in the compilation of materials necessary to complete the report.

We want to issue a special thanks to all the personnel at the State agencies who provided us with information quickly and accurately so that we could issue the CAFR in a timely manner. We also owe thanks to the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration, Information Technology Services Division, and the State Printing Center. We appreciate all their efforts.

Sincerely,

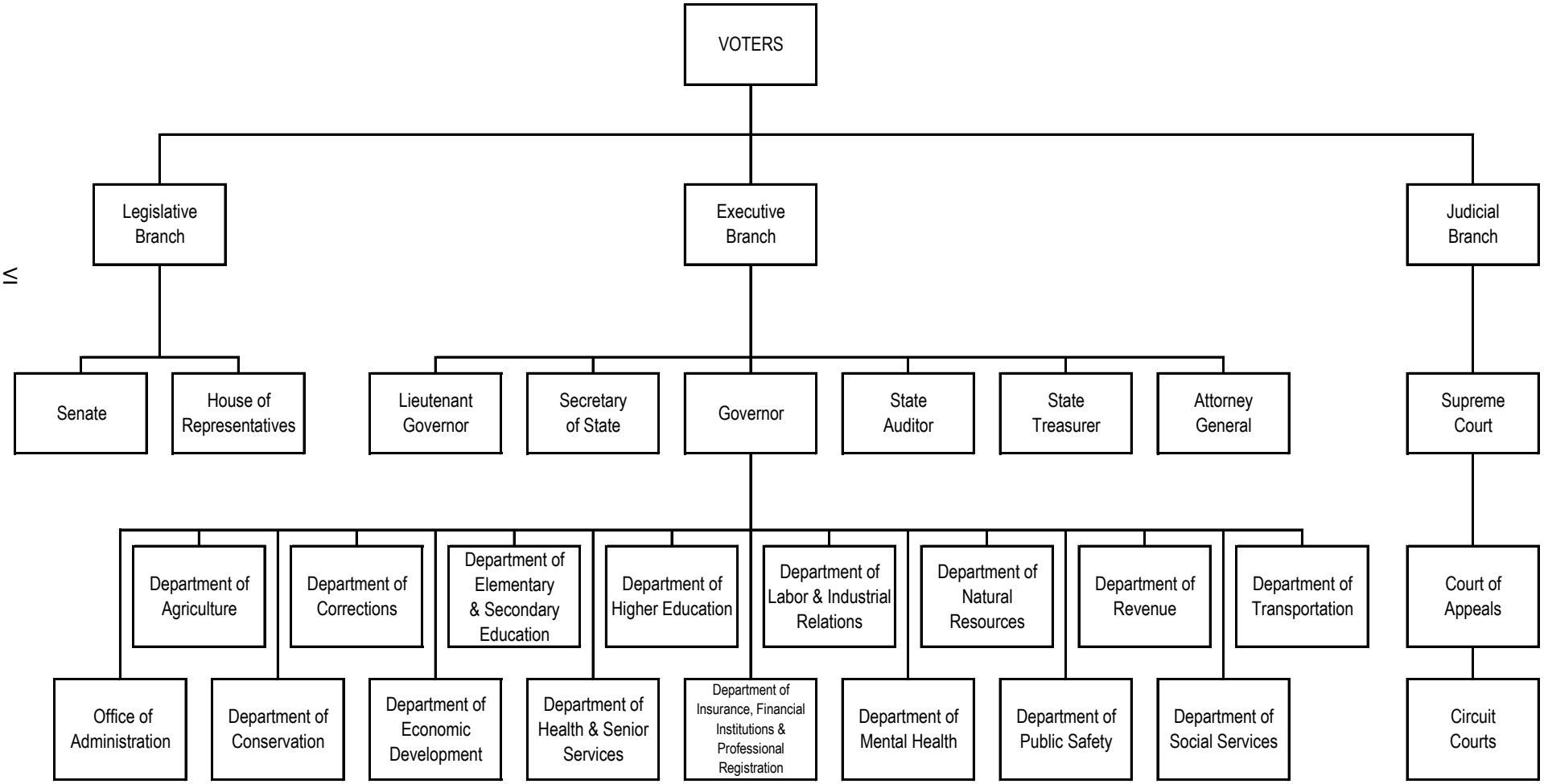
Stacy Neal

Stacy Neal, CPA
Director

STATE OF MISSOURI

ORGANIZATIONAL CHART

June 30, 2011



STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
as of June 30, 2011

EXECUTIVE

Jeremiah W. (Jay) Nixon
Governor

Peter Kinder
Lieutenant Governor

Robin Carnahan
Secretary of State

Tom Schweich
State Auditor

Clint Zweifel
State Treasurer

Chris Koster
Attorney General

LEGISLATIVE

Robert Mayer
President Pro Tem of the Senate

Steven Tilley
Speaker of the House of Representatives

JUDICIAL

William Ray Price, Jr.
Chief Justice of the Supreme Court

*The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Supplementary Information.*

THOMAS A. SCHWEICH
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2011, which collectively comprise the state's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the state's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit the financial statements of certain entities that comprise the state of Missouri. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based on the reports of the other auditors. Those entities were:

1. The Missouri Road Fund; the Missouri Highway 63 Transportation Corporation, a blended transportation corporation identified in Note 1A.; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan; which represent 77 percent and 14 percent of the assets and revenues, respectively, of the governmental activities.

2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which represent 37 percent and 36 percent of the assets and revenues, respectively, of the business-type activities.

3. The discretely presented component units.

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4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 98 percent of the assets and additions, respectively, of the fiduciary funds.

Except as discussed in the following paragraph, 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. The financial statements of the Missouri Highway 63 Transportation Corporation, a blended transportation corporation; the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board, a discretely presented component unit; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*. 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 and the reports of other auditors provide a reasonable basis for our opinions.

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Director of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of Director of Revenue v. State Auditor 511 S.W.2d 779 (Mo. 1974). Approximately 22 percent of governmental activity revenues and 26 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate auditing procedures as to the income tax revenue beyond the amounts recorded.

In our opinion, based on our audit and the reports of other auditors, and except for the effects of such adjustments, if any, as might have been determined to be necessary had we been allowed access to tax returns and related source documents for income taxes, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the state of Missouri implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; Statement No. 59, *Financial Instruments Omnibus*; and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

In accordance with *Government Auditing Standards*, our report dated January 25, 2012, on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters is issued under separate cover in the Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, and except for the effects, if any, of the matter discussed in paragraph four, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information in the introductory and statistical sections, as listed in the table of contents, has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Thomas A. Schweich
State Auditor

January 25, 2012

*The **Management's Discussion and Analysis** provides a narrative overview and analysis of the financial activities of the State.*

Management's Discussion and Analysis

The following is a discussion and analysis of the State of Missouri's (State's) financial activities for the fiscal year ended June 30, 2011. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-Wide:

- *Net Assets.* Assets of the State of Missouri exceeded liabilities at the close of fiscal year 2011 by $29.4 billion. Of the $29.4 billion, "unrestricted net assets" is reported as a negative $1.6 billion, offset by $4.4 billion in "restricted net assets". A positive balance in unrestricted net assets would represent the amount available to be used to meet the government's ongoing operations.

- *Changes in Net Assets.* The State's total net assets increased by $956.2 million in fiscal year 2011. Net assets for governmental-type activities increased by $982.4 million.

- *Excess of Revenues over (under) Expenses.* During fiscal year 2011, the State's total revenues of $26.5 billion were $956.2 million greater than total expenses of $25.6 billion (excluding transfers). Of these expenses, $16.3 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled $10.2 billion.

Fund-Level:

- *Governmental Funds – Fund Balance.* At the close of fiscal year 2011, the State's governmental fund assets exceeded liabilities by $5.2 billion, an increase of $386.2 million or 8.0% from the prior year. The increase was primarily due to an increase in cash and cash equivalents and investments of $475.2 million. This was primarily due to an increase in lottery and gaming proceeds and from an increase in funding received as part of the American Recovery and Reinvestment Act of 2009.

- *General Fund – Fund Balance.* At the end of the current fiscal year, the State's General Fund reported a balance of $1.4 billion.

Additional information regarding individual funds begins on Page 9.

Debt Issued and Outstanding:

- The primary government's total long-term obligations related to bonds payable decreased $221.7 million or 4.8% over the prior year. The outstanding bonds payable represents 52.0% of financial assets (cash, receivables, and investments) and 11.1% of total assets. The net decrease in bonds payable resulted from a decrease of $201,085,000 due to bond payments, $256,665,000 due to bond refunding, and an increase of $236,050,000 due to issuances of General Obligation and State Road Bonds. Additional detail is available in *Note 12*.

Revenue Limit:

- The State Constitution limits the State's ability to retain revenue collected over an amount set by a constitutional amendment known as Article X. Excess revenue of 1.0% or more must be refunded to the taxpayers each year. During fiscal year 2011, the State did not exceed the revenue limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State'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.

Government-Wide Financial Statements:

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

The *Statement of Net Assets* presents information on all of the State's assets and liabilities, with the difference between the two reported as *net assets.* Increases or decreases in net assets may serve as a useful indicator of the State's financial position.

The *Statement of Activities* presents information showing how the State's net assets changed during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of when the cash is received. Thus, revenues and expenses are reported in the statement for some items that will 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 report three activities:

Governmental Activities are primarily supported by taxes and intergovernmental revenues. They include general government, education, natural and economic resources, transportation and law enforcement, and human services.

Business-Type Activities are intended to recover all or a significant portion of their costs through user fees and charges. They include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents and insurance coverage. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds.

Discretely Presented Component Units are operations for which the State has financial accountability, but are legally separate. They include the college and universities, Missouri Development Finance Board, Missouri Agricultural and Small Business Development Authority, Missouri Transportation Finance Corporation, and Missouri Wine and Grape Board.

Fund Financial Statements:

The fund financial statements present more detailed information about the government's operations than the government-wide statements. The State uses fund accounting to ensure and demonstrate compliance with statutory requirements. The funds of the State can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the State. Unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

Governmental funds include the general, special revenue, capital projects, debt service, and permanent funds. Major funds include general, public education, conservation and environmental protection, and the Missouri Road Fund which are presented in separate columns. Data from other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in supplementary information.

A user can compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements, a reconciliation to facilitate this comparison is provided on the page immediately following each governmental fund financial statement.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees. Generally, the State uses enterprise funds to account for activities that provide goods and services to the general public. These include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising and publishing maps and documents. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds. Internal service funds report activities that provide supplies and services for the State's other programs and activities. The State uses internal service funds to account for insurance and health care plans, as well as administrative services for other state agencies, such as fleet management, data processing, and telecommunication services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds focus on economic resources and utilize the full accrual basis of accounting. The proprietary fund financial statements provide separate information for the State Lottery, Unemployment Compensation, and Petroleum Storage Tank Insurance, which are considered major enterprise funds. Non-major enterprise funds are also combined into a single column for aggregated presentation. All internal service funds are combined into a single column in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements in supplementary information.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside State government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The fiduciary funds are presented using the full accrual basis of accounting.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the General Fund and major special revenue funds. Other supplementary information includes the combining statements for the general, non-major governmental, non-major enterprise, internal service, fiduciary, and non-major component unit funds. It also includes the statistical section as well as budgetary comparison schedules for the Missouri Road Fund, non-major special revenue, debt service, and permanent funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets:

The State's total net assets increased $956.2 million or 3.4% during fiscal year 2011. This increase resulted primarily from a decrease in long-term and other liabilities of $84.0 million, an increase to capital assets of $552.6 million, and an increase in cash and cash equivalents and investments of $383.4 million. Net assets invested in capital assets net of related debt and restricted net assets, which do not represent resources available to pay day-to-day operating expenses, increased by $1.2 billion or 4.0%. The net assets invested in capital assets net of related debt and restricted net assets increase was primarily due to the increase in capital assets of $552.6 million.

Invested in capital assets net of related debt, such as bonds payable or capital lease obligations, is the largest component of the State's net assets at $26.7 billion or 90.7%. These assets include land, infrastructure, buildings, and equipment which are not easily converted to cash or readily available to pay state debts as they come due.

Restricted net assets of the primary government totaled $4.4 billion or 14.8% of total net assets vs. 13.8% from the prior year. Net assets are restricted for several reasons including constitutional, legal, enabling legislation, or external requirements. Examples of restricted net assets include lottery proceeds restricted for public education, funds restricted for debt service, and certain sales taxes restricted for the maintenance of highways or state parks and conservation areas. Also, many federal funds are restricted to funding certain programs.

The following table displays the current and prior year government-wide condensed Statement of Net Assets.

STATEMENT OF NET ASSETS

(In Thousands of Dollars)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010*	2011	2010*	2011	2010*
ASSETS:						
Current and Other Assets	$ 8,293,459	$ 7,900,914	$ 466,587	$ 539,171	$ 8,760,046	$ 8,440,085
Capital Assets, Net	30,641,743	30,093,389	50,356	46,106	30,692,099	30,139,495
Total Assets	38,935,202	37,994,303	516,943	585,277	39,452,145	38,579,580
LIABILITIES:						
Other Liabilities	1,882,644	1,875,515	31,267	38,047	1,913,911	1,913,562
Long-Term Liabilities	7,252,919	7,301,556	895,924	931,286	8,148,843	8,232,842
Total Liabilities	9,135,563	9,177,071	927,191	969,333	10,062,754	10,146,404
NET ASSETS:						
Invested in Capital Assets, Net of Related Debt	26,600,674	25,850,787	50,290	45,990	26,650,964	25,896,777
Restricted	4,354,322	3,907,120	6,303	7,949	4,360,625	3,915,069
Unrestricted	(1,155,357)	(940,675)	(466,841)	(437,995)	(1,622,198)	(1,378,670)
Total Net Assets	$ 29,799,639	$ 28,817,232	$ (410,248)	$ (384,056)	$ 29,389,391	$ 28,433,176

*Fiscal year 2010 amounts have been restated.

Changes in Net Assets:

The schedule below reflects how the State's net assets changed during the year. The State collected program revenues of $16.3 billion and general revenues of $10.2 billion for total revenues of $26.5 billion during fiscal year 2011. Expenses for the State during fiscal year 2011 were $25.6 billion. Total net assets, net of contributions and transfers, increased by $956.2 million.

The following table displays the current and prior year government-wide condensed Statement of Activities.

STATEMENT OF ACTIVITIES

(In Thousands of Dollars)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010*	2011	2010*	2011	2010*
REVENUES:						
Program Revenues:						
Charges for Services	$ 1,962,691	$ 2,228,698	$ 1,066,208	$ 1,040,846	$ 3,028,899	$ 3,269,544
Operating Grants and Contributions	9,704,651	9,489,240	1,749,487	1,823,732	11,454,138	11,312,972
Capital Grants and Contributions	1,796,035	1,454,811	---	---	1,796,035	1,454,811
General Revenues:						
Sales and Use Taxes	2,570,244	2,572,491	---	---	2,570,244	2,572,491
Income Taxes	5,272,555	5,201,573	---	---	5,272,555	5,201,573
Unemployment and Other Taxes	1,493,260	1,489,070	---	---	1,493,260	1,489,070
Other Revenues	912,333	1,330,401	(1,044)	2,533	911,289	1,332,934
Total Revenues	23,711,769	23,766,284	2,814,651	2,867,111	26,526,420	26,633,395
EXPENSES:						
General Government	1,086,428	1,129,030	---	---	1,086,428	1,129,030
Education	6,536,870	6,815,521	---	---	6,536,870	6,815,521
Natural and Economic Resources	929,528	1,082,526	---	---	929,528	1,082,526
Transportation and Law Enforcement	2,529,014	2,699,070	---	---	2,529,014	2,699,070
Human Services	11,712,121	11,740,145	---	---	11,712,121	11,740,145
State Lottery	---	---	746,010	724,915	746,010	724,915
Unemployment Compensation	---	---	1,719,619	2,216,078	1,719,619	2,216,078
Petroleum Storage Tank Insurance	---	---	13,939	13,925	13,939	13,925
State Fair Fees	---	---	3,693	3,843	3,693	3,843
State Parks and DNR	---	---	12,256	9,042	12,256	9,042
Historic Preservation	---	---	509	1,145	509	1,145
Veterans' Homes	---	---	76,052	70,884	76,052	70,884
Surplus Property	---	---	2,292	2,542	2,292	2,542
Revenue Information	---	---	1,193	1,513	1,193	1,513
All Other Expenses	200,681	196,413	---	---	200,681	196,413
Total Expenses	22,994,642	23,662,705	2,575,563	3,043,887	25,570,205	26,706,592
Increase (Decrease) in Net Assets before Contributions & Transfers	717,127	103,579	239,088	(176,776)	956,215	(73,197)
Transfers	265,280	258,947	(265,280)	(258,947)	---	---
Change in Net Assets	982,407	362,526	(26,192)	(435,723)	956,215	(73,197)
Net Assets - July 1	28,817,232	28,454,706	(384,056)	51,667	28,433,176	28,506,373
Net Assets - June 30	$ 29,799,639	$ 28,817,232	$ (410,248)	$ (384,056)	$ 29,389,391	$ 28,433,176

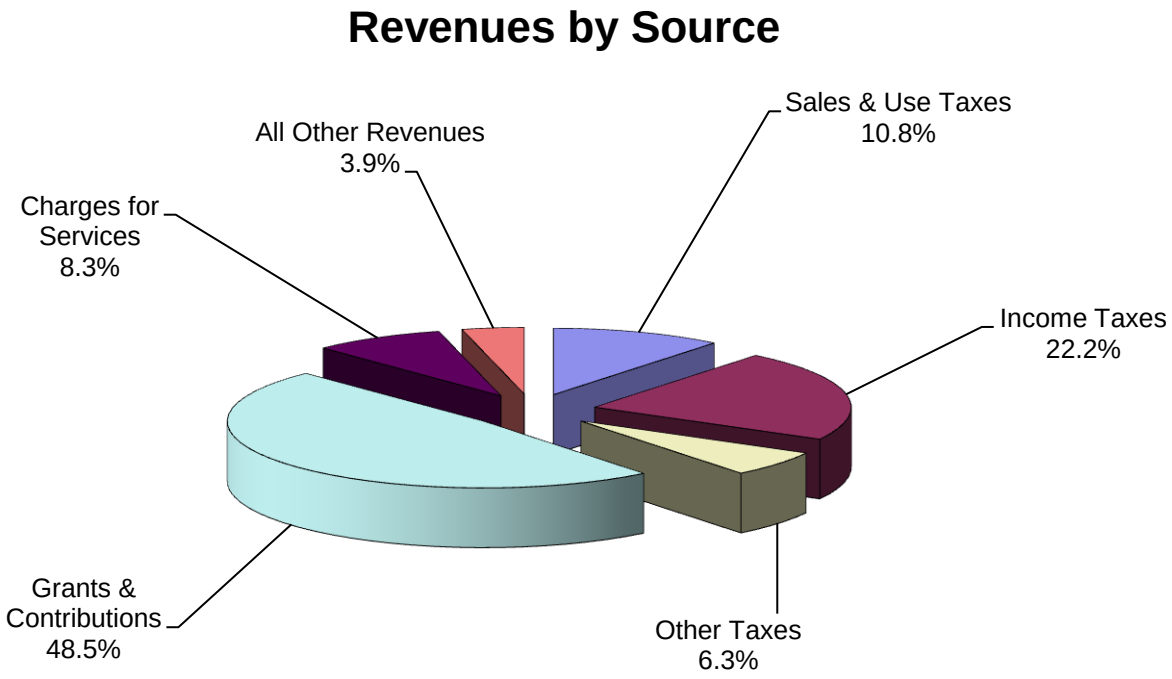
*Fiscal year 2010 amounts have been restated.

Governmental Activities

The net assets of governmental activities increased $982.4 million in fiscal year 2011. Revenues for the governmental activities totaled $23.7 billion, while expenses totaled $23.0 billion in 2011.

General and program revenues of governmental activities remained relatively constant during the fiscal year.

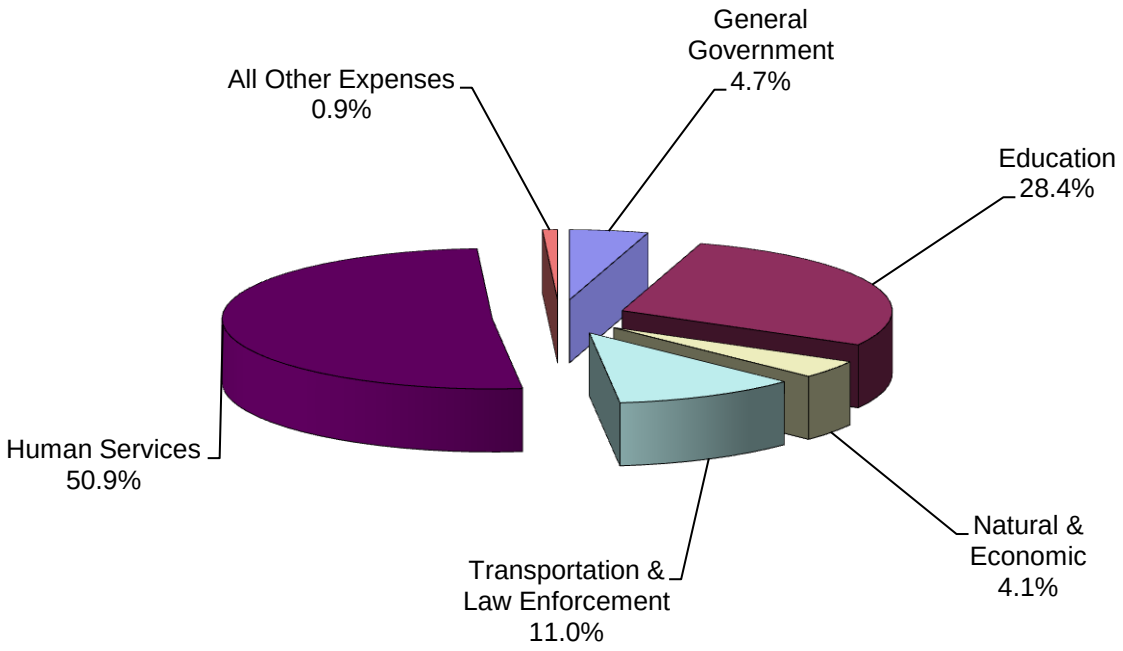
As shown in the Revenues by Source chart below, approximately 39.3% of revenues from all sources earned came from taxes. Grants and contributions, which represents amounts received from other governments/entities, primarily the federal government, provided 48.5% of total revenue. Charges for services contributed 8.3% and various other revenues provided 3.9% of the remaining governmental activity revenue sources.



The State's governmental activities program expenses decreased $668.1 million during fiscal year 2011. Education expenses decreased $278.7 million while General Government, Natural and Economic Resources, Transportation and Law Enforcement, Human Services, and Other Expenses decreased $389.4 million.

As shown in the Expenses by Function chart below, expense for Human Services makes up the largest portion – 50.9% – of total governmental activities expenses.

Expenses by Function

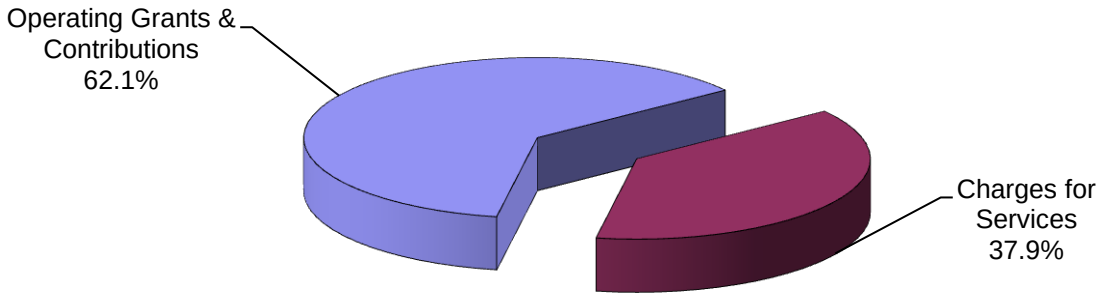


Business-Type Activities

Net assets of the State's business-type activities decreased $26.2 million in fiscal year 2011. Business-type revenues decreased by $52.5 million during the current fiscal year. Program expenses of business-type activities decreased $468.3 million from fiscal year 2010 to 2011 primarily from a decrease in unemployment compensation expense.

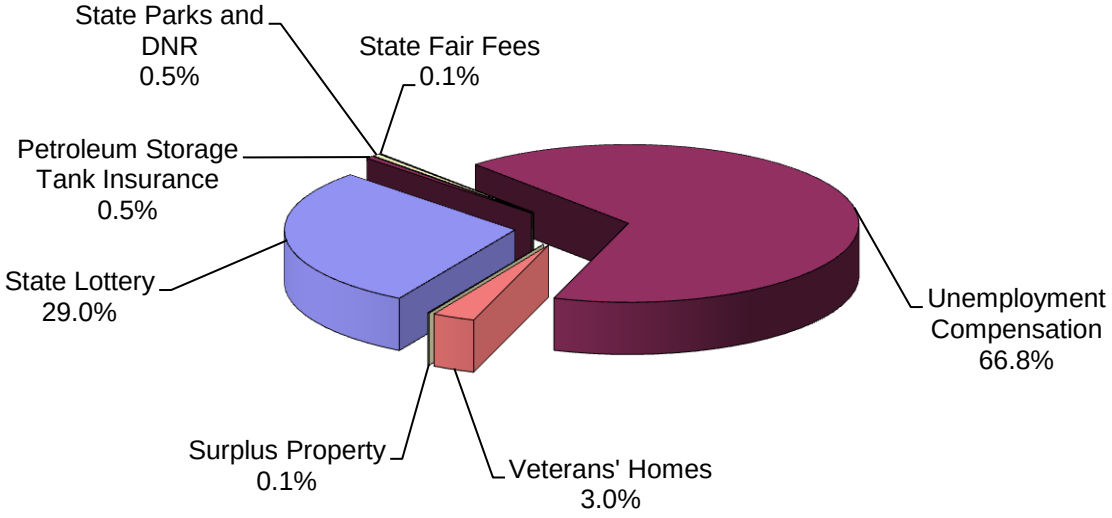
Revenues of business-type activities totaled $2.8 billion. As shown in the Revenues by Source chart below, 62.1% of the revenues came from operating grants and contributions. Charges for services provided 37.9% of the total revenue.

Revenues by Source



Expenses of business-type activities totaled $2.6 billion. As shown in the Expenses by Fund chart below, the Unemployment Compensation makes up the largest portion with 66.8% of total business-type expenses. State Lottery comes in second at 29.0%, followed by veterans' homes at 3.0%, petroleum storage tank insurance at 0.5%, state parks and DNR at 0.5%, surplus property at 0.1%, and state fair fees at 0.1%.

Expenses by Fund



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds:

At the end of fiscal year 2011, the State's governmental funds reported combined ending fund balances of $5.2 billion. Approximately 29.2% is unrestricted and available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted for: 1) inventories, 2) to pay debt service, 3) for loans receivable, and 4) for a variety of other purposes.

Fund balances (in thousands) for governmental funds are as follows:

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Total
Nonspendable	$ 42,906	$ 15	$ 923,534	$ 46,731	$ 46,701	$ 1,059,887
Restricted	475,188	296,405	111,501	1,398,542	346,059	2,627,695
Committed	512,623	8,239	245,020	---	31,185	797,067
Assigned	59,888	38,435	81,399	---	219,355	399,077
Unassigned	325,146	---	---	---	---	325,146
Total	$ 1,415,751	$ 343,094	$ 1,361,454	$ 1,445,273	$ 643,300	$ 5,208,872

The General Fund is the chief operating fund of the State. At the end of fiscal year 2011, the State's General Fund reported a total fund balance of $1.4 billion. The net increase in fund balance during fiscal year 2011 was $175.3 million. Revenues of the General Fund totaled $18.3 billion in fiscal year 2011, a decrease of $18.6 million from fiscal year 2010. The major contributing factor was a combination of a decrease in contributions and intergovernmental revenues of $377.9 million and an increase of $345.0 million in taxes. Expenditures of the General Fund totaled $15.4 billion in fiscal year 2011, a decrease of $529.4 million from fiscal year 2010. The major contributing factors to this was a decrease in expenditures for human services of $132.7 million, a decrease of $291.0 million for education, and a decrease of $103.1 million in transportation and law enforcement. The phasing out of the American Recovery and Reinvestment Act of 2009 contributed to the decrease in revenues and expenditures.

The Public Education Fund provides general and special education services to the children of the State and other related functions such as library services and student loans. Total fund balance increased by $104.2 million. The major contributing factor to this was an increase of $172.9 million in transfers in. This increase was due to an infusion of federal stimulus money, as well as, lottery and gaming proceeds. Revenues of the Public Education Fund totaled $1.3 billion in fiscal year 2011, an increase of $52.7 million from fiscal year 2010. The major factor that contributed to this was an increase of $23.0 million in contributions and intergovernmental revenues. Expenditures for the Public Education Fund totaled $4.2 billion for the fiscal year, an increase of $9.1 million from fiscal year 2010. The increase was primarily due to a spike in education expenditures of $8.0 million.

The Conservation and Environmental Protection Fund provides for the preservation of the State's wildlife and environment. The fund balance increased by $135.1 million due to a decrease of $152.5 million in natural and economic resources expenditures and a decrease in total revenues of $45.6 million.

The Missouri Road Fund accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. The fund balance decreased by $18.7 million in fiscal year 2011. A reduced amount of debt issuance contributed to the fund balance decrease. Revenues of the Missouri Road Fund increased during fiscal year 2011 by $221.6 million primarily due to an increase of $486.4 million in contributions and intergovernmental revenues and a decrease of $269.1 million in miscellaneous revenues. Expenditures for the Missouri Road Fund totaled $2.4 billion in fiscal year 2011, a decrease of $52.2 million from fiscal year 2010. This was caused by a decrease of $155.9 million in capital outlay, offset by an increase in principal and interest payments of $87.4 million.

Proprietary Funds:

The State has three major proprietary funds: State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund. The State Lottery Fund was established in 1986 to account for the sale of lottery tickets and lottery operations. Since 1992, public education has been the sole beneficiary of lottery proceeds. Unemployment Compensation accounts for contributions and payments collected from Missouri employers under the provision of the "Unemployment Compensation Law." This tax finances benefits for workers who become unemployed through no fault of their own. The Petroleum Storage Tank Insurance Fund accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks. The fund pays cleanup expenses for petroleum leaks or spills from underground storage tanks and certain above ground storage tanks as well as third party property damage or bodily injury resulting from such discharges. This fund is one of the largest insurers of storage tanks in the country.

The State Lottery Fund's net assets decreased by $1.7 million. There was a $2.9 million decrease in investment earnings for fiscal year 2011. Other contributing factors include an increase in ticket sales of $28.8 million and increases in prize expenses and transfers out of $16.5 million.

The Unemployment Compensation Fund's net assets decreased by $18.6 million due to the increased number of unemployment claims resulting from the current national economic condition. Missouri borrowed $180.7 million from the federal government during fiscal year 2011 to continue to pay unemployment benefits. Missouri repaid $210.6 million in loans for fiscal year 2011 with additional loans likely in fiscal year 2012.

The Petroleum Storage Tank Insurance Fund's net assets decreased by $0.8 million. Operating expenses increased by $0.2 million primarily due to an increase in program expenses. Operating revenues also decreased by $0.1 million mainly due to a reduction in licenses, fees, and permits. Non-operating revenues also decreased by $0.2 million due to a decrease in investment earnings.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget is the appropriated budget that is truly agreed to and finally passed by the legislature, and signed by the Governor at the beginning of the fiscal year. The final budget includes emergency and supplemental appropriations, reverted and increases to estimated appropriations, which occur during the fiscal year.

Budgeted appropriations for fiscal year 2011 from the General Fund were $24.6 billion original budget and $24.6 billion final budget. Actual spending was $22.3 billion. Reasons for the final budget variances include:

- Appropriation authority exceeded cash available for expenditures.
- Lapse of various appropriations.
- Multiple year grants are appropriated in one year but the expenditures may occur over several years.

Budgeted revenues/transfers in for fiscal year 2011 for the General Fund were $24.1 billion original budget and $23.9 billion final budget. Actual revenue/transfers in was $22.5 billion. The decrease in actual revenues/transfers in of $748.9 million was mainly due to the phasing out of the American Recovery and Reinvestment Act of 2009.

Refer to the *Notes to RSI*, Budgetary Reporting, on page 107 for more information on budgetary variances.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2011, was $30.7 billion (net of accumulated depreciation/amortization). This investment in capital assets includes construction in progress, software in progress, infrastructure in progress, land, permanent easements, land improvements, temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure.

Capital Assets of the State include (in thousands):

	Governmental Activities	Business-Type Activities	Total
Construction in Progress	$ 298,608	$ 7,374	$ 305,982
Software in Progress	51,537	---	51,537
Infrastructure in Progress	3,187,000	---	3,187,000
Land	2,904,837	9,351	2,914,188
Permanent Easements	1,553	---	1,553
Land Improvements	184,278	8,812	193,090
Temporary Easements	5,028	50	5,078
Buildings and Improvements	3,196,654	30,780	3,227,434
Equipment	1,205,892	46,505	1,252,397
Software	46,261	1,713	47,974
Trademarks	17	---	17
Infrastructure	44,255,389	---	44,255,389
Subtotal	55,337,054	104,585	55,441,639
Less Accumulated Depreciation/Amortization	(24,695,311)	(54,229)	(24,749,540)
Total Capital Assets, Net	$ 30,641,743	$ 50,356	$ 30,692,099

Additional information on capital assets can be found in *Note 5* of this report.

Debt Administration:

At the end of fiscal year 2011, the primary government had total general obligation and other bonded debt outstanding of $4.4 billion. Of this amount, $487.1 million comprises debt backed by the full faith and credit of the government.

Principal amounts retired in fiscal year 2011 were $147.5 million for general obligation bonds and $310.3 million for other bonds.

The State of Missouri is proud to be one of only nine states to maintain a Triple-A credit rating from all three major credit rating agencies (Moody's Investor Services, Inc., Standard and Poor's, and Fitch Ratings, Inc.) on the State's General Obligation Bonds.

Outstanding Bonds Payable of the State include (in thousands):

	Governmental Activities	Component Units	Total
General Obligation Bonds	$ 487,090	$ ---	$ 487,090
Other Bonds	3,880,975	1,996,429	5,877,404
Total	$ 4,368,065	$ 1,996,429	$ 6,364,494

Additional information on long-term debt can be found in *Notes 11, 12, and 13* of this report.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

The State of Missouri completed fiscal year 2011 with a balanced budget. Net general revenue collections increased 4.9% from fiscal year 2010 ending with an amount of $7.1 billion. The fiscal year 2012 budget, as appropriated in May 2011, would require growth of 2.6% from fiscal year 2011 in general revenue collections to meet the revenue estimate. Expenditure restrictions and Federal budget stabilization funds will result in a balanced 2012 budget.

As a major manufacturing, financial, and agricultural state, Missouri's economic health is tied closely to that of the nation. Like the nation, the State is slowly emerging from the recession, but the recovery is hampered by global catastrophes, international financial struggles, and federal fiscal uncertainty.

In order to boost the economy and create jobs, Missouri has made changes to its tax structure including phasing out the corporate franchise tax and providing tax relief to certain small businesses that create qualifying jobs. While these changes will reduce tax revenues collected in the short term, new jobs and increased economic activity will partially offset those reduced collections.

One area of growth in Missouri is exports. During the first three quarters of 2011, Missouri exported a total of $10.6 billion, which is almost 13% higher than the same period in 2010. The leading sectors in exports include transportation equipment and chemicals. The following graph shows the top exports (in millions of dollars).

Source: Missouri Economic Research and Information Center/Realty Trac

Despite the current national economic situation, Missouri's financial position continues to be strong. Conservative fiscal management, including Missouri's constitutional provisions for the Governor to line item veto and restrict expenditures below appropriated levels, will ensure the fiscal year 2012 budget is balanced. Further, Missouri's portion of the American Recovery and Reinvestment Act of 2009 provided budget fiscal relief funds in each of the last three fiscal years with the remaining portion used in the fiscal year 2012 budget. The use of the ARRA money received has mitigated some budget cuts over the past three years; however, the State will no longer be receiving that funding in fiscal year 2013.

During calendar year 2011, the State also experienced catastrophic natural disasters. The fiscal year 2012 budget includes funding to aid in the recovery from the blizzard, tornados, and flooding during 2011. The local communities affected by the disasters have received federal funding in addition to the money set aside by the State, but it still does not cover the total cost to rebuild these communities back to their previous state.

Despite funding challenges, the State is working to boost the economy, increase efficiency, and decrease costs. In the fall of 2011, Missouri held a special legislative session to pass legislation to create jobs. The session ended with the passage of Senate Bill 7, the Missouri Science and Innovation Reinvestment Act. The act provides funding for investments in innovative scientific research, will help bridge the gap between research and entrepreneurship, and provide a solid base for growth in quality jobs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration, Division of Accounting, P.O. Box 809, Jefferson City, MO 65102.

*The **Basic Financial Statements** include the Government-Wide Financial Statements, the Governmental Fund Financial Statements, the Proprietary Fund Financial Statements, the Fiduciary Fund Financial Statements, the Component Unit Financial Statements, and the accompanying notes to the statements.*

STATE OF MISSOURI
STATEMENT OF NET ASSETS
June 30, 2011
(In Thousands of Dollars)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents (Note 3)	$ 1,606,227	$ 69,576	$ 1,675,803	$ 267,786
Investments (Note 3)	2,828,557	90,019	2,918,576	1,759,661
Invested Securities Lending Collateral (Note 3)	199,025	4,921	203,946	101,080
Receivables, Net (Note 14)	3,417,010	274,446	3,691,456	478,125
Internal Balances	29,980	(29,980)	---	---
Inventories	88,106	1,570	89,676	51,306
Deposits and Prepaid Expenses	31	166	197	37,252
Restricted Assets:				
Cash and Cash Equivalents (Note 3)	19,130	---	19,130	236,598
Investments (Note 3)	42,001	55,869	97,870	1,310,188
Receivables, Net	---	---	---	74,011
Deferred Costs and Other Assets	63,392	---	63,392	39,232
Capital Assets (Note 5):				
Non-Depreciable	6,443,535	16,725	6,460,260	383,291
Depreciable, Net	24,198,208	33,631	24,231,839	4,015,148
Total Assets	38,935,202	516,943	39,452,145	8,753,678
Liabilities				
Bank Overdraft (Notes 3 and 10)	1	---	1	---
Payables (Note 14)	1,360,524	25,803	1,386,327	517,186
Securities Lending Obligation (Note 3)	199,025	4,921	203,946	101,080
Unearned Revenue (Note 1)	223,086	543	223,629	107,471
Escheat/Unclaimed Property	100,008	---	100,008	---
Long-Term Liabilities (Note 11):				
Due Within One Year	596,514	74,124	670,638	381,991
Due in More Than One Year	6,656,405	821,800	7,478,205	1,860,815
Total Liabilities	9,135,563	927,191	10,062,754	2,968,543
Net Assets				
Invested in Capital Assets, Net of Related Debt	26,600,674	50,290	26,650,964	2,661,271
Restricted for:				
Budget Reserve	506,903	---	506,903	---
Debt Service	364,962	---	364,962	---
Grants	471,412	---	471,412	---
Enabling Legislation (Note 1)	502,147	---	502,147	---
Loans Receivable	948,478	---	948,478	---
Permanent Trusts:				
Expendable	119	---	119	---
Non-Expendable	39,750	---	39,750	---
College and Universities:				
Expendable	---	---	---	439,499
Non-Expendable	---	---	---	825,366
External Parties	1,520,551	6,303	1,526,854	105,285
Unrestricted	(1,155,357)	(466,841)	(1,622,198)	1,753,714
Total Net Assets	$ 29,799,639	$ (410,248)	$ 29,389,391	$ 5,785,135

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	$ 1,086,428	$ 750,231	$ 93,766	$ ---	$ (242,431)	$ ---	$ (242,431)	$ ---
Education	6,536,870	61,759	1,598,396	---	(4,876,715)	---	(4,876,715)	---
Natural and Economic Resources	929,528	257,288	587,150	71	(85,019)	---	(85,019)	---
Transportation and Law Enforcement	2,529,014	285,269	299,954	1,795,860	(147,931)	---	(147,931)	---
Human Services	11,712,121	592,057	7,125,385	104	(3,994,575)	---	(3,994,575)	---
Interest on Debt (Excluding Direct Expense)	200,681	16,087	---	---	(184,594)	---	(184,594)	---
Total Governmental Activities	22,994,642	1,962,691	9,704,651	1,796,035	(9,531,265)	---	(9,531,265)	---
Business-Type Activities:								
State Lottery	746,010	1,011,055	---	---	---	265,045	265,045	---
Unemployment Compensation	1,719,619	---	1,701,052	---	---	(18,567)	(18,567)	---
Petroleum Storage Tank Insurance	13,939	12,740	---	---	---	(1,199)	(1,199)	---
State Fair Fees	3,693	3,577	120	---	---	4	4	---
State Parks and DNR	12,256	9,208	2,728	---	---	(320)	(320)	---
Historic Preservation	509	---	---	---	---	(509)	(509)	---
Missouri Veterans' Homes	76,052	25,950	45,565	---	---	(4,537)	(4,537)	---
Surplus Property	2,292	2,321	22	---	---	51	51	---
Revenue Information	1,193	1,357	---	---	---	164	164	---
Total Business-Type Activities	2,575,563	1,066,208	1,749,487	---	---	240,132	240,132	---
Total Primary Government	$ 25,570,205	$ 3,028,899	$ 11,454,138	$ 1,796,035	(9,531,265)	240,132	(9,291,133)	---
Component Units:								
College and Universities	$ 3,548,027	$ 2,224,209	$ 1,482,627	$ 51,295	---	---	---	210,104
Non-Major Component Units	9,332	6,518	---	---	---	---	---	(2,814)
Total Component Units	$ 3,557,359	$ 2,230,727	$ 1,482,627	$ 51,295	---	---	---	207,290
General Revenues:								
Taxes:								
Sales and Use					2,570,244	---	2,570,244	---
Individual Income					4,878,166	---	4,878,166	---
Corporate Income					394,389	---	394,389	---
County Foreign Insurance					182,679	---	182,679	---
Alcoholic Beverage					27,247	---	27,247	---
Corporate Franchise					70,743	---	70,743	---
Inheritance					1,833	---	1,833	---
Miscellaneous Taxes					1,210,758	---	1,210,758	---
Grants and Contributions not Restricted to Specific Programs					889,051	---	889,051	---
Unrestricted Investment Earnings					23,282	(1,044)	22,238	210,541
Transfers					265,280	(265,280)	---	---
Total General Revenues, Extraordinary Items, and Transfers					10,513,672	(266,324)	10,247,348	210,541
Change in Net Assets					982,407	(26,192)	956,215	417,831
Net Assets - Beginning					28,817,232	(384,056)	28,433,176	5,367,304
Net Assets - Ending					$ 29,799,639	$ (410,248)	$ 29,389,391	$ 5,785,135

The notes to the financial statements are an integral part of this statement.

*The **Governmental Funds** focus on current financial resources.*

Governmental Fund Financial Statements

Major Funds

General Fund – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Major Special Revenue Funds:

Public Education – Provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection – Provides for the preservation of the State's wildlife and environment.

Major Capital Projects Fund:

Missouri Road Fund – Accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. This also includes the following blended component units: Missouri Highway 63 Transportation Corporation and the Wentzville Parkway Transportation Corporation.

Non-Major Funds

Non-Major Governmental Funds are presented in the Combining and Individual Fund Statements and Schedules for non-major funds as part of Supplementary Information.

STATE OF MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Totals June 30, 2011
ASSETS						
Cash and Cash Equivalents (Note 3)	$ 723,949	$ 74,468	$ 109,323	$ 405,217	$ 153,232	$ 1,466,189
Investments (Note 3)	837,720	151,306	306,140	995,476	361,584	2,652,226
Invested Securities Lending Collateral (Note 3)	44,825	8,082	8,747	119,072	16,666	197,392
Accounts Receivable, Net	1,939,263	129,973	44,169	117,784	183,631	2,414,820
Interest Receivable	3,197	474	662	1,951	542	6,826
Due from Other Funds (Note 15)	---	27,687	---	---	299	27,986
Due from Component Units (Note 15)	---	---	666	---	---	666
Inventories	20,584	15	553	46,731	3,776	71,659
Advance to Component Units (Note 15)	---	---	4,418	---	---	4,418
Loans Receivable	22,322	---	922,981	---	3,175	948,478
Restricted Assets:						
Cash and Cash Equivalents (Note 3)	---	---	---	16,957	---	16,957
Investments (Note 3)	---	---	---	41,701	---	41,701
Total Assets	$ 3,591,860	$ 392,005	$ 1,397,659	$ 1,744,889	$ 722,905	$ 7,849,318
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 1,025,976	$ 2,242	$ 3,602	$ 118,425	$ 42,036	$ 1,192,281
Accrued Payroll	58,716	219	4,323	17,377	10,093	90,728
Due to Other Funds (Note 15)	13,646	6	496	62	978	15,188
Securities Lending Obligation (Note 3)	44,825	8,082	8,747	119,072	16,666	197,392
Deferred Revenue (Note 1)	932,938	38,362	19,037	40,828	9,832	1,040,997
Escheat/Unclaimed Property	100,008	---	---	---	---	100,008
Advance from Component Units (Note 15)	---	---	---	3,852	---	3,852
Total Liabilities	2,176,109	48,911	36,205	299,616	79,605	2,640,446
Fund Balances:						
Nonspendable	42,906	15	923,534	46,731	46,701	1,059,887
Restricted	475,188	296,405	111,501	1,398,542	346,059	2,627,695
Committed	512,623	8,239	245,020	---	31,185	797,067
Assigned	59,888	38,435	81,399	---	219,355	399,077
Unassigned	325,146	---	---	---	---	325,146
Total Fund Balances	1,415,751	343,094	1,361,454	1,445,273	643,300	5,208,872
Total Liabilities and Fund Balances	$ 3,591,860	$ 392,005	$ 1,397,659	$ 1,744,889	$ 722,905	$ 7,849,318

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2011
(In Thousands of Dollars)

Total Fund Balances - Governmental Funds		$ 5,208,872
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental funds are not financial resources and they are not reported in the funds. These assets consist of (Note 5):		
Construction in Progress	297,376	
Software in Progress	43,110	
Infrastructure in Progress	3,187,000	
Land	2,897,115	
Permanent Easements	1,553	
Land Improvements	181,164	
Temporary Easements	5,028	
Buildings and Improvements	2,666,561	
Equipment	1,097,801	
Software	44,504	
Trademarks	17	
Infrastructure	44,255,389	
Accumulated Depreciation/Amortization	(24,470,761)	
		30,205,857
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds (Note 1).		851,175
Bonds issued by the State have associated costs that are paid from current available financial resources in the funds. However, these costs are deferred on the Statement of Net Assets.		63,392
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of (Notes 11 and 12):		
Due to Other Entities	(23,909)	
General Obligation and Other Bonds Payable	(4,368,065)	
Unamortized Bond Premium	(158,870)	
Accrued Interest on Bonds	(37,718)	
Obligation under Lease Purchases	(157,790)	
Pollution Remediation	(6,925)	
Compensated Absences	(156,513)	
Claims Liability	(16,288)	
Contingent Liabilities	(1,585,969)	
Net Other Postemployment Benefit Obligation	(463,479)	
Net Pension Obligation	(117,155)	
		(7,092,681)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Assets.		563,024
Net Assets of Governmental Activities		$ 29,799,639

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Eliminations	Totals June 30, 2011
Revenues:							
Taxes	$ 7,015,323	$ 1,133,362	$ 172,593	$ 110,420	$ 967,143	$ ---	$ 9,398,841
Licenses, Fees, and Permits	85,130	1,844	74,614	93,233	376,128	---	630,949
Sales	683	---	8,157	---	1,291	---	10,131
Leases and Rentals	29	---	483	---	153	---	665
Services	272,435	---	---	---	117	---	272,552
Contributions and Intergovernmental	10,492,411	125,515	64,248	1,468,222	232,612	---	12,383,008
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	317	(289)	(450)	1,344	(975)	---	(53)
Interest	16,507	1,450	4,003	9,521	3,016	---	34,497
Penalties and Unclaimed Properties	44,281	858	350	---	9,347	---	54,836
Cost Reimbursement/ Miscellaneous	417,217	62,849	2,493	121,809	57,816	---	662,184
Total Revenues	18,344,333	1,325,589	326,491	1,804,549	1,646,648	---	23,447,610
Expenditures:							
Current:							
General Government	652,202	1,014	1,926	---	228,810	---	883,952
Education	2,389,106	4,135,294	43	---	1,543	---	6,525,986
Natural and Economic Resources	463,715	3,238	182,470	---	178,089	---	827,512
Transportation and Law Enforcement	603,685	171	753	876,907	276,894	---	1,758,410
Human Services	11,160,754	19,016	841	---	447,165	---	11,627,776
Capital Outlay:							
General Government	---	---	---	---	1	---	1
Transportation and Law Enforcement	---	---	---	1,249,787	3,313	---	1,253,100
Debt Service:							
Principal	47,204	---	560	132,128	62,605	---	242,497
Interest	40,670	---	---	93,793	91,395	---	225,858
Bond Issuance Costs	277	---	---	879	396	---	1,552
Underwriter's Discount	299	---	---	---	138	---	437
Arbitrage	42	---	---	---	---	---	42
Total Expenditures	15,357,954	4,158,733	186,593	2,353,494	1,290,349	---	23,347,123
Excess Revenues (Expenditures)	2,986,379	(2,833,144)	139,898	(548,945)	356,299	---	100,487
Other Financing Sources (Uses):							
Proceeds from Capital Leases	1,431	---	---	4,869	---	---	6,300
Issuance of Refunding Bonds	76,910	---	---	130,390	105,660	---	312,960
Escrow Agent	(76,392)	---	---	(150,477)	(124,730)	---	(351,599)
Bond Premium	58	---	---	20,972	19,438	---	40,468
Proceeds from Sale of Capital Assets	379	1	20	9,351	4,952	---	14,703
Transfers In (Note 16)	36,945	2,964,368	---	515,181	202,687	(3,453,850)	265,331
Transfers Out (Note 16)	(2,848,939)	(27,010)	(4,913)	---	(573,036)	3,453,850	(48)
Total Other Financing Sources (Uses)	(2,809,608)	2,937,359	(4,893)	530,286	(365,029)	---	288,115
Net Change in Fund Balances	176,771	104,215	135,005	(18,659)	(8,730)	---	388,602
Fund Balances - Beginning (Note 17)	1,240,476	238,923	1,226,400	1,463,932	652,928	---	4,822,659
Increase (Decrease) in Reserve for Inventory	(1,496)	(44)	49	---	(898)	---	(2,389)
Fund Balances - Ending	$ 1,415,751	$ 343,094	$ 1,361,454	$ 1,445,273	$ 643,300	$ ---	$ 5,208,872

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES IN GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

Net Change in Fund Balances - Total Governmental Funds		$	388,602
Amounts reported for governmental activities in the Statement of Activities are different because:			
Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement.			(2,389)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount that capital outlays of $1,413,790 exceeds depreciation/amortization of $872,598 in the current period.			541,192
The net effect of the donation of capital assets increased net assets.			2,217
Deferred revenues do not provide current financial resources and are not recognized as revenues until available in governmental funds.			(42,679)
Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the Combined Statement of Net Assets (Notes 11 and 12):			
Bonds Issued	(236,050)		
Bond Premiums, Issuance, and Refunding Costs	(20,381)		
Bonds Retired	457,750		
Capital Leases Issued	(6,300)		
Capital Lease Payments	28,399		
			223,418
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 (Notes 11 and 12):			
Amortization of Bond Premiums, Issuance, and Refunding Costs	18,827		
Decrease in Accrued Interest	2,727		
Decrease in Due to Other Entities	8,930		
Decrease in Pollution Remediation	3,161		
Decrease in Compensated Absences	21,674		
Increase in Contingent Liabilities	(87,105)		
Decrease in Claims Liability	22,652		
Increase in Net Other Postemployment Benefit Obligation	(133,521)		
Increase in Net Pension Obligation	(2,854)		
			(145,509)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of internal service funds are reported with governmental activities.			17,555
Change in Net Assets of Governmental Activities		$	982,407

The notes to the financial statements are an integral part of this statement.

*The **Proprietary Funds** focus on economic resources and are operated in a manner similar to private business enterprises.*

Proprietary Fund Financial Statements

Major Funds

State Lottery – Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation – Accounts for contributions and payments collected under the provisions of the "Unemployment Compensation Law" to pay benefits.

Petroleum Storage Tank Insurance – Accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

Non-Major Funds

Non-major enterprise funds and all internal service funds are presented in our combining non-major fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds						
	Major Funds					Totals	Governmental Activities - Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	Eliminations	June 30, 2011	
ASSETS							
Current Assets:							
Cash and Cash Equivalents (Note 3)	$ 14,866	$ 17,718	$ 24,301	$ 12,691	$ ---	$ 69,576	$ 140,038
Investments (Note 3)	13,174	---	50,369	26,476	---	90,019	114,014
Restricted:							
Investments (Note 3)	8,609	---	---	---	---	8,609	---
Invested Securities Lending Collateral (Note 3)	720	---	2,753	1,448	---	4,921	1,633
Accounts Receivable, Net	49,902	221,262	1,859	603	---	273,626	41,417
Interest Receivable	34	---	136	18	---	188	382
Due from Other Funds (Note 15)	---	---	---	64	(2)	62	15,805
Due from Component Units (Note 15)	---	---	---	---	---	---	1
Inventories	---	---	---	1,570	---	1,570	16,447
Prepaid Items	166	---	---	---	---	166	31
Loans Receivable	---	---	---	632	---	632	---
Total Current Assets	87,471	238,980	79,418	43,502	(2)	449,369	329,768
Non-Current Assets:							
Investments	---	---	---	---	---	---	62,317
Restricted:							
Cash and Cash Equivalents (Note 3)	---	---	---	---	---	---	2,173
Investments (Note 3)	47,260	---	---	---	---	47,260	300
Capital Assets (Note 5):							
Construction in Progress	282	---	---	7,092	---	7,374	1,232
Software in Progress	---	---	---	---	---	---	8,427
Land	353	---	---	8,998	---	9,351	7,722
Land Improvements	---	---	---	8,812	---	8,812	3,114
Temporary Easements	---	---	---	50	---	50	---
Buildings	4,940	---	---	25,840	---	30,780	530,093
Equipment	7,511	---	204	38,790	---	46,505	108,091
Software	1,707	---	---	6	---	1,713	1,757
Less Accumulated Depreciation/Amortization	(11,428)	---	(180)	(42,621)	---	(54,229)	(224,550)
Total Non-Current Assets	50,625	---	24	46,967	---	97,616	500,676
Total Assets	138,096	238,980	79,442	90,469	(2)	546,985	830,444
LIABILITIES							
Current Liabilities:							
Bank Overdraft (Note 3)	---	---	---	---	---	---	1
Accounts Payable	2,819	19,431	29	1,218	---	23,497	33,810
Accrued Payroll	280	---	64	1,962	---	2,306	2,134
Due to Other Funds (Note 15)	27,725	299	3	103	(2)	28,128	536
Securities Lending Obligation (Note 3)	720	---	2,753	1,448	---	4,921	1,633
Unearned Revenue (Note 1)	---	---	543	---	---	543	33,264
Claims Liability (Note 11)	---	---	15,000	---	---	15,000	73,597
Grand Prize Winner Liability (Note 11)	55,628	---	---	---	---	55,628	---
Obligations under Lease Purchase (Note 11)	---	---	---	38	---	38	4,699
Compensated Absences (Note 11)	611	---	66	2,781	---	3,458	4,421
Total Current Liabilities	87,783	19,730	18,458	7,550	(2)	133,519	154,095
Non-Current Liabilities:							
Loans Payable	---	692,168	---	---	---	692,168	---
Claims Liability (Note 11)	---	---	88,647	---	---	88,647	66,503
Grand Prize Winner Liability (Note 11)	40,953	---	---	---	---	40,953	---
Obligations under Lease Purchase (Note 11)	---	---	---	28	---	28	47,036
Compensated Absences (Note 11)	---	---	1	3	---	4	1,700
Total Non-Current Liabilities	40,953	692,168	88,648	31	---	821,800	115,239
Total Liabilities	128,736	711,898	107,106	7,581	(2)	955,319	269,334
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	3,365	---	24	46,901	---	50,290	384,151
Restricted for:							
Revenue Bonds	---	---	---	---	---	---	1,004
Other Purposes	6,303	---	---	---	---	6,303	1,469
Unrestricted	(308)	(472,918)	(27,688)	35,987	---	(464,927)	174,486
Total Net Assets	$ 9,360	$ (472,918)	$ (27,664)	$ 82,888	$ ---	$ (408,334)	$ 561,110
					Total Net Assets Reported Above	$ (408,334)	
					Consolidation Adjustment of Internal Service Activities Related to Enterprise Funds	(1,914)	
					Net Assets of Business-Type Activities	$ (410,248)	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					
	Major Funds				Totals	Governmental Activities - Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2011	
Operating Revenues:						
Employer Contributions	$ ---	$ 702,346	$ ---	$ ---	$ 702,346	$ 480,614
Employee Contributions	---	---	---	---	---	205,697
Medicare Part D Subsidy	---	---	---	---	---	3,591
Licenses, Fees, and Permits	---	---	12,740	8,012	20,752	21,447
Sales	1,000,679	---	---	4,444	1,005,123	30,531
Leases and Rentals	---	---	---	3,294	3,294	101,189
Charges for Services	---	---	---	25,737	25,737	101,412
Cost Reimbursement/Miscellaneous	523	---	---	1,545	2,068	23,470
Total Operating Revenues	1,001,202	702,346	12,740	43,032	1,759,320	967,951
Operating Expenses:						
Cost of Goods Sold	16,522	---	---	1,609	18,131	22,279
Personal Service	9,832	---	1,570	67,431	78,833	76,929
Operations	69,794	---	3,635	12,652	86,081	168,240
Prizes Expense	639,010	---	---	---	639,010	---
Inventories	---	---	---	9,492	9,492	1,223
Specific Programs	---	---	8,733	1,094	9,827	66,909
Insurance Benefits	---	---	---	---	---	593,070
Unemployment Benefits	---	1,718,429	---	---	1,718,429	---
Depreciation/Amortization	1,040	---	6	3,562	4,608	22,740
Other Charges	9,873	---	---	432	10,305	1,891
Total Operating Expenses	746,071	1,718,429	13,944	96,272	2,574,716	953,281
Operating Income (Loss)	255,131	(1,016,083)	(1,204)	(53,240)	(815,396)	14,670
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	(18)	998,706	---	48,435	1,047,123	235
Interest Expense	---	(1,190)	---	(3)	(1,193)	(1,614)
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(1,647)	---	(161)	(99)	(1,907)	(427)
Interest	160	---	604	99	863	3,605
Penalties and Unclaimed Properties	---	---	---	2	2	6
Disposal of Capital Assets	44	---	---	216	260	(358)
Miscellaneous Revenues	9,853	---	---	---	9,853	---
Total Non-Operating Revenues (Expenses)	8,392	997,516	443	48,650	1,055,001	1,447
Income (Loss) Before Transfers	263,523	(18,567)	(761)	(4,590)	239,605	16,117
Capital Contributions (Note 16)	---	---	---	---	---	1,301
Transfers In (Note 16)	18	---	---	---	18	99
Transfers Out (Note 16)	(265,278)	---	---	(20)	(265,298)	(479)
Change in Net Assets	(1,737)	(18,567)	(761)	(4,610)	(25,675)	17,038
Total Net Assets - Beginning (Note 17)	11,097	(454,351)	(26,903)	87,498	(382,659)	544,072
Total Net Assets - Ending	$ 9,360	$ (472,918)	$ (27,664)	$ 82,888	$ (408,334)	$ 561,110

Total Net Change in Net Assets Reported Above	$ (25,675)
Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds	(517)
Change in Net Assets of Business-Type Activities	$ (26,192)

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					
	Major Funds				Totals	Governmental Activities - Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2011	
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	$ ---	$ 7,963	$ ---	$ 1,933	$ 9,896	$ 717,301
Receipts from External Customers and Users	995,334	629,868	12,822	39,503	1,677,527	233,520
Payments to Suppliers	(86,220)	---	(3,628)	(23,761)	(113,609)	(194,198)
Payments to Employees	(9,871)	---	(1,640)	(67,079)	(78,590)	(76,050)
Payments Made for Program Expense	(641,347)	(1,745,838)	(11,902)	(1,094)	(2,400,181)	(655,802)
Other Receipts (Payments)	(9,350)	---	---	1,113	(8,237)	21,579
Net Cash Provided (Used) by Operating Activities	248,546	(1,108,007)	(4,348)	(49,385)	(913,194)	46,350
Cash Flows from Non-Capital Financing Activities:						
Due to/from Other Funds	5,857	299	---	58	6,214	1,408
Due to/from Component Units	---	---	---	---	---	(1)
Contributions and Intergovernmental	(18)	998,706	---	48,435	1,047,123	235
Transfers to/from Other Funds	(265,260)	---	---	(20)	(265,280)	(380)
Other Receipts (Expenses)	9,853	---	---	---	9,853	---
Net Cash Provided (Used) by Non-Capital Financing Activities	(249,568)	999,005	---	48,473	797,910	1,262
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	---	(1,190)	---	(3)	(1,193)	(1,614)
Purchases and Construction of Capital Assets	(948)	---	(7)	(7,875)	(8,830)	(11,875)
Capital Lease Downpayment/Obligations	---	---	---	(50)	(50)	(3,151)
Disposal of Capital Assets	44	---	---	183	227	---
Net Cash Provided (Used) by Capital and Related Financing Activities	(904)	(1,190)	(7)	(7,745)	(9,846)	(16,640)
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	---	---	12,031	11,805	23,836	869,600
Purchase of Investments	(5,517)	---	---	(212)	(5,729)	(867,371)
Interest and Dividends Received	151	---	573	102	826	3,813
Investment Fees	---	---	---	---	---	(39)
Penalties and Other Receipts	---	---	---	2	2	6
Net Cash Provided (Used) by Investing Activities	(5,366)	---	12,604	11,697	18,935	6,009
Net Increase (Decrease) in Cash	(7,292)	(110,192)	8,249	3,040	(106,195)	36,981
Cash and Cash Equivalents, Beginning of Year	22,158	127,910	16,052	9,651	175,771	105,229
Cash and Cash Equivalents, End of Year	$ 14,866	$ 17,718	$ 24,301	$ 12,691	$ 69,576	$ 142,210
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	$ 255,131	$ (1,016,083)	$ (1,204)	$ (53,240)	$ (815,396)	$ 14,670
Depreciation/Amortization Expense	1,040	---	6	3,562	4,608	22,740
Changes in Assets and Liabilities:						
Accounts Receivable	(5,345)	(64,515)	43	(51)	(69,868)	(3,148)
Inventories	---	---	---	(155)	(155)	(436)
Prepaid Items	(8)	---	---	---	(8)	112
Accounts Payable	104	2,540	7	147	2,798	(2,132)
Accrued Payroll	(7)	---	(3)	109	99	31
Loans Payable	---	(29,949)	---	---	(29,949)	---
Unearned Revenue	---	---	39	---	39	9,488
Grand Prize Winner Liability	(2,337)	---	---	---	(2,337)	---
Claims Liability	---	---	(3,169)	---	(3,169)	4,177
Compensated Absences	(32)	---	(67)	243	144	848
Net Cash Provided (Used) by Operating Activities	$ 248,546	$ (1,108,007)	$ (4,348)	$ (49,385)	$ (913,194)	$ 46,350
Non-Cash Financing and Investing Activities:						
Capital Lease Issuance	$ ---	$ ---	$ ---	$ ---	$ ---	$ 14,867
Capital Asset Donations	18	---	---	147	165	149
Increase (Decrease) in Fair Value of Investments	(1,647)	---	(161)	(99)	(1,907)	(427)
Net Non-Cash Financing and Investing Activities	$ (1,629)	$ ---	$ (161)	$ 48	$ (1,742)	$ 14,589

The notes to the financial statements are an integral part of this statement.

*The **Fiduciary Funds** account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.*

Individual fund financial statements for pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds are presented as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2011
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents (Note 3)	$ 811,430	$ 8,545	$ 375,770
Investments at Fair Value (Note 3):			
U.S. Government Securities	945,891	2,247	1,136
U.S. Agency Sponsored Securities	59,800	9,505	55,689
Repurchase Agreements	---	---	65,658
Stocks	1,577,127	60	129
Bonds	185,462	---	---
International Equities	929,514	---	---
Mutual and Index Funds	1,552,942	---	531
Venture Capital Limited Partnership	4,211,892	---	---
Other Investments	769,990	6,094	1,260
Invested Securities Lending Collateral (Note 3)	703,219	975	59
Receivables:			
Accounts Receivable	80,596	---	256,863
Interest Receivable	3,375	11	32
Inventories	---	2	---
Prepaid Expenses	58	---	---
Capital Assets:			
Land	351	---	---
Buildings	4,150	---	---
Equipment	1,820	46	---
Software	3,282	9	---
Accumulated Depreciation/Amortization	(3,255)	(36)	---
Total Capital Assets, Net	6,348	19	---
Total Assets	11,837,644	27,458	$ 757,127
LIABILITIES			
Accounts Payable	76,910	880	32
Accrued Payroll	---	23	---
Due to Other Entities	---	---	724,280
Due to Individuals	---	---	32,756
Securities Lending Obligation (Note 3)	704,182	975	59
Unearned Revenue (Note 1)	4,924	---	---
Claims Liability	9,534	---	---
Compensated Absences	562	30	---
Total Liabilities	796,112	1,908	$ 757,127
Net Assets Held in Trust for Benefits and Other Purposes	$ 11,041,532	$ 25,550	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Employer	$ 502,713	$ ---
Plan Member	108,684	---
Other	40,006	---
Investment Earnings:		
Increase (Decrease) in Appreciation of Assets	1,561,183	(31)
Interest and Dividends	461,632	53
Securities Lending Income	1,997	---
Total Investment Earnings	2,024,812	22
Less Investment Expenses:		
Investment Activity Expense	(120,332)	---
Securities Lending Expense	(353)	---
Total Investment Expense	(120,685)	---
Net Investment Earnings	1,904,127	22
Unclaimed Property	---	44,621
Cost Reimbursement/Miscellaneous	700	12,636
Total Additions	2,556,230	57,279
Deductions:		
Benefits	962,214	---
Administrative Expenses	17,496	1,707
Program Distributions	74,955	46,059
Service Transfer Payments	17,746	---
Depreciation/Amortization	629	16
Disposal of Capital Assets	---	15
Total Deductions	1,073,040	47,797
Change in Net Assets	1,483,190	9,482
Net Assets held in Trust - Beginning of Year (Note 17)	9,558,342	16,068
Net Assets held in Trust - End of Year	$ 11,041,532	$ 25,550

The notes to the financial statements are an integral part of this statement.

*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Component Unit Financial Statements

Major

College and Universities

Non-Major

Non-Major proprietary component unit statements are found in the combining fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2011
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2011
ASSETS			
Current Assets:			
Cash and Cash Equivalents (Note 3)	$ 245,547	$ 22,239	$ 267,786
Investments (Note 3)	279,138	14,037	293,175
Invested Securities Lending Collateral (Note 3)	101,047	33	101,080
Receivables, Net	333,073	2,292	335,365
Inventories	51,305	1	51,306
Restricted Assets:			
Cash and Cash Equivalents (Note 3)	211,050	3,303	214,353
Investments (Note 3)	69,394	6,009	75,403
Receivables, Net	12,452	8,276	20,728
Deposits and Prepaid Expenses	31,512	360	31,872
Deferred Costs and Other Assets	233	---	233
Total Current Assets	1,334,751	56,550	1,391,301
Non-Current Assets:			
Investments (Note 3)	1,466,486	---	1,466,486
Receivables, Net	93,852	45,056	138,908
Advance to Primary Government (Note 15)	---	3,852	3,852
Restricted Assets:			
Cash and Cash Equivalents (Note 3)	6,137	16,108	22,245
Investments (Note 3)	1,216,042	18,743	1,234,785
Receivables, Net	1,661	51,622	53,283
Deposits and Prepaid Expenses	5,380	---	5,380
Deferred Costs and Other Assets	38,688	311	38,999
Capital Assets, Net of Accumulated Depreciation/Amortization (Note 5)	4,351,120	47,319	4,398,439
Total Non-Current Assets	7,179,366	183,011	7,362,377
Total Assets	8,514,117	239,561	8,753,678
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	318,659	5,484	324,143
Due to Primary Government (Note 15)	---	667	667
Securities Lending Obligation (Note 3)	101,047	33	101,080
Unearned Revenue (Note 1)	103,682	---	103,682
Deposits	64,324	---	64,324
Claims Liability (Note 21)	38,692	---	38,692
Compensated Absences	61,780	17	61,797
Other Postemployment Obligations, Net	255	---	255
Capital Lease Obligations (Note 6)	3,343	---	3,343
Bonds and Notes Payable (Note 12)	277,634	270	277,904
Total Current Liabilities	969,416	6,471	975,887
Non-Current Liabilities:			
Accounts Payable and Accrued Liabilities	118,635	---	118,635
Advance from Primary Government (Note 15)	---	4,418	4,418
Unearned Revenue (Note 1)	2,752	1,037	3,789
Deposits and Reserves	466	4,533	4,999
Claims Liability (Note 21)	35,357	---	35,357
Compensated Absences	23,094	16	23,110
Other Postemployment Obligations, Net	3,573	---	3,573
Capital Lease Obligations (Note 6)	47,959	---	47,959
Bonds and Notes Payable (Note 12)	1,711,736	39,080	1,750,816
Total Non-Current Liabilities	1,943,572	49,084	1,992,656
Total Liabilities	2,912,988	55,555	2,968,543
NET ASSETS			
Invested in Capital Assets, Net	2,644,304	16,967	2,661,271
Restricted for:			
Expendable	439,499	---	439,499
Non-Expendable	825,366	---	825,366
Other Purposes	---	105,285	105,285
Unrestricted	1,691,960	61,754	1,753,714
Total Net Assets	$ 5,601,129	$ 184,006	$ 5,785,135

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS/STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2011	Adjustments	Statement of Activities
Revenues:					
Operating Revenues:					
Licenses, Fees, and Permits	$ ---	$ 2,582	$ 2,582	$ ---	$ 2,582
Student Tuition and Fees (Net of Scholarship Allow.)	822,705	---	822,705	---	822,705
Sales and Services of Educational Departments	39,574	---	39,574	---	39,574
Auxiliary Enterprises	1,290,413	---	1,290,413	---	1,290,413
Leases and Rentals	---	2,782	2,782	---	2,782
Cost Reimbursement/Miscellaneous	71,517	1,154	72,671	---	72,671
Total Charges for Services					2,230,727
Federal Appropriations, Grants, and Contracts	236,687	---	236,687	216,111	452,798
State Grants and Contracts	77,625	---	77,625	773,404	851,029
Private Gifts, Grants, and Contracts	78,955	---	78,955	72,730	151,685
Additions to Endowments	---	---	---	29,259	29,259
Total Operating Grants and Contributions					1,484,771
Interest Revenue	1,218	3,513	4,731	(4,731)	---
Total Operating Revenues	2,618,694	10,031	2,628,725	1,086,773	
Expenses:					
Operating Expenses:					
Personal Service	2,197,378	1,567	2,198,945	---	2,198,945
Operations	---	3,333	3,333	---	3,333
Specific Programs	---	2,104	2,104	---	2,104
Scholarships and Fellowships	138,558	---	138,558	---	138,558
Utilities	30,990	---	30,990	---	30,990
Supplies and Other Services	893,291	5	893,296	---	893,296
Contracted Services	22,465	---	22,465	---	22,465
Interest Expense	---	---	---	933	933
Depreciation/Amortization	236,184	1,221	237,405	---	237,405
Bad Debt Expense	---	111	111	---	111
Miscellaneous	28,665	44	28,709	510	29,219
Total Operating Expenses	3,547,531	8,385	3,555,916	1,443	3,557,359
Operating Income (Loss)	(928,837)	1,646	(927,191)	1,085,330	
Non-Operating Revenues (Expenses):					
Federal Appropriations, Grants, and Contracts	216,111	---	216,111	(216,111)	---
State Appropriations, Grants, and Contracts	773,404	---	773,404	(773,404)	---
Private Gifts, Grants, and Contracts	72,730	---	72,730	(72,730)	---
Contributions and Intergovernmental	---	(2,144)	(2,144)	---	2,144
Total Unrestricted Grants and Contributions					2,144
Investment Earnings:					
Increase (Decrease) in the Fair Value of Investments	---	(137)	(137)	---	(137)
Investment and Endowment Income (Loss)	275,913	---	275,913	---	275,913
Interest	(70,780)	814	(69,966)	4,731	(65,235)
Interest and Bond Related Expenses	---	(933)	(933)	933	---
Gain (Loss) on Sale of Capital Assets	79	---	79	(79)	---
Miscellaneous Revenues (Expenses)	(575)	(14)	(589)	589	---
Total Unrestricted Investment Earnings					210,541
Total Non-Operating Revenues (Expenses)	1,266,882	(2,414)	1,264,468	(1,056,071)	
Income Before Other Revenues (Expenses) Or Gains (Losses)	338,045	(768)	337,277	29,259	
State Capital Appropriations	51,295	---	51,295	---	51,295
Total Capital Grants and Contributions					51,295
Additions to Endowments	29,259	---	29,259	(29,259)	---
Change in Net Assets	418,599	(768)	417,831	---	422,119
Net Assets - Beginning of Year (Note 17)	5,182,530	184,774	5,367,304	---	5,367,304
Net Assets - End of Year	$ 5,601,129	$ 184,006	$ 5,785,135	$ ---	$ 5,785,135

The notes to the financial statements are an integral part of this statement.

*The **Notes to the Financial Statements** provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.*

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Note 1 – Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri (primary government) and its component units have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The State has elected not to follow the Financial Accounting Standards Board's pronouncements issued after November 30, 1989 for proprietary activities.

The financial statements include the departments, agencies, boards, commissions, and other organizational units over which the State has financial accountability. GASB set forth the following criteria in Statement No. 14 – *The Financial Reporting Entity* for determining financial accountability: appointment of a voting majority of an organization's governing body and either: 1) the ability to impose the State's will on the organization; or 2) the organization's ability to provide specific benefits to, or impose specific burdens on, the primary government. Where the State does not appoint a voting majority of the governing body, the entity would still be included if it is fiscally dependent on the State. Statement No. 39 – *Determining Whether Certain Entities are Component Units* added a requirement to include all entities whose relationship with the State would make it misleading to exclude it.

In addition to the legislative, executive, and judicial branches, the following organizations are included in these financial statements:

Component Units (Blended):

Blended component units are legally separate entities from the State, but are so intertwined with the State that they are, for all practical purposes, the same as the State. They are reported as part of the primary government and blended into the appropriate funds. The following component units are blended because they provide services entirely or almost entirely to the primary government:

Board of Fund Commissioners – The Board was created by state law and is comprised of the Governor, Lieutenant Governor, Attorney General, State Auditor, State Treasurer, and the Commissioner of Administration. The Board's purpose is to issue, redeem, and cancel state general obligation bonds and perform other administrative activities related to state general obligation debt as assigned by law. Separate financial statements are not required or issued for the Board.

Board of Private Investigator Examiners – The Board was created by state law and is charged with the licensure and regulation of the practice of private investigators in Missouri. The five member board shall consist of three private investigators and two public members, appointed by the Governor. Separate financial statements are not required for the Board.

Board of Unemployment Fund Financing – The Board was created by state law to provide a method of providing funds for the payment of unemployment benefits and maintaining an adequate fund balance in the Unemployment Compensation Fund. The Board is comprised of the Governor, Lieutenant Governor, Attorney General, the Director of the Department of Labor and Industrial Relations, and the Commissioner of Administration. Separate financial statements are not required for the Board.

Note 1 - Significant Accounting Policies (cont.)

Coordinating Board for Early Childhood - The Board was created by state law within the Missouri Children's Services Commission. The Board's purpose is to develop a comprehensive statewide long-range strategic plan for a cohesive early childhood system, and to work with public and private entities for the purpose of promoting and improving the development of Missouri's children from birth through age five. The 17 member Board is composed of representatives from the Governor's office; the following departments: Health and Senior Services, Mental Health, Social Services, and Elementary and Secondary Education; the judiciary; the Family and Community Trust Board; the Head Start Program; and nine members appointed by the Governor. Separate financial statements are not required for the Board.

Missouri Propane Gas Commission - The Commission is responsible for developing comprehensive plans and programs for the prevention, control, and abatement of propane-related accidents in Missouri. The Commission is authorized to regulate the inspection of and provide specifications for propane. The nine member commission is appointed by the Governor with members from various propane-related industries, the Departments of Agriculture and Natural Resources, and one public member.

Missouri State Penitentiary Redevelopment Commission - The Commission was established to coordinate the planning and redevelopment of the old Jefferson City Correctional Center. The ten member commission consists of three members appointed by the Jefferson City mayor, three members appointed by the Cole County Commission, and four members appointed by the Governor. Separate financial statements are not required for the Commission.

Capital Projects Funds:

Missouri Highway 63 Transportation Corporation, and Wentzville Parkway Transportation Corporation - These are reported as a part of the Missouri Road Fund. These transportation corporations are not-for-profit corporations organized under the Missouri Transportation Corporation Act. The corporations were formed to facilitate the construction of highway projects. When the purpose for which each corporation was formed has been complied with and all obligations of the corporation have been paid, the Board of the corporation shall, with the approval of the Missouri Highways and Transportation Commission, dissolve the corporation. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Internal Service Funds:

Board of Public Buildings - This is reported with the State Facility Maintenance and Operation Fund. The Board was created by state law and its governing body is made up of the Governor, the Lieutenant Governor, and the Attorney General. Its purpose is to provide state buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the Division of Facilities Management, Design and Construction, and its projects must be approved by the General Assembly. The Board can require state agencies to occupy its projects. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and pay the costs of operations.

Note 1 - Significant Accounting Policies (cont.)

Conservation Employees' Insurance Plan - The Plan provides health and life insurance coverage to eligible employees and retirees of the Missouri Department of Conservation. The Plan is administered by a five member board of trustees made up of two members of the Plan appointed by the Conservation Commission, the Chief Financial Officer, the Human Resources Division Chief, and the Internal Auditor. Copies of the Plan's financial statements may be requested from:

Missouri Department of Conservation
P.O. Box 180
Jefferson City, Missouri 65102

Transportation Self-Insurance Plan - The Plan provides fleet vehicle liability, workers' compensation, and general liability insurance. The Plan is administered by the Missouri Department of Transportation. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Missouri State Employee's Insurance Plan - The Plan was created to provide basic life insurance to eligible members and is administered through the Missouri State Employees' Retirement System (MOSERS). Death benefits, optional life insurance, and long-term disability benefits are also provided by the Plan for certain members. Furthermore, the Plan administers the State's Deferred Compensation Plan through the MOSERS Board of Trustees. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri Consolidated Health Care Plan (MCHCP) - The Plan was created by state law to provide medical benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate; two members of the House; six members appointed by the Governor; the Director of the Department of Health and Senior Services; the Director of the Department of Insurance, Financial Institutions and Professional Registration; and the Commissioner of Administration. The management of MCHCP is the responsibility of the Executive Director who is appointed by the Board. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

Note 1 - Significant Accounting Policies (cont.)

MoDOT and MSHP Medical and Life Insurance Plan – The Plan provides health and life insurance coverage to eligible employees, retirees, and their dependents of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP). The Plan is administered by a board of trustees consisting of four active MoDOT employees, one retired MoDOT employee appointed by the Director of MoDOT, two active MSHP employees, and one retired MSHP employee appointed by the Superintendent of MSHP. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Pension (and other employee benefit) trust funds:

Missouri State Employees' Retirement System (MOSERS) - The System was created by state law and provides retirement, survivor, disability, and life insurance to its members and is administered by a board of trustees. The Board consists of two members of the Senate, two members of the House, two members appointed by the Governor, three members elected by the System's members, the State Treasurer, and the Commissioner of Administration. The management of MOSERS is the responsibility of the Executive Director who is appointed by the Board. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri Department of Transportation and Highway Patrol Employees' Retirement System - The System provides retirement, death, and disability benefits to qualified employees of the Missouri Highways and Transportation Commission (includes employees of the Department of Transportation) and both uniformed and non-uniformed members of the State Highway Patrol. The System is administered by a board of trustees consisting of three members of the Missouri Highways and Transportation Commission, the Director of the Missouri Department of Transportation, the Superintendent of the State Highway Patrol, one member of the Senate, one member of the House, one member elected by MoDOT employees, one member elected by State Highway Patrol employees, one retired member elected by retired MoDOT employees, and one retired member elected by retired State Highway Patrol employees. Copies of the System's financial statements may be requested from:

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Note 1 - Significant Accounting Policies (cont.)

Missouri Consolidated Health Care Plan (MCHCP) State Retiree Welfare Benefit Trust - The Trust was established on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except those covered by other State sponsored post-employment benefit plans. The Trust is administered by the MCHCP board of trustees, which also administers the benefits for the active participants of the Plan. The net assets and activity related to active participants are reported in an internal service fund. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

Missouri State Public Employees' Deferred Compensation Plan - The Missouri State Public Employees' Deferred Compensation Plan is administered by ING, and oversight of the Plan is provided by the MOSERS board of trustees. Under this Plan, employees are permitted to defer a portion of their current salary until future years. In addition, eligible employees have the opportunity to participate in the Missouri State Employees' Deferred Compensation Incentive Plan. Under this Plan, the State contributes $25, $30, or $35 per month on behalf of any employee who contributes at least that amount to the Missouri State Public Employees' Deferred Compensation Plan and who has been an employee of the State for at least one year. However, due to budget constraints, the State's contribution amount was suspended in March 2010 until further notice. Copies of financial statements for both Plans may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Component Units (Discretely Presented):

Discretely presented component units are legally separate entities for which the State is financially accountable. The financial data for these entities is reported separately from the financial data of the primary government.

Note 1 - Significant Accounting Policies (cont.)

Major

College and Universities - The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public college and universities included in the financial statements:

Harris-Stowe State University
3026 Laclede Avenue
St. Louis, Missouri 63103

Lincoln University
207 Young Hall
820 Chestnut Street
Jefferson City, Missouri 65101

Linn State Technical College
1 Technology Drive
Linn, Missouri 65051

Missouri Southern State University
3950 East Newman Road
Joplin, Missouri 64801-1595

Missouri State University
901 South National, Room 119
Springfield, Missouri 65897

Missouri Western State University
4525 Downs Drive
St. Joseph, Missouri 64507

Northwest Missouri State University
105 Administration Building
800 University Drive
Maryville, Missouri 64468-6001

Southeast Missouri State University
One University Plaza, Mail Stop 3200
Cape Girardeau, Missouri 63701

Truman State University
McClain Hall, Room 105
100 East Normal
Kirksville, Missouri 63501

University of Central Missouri
316 Administration Building
Warrensburg, Missouri 64093

University of Missouri System
1000 West Nifong, Building 7, Suite 300
Columbia, Missouri 65211

Non-Major

Missouri Development Finance Board - The Board was created by state law as an independent, self-supporting, body corporate and politic to promote economic development of the State and was created within the Department of Economic Development. The Board is empowered to issue taxable, tax-exempt, and public purpose infrastructure industrial revenue bonds or notes; provide loans or loan guarantees to eligible businesses; provide loans and grants to political subdivisions to fund public infrastructure improvements; and issue tax credits against certain state income taxes in exchange for contributions made to the Board. The twelve member board is made up of the Lieutenant Governor and the Directors of the Department of Economic Development, the Department of Natural Resources, and the Department of Agriculture, who serve as ex-officio voting members, and eight members appointed by the Governor and confirmed by the Senate. Copies of the Board's financial statements may be requested from:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65101

Note 1 - Significant Accounting Policies (cont.)

Missouri Agricultural and Small Business Development Authority - The Authority was created by state law and is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions/renovations and pollution control facilities throughout the State. If for any reason, the Authority ceases to exist, all rights and properties of the Authority will pass to the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements may be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Missouri Transportation Finance Corporation - The Corporation is a not-for-profit corporation organized under the Missouri Nonprofit Corporation Law. The Corporation is financed by federal highway and transit dollars, plus state and local matching funds. It is authorized to issue revenue bonds. The Corporation provides loans to assist public and private entities fund highway and transportation projects throughout the State. The Missouri Highways and Transportation Commission determines which applicants are extended loans from the Missouri Transportation Finance Corporation. Copies of the Corporation's financial statements may be requested from:

Missouri Department of Transportation
Central Office, Financial Services
105 West Capitol Avenue
Jefferson City, Missouri 65101

Missouri Wine and Grape Board - The Board was created by state law to further growth and development of the grape growing industry in Missouri and foster the expansion of the grape market for Missouri grapes. The eleven member board consists of seven members representing the grape and wine industry, food service industry, or media marketing industry. The four other members include the director of the Department of Agriculture and the presidents of the Missouri Grape Growers Association, the Missouri Vintners Association, and the Missouri Wine Marketing and Research Council. Copies of the Board's annual report may be requested from:

Missouri Wine and Grape Board
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Related Organizations

Related organizations are excluded from the financial reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organization's board members. Related organizations of the State of Missouri include:

Missouri Health and Educational Facilities Authority - finances health and educational facilities.

Missouri Higher Education Loan Authority - provides a secondary market for loans made under the Federal Family Education Loan Program.

Note 1 - Significant Accounting Policies (cont.)

Missouri Housing Development Commission – makes, purchases, and insures mortgage loans which are used to develop new or rehabilitate low and moderate income housing.

Missouri Technology Corporation – promotes the modernization of businesses through the development of science and technology applications.

Missouri Public Entity Risk Management Fund – provides liability protection to participating public entities, their officials, and employees.

State Environmental Improvement and Energy Resources Authority – finances, acquires, constructs, and equips projects to reduce, prevent, and control pollution and develop the energy resources of the State.

Jackson County Sports Complex Authority – responsible for construction, operation, and financing of the Jackson County Sports Complex.

Kansas City Regional Sports Complex Authority – responsible for the study and review of all current major sports leagues, clubs, or franchises in Kansas City.

St. Charles County Convention and Sports Facility Authority – responsible for planning, constructing, and managing convention and sports facilities in the St. Charles area.

Missouri Cotton Growers Organization – organized for boll weevil eradication.

KCT Intermodal Transportation Corporation – organized to pay for a railroad bridge in the Blue Valley Industrial District in Kansas City.

Lake of the Ozarks Community Bridge Corporation – organized to pay for the acquisition and construction of a toll bridge across the Lake of the Ozarks.

Westside Intermodal Transportation Corporation – organized to pay for rail additions and improvements of the Kansas City Terminal Railway.

Universal Service Board – organized to ensure just, reasonable, and affordable rates for comparable essential local telecommunication services throughout the State.

Interstate Commission for Adult Offender Supervision – responsible for promoting public safety and protecting the rights of victims through the control and regulation of the interstate movement of adults placed under community supervision.

Missouri Access to Higher Education Trust Board – responsible for administering the funds of the Higher Education Trust.

Missouri Health Insurance Pool – organized to provide health care coverage for residents who are unable to obtain individual health coverage.

P-20 Council – organized to create a more efficient and effective education system that more adequately prepares students for the challenges of entering the workforce.

Note 1 - Significant Accounting Policies (cont.)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The government-wide financial statements focus on the government as a whole. The Statement of Net Assets and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Governmental activities include governmental type funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services and consist of enterprise funds.

The **Statement of Net Assets** presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets.

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 within a specific function. Indirect costs, such as depreciation/amortization expense, are included in the direct expenses reported for individual functions. 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; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred. Fiduciary funds have been excluded from the government-wide financial statements because, by definition, the resources of these funds cannot be used to support government operations. Generally, interfund transactions have also been eliminated. Some interfund transactions, such as the exchange of services, were not eliminated because doing so would mistakenly understate both expenses of the buyer and revenues of the seller.

The difference between fund assets and liabilities is reported as "Net Assets" on the government-wide, proprietary, and fiduciary fund statements and "Fund Balance" on the governmental fund financial statements.

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

Note 1 - Significant Accounting Policies (cont.)

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Material revenues susceptible to accrual include federal grants and sales and income taxes. Expenditures are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method.

The proprietary, pension (and other employee benefit) trust, and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net assets. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The agency fund financial statements are presented on the accrual basis of accounting.

The discretely presented component unit financial statements are presented using the economic resources measurement focus and accrual basis of accounting with the following exception in regard to the college and universities. Revenues and related expenditures in connection with the summer sessions in progress at June 30 are deferred at that date.

The State reports the following major funds categories:

General Fund - accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Public Education - provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection - provides for the preservation of the State's wildlife and environment.

Missouri Road Fund - accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system.

Note 1 - Significant Accounting Policies (cont.)

State Lottery – accounts for proceeds from the sale of lottery tickets and all other moneys credited to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation – accounts for contributions, payments, and federal loans collected under the provisions of the Unemployment Compensation Law to pay benefits.

Petroleum Storage Tank Insurance – accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

C. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds and discretely presented component units:

Primary Government:

Governmental Funds include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the State.

Proprietary Funds include enterprise funds and internal service funds. These funds account for the cost of certain services provided by the State.

Fiduciary Funds include pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments, and other entities.

Discretely Presented Component Units:

Major

College and Universities account for moneys from federal and state grants, debt proceeds, gifts and contributions, state appropriations, investments, and endowments. Assets and liabilities are accounted for on the Statement of Net Assets. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Assets/Statement of Activities.

Non-Major

Non-Major Component Units account for moneys from bond proceeds, loans, contributions, gifts, and grants. Assets and liabilities are accounted for on the Statement of Net Assets. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Assets/Statement of Activities.

Note 1 - Significant Accounting Policies (cont.)

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, and all investments with an original maturity of three months or less, such as certificates of deposit, money market certificates, and repurchase agreements. Cash and cash equivalents on the Proprietary Funds Statement of Cash Flows are also reported under this definition. Cash balances of most state funds are pooled and invested by the State Treasurer (see *Note 3)*.

E. Investments

These are long-term investments with an original maturity greater than three months which are expected to be held to maturity and redeemed at face value. The majority of investments are reported in pension (and other employee benefit) trust funds, however, investments are held in all fund types. All investments are reported at fair value (see *Note 3).*

There are multiple funds that have income from investments which are directed to the General Fund. These funds consist of special revenue, enterprise, internal service, private-purpose, and agency funds.

F. Interfund Receivables/Payables

The State makes various transactions between funds or between the primary government and component units to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. These receivables at June 30 are classified as "due from other funds" or "due from primary government/component units" on the Balance Sheet and Statement of Net Assets. Payables are classified as "due to other funds" or "due to primary government/component units" on the Balance Sheet and Statement of Net Assets (see *Note 15*). These receivables/payables are due within one year. Any receivables/payables that are due to and due from an enterprise fund are eliminated on the face of the Proprietary Funds Statement of Net Assets. If any receivables/payables that remain after this elimination are both in the same activity (Governmental), they are eliminated at the Government-Wide Statement of Net Assets. Interfund receivables/payables between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Assets.

G. Advances to/from Other Funds

Long-term interfund receivables are classified as "advances to other funds" or "advances to primary government/component units" on the Balance Sheet and Statement of Net Assets. Long-term interfund payables are classified as "advances from other funds" or "advances from primary government/component units" on the Balance Sheet and Statement of Net Assets (see *Note 15*). These receivables/payables are eliminated if both the receivable and payable are in the same activity (Governmental). Advances to/from that are between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining long-term interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Assets.

H. Inventories

Inventories in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method. Inventory balances for governmental funds are shown in the nonspendable fund balance classification. Inventories in the proprietary funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using various methods such as moving average; weighted average; and first-in, first-out.

Note 1 - Significant Accounting Policies (cont.)

I. Restricted Assets

These moneys are restricted by donors and applicable bond indentures:

Restricted for Budget Reserve - An account used to meet the cash flow requirements and program funding requirements of the State.

Restricted for Debt Service - An account used to segregate a portion of fund balance for debt service resources legally restricted to the payment of general long-term debt principal and interest amounts maturing in future years.

Restricted for Loans Receivable - An account used to segregate a portion of fund balance to indicate that loans receivable do not represent available, spendable resources.

Restricted for Trust Principal - An account used to segregate a portion of fund balance to indicate the principal amount of permanent funds that is legally restricted for a specific future purpose.

J. Capital Assets

Capital assets, which include construction in progress, software in progress, infrastructure in progress, land, land improvements, permanent and temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement (see *Notes 5 and 6*).

Infrastructure assets (including highways, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items) are capitalized. Interest costs incurred during construction of capital assets are not capitalized.

The capitalization threshold for all capital assets is as follows: land improvements - $15,000, buildings and improvements - $15,000, software and trademarks - $5,000, and equipment - $1,000. No dollar threshold is set for land, easements, or infrastructure.

Capital assets are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings - 40 to 50 years, land improvements and building improvements - 15 to 20 years, temporary easements - term of easement, equipment - 5 years, software - 3 to 5 years, trademarks - 10 years, and infrastructure - 12 to 50 years. Construction in progress, software in progress, infrastructure in progress, land, and permanent easements are not depreciated/amortized.

Most works of art and historical treasures are not capitalized or depreciated/amortized. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, monuments, and other art throughout the capitol grounds. Assets that were previously capitalized continue to be reported in the government-wide financial statements.

Component unit capital assets are stated at cost and are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings - 40 years, land improvements and building improvements - 20 years, equipment - 5 to 15 years, and software - 3 to 5 years.

Note 1 - Significant Accounting Policies (cont.)

K. Deferred/Unearned Revenues

Governmental Funds

Deferred revenues are those for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met for governmental funds, which use the modified accrual basis of accounting. Therefore, such amounts are reported within the governmental fund financial statements as receivables and offset by a deferred revenue account. These amounts include $750,699,000 within the General Fund, $56,924,000 within the major special revenue funds, $33,730,000 within the Missouri Road Fund, and $9,822,000 within non-major governmental funds which totals $851,175,000 for governmental funds. Such amounts have been deemed to be measurable but not available. All major sources of revenue, including taxes; licenses, fees, and permits; and governmental contributions are susceptible to accrual when available within 60 days.

Deferred revenues also include amounts collected in advance of the year in which earned. The State has reported as such deferred revenues the amount of $182,239,000 within the General Fund, $475,000 within major special revenue funds, $7,098,000 within the Missouri Road Fund, and $10,000 within non-major governmental funds which totals $189,822,000 for governmental funds.

Proprietary Funds

Unearned revenue amounts collected in advance of the year in which earned are reported in the amount of $33,264,000 within the internal service funds included in governmental activities. Total unearned revenue for enterprise funds is $543,000 which is from the Petroleum Storage Tank Insurance Fund.

Fiduciary Funds

Unearned revenue amounts collected in advance of the year in which earned are reported in the amount of $4,924,000 within the Pension (and other employee benefits) Trust funds.

Component Units

Unearned revenue amounts collected in advance of the year in which earned are reported in the amount of $106,434,000 within the college and universities and $1,037,000 in non-major component units which is a total of $107,471,000 of unearned revenue for component units.

L. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements. However, the long-term liabilities are reported on the government-wide financial statements. The reconciliation between fund financial statements and government-wide financial statements includes a line item for the long-term liabilities of governmental funds. These long-term liabilities include the following:

1. Due to Other Entities includes outstanding principal on advances from other governments and contractual obligations to other governments. The expenditures are recorded in the appropriate governmental funds when the liability is paid (see *Note 11*).

2. Outstanding principal for general obligation debt. The expenditure for payment of principal and interest for general obligation debt is recorded in the debt service funds when paid (see *Note 12*).

Note 1 - Significant Accounting Policies (cont.)

3. Outstanding principal for bonds issued by the Board of Public Buildings, State Road Bonds issued by the Missouri Highways and Transportation Commission, and bonds issued by the Health and Educational Facilities Authority and the Regional Convention and Sports Complex Authority. The expenditure for payment of principal and interest for these bonds is recorded in the appropriate governmental funds when paid (see *Note 12*).

4. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium.

   In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums on debt issuances are reported as other financing sources (see *Note 11*).

5. Obligations under lease/purchases reported include the present value of net minimum future lease payments, which will be paid from the General Fund, various special revenue funds, proprietary funds, and the Missouri Road Fund (see *Notes 6 and 11*).

6. Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds but are recorded as expenditures when paid (see *Note 11*).

   Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

   Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State.

7. Claims and contingent liabilities include estimates of the risk of loss related to tort liability, general liability, motor vehicle liability, contractor liability, and injuries to employees. These liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Expenditures are recorded in the fund from which the liability is paid (see *Notes 11, 21, and 23*).

8. Pollution remediation liabilities are measured based on the pollution remediation outlays expected to be incurred to settle those liabilities. These liabilities include all remediation work that the State expects to perform, including work expected to be performed for other responsible parties or potentially responsible parties, whether or not the State is required to do that work. For goods or services used for pollution remediation activities, amounts that are normally expected to be liquidated with expendable available financial resources are recognized as liabilities upon receipt of those goods and services (see *Note 11 and 22*).

Long-term liabilities of all proprietary, pension (and other employee benefit) trust, and private-purpose trust funds are accounted for in the respective funds.

M. Net Assets

Net Assets are reported in three categories:

Invested in Capital Assets, Net of Related Debt - An account used to segregate the portion of net assets attributable to capital assets and related debt. It consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes and other debt that are attributed to acquisition, construction, or improvement of those assets.

Note 1 – Significant Accounting Policies (cont.)

Restricted Net Assets – An account used to segregate the portion of net assets that have constraints on their use, which are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. At June 30, 2011, net assets restricted by enabling legislation equaled $502,147,000 for governmental activities.

Unrestricted Net Assets – An account used to segregate the portion of net assets that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, generally the State uses restricted resources first, then unrestricted resources as they are needed. However, there may be instances in which restricted funds may only be spent in proportion to unrestricted funds spent.

N. Revenues

The revenues of the General Fund include federal grants and contributions of $10,438,066,000. Revenues for all funds are reported net of refunds of $2,088,195,000.

O. Interfund Transactions

During the fiscal year the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, acquire capital assets, and service debt. Interfund transactions basically consist of these three types:

1. Transactions that would be treated as revenues or expenditures/expenses if they involved organizations external to the State are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to internal service funds from other funds for services rendered and to agency funds for contributions for employee benefits.

2. Transactions that reimburse another fund for an expense. These transactions reduce the expenses of the fund that is being reimbursed and increase the expenses for the fund doing the reimbursement. Therefore, they are not shown on the face of the statements.

3. Operating subsidies and transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers (see *Note 16*). These transactions are eliminated on the face of the financial statements if the transfer in and transfer out are either both in governmental funds or both in enterprise funds. Of the remaining transfers, any transfers in and transfers out that are within the same activity (Governmental) are eliminated at the Government-Wide Statement of Activities.

P. Expenditures and Expenses

Expenditures and expenses are reported net of revenue over collections of $1,521,592,000 and $826,000, respectively. Expenditures and expenses are reported net of overpayments to vendors, individuals, school districts, and for cost reimbursements of $564,523,000 and $1,254,000, respectively.

Note 1 - Significant Accounting Policies (cont.)

Q. Property Taxes

Presently there is a state property tax of three cents on each hundred dollars assessed valuation on all real estate and personal property. The tax collected is deposited into the Blind Pension Fund, which is a component of social assistance.

The property taxes in Missouri are levied by October 31 of each year on assessed valuation as of January 1 of that year. Property taxes are due and payable by December 31 and penalties on unpaid taxes are imposed after that date. Assessed values are established by each county assessor's office and are calculated as a percent of market value except for agricultural land which is calculated on productive capability. The percentage for real property varies according to use: residential at 19%, commercial at 32%, and agricultural at 12%. Personal property is assessed according to type with the majority at 33 1/3% of market value.

Note 2 - Reporting Changes and Classifications

The State of Missouri implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ending June 30, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes a hierarchy of fund balance classifications and clarifies the definitions of existing governmental fund types. A breakdown of the fund balance classifications shown on the governmental fund Balance Sheets can be found in *Note 4 – Governmental Fund Balances*.

- GASB Statement No. 59, *Financial Instruments Omnibus*, which contains provisions that modify existing financial reporting requirements for certain financial instruments and external investment pools. This statement affects the disclosures found in *Note 3 – Deposits and Investments*.

- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which incorporates into the GASB's authoritative literature certain FASB and AICPA pronouncements issued prior to November 30, 1989. This statement has no impact on the State's CAFR.

The State of Missouri has reclassified 80 funds for the fiscal year ended June 30, 2011, within the general fund and special revenue funds. These funds were reclassified due to the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Transportation and Law Enforcement was reclassified from a major fund to a non-major fund.

Note 3 - Deposits and Investments

The State Treasurer maintains a cash and short-term investment pool that is used by substantially all state funds. These funds do not include accrued interest. Certain organizational units are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized on the following page is the portfolio that represents the "Cash and Cash Equivalents," "Investments," "Restricted Assets - Cash and Cash Equivalents," and "Restricted Assets – Investments" as reported at June 30, 2011.

Note 3 - Deposits and Investments (cont.)

A. Deposits

The State minimizes custodial credit risk by restrictions set forth in state law and stipulations in the State Treasurer's Office Investment Policy. Custodial credit risk is risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateralized securities that are in the possession of an outside party. Statutes restrict the State Treasurer to deposit funds in financial institutions that are physically located in Missouri, which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50% at the time of deposit and deposits must be collateralized at least 100% with approved securities. Deposits must have a maturity of five years or less and earn interest at varying rates based on State law.

Primary Government

At June 30, 2011, the bank balance of the primary government's deposits was $979,455,000. Of the bank amount, $19,998,000 was exposed to custodial credit risk by being uninsured and collateralized with securities held by the pledging financial institution.

Fiduciary

At June 30, 2011, the bank balance of the deposits of the fiduciary funds was $399,314,000. None of these deposits were exposed to custodial credit risk.

Component Units

Information on the component units deposits is available within their individual financial statements.

B. Investments

Statutes authorize the State Treasurer to invest in U.S. Treasury or Agency securities maturing within five years, commercial paper and banker's acceptances maturing within 180 days, or in repurchase agreements maturing within 90 days secured by U.S. Treasury or Agency securities of any maturity. The internal service funds, the agency and pension (and other employee benefit) trust funds, and the component units, in accordance with statutory authority, invest primarily in U.S. government securities, repurchase agreements, preferred and common stocks, bonds, real estate, and fixed income securities. There have been no violations of these investment restrictions during fiscal year 2011.

The State Treasurer minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the State will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer minimizes custodial credit risk by requiring that all securities be held in the State's name at the State's custodial bank, Bank of New York.

Note 3 - Deposits and Investments (cont.)

Primary Government

At June 30, 2011, the reported amount of the primary government's investments was $3,730,488,000. Of this amount, $126,694,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State's counterparty.

Fiduciary

At June 30, 2011, the reported amount of the fiduciary funds investments was $11,181,310,000.

Component Units

Information on the component units investments is available within their individual financial statements.

The following table (in thousands of dollars) provides information about the interest rate risks associated with the State's investments. The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity in years. The State Treasurer minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 1.5 years, and holding at least 40% of the portfolio's total market value in securities with a maturity of 12 months or less.

	Maturities in Years					
	Less than 1	1-5	6-10	More than 10	No Maturity	Total Fair Value
All Fund Types except Fiduciary Funds and Component Units:						
U.S. Government Securities	$ 1,254	$ ---	$ ---	$ ---	$ ---	$ 1,254
U.S. Treasury Securities	286,045	118,505	12,773	11,348	---	428,671
U.S. Agency Securities	168,946	32,342	---	---	---	201,288
U.S. Government Guaranteed Mortgages	2,676	---	---	---	---	2,676
U.S. Government Mortgage-Backed Securities	275,352	1,404,881	334	1,312	300	1,682,179
U.S. Agency-Sponsored Securities	41,685	62,299	---	---	---	103,984
Repurchase Agreements	1,233,921	---	---	---	---	1,233,921
Stocks	---	---	---	---	5,177	5,177
Bonds	---	658	---	---	---	658
Mutual Funds	---	---	---	---	2,295	2,295
Commercial Paper	62,683	---	---	---	---	62,683
Short-Term Securities	2,442	---	---	---	1,494	3,936
Other	---	888	878	---	---	1,766
Subtotal	2,075,004	1,619,573	13,985	12,660	9,266	3,730,488

Note 3 - Deposits and Investments (cont.)

	Maturities in Years					
	Less than 1	1-5	6-10	More than 10	No Maturity	Total Fair Value
Fiduciary Funds:						
U.S. Government Securities	74,366	36,526	19,650	11,230	---	141,772
U.S. Treasury Securities	1,000	462,944	313,803	4,305	---	782,052
U.S. Agency Securities	2,240	13,107	10,224	---	---	25,571
U.S. Government Mortgage-Backed Securities	1,917	8,568	16,786	43,014	---	70,285
U.S. Agency-Sponsored Securities	46,048	9,067	---	---	---	55,115
Repurchase Agreements	88,825	---	---	---	---	88,825
Stocks	---	---	---	---	1,577,316	1,577,316
Bonds	125,855	14,782	27,601	17,225	---	185,463
International Equities	---	---	---	---	929,514	929,514
Mortgages/ Real Estate	166,582	---	19,103	83,572	143,696	412,953
Asset-Backed Securities	---	989	1,963	628	---	3,580
Short-Term Securities	823,309	---	---	---	---	823,309
Mutual Funds	---	730,895	4,277	15,974	802,327	1,553,473
Venture Capital Limited Partnership	---	---	---	---	4,211,892	4,211,892
Absolute Return	---	---	---	---	153,035	153,035
Tactical Fixed Income	---	---	---	---	81,496	81,496
Other	73,302	---	---	12,357	---	85,659
Subtotal	1,403,444	1,276,878	413,407	188,305	7,899,276	11,181,310
Total Investments	$ 3,478,448	$ 2,896,451	$ 427,392	$ 200,965	$ 7,908,542	$ 14,911,798

The State minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer from investing more than 5% of the total investment portfolio into any single financial institution or issuer, excluding U.S. securities and repurchase agreements. There are no restrictions in the amount that can be invested in U.S. securities, however, there can be no more than 15% of the total portfolio invested in repurchase agreements with a single counterparty. During fiscal year 2011, the State did not have more than 5% of total investments in a single issuer.

Note 3 - Deposits and Investments (cont.)

The State Treasurer requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (A1/P1) as rated by Moody's Investor Service, Inc. (Moody's) and Standard & Poor's Corporation (S & P). The Treasurer does not have any additional policies regarding credit ratings of investments. The following table (in thousands of dollars) provides information on the credit ratings associated with the State's investments in debt securities.

	Moody's	S & P	Fair Value
Primary Government/Fiduciary:			
U.S. Government Securities		Treasury	$ 67,406
U.S. Treasury	Aaa	AAA	334,152
		AAA	218
U.S. Agencies	Aaa	AAA	211,712
	AAA	AA+	2,041
		AAA	11,903
U.S. Government Mortgage-Backed Securities	Aaa	AAA	3,611
	AAA	AA+	2,015
		Agency	59,527
		Not Rated	273
Bonds	Aaa		217
	Aa2		106
	Aa3		227
	A1	A+	15,353
	A1		108
		AAA	10,814
		AA+	1,363
		AA	18,310
		AA-	2,289
		A+	3,772
		A	102,114
		A-	1,484
		BBB+	2,375
		BBB	6,633
		BBB-	7,761
		BB+	1,154
		BB	25,784
		B	33,326
		CCC	16,715
		CC	1,419
		D	13,037
		Agency	64,041
		Not Rated	2,514
Repurchase Agreements	Unrated	Unrated	1,213,394
U.S. Agency-Sponsored Securities	Aaa	AAA	1,750,460
	Aaa		16,146
		AAA	28,029
Short-Term Securities	Unrated		2,442

Note 3 - Deposits and Investments (cont.)

	Moody's	S & P	Fair Value
Asset-Backed Securities		AAA	538
		AA	310
		A	1,545
		BBB	7,679
		BB	537
		BB-	182
		B	7,290
		CCC	1,143
		CC	2,269
		D	646
		Agency	21,517
		Not Rated	711
Mutual Funds	AAA		8,627
	AA3		721,466
	BBB		5,079
		3-STAR	15,974
Pooled Investments		AAA	70,574
Commerical Paper	Aaa	AAA	61,683
	A-1	P-1	1,000
Other	Aa1		448
	Aa2		318
	Aa3		421
	Aaa	AAA	19,103
	Aaa		319
		AAA	8,910
		AA	505
		A+	4,381
		A	19,043
		A-	14,817
		BBB+	6,656
		BBB	21,564
		BBB-	148
		BB+	1,859
		BB	46,903
		BB-	5,452
		B+	15,203
		B	47,395
		B-	2,216
		CCC	41,531
		CCC-	770
		CC	9,130
		D	27,754
		Agency	70,517
		Not Rated	20,621
	Not Rated		260
Total Rated Investments			$ 5,349,259

Note 3 - Deposits and Investments (cont.)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk. The Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System do have foreign currency deposits and investments which may be used for hedging purposes. The following table (in thousands of dollars) provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

	Investment Type					
Currency	Cash	Equities	Fixed Income	Alternatives	Real Estate	Total
Argentine Peso	$ ---	$ ---	$ 92	$ ---	$ ---	$ 92
Australian Dollar	176	8,474	---	---	---	8,650
Brazilian Real	50	28,465	7,197	---	---	35,712
Canadian Dollar	129	1,115	352	---	---	1,596
Chilean Peso	---	1,095	---	---	---	1,095
Chinese Yuan Renminbi	---	56	---	---	---	56
Colombian Peso	---	547	3,191	---	---	3,738
Czech Koruna	---	2,597	---	---	---	2,597
Danish Krone	1	5,806	---	---	---	5,807
Egyptian Pound	---	2,567	---	---	---	2,567
Euro	5,478	180,687	7,754	66,930	13,534	274,383
Hong Kong Dollar	3	82,245	---	---	---	82,248
Hungarian Forint	1	3,258	763	---	---	4,022
Indian Rupee	---	12,968	---	---	---	12,968
Indonesion Rupiah	---	9,855	5,699	---	---	15,554
Japenese Yen	776	344,762	---	---	---	345,538
Malaysian Ringgit	---	6,914	5,963	---	---	12,877
Mexican Peso	---	13,609	6,392	---	---	20,001
Moroccan Dirham	---	334	---	---	---	334
Philippine Peso	2	1,417	483	---	---	1,902
Polish Zloty	---	5,301	4,049	---	---	9,350
Russian Ruble	---	733	---	---	---	733
Singapore Dollar	186	35,730	---	---	---	35,916
South African Rand	---	10,851	5,989	---	---	16,840
South Korean Won	85	48,215	2,091	---	---	50,391
Sri Lanka Rupee	---	188	---	---	---	188
Swedish Krona	4	11,663	---	---	---	11,667
Swiss Franc	---	97,582	---	---	---	97,582
Taiwan Dollar	699	41,368	---	---	---	42,067
Thai Baht	---	17,748	2,891	---	---	20,639
Turkish Lira	---	9,435	3,368	---	---	12,803
United Kingdom Pound Sterling	1,092	111,593	1,953	---	---	114,638
Venezuelan Bolivar	54	---	---	---	---	54
Total	$ 8,736	$ 1,097,178	$ 58,227	$ 66,930	$ 13,534	$ 1,244,605

Note 3 - Deposits and Investments (cont.)

C. Securities Lending Program

State Treasurer's Office:

The Missouri State Treasurer's Office participates in a securities lending program to augment investment income. Authority to participate rests in Section 30.260.5, RSMo. As of November 2008, Clearland Securities, a division of Wells Fargo, began acting as the State Treasurer's custodial bank and securities lending agent. For securities which are received as collateral under a bonds borrowed program, at least 75% of the collateral received must match the maturities of the securities lent with a maximum duration gap between loans and investments of 15 days. The maximum life of term loans shall be 90 days.

Collateral may be in the form of cash, securities issued or guaranteed by the U.S. government or its agencies, or bank letters of credit or equivalent obligation if pre-approved by the State Treasurer's Office. Collateral must be provided in the amount of 102% of the then market value of the loaned securities and accrued interest, if any. The Custodian provides for full indemnification to the State Treasurer's Office for any losses that might occur in the program due to borrower default, insolvency, or failure to return loaned securities.

At June 30, 2011, the State Treasurer's Office had an aggregate fair value of securities lent of $205,013,000 and an aggregate fair value of collateral received of $205,013,000.

Missouri State Employees' Retirement System:

The Missouri State Employees' Retirement System's (MOSERS) board of trustees' investment policies permit the pension trust funds to participate in a securities lending program. Certain securities of the pension trust funds are loaned to participating brokers who provide collateral in the form of cash, U.S. Treasury or government agency securities, or letters of credit issued by approved banks. Collateral must be provided in the amount of 102% of market value for domestic loans and 105% of market value for international loans. MOSERS does not have the authority to pledge or sell collateral securities without borrower default. On June 30, 2011, MOSERS had no credit risk exposure to borrowers because the collateral amounts received exceeded amounts out on loan.

Deutsche Bank AG, New York Branch served as the agent for the fixed income domestic equity and international equity securities lending programs. MOSERS reduces credit risk by allowing Deutsche Bank to lend these securities to a diverse group of dealers on behalf of MOSERS. Deutsche Bank provides indemnification against dealer default.

Daily monitoring of securities that are on loan ensure proper collateralization levels and mitigate counterparty risk. The majority of the security loans are open loans and can be terminated on demand by either MOSERS or the borrower. Cash collateral is invested in short-term investment funds, managed by Deutsche Bank. On June 30, 2011, the cash collateral fund had a market value of $643,085,000 and a weighted average maturity of 11 days. At June 30, 2011 and 2010, MOSERS had earned $1,534,000 and $1,204,000, respectively, on the securities lending program.

Note 3 - Deposits and Investments (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

In accordance with the investment policies set by the board of trustees, the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (the System), lends its securities to broker-dealers and banks pursuant to a form of loan agreement. The System's custodial bank is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

During the fiscal year, the System lent securities and received cash, securities insured or guaranteed by the U.S. government or its agencies, and irrevocable bank letters of credit as collateral. The System cannot pledge or sell non-cash collateral unless a borrower defaults. Borrowers were required to deliver collateral for each loan equal to: 1) in the case of loaned securities denominated in dollars or whose primary trading market was located in the United States, 102% of the market value of the loaned securities plus any accrued interest; and 2) in the case of loaned securities not denominated in U.S. dollars or whose primary trading market was not located in the United States, 105% of the market value of the loaned securities plus any accrued interest.

The System did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on its behalf. There were no known failures by any borrowers to return loaned securities or pay distributions thereon during the year.

The System and borrowers maintained the right to terminate all securities lending transactions on demand. At June 30, 2011, the cash collateral fund had a market value of $60,134,000.

At June 30, 2011, the System had earned $110,000, and at June 30, 2010, the System had lost $22,000 on the securities lending program.

Component Units:

Information on the component units securities lending program is available within their individual financial statements.

D. Derivatives

Missouri State Employees' Retirement System (MOSERS), through its external investment managers, has an investment policy which holds investments in futures contracts, swap contracts, and forward foreign currency exchange contracts. MOSERS does not anticipate additional significant market risk from the swap arrangements. The forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign equities. MOSERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. MOSERS anticipates that the counterparties will be able to satisfy their obligation as credit evaluations and credit limits are monitored by the investment managers. MOSERS also invests in mortgage-backed securities to diversify the portfolio and increase the return while minimizing the extent of risk. At June 30, 2011, MOSERS Foreign Currency Forward Contracts had a pending receivable of $392,000 and a pending payable of $8,778,000 resulting in a final liability of $8,386,000.

Note 3 – Deposits and Investments (cont.)

The following table (in thousands of dollars) summarizes the various contracts in MOSERS portfolio as of June 30, 2011. The investments are reported at fair value and are included on the Statement of Fiduciary Net Assets of the pension (and other employee benefit) trust funds.

Futures Contracts:

Notional Amount	Exposure
$ 871,902,000	$ 770,000

Swaps:

Notional Amount	Counterparty Exposure
$ 1,354,979,000	$ 21,231,000

Component Units:

Information on the component units derivatives is available within their individual financial statements.

Note 4 – Governmental Fund Balance

A. Governmental Fund Balance Classifications

The State's fund balances are classified as:

Nonspendable – Amounts that are not expected to be converted to cash or amounts that are legally or contractually required to be maintained intact.

Restricted – Amounts that are restricted for specific purpose due to constraints that are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the legislature.

Assigned – Amounts that are constrained by the legislature's intent to be used for a specific purpose, but do not meet the criteria for restricted or committed.

Unassigned – Amounts that do not meet the criteria of any of the classifications listed above.

Note 4 – Governmental Fund Balance (cont.)

Fund Balance Classifications by Purpose – In the basic financial statements, the fund balance classifications are presented in the aggregate. The following displays the fund balances by major purpose (in thousands of dollars):

	Nonspendable	Restricted	Committed	Assigned
General Fund				
Inventories	$ 20,584	$ ---	$ ---	$ ---
Loans Receivable	22,322	---	---	---
General Government	---	39,764	---	17,020
Natural and Economic Resources	---	31,223	5,720	19,049
Education	---	2,586	---	16,483
Human Services	---	363,274	---	---
Transportation and Law Enforcement	---	38,341	---	126
Budget Reserve	---	---	506,903	---
Forfeited Financial Instruments	---	---	---	2,317
Taxes	---	---	---	4,893
Total	$ 42,906	$ 475,188	$ 512,623	$ 59,888
Public Education				
Inventories	$ 15	$ ---	$ ---	$ ---
Education	---	296,405	8,239	29,050
Human Services	---	---	---	9,385
Total	$ 15	$ 296,405	$ 8,239	$ 38,435
Conservation and Environmental Protection				
Inventories	$ 553	$ ---	$ ---	$ ---
Loans Receivable	922,981	---	---	---
Natural and Economic Resources	---	111,501	245,020	78,718
Transportation and Law Enforcement	---	---	---	797
Forfeited Financial Instruments	---	---	---	1,884
Total	$ 923,534	$ 111,501	$ 245,020	$ 81,399
Missouri Road Fund				
Inventories	$ 46,731	$ ---	$ ---	$ ---
Transportation and Law Enforcement	---	1,398,542	---	---
Total	$ 46,731	$ 1,398,542	$ ---	$ ---
Non-Major Special Revenue				
Inventories	$ 3,776	$ ---	$ ---	$ ---
Loans Receivable	3,175	---	---	---
General Government	---	1,434	96	4,736
Natural and Economic Resources	---	114,212	12,926	45,649
Human Services	---	38,940	16,451	2,981
Transportation and Law Enforcement	---	57,759	1,712	165,870
Total	$ 6,951	$ 212,345	$ 31,185	$ 219,236

Note 4 - Governmental Fund Balance (cont.)

	Nonspendable	Restricted	Committed	Assigned
Non-Major Debt Service				
General Government	$ ---	$ 76,918	$ ---	$ ---
Transportation and Law Enforcement	---	35,040	---	---
Total	$ ---	$ 111,958	$ ---	$ ---
Non-Major Capital Projects				
General Government	$ ---	$ 2,583	$ ---	$ ---
Transportation and Law Enforcement	---	19,173	---	---
Total	$ ---	$ 21,756	$ ---	$ ---
Non-Major Permanent Funds				
Trust Principal	$ 39,750	$ ---	$ ---	$ ---
Natural and Economic Resources	---	---	---	115
Human Services	---	---	---	4
Total	$ 39,750	$ ---	$ ---	$ 119

B. Negative Fund Balance

A negative fund balance is prohibited in all fund balance classifications except Unassigned. When a negative fund balance exists, the shortfall would be covered by the next fund balance classification for that specific purpose.

C. Budget Reserve Fund

The Budget Reserve Fund is established in Article IV, Section 27(a) of the Missouri Constitution. The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any other fund when necessary to meet the cash requirements of the State. However, the Budget Reserve Fund must be paid back with interest prior to May 16th of the fiscal year in which the transfer was made.

Budget stabilization expenditures may occur in a fiscal year in which the governor reduces the expenditures of the State or any of its agencies below their appropriation or in which there is a budget need due to a natural disaster as proclaimed by the governor to be an emergency. An appropriation from the Budget Reserve Fund may be granted by a two-thirds vote of the members elected to each house. The maximum amount which may be appropriated at any one time for budget stabilization purposes is one-half the sum of the balance of the Budget Reserve Fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the fund for budget stabilization purposes but not yet appropriated for repayment to the fund. One-third of the amount expended or transferred from the Budget Reserve Fund for budget stabilization purposes plus interest shall stand appropriated to the Budget Reserve Fund during each of the next three fiscal years from the fund which received the budget stabilization appropriation. The balance of the Budget Reserve Fund at June 30, 2011, was $506,903,000.

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows (in thousands of dollars):

	*Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Governmental Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	$ 519,464	$ 132,474	$ (353,330)	$ 298,608
Software in Progress	29,390	26,368	(4,221)	51,537
Infrastructure in Progress	2,729,897	1,202,043	(744,940)	3,187,000
Land	2,869,843	46,614	(11,620)	2,904,837
Permanent Easements	1,462	91	---	1,553
Total Capital Assets not being Depreciated/Amortized	6,150,056	1,407,590	(1,114,111)	6,443,535
Capital Assets being Depreciated/Amortized:				
Land Improvements	161,601	22,695	(18)	184,278
Temporary Easements	6,495	295	(1,762)	5,028
Buildings and Improvements	2,918,898	283,300	(5,544)	3,196,654
Equipment	1,184,249	99,156	(77,513)	1,205,892
Software	37,638	8,623	---	46,261
Trademarks	---	17	---	17
Infrastructure	43,589,498	744,939	(79,048)	44,255,389
Total Capital Assets being Depreciated/Amortized	47,898,379	1,159,025	(163,885)	48,893,519
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(84,588)	(4,395)	18	(88,965)
Temporary Easements	(2,131)	(2,165)	1,762	(2,534)
Buildings and Improvements	(1,168,163)	(95,340)	2,655	(1,260,848)
Equipment	(839,606)	(90,102)	71,590	(858,118)
Software	(21,554)	(5,447)	---	(27,001)
Infrastructure	(21,839,004)	(697,889)	79,048	(22,457,845)
Total Accumulated Depreciation/Amortization	(23,955,046)	(895,338)	155,073	(24,695,311)
Total Capital Assets being Depreciated/Amortized, Net	23,943,333	263,687	(8,812)	24,198,208
Governmental Activities Capital Assets, Net	$ 30,093,389	$ 1,671,277	$ (1,122,923)	$ 30,641,743
Business-Type Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	$ 6,311	$ 2,972	$ (1,909)	$ 7,374
Land	8,940	411	---	9,351
Total Capital Assets not being Depreciated/Amortized	15,251	3,383	(1,909)	16,725
Capital Assets being Depreciated/Amortized:				
Land Improvements	7,493	1,319	---	8,812
Temporary Easements	50	---	---	50
Buildings and Improvements	28,386	2,394	---	30,780
Equipment	44,558	3,773	(1,826)	46,505
Software	1,676	37	---	1,713
Total Capital Assets being Depreciated/Amortized	82,163	7,523	(1,826)	87,860
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(4,099)	(259)	---	(4,358)
Temporary Easements	(10)	(2)	---	(12)
Buildings and Improvements	(15,472)	(826)	---	(16,298)
Equipment	(30,473)	(3,341)	1,687	(32,127)
Software	(1,254)	(180)	---	(1,434)
Total Accumulated Depreciation/Amortization	(51,308)	(4,608)	1,687	(54,229)
Total Capital Assets being Depreciated/Amortized, Net	30,855	2,915	(139)	33,631
Business-Type Activities Capital Assets, Net	$ 46,106	$ 6,298	$ (2,048)	$ 50,356

*Beginning balances as of July 1, 2010 have been restated (see *Note 17*).

Note 5 – Capital Assets (cont.)

Depreciation/amortization expense of governmental activities was charged to functions as follows (in thousands of dollars):

General Government	$ 33,543
Education	3,480
Natural and Economic Resources	19,595
Transportation and Law Enforcement	775,507
Human Services	63,213
Total	$ 895,338

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (in thousands of dollars):

	College and Universities	Non-Major Component Units	Total
Capital Assets not being Depreciated/Amortized:			
Construction in Progress	$ 208,293	$ ---	$ 208,293
Land	146,542	7,220	153,762
Other Non-Depreciable/Amortizable Assets	21,236	---	21,236
Total Capital Assets not being Depreciated/Amortized	376,071	7,220	383,291
Capital Assets being Depreciated/Amortized:			
Land Improvements	29,267	---	29,267
Buildings and Improvements	4,966,432	47,224	5,013,656
Equipment, Fixtures, and Books	1,225,974	190	1,226,164
Software	98,078	15	98,093
Infrastructure	465,961	---	465,961
Total Capital Assets being Depreciated/Amortized	6,785,712	47,429	6,833,141
Less Total Accumulated Depreciation/Amortization	(2,810,663)	(7,330)	(2,817,993)
Total Capital Assets being Depreciated/Amortized, Net	3,975,049	40,099	4,015,148
Discretely Presented Component Units – Capital Assets, Net	$ 4,351,120	$ 47,319	$ 4,398,439

Note 6 - Leases

Capital

The State has entered into various agreements to lease land, buildings, and equipment. FASB Statement No. 13, *Accounting for Leases,* requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee to be accounted for as the acquisition of a capital asset and the incurrence of an obligation by the lessee (a capital lease).

Capital leases for the internal service funds, enterprise, and college and universities are reported as a long-term obligation in those funds along with the related assets. Capital leases and the related assets are not reported on the fund financial statements of governmental type funds. However, the capital leases and related assets of governmental funds are included on the government-wide financial statements and they are shown on the reconciliation between fund financial statements and government-wide statements.

Following is a summary of the future minimum lease payments for capital leases (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Internal Service Funds	Enterprise Funds	College and Universities
2012	$ 12,681	$ 3,975	$ 39	$ 6,392
2013	12,151	4,151	24	6,191
2014	10,174	4,174	5	6,190
2015	9,219	4,066	---	6,190
2016	7,845	1,666	---	6,184
2017-2021	34,415	1,150	---	27,787
2022-2026	8,710	---	---	14,463
Total Minimum Lease Payments	95,195	19,182	68	73,397
Less Amount Representing Interest	(14,950)	(1,327)	(2)	(22,095)
Present Value of Net Minimum Lease Payments	$ 80,245	$ 17,855	$ 66	$ 51,302

The State has entered into a lease with the Missouri Development Finance Board. The State's obligation under the lease does not constitute a general obligation or other indebtedness of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the Leasehold Revenue Bonds issued by the Board. In November 2005, the Board issued $28,995,000 of Leasehold Revenue Bonds Series 2005 for the purpose of purchasing buildings in Florissant, St. Louis, and Jennings. In May 2006, the Board issued $9,865,000 of Leasehold Revenue Bonds Series 2006 for the purpose of purchasing one building in St. Louis. The payments on this lease are subject to annual appropriation by the State legislature.

Note 6 - Leases (cont.)

Following is a summary of the future minimum lease payments to pay interest and principal of the Leasehold Revenue Bonds (in thousands of dollars):

Fiscal Year Ending June 30	Internal Service Funds
2012	$ 2,600
2013	2,602
2014	2,593
2015	2,593
2016	2,592
2017-2021	12,880
2022-2026	12,856
2027-2031	12,830
Total Minimum Lease Payments	51,546
Less Amount Representing Interest	(17,666)
Present Value of Net Minimum Lease Payments	$ 33,880

Series A 2005 Refunding Certificates of Participation dated March 1, 2005, in the amount of $120,490,000 refunded $13,945,000 of Missouri Public Facilities Corporation Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994, $13,400,000 of Missouri PRC Corporation Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995, $9,915,000 of Northwest Missouri Public Facilities Corporation Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995, and $83,480,000 of Missouri Public Facilities Corporation II Certificates of Participation (Bonne Terre Prison Project) Series A 1999. The State issued Refunding Certificates of Participation Series A 2011 dated June 7, 2011, in the amount of $76,910,000. The Refunding Certificates of Participation refunded $76,065,000 of Series A 2005 Refunding Certificates of Participation.

The State also issued Certificates of Participation Series 2002 dated December 15, 2002, in the amount of $4,700,000 for the Conservation Commission of the State of Missouri Project.

The State's obligation under these leases does not constitute a general obligation or other indebtedness of the State. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificate, and are subject to annual appropriation by the State legislature.

Note 6 - Leases (cont.)

Following is a summary of the future minimum lease payments for the Certificates of Participation (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds
2012	$ 1,715
2013	1,307
2014	12,984
2015	13,666
2016	13,666
2017-2019	41,000
Total Minimum Lease Payments	84,338
Less Amount Representing Interest	(6,793)
Present Value of Net Minimum Lease Payments	$ 77,545

Assets acquired through these capital lease agreements are recorded as capital assets at the lower of the present value of the minimum lease payments or the fair value at the time of acquisition. The following is the value of the property under capital lease by asset category as of June 30, 2011 (in thousands of dollars):

	Governmental Funds	Internal Service Funds	Enterprise Funds	College and Universities
Buildings	$ 232,291	$ 39,875	$ ---	$ 8,332
Equipment	14,455	19,556	358	52,768
	$ 246,746	$ 59,431	$ 358	$ 61,100

Operating

The State has entered into various operating leases for land, buildings, and equipment. Most of these leases are classified as operating because the lease period is one year with multiple renewal options. Future minimum commitments due under operating leases as of June 30, 2011, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Enterprise Funds	Component Units
2012	$ 52,595	$ 3,281	$ 6,563
2013	848	3,229	3,435
2014	821	3,173	2,944
2015	774	3,000	1,913
2016	750	---	1,172
2017-2021	1,688	---	304
2022-2026	325	---	---
Total Minimum Commitments	$ 57,801	$ 12,683	$ 16,331

Expenditures for rent under operating leases for the years ended June 30, 2011 and June 30, 2010 were $51,028,000 and $57,341,000, respectively.

Note 6 - Leases (cont.)

Rental Revenue

The State leases certain state owned facilities to entities outside the State. These lessor arrangements are generally long-term commitments which either generate revenue from otherwise idle property or better serve Missouri's citizens by providing convenient access to products and services. The total asset value of the leased facilities is $5.2 million for primary government and $83.3 million for component units. The Department of Natural Resources (DNR) has $62,000 in income from easements on DNR property. This income will be received in perpetuity. The contract conditions and amount for each individual easement can change with the sale of the property requiring the easement. New contracts will be negotiated with new property owners. Future minimum receivables, payable from lessor arrangements as of June 30, 2011, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Primary Government	Component Units
2012	$ 121	$ 3,786
2013	---	3,700
2014	---	3,510
2015	---	3,631
2016	---	3,660
2017-2021	---	15,375
2022-2026	---	13,809
2027-2031	---	13,634
2032-2036	---	13,922
2037-2041	---	14,292
2042-2046	---	6,121
2047-2051	---	2,722
2052-2056	---	1,789
2057-2061	---	1,788
2062-2066	---	736
2067-2071	---	500
2072-2076	---	500
2077-2081	---	500
2082-2086	---	500
2087-2091	---	500
2092-2096	---	50
Total Minimum Receivables	$ 121	$ 105,025

Note 7 - Retirement Systems

The State has two major retirement systems which cover substantially all state employees. These systems are Missouri State Employees' Retirement System (MOSERS) and Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The University of Missouri's Retirement Plan is included because the University is a component unit of the State. The Public School Retirement System of Missouri is included in this note disclosure as the State contributes to it.

Plan Descriptions

The Missouri State Employees' Plan (MSEP) and the Judicial Plan are single-employer defined benefit public employees' retirement plans administered by MOSERS. The Plans are administered in accordance with Sections 104.010 and 104.312-104.1215, and 476.445-476.690, RSMo, respectively.

Note 7 - Retirement Systems (cont.)

The MSEP has three benefit structures known as MSEP (closed plan), MSEP 2000, and MSEP 2011. The MSEP covers all full-time employees hired before July 1, 2000, who are not covered under another state-sponsored retirement plan. MSEP 2000 covers all full-time employees hired on or after July 1, 2000 and before January 2011. MSEP 2011 covers all full-time employees first hired on or after January 1, 2011. Members of the closed plan have the option at retirement to choose between the benefit structure of the MSEP or MSEP 2000.

The Judicial Plan covers eligible members appointed/elected before January 1, 2011. The Judicial Plan 2011 covers eligible members appointed/elected for the first time on or after January 1, 2011.

MOSERS provides retirement, survivor, and disability benefits to its members. Employees covered by the MSEP and the MSEP 2000 plans are fully vested after 5 years of creditable service (4 years for elected officials and either 4 or 6 years for legislators). Employees covered by the MSEP 2011 plan are fully vested after 10 years of creditable service. The retirement eligibility requirements are as follows:

MSEP
Age 65 and active with 4 years of service
Age 65 with 5 years of service
Age 60 with 15 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 55 with at least 10 years of service with reduced benefits.

MSEP 2000
Age 62 with 5 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 57 with at least 5 years of service with reduced benefits.

MSEP 2011
Age 67 with 10 years of service
Age 55 with age and service equaling 90 or more (Rule of 90)
Employees may retire early at age 62 with at least 10 years of service with reduced benefits.

Judicial Plan
Age 62 with 12 years of service
Age 60 with 15 years of service
Age 55 with 20 years of service
Employees may retire early at age 62 with less than 12 years of service or age 60 with less than 15 years of service with a reduced benefit that is based upon years of service relative to 12 or 15 years.

For members hired prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the percentage increase in the average Consumer Price Index (CPI) from one year to the next, with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members hired on or after August 28, 1997, COLAs are provided annually based on 80% of the percentage increase in the average CPI from one year to the next, up to a maximum rate of 5%. Qualified, terminated-vested members of MSEP and the Judicial Plan may make a one-time election to receive the present value of their benefit in a lump sum payment. To qualify, a member must have terminated with at least 5, but less than 10 years of service, be less than age 60, and have a benefit present value of less than $10,000.

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) is a single-employer defined benefit public employees' retirement system administered in accordance with Sections 104.010-104.1093, RSMo.

Note 7 - Retirement Systems (cont.)

MPERS membership is composed of qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff.

MPERS provides retirement, survivor, and disability benefits to its members. The MPERS has three benefit structures known as the Closed Plan, the Year 2000 Plan, and the Year 2000 Plan-2011 Tier. Generally, the Closed Plan covers employees hired before July 1, 2000. The Year 2000 Plan generally covers employees hired on or after July 1, 2000 and before January 2011. The Year 2000 Plan-2011 Tier covers employees hired on or after January 1, 2011. Employees covered by the Closed Plan and the Year 2000 Plan are fully vested after 5 years of creditable service. Employees covered by the 2011 Tier are fully vested after 10 years of creditable service.

The retirement eligibility requirements are as follows:

Closed Plan

MoDOT and non-uniformed patrol members:	Uniformed patrol members:
Age 65 and active with 4 or more years of service	Age 55 and active with 4 or more years of service
Age 65 with 5 or more years of service	Age 55 with 5 or more years of service
Age 60 with 15 or more years of service	Age 48 with sum of age and service equaling 80 or more (Rule of 80)
Age 48 with sum of age and service equaling 80 or more (Rule of 80)	Mandatory retirement at age 60

All non-uniformed members may retire early with reduced benefits at age 55 with at least 10 years of service.

For members employed prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the change in the Consumer Price Index (CPI) with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members employed on or after August 28, 1997, COLAs are provided annually based on 80% of the increase in the CPI up to a maximum rate of 5%.

Year 2000 Plan

MoDOT and non-uniformed patrol members:	Uniformed patrol members:
Age 62 with 5 or more years of service	Age 48 with sum of age and service equaling 80 or more (Rule of 80)
Age 48 with sum of age and service equaling 80 or more (Rule of 80)	Mandatory retirement at age 60 with 5 or more years of service

All members may retire early with reduced benefits at age 57 with at least 5 years of service. COLAs are provided annually based on 80% of the change in the CPI up to a maximum rate of 5%.

Year 2000 Plan-2011 Tier

MoDOT and non-uniformed patrol members:	Uniformed patrol members:
Age 67 with 10 or more years of service	Age 55 and active with 10 or more years of service equaling 80 or more (Rule of 80)
Age 55 with sum of age and service equaling 90 or more (Rule of 90)	Mandatory retirement at age 60 with no minimum service amount

Active MoDOT and non-uniformed patrol members may retire early with reduced benefits at age 62 with at least 10 years of service. Terminated and vested uniformed patrol members may retire at age 67 with 10 or more years of service. COLAs are provided annually based on 80% of the change in the CPI up to a maximum rate of 5%.

Note 7 - Retirement Systems (cont.)

Copies of financial reports issued by MOSERS and MPERS may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Funding Policy

MOSERS administers plans which cover substantially all State of Missouri employees. The State of Missouri is obligated by state law to make all required contributions to the MSEP, MSEP 2000, and Judicial Plans. Beginning January 1, 2011, employee contributions of 4% of gross pay are required for those covered by the MSEP 2011 and Judicial Plan 2011. The actuarially determined contributions are expressed as a level percentage of covered payroll. Current year actuarially determined contribution rates for the MSEP and the Judicial Plan are 13.81% and 60.03%, respectively. Actual contribution rates are the same as the actuarially determined rates.

The State of Missouri makes required contributions to MPERS. Beginning January 1, 2011, employee contributions of 4% of gross pay are required for those covered by the Year 2000 Plan-2011 Tier. Current year calculated contribution rates are 49.53% for uniformed members of the Highway Patrol and 39.46% for non-uniformed members of the Highway Patrol and employees of the Missouri Department of Transportation. Actual contribution rates are the same as the actuarially determined rates.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for the current year were as follows (in thousands of dollars):

	MSEP	Judicial Plan	MPERS
Annual required contribution	$ 263,418	$ 27,703	$ 150,022
Interest on net pension obligation	5,753	3,963	---
Actuarial adjustment to annual required contribution	(4,063)	(2,799)	---
Annual pension cost	265,108	28,867	150,022
Contributions made	(263,418)	(27,703)	(150,022)
Increase in net pension obligation	1,690	1,164	---
Net pension obligation, beginning of year	67,685	46,616	---
Net pension obligation, end of year	$ 69,375	$ 47,780	$ ---

Note 7 – Retirement Systems (cont.)

The annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for three years are as follows (in thousands of dollars):

	MSEP			Judicial Plan		
	Fiscal Year Ending			Fiscal Year Ending		
	06/30/11	06/30/10	06/30/09	06/30/11	06/30/10	06/30/09
Annual Pension Cost (APC)	$ 265,108	$ 252,875	$ 253,571	$ 28,867	$ 28,164	$ 28,736
Percentage of APC Contributed	99.36%	99.35%	99.42%	95.97%	95.97%	96.49%
Net Pension Obligation	$ 69,375	$ 67,685	$ 66,036	$ 47,780	$ 46,616	$ 45,481

	MPERS		
	Fiscal Year Ending		
	06/30/11	06/30/10	06/30/09
Annual Pension Cost (APC)	$ 150,022	$ 124,053	$ 122,599
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	$ ---	$ ---	$ ---

Funded Status and Funding Progress

The funded status of the Plans as of June 30, 2011, are as follows (in thousands of dollars):

	MSEP	Judicial Plan	MPERS
Actuarial Value of Assets	$ 8,022,481	$ 98,399	$ 1,427,291
Actuarial Accrued Liability (AAL) Entry Age	$ 10,123,544	$ 393,485	$ 3,297,590
Unfunded Actuarial Accrued Liability (UAAL)	$ 2,101,063	$ 295,086	$ 1,870,299
Funded Ratio	79.2%	25.0%	43.3%
Covered Payroll	$ 1,875,570	$ 45,888	$ 362,654
UAAL as a Percentage of Covered Payroll	112.0%	643.1%	515.7%

Actuarial Methods and Assumptions

The annual required contribution for MOSERS for the current year was determined as part of an actuarial valuation of the Systems as of June 30, 2009, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation for MOSERS include: a) rate of return on the investment of present and future assets of 8.5% per year compounded annually, b) projected salary increases of 4.0% per year annually, attributable to inflation, c) additional projected salary increases ranging from 0.3% to 3.5% per year for MSEP and 0% to 1.6% for the Judicial Plan, depending on age, attributable to seniority and/or merit, and d) the assumption that benefits will increase 4.0% per year after retirement.

Note 7 - Retirement Systems (cont.)

The actuarial valuation of the System dated June 30, 2011, will set the required contribution rates for the fiscal year ending June 30, 2013. The actuarial value of assets is based on a method that fully recognizes expected investment return and averages unanticipated market return over a five-year period. The unfunded actuarial accrued liabilities are amortized on an open basis as a level percentage of payroll over 30 years.

The annual required contribution for MPERS for the current fiscal year was determined as part of an actuarial valuation as of June 30, 2009, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation for MPERS include: a) rate of return on the investment of 8.25% per year compounded annually, and b) projected wage inflation rate of 3.75%.

The actuarial valuation of MPERS dated June 30, 2011, will be used to determine the contribution rate for the Plan year ending June 30, 2013. The actuarial value of assets is based on a three-year smoothed market value method. The total contribution is based on a 14-year amortization period for unfunded retiree liabilities and a 29-year amortization period for other unfunded liabilities.

Public School Retirement System of Missouri:

The State of Missouri also made employer contributions to the Public School Retirement System of Missouri which is a cost-sharing multiple-employer defined benefit public employees' retirement system. The System includes all public school districts within the State except for the two districts covering the major metropolitan areas. It also includes certain public college and universities and some state employees.

The benefit provisions include retirement annuities, death benefits, and disability benefits. A member is vested after acquiring five years of membership credit for Missouri service.

The System was created and is governed by Chapter 169 of the Revised Statutes of Missouri. State employees who elect to remain with the Public School Retirement System under Section 104.342, RSMo, are covered by the System.

Employees of the State are not required to contribute. The State, as employer, contributed $3,458,000, $3,972,000, and $3,286,000 for the years ending June 30, 2011, 2010, and 2009, respectively, to the System, equal to the required contributions for each year.

Copies of the System's June 30, 2011, Comprehensive Annual Financial Report may be requested from:

Public School Retirement System of Missouri
P.O. Box 268
3210 West Truman Boulevard
Jefferson City, Missouri 65102-0268

College and Universities:

University of Missouri Retirement System

Plan Description

The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer, defined benefit plan for all qualified employees. The University's Board of Curators establishes the terms of the Plan and administers it as authorized by State statute.

Note 7 - Retirement Systems (cont.)

Full-time employees vest in the Retirement Plan after five years of credited service and become eligible for benefits based on age and years of service. A vested employee who retires at age 65 or older is eligible for a lifetime annuity calculated at 2.2% times the credited service years times the compensation base. Vested employees who are at least age 55 and have ten years or more of credited service, or age 60 with at least five years of credited service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is not reduced. At retirement, up to 30% of the retirement annuity can be taken in a lump sum payment; also the standard annuity can be exchanged for an actuarially-equivalent annuity.

Separate financial statements are not prepared for the Plan.

Detailed information concerning the Plan is presented in the University's 2011 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
Office of the Controller
1000 West Nifong, Building 7, Suite 300
Columbia, Missouri 65211

Funding Policy

The University's contributions to the Retirement Plan are equal to the actuarially determined employer contribution requirement, which averaged 5.7% of payroll for the year ended June 30, 2011. Employees are required to contribute 1% of their salary up to $50,000 in a calendar year and 2% of their salary in excess of $50,000. An actuarial valuation of the Plan is performed annually and the University's contribution rate is updated on July 1 at the beginning of the University's fiscal year, to the actuarially determined amount from the most recent valuation as of the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for the current year were as follows (in thousands of dollars):

	University of Missouri System
Annual required contribution	$ 57,541
Interest on net pension obligation	---
Actuarial adjustment to annual required contribution	---
Annual pension cost	57,541
Contributions made	(57,541)
Change in net pension obligation	---
Net pension obligation, beginning of year	---
Net pension obligation, end of year	$ ---

Note 7 - Retirement Systems (cont.)

The annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for three years are as follows (in thousands of dollars):

	Fiscal Year Ending		
	06/30/11	06/30/10	06/30/09
Annual Pension Cost (APC)	$ 57,541	$ 48,040	$ 56,663
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	$ ---	$ ---	$ ---

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2011, is as follows (in thousands of dollars):

	Actuarial Valuation October 1, 2010
Actuarial Value of Assets	$ 2,851,957
Actuarial Accrued Liability (AAL) Entry Age	$ 2,960,832
Unfunded Actuarial Accrued Liability (UAAL)	$ 108,875
Funded Ratio	96.3%
Covered Payroll	$ 979,888
UAAL as a Percentage of Covered Payroll	11.1%

Actuarial Methods and Assumptions

The annual required contribution for the University for the current fiscal year was determined as part of an actuarial valuation of the System as of October 1, 2009, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation include: a) assumed rate of return on investments of 8.0% per year, b) projected salary increases for academic and administrative employees averaging 5.3% per year, c) projected salary increases for clerical and service employees averaging 4.5% per year, and d) assumed no future retiree ad-hoc increases or cost of living adjustments.

Note 8 - Other Postemployment Benefits

In addition to the retirement benefits described in *Note 7*, the State provides postemployment health care and life insurance benefits, in accordance with State statutes, to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT and MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). The eligible number of retirees/long-term disability claimants for MCHCP, MHPML, and CEIP for health care benefits are approximately 18,719, 5,791, and 785, respectively. The eligible number of retirees/long-term disability claimants for MOSERS, MHPML, and CEIP for life insurance benefits are 20,037, 3,647, and 621, respectively. Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. MOSERS employer contribution rates are set by the Standard Insurance Company. MHPML and CEIP life insurance benefits are funded through employee contributions. MHPML and CEIP employer contribution rates are set by the Plans Board of Trustees and approved by their respective Commission. Employer contribution rates for MCHCP are set in accordance with Section 103.100, RSMo. Retiree contribution rates are established based on projected claims experience and funding provided by employer contributions. Insurance policies are purchased for life insurance benefits and are the liability of the insurance carrier. For fiscal year 2011, the State's contributions were 50.95% of the total (employer/employee) contributions made for other postemployment benefits.

During fiscal year 2011, the State contributed the following amounts (in thousands of dollars):

	Health Care	Life Insurance
MCHCP	$ 53,354	$ ---
MOSERS	---	1,878
MHPML	16,846	---
CEIP	2,396	---
Total	$ 72,596	$ 1,878

During fiscal year 2011, the expenditures recognized by the State for (employer/employee) other postemployment benefits were as follows (in thousands of dollars):

	Health Care	Life Insurance
MCHCP	$ 107,360	$ ---
MHPML	38,685	---
CEIP	4,605	306
Total	$ 150,650	$ 306

Funding Policy

The contribution requirements of MCHCP, MHPML, and CEIP are established and may be amended by the State legislature, Missouri Highways and Transportation Commission, and the Conservation Department Board of Trustees, respectively. The State has partially funded the annual required contribution (ARC) of MCHCP in addition to the pay-as-you-go amount. In fiscal year 2011, the State contributed $0 in addition to pay-as-you-go. The required contribution for MHPML and CEIP is based on an actuarial study and is financed on a pay-as-you-go basis. For fiscal year 2011, MCHCP, MHPML, and CEIP contributed $53.4, $30.3, and $3.6 million, respectively.

Note 8 – Other Postemployment Benefits (cont.)

Annual OPEB Cost and Net OPEB Obligation

The MCHCP, MHPML, and CEIP annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, 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 not to exceed thirty years. The following table shows the components of MCHCP, MHPML, and CEIP annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the net OPEB obligation (in thousands of dollars):

	MCHCP	MHPML	CEIP
Annual required contribution	$ 99,766	$ 112,329	$ 9,751
Interest on net OPEB contribution	6,334	9,960	817
Adjustments to annual required contribution	(4,422)	(13,004)	(669)
Annual OPEB cost	101,678	109,285	9,899
Contributions made	(53,354)	(30,346)	(3,641)
Increase in net OPEB obligation	48,324	78,939	6,258
Net OPEB obligation, beginning of year	90,487	221,324	18,147
Net OPEB obligation, end of year	$ 138,811	$ 300,263	$ 24,405

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2011 are as follows (in thousands of dollars):

	MCHCP			MHPML		
	Fiscal Year Ending			Fiscal Year Ending		
	06/30/11	06/30/10 *	06/30/09 *	06/30/11	06/30/10 *	06/30/09 *
Annual OPEB Cost (AOC)	$ 101,678	$ 95,334	$ 125,341	$ 109,285	$ 110,385	$ 90,873
Percentage of AOC Contributed	52.47%	78.03%	72.96%	27.77%	27.49%	27.78%
Net OPEB Obligation	$ 138,811	$ 90,487	$ 69,538	$ 300,263	$ 221,324	$ 141,285

	CEIP		
	Fiscal Year Ending		
	06/30/11	06/30/10 *	06/30/09 *
Annual OPEB Cost (AOC)	$ 9,899	$ 9,659	$ 8,338
Percentage of AOC Contributed	36.78%	34.36%	29.55%
Net OPEB Obligation	$ 24,405	$ 18,147	$ 11,807

*Prior years are restated to reflect Annual OPEB Cost versus Annual Required Contribution.

Note 8 - Other Postemployment Benefits (cont.)

Funded Status and Funding Progress

The funded status of the Plans as of June 30, 2011, are as follows (in thousands of dollars):

	MCHCP	MHPML	CEIP
Actuarial Accrued Liability (AAL)	$ 1,413,210	$ 1,094,778	$ 134,472
Less Actuarial Value of Plan Assets	80,220	---	---
Unfunded Actuarial Accrued Liability (UAAL)	$ 1,332,990	$ 1,094,778	$ 134,472
Funded Ratio	5.68%	0.0%	0.0%
Covered Payroll	$ 1,559,100	$ 362,654	$ 67,600
UAAL as a Percentage of Covered Payroll	85.50%	301.88%	198.92%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation for fiscal year ending June 30, 2011, MCHCP used the entry-age method. The October 2009, MHPML and the July 1, 2009, CEIP actuarial valuation used the projected unit credit method. The actuarial assumptions for MCHCP, MHPML, and CEIP include a 7.0%, 4.5%, and 4.5% discount rate, respectively. MCHCP projected annual health care cost trend rate is currently 7.67%, decreasing by 2/3% per year to an ultimate rate of 5.0%. MCHCP also has a projected payroll growth rate of 4.0%. The UAAL is being amortized at a level dollar amount over an open basis, over a 30-year period. MHPML projected annual health care cost trend rate is currently 8.00%, decreasing by 0.5% until reaching 5.0% in 2015. The UAAL is being amortized at a level dollar amount over a 30-year period. CEIP projected annual health care cost trend rate is generated by the Getzen model.

Termination Benefits

During the year ended June 30, 2011, the Conservation Commission offered the following termination benefit incentive: pay 80% of the total retiree medical insurance premium charged for the selected coverage during a seven-year period that begins on the retirees' official retirement date. The Commission had 166 retirees who participated in the incentive resulting in the cost of $1,304,000 in termination benefits for fiscal year 2011.

Note 8 - Other Postemployment Benefits (cont.)

College and Universities:

University of Missouri System

In addition to the retirement benefits described in *Note 7*, the University provides postemployment medical care, dental care, and life insurance benefits to eligible employees who retire from the University and to employees receiving long-term disability benefits. Currently, 6,307 retirees/long-term disability claimants meet the eligibility requirements. These postemployment benefits are funded through both employer and employee contributions. For fiscal year 2011, the University's contributions were 69.95% of the total (employer/employee) contributions made for other postemployment benefits.

Currently, the number of retirees/long-term disability claimants participating in medical care, dental care, and life insurance are 5,102, 5,119, and 2,821, respectively. During fiscal year 2011, the University contributed $30,242,000 for other postemployment benefits. The expenditures recognized by the University for (employer/employee) other postemployment benefits were $37,065,000.

Funding Policy

In June 2008, the University established its OPEB Trust Fund, the assets of which are irrevocable and legally protected from creditors and dedicated to providing postemployment benefits in accordance with terms of the Plan. Previously, postemployment benefit costs other than long-term disability were funded on a current basis, and expenses were recorded on a pay-as-you-go basis. Long-term disability costs were recognized during the period in which the employee became eligible to receive disability benefits.

The University's OPEB Trust Fund does not issue a separate financial report, but is included in the University's financial report using the economic resources measurement focus and accrual basis of accounting. The University currently plans to contribute to the trust fund an amount that, in addition to the current year premium contributions, is sufficient to fund 50% of the annual required contribution (ARC).

Annual OPEB Cost and Net OPEB Obligation

The University's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, 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 not to exceed thirty years. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the University's net OPEB obligation for fiscal year 2011 (in thousands of dollars):

	University of Missouri System
Annual required contribution	$ 60,485
Interest on net OPEB obligation	3,025
Adjustment to annual OPEB obligation	(2,575)
Annual OPEB cost	60,935
Contributions made	(30,242)
Increase in net OPEB obligation	30,693
Net OPEB obligation (asset), beginning of year	52,613
Net OPEB obligation, end of year	$ 83,306

Note 8 - Other Postemployment Benefits (cont.)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2011 was as follows (in thousands of dollars):

	University of Missouri System		
	Fiscal Year Ending		
	06/30/11	06/30/10 *	06/30/09 *
Annual OPEB Cost (AOC)	$ 60,935	$ 52,765	$ 47,576
Percentage of AOC Contributed	49.63%	45.08%	50.00%
Net OPEB Obligation	$ 83,306	$ 52,613	$ 23,637

*Prior years are restated to reflect Annual OPEB Cost versus Annual Required Contribution.

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2011, was as follows (in thousands of dollars):

	University of Missouri System
Actuarial Accrued Liability (AAL)	$ 646,655
Less Actuarial Value of Plan Assets	37,171
Unfunded Actuarial Accrued Liability (UAAL)	$ 609,484
Funded Ratio	5.75%
Covered Payroll	$ 1,009,800
UAAL as a Percentage of Covered Payroll	60.36%

Actuarial Methods and Assumptions

In the July 1, 2009, actuarial valuation, University of Missouri System used the projected unit credit cost method. The actuarial assumptions for University of Missouri System included a 5.75% rate of return, net of administrative expenses. The projected annual health care cost trend rate is 6.0% to 10.0% initially, reduced by 0.5% decrements to an ultimate rate of 5.0%. The UAAL is being amortized at a level dollar amount over an open basis, level percent of pay, over a 30-year period.

Note 9 - Deferred Compensation

Missouri State Public Employees' Deferred Compensation Plan:

In accordance with Internal Revenue Code Section 457, the State offers all employees the opportunity to participate in the Missouri State Public Employees' Deferred Compensation Plan. Under the Plan, employees are permitted to defer a portion of their current salary until future years.

All amounts of compensation deferred under the Plan must be held in a trust, custodial account, or annuity contract for the exclusive benefit of Plan participants and their beneficiaries. Investments are managed by the Plan's trustee under one of several investment options, or a combination thereof. The choice between the investment option(s) available by the Plan is made by the participants.

Note 9 - Deferred Compensation (cont.)

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri State Employees' Deferred Compensation Incentive Plan:

The Plan was established by the Missouri State Public Employees' Deferred Compensation Commission in July 1995 pursuant to Section 401(a) of the Internal Revenue Code.

Under the Plan provisions, any employee of the State is eligible to participate in the Plan if he/she has been an employee of the State for at least 12 consecutive months preceding any employer contributions to the Plan, and is making continuous monthly deferrals of at least $25 to the Missouri State Public Employees' Deferred Compensation Plan. The State, subject to appropriation, contributes $25, $30, or $35 per month for each employee that meets these requirements based on employee contribution. As of March 2010, employer incentive (match) associated with the State of Missouri Deferred Compensation Plan was suspended until further notice. Participating employees are 100% vested.

The first employer contributions to the Plan were made in January 1996. The Plan receives contributions from employees as well as rollovers from other qualified plans. During fiscal year 2011, rollover contributions to ING were $39,078,000.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Note 10 - Changes in Short-Term Liabilities

The State uses a bank overdraft line of credit to compensate for timing in cash payments and receipts.

The following is a summary of the changes in short-term liabilities for the year ended June 30, 2011 (in thousands of dollars):

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Governmental Activities:				
Bank Overdraft	$ 2	$ 838,094	$ (838,095)	$ 1

Note 11 - Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011 (in thousands of dollars):

	*Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011	Due Within One Year
Governmental Activities:					
Due to Other Entities	$ 32,839	$ 10,195	$ (19,125)	$ 23,909	$ 4,601
General Obligation Bonds Payable	528,910	105,660	(147,480)	487,090	54,325
Other Bonds Payable	4,060,855	130,390	(310,270)	3,880,975	164,510
Unamortized Bond Premium	147,512	40,467	(29,109)	158,870	---
Obligations under Lease/ Purchases	219,908	98,077	(108,460)	209,525	15,476
Pollution Remediation	10,086	198	(3,359)	6,925	2,022
Compensated Absences	183,460	162,675	(183,501)	162,634	161,163
Claims Liabilities	174,863	433,573	(452,048)	156,388	91,161
Contingent Liabilities	54,800	14,480	(3,400)	65,880	65,880
2nd Injury Fund Contingent Liabilities	1,444,064	113,401	(37,376)	1,520,089	37,376
Net Other Postemployment Benefit Obligation	329,958	220,862	(87,341)	463,479	---
Net Pension Obligation	114,301	443,997	(441,143)	117,155	---
Total Governmental Activities	$ 7,301,556	$ 1,773,975	$ (1,822,612)	$ 7,252,919	$ 596,514
Business-Type Activities:					
Obligations under Lease/ Purchases	$ 116	$ ---	$ (50)	$ 66	$ 38
Pollution Remediation	---	163	(163)	---	---
Claims Liabilities	106,816	8,733	(11,902)	103,647	15,000
Grand Prize Winner Liability	98,918	49,919	(52,256)	96,581	55,628
Compensated Absences	3,319	3,601	(3,458)	3,462	3,458
Loans Payable	722,117	---	(29,949)	692,168	---
Total Business-Type Activities	$ 931,286	$ 62,416	$ (97,778)	$ 895,924	$ 74,124

*Beginning balances as of July 1, 2010 have been restated (see *Note 17*).

Note 12 - Bonds Payable

Bonds are long-term liabilities and are reconciling items from governmental fund financial statements to government-wide financial statements. On the Government-Wide Statement of Net Assets, the long-term liabilities are shown as the amounts due within one year from the date of the statement and the amounts due in more than one year from the date of the statement.

General Obligation Bonds:

The Board of Fund Commissioners of the State of Missouri, upon voter approval and subsequent authorization of the General Assembly, issues general obligation bonds that are secured by a pledge of the full faith, credit, and resources of the State. The principal and interest amounts are transferred one year in advance from the General Fund or other funds to the debt service funds from which principal and interest payments are made. Four types of general obligation bonds are currently outstanding. Proceeds from the Water Pollution Control Bonds were used to provide funds for the protection of the environment through the control of water pollution. Proceeds from the Third State Building Bonds were used to provide funds for improvements of state buildings and property. Proceeds from the Fourth State Building Bonds were used to provide funds for improvements of buildings and property of higher education institutions, Department of Corrections, and the Division of Youth Services. Proceeds from the Stormwater Control Bonds were used to provide funds to protect the environment through the control of stormwater.

To take advantage of lower interest rates, the Board of Fund Commissioners has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Water Pollution Control Bonds:				
Series A 1987-Refunding	8/1/87	$ 49,715	A 1981	$ 16,940
			B 1983	9,625
			A 1985	19,575
Series B 1991-Refunding	11/1/91	17,435	A 1983	16,415
Series C 1991-Refunding	11/1/91	33,575	B 1987	30,695
Series B 1992-Refunding	8/15/92	50,435	A 1986	46,400
Series B 1993-Refunding	8/1/93	109,415	A 1987-Refunding	33,240
			A 1989	27,280
			A 1991	27,350
			B 1991-Refunding	11,355
Series B 2002-Refunding	10/15/02	147,710	C 1991-Refunding	21,875
			A 1992	26,560
			B 1992-Refunding	33,595
			A 1993	22,350
			A 1995	22,520
			A 1996	25,900
Series A 2003-Refunding	10/29/03	74,655	B 1993-Refunding	76,540
Series A 2005-Refunding	6/29/05	95,100	A 1996	2,160
			A 1998	28,680
			A 1999	17,595
			A 2003-Refunding	51,535
Series A 2010-Refunding	7/27/10	81,450	A 2001	15,030
			A 2002	20,225
			B 2002-Refunding	12,990
			A 2005-Refunding	8,595
			A 2007	31,385

Note 12 - Bonds Payable (cont.)

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Third State Building Bonds:				
Series A 1987-Refunding	8/1/87	170,115	B 1983	33,675
			A 1984	48,130
			A 1985	73,375
Series A 1991-Refunding	11/1/91	34,870	A 1983	32,835
Series B 1991-Refunding	11/1/91	71,955	B 1987	65,780
Series A 1992-Refunding	8/15/92	273,205	A 1986	251,355
Series A 1993-Refunding	8/1/93	148,480	A 1987-Refunding	113,725
			A 1991-Refunding	22,935
Series A 2002-Refunding	10/15/02	211,630	B 1991-Refunding	47,320
			A 1992-Refunding	181,170
Series A 2003-Refunding	10/29/03	75,650	A 1993-Refunding	79,380
Fourth State Building Bonds:				
Series A 2002-Refunding	10/15/02	154,840	A 1995	56,300
			A 1996	92,485
Series A 2005-Refunding	6/29/05	45,330	A 1996	7,715
			A 1998	40,970
Series A 2010-Refunding	7/27/10	9,060	A 2002-Refunding	8,970
			A 2005-Refunding	1,470
Stormwater Control Bonds:				
Series A 2005-Refunding	6/29/05	17,175	A 1999	17,595
Series A 2010-Refunding	7/27/10	15,150	A 2001	7,320
			A 2002	8,475
			A 2005-Refunding	905

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2011, $594,494,240 of the Water Pollution Control Bonds; $600,000,000 of the Third State Building Bonds; $250,000,000 of the Fourth State Building Bonds; and $45,000,000 of the Stormwater Control Bonds have been issued. The remaining authorization for the Water Pollution Control Bonds is $130,505,760 and for Stormwater Control Bonds is $155,000,000. There is no remaining authorization for the Third State Building Bonds or the Fourth State Buildings Bonds.

Note 12 – Bonds Payable (cont.)

General obligation bonds issued and outstanding as of June 30, 2011, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Water Pollution Control Bonds:						
Series A 2002	3.0 – 5.25%	2/1; 8/1	8/02	8/1/15	$ 30,000	$ 4,215
Series B 2002-Refunding	3.375 – 5.0%	4/1; 10/1	10/02	10/1/21	147,710	72,400
Series A 2003-Refunding	3.25 – 6.0%	2/1; 8/1	10/03	8/1/16	74,655	20,405
Series A 2005-Refunding	5.0%	10/1; 4/1	6/05	10/1/16	95,100	78,655
Series A 2007	4.0 – 5.0%	6/1; 12/1	11/07	12/1/21	50,000	16,355
Series A 2010-Refunding	4.0 – 5.0%	12/1; 6/1	7/10	12/1/22	81,450	81,450
Third State Building Bonds:						
Series A 2002-Refunding	4.0 – 5.0%	4/1; 10/1	10/02	10/1/12	211,630	8,290
Series A 2003-Refunding	3.25 – 6.0%	2/1; 8/1	10/03	8/1/12	75,650	2,385
Fourth State Building Bonds:						
Series A 2002-Refunding	3.375 – 5.0%	4/1; 10/1	10/02	10/1/21	154,840	119,950
Series A 2005-Refunding	5.0%	10/1; 4/1	6/05	10/1/16	45,330	41,045
Series A 2010-Refunding	4.0 – 5.0%	12/1; 6/1	7/10	12/1/22	9,060	9,060
Stormwater Control Bonds:						
Series A 2002	3.0 – 5.25%	2/1; 8/1	8/02	8/1/15	15,000	2,105
Series A 2005-Refunding	5.0%	10/1; 4/1	6/05	10/1/15	17,175	15,625
Series A 2010-Refunding	4.0 – 5.0%	12/1; 6/1	7/10	12/1/22	15,150	15,150
Total General Obligation Bonds					$ 1,022,750	$ 487,090
Less: Amount in Sinking Fund for payment of Principal						(54,325)
						$ 432,765

As of June 30, 2011, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2012	$ 54,325	$ 21,758	$ 76,083
2013	58,290	19,056	77,346
2014	53,200	16,605	69,805
2015	55,870	14,158	70,028
2016	55,600	11,445	67,045
2017-2021	172,920	26,104	199,024
2022-2023	36,885	1,490	38,375
Totals	$ 487,090	$ 110,616	$ 597,706

Note 12 - Bonds Payable (cont.)

Other Bonds:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and commits state agencies to lease space in these buildings. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and to pay the costs of operations. The total amount authorized for the Board equals $945,000,000.

To take advantage of lower interest rates, the Board of Public Buildings has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Board of Public Buildings:				
Series A 1983-Refunding	10/1/83	$ 43,445	A 1981	$ 43,445
Series A 1985-Refunding	12/1/85	150,560	1966	2,160
			1967	825
			A 1978	11,745
			A 1979	2,260
			A 1980	3,795
			A 1983-Refunding	39,875
			A 1984	89,900
Series A 1991-Refunding	12/1/91	148,500	A 1985-Refunding	107,700
			A 1988	19,165
			B 1988	2,550
			C 1988	2,145
Series B 2001-Refunding	10/10/01	83,465	A 1991-Refunding	86,810

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2011, the Board of Public Buildings Bonds had issued $871,205,000 of the bond authorization. The remaining authorization is $73,795,000.

The Board of Public Buildings Bonds issued and outstanding as of June 30, 2011, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Board of Public Buildings:						
Series A 2001	4.25 - 5.75%	5/1; 11/1	5/01	5/1/26	$ 173,870	$ 126,850
Series B 2001-Refunding	3.5 - 5.5%	6/1; 12/1	10/01	12/1/12	83,465	4,165
Series A 2003	4.0 - 6.0%	4/15;10/15	4/03	10/15/28	387,425	329,565
Series A 2006	4.0 - 5.0%	4/1; 10/1	10/06	10/1/31	120,000	108,625
Total Board of Public Buildings Bonds					$ 764,760	$ 569,205

Note 12 – Bonds Payable (cont.)

As of June 30, 2011, the debt service requirements for principal and interest in future years for the Board of Public Buildings Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2012	$ 23,815	$ 27,551	$ 51,366
2013	24,675	26,267	50,942
2014	23,520	24,982	48,502
2015	24,515	23,740	48,255
2016	25,550	22,463	48,013
2017-2021	146,090	91,983	238,073
2022-2026	184,035	52,378	236,413
2027-2031	109,180	11,503	120,683
2032	7,825	176	8,001
Totals	$ 569,205	$ 281,043	$ 850,248

The Health and Educational Facilities Authority issued $35,000,000 of Educational Facilities Revenue Bonds (University of Missouri-Columbia Arena Project) Series 2001, dated November 1, 2001, to fund the design, acquisition, construction, furnishing, and equipping of a sports arena facility and related facilities on the University of Missouri-Columbia campus. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement dated November 1, 2001, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The Educational Facilities Revenue Bonds issued and outstanding as of June 30, 2011, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Educational Facilities Revenue Bonds:						
Series 2001	3.0 - 5.0%	5/1; 11/1	11/01	11/1/21	$ 35,000	$ 24,530

As of June 30, 2011, the debt service requirement of the State for principal and interest in future years for the Educational Facilities Revenue Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2012	$ 1,760	$ 1,112	$ 2,872
2013	1,835	1,031	2,866
2014	1,915	953	2,868
2015	2,000	869	2,869
2016	2,095	779	2,874
2017-2021	12,120	2,211	14,331
2022	2,805	67	2,872
Totals	$ 24,530	$ 7,022	$ 31,552

Note 12 - Bonds Payable (cont.)

The Regional Convention and Sports Complex Authority issued $132,910,000 of Convention and Sports Facility Project Bonds Series A 1991, dated August 15, 1991, to finance the costs of acquiring land and constructing a multi-purpose convention and indoor sports facility in downtown St. Louis, Missouri. On December 15, 1993, the Authority issued $121,705,000 of Convention and Sports Facility Project Refunding Bonds Series A 1993 for the purpose of refunding the callable portions of the outstanding bonds issued in August 1991 and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was $101,410,000. On August 1, 2003, the Authority issued $116,030,000 of Convention and Sports Facility Project Refunding Bonds Series A 2003 for the purpose of refunding Convention and Sports Facility Project Bonds Series A 1991 and Series A 1993 refunding bonds and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was $2,845,000 for the Series A 1991 bonds and $113,170,000 for the Series A 1993 refunding bonds. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State.

The Convention and Sports Facility Project Bonds issued and outstanding as of June 30, 2011, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Convention and Sports Facility Project Bonds:						
Series A 2003-Refunding	1.42-5.375%	2/15;8/15	8/03	8/15/21	$ 116,030	$ 82,525

As of June 30, 2011, the debt service requirements for these bonds are as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2012	$ 5,745	$ 4,104	$ 9,849
2013	6,040	3,799	9,839
2014	6,355	3,478	9,833
2015	6,685	3,139	9,824
2016	7,035	2,777	9,812
2017-2021	41,110	7,800	48,910
2022	9,555	221	9,776
Totals	$ 82,525	$ 25,318	$ 107,843

Under a financing agreement dated August 1, 1991, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount of $10,000,000 for principal and interest and $2,000,000 for maintenance each year. Future payments to the Authority related to the bond repayment are as follows (in thousands of dollars):

Fiscal Year Ended June 30	State Debt Service Payments
2012	$ 10,000
2013	10,000
2014	10,000
2015	10,000
2016	10,000
2017-2021	50,000
2022	5,000
Total	$ 105,000

Note 12 - Bonds Payable (cont.)

State Road Bonds:

The Missouri Highways and Transportation Commission authorized by Article IV, Section 29-34 of the Missouri Constitution and Section 226.133 of the State Highway Act, issues bonds for highway construction and repairs. Under the Missouri Constitution, the principal and interest of the State Road Bonds are payable solely from the revenues of the Missouri Road Fund. State Road Bonds have the following levels of priority: Senior Bonds, First Lien Bonds, Second Lien Bonds, and Third Lien Bonds. Proceeds from State Road Bonds are used for the purpose of constructing and maintaining the State's highways. As of June 30, 2011, the Missouri Highways and Transportation Commission had issued $3,812,195,000.

To take advantage of lower interest rates, the Missouri Highways and Transportation Commission has issued Bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Commission (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Senior Lien State Road Bonds:				
Series 2006-Refunding	12/12/06	$ 394,870	A 2000	$ 135,980
			A 2001	105,075
			A 2002	109,165
			A 2003	57,390
Series C 2010-Refunding	11/10/10	130,390	A 2001	11,135
			A 2002	18,405
			A 2003	111,760

The State Road Bonds issued and outstanding as of June 30, 2011, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Highways and Transportation Commission:						
State Road Bonds						
Series A 2001	2.25 - 5.125%	2/1; 8/1	10/01	2/1/15	$ 200,000	$ 10,125
Series A 2002	3.00 - 5.25%	2/1; 8/1	6/02	2/1/15	203,000	9,675
Series A 2003	2.00 - 5.00%	2/1; 8/1	11/03	2/1/23	254,000	11,990
Series A 2005-First Lien	2.50 - 5.00%	5/1;11/1	7/05	5/1/15	278,660	126,460
Series B 2005-Third Lien	Variable	Variable	7/05	5/1/15	72,000	58,920
Series A 2006-First Lien	3.75 - 5.00%	5/1;11/1	8/06	5/1/21	296,670	251,670
Series B 2006-First Lien	4.50 - 5.00%	5/1;11/1	8/06	5/1/26	503,330	503,330
Series 2006-Refunding	4.00 - 5.00%	2/1; 8/1	12/06	2/1/22	394,870	394,870
Series 2007-Second Lien	4.00 - 5.25%	5/1;11/1	9/07	5/1/27	526,800	510,145
Series A 2008-Second Lien	3.00 - 5.00%	5/1;11/1	12/08	5/1/25	142,735	135,595
Series A 2009	2.00 - 5.00%	5/1;11/1	9/09	5/1/21	195,625	181,120
Series B 2009	4.802- 5.252%	5/1;11/1	9/09	5/1/33	404,375	404,375
Series C 2009-Third Lien	4.313- 5.213%	5/1;11/1	11/09	5/1/29	300,000	300,000
Series A 2010	1.50 - 5.00%	5/1;11/1	3/10	5/1/22	128,865	119,915
Series B 2010	4.720- 5.020%	5/1;11/1	3/10	5/1/25	56,135	56,135
Series C 2010-Refunding	3.00 - 5.00%	2/1; 8/1	11/10	2/1/23	130,390	130,390
Total Missouri Highways and Transportation Commission					$ 4,087,455	$ 3,204,715

Note 12 – Bonds Payable (cont.)

As of June 30, 2011, debt service requirements for principal and interest in future years for the Missouri Highways and Transportation Commission were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest [1]	Totals
2012	$ 133,190	$ 140,162	$ 273,352
2013	153,525	135,477	289,002
2014	162,050	129,546	291,596
2015	169,550	122,945	292,495
2016	168,470	115,931	284,401
2017-2021	1,054,395	443,769	1,498,164
2022-2026	993,105	198,900	1,192,005
2027-2031	285,415	42,327	327,742
2032-2033	85,015	4,540	89,555
Totals	$ 3,204,715	$ 1,333,597	$ 4,538,312

[1] The annual debt service schedule assumes an interest rate of 0.06%, representing the interest rate at June 30, 2011, for the Series B 2005 bonds. During the year, interest rates ranged from 0.06% to 0.33%. Interest is reported net of assumed federal subsidies.

Component Units' Long-Term Debt – The following bonds are included in the balance sheet of the college and universities and the non-major component units.

Major

College and Universities:

The college and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 2011, debt service requirements for principal and interest for the college and universities were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2012	$ 51,729	$ 85,841	$ 137,570
2013	53,833	84,071	137,904
2014	55,602	82,169	137,771
2015	56,486	80,135	136,621
2016	58,694	78,029	136,723
2017-2021	311,575	354,738	666,313
2022-2026	358,648	285,211	643,859
2027-2031	369,335	204,971	574,306
2032-2036	260,357	140,642	400,999
2037-2041	296,725	77,060	373,785
2042	84,095	2,436	86,531
Totals [1]	$ 1,957,079	$ 1,475,303	$ 3,432,382

[1] The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

Note 12 - Bonds Payable (cont.)

Non-Major

Missouri Development Finance Board:

In December 2000, the Board issued $6,500,000 in St. Louis Convention Center Hotel Series 2000B, taxable infrastructure facilities revenue bonds and $14,600,000 in St. Louis Convention Center Hotel Series 2000C, tax-exempt infrastructure facilities revenue bonds, respectively for the purpose of paying the costs of acquiring land and constructing a parking garage. Bonds are payable, both principal and interest, out of revenues derived from the operation of the parking garage.

In October 2004, the Board issued $9,500,000 in Ninth Street Garage Series 2004A, taxable infrastructure facilities revenue bonds and $7,000,000 Ninth Street Garage Series 2004B, tax exempt infrastructure facilities revenue bonds.

In April 2010, the Board issued $9,000,000 in Seventh Street Garage Series 2010A, tax exempt infrastructure facilities revenue bonds.

The Missouri Development Finance Board Revenue Bonds issued and outstanding as of June 30, 2011, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Development Finance Board:						
Revenue Bonds						
Series 2000B	up to 10%	12/1	12/00	12/1/20	$ 6,500	$ 3,910
Series 2000C	up to 10%	12/1	12/00	12/1/20	14,600	11,440
Series 2004A	up to 10%	10/1	10/04	10/1/34	9,500	8,000
Series 2004B	up to 10%	10/1	10/04	10/1/34	7,000	7,000
Series 2010A	up to 5.264%	monthly	04/10	05/1/40	9,000	9,000
Total Missouri Development Finance Board Revenue Bonds					$ 46,600	$ 39,350

As of June 30, 2011, the debt service requirements for principal and interest in future years for the Missouri Development Finance Board Revenue Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2012	$ 284	$ 446	$ 730
2013	462	441	903
2014	490	433	923
2015	519	424	943
2016	550	416	966
2017-2020	18,615	1,931	20,546
2021-2025	4,327	1,528	5,855
2026-2030	5,780	1,166	6,946
2031-2035	6,377	704	7,081
2036-2040	1,946	166	2,112
Totals	$ 39,350	$ 7,655	$ 47,005

Note 12 – Bonds Payable (cont.)

The annual debt service schedule assumes an interest rate of 0.145%, representing the interest rate at June 30, 2011, for the Series 2000B and Series 2000C bonds. The annual debt service schedule also assumes an interest rate of 0.276%, representing the interest rate as of June 30, 2011, for the Ninth Street Garage Series 2004A and 2004B bonds. The annual debt service also assumes an interest rate of 4.25%, representing the interest rate as of June 30, 2011, for the Seventh Street Garage Series 2010A bonds.

Bond Transactions of the State of Missouri – The following schedule is a summary of bond activity for the fiscal year ended June 30, 2011 (in thousands of dollars):

	Governmental Funds		Component Units	
	General Obligation Bonds	Other Bonds	Revenue Bonds	Totals
Bonds Payable at July 1, 2010	$ 528,910	$ 4,060,855	$ ---	$ 4,589,765
Bond Issuance	105,660	130,390	---	236,050
Bonds Retired	(147,480)	(310,270)	---	(457,750)
Subtotal	487,090	3,880,975	---	4,368,065
College and Universities [1]	---	---	1,957,079	1,957,079
Missouri Development Finance Board	---	---	39,350	39,350
Bonds Payable at June 30, 2011	$ 487,090	$ 3,880,975	$ 1,996,429	$ 6,364,494

[1] Detailed information for college and universities are not shown.

Note 13 – Defeased Debt

A. Current Year Debt Defeasance

On July 27, 2010, the State of Missouri issued $81,450,000 in Water Pollution Control General Obligation Refunding Bonds Series A 2010 with interest rates ranging from 4.00% to 5.00%, to refund $15,030,000 of outstanding Water Pollution Control Series A 2001 with interest rates ranging from 4.00% to 7.00%, $20,225,000 of outstanding Water Pollution Control Series A 2002 with interest rates ranging from 3.00% to 5.25%, $12,990,000 of outstanding Water Pollution Control Refunding Series B 2002 with interest rates ranging from 3.375% to 5.00%, $8,595,000 of outstanding Water Pollution Control Refunding Series A 2005 with an interest rate of 5.00%, and $31,385,000 of outstanding Water Pollution Control Series A 2007 with interest rates ranging from 4.00% to 5.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. The State reduced its total debt service payments by $14,944,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of $9,825,000.

Note 13 – Defeased Debt (cont.)

On July 27, 2010, the State of Missouri issued $9,060,000 in Fourth State Building General Obligation Refunding Bonds Series A 2010 with interest rates ranging from 4.00% to 5.00%, to refund $8,970,000 of outstanding Fourth State Building Refunding Series A 2002 with interest rates ranging from 3.375% to 5.00%, and $1,470,000 of outstanding Fourth State Building Refunding Series A 2005 with an interest rate of 5.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. The State reduced its total debt service payments by $1,768,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of $1,163,000.

On July 27, 2010, the State of Missouri issued $15,150,000 in Stormwater Control General Obligation Refunding Bonds Series A 2010 with interest rates ranging from 4.00% to 5.00%, to refund $7,320,000 of outstanding Stormwater Control Series A 2001 with interest rates ranging from 4.00% to 7.00%, $8,475,000 of outstanding Stormwater Control Series A 2002 with interest rates ranging from 3.00% to 5.25%, and $905,000 of outstanding Stormwater Control Refunding Series A 2005 with an interest rate of 5.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. The State reduced its total debt service payments by $2,829,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of $1,860,000.

On November 10, 2010, the Transportation Commission issued State Road Bonds Series C 2010 with interest rates ranging from 3.00% to 5.00%, to refund $11,135,000 of outstanding State Road Bonds Series A 2001 with interest rates ranging from 2.25% to 5.125%, $18,405,000 of outstanding State Road Bonds Series A 2002 with interest rates ranging from 3.00% to 5.25%, and $111,760,000 of outstanding State Road Bonds Series A 2003 with interest rates ranging from 2.00% to 5.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. The Commission reduced its total debt service payments by $13,300,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of $11,700,000.

On July 30, 2010, Missouri State University issued Auxiliary Enterprise System Revenue bonds with interest rates ranging from 1.00% to 2.80% in the principal amount of $46,370,000 in Tax-Exempt and Build America Bonds for additions and improvements to the auxiliary enterprise system and the partial refunding of the 2005A Series Bonds with interest rates ranging from 3.10% to 3.70%. The refunding portion of this issue is $21,485,000. Build America Bonds issued are in the amount of $20,565,000 and Tax-Exempt Bonds issued are in the amount of $25,805,000. Of the refunding issue, $20,890,000 was used to retire 2005 series bonds, $360,881 interest escrow requirements and the remainder cost of issuance. As a result of the current refunding, the University reduced its total debt service requirements by $841,223 which resulted in an economic gain of $802,817.

On September 9, 2010, Missouri Western State University issued $9,840,000 in Auxiliary System Refunding and Improvement Revenue Bonds Series A 2010 with interest rates ranging from 0.75% to 4.25%, to refund the outstanding Auxiliary Refunding and Improvement Bonds Series 1998. As a result of the current refunding, the University reduced its total debt service requirements by $903,445 which resulted in an economic gain of $627,996.

Note 13 – Defeased Debt (cont.)

On December 15, 2010, Northwest Missouri State University issued $4,980,000 Recreation System Refunding Revenue Bonds to provide for the refunding of the 1999 Recreation System Improvement and Refunding Revenue Bond issue (principal outstanding at December 15, 2010, was $4,380,000). These bonds are payable as to principal and interest from the revenues derived from the operation of the University's recreation system after payment of costs of operation and maintenance that are not paid from other legally available funds. Proceeds from the bond issue were for the purpose of defeasing the principal outstanding on the 1999 Recreation System Improvement and Refunding Revenue Bonds in the amount of $4,380,000. The 2010 bonds bear interest at rates from 0.90% to 3.10% per annum and mature at various dates through June 2018. There is a debt reserve requirement of $498,000. As a result of the current refunding, the University reduced its total debt service requirements by $359,889 which resulted in an economic gain of $290,680.

On December 15, 2010, Northwest Missouri State University issued $1,485,000 Parking System Refunding Revenue Bonds to provide for the refunding of the 2001 Parking System Revenue Bond issue (principal outstanding at December 15, 2010, was $1,785,000). These bonds are payable as to principal and interest from the revenues derived from the operation of the University's parking system after payment of costs and operation and maintenance that are not paid from other legally available funds. Proceeds from the bond issue were for the purpose of defeasing the principal outstanding on the 2001 Parking System Revenue bonds. The 2010 bonds bear interest at rates from .90% to 1.60% per annum and mature at various dates through June 2013. There is a debt reserve requirement of $148,500 which was transferred from the 2001 issue debt reserve requirement. As a result of the current refunding, the University reduced its total debt service requirements by $42,500 which resulted in an economic gain of $51,187.

On March 31, 2011, Southeast Missouri State University issued $30,420,000 System Facilities Refunding Revenue Bonds Series 2011. The Series 2011 bonds shall pay interest semiannually on April 1 and October 1. At the option of the University, the Series 2011 bonds maturing April 1, 2017 and thereafter shall be subject to redemption on or after April 1, 2016 at a redemption price of 100% of the principal amount. The Series 2011 bonds bear interest at rates varying from 1.25% to 5.00% and mature serially through fiscal year 2032. The Series 2011 bonds refunded the System Facilities revenue Bonds Series 2001 and 2002, which had an average interest rate of 4.92% and 5.08%, respectively. The current refunding decreased the University's total debt service payments by $2,796,000 and results in an economic gain (difference between the present value of the old and new debt service payments) of $1,570,000.

B. Cumulative Debt Defeasances

Various bond issues have been defeased by creating separate irrevocable trust funds.

Either new debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds or sufficient funds have been deposited in an irrevocable escrow to pay principal and interest as they become due.

For financial reporting purposes, the following debt has been defeased and therefore removed as a liability from the governmental activities and college and universities Statement of Net Assets.

Governmental Activities – As of June 30, 2011, bonds outstanding of $497,310,000 are defeased.

College and Universities – As of June 30, 2011 bonds outstanding of $203,115,000 are defeased.

Note 14 - Payables and Receivables

A summary of accounts payable and accounts receivable at June 30, 2011, is shown below (in thousands of dollars):

	Governmental Activities	Business-Type Activities	Balance June 30, 2011
Accounts Payable:			
Taxpayers	$ 104,024	$ 29	$ 104,053
Other Governments	132,661	5	132,666
Vendors	936,832	23,078	959,910
Employees	108,375	2,689	111,064
Other	78,632	2	78,634
Total Accounts Payable	$ 1,360,524	$ 25,803	$ 1,386,327
Accounts Receivable with expected date of receipt within one year:			
Taxpayers	$ 2,544,800	$ 1,859	$ 2,546,659
Other Governments	656,709	62	656,771
Vendors	818,751	---	818,751
Customers	74,294	271,392	345,686
Other	1,146,123	1,162	1,147,285
	5,240,677	274,475	5,515,152
Accounts Receivable with expected date of receipt greater than one year:			
Vendors	18	---	18
Customers	33	19	52
	51	19	70
Accounts Receivable	5,240,728	274,494	5,515,222
Amounts not expected to be collected	(1,823,718)	(48)	(1,823,766)
Accounts Receivable, net	$ 3,417,010	$ 274,446	$ 3,691,456

Note 15 – Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2011, is shown below (in thousands of dollars):

	Due From Other Funds, Component Units, and Primary Government					
	Public Education	Conservation and Environmental Protection	Non-Major Governmental Funds	Non-Major Enterprise Funds	Internal Service Funds	Totals
Due to Other Funds, Component Units, and Primary Government						
General Fund	$ ---	$ ---	$ ---	$ 31	$ 13,615	$ 13,646
Public Education	---	---	---	---	6	6
Conservation and Environmental Protection	---	---	---	21	475	496
Missouri Road Fund	---	---	---	1	61	62
Non-Major Governmental Funds	---	---	---	3	975	978
State Lottery	27,687	---	---	---	38	27,725
Unemployment Compensation	---	---	299	---	---	299
Petroleum Storage Tank Insurance	---	---	---	2	1	3
Non-Major Enterprise Funds	---	---	---	---	103	103
Internal Service Funds	---	---	---	6	530	536
Non-Major Component Units	---	666	---	---	1	667
Totals	$ 27,687	$ 666	$ 299	$ 64	$ 15,805	$ 44,521

	Advance From Component Units and Primary Government		
	Missouri Road Fund	Non-Major Component Units	Totals
Advance To Component Units and Primary Government			
Conservation and Environmental Protection	$ ---	$ 4,418	$ 4,418
Non-Major Component Units	3,852	---	3,852
Totals	$ 3,852	$ 4,418	$ 8,270

The loans from the component units were for the construction of additional state highways and for animal waste treatment systems.

During the consolidation process for the Government-Wide Statement of Net Assets, interfund payables and receivables were eliminated as follows: $2,000 on the face of the Proprietary Funds Statement of Net Assets and governmental activities in the amount of $15,662,000.

The amount reported as "Due from Other Funds" for fiscal year 2011 is significantly more than what was reported in fiscal year 2010. While there was a decrease in the amount "Due from Other Funds" relating to the consolidation of mail room services and relocating state agencies from leased buildings to state-owned buildings, there was an even greater increase in the amount due to the Lottery Proceeds Fund from State Lottery relating to an increase in lottery sales.

Note 16 – Interfund Transfers

All transfers must be legally authorized by the legislature through transfer appropriations. Interfund transfers for the fiscal year ended June 30, 2011, were as follows (in thousands of dollars):

	Transfers In:			
	General Fund	Public Education	Missouri Road Fund	Non-Major Governmental Funds
Transfers Out:				
General Fund	$ ---	$ 2,663,041	$ ---	$ 185,898
Public Education	27,010	---	---	---
Conservation and Environmental Protection	554	---	---	4,359
Non-Major Governmental Funds	9,361	36,049	515,181	12,397
State Lottery	---	265,278	---	---
Non-Major Enterprise Funds	20	---	---	---
Internal Service Funds	---	---	---	33
Totals	$ 36,945	$ 2,964,368	$ 515,181	$ 202,687

Continues Below

	Lottery	Internal Service Funds	Totals
Transfers Out:			
General Fund	$ ---	$ ---	$ 2,848,939
Public Education	---	---	27,010
Conservation and Environmental Protection	---	---	4,913
Non-Major Governmental Funds	---	48	573,036
State Lottery	---	---	265,278
Non-Major Enterprise Funds	---	---	20
Internal Service Funds	18	51	102
Totals	$ 18	$ 99	$ 3,719,298

Principal reasons for interfund transfers include:

- moving general revenue funds to support elementary and secondary education
- moving state lottery funds to support elementary and secondary education
- moving general revenue funds to support social assistance programs reported in non-major governmental funds
- moving funds related to the construction of capital assets

During fiscal year 2011, there were transfers of $377,000 from internal service funds to the General Fund and non-major governmental funds. These were transfers of capital assets and are therefore not reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances or on the reconciliation above. This is because governmental funds use the modified accrual basis of accounting and therefore do not report capital assets on their financial statements. There were also transfers of capital assets for $435,000 from the General Fund and non-major governmental funds to internal service funds. These are reported as capital contributions in the internal service funds and excluded from the General Fund; therefore, these transfers are also not included in this reconciliation.

The amount reported as transfers for fiscal year 2011 fluctuated between governmental funds due to the reclassification of funds from the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (see *Note 2)*.

Note 17 – Restatements

During fiscal year 2011, additional information became available which required the restatement of fund equity amounts. The following table presents a summary of these restatements by fund (in thousands of dollars):

	June 30, 2010 Fund Balance/ Net Assets Previously Reported	Prior Period Adjustments	June 30, 2010 Fund Balance/ Net Assets Restated
GOVERNMENTAL FUNDS			
Major Governmental Funds			
General Fund	$ 1,202,095	$ 38,381	$ 1,240,476
Public Education	241,122	(2,199)	238,923
Conservation and Environmental Protection	1,264,193	(37,793)	1,226,400
Transportation and Law Enforcement	213,930	(213,930)	---
Non-Major Governmental Funds			
Special Revenue	307,400	152,189	459,589
PROPRIETARY FUNDS			
Non-Major Proprietary Funds			
Enterprise	89,991	(2,493)	87,498
Internal Service	552,912	(8,840)	544,072
DISCRETELY PRESENTED COMPONENT UNITS			
College and Universities	5,182,680	(150)	5,182,530
Non-Major	184,772	2	184,774

Breakdown of restatements by type:

- General Fund, the restatement was an increase in cash and cash equivalents of $7,893,000, an increase in investments of $41,386,000, an increase in accounts receivable of $1,477,000, an increase in interest receivable of $55,000, an increase in loans receivable of $22,078,000, a decrease in accounts payable of $29,314,000, an increase in accrued payroll of $159,000, an increase in due to other funds of $23,000, and an increase in deferred revenue of $3,518,000 due to the reclassification of funds from the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. A decrease in accounts receivable of $63,370,000, a decrease in accounts payable of $3,306,000, and an increase in deferred revenue of $58,000.
- Public Education, the restatement was a decrease in cash and cash equivalents of $480,000, a decrease in investments of $1,894,000, an increase in accounts receivable of $205,000, a decrease in interest receivable of $7,000, an increase in inventories of $1,000, an increase in accounts payable of $56,000, a decrease in accrued payroll of $21,000, a decrease in due to other funds of $5,000, and a decrease in deferred revenue of $6,000 due to the reclassification of funds from the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
- Conservation and Environmental Protection, the restatement was a decrease in cash and cash equivalents of $3,157,000, a decrease in investments of $12,438,000, a decrease in accounts receivable of $111,000, a decrease in interest receivable of $19,000, a decrease in loans receivable of $22,078,000, a decrease in accounts payable of $16,000, a decrease in accrued payroll of $34,000, a decrease in due to other funds of $2,000, and a decrease in deferred revenue of $9,000 due to the reclassification of funds from the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. A decrease in accounts receivable of $51,000.
- Transportation and Law Enforcement, the restatement was a decrease in fund balance of $213,930,000 due to the reclassification of the fund from a major governmental fund to a non-major governmental fund (see *Note 2*).

Note 17 – Restatements (cont.)

- Non-major special revenue funds, the restatement was a decrease in cash and cash equivalents of $4,256,000, a decrease in investments of $27,054,000, a decrease in accounts receivable of $1,571,000, a decrease in interest receivable of $29,000, a decrease in inventories of $1,000, an increase in accounts payable of $29,274,000, a decrease in accrued payroll of $104,000, a decrease in due to other funds of $16,000, and a decrease in deferred revenue of $3,503,000 due to the reclassification of funds from the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. A decrease in accounts receivable of $21,000, an increase in accounts payable of $3,155,000, and an increase in deferred revenue of $3,000. An increase in fund balance of $213,930,000 was due to the reclassification of Transportation and Law Enforcement from a major governmental fund to a non-major governmental fund (see *Note 2*).
- Non-major enterprise funds, the restatement was a decrease in capital assets (net of accumulated depreciation/amortization) of $2,493,000.
- Non-major internal service funds, the restatement was a decrease in accounts receivable of $578,000, a decrease in inventories of $35,000, a decrease in capital assets (net of accumulated depreciation/amortization) of $8,228,000, and a decrease in obligations under lease purchase of $1,000.
- Discretely presented component units – college and universities, the restatement was a decrease of $150,000 due to a decrease in accounts receivable which was made to match revenue received in the prior year with expenditures recorded in the current year.
- Discretely presented component units – non-major funds, the restatement was an increase in capital assets (net of accumulated depreciation/amortization) of $2,000.

Purpose for restatements:

The items on the schedule were restated as a result of additional information received this year related to prior year corrections.

On the Government-Wide Statement of Activities, net assets for the governmental activities were restated by the amounts shown on the restatement schedule for governmental funds and internal service funds. In addition, capital assets (net of accumulated depreciation/amortization) decreased by $4,139,000, the Internal Balance increased by $3,000, a decrease in obligations under lease purchase of $473,000, and an increase in pollution remediation obligation of $68,000.

On the Government-Wide Statement of Activities, net assets for the business-type activities were restated by the amounts shown on the restatement schedule for enterprise funds and by a decrease in the Internal Balance of $3,000.

Note 18 – Fund Deficit

The following funds had a deficit balance:

Enterprise Fund – Petroleum Storage Tank Insurance – At June 30, 2011, this fund had a net asset deficit of $27,664,000. The deficit at June 30, 2010 was $26,903,000. The deficit occurred when transport load fees collected were not sufficient to cover the estimated claims liability for clean up of petroleum storage tank leaks. This liability amount is the cumulative result of numerous years of petroleum storage tank leaks. Per Section 319.129, RSMo, this fund will not accept new claim liabilities after December 31, 2020, or upon revocation of federal regulation 40 CFR, whichever occurs first, unless extended by action of the General Assembly. Various alternatives are being considered to pay off the claims liability amount of this fund. Per Section 319.131, RSMo, the liability of the Petroleum Storage Tank Insurance Fund is not the liability of the State. Upon dissolution of this fund, the liability would be liquidated.

Note 18 – Fund Deficit (cont.)

Enterprise Fund – Unemployment Compensation Insurance – At June 30, 2011, this fund had a net asset deficit of $472,918,000. The deficit at June 30, 2010 was $454,351,000. The reason for this deficit is the high unemployment rate associated with the recent national economic climate. The prolonged high unemployment made it necessary for the State of Missouri, along with other states, to borrow from the federal government to pay unemployment benefits. Since Missouri has carried a loan balance through January 1st for two consecutive years, the federal government has begun reducing the Federal Unemployment Tax Act (FUTA) tax credit that Missouri employers are allowed to claim on their taxes. Additional tax dollars collected by the federal government as a result of the FUTA tax credit reduction will be used to begin paying down Missouri's loan balance. Missouri projects its current loan balance will be fully repaid in calendar year 2015, with short-term sporadic borrowing needed in 2016 and 2017.

Internal Service Fund – Transportation Self-Insurance Plan Fund – At June 30, 2011, this fund had a net asset deficit of $18,299,000. The deficit at June 30, 2010 was $11,390,000. The deficit occurred due to funding being based on annual actuarial studies and budget availability. Increases in appropriations and claims management will eliminate the deficit over time.

Note 19 – Related Party Transactions

The Missouri State Public Employees' Deferred Compensation Plan was administered by ING Institutional Plan Services. ING Life Insurance and Annuity Company provides affixed earnings investments for plan participants while ING Institutional Plan Services provides variable earnings investments. At June 30, 2011, total investments of the Plan were $1,150,244,000 and investments in ING Life Insurance and Annuity Company were $456,647,000.

Note 20 – Commitments

Contracts

The Department of Conservation had contracts outstanding of $2,000 for land acquisitions and $8,485,000 for construction contracts at June 30, 2011. These contracts are funded through the special revenue funds from specific sales tax, fees, and permits.

The Department of Transportation had long-term contracts of $1,113,954,000 outstanding at June 30, 2011. These contracts are paid from capital projects funds with approximately 71% federal reimbursement expected.

The Office of Administration, Division of Facilities Management, Design and Construction, had construction contracts outstanding at June 30, 2011 of $14,263,000. Approximately 88% will be paid from the General Fund, 6% from special revenue funds, 2% from capital projects funds, 2% from internal service funds, and 2% from enterprise funds.

Note 20 – Commitments (cont.)

On March 10, 1988, the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to $10.8 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provided a ten year interest free period running from 1984 to 1994. In fiscal year 1995, the State began making interest payments. The interest payment amount for fiscal year 2011 was $364,000. This payment was made in arrears as it was part of a fiscal year 2011 expenditure restriction plan. Payment of principal and interest must be completed by March 2038.

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) purchased a new pension administration software system during fiscal year 2007. Payments totaling $2,924,000 have been made, leaving $506,000 outstanding at June 30, 2011.

As of June 30, 2011, the University of Missouri had outstanding commitments for the usage and ongoing support of the University Health System's information technology environment totaling $136,646,000. The payments are as follows:

2012	$ 13,002,000
2013	14,938,000
2014	15,386,000
2015	15,847,000
2016	16,322,000
thereafter	61,151,000

Truman State University had approximately $3,686,000 in outstanding commitments for various construction contracts at June 30, 2011.

Southeast Missouri State University had outstanding commitments of approximately $62,190,000 related to construction contracts at June 30, 2011.

Missouri State University had approximately $35,800,000 in outstanding commitments for various construction contracts at June 30, 2011.

University of Central Missouri had approximately $3,234,000 in outstanding commitments related to construction contracts at June 30, 2011.

Note 21 – Risk Management and Insurance

The State is exposed to various risks of loss related to tort, general, motor vehicle, and contractor liability and injuries to employees. The State assumes its own liability for risks except for the purchase of surety bond, aircraft, and boiler coverage. The State's Office of Administration (OA), Risk Management Unit, self-insures its workers' compensation program for all state employees, with the exception of the Missouri Department of Transportation (MoDOT) and the State Highway Patrol. Liability insurance is also provided by OA-Risk Management, pursuant to State statute, through the State's legal expense fund, which is a component of the General Fund in this report. This insurance covers all state employees.

Note 21 - Risk Management and Insurance (cont.)

The Workers' Compensation and Legal Expense Fund claims liability is based upon actual claims that have been submitted to OA-Risk Management. IBNR (incurred but not reported) liability is not included since workers' compensation and liability insurance claims are reported timely, and therefore any potential IBNR liability amount would be considered immaterial. The State has not had any insurance settlements exceed the coverage during the past three fiscal years. OA-Risk Management also procures property insurance for 3% of the total value of the State's property with the remainder uninsured. The buildings that are insured are mainly the buildings backed with bonded debt through the Board of Public Buildings.

The Transportation Self-Insurance Plan covers workers' compensation for employees of MoDOT and the State Highway Patrol, and covers vehicle liability and general liability insurance for the employees of MoDOT. The Transportation Self-Insurance Plan is presented as an internal service fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims from data provided by an actuary. Liabilities are reported at their discounted value, assuming an investment yield of 4%.

The Missouri Consolidated Health Care Plan (MCHCP) provides health care insurance to all state employees, except for MoDOT, the State Highway Patrol, and the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known medical claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The MoDOT and MSHP Medical and Life Insurance Plan (MHPML) accounts for the medical coverage provided on a self-insured basis and life insurance benefits, underwritten by a commercial insurance company, for employees of MoDOT and the State Highway Patrol. The Plan is presented as an internal service fund. Estimated claims payable is based on known insurance claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The Conservation Employees' Insurance Plan (CEIP) provides health care and life insurance to employees of the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims.

Southwestern Bell Telephone Company vs. Director of Revenue (Case No. SC83859 and follow up Case No. SC86441): the Supreme Court ruled that Southwestern Bell Telephone Company was entitled to a refund of use tax paid on machinery and equipment used to create its digital phone service product. Manufacturing was found to include producing taxable services as well as tangible personal property products. The payment for this claim was completed in fiscal year 2011.

The Petroleum Storage Tank Insurance Fund (PSTIF) has claims liability for the cost of contamination cleanup for policyholders and other eligible site owners who have submitted notice of a contamination. The PSTIF is presented as a major enterprise fund.

The University of Missouri System provides workers' compensation, liability, and medical insurance for its employees. The University funds this through a combination of self-insurance and commercially purchased insurance. The amount of coverage is based upon analysis of historical information and actuarial estimates. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The claims liability is the present value of the claims, using discounted rates ranging between 3.7% and 4.5% based on future investment yields. The University of Missouri System is included with college and universities as a major component unit of the State.

Note 21 - Risk Management and Insurance (cont.)

Missouri State University is exposed to various risks of loss. These include loss related to torts; business interruption; employee injuries and illnesses; employee health, dental and accidental benefits; natural disasters; damage to and destruction of assets; and errors and omissions. Commercial insurance coverage is purchased for claims arising from such matters other than those related to natural disasters and employee health benefits, general liability, and workers' compensation. Settled claims have not exceeded the commercial coverage in any of the three preceding years. Additional coverage is provided through the State Self-Insurance Program, through the Risk Management Unit of the Office of Administration. The State of Missouri self-insures the workers' compensation benefits for all state employees, including University employees.

Changes in the balances of claims liability (in thousands of dollars) during the current and prior fiscal years are as follows:

Governmental Activities	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2010	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2011
OA Workers Compensation Fund	Workers Comp.	$ 21,610	$ 24,025	$ (30,408)	$ 15,227
OA Legal Expense Fund	Liability	1,230	2,168	(2,337)	1,061
Transportation Self-Insurance Plan	Workers Comp. and Liability	81,561	28,563	(20,140)	89,984
MCHCP	Health Care	41,317	255,623	(260,550)	36,390
MHPML	Health Care	11,800	103,234	(103,634)	11,400
CEIP	Health Care	1,245	17,048	(15,967)	2,326
DOR	Southwestern Bell Lawsuit	16,100	2,912	(19,012)	---
Total Governmental Activities		$ 174,863	$ 433,573	$ (452,048)	$ 156,388
Business-Type Activities					
PSTIF	Contamination Cleanup	$ 106,816	$ 8,733	$ (11,902)	$ 103,647
Component Units					
University of Missouri System	Workers Comp. and Liability	$ 77,501	$ 194,051	$ (198,603)	$ 72,949
Missouri State University	Health Care, Workers Comp. and Liability	1,382	14,063	(14,345)	1,100
Total Component Units		$ 78,883	$ 208,114	$ (212,948)	$ 74,049

Note 21 – Risk Management and Insurance (cont.)

Governmental Activities	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2009	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2010
OA Workers Compensation Fund	Workers Comp.	$ 24,920	$ 22,243	$ (25,553)	$ 21,610
OA Legal Expense Fund	Liability	1,351	1,957	(2,078)	1,230
Transportation Self-Insurance Plan	Workers Comp. and Liability	68,776	31,337	(18,552)	81,561
MCHCP	Health Care	46,036	247,793	(252,512)	41,317
MHPML	Health Care	12,000	99,881	(100,081)	11,800
CEIP*	Health Care	1,667	13,431	(13,853)	1,245
DOR	Southwestern Bell Lawsuit	39,373	2,861	(26,134)	16,100
Total Governmental Activities		$ 194,123	$ 419,503	$ (438,763)	$ 174,863
Business-Type Activities					
PSTIF	Contamination Cleanup	$ 112,688	$ 8,066	$ (13,938)	$ 106,816
Component Units					
University of Missouri System	Workers Comp. and Liability	$ 73,266	$ 191,350	$ (187,115)	$ 77,501
Missouri State University	Health Care, Workers Comp. and Liability	1,235	14,012	(13,865)	1,382
Total Component Units		$ 74,501	$ 205,362	$ (200,980)	$ 78,883

*Restated.

Risk Management Pool:

The State of Missouri participates in the property program of the Midwestern Higher Education Compact (MHEC) as defined in Section 173.700, RSMo. This program was formed to expand coverage, reduce costs, and stabilize property insurance rates over extended time periods at higher education institutions in all member states. The program offers loss limit coverage tailored to individual institutions as well as self-insured retention by institution. The MHEC Risk Management Oversight Committee directs the major operations of the program overseeing the development of program policies, premium allocations, new program memberships, and selection of program administrators and insurance underwriters.

Note 22 – Pollution Remediation and Landfill Closure and Postclosure

The State has an obligation to address current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

The Missouri Department of Natural Resources (DNR) was compelled to assess and oversee the cleanup of contaminated sites subject to federal law under the Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, administered by the U.S. Environmental Protection Agency (EPA). Under this law, the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Missouri law 260.371.7 states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At the end of fiscal year 2011, the State was participating in the cleanup of 13 Superfund sites. Total pollution remediation obligation for these sites totaled approximately $6.7 million. The basis for these costs are State Superfund contracts that list the estimated cost of cleanup, or actual costs if cleanup is complete, less any payments that have been made to the EPA. Estimated costs will change as actual costs become available. The Hazardous Waste Fund is a component of Conservation and Environmental Protection.

The Missouri Department of Transportation (MoDOT) performed work related to Missouri Department of Natural Resources' requirements for lagoons and a fuel leak. MoDOT is currently involved in remediation activities in three instances related to building and grounds caused by chemical contamination. There is a total remaining obligation of $137,000 as of June 30, 2011. There are also three additional issues with lagoons at rest areas. The potential for pollution remediation exists; however, any future remediation obligations are not yet estimable.

The Office of Administration (OA), Division of Facilities Management, Design and Construction, continued asbestos, mold, and lead abatement and remediation, and fuel spill cleanup in six State sites during fiscal year 2011. One new site was added which required asbestos abatement and decontamination. At the end of the fiscal year, cleanup was not complete in two of the sites, with a total remaining obligation for fuel cleanup of $68,000. These costs were based on contractual pricing estimates and are subject to change if the pollution remediation requires more time or material than was estimated. Facilities Maintenance Reserve Fund and the Federal Budget Stabilization – Medicaid Reimbursement Fund are both components of the General Fund in this report.

The Department of Public Safety, Office of the Adjutant General, has been named as a potentially responsible party in the Pools Prairie Superfund site in Newton County, Missouri. The Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, is administered by the U.S. Environmental Protection Agency (EPA). This law says the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Missouri law 260.371.7 states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At this time, it cannot be determined the Department of Public Safety's portion of the costs for the cleanup of the Pools Prairie Superfund site.

Note 22 - Pollution Remediation and Landfill Closure and Postclosure (cont.)

Changes in the balances of pollution remediation liability (in thousands of dollars) during the current fiscal year are as follows:

Governmental Activities	Type of Pollution Remediation	Fiscal Year Remediation Liability 6/30/2010 *	Current Year Assessments and Estimated Changes	Payments	Fiscal Year Remediation Liability 6/30/2011	Due Within One Year
DNR-Hazardous Waste Fund	Superfund Sites	$ 9,929	$ ---	$ (3,209)	$ 6,720	$ 1,817
MoDOT-Missouri Road Fund	Chemical Contamination	15	198	(76)	137	137
OA-General Revenue Fund	Fuel Spill Remediation	68	---	---	68	68
OA-Federal Budget Stabilization-Medicaid RE Fund	Asbestos Abatement and Inspections	11	---	(11)	---	---
OA-Facilities Maintenance Reserve Fund	Asbestos Abatement and Inspections	39	---	(39)	---	---
OA-Facilities Maintenance Reserve Fund	Mold Remediation and Abatement	10	---	(10)	---	---
OA-Facilities Maintenance Reserve Fund	Lead Paint Abatement and Air Monitoring	14	---	(14)	---	---
Total Governmental Activities		$ 10,086	$ 198	$ (3,359)	$ 6,925	$ 2,022
Proprietary						
OA-State Parks	Asbestos Abatement/ Decontamination	$ ---	$ 163	$ (163)	$ --	$ ---

*Restated.

The State does not own any municipal solid waste landfills (MSWLF), however in the event the owner/operator refuses or is unable to properly maintain the landfill, the owner/operator forfeits the required financial assurance instrument(s) to fund closure and/or post-closure maintenance activities.

Each landfill owner/operator is required to obtain a financial assurance instrument, which is held by the State as security in the case of a default or forfeiture. Financial assurance instruments can include financial guarantee or performance bonds, letters of credit, insurance policies, corporate guarantees, contracts of obligations, trust funds, and escrow accounts. At June 30, 2011, the Missouri Department of Natural Resources, Solid Waste Program tracked the value of the secured financial assurance instruments held by the State to be $289,588,000. This amount is disclosed, but not reported in the financial statements, because the State does not perform the investment function and does not have significant administrative involvement. While the State maintains possession of the financial assurance instruments, it does not meet criteria to be reported in a fiduciary fund.

At June 30, 2011, ten MSWLFs and two waste tire facilities have defaulted. The owners/operators failed to properly close or maintain post-closure care for these facilities; therefore, the State took possession of the forfeited financial assurance instruments to initiate the closure or post-closure activities as required by Section 260.228, RSMo. The State will monitor and pay post-closure care costs of these facilities for the next 30 years in accordance with Missouri Department of Natural Resources Solid Waste Management Law and Regulations. At June 30, 2011, it is expected that $2,317,000 will be paid over the remaining monitoring periods. This is the amount of fund balance that has been designated as assigned on the General Fund balance sheet for forfeited assets.

Note 23 - Contingencies

Contingent claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, subrogation, and other allocated or unallocated claim adjustment expenditures/expenses. Liabilities of governmental funds are reported as a reconciling item to the Government-Wide Statement of Net Assets. Expenditures are recognized as payments are made.

At June 30, 2011, the amount of the contingent liabilities was $65.9 million. Changes in the reported liability since June 30, 2010, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2010-2011	$ 54,800	$ 14,480	$ (3,400)	$ 65,880
2009-2010	26,997	31,957	(4,154)	54,800
2008-2009	40,087	(11,150)	(1,940)	26,997

Section 287.220.6, RSMo, requires that an actuarial study of the Second Injury Fund be made every three years to determine the solvency of the fund. Figures presented below for current year claims and changes in estimates are based on the 2010 actuarial study. At June 30, 2011, the amount of liabilities for the Second Injury Fund was $1.5 billion. Changes in the reported liability since June 30, 2010, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2010-2011	$ 1,444,064	$ 113,401	$ (37,376)	$ 1,520,089
2009-2010	1,372,477	111,003	(39,416)	1,444,064
2008-2009	1,248,013	191,330	(66,866)	1,372,477

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in requests for reimbursements to the grantor agency for expenditures which are disallowed under grant terms. The State believes that such disallowances, if any, would be immaterial in the next fiscal year.

Loan Guarantees:

In the past, the State appropriated money to the Missouri Development Finance Board for the purpose of making loan guarantees. Upon default of a guaranteed loan, the Board makes the payment for default from Board funds. At the end of fiscal year 2011, there were no guaranteed loans outstanding and no loans defaulted.

The State appropriates money to the Agricultural and Small Business Development Authority for the purpose of making loan guarantees. Upon default of a guaranteed loan, the Authority makes the payment for default from State appropriations. The Authority administers the Single-Purpose Animal Facilities Loan Program and the Value Added Loan Guarantee Program, which provides a 50% first-loss guarantee on loans up to $250,000. The total of these two loan programs outstanding at June 30, 2011, for which the Authority has guaranteed payment is, $1,160,000 and $4,771,000, respectively. During 2011, no loans defaulted.

Note 23 – Contingencies (cont.)

Sales and Use Tax Lawsuits:

Southwestern Bell Telephone Company vs. Director of Revenue (Case No. SC83859 and follow up Case No. SC86441): the Supreme Court ruled that Southwestern Bell Telephone Company was entitled to a refund of use tax paid on machinery and equipment used to create its digital phone service product. Manufacturing was found to include producing taxable services as well as tangible personal property products. A settlement was reached regarding some claims, filed by multiple taxpayers, related to the Southwestern Bell cases. At this time, no current liability remains as of June 30, 2011. Refund claims related to these cases that were filed by other companies that are still pending verification and exclusive of interest (which could be substantial) could negatively affect the State by $30.5 million, of which $17.1 million is related to the General Fund.

The State is also involved in tax litigation not included in the fiscal year 2011 liability amount, where it is reasonably possible that an adverse court decision may incur an estimated loss of $22.9 million.

Education Lawsuits:

Four education lawsuits are pending: Committee for Educational Equality, et al vs. the State of Missouri, et al (Case No. 04CV323022), filed in the Circuit Court of Cole County; Jenkins, et al vs. School District of Kansas City, Missouri, et al (Case No. 77-0420-CV-DW), filed in the U.S. District Court, Western Division; Kansas City Missouri Public Schools vs. Missouri Board of Fund Commissioners (Case No. 05AC-CC00389), filed in the Circuit Court of Cole County; the School District of Kansas City, Missouri vs. State of Missouri, Missouri Board of Education, DESE, and D. Kent King filed in the Circuit Court of Cole County, filed with the Missouri Supreme Court. Arguments are being heard, and decisions in these cases may require additional state money or a revision to the current school aid formula.

Tobacco Master Settlement Agreement:

This is a potential reduction in a liability owed to the State by tobacco manufacturers under the Master Settlement Agreement (MSA). The State is currently involved in national arbitration against the manufacturers participating in the MSA over their pending claim for a downward adjustment to their 2004 settlement payments. The manufacturers challenge the enforcement record of 35 settling states. The State's total exposure depends upon the arbitration panel's determination of whether Missouri and the 34 other challenged states diligently enforced their qualifying statues in 2003.

Missouri's total potential exposure is up to the entire amount of the 2004 annual payment from the manufacturers (subject to a later 20% reimbursement). The amount of $0 to $117 million is an estimate, which depends upon many variables. Should Missouri lose the arbitration, the State would lose almost $77 million presently held in a dispute account, and the next annual payment could be reduced by nearly $40 million, plus interest calculated from April 15, 2004. That amount may fluctuate depending on the total number of states found by the arbitration panel to have failed to diligently enforce their qualifying statutes in 2003. Such a loss would be taken as a credit against the manufacturers' MSA payments to Missouri in the next or subsequent years. Furthermore, the tobacco manufacturers may withhold some portion of future payments and seek arbitration of the same issue for subsequent years.

Note 24 – Joint Ventures

The Regional Convention and Sports Complex Authority was created by state law for the purpose of financing, constructing, operating, and maintaining a multipurpose convention and sports facility to be located in the City of St. Louis. The Authority operates under a board of commissioners of whom five are appointed by the Governor of the State, three by the County Executive of St. Louis County, and three by the Mayor of the City of St. Louis. The Authority is granted all rights and powers necessary to plan, finance, construct, equip, and maintain the facility.

The Authority is considered a joint venture of the State, County, and City because it constitutes a contractual agreement for public benefit in which the State, County, and City retain an ongoing financial responsibility for the Convention and Sports Facility Project Bonds. In August 1991, the Authority issued $258,670,000 of Convention and Sports Facility Project Bonds. The bonds were sponsored in the amount of $132,910,000 by the State (Series A), $65,685,000 by the County (Series B), and $60,075,000 by the City (Series C). In December 1993, the Authority issued $181,885,000 in Convention and Sports Facility Project and Refunding Bonds to advance refund $101,410,000 and $50,275,000 of the outstanding 1991 Series A and Series B bonds, respectively, and for additional construction costs. The bonds were sponsored in the amount of $121,705,000 by the State (Series A) and $60,180,000 by the County (Series B). In February 1997, the Authority issued $61,285,000 in Series C refunding bonds to advance refund $47,155,000 of the outstanding 1991 Series C bonds. In August 2003, the Authority issued $116,030,000 of Convention and Sports Facility Project and Refunding Bonds Series A 2003 to refund $2,845,000 and $113,170,000 of Series A 1991 and Series A 1993 refunding bonds, respectively, and for additional construction costs. In May 2007, the Authority issued $49,585,000 in Series C 2007 refunding bonds to refund $61,285,000 of original principal of the Series C 1997 refunding bonds.

Pursuant to a financing agreement entered into in August 1991, and terminating in August 2021, the Authority leased the facility to the sponsors who subleased the facility back to the Authority. The payments made by the State, County, and City under the financing agreement are sufficient to pay the principal and interest on the bonds. In addition, the sponsors provide annual appropriations intended to keep the facility in good repair and competitive with the top 25% of NFL facilities. See *Note 12* for the specific debt service requirements that make up the State's ongoing financial responsibility for this joint venture.

Summary financial information for the Authority as of and for the fiscal year ended December 31, 2010, is presented below (in thousands of dollars):

Total Assets	$ 268,743
Total Liabilities	$ 167,204
Total Net Assets	101,539
Total Liabilities and Net Assets	$ 268,743
Total Revenues	$ 24,637
Total Expenses	27,272
Net Decrease in Net Assets	$ (2,635)

Copies of the Authority's financial statements may be requested from:

St. Louis Regional Convention
and Sports Complex Authority
901 North Broadway
St. Louis, Missouri 63101

Note 25 - Endowments

Donor-restricted endowments for Missouri reside primarily within the higher education institutions, which are reported as a major component unit of the State. For the college and universities, except the University of Missouri, the net appreciation of the endowments available for expenditure is $2,379,000, and of this amount, $929,000 is reported as restricted non-expendable net assets, $1,289,000 is reported as restricted expendable net assets, and $161,000 is reported as unrestricted net assets. The University of Missouri reported a net appreciation/amortization of restricted non-expendable net assets in the amount of $105,184,000, which consisted of both realized and unrealized losses on investment. For detailed information on the college and universities, review the individual financial statements. The Revised Statutes of Missouri authorize the acceptance of donations at State agencies or public institutions. The governing boards of these institutions and the donor agreements determine whether net appreciation can be spent and the acceptable spending rate as detailed in Section 402.035, RSMo. These policies are entity specific and vary with each institution.

Note 26 - Conduit Debt

As of June 30, 2011, the Missouri Development Finance Board issued $1,299,632,000 in Single Issue Industrial Revenue Bonds and $1,737,610,000 in Public Purpose Capital Improvement and Refunding Leasehold Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2011, were approximately $682,578,000 and $797,410,000, respectively.

The Missouri Development Finance Board and the State have no liability for repayment of these revenue bonds and funding notes aside from reserve fund deposits and, accordingly, these bonds and notes have not been recorded as a liability on the financial statements for the Missouri Development Finance Board. The debtor pays all debt service requirements. Security for the bondholders consists of insurance, letters of credit, annual appropriation pledges, and certain funds held through trustees under the various indentures.

The State Environmental Improvement and Energy Resources Authority, a related organization of the State of Missouri, issues Water Pollution Control and Drinking Water Revenue Bonds on behalf of the Department of Natural Resources. The outstanding balance on these bonds as of June 30, 2011, is $1,172,894,000.

The State of Missouri has no liability for repayment of these revenue bonds beyond the resources provided by related loan programs. The bonds are limited obligations of the State Environmental Improvement and Energy Resources Authority.

Note 27 - Federal Surplus Commodities Inventory

The federal surplus commodities inventory for the Department of Social Services was $6,000 as of June 30, 2011. This inventory is not considered to be an asset of the State and is not included in the financial statements.

Note 28- Subsequent Events

Other Bonds:

On September 27, 2011, the Board of Public Buildings of the State of Missouri issued $143,020,000 of Special Obligation Refunding Bonds Series A 2011. These bonds will bear interest from 1.00% to 5.00%, due in semiannual installments beginning April 1, 2012. This refunded Board of Public Buildings Bonds in the following amounts: Series A 2001 - $126,850,000, Series A 2003 - $12,620,000, and Series A 2006 - $3,175,000.

Note 28- Subsequent Events (cont.)

On November 17, 2011, the Health and Educational Facilities Authority of the State of Missouri issued $20,125,000 of Educational Facilities Refunding Revenue Bonds (University of Missouri-Columbia Arena Project) Series 2011. The bonds will bear interest from 2.00% to 5.00%, due in semiannual installments beginning April 1, 2012. This refunded the Authority's Educational Facilities Revenue Bonds Series 2001 outstanding principal in the amount of $22,770,000.

Retirement Legislation:

On July 8, 2011, legislation was signed into law that contained provisions affecting the Missouri State Employees' Retirement System (MOSERS), the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS), the Missouri Deferred Compensation Plan, and employees of the Missouri Development Finance Board (MDFB). This legislation contained provisions that will result in new hires employed on or after July 1, 2012, being automatically enrolled at 1% of pay in the Deferred Compensation Plan that is administered by MOSERS, as well as language providing for MPERS and MOSERS to transfer funds between the two systems when an employee transfers service between the systems on or after September 1, 2011. The legislation also included provisions that will make any full-time employee of MDFB who is employed on or after September 1, 2011, a state employee and a member of MOSERS.

Missouri Department of Transportation:

The Series B 2005 First Lien State Road Bonds were issued as variable rate instruments with weekly rate changes. Since June 30, the rates varied from 0.04% to 0.18%.

University of Missouri:

On August 3, 2011, the University issued $54,125,000 of System Facilities Revenue Bonds Series 2011, with average coupon rate of 4.6%. These bonds and other funds of the University were used to refund all of System Facilities Revenue Bonds Series 1998A, which had an outstanding principal amount of $9,985,000, all of the System Facilities Revenue Bonds Series 2001B, which had an outstanding principal amount of $40,635,000, and $9,035,000 principal amount of the System Facilities Revenue Bonds Series 2003B, which had an outstanding principal amount of $27,030,000. The average coupon for the refunded bonds was 5.0% and generated net present value savings of $6,500,000 for the University.

Unemployment Compensation:

Due to prolonged high unemployment, Missouri is borrowing from the federal government in order to pay unemployment benefits. Since June 30, 2011, $60,991,000 has been borrowed. Since Missouri has carried a loan balance through January 1 for two consecutive years, the federal government has begun reducing the Federal Unemployment Tax Act (FUTA) tax credit that Missouri employers are allowed to claim on their taxes. The additional tax dollars collected by the federal government as a result of the FUTA tax credit reduction will be used to begin paying down Missouri's loan balance.

Deferred Compensation Plan:

On November 11, 2011, the transition to a new third-party record keeper was completed for the State of Missouri Deferred Compensation Plan. The contract for Plan record keeping services was awarded to International City/County Management Association Retirement Corporation (ICMA-RC). This change should result in lower account fees for participants.

Required Supplementary Information (RSI) *includes the Budgetary Comparison Schedule for the General Fund and Major Special Revenue Funds, as well as the Budget to Generally Accepted Accounting Principles (GAAP) reconciliation, and the Notes to RSI on Budgetary Reporting.*

STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND, MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	General*				Public Education*				Conservation and Environmental Protection*			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	$ 1,321,780	$ 1,321,780	$ 1,321,780	$ ---	$ 160,932	$ 160,932	$ 160,932	$ ---	$ 305,733	$ 305,733	$ 305,733	$ ---
Resources (Inflows):												
Taxes:												
Sales and Use	1,822,858	1,800,463	1,809,697	9,234	732,249	732,249	716,269	(15,980)	205,841	205,841	172,187	(33,654)
Individual Income	5,673,845	5,604,138	5,632,879	28,741	3,247	3,247	3,176	(71)	---	---	---	---
Corporate Income	458,976	453,338	455,662	2,324	---	---	---	---	---	---	---	---
County Foreign Insurance	212,531	209,920	210,996	1,076	---	---	---	---	---	---	---	---
Beer	8,283	8,181	8,223	42	---	---	---	---	---	---	---	---
Liquor	20,543	20,291	20,395	104	---	---	---	---	---	---	---	---
Cigarette	---	---	---	---	70,332	70,332	68,798	(1,534)	---	---	---	---
Corporation Franchise	82,328	81,317	81,734	417	---	---	---	---	---	---	---	---
Inheritance	2,133	2,107	2,118	11	---	---	---	---	---	---	---	---
Reimbursement/Miscellaneous	1,148,733	1,134,620	1,140,439	5,819	350,088	350,088	342,448	(7,640)	---	---	---	---
Total Taxes	9,430,230	9,314,375	9,362,143	47,768	1,155,916	1,155,916	1,130,691	(25,225)	205,841	205,841	172,187	(33,654)
Licenses, Fees, and Permits	86,083	85,033	85,412	379	1,883	1,883	1,842	(41)	89,297	89,297	74,697	(14,600)
Sales	698	690	691	1	---	---	---	---	9,982	9,982	8,350	(1,632)
Leases and Rentals	29	28	29	1	---	---	---	---	577	577	483	(94)
Services	298,646	297,966	275,902	(22,064)	---	---	---	---	---	---	---	---
Contributions and Intergovernmental	10,081,891	10,064,370	9,276,673	(787,697)	152,056	152,056	148,738	(3,318)	141,184	141,184	118,101	(23,083)
Interest	16,100	15,908	15,943	35	1,576	1,576	1,541	(35)	5,584	5,584	4,671	(913)
Penalties and Unclaimed Property	5,814	5,743	5,765	22	877	877	858	(19)	418	418	350	(68)
Cost Reimbursement/Miscellaneous	984,004	980,682	916,513	(64,169)	66,218	66,218	64,773	(1,445)	69,645	69,645	58,258	(11,387)
Transfers In	3,151,226	3,142,161	2,571,342	(570,819)	3,382,825	3,435,882	3,382,445	(53,437)	413	---	20	20
Total Resources (Inflows)	24,054,721	23,906,956	22,510,413	(1,396,543)	4,761,351	4,814,408	4,730,888	(83,520)	522,941	522,528	437,117	(85,411)
Amount Available for Appropriation	25,376,501	25,228,736	23,832,193	(1,396,543)	4,922,283	4,975,340	4,891,820	(83,520)	828,674	828,261	742,850	(85,411)
Charges to Appropriations (Outflows):												
Current:												
General Government	2,234,520	2,147,501	1,898,447	249,054	1,155	1,285	926	359	2,551	2,980	2,667	313
Education	2,816,020	2,612,138	2,345,380	266,758	4,319,051	4,252,941	4,187,817	65,124	---	---	---	---
Natural and Economic Resources	704,342	646,406	410,926	235,480	16,120	16,120	3,236	12,884	581,733	534,146	280,934	253,212
Transportation and Law Enforcement	417,188	519,073	353,485	165,588	155	182	167	15	993	993	693	300
Human Services	11,405,181	11,771,411	11,051,069	720,342	23,122	22,671	21,309	1,362	776	776	539	237
Debt Service	94,114	94,412	86,248	8,164	---	---	---	---	---	---	---	---
Transfers Out	6,882,280	6,782,020	6,142,516	639,504	459,651	500,912	454,279	46,633	68,587	69,214	42,933	26,281
Total Charges to Appropriations	24,553,645	24,572,961	22,288,071	2,284,890	4,819,254	4,794,111	4,667,734	126,377	654,640	608,109	327,766	280,343
Ending Budgetary Fund Balance	$ 822,856	$ 655,775	$ 1,544,122	$ 888,347	$ 103,029	$ 181,229	$ 224,086	$ 42,857	$ 174,034	$ 220,152	$ 415,084	$ 194,932
Reconciling Items:												
Reclassifying Cash Equivalents as Investments			(820,173)				(149,618)				(305,761)	
Investments at Fair Value			837,720				151,306				306,140	
Invested Securities Lending Collateral			44,825				8,082				8,747	
Receivables, net			1,964,782				130,447				967,812	
Due from Other Funds			---				27,687				---	
Due from Component Units			---				---				666	
Inventories			20,584				15				553	
Advance to Component Units			---				---				4,418	
Accounts Payable			(1,025,976)				(2,242)				(3,602)	
Accrued Payroll			(58,716)				(219)				(4,323)	
Due to Other Funds			(13,646)				(6)				(496)	
Securities Lending Obligation			(44,825)				(8,082)				(8,747)	
Deferred Revenue			(932,938)				(38,362)				(19,037)	
Escheat/Unclaimed Property			(100,008)				---				---	
Adjustments:												
Increase to Revenues: Medicaid			1,037,814				---				---	
Increase to Expenditures: Medicaid			(1,037,814)				---				---	
Fund Balance - GAAP Basis			$ 1,415,751				$ 343,094				$ 1,361,454	

*Beginning fund balance was restated due to the implementation of GASB Statement No. 54.

Budgetary Presentation:

A Budgetary Comparison Schedule is presented for the State's Major governmental funds, as well as Major Capital Project Funds. Revenues and expenditures are reported on a budgetary basis where "actual" revenues are recognized when cash is received, and "actual" expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2011, has been presented at the bottom of the Budgetary Comparison Schedule.

The budgetary expenditures are included in the current year's Appropriation Activity Report, which demonstrates legal compliance with the current year's budget. This report can be viewed at http://oa.mo.gov/acct/AAR2011/index.htm. The "original budget" expenditures and transfers are for what was originally appropriated for each fund. The "final budget" expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less the Governor's amounts reverted (withheld) for each fund less any re-appropriations to the next fiscal year.

Once a year the Office of Administration-Division of Budget and Planning receives budgeted revenues from state agencies for each of their funds as well as a revised revenue estimate in the spring for the State's General Revenue Fund. The revised revenue estimate is used in the "final budget" column for the General Fund and is very comparable to actual revenue resulting in a small negative variance on this Schedule.

In accordance with state statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund; therefore, variances between "budgeted" and "actual" expenditures on the budgetary schedule will always be positive.

For budget purposes, interfund activity is not eliminated. A summary of interfund eliminations at June 30, 2011, is shown below (in thousands):

	Final Transfer		Actual Transfer	
	In	Out	In	Out
GENERAL FUND	$ 2,835,380	$ (2,835,380)	$ 2,352,374	$ (2,352,374)
SPECIAL REVENUE FUNDS				
Public Education	463,881	(463,881)	423,930	(423,930)
TOTAL	$ 3,299,261	$ (3,299,261)	$ 2,776,304	$ (2,776,304)

Budgetary Control:

Budgetary control is maintained at the departmental level; each Department of the Missouri government formulates a budget to be submitted for approval by the General Assembly prior to the beginning of the fiscal year. These budgets are prepared essentially on the cash basis. The legislature reviews, revises, and legally adopts these budgets. The Governor then has the authority to approve or veto each budget, subject to legislative override.

Budgeted expenditures cannot exceed estimated revenues and other sources of funding, including beginning fund balances. In the event that actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the legislature to address the issue.

Unexpended appropriations lapse at the end of each appropriation year, unless re-appropriated to the following appropriation year.

Supplementary Information *includes the Budgetary Comparison Schedule and Reconciliation for the Major Capital Projects Fund (Missouri Road Fund), as well as the Combining and Individual Fund Statements and Schedules for the General Fund and all Non-Major Funds.*

STATE OF MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Missouri Road Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	$ 1,369,876	$ 1,369,876	$ 1,369,876	$ ---
Resources (Inflows):				
Taxes:				
Vehicle Sales and Use	99,591	99,591	110,768	11,177
Fuel	106	106	134	28
Total Taxes	99,697	99,697	110,902	11,205
Licenses, Fees, and Permits	84,601	84,601	94,131	9,530
Contributions and Intergovernmental	795,127	795,127	1,341,137	546,010
Interest	11,786	11,786	11,894	108
Cost Reimbursment/Miscellaneous	151,329	151,329	140,141	(11,188)
Transfers In	525,000	525,000	515,181	(9,819)
Total Resources (Inflows)	1,667,540	1,667,540	2,213,386	545,846
Amount Available for Appropriation	3,037,416	3,037,416	3,583,262	545,846
Charges to Appropriations (Outflows):				
Current:				
Transportation and Law Enforcement	1,006,854	1,057,524	902,810	154,714
Capital Outlay				
Transportation and Law Enforcement	1,387,304	1,457,865	1,242,419	215,446
Debt Service	224,231	224,231	224,231	---
Total Charges to Appropriations	2,618,389	2,739,620	2,369,460	370,160
Ending Budgetary Fund Balance	$ 419,027	$ 297,796	$ 1,213,802	$ 916,006
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(791,628)	
Investments at Fair Value			1,037,177	
Invested Securities Lending Collateral			119,072	
Receivables, net			119,735	
Inventories			46,731	
Accounts Payable			(118,425)	
Accrued Payroll			(17,377)	
Due to Other Funds			(62)	
Securities Lending Obligation			(119,072)	
Deferred Revenue			(40,828)	
Advance from Component Units			(3,852)	
Fund Balance - GAAP Basis			$ 1,445,273	

*The **Combining and Individual** Fund Statements and Schedules*

Major Funds

General Fund – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Non-Major Funds

This includes all non-major governmental and enterprise funds, as well as the non-major component units. It also includes all internal service and fiduciary funds because the "major fund" classification, created under GASB Statement 34, does not apply to these funds.

A budgetary comparison schedule is provided for all non-major governmental funds with the exception of capital projects funds.

STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 2011
(In Thousands of Dollars)

	General Fund		Totals
	General	Federal	June 30, 2011
ASSETS			
Cash and Cash Equivalents	$ 333,707	$ 390,242	$ 723,949
Investments	694,898	142,822	837,720
Invested Securities Lending Collateral	37,019	7,806	44,825
Accounts Receivable, Net	1,166,994	772,269	1,939,263
Interest Receivable	3,127	70	3,197
Inventories	19,721	863	20,584
Loans Receivable	22,322	---	22,322
Total Assets	$ 2,277,788	$ 1,314,072	$ 3,591,860
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 461,085	$ 564,891	$ 1,025,976
Accrued Payroll	42,632	16,084	58,716
Due to Other Funds	11,790	1,856	13,646
Securities Lending Obligation	37,019	7,806	44,825
Deferred Revenue	744,653	188,285	932,938
Escheat/Unclaimed Property	100,008	---	100,008
Total Liabilities	1,397,187	778,922	2,176,109
Fund Balances:			
Nonspendable	42,043	863	42,906
Restricted	3,471	471,717	475,188
Committed	512,623	---	512,623
Assigned	59,888	---	59,888
Unassigned	262,576	62,570	325,146
Total Fund Balances	880,601	535,150	1,415,751
Total Liabilities and Fund Balances	$ 2,277,788	$ 1,314,072	$ 3,591,860

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	General Fund			Totals
	General	Federal	Eliminations	June 30, 2011
Revenues:				
Taxes	$ 7,015,323	$ ---	$ ---	$ 7,015,323
Licenses, Fees, and Permits	84,603	527	---	85,130
Sales	673	10	---	683
Leases and Rentals	29	---	---	29
Services	40,660	231,775	---	272,435
Contributions and Intergovernmental	1,334,046	9,158,365	---	10,492,411
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	641	(324)	---	317
Interest	16,080	427	---	16,507
Penalties and Unclaimed Properties	44,207	74	---	44,281
Cost Reimbursement/Miscellaneous	240,124	177,093	---	417,217
Total Revenues	8,776,386	9,567,947	---	18,344,333
Expenditures:				
Current:				
General Government	567,143	85,059	---	652,202
Education	980,437	1,408,669	---	2,389,106
Natural and Economic Resources	72,274	391,441	---	463,715
Transportation and Law Enforcement	90,524	513,161	---	603,685
Human Services	4,786,613	6,374,141	---	11,160,754
Debt Service:				
Principal	46,366	838	---	47,204
Interest	40,511	159	---	40,670
Bond Issuance Cost	277	---	---	277
Underwriter's Discount	299	---	---	299
Arbitrage	42	---	---	42
Total Expenditures	6,584,486	8,773,468	---	15,357,954
Excess Revenues (Expenditures)	2,191,900	794,479	---	2,986,379
Other Financing Sources (Uses):				
Proceeds from Capital Leases	1,431	---	---	1,431
Issuance of Refunding Bonds	76,910	---	---	76,910
Payments to Escrow Agents	(76,392)	---	---	(76,392)
Bond Premium	58	---	---	58
Proceeds from Sale of Capital Assets	257	122	---	379
Transfers In	713,144	125,150	(801,349)	36,945
Transfers Out	(2,793,071)	(857,217)	801,349	(2,848,939)
Total Other Financing Sources (Uses)	(2,077,663)	(731,945)	---	(2,809,608)
Net Change in Fund Balances	114,237	62,534	---	176,771
Fund Balances - Beginning	767,559	472,917	---	1,240,476
Increase (Decrease) in Reserve for Inventory	(1,195)	(301)	---	(1,496)
Fund Balances - Ending	$ 880,601	$ 535,150	$ ---	$ 1,415,751

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
June 30, 2011
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2011
ASSETS					
Cash and Cash Equivalents	$ 121,487	$ 24,741	$ 6,814	$ 190	$ 153,232
Investments	227,803	79,051	15,052	39,678	361,584
Invested Securities Lending Collateral	12,913	2,991	740	22	16,666
Accounts Receivable, Net	175,485	8,146	---	---	183,631
Interest Receivable	411	94	36	1	542
Due from Other Funds	299	---	---	---	299
Inventories	3,776	---	---	---	3,776
Loans Receivable	3,175	---	---	---	3,175
Total Assets	$ 545,349	$ 115,023	$ 22,642	$ 39,891	$ 722,905
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 41,961	$ 25	$ 50	$ ---	$ 42,036
Accrued Payroll	10,030	---	63	---	10,093
Due to Other Funds	972	---	6	---	978
Securities Lending Obligation	12,913	2,991	740	22	16,666
Deferred Revenue	9,756	49	27	---	9,832
Total Liabilities	75,632	3,065	886	22	79,605
Fund Balances:					
Nonspendable	6,951	---	---	39,750	46,701
Restricted	212,345	111,958	21,756	---	346,059
Committed	31,185	---	---	---	31,185
Assigned	219,236	---	---	119	219,355
Total Fund Balances	469,717	111,958	21,756	39,869	643,300
Total Liabilities and Fund Balances	$ 545,349	$ 115,023	$ 22,642	$ 39,891	$ 722,905

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2011
Revenues:					
Taxes	$ 866,608	$ 100,535	$ ---	$ ---	$ 967,143
Licenses, Fees, and Permits	376,128	---	---	---	376,128
Sales	1,291	---	---	---	1,291
Leases and Rentals	153	---	---	---	153
Services	117	---	---	---	117
Contributions and Intergovernmental	224,661	5,338	2,613	---	232,612
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	(707)	(61)	(52)	(155)	(975)
Interest	1,878	928	198	12	3,016
Penalties and Unclaimed Properties	7,473	---	---	1,874	9,347
Cost Reimbursement/Miscellaneous	57,651	---	148	17	57,816
Total Revenues	1,535,253	106,740	2,907	1,748	1,646,648
Expenditures:					
Current:					
General Government	228,750	---	60	---	228,810
Education	1,543	---	---	---	1,543
Natural and Economic Resources	163,328	---	14,761	---	178,089
Transportation and Law Enforcement	272,890	---	4,004	---	276,894
Human Services	447,164	---	1	---	447,165
Capital Outlay:					
General Government	---	---	1	---	1
Transportation and Law Enforcement	---	---	3,313	---	3,313
Debt Service:					
Principal	865	61,740	---	---	62,605
Interest	157	91,238	---	---	91,395
Bond Issuance Costs	---	396	---	---	396
Underwriter's Discount	---	138	---	---	138
Total Expenditures	1,114,697	153,512	22,140	---	1,290,349
Excess Revenues (Expenditures)	420,556	(46,772)	(19,233)	1,748	356,299
Other Financing Sources (Uses):					
Issuance of Refunding Bonds	---	105,660	---	---	105,660
Payments to Refunded Bonds Escrow Agent	---	(124,730)	---	---	(124,730)
Bond Premium	---	19,438	---	---	19,438
Proceeds from Sale of Capital Assets	4,951	---	1	---	4,952
Transfers In	158,555	37,532	6,600	---	202,687
Transfers Out	(573,036)	---	---	---	(573,036)
Total Other Financing Sources (Uses)	(409,530)	37,900	6,601	---	(365,029)
Net Change in Fund Balances	11,026	(8,872)	(12,632)	1,748	(8,730)
Fund Balances - Beginning	459,589	120,830	34,388	38,121	652,928
Increase (Decrease) in Reserve for Inventory	(898)	---	---	---	(898)
Fund Balances - Ending	$ 469,717	$ 111,958	$ 21,756	$ 39,869	$ 643,300

*The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas.*

Non-Major Special Revenue Funds:

Professional Registration – Provides for the control and regulation of various professions. Each profession has its own fund to account for its operation.

Judicial Protection and Assistance – Provides for protection of public employees by the Attorney General's Office, conviction of criminal offenders by prosecuting attorneys and assistance to victims of criminal offenses.

Agriculture and State Fair – Provides for inspections of products, market development, and awards for competition at the State Fair.

Social Assistance – Provides financial, health, and other services to qualifying individuals.

Transportation and Law Enforcement – Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

Unemployment and Workers' Compensation – Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Reimbursements and Other – Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2011
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2011
ASSETS								
Cash and Cash Equivalents	$ 16,028	$ 7,557	$ 2,099	$ 30,098	$ 29,855	$ 20,309	$ 15,541	$ 121,487
Investments	33,477	15,781	7,847	60,833	35,236	42,420	32,209	227,803
Invested Securities Lending Collateral	1,830	863	227	3,314	2,601	2,318	1,760	12,913
Accounts Receivable, Net	---	1,804	126	5,568	154,397	11,824	1,766	175,485
Interest Receivable	---	26	9	104	105	85	82	411
Due from Other Funds	---	---	---	---	---	299	---	299
Inventories	26	44	3	1	3,532	---	170	3,776
Loans Receivable	---	---	226	---	2,949	---	---	3,175
Total Assets	$ 51,361	$ 26,075	$ 10,537	$ 99,918	$ 228,675	$ 77,255	$ 51,528	$ 545,349
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	$ 810	$ 1,969	$ 151	$ 29,703	$ 3,330	$ 2,362	$ 3,636	$ 41,961
Accrued Payroll	207	369	254	323	6,312	418	2,147	10,030
Due to Other Funds	24	33	33	12	603	111	156	972
Securities Lending Obligation	1,830	863	227	3,314	2,601	2,318	1,760	12,913
Deferred Revenue	---	33	5	111	7,817	1,584	206	9,756
Total Liabilities	2,871	3,267	670	33,463	20,663	6,793	7,905	75,632
Fund Balances:								
Nonspendable	26	44	229	1	6,481	---	170	6,951
Restricted	---	19,732	3,988	47,766	37,048	70,462	33,349	212,345
Committed	12,364	136	518	16,877	1,286	---	4	31,185
Assigned	36,100	2,896	5,132	1,811	163,197	---	10,100	219,236
Total Fund Balances	48,490	22,808	9,867	66,455	208,012	70,462	43,623	469,717
Total Liabilities and Fund Balances	$ 51,361	$ 26,075	$ 10,537	$ 99,918	$ 228,675	$ 77,255	$ 51,528	$ 545,349

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2011
Revenues:								
Taxes	$ 137	$ ---	$ 2,863	$ 61,100	$ 739,217	$ 63,227	$ 64	$ 866,608
Licenses, Fees, and Permits	17,333	38,594	8,328	20,491	183,685	---	107,697	376,128
Sales	---	---	8	782	---	---	501	1,291
Leases and Rentals	---	---	---	153	---	---	---	153
Services	---	112	---	---	---	---	5	117
Contributions and Intergovernmental	---	592	20	223,684	16	299	50	224,661
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	(100)	(40)	(95)	(152)	(90)	(117)	(113)	(707)
Interest	---	86	14	502	589	324	363	1,878
Penalties and Unclaimed Properties	415	869	---	73	369	5,473	274	7,473
Cost Reimbursement/ Miscellaneous	135	1,522	141	34,317	1,496	214	19,826	57,651
Total Revenues	17,920	41,735	11,279	340,950	925,282	69,420	128,667	1,535,253
Expenditures:								
Current:								
General Government	173	15,394	64	1,919	198,722	5,310	7,168	228,750
Education	52	---	6	1,468	---	12	5	1,543
Natural and Economic Resources	16,524	355	7,723	4,845	---	53,845	80,036	163,328
Transportation and Law Enforcement	---	23,437	3	4,430	221,096	6	23,918	272,890
Human Services	2	---	30	443,849	3	62	3,218	447,164
Debt Service:								
Principal	---	30	---	---	44	168	623	865
Interest	---	4	---	---	8	52	93	157
Total Expenditures	16,751	39,220	7,826	456,511	419,873	59,455	115,061	1,114,697
Excess Revenues (Expenditures)	1,169	2,515	3,453	(115,561)	505,409	9,965	13,606	420,556
Other Financing Sources (Uses):								
Proceeds from Sale of Capital Assets	2	19	---	1	4,899	1	29	4,951
Transfers In	33	1,285	---	134,648	---	---	22,589	158,555
Transfers Out	(754)	(752)	---	(8,793)	(515,421)	(50)	(47,266)	(573,036)
Total Other Financing Sources (Uses)	(719)	552	---	125,856	(510,522)	(49)	(24,648)	(409,530)
Net Change in Fund Balances	450	3,067	3,453	10,295	(5,113)	9,916	(11,042)	11,026
Fund Balances - Beginning	48,040	19,753	6,418	56,159	213,990	60,546	54,683	459,589
Increase (Decrease) in Reserve for Inventory	---	(12)	(4)	1	(865)	---	(18)	(898)
Fund Balances - Ending	$ 48,490	$ 22,808	$ 9,867	$ 66,455	$ 208,012	$ 70,462	$ 43,623	$ 469,717

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Professional Registration			Judicial Protection and Assistance*			Agriculture and State Fair*			Social Assistance*		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Taxes:												
Sales and Use	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Cigarette	---	---	---	---	---	---	---	---	---	37,747	36,720	(1,027)
Fuel	---	---	---	---	---	---	---	---	---	---	---	---
County Foreign Insurance	---	---	---	---	---	---	---	---	---	---	---	---
Liquor/Wine	---	---	---	---	---	---	2,852	2,863	11	---	---	---
Reimbursement/Miscellaneous	129	137	8	1	1	---	---	---	---	45,663	44,421	(1,242)
Total Taxes	129	137	8	1	1	---	2,852	2,863	11	83,410	81,141	(2,269)
Licenses, Fees, and Permits	16,432	17,347	915	41,764	38,359	(3,405)	8,307	8,338	31	21,156	20,580	(576)
Leases and Rentals	---	---	---	---	---	---	---	---	---	157	153	(4)
Sales	---	---	---	---	---	---	8	9	1	804	782	(22)
Services	---	---	---	122	112	(10)	---	---	---	---	---	---
Contributions and Intergovernmental	1	1	---	2,307	2,119	(188)	20	20	---	237,722	231,253	(6,469)
Interest	---	---	---	95	87	(8)	15	15	---	527	512	(15)
Penalties and Unclaimed Property	393	415	22	1,230	1,129	(101)	---	---	---	63	61	(2)
Cost Reimbursement/ Miscellaneous	127	134	7	1,720	1,580	(140)	226	227	1	44,196	42,994	(1,202)
Total Revenues	17,082	18,034	952	47,239	43,387	(3,852)	11,428	11,472	44	388,035	377,476	(10,559)
Expenditures:												
Current:												
General Government	22	6	16	17,803	13,816	3,987	112	62	50	5,443	3,768	1,675
Education	52	52	---	---	---	---	---	---	---	2,793	1,609	1,184
Natural and Economic Resources	10,088	7,703	2,385	540	354	186	8,451	6,074	2,377	6,950	4,984	1,966
Transportation and Law Enforcement	---	---	---	30,018	23,729	6,289	---	---	---	6,376	4,000	2,376
Human Services	---	---	---	---	---	---	---	---	---	421,616	345,818	75,798
Debt Service	---	---	---	10	8	2	---	---	---	---	---	---
Total Expenditures	10,162	7,761	2,401	48,371	37,907	10,464	8,563	6,136	2,427	443,178	360,179	82,999
Excess Revenues (Expenditures)	6,920	10,273	3,353	(1,132)	5,480	6,612	2,865	5,336	2,471	(55,143)	17,297	72,440
Other Financing Sources (Uses):												
Transfers In	5	35	30	1,526	1,444	(82)	7	7	---	221,549	136,162	(85,387)
Transfers Out	(19,988)	(9,215)	(10,773)	(6,313)	(2,928)	3,385	(2,214)	(1,675)	539	(232,279)	(145,446)	86,833
Total Other Financing Sources (Uses)	(19,983)	(9,180)	(10,743)	(4,787)	(1,484)	3,303	(2,207)	(1,668)	539	(10,730)	(9,284)	1,446
Net Change in Fund Balances	(13,063)	1,093	(7,390)	(5,919)	3,996	9,915	658	3,668	3,010	(65,873)	8,013	73,886
Fund Balances - Beginning	48,412	48,412	---	19,342	19,342	---	2,671	2,671	---	82,729	82,729	---
Fund Balances - Ending	$ 35,349	$ 49,505	$ (7,390)	$ 13,423	$ 23,338	$ 9,915	$ 3,329	$ 6,339	$ 3,010	$ 16,856	$ 90,742	$ 73,886
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(33,477)			(15,781)			(4,240)			(60,644)	
Investments at Fair Value		33,477			15,781			7,847			60,833	
Invested Securities Lending Collateral		1,830			863			227			3,314	
Receivables, net		---			1,830			361			5,672	
Due from Other Funds		---			---			---			---	
Inventories		26			44			3			1	
Accounts Payable		(810)			(1,969)			(151)			(29,703)	
Accrued Payroll		(207)			(369)			(254)			(323)	
Due to Other Funds		(24)			(33)			(33)			(12)	
Securities Lending Obligation		(1,830)			(863)			(227)			(3,314)	
Deferred Revenue		---			(33)			(5)			(111)	
Fund Balance per GAAP		$ 48,490			$ 22,808			$ 9,867			$ 66,455	

*Beginning fund balance was restated due to the implementation of GASB Statement No. 54.

This schedule is continued on pages 117-118.

	Transportation and Law Enforcement*			Unemployment and Workers' Compensation			Reimbursements and Other*			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Taxes:												
Sales and Use	$ 61,079	$ 59,460	$ (1,619)	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 61,079	$ 59,460	$ (1,619)
Cigarette	---	---	---	---	---	---	---	---	---	37,747	36,720	(1,027)
Fuel	739,631	720,026	(19,605)	---	---	---	---	---	---	739,631	720,026	(19,605)
County Foreign Insurance	---	---	---	---	---	---	66	64	(2)	66	64	(2)
Liquor/Wine	---	---	---	---	---	---	---	---	---	2,852	2,863	11
Reimbursement/Miscellaneous	3,521	3,427	(94)	60,510	62,214	1,704	18	18	---	109,842	110,218	376
Total Taxes	804,231	782,913	(21,318)	60,510	62,214	1,704	84	82	(2)	951,217	929,351	(21,866)
Licenses, Fees and Permits	195,341	190,163	(5,178)	---	---	---	111,453	108,073	(3,380)	394,453	382,860	(11,593)
Leases and Rentals	---	---	---	---	---	---	---	---	---	157	153	(4)
Sales	4,939	4,808	(131)	---	---	---	583	565	(18)	6,334	6,164	(170)
Services	---	---	---	---	---	---	5	5	---	127	117	(10)
Contributions and Intergovernmental	636	619	(17)	1,087	1,118	31	76	74	(2)	241,849	235,204	(6,645)
Interest	622	606	(16)	325	334	9	395	383	(12)	1,979	1,937	(42)
Penalties and Unclaimed Property	486	474	(12)	5,105	5,249	144	282	273	(9)	7,559	7,601	42
Cost Reimbursement/ Miscellaneous	2,631	2,561	(70)	336	345	9	20,825	20,193	(632)	70,061	68,034	(2,027)
Total Revenues	1,008,886	982,144	(26,742)	67,363	69,260	1,897	133,703	129,648	(4,055)	1,673,736	1,631,421	(42,315)
Expenditures:												
Current:												
General Government	215,986	210,512	5,474	16,887	6,015	10,872	11,289	5,790	5,499	267,542	239,969	27,573
Education	---	---	---	---	---	---	---	---	---	2,845	1,661	1,184
Natural and Economic Resources	---	---	---	63,364	49,804	13,560	77,406	66,985	10,421	166,799	135,904	30,895
Transportation and Law Enforcement	280,080	246,064	34,016	---	---	---	24,399	21,159	3,240	340,873	294,952	45,921
Human Services	---	---	---	---	---	---	4,030	2,559	1,471	425,646	348,377	77,269
Debt Service	---	---	---	59	21	38	96	49	47	165	78	87
Total Expenditures	496,066	456,576	39,490	80,310	55,840	24,470	117,220	96,542	20,678	1,203,870	1,020,941	182,929
Excess Revenues (Expenditures)	512,820	525,568	12,748	(12,947)	13,420	26,367	16,483	33,106	16,623	469,866	610,480	140,614
Other Financing Sources (Uses):												
Transfers In	563,974	541,102	(22,872)	---	1	1	23,924	23,277	(647)	810,985	702,028	(108,957)
Transfers Out	(1,102,086)	(1,063,924)	38,162	(8,786)	(7,238)	1,548	(78,761)	(66,875)	11,886	(1,450,427)	(1,297,301)	153,126
Total Other Financing Sources (Uses)	(538,112)	(522,822)	15,290	(8,786)	(7,237)	1,549	(54,837)	(43,598)	11,239	(639,442)	(595,273)	44,169
Net Change in Fund Balances	(25,292)	2,746	28,038	(21,733)	6,183	27,916	(38,354)	(10,492)	27,862	(169,576)	15,207	184,783
Fund Balances - Beginning	62,165	62,165	---	56,546	56,546	---	58,242	58,242	---	330,107	330,107	---
Fund Balances - Ending	$ 36,873	$ 64,911	$ 28,038	$ 34,813	$ 62,729	$ 27,916	$ 19,888	$ 47,750	$ 27,862	$ 160,531	$ 345,314	$ 184,783
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(35,056)			(42,420)			(32,209)			(223,827)	
Investments at Fair Value		35,236			42,420			32,209			227,803	
Invested Securities Lending Collateral		2,601			2,318			1,760			12,913	
Receivables, net		157,451			11,909			1,848			179,071	
Due from Other Funds		---			299			---			299	
Inventories		3,532			---			170			3,776	
Accounts Payable		(3,330)			(2,362)			(3,636)			(41,961)	
Accrued Payroll		(6,312)			(418)			(2,147)			(10,030)	
Due to Other Funds		(603)			(111)			(156)			(972)	
Securities Lending Obligation		(2,601)			(2,318)			(1,760)			(12,913)	
Deferred Revenue		(7,817)			(1,584)			(206)			(9,756)	
Fund Balance per GAAP		$ 208,012			$ 70,462			$ 43,623			$ 469,717	

*Beginning fund balance was restated due to the implementation of GASB Statement No. 54.

This schedule is continued from pages 115-116.

*The **Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.*

Debt Service Funds:

Water Pollution Control Bond and Interest – Accounts for moneys used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Third State Building Bond Interest and Sinking – Accounts for moneys used to pay the principal of the Third State Building Bonds and the interest thereon.

Fourth State Building Bond and Interest – Accounts for moneys used to pay the principal of the Fourth State Building Bonds and the interest thereon.

Stormwater Control Bond and Interest – Accounts for moneys used to pay the principal of the Stormwater Control Bonds and the interest thereon.

Missouri Road Bond – Accounts for moneys used to pay bonds issued by the Highway and Transportation Commission.

STATE OF MISSOURI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2011
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Missouri Road Bond	Totals June 30, 2011
ASSETS						
Cash and Cash Equivalents	$ 10,972	$ 1,272	$ 3,849	$ 876	$ 7,772	$ 24,741
Investments	38,755	4,493	13,595	3,093	19,115	79,051
Invested Securities Lending Collateral	515	60	181	41	2,194	2,991
Accounts Receivable, Net	---	---	---	---	8,146	8,146
Interest Receivable	39	6	14	3	32	94
Total Assets	$ 50,281	$ 5,831	$ 17,639	$ 4,013	$ 37,259	$ 115,023
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ ---	$ ---	$ ---	$ ---	$ 25	$ 25
Securities Lending Obligation	515	60	181	41	2,194	2,991
Deferred Revenue	30	5	11	3	---	49
Total Liabilities	545	65	192	44	2,219	3,065
Fund Balances:						
Restricted	49,736	5,766	17,447	3,969	35,040	111,958
Total Fund Balances	49,736	5,766	17,447	3,969	35,040	111,958
Total Liabilities and Fund Balances	$ 50,281	$ 5,831	$ 17,639	$ 4,013	$ 37,259	$ 115,023

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Missouri Road Bond	Totals June 30, 2011
Revenues:						
Taxes	$ ---	$ ---	$ ---	$ ---	$ 100,535	$ 100,535
Contributions and Intergovernmental	---	---	---	---	5,338	5,338
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(35)	(32)	(18)	(3)	27	(61)
Interest	362	152	144	32	238	928
Total Revenues	327	120	126	29	106,138	106,740
Expenditures:						
Debt Service:						
Principal	---	32,115	---	---	29,625	61,740
Interest	12,299	1,298	8,026	1,488	68,127	91,238
Bond Issuance Costs	176	---	17	37	166	396
Underwriter's Discount	106	---	12	20	---	138
Total Expenditures	12,581	33,413	8,055	1,545	97,918	153,512
Excess Revenues (Expenditures)	(12,254)	(33,293)	(7,929)	(1,516)	8,220	(46,772)
Other Financing Sources (Uses):						
Issuance of Refunding Bonds	81,450	---	9,060	15,150	---	105,660
Payments to Refunded Bonds Escrow Agent	(96,152)	---	(10,698)	(17,880)	---	(124,730)
Bond Premium	14,984	---	1,667	2,787	---	19,438
Transfers In	23,986	4,901	6,600	2,045	---	37,532
Total Other Financing Sources (Uses)	24,268	4,901	6,629	2,102	---	37,900
Net Change in Fund Balances	12,014	(28,392)	(1,300)	586	8,220	(8,872)
Fund Balances - Beginning	37,722	34,158	18,747	3,383	26,820	120,830
Fund Balances - Ending	$ 49,736	$ 5,766	$ 17,447	$ 3,969	$ 35,040	$ 111,958

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest			Third State Building Bond Interest and Sinking			Fourth State Building Bond and Interest			Stormwater Control Bond and Interest		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Vehicle Sales and Use Tax	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Interest	419	412	(7)	341	204	(137)	191	170	(21)	42	36	(6)
Reimbursement/ Miscellaneous	1	1	---	---	---	---	---	---	---	1	1	---
Total Revenues	420	413	(7)	341	204	(137)	191	170	(21)	43	37	(6)
Expenditures:												
Debt Service	36,948	12,299	24,649	33,413	33,413	---	18,356	8,026	10,330	3,316	1,488	1,828
Total Expenditures	36,948	12,299	24,649	33,413	33,413	---	18,356	8,026	10,330	3,316	1,488	1,828
Excess Revenues (Expenditures)	(36,528)	(11,886)	24,642	(33,072)	(33,209)	(137)	(18,165)	(7,856)	10,309	(3,273)	(1,451)	1,822
Other Financing Sources (Uses):												
Transfers In	21,420	31,209	9,789	3,737	4,901	1,164	5,314	6,600	1,286	2,325	3,511	1,186
Transfers Out	(7,223)	(7,223)	---	---	---	---	---	---	---	(1,466)	(1,466)	---
Total Other Financing Sources (Uses)	14,197	23,986	9,789	3,737	4,901	1,164	5,314	6,600	1,286	859	2,045	1,186
Net Change in Fund Balances	(22,331)	12,100	34,431	(29,335)	(28,308)	1,027	(12,851)	(1,256)	11,595	(2,414)	594	3,008
Fund Balances - Beginning	37,629	37,629	---	34,074	34,074	---	18,701	18,701	---	3,375	3,375	---
Fund Balances - Ending	$ 15,298	$ 49,729	$ 34,431	$ 4,739	$ 5,766	$ 1,027	$ 5,850	$ 17,445	$ 11,595	$ 961	$ 3,969	$ 3,008
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(38,757)			(4,494)			(13,596)			(3,093)	
Investments at Fair Value		38,755			4,493			13,595			3,093	
Invested Securities Lending Collateral		515			60			181			41	
Receivables, net		39			6			14			3	
Accounts Payable		---			---			---			---	
Securities Lending Obligation		(515)			(60)			(181)			(41)	
Deferred Revenues		(30)			(5)			(11)			(3)	
Fund Balances - GAAP Basis		$ 49,736			$ 5,766			$ 17,447			$ 3,969	

This schedule is continued on page 123.

	Missouri Road Bond			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	$ 91,207	$ 100,945	$ 9,738	$ 91,207	$ 100,945	$ 9,738
Interest	398	284	(114)	1,391	1,106	(285)
Reimbursement/ Miscellaneous	---	---	---	2	2	---
Total Revenues	91,605	101,229	9,624	92,600	102,053	9,453
Expenditures:						
Debt Service	95,987	92,579	3,408	188,020	147,805	40,215
Total Expenditures	95,987	92,579	3,408	188,020	147,805	40,215
Excess Revenues (Expenditures)	(4,382)	8,650	13,032	(95,420)	(45,752)	49,668
Other Financing Sources (Uses):						
Transfers In	---	---	---	32,796	46,221	13,425
Transfers Out	---	---	---	(8,689)	(8,689)	---
Total Other Financing Sources (Uses)	---	---	---	24,107	37,532	13,425
Net Change in Fund Balances	(4,382)	8,650	13,032	(71,313)	(8,220)	63,093
Fund Balances - Beginning	18,234	18,234	---	112,013	112,013	---
Fund Balances - Ending	$ 13,852	$ 26,884	$ 13,032	$ 40,700	$ 103,793	$ 63,093
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(19,112)			(79,052)	
Investments at Fair Value		19,115			79,051	
Invested Securities Lending Collateral		2,194			2,991	
Receivables, net		8,178			8,240	
Accounts Payable		(25)			(25)	
Securities Lending Obligation		(2,194)			(2,991)	
Deferred Revenues		---			(49)	
Fund Balances - GAAP Basis		$ 35,040			$ 111,958	

This schedule is continued from page 122.

*The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities.*

Non-Major Capital Projects Funds:

Veterans' Homes Capital Improvement – Accounts for fees collected from the sale of bingo cards to be used for the construction or renovation of veterans' homes and cemeteries in the State.

Water Pollution Control – Accounts for bond sale proceeds to be used for the protection of the environment through the control of water pollution.

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2011
(In Thousands of Dollars)

	Veterans' Homes Capital Improvement	Water Pollution Control	Totals June 30, 2011
ASSETS			
Cash and Cash Equivalents	$ 6,244	$ 570	$ 6,814
Investments	13,040	2,012	15,052
Invested Securities Lending Collateral	713	27	740
Interest Receivable	33	3	36
Total Assets	$ 20,030	$ 2,612	$ 22,642
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 50	$ ---	$ 50
Accrued Payroll	63	---	63
Due to Other Funds	6	---	6
Securities Lending Obligation	713	27	740
Deferred Revenue	25	2	27
Total Liabilities	857	29	886
Fund Balances:			
Restricted	19,173	2,583	21,756
Total Fund Balances	19,173	2,583	21,756
Total Liabilities and Fund Balances	$ 20,030	$ 2,612	$ 22,642

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Veterans' Homes Capital Improvement	Water Pollution Control	Totals June 30, 2011
Revenues:			
Contributions and Intergovernmental	$ 2,613	$ ---	$ 2,613
Investment Earnings:			
Net Increase (Decrease) in the Fair Value of Investments	(36)	(16)	(52)
Interest	124	74	198
Cost Reimbursement/ Miscellaneous	15	133	148
Total Revenues	2,716	191	2,907
Expenditures:			
Current:			
General Government	60	---	60
Natural and Economic Resources	---	14,761	14,761
Transportation and Law Enforcement	4,004	---	4,004
Human Services	1	---	1
Capital Outlay:			
General Government	1	---	1
Transportation and Law Enforcement	3,313	---	3,313
Total Expenditures	7,379	14,761	22,140
Excess Revenues (Expenditures)	(4,663)	(14,570)	(19,233)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	1	---	1
Transfers In	6,600	---	6,600
Total Other Financing Sources (Uses)	6,601	---	6,601
Net Change in Fund Balances	1,938	(14,570)	(12,632)
Fund Balances - Beginning	17,235	17,153	34,388
Fund Balances - Ending	$ 19,173	$ 2,583	$ 21,756

*The **Permanent Funds** account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.*

Permanent Funds:

Arrow Rock State Historic Site Endowment – Accounts for moneys transferred from the State Parks Earnings Fund, as well as other moneys or property received by grant, gift, donation, or bequest specified for the enhancement of the Arrow Rock State Historic Site.

Confederate Memorial Park – Accounts for the income from investments acquired by gifts, donations, and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School – Accounts for all moneys, bonds, lands, and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust – Accounts for moneys bequeathed for the use and benefit of the Crippled Children's Service.

STATE OF MISSOURI
COMBINING BALANCE SHEET
PERMANENT FUNDS
June 30, 2011
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2011
ASSETS					
Cash and Cash Equivalents	$ 9	$ 62	$ ---	$ 119	$ 190
Investments	19	128	39,282	249	39,678
Invested Securities Lending Collateral	1	7	---	14	22
Interest Receivable	---	---	---	1	1
Total Assets	$ 29	$ 197	$ 39,282	$ 383	$ 39,891
LIABILITIES AND FUND BALANCES					
Liabilities:					
Securities Lending Obligation	$ 1	$ 7	$ ---	$ 14	$ 22
Total Liabilities	1	7	---	14	22
Fund Balances:					
Nonspendable	28	75	39,282	365	39,750
Assigned	---	115	---	4	119
Total Fund Balances	28	190	39,282	369	39,869
Total Liabilities and Fund Balances	$ 29	$ 197	$ 39,282	$ 383	$ 39,891

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2011
Revenues:					
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	$ ---	$ ---	$ (154)	$ (1)	$ (155)
Interest	---	1	9	2	12
Penalties and Unclaimed Properties	---	---	1,874	---	1,874
Miscellaneous	---	17	---	---	17
Total Revenues	---	18	1,729	1	1,748
Net Change in Fund Balances	---	18	1,729	1	1,748
Fund Balances - Beginning	28	172	37,553	368	38,121
Fund Balances - Ending	$ 28	$ 190	$ 39,282	$ 369	$ 39,869

NOTE: There were no expenditures for the fiscal year ended June 30, 2011.

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ALL APPROPRIATED PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment			Confederate Memorial Park			State Public School*			Smith Memorial Endowment Trust		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Interest	$ ---	$ ---	$ ---	$ ---	$ 1	$ 1	$ ---	$ 9	$ 9	$ 5	$ 3	$ (2)
Penalties and Unclaimed Property	---	---	---	---	---	---	---	81	81	---	---	---
Reimbursement/ Miscellaneous	---	---	---	1	18	17	---	529	529	---	---	---
Total Revenues	---	---	---	1	19	18	---	619	619	5	3	(2)
Expenditures:												
Current:												
Human Services	---	---	---	---	---	---	---	---	---	35	---	35
Total Expenditures	---	---	---	---	---	---	---	---	---	35	---	35
Excess Revenues (Expenditures)	---	---	---	1	19	18	---	619	619	(30)	3	33
Other Financing Sources (Uses):												
Transfers In	---	---	---	---	---	---	---	1,793	1,793	---	---	---
Transfers Out	---	---	---	---	---	---	3	---	(3)	---	---	---
Total Other Financing Sources (Uses)	---	---	---	---	---	---	3	1,793	1,790	---	---	---
Net Change in Fund Balances	---	---	---	1	19	18	3	2,412	2,409	(30)	3	33
Fund Balances - Beginning	28	28	---	171	171	---	21,884	21,884	---	366	366	---
Fund Balances - Ending	$ 28	$ 28	$ ---	$ 172	$ 190	$ 18	$ 21,887	$ 24,296	$ 2,409	$ 336	$ 369	$ 33
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(19)			(128)			(24,296)			(250)	
Investments at Fair Value		19			128			39,282			249	
Invested Securities Lending Collateral		1			7			---			14	
Interest Receivable		---			---			---			1	
Securities Lending Obligation		(1)			(7)			---			(14)	
Fund Balance - GAAP Basis		$ 28			$ 190			$ 39,282			$ 369	

*Beginning fund balance was restated due to a prior year correction.

This schedule is continued on page 130.

	Totals		
	Budget	Actual	Variance
Revenues:			
Interest	$ 5	$ 13	$ 8
Penalties and Unclaimed Property	---	81	81
Reimbursement/ Miscellaneous	1	547	546
Total Revenues	6	641	635
Expenditures:			
Current:			
Human Services	35	---	35
Total Expenditures	35	---	35
Excess Revenues (Expenditures)	(29)	641	670
Other Financing Sources (Uses):			
Transfers In	---	1,793	1,793
Transfers Out	3	---	(3)
Total Other Financing Sources (Uses)	3	1,793	1,790
Net Change in Fund Balances	(26)	2,434	2,460
Fund Balances - Beginning	22,449	22,449	---
Fund Balances - Ending	$ 22,423	$ 24,883	$ 2,460

Reconciling Items:	
Reclassifying Cash Equivalents as Investments	(24,693)
Investments at Fair Value	39,678
Invested Securities Lending Collateral	22
Interest Receivable	1
Securities Lending Obligation	(22)
Fund Balance - GAAP Basis	$ 39,869

This schedule is continued from page 129.

*The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises.*

Non-Major Enterprise Funds:

State Fair Fees – Accounts for the fairground admission fees used to improve the grounds and to pay the operating costs of the State Fair.

State Parks – Accounts for park concessions and contributions which are used to acquire and operate state parks.

Natural Resources Revolving Services – Accounts for moneys received from the delivery of services and the sale or resale of maps, plats, reports, studies, records, and other publications and documents.

Historic Preservation Revolving – Accounts for gifts, grants, and contributions used to acquire, preserve, restore, maintain, or operate any historical properties.

Missouri Veterans' Homes – Accounts for fees to provide services for persons confined to one of the veterans' homes.

State Agency for Surplus Property – Accounts for the surplus property operation.

Department of Revenue Information – Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

STATE OF MISSOURI
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
June 30, 2011
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2011
ASSETS								
Current Assets:								
Cash and Cash Equivalents	$ 105	$ 9,576	$ 162	$ 565	$ 956	$ 1,006	$ 321	$ 12,691
Investments	219	19,996	339	1,179	2,002	2,102	639	26,476
Invested Securities Lending Collateral	12	1,093	19	65	109	115	35	1,448
Accounts Receivable, Net	---	335	1	---	125	63	79	603
Interest Receivable	---	---	---	3	10	5	---	18
Due from Other Funds	4	2	58	---	---	---	---	64
Inventories	1	644	481	---	382	---	62	1,570
Loans Receivable	---	---	---	632	---	---	---	632
Total Current Assets	341	31,646	1,060	2,444	3,584	3,291	1,136	43,502
Non-Current Assets:								
Capital Assets:								
Construction in Progress	---	7,014	---	---	78	---	---	7,092
Land	---	8,998	---	---	---	---	---	8,998
Land Improvements	75	8,444	---	---	102	191	---	8,812
Temporary Easements	---	50	---	---	---	---	---	50
Buildings	3	23,250	---	480	198	1,909	---	25,840
Equipment	391	12,540	17,400	32	6,859	1,364	204	38,790
Software	---	---	---	---	6	---	---	6
Less Accumulated Depreciation/Amortization	(405)	(25,299)	(11,989)	(182)	(3,127)	(1,438)	(181)	(42,621)
Total Non-Current Assets	64	34,997	5,411	330	4,116	2,026	23	46,967
Total Assets	405	66,643	6,471	2,774	7,700	5,317	1,159	90,469
LIABILITIES								
Current Liabilities:								
Accounts Payable	24	164	104	2	501	400	23	1,218
Accrued Payroll	19	147	---	7	1,764	25	---	1,962
Due to Other Funds	43	40	12	---	3	5	---	103
Securities Lending Obligation	12	1,093	19	65	109	115	35	1,448
Obligations Under Lease Purchase	---	---	38	---	---	---	---	38
Compensated Absences	2	438	---	12	2,293	36	---	2,781
Total Current Liabilities	100	1,882	173	86	4,670	581	58	7,550
Non-Current Liabilities:								
Obligations Under Lease Purchase	---	---	28	---	---	---	---	28
Compensated Absences	---	---	---	3	---	---	---	3
Total Non-Current Liabilities	---	---	28	3	---	---	---	31
Total Liabilities	100	1,882	201	89	4,670	581	58	7,581
NET ASSETS								
Invested in Capital Assets, Net of Related Debt	64	34,997	5,345	330	4,116	2,026	23	46,901
Unrestricted	241	29,764	925	2,355	(1,086)	2,710	1,078	35,987
Total Net Assets	$ 305	$ 64,761	$ 6,270	$ 2,685	$ 3,030	$ 4,736	$ 1,101	$ 82,888

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2011
Operating Revenues:								
Licenses, Fees, and Permits	$ 2,430	$ 5,582	$ ---	$ ---	$ ---	$ ---	$ ---	$ 8,012
Sales	---	762	87	---	213	2,026	1,356	4,444
Leases and Rentals	1,165	2,129	---	---	---	---	---	3,294
Charges for Services	---	---	---	---	25,737	---	---	25,737
Cost Reimbursement/Miscellaneous	---	1,218	17	---	---	309	1	1,545
Total Operating Revenues	3,595	9,691	104	---	25,950	2,335	1,357	43,032
Operating Expenses:								
Cost of Goods Sold	---	---	737	---	---	872	---	1,609
Personal Service	943	7,265	79	232	57,397	877	638	67,431
Operations	2,495	1,138	230	44	7,817	453	475	12,652
Inventories	23	---	26	3	9,379	5	56	9,492
Specific Programs	44	6	---	221	821	2	---	1,094
Depreciation/Amortization	18	1,623	1,107	10	507	285	12	3,562
Other Charges	171	165	2	---	72	3	19	432
Total Operating Expenses	3,694	10,197	2,181	510	75,993	2,497	1,200	96,272
Operating Income (Loss)	(99)	(506)	(2,077)	(510)	(50,043)	(162)	157	(53,240)
Non-Operating Revenues (Expenses):								
Contributions and Intergovernmental	120	1,213	1,515	---	45,565	22	---	48,435
Interest Expense	---	---	(3)	---	---	---	---	(3)
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	(1)	(67)	(1)	(5)	(18)	(5)	(2)	(99)
Interest	3	6	---	18	52	20	---	99
Penalties and Unclaimed Properties	---	2	---	---	---	---	---	2
Disposal of Capital Assets	---	---	100	---	(88)	204	---	216
Total Non-Operating Revenues (Expenses)	122	1,154	1,611	13	45,511	241	(2)	48,650
Income (Loss) Before Transfers	23	648	(466)	(497)	(4,532)	79	155	(4,590)
Transfers Out	---	---	---	---	---	(20)	---	(20)
Change in Net Assets	23	648	(466)	(497)	(4,532)	59	155	(4,610)
Total Net Assets - Beginning	282	64,113	6,736	3,182	7,562	4,677	946	87,498
Total Net Assets - Ending	$ 305	$ 64,761	$ 6,270	$ 2,685	$ 3,030	$ 4,736	$ 1,101	$ 82,888

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2011
Cash Flows from Operating Activities:								
Receipts from Internal Customers and Users	$ 94	$ ---	$ ---	$ ---	$ ---	$ 461	$ 1,378	$ 1,933
Receipts from External Customers and Users	3,501	8,234	86	---	26,002	1,680	---	39,503
Payments to Suppliers	(2,512)	(1,238)	(925)	(59)	(17,422)	(1,024)	(581)	(23,761)
Payments to Employees	(1,070)	(7,023)	(90)	(233)	(57,079)	(891)	(693)	(67,079)
Payments Made for Program Expense	(44)	(6)	---	(221)	(821)	(2)	---	(1,094)
Other Receipts (Payments)	(171)	1,053	15	---	(72)	306	(18)	1,113
Net Cash Provided (Used) by Operating Activities	(202)	1,020	(914)	(513)	(49,392)	530	86	(49,385)
Cash Flows from Non-Capital Financing Activities:								
Due to/from Other Funds	4	6	96	(1)	(38)	4	(13)	58
Contributions and Intergovernmental	120	1,213	1,515	---	45,565	22	---	48,435
Transfers to/from Other Funds	---	---	---	---	---	(20)	---	(20)
Net Cash Provided (Used) by Non-Capital Financing Activities	124	1,219	1,611	(1)	45,527	6	(13)	48,473
Cash Flows from Capital and Related Financing Activities:								
Interest Expense	---	---	(3)	---	---	---	---	(3)
Purchases and Construction of Capital Assets	---	(5,148)	(685)	---	(2,042)	---	---	(7,875)
Capital Lease Downpayment/Obligations	---	---	(50)	---	---	---	---	(50)
Disposal of Capital Assets	---	---	---	---	---	183	---	183
Net Cash Provided (Used) by Capital and Related Financing Activities	---	(5,148)	(738)	---	(2,042)	183	---	(7,745)
Cash Flows from Investing Activities:								
Proceeds from Investment Maturities	99	5,891	93	606	5,046	---	70	11,805
Purchase of Investments	---	---	---	---	---	(212)	---	(212)
Interest and Dividends Received	3	6	---	18	57	18	---	102
Penalties and Other Receipts	---	2	---	---	---	---	---	2
Net Cash Provided (Used) by Investing Activities	102	5,899	93	624	5,103	(194)	70	11,697
Net Increase (Decrease) in Cash	24	2,990	52	110	(804)	525	143	3,040
Cash and Cash Equivalents, Beginning of Year	81	6,586	110	455	1,760	481	178	9,651
Cash and Cash Equivalents, End of Year	$ 105	$ 9,576	$ 162	$ 565	$ 956	$ 1,006	$ 321	$ 12,691
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating Income (Loss)	$ (99)	$ (506)	$ (2,077)	$ (510)	$ (50,043)	$ (162)	$ 157	$ (53,240)
Depreciation/Amortization Expense	18	1,623	1,107	10	507	285	12	3,562
Changes in Assets and Liabilities:								
Accounts Receivable	---	(239)	(1)	---	52	115	22	(51)
Inventories	---	(98)	10	---	(5)	---	(62)	(155)
Accounts Payable	6	(2)	58	(12)	(221)	306	12	147
Accrued Payroll	(33)	53	(3)	---	114	(4)	(18)	109
Compensated Absences	(94)	189	(8)	(1)	204	(10)	(37)	243
Net Cash Provided (Used) by Operating Activities	$ (202)	$ 1,020	$ (914)	$ (513)	$ (49,392)	$ 530	$ 86	$ (49,385)
Non-Cash Financing and Investing Activities:								
Capital Asset Donations	$ ---	$ ---	$ ---	$ ---	$ 125	$ 22	$ ---	$ 147
Increase (Decrease) in Fair Value of Investments	(1)	(67)	(1)	(5)	(18)	(5)	(2)	(99)
Net Non-Cash Financing and Investing Activities	$ (1)	$ (67)	$ (1)	$ (5)	$ 107	$ 17	$ (2)	$ 48

*The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.*

Internal Service Funds:

Natural Resources Cost Allocation – Accounts for the administrative costs of the Department of Natural Resources.

Mental Health Interagency Payments – Accounts for moneys received through interagency agreements for services provided by other agencies.

State Facility Maintenance and Operation – Accounts for moneys collected from tenants for rent to cover the costs of operations in state-owned office buildings and institutions, charges to tenants in leased space to cover costs of real estate administrative services, and charges to capital improvement projects to cover the costs of project management services.

Office of Administration Revolving – Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services, postage, and personnel administration.

Working Capital Revolving – Accounts for the operation of correctional industry programs and correctional farm programs.

General Government Revolving – Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer, and Department of Corrections.

Social Services Administrative Trust – Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

Economic Development Administrative – Accounts for moneys collected for goods and services provided to other divisions and used to pay the cost of providing such services.

Professional Registration Fees – Accounts for moneys received from the professional boards for administrative services.

Conservation Employees' Insurance Plan – Accounts for health insurance coverage on a self-insured basis and life insurance coverage by a third party provider for Department of Conservation employees.

Transportation Self-Insurance Plan – Accounts for highway and highway patrol moneys used to pay workers' compensation claims. Moneys are also used to pay auto claims against the Department of Transportation.

Missouri State Employees' Insurance Plan – Accounts for long-term disability and death benefits provided on a self-insured basis for state employees.

Missouri Consolidated Health Care Plan – Accounts for medical care benefits provided on a self-insured basis for active state employees.

MoDOT and MSHP Medical and Life Insurance Plan – Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Transportation employees and members of the Missouri State Highway Patrol.

STATE OF MISSOURI
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2011
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	Medical and Life Insurance Plan	Totals June 30, 2011
ASSETS															
Current Assets:															
Cash and Cash Equivalents	$ 283	$ 901	$ 1,613	$ 4,451	$ 4,437	$ 1,132	$ 157	$ 65	$ 116	$ 1,118	$ 9,840	$ ---	$ 108,932	$ 6,993	$ 140,038
Investments	591	1,882	3,367	11,718	9,268	2,365	329	137	242	4,056	22,903	3,443	34,931	18,782	114,014
Invested Securities Lending Collateral	32	103	184	640	507	129	18	7	13	---	---	---	---	---	1,633
Accounts Receivable, Net	---	---	---	3,048	529	31,051	---	---	---	460	---	1,108	2,183	3,038	41,417
Interest Receivable	---	---	---	---	---	---	---	---	---	10	214	---	---	158	382
Due from Other Funds	---	290	11,657	2,879	916	26	36	1	---	---	---	---	---	---	15,805
Due from Component Units	---	---	---	1	---	---	---	---	---	---	---	---	---	---	1
Inventories	3	16	6,100	1,197	9,117	---	---	2	12	---	---	---	---	---	16,447
Prepaid Items	---	---	---	---	---	---	---	---	---	---	---	---	31	---	31
Total Current Assets	909	3,192	22,921	23,934	24,774	34,703	540	212	383	5,644	32,957	4,551	146,077	28,971	329,768
Non-Current Assets:															
Investments	---	---	---	---	---	---	---	---	---	---	38,539	---	---	23,778	62,317
Restricted Assets:															
Cash and Cash Equivalents	---	---	1,004	1,169	---	---	---	---	---	---	---	---	---	---	2,173
Investments	---	---	---	---	---	---	---	---	---	---	200	---	---	100	300
Capital Assets:															
Construction in Progress	---	---	106	1,060	66	---	---	---	---	---	---	---	---	---	1,232
Software in Progress	736	603	---	9	---	7,079	---	---	---	---	---	---	---	---	8,427
Land	---	---	7,681	---	41	---	---	---	---	---	---	---	---	---	7,722
Land Improvements	---	---	3,052	---	62	---	---	---	---	---	---	---	---	---	3,114
Buildings	4,749	---	513,890	2,321	6,833	---	---	---	2,300	---	---	---	---	---	530,093
Equipment	5,812	2,445	13,271	54,624	24,410	2,247	63	458	1,883	---	---	---	2,878	---	108,091
Software	689	---	12	1,053	---	---	---	3	---	---	---	---	---	---	1,757
Less Accumulated Depreciation/Amortization	(6,891)	(2,297)	(146,226)	(35,539)	(26,130)	(1,755)	(63)	(428)	(2,676)	---	---	---	(2,545)	---	(224,550)
Total Non-Current Assets	5,095	751	392,790	24,697	5,282	7,571	---	33	1,507	---	38,739	---	333	23,878	500,676
Total Assets	6,004	3,943	415,711	48,631	30,056	42,274	540	245	1,890	5,644	71,696	4,551	146,410	52,849	830,444
LIABILITIES															
Current Liabilities:															
Bank Overdraft	---	---	---	---	---	---	---	---	---	---	---	1	---	---	1
Accounts Payable	148	2	3,734	309	53	1,237	4	10	65	79	11	3,600	20,820	3,738	33,810
Accrued Payroll	234	---	1,076	351	257	39	---	24	153	---	---	---	---	---	2,134
Due to Other Funds	84	---	72	3	129	216	---	5	27	---	---	---	---	---	536
Securities Lending Obligation	32	103	184	640	507	129	18	7	13	---	---	---	---	---	1,633
Unearned Revenue	---	---	---	81	---	---	---	---	---	12	---	---	25,223	7,948	33,264
Claims Liability	---	---	---	---	---	---	---	---	---	2,326	23,481	---	36,390	11,400	73,597
Obligations under Lease Purchase	349	---	1,206	3,144	---	---	---	---	---	---	---	---	---	---	4,699
Compensated Absences	516	---	2,287	680	582	55	---	51	248	---	---	---	2	---	4,421
Total Current Liabilities	1,363	105	8,559	5,208	1,528	1,676	22	97	506	2,417	23,492	3,601	82,435	23,086	154,095
Non-Current Liabilities:															
Claims Liability	---	---	---	---	---	---	---	---	---	---	66,503	---	---	---	66,503
Obligations under Lease Purchase	1,053	---	33,121	12,862	---	---	---	---	---	---	---	---	---	---	47,036
Compensated Absences	52	---	216	1,167	---	---	---	---	37	---	---	---	228	---	1,700
Total Non-Current Liabilities	1,105	---	33,337	14,029	---	---	---	---	37	---	66,503	---	228	---	115,239
Total Liabilities	2,468	105	41,896	19,237	1,528	1,676	22	97	543	2,417	89,995	3,601	82,663	23,086	269,334
NET ASSETS															
Invested in Capital Assets, Net of Related Debt	3,693	751	357,459	7,522	5,282	7,571	---	33	1,507	---	---	---	333	---	384,151
Restricted for:															
Revenue Bonds	---	---	1,004	---	---	---	---	---	---	---	---	---	---	---	1,004
Other Purposes	---	---	---	1,169	---	---	---	---	---	---	200	---	---	100	1,469
Unrestricted	(157)	3,087	15,352	20,703	23,246	33,027	518	115	(160)	3,227	(18,499)	950	63,414	29,663	174,486
Total Net Assets	$ 3,536	$ 3,838	$ 373,815	$ 29,394	$ 28,528	$ 40,598	$ 518	$ 148	$ 1,347	$ 3,227	$ (18,299)	$ 950	$ 63,747	$ 29,763	$ 561,110

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2011
Operating Revenues:															
Employer Contributions	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 9,017	$ 20,450	$ ---	$ 368,283	$ 82,864	$ 480,614
Employee Contributions	---	---	---	---	---	---	---	---	---	6,129	---	83,051	83,926	32,591	205,697
Medicare Part D Subsidy	---	---	---	---	---	---	---	---	---	212	---	---	---	3,379	3,591
Licenses, Fees, and Permits	---	---	---	---	---	15,290	---	---	6,157	---	---	---	---	---	21,447
Sales	---	---	2	---	30,514	11	4	---	---	---	---	---	---	---	30,531
Leases and Rentals	---	---	101,028	---	152	9	---	---	---	---	---	---	---	---	101,189
Charges for Services	13,036	8,145	2,988	73,058	---	44	2,849	1,292	---	---	---	---	---	---	101,412
Cost Reimbursement/Miscellaneous	31	210	154	16,485	4	21	---	---	4	490	320	981	---	4,770	23,470
Total Operating Revenues	13,067	8,355	104,172	89,543	30,670	15,375	2,853	1,292	6,161	15,848	20,770	84,032	452,209	123,604	967,951
Operating Expenses:															
Cost of Goods Sold	---	---	---	9,953	12,326	---	---	---	---	---	---	---	---	---	22,279
Personal Service	8,824	40	35,081	12,135	9,627	1,507	---	1,233	4,709	---	---	654	3,119	---	76,929
Operations	3,810	255	62,477	51,620	6,858	13,748	3,036	244	1,045	1,314	659	198	15,302	7,674	168,240
Inventories	89	39	670	30	139	73	112	13	58	---	---	---	---	---	1,223
Specific Programs	16	9,102	35	---	13	3,511	---	---	11	---	---	54,221	---	---	66,909
Insurance Benefits	---	---	---	---	---	---	---	---	---	16,755	28,563	28,804	409,567	109,381	593,070
Depreciation/Amortization	757	30	13,498	6,214	932	680	---	32	235	---	---	---	362	---	22,740
Other Charges	91	---	83	47	1,418	93	---	11	91	37	---	---	---	20	1,891
Total Operating Expenses	13,587	9,466	111,844	79,999	31,313	19,612	3,148	1,533	6,149	18,106	29,222	83,877	428,350	117,075	953,281
Operating Income (Loss)	(520)	(1,111)	(7,672)	9,544	(643)	(4,237)	(295)	(241)	12	(2,258)	(8,452)	155	23,859	6,529	14,670
Non-Operating Revenues (Expenses):															
Contributions and Intergovernmental	---	---	53	---	1	16	---	105	---	---	---	---	---	60	235
Interest Expense	---	---	(1,545)	(69)	---	---	---	---	---	---	---	---	---	---	(1,614)
Investment Earnings:															
Net Increase (Decrease) in the Fair Value of Investments	(4)	(8)	(8)	(21)	(30)	(29)	(1)	(1)	---	(28)	(169)	---	---	(128)	(427)
Interest	---	---	4	---	---	---	---	---	---	101	1,712	11	709	1,068	3,605
Penalties and Unclaimed Properties	---	---	6	---	---	---	---	---	---	---	---	---	---	---	6
Disposal of Capital Assets	9	2	(351)	(2)	(21)	1	---	1	3	---	---	---	---	---	(358)
Total Non-Operating Revenues (Expenses)	5	(6)	(1,841)	(92)	(50)	(12)	(1)	105	3	73	1,543	11	709	1,000	1,447
Income (Loss) Before Transfers	(515)	(1,117)	(9,513)	9,452	(693)	(4,249)	(296)	(136)	15	(2,185)	(6,909)	166	24,568	7,529	16,117
Capital Contributions	---	---	60	1,241	---	---	---	---	---	---	---	---	---	---	1,301
Transfers In	---	---	---	---	36	15	---	---	48	---	---	---	---	---	99
Transfers Out	---	---	(5)	(441)	---	---	---	---	(33)	---	---	---	---	---	(479)
Change in Net Assets	(515)	(1,117)	(9,458)	10,252	(657)	(4,234)	(296)	(136)	30	(2,185)	(6,909)	166	24,568	7,529	17,038
Total Net Assets - Beginning	4,051	4,955	383,273	19,142	29,185	44,832	814	284	1,317	5,412	(11,390)	784	39,179	22,234	544,072
Total Net Assets - Ending	$ 3,536	$ 3,838	$ 373,815	$ 29,394	$ 28,528	$ 40,598	$ 518	$ 148	$ 1,347	$ 3,227	$ (18,299)	$ 950	$ 63,747	$ 29,763	$ 561,110

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2011
Cash Flows from Operating Activities:															
Receipts from Internal Customers and Users	$ 13,036	$ 8,055	$ 104,018	$ 69,456	$ 20,249	$ 122	$ 2,849	$ 1,292	$ 6,157	$ 9,140	$ 20,450	$ ---	$ 379,613	$ 82,864	$ 717,301
Receipts from External Customers and Users	---	90	---	2,735	10,203	12,033	4	---	---	6,341	---	83,086	83,926	35,102	233,520
Payments to Suppliers	(3,841)	(350)	(63,540)	(64,933)	(19,891)	(13,585)	(3,210)	(259)	(1,154)	(1,308)	(712)	(58)	(14,582)	(6,775)	(194,198)
Payments to Employees	(8,904)	(59)	(34,939)	(11,175)	(9,753)	(1,518)	---	(1,263)	(4,678)	---	---	(654)	(3,107)	---	(76,050)
Payments Made for Program Expense	(16)	(9,102)	(35)	---	(13)	(3,511)	---	---	(11)	(15,674)	(20,140)	(83,025)	(414,494)	(109,781)	(655,802)
Other Receipts (Payments)	(60)	210	71	16,438	(1,414)	(72)	---	(11)	(87)	453	320	981	---	4,750	21,579
Net Cash Provided (Used) by Operating Activities	215	(1,156)	5,575	12,521	(619)	(6,531)	(357)	(241)	227	(1,048)	(82)	330	31,356	6,160	46,350
Cash Flows from Non-Capital Financing Activities:															
Due to/from Other Funds	10	(173)	383	528	213	103	344	4	(4)	---	---	---	---	---	1,408
Due to/from Component Units	---	---	---	(1)	---	---	---	---	---	---	---	---	---	---	(1)
Contibutions and Intergovernmental	---	---	53	---	1	16	---	105	---	---	---	---	---	60	235
Transfers to/from Other Funds	---	---	(5)	(441)	36	15	---	---	15	---	---	---	---	---	(380)
Net Cash Provided (Used) by Non-Capital Financing Activities	10	(173)	431	86	250	134	344	109	11	---	---	---	---	60	1,262
Cash Flows from Capital and Related Financing Activities:															
Interest Expense	---	---	(1,545)	(69)	---	---	---	---	---	---	---	---	---	---	(1,614)
Purchase and Construction of Capital Assets	(944)	(14)	(2,375)	(3,912)	(293)	(4,021)	---	(5)	(81)	---	---	---	(230)	---	(11,875)
Capital Lease Downpayment/Obligations	(347)	---	(1,158)	(1,646)	---	---	---	---	---	---	---	---	---	---	(3,151)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,291)	(14)	(5,078)	(5,627)	(293)	(4,021)	---	(5)	(81)	---	---	---	(230)	---	(16,640)
Cash Flows from Investing Activities:															
Proceeds from Sales and Investment Maturities	956	1,407	---	---	2,184	8,727	69	133	---	1,095	67,863	754,017	---	33,149	869,600
Purchase of Investments	---	---	(143)	(3,473)	---	---	---	---	(82)	---	(65,413)	(754,357)	(1,118)	(42,785)	(867,371)
Interest and Dividends Received	---	---	4	---	---	---	---	---	---	111	1,848	11	709	1,130	3,813
Investment Fees	---	---	---	---	---	---	---	---	---	---	---	---	---	(39)	(39)
Penalties and Other Receipts	---	---	6	---	---	---	---	---	---	---	---	---	---	---	6
Net Cash Provided (Used) by Investing Activities	956	1,407	(133)	(3,473)	2,184	8,727	69	133	(82)	1,206	4,298	(329)	(409)	(8,545)	6,009
Net Increase (Decrease) in Cash	(110)	64	795	3,507	1,522	(1,691)	56	(4)	75	158	4,216	1	30,717	(2,325)	36,981
Cash and Cash Equivalents, Beginning of Year	393	837	1,822	2,113	2,915	2,823	101	69	41	960	5,624	(2)	78,215	9,318	105,229
Cash and Cash Equivalents, End of Year	$ 283	$ 901	$ 2,617	$ 5,620	$ 4,437	$ 1,132	$ 157	$ 65	$ 116	$ 1,118	$ 9,840	$ (1)	$ 108,932	$ 6,993	$ 142,210
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:															
Operating Income (Loss)	$ (520)	$ (1,111)	$ (7,672)	$ 9,544	$ (643)	$ (4,237)	$ (295)	$ (241)	$ 12	$ (2,258)	$ (8,452)	$ 155	$ 23,859	$ 6,529	$ 14,670
Depreciation/Amortization Expense	757	30	13,498	6,214	932	680	---	32	235	---	---	---	362	---	22,740
Changes in Assets and Liabilities:															
Accounts Receivable	---	---	---	(867)	(214)	(3,199)	---	---	---	131	---	35	2,078	(1,112)	(3,148)
Inventories	(1)	---	569	(550)	(566)	---	112	---	---	---	---	---	---	---	(436)
Prepaid Items	---	---	---	---	---	---	---	---	---	---	---	---	112	---	112
Accounts Payable	59	(56)	(962)	(2,780)	(2)	236	(174)	(2)	(51)	6	(53)	140	608	899	(2,132)
Accrued Payroll	(33)	(14)	82	(6)	(7)	(1)	---	(12)	22	---	---	---	---	---	31
Unearned Revenue	---	---	---	---	---	---	---	---	---	(8)	---	---	9,252	244	9,488
Claims Liability	---	---	---	---	---	---	---	---	---	1,081	8,423	---	(4,927)	(400)	4,177
Compensated Absences	(47)	(5)	60	966	(119)	(10)	---	(18)	9	---	---	---	12	---	848
Net Cash Provided (Used) by Operating Activities	$ 215	$ (1,156)	$ 5,575	$ 12,521	$ (619)	$ (6,531)	$ (357)	$ (241)	$ 227	$ (1,048)	$ (82)	$ 330	$ 31,356	$ 6,160	$ 46,350
Non-Cash Financing and Investing Activities:															
Capital Lease Issuance	$ ---	$ ---	$ ---	$ 14,867	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 14,867
Capital Asset Donations	---	---	60	39	35	15	---	---	---	---	---	---	---	---	149
Increase (Decrease) in Fair Value of Investments	(4)	(8)	(8)	(21)	(30)	(29)	(1)	(1)	---	(28)	(169)	---	---	(128)	(427)
Net Non-Cash Financing and Investing Activities	$ (4)	$ (8)	$ 52	$ 14,885	$ 5	$ (14)	$ (1)	$ (1)	$ ---	$ (28)	$ (169)	$ ---	$ ---	$ (128)	$ 14,589

*The **Fiduciary Funds** account for assets held by the State in a trustee or agent capacity.*

Pension (and Other Employee Benefit) Trust Funds:

Missouri State Employees' Retirement System:

Missouri State Employees' Plan – Accounts for retirement, survivor, and disability benefits paid to employees of the State who are not covered under another state-sponsored retirement plan.

Judicial Plan – Accounts for retirement, survivor, and disability benefits to judges in the State of Missouri.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System – Accounts for retirement, survivor, and disability benefits paid to Department of Transportation employees and members of the Missouri State Highway Patrol.

Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust – Accounts for health and welfare benefits paid for the exclusive benefit of current and future retired employees of the State who are not covered under another state-sponsored other post-employment benefit plan.

Missouri State Employees' Deferred Compensation Incentive (IRC 401a) Plan – Accounts for retirement benefits paid to employees of the State.

Missouri State Public Employees' Deferred Compensation (IRC 457) Plan – Accounts for deposits from State employees, which are invested for the benefit of the employees until properly authorized to distribute.

Private-Purpose Trust Funds:

Alternative Care Trust – Accounts for all moneys received and spent by the Division of Family Services on behalf of children in their custody.

Johnson-Travis Memorial Trust – Accounts for all moneys, stocks, and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop, and maintain the gardens.

Unclaimed Property – Accounts for moneys unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends, and interest of banks unable to locate the owners.

Agency Funds:

Social Security Contributions – Accounts for the receipt of contributions from various state funds for the State's share of social security contributions, which are due to the Federal Social Security Administration.

Missouri State Employees' Voluntary Life Insurance – Accounts for moneys withheld from employees' compensation for the contracts entered into with life insurance companies.

Program – Accounts for the receipt of various taxes, refundable deposits, and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution – Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
June 30, 2011
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2011
ASSETS							
Cash and Cash Equivalents	$ 797,297	$ 9,974	$ 34	$ 3,506	$ 144	$ 475	$ 811,430
Investments at Fair Value	6,986,076	87,396	1,548,230	73,949	386,723	1,150,244	10,232,618
Invested Securities Lending Collateral	635,139	7,946	60,134	---	---	---	703,219
Receivables:							
Accounts Receivable	25,899	1,345	34,326	17,482	365	1,179	80,596
Interest Receivable	---	---	3,375	---	---	---	3,375
Prepaid Expenses	50	1	7	---	---	---	58
Capital Assets:							
Land	264	3	84	---	---	---	351
Buildings	3,524	44	582	---	---	---	4,150
Equipment	1,633	21	166	---	---	---	1,820
Software	34	---	3,248	---	---	---	3,282
Accumulated Depreciation/ Amortization	(2,432)	(30)	(793)	---	---	---	(3,255)
Total Capital Assets, Net	3,023	38	3,287	---	---	---	6,348
Total Assets	8,447,484	106,700	1,649,393	94,937	387,232	1,151,898	11,837,644
LIABILITIES							
Accounts Payable	42,333	530	33,372	259	104	312	76,910
Securities Lending Obligation	635,887	7,955	60,340	---	---	---	704,182
Unearned Revenue	---	---	---	4,924	---	---	4,924
Claims Liability	---	---	---	9,534	---	---	9,534
Compensated Absences	555	7	---	---	---	---	562
Total Liabilities	678,775	8,492	93,712	14,717	104	312	796,112
Net Assets Held in Trust for Benefits	$ 7,768,709	$ 98,208	$ 1,555,681	$ 80,220	$ 387,128	$ 1,151,586	$ 11,041,532

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2011
Additions:							
Contributions:							
Employer	$ 263,418	$ 27,703	$ 150,022	$ 61,570	$ ---	$ ---	$ 502,713
Plan Member	3,415	60	46	50,923	---	54,240	108,684
Other	142	---	454	---	39,078	332	40,006
Total Contributions	266,975	27,763	150,522	112,493	39,078	54,572	651,403
Investment Earnings:							
Increase (Decrease) in Appreciation of Assets	1,091,261	13,652	289,428	---	30,769	136,073	1,561,183
Interest and Dividends	403,436	5,047	26,222	8,839	5,266	12,822	461,632
Securities Lending Income	1,783	22	192	---	---	---	1,997
Total Investment Earnings	1,496,480	18,721	315,842	8,839	36,035	148,895	2,024,812
Less Investment Expenses:							
Investment Activity Expense	(100,535)	(1,258)	(18,539)	---	---	---	(120,332)
Securities Lending Expense	(268)	(3)	(82)	---	---	---	(353)
Total Investment Expense	(100,803)	(1,261)	(18,621)	---	---	---	(120,685)
Net Investment Earnings	1,395,677	17,460	297,221	8,839	36,035	148,895	1,904,127
Cost Reimbursement/ Miscellaneous	659	8	33	---	---	---	700
Total Additions	1,663,311	45,231	447,776	121,332	75,113	203,467	2,556,230
Deductions:							
Benefits	597,425	25,489	202,154	107,360	29,786	---	962,214
Administrative Expenses	6,800	85	2,286	6,947	497	881	17,496
Program Distributions	---	---	---	---	---	74,955	74,955
Service Transfer Payments	17,746	---	---	---	---	---	17,746
Depreciation/Amortization	254	3	372	---	---	---	629
Total Deductions	622,225	25,577	204,812	114,307	30,283	75,836	1,073,040
Change in Net Assets	1,041,086	19,654	242,964	7,025	44,830	127,631	1,483,190
Net Assets Held in Trust for Benefits Beginning of Year	6,727,623	78,554	1,312,717	73,195	342,298	1,023,955	9,558,342
End of Year	$ 7,768,709	$ 98,208	$ 1,555,681	$ 80,220	$ 387,128	$ 1,151,586	$ 11,041,532

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2011
(In Thousands of Dollars)

	Alternative Care Trust	Johnson-Travis Memorial Trust	Unclaimed Property	Totals June 30, 2011
ASSETS				
Cash and Cash Equivalents	$ 1,752	$ 255	$ 6,538	$ 8,545
Investments at Fair Value	3,660	592	13,654	17,906
Invested Securities Lending Collateral	200	29	746	975
Interest Receivable	10	1	---	11
Inventories	---	---	2	2
Capital Assets:				
Equipment	---	---	46	46
Software	---	---	9	9
Less: Accumulated Depreciation/Amortization	---	---	(36)	(36)
Total Capital Assets, Net	---	---	19	19
Total Assets	5,622	877	20,959	27,458
LIABILITIES				
Accounts Payable	870	---	10	880
Accrued Payroll	---	---	23	23
Securities Lending Obligation	200	29	746	975
Compensated Absences	---	---	30	30
Total Liabilities	1,070	29	809	1,908
NET ASSETS				
Net Assets Held in Trust for Other Purposes	$ 4,552	$ 848	$ 20,150	$ 25,550

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Alternative Care Trust	Johnson-Travis Memorial Trust	Unclaimed Property	Totals June 30, 2011
Additions:				
Increase (Decrease) in Appreciation of Assets	$ (8)	$ 2	$ (25)	$ (31)
Interest	45	8	---	53
Total Investment Earnings	37	10	(25)	22
Unclaimed Property	---	---	44,621	44,621
Cost Reimbursement/Miscellaneous	12,636	---	---	12,636
Total Additions	12,673	10	44,596	57,279
Deductions:				
Administrative Expenses	---	---	1,707	1,707
Program Distributions	11,350	---	34,709	46,059
Depreciation/Amortization	---	---	16	16
Disposal of Capital Assets	---	---	15	15
Total Deductions	11,350	---	36,447	47,797
Change in Net Assets	1,323	10	8,149	9,482
Net Assets - Beginning	3,229	838	12,001	16,068
Net Assets - Ending	$ 4,552	$ 848	$ 20,150	$ 25,550

STATE OF MISSOURI
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 2011
(In Thousands of Dollars)

	Social Security Contributions	Missouri State Employees' Voluntary Life Insurance	Program	Institution	Totals June 30, 2011
ASSETS					
Cash and Cash Equivalents	$ 33	$ 52	$ 347,918	$ 27,767	$ 375,770
Investments at Fair Value	68	110	122,672	1,553	124,403
Invested Securities Lending Collateral	4	6	49	---	59
Receivables:					
Accounts Receivable	5,932	---	250,523	408	256,863
Interest Receivable	---	---	32	---	32
Total Assets	$ 6,037	$ 168	$ 721,194	$ 29,728	$ 757,127
LIABILITIES					
Accounts Payable	$ ---	$ ---	$ 32	$ ---	$ 32
Due to Other Entities	6,033	162	718,085	---	724,280
Due to Individuals	---	---	3,028	29,728	32,756
Securities Lending Obligation	4	6	49	---	59
Total Liabilities	$ 6,037	$ 168	$ 721,194	$ 29,728	$ 757,127

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
SOCIAL SECURITY CONTRIBUTIONS				
ASSETS				
Cash and Cash Equivalents	$ 26	$ 148,131	$ 148,124	$ 33
Investments at Fair Value	81	68	81	68
Invested Securities Lending Collateral	10	4	10	4
Accounts Receivable	6,167	5,932	6,167	5,932
Total Assets	$ 6,284	$ 154,135	$ 154,382	$ 6,037
LIABILITIES				
Due to Other Entities	$ 6,274	$ 449,035	$ 449,276	$ 6,033
Securities Lending Obligation	10	4	10	4
Total Liabilities	$ 6,284	$ 449,039	$ 449,286	$ 6,037
MISSOURI STATE EMPLOYEES' VOLUNTARY LIFE INSURANCE				
ASSETS				
Cash and Cash Equivalents	$ 34	$ 4,087	$ 4,069	$ 52
Investments at Fair Value	132	110	132	110
Invested Securities Lending Collateral	17	6	17	6
Total Assets	$ 183	$ 4,203	$ 4,218	$ 168
LIABILITIES				
Due to Other Entities	$ 166	$ 4,121	$ 4,125	$ 162
Securities Lending Obligation	17	6	17	6
Total Liabilities	$ 183	$ 4,127	$ 4,142	$ 168
PROGRAM				
ASSETS				
Cash and Cash Equivalents	$ 27,697	$ 6,160,878	$ 5,840,657	$ 347,918
Investments at Fair Value	438,929	607,750	924,007	122,672
Invested Securities Lending Collateral	267	49	267	49
Receivables:				
Accounts Receivable	225,262	42,734	17,473	250,523
Interest Receivable	37	281	286	32
Total Assets	$ 692,192	$ 6,811,692	$ 6,782,690	$ 721,194
LIABILITIES				
Accounts Payable	$ 31	$ 372	$ 371	$ 32
Due to Other Entities	687,477	6,786,027	6,755,419	718,085
Due to Individuals	4,417	19,496	20,885	3,028
Securities Lending Obligation	267	49	267	49
Total Liabilities	$ 692,192	$ 6,805,944	$ 6,776,942	$ 721,194
INSTITUTION				
ASSETS				
Cash and Cash Equivalents	$ 29,048	$ 159,413	$ 160,694	$ 27,767
Investments at Fair Value	1,464	119	30	1,553
Accounts Receivable	331	127	50	408
Total Assets	$ 30,843	$ 159,659	$ 160,774	$ 29,728
LIABILITIES				
Due to Individuals	$ 30,843	$ 159,659	$ 160,774	$ 29,728
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 56,805	$ 6,472,509	$ 6,153,544	$ 375,770
Investments at Fair Value	440,606	608,047	924,250	124,403
Invested Securities Lending Collateral	294	59	294	59
Receivables:				
Accounts Receivable	231,760	48,793	23,690	256,863
Interest Receivable	37	281	286	32
Total Assets	$ 729,502	$ 7,129,689	$ 7,102,064	$ 757,127
LIABILITIES				
Accounts Payable	$ 31	$ 372	$ 371	$ 32
Due to Other Entities	693,917	7,239,183	7,208,820	724,280
Due to Individuals	35,260	179,155	181,659	32,756
Securities Lending Obligation	294	59	294	59
Total Liabilities	$ 729,502	$ 7,418,769	$ 7,391,144	$ 757,127

*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Non-Major Component Units:

Missouri Development Finance Board – Accounts for moneys from bond proceeds, gifts, and grants to make loans for industrial development.

Missouri Agricultural and Small Business Development Authority – Accounts for moneys from bond proceeds, gifts, and grants to make loans for property acquisitions/renovations and pollution control facilities.

Missouri Transportation Finance Corporation – Accounts for moneys from federal, state or local sources, and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

Missouri Wine and Grape Board – Accounts for moneys derived from the privilege of selling wine to be used for marketing development in developing programs for growing, selling, and marketing of grape products grown in Missouri.

STATE OF MISSOURI
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS
June 30, 2011
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2011
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 13,053	$ 1,316	$ 7,588	$ 282	$ 22,239
Investments	4,388	3,059	6,000	590	14,037
Invested Securities Lending Collateral	---	1	---	32	33
Interest Receivable	113	---	1,235	2	1,350
Inventories	---	---	---	1	1
Restricted Assets:					
Cash and Cash Equivalents	---	---	3,303	---	3,303
Investments	---	---	6,009	---	6,009
Receivables, Net	---	---	92	---	92
Loans Receivable	---	---	8,184	---	8,184
Prepaid Items	360	---	---	---	360
Loans Receivable	285	657	---	---	942
Total Current Assets	18,199	5,033	32,411	907	56,550
Non-Current Assets:					
Advance to Primary Government	---	---	3,852	---	3,852
Deferred Charges	187	---	---	---	187
Loans Receivable	40,792	4,264	---	---	45,056
Interest Rate Cap Agreement	124	---	---	---	124
Restricted Assets:					
Cash and Cash Equivalents	15,665	443	---	---	16,108
Investments	11,935	682	6,126	---	18,743
Loans Receivables	---	---	51,622	---	51,622
Capital Assets:					
Land	7,220	---	---	---	7,220
Buildings	47,224	---	---	---	47,224
Equipment	184	---	---	6	190
Software	15	---	---	---	15
Less Accumulated Depreciation/ Amortization	(7,326)	---	---	(4)	(7,330)
Total Non-Current Assets	116,020	5,389	61,600	2	183,011
Total Assets	134,219	10,422	94,011	909	239,561
LIABILITIES					
Current Liabilities:					
Accounts Payable	5,269	119	2	3	5,393
Accrued Payroll	---	---	---	10	10
Bonds Payable	270	---	---	---	270
Due to Primary Government	---	666	---	1	667
Interest Payable	36	45	---	---	81
Securities Lending Obligation	---	1	---	32	33
Compensated Absences	---	---	---	17	17
Total Current Liabilities	5,575	831	2	63	6,471
Non-Current Liabilities:					
Advance from Primary Government	---	4,418	---	---	4,418
Deposits and Reserves	4,533	---	---	---	4,533
Bonds Payable	39,080	---	---	---	39,080
Unearned Revenue	1,037	---	---	---	1,037
Compensated Absenses	---	---	---	16	16
Total Non-Current Liabilities	44,650	4,418	---	16	49,084
Total Liabilities	50,225	5,249	2	79	55,555
NET ASSETS					
Invested in Capital Assets, Net	16,967	---	---	---	16,967
Restricted for:					
Other Purposes	24,972	1,125	79,188	---	105,285
Unrestricted	42,055	4,048	14,821	830	61,754
Total Net Assets	$ 83,994	$ 5,173	$ 94,009	$ 830	$ 184,006

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2011
Operating Revenues:					
Licenses, Fees, and Permits	$ 2,021	$ 545	$ 16	$ ---	$ 2,582
Interest on Receivables	932	---	2,581	---	3,513
Leases and Rentals	2,782	---	---	---	2,782
Cost Reimbursement/Miscellaneous	1,136	---	---	18	1,154
Total Operating Revenues	6,871	545	2,597	18	10,031
Operating Expenses:					
Personal Service	864	402	17	284	1,567
Operations	1,466	422	10	1,435	3,333
Inventories	---	---	---	5	5
Specific Programs	1,272	830	---	2	2,104
Depreciation/Amortization	1,219	---	---	2	1,221
Bad Debt Expense	111	---	---	---	111
Other Charges	33	2	2	7	44
Total Operating Expenses	4,965	1,656	29	1,735	8,385
Operating Income (Loss)	1,906	(1,111)	2,568	(1,717)	1,646
Non-Operating Revenues (Expenses):					
Contributions and Intergovernmental	(4,988)	1,365	---	1,479	(2,144)
Investment Earnings:					
Increase (Decrease) in Fair Value of Investments	---	9	(144)	(2)	(137)
Interest	211	291	302	10	814
Interest Expense	(838)	(95)	---	---	(933)
Miscellaneous Expenses	---	---	(14)	---	(14)
Total Non-Operating Revenues (Expenses)	(5,615)	1,570	144	1,487	(2,414)
Change in Net Assets	(3,709)	459	2,712	(230)	(768)
Total Net Assets - Beginning	87,703	4,714	91,297	1,060	184,774
Total Net Assets - Ending	$ 83,994	$ 5,173	$ 94,009	$ 830	$ 184,006

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2011
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2011
Cash Flows from Operating Activities:					
Receipts from Customers and Users	$ 5,654	$ 554	$ 2,723	$ ---	$ 8,931
Loans to Outside Entities	---	495	11,309	---	11,804
Payments to Vendors and Suppliers	(3,059)	(313)	(9)	(1,441)	(4,822)
Payments to Employees	(864)	(402)	(17)	(271)	(1,554)
Payments Made for Program Expense	---	---	---	(2)	(2)
Net Payments/Receipts for Tax Credit Projects	847	---	---	---	847
Other Receipts (Payments)	---	(832)	(2)	11	(823)
Net Cash Provided (Used) by Operating Activities	2,578	(498)	14,004	(1,703)	14,381
Cash Flows from Non-Capital Financing Activities:					
Loans Receivable Principal Receipts	621	---	---	---	621
Loans Receivable Issuance	(140)	---	---	---	(140)
Due to/from Primary Government	---	(302)	---	1	(301)
Advance to/from Primary Government	---	(244)	(79)	---	(323)
Contributions and Intergovernmental	12	1,365	---	1,479	2,856
Net Cash Provided (Used) by Non-Capital Financing Activities	493	819	(79)	1,480	2,713
Cash Flows from Capital and Related Financing Activities:					
Interest Expense	(838)	(107)	---	---	(945)
Purchases and Construction of Capital Assets	(3)	---	---	(2)	(5)
Principal Payments on Capital Debt	(255)	---	---	---	(255)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,096)	(107)	---	(2)	(1,205)
Cash Flows from Investing Activities:					
Proceeds from Investment Maturities	26,887	---	36,961	276	64,124
Purchase of Investments	(26,988)	(989)	(47,706)	---	(75,683)
Interest	236	291	302	10	839
Investment Fees	---	---	(14)	---	(14)
Net Cash Provided (Used) by Investing Activities	135	(698)	(10,457)	286	(10,734)
Net Increase (Decrease) in Cash	2,110	(484)	3,468	61	5,155
Cash and Cash Equivalents, Beginning of Year	26,608	2,243	7,423	221	36,495
Cash and Cash Equivalents, End of Year	$ 28,718	$ 1,759	$ 10,891	$ 282	$ 41,650
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	$ 1,906	$ (1,111)	$ 2,568	$ (1,717)	$ 1,646
Depreciation/Amortization Expense	1,219	---	---	2	1,221
Changes in Assets and Liabilities:					
Accounts Receivable	(83)	---	---	---	(83)
Interest Receivable	10	9	126	---	145
Deferred Charges	94	---	---	---	94
Prepaid Items	(39)	---	---	---	(39)
Loans Receivable	---	495	11,309	---	11,804
Accounts Payable	(148)	109	1	(1)	(39)
Accrued Payroll	---	---	---	3	3
Deposit and Reserve	(381)	---	---	---	(381)
Compensated Absences	---	---	---	10	10
Net Cash Provided (Used) by Operating Activities	$ 2,578	$ (498)	$ 14,004	$ (1,703)	$ 14,381
Non-Cash Investing Activities:					
Increase (Decrease) in Fair Value of Investments	$ ---	$ 9	$ (144)	$ (2)	$ (137)
Net Non-Cash Investing Activities	$ ---	$ 9	$ (144)	$ (2)	$ (137)

*The **Statistical Section** presentations include Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information trends. The statistical data presented is intended to provide report users with a broader understanding of the environment in which the State operates.*

Index and Overview

This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

Net Assets by Component 152
Changes in Net Assets 153
Fund Balances – Governmental Funds 155
Changes in Fund Balances – Governmental Funds 157

Revenue Capacity

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

Revenue Base – Taxable Sales by Industry 159
Revenue Base – Personal Income by Industry 160
Personal Income Tax Revenue 161
Personal Income Tax Rates 162
Revenue Payers by Industry 163
Personal Income Tax Filers/Liability 164

Debt Capacity

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratios of Outstanding Debt 165
Pledged Revenue Coverage 167

Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Demographic Indicators 168
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Operating Information

These schedules contain operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

State Employees by Function 171
Operating Indicators by Function 172
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Sources: Unless otherwise noted, the information in these schedules is derived from the State of Missouri Comprehensive Annual Financial Report for the years shown.

STATE OF MISSOURI
NET ASSETS BY COMPONENT
FISCAL YEARS 2005-2011
(In Thousands of Dollars)

	2011	2010*	2009	2008
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	$ 26,600,674	$ 25,850,787	$ 26,247,223	$ 25,324,173
Restricted	4,354,322	3,907,120	3,537,444	6,003,212
Unrestricted	(1,155,357)	(940,675)	(1,260,231)	(2,327,482)
Total Governmental Activities Net Assets	$ 29,799,639	$ 28,817,232	$ 28,524,436	$ 28,999,903
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	$ 50,290	$ 45,990	$ 48,442	$ 42,360
Restricted	6,303	7,949	6,771	45,362
Unrestricted	(466,841)	(437,995)	(1,050)	329,265
Total Business-Type Activities Net Assets	$ (410,248)	$ (384,056)	$ 54,163	$ 416,987
Primary Government				
Invested in Capital Assets, Net of Related Debt	$ 26,650,964	$ 25,896,777	$ 26,295,665	$ 25,366,533
Restricted	4,360,625	3,915,069	3,544,215	6,048,574
Unrestricted	(1,622,198)	(1,378,670)	(1,261,281)	(1,998,217)
Total Primary Government Net Assets	$ 29,389,391	$ 28,433,176	$ 28,578,599	$ 29,416,890

Continues Below

	2007	2006	2005
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	$ 25,475,504	$ 25,840,886	$ 25,572,008
Restricted	5,032,619	3,824,769	3,250,204
Unrestricted	(1,909,993)	(1,453,203)	(1,321,738)
Total Governmental Activities Net Assets	$ 28,598,130	$ 28,212,452	$ 27,500,474
Business-Type Activities			
Invested in Capital Assets, Net of Related Debt	$ 40,922	$ 39,669	$ 43,304
Restricted	9,517	3,942	12,407
Unrestricted	185,453	33,993	(151,323)
Total Business-Type Activities Net Assets	$ 235,892	$ 77,604	$ (95,612)
Primary Government			
Invested in Capital Assets, Net of Related Debt	$ 25,516,426	$ 25,880,555	$ 25,615,312
Restricted	5,042,136	3,828,711	3,262,611
Unrestricted	(1,724,540)	(1,419,210)	(1,473,061)
Total Primary Government Net Assets	$ 28,834,022	$ 28,290,056	$ 27,404,862

*Fiscal year 2010 amounts have been restated.

STATE OF MISSOURI
CHANGES IN NET ASSETS
FISCAL YEARS 2005-2011
(In Thousands of Dollars)

Governmental Activities:	2011	2010*	2009	2008	2007	2006	2005
Expenses							
General Government	$ 1,086,428	$ 1,129,030	$ 1,182,233	$ 1,210,044	$ 1,092,613	$ 981,614	$ 1,035,396
Education	6,536,870	6,815,521	6,589,358	6,379,189	6,042,581	5,773,048	5,669,627
Natural and Economic	929,528	1,082,526	1,043,449	1,006,560	928,873	867,915	834,269
Transportation and Law Enforcement	2,529,014	2,699,070	2,375,104	2,258,653	2,303,272	2,025,341	2,189,839
Human Services	11,712,121	11,740,145	10,898,796	9,876,132	9,191,994	9,890,652	9,771,651
Interest on Debt (Excluding Direct Expense)	200,681	196,413	210,342	174,011	149,987	130,438	126,202
Total Expenses	22,994,642	23,662,705	22,299,282	20,904,589	19,709,320	19,669,008	19,626,984
Program Revenues							
Charges for Services:							
General Government	750,231	875,161	756,969	775,528	669,640	724,442	705,241
Transportation and Law Enforcement	285,269	319,941	400,842	400,134	474,086	308,743	134,297
Human Services	592,057	653,463	531,250	363,644	302,002	422,912	422,706
Other Activities	335,134	380,133	369,976	277,190	239,907	154,925	191,423
Operating Grants and Contributions	9,704,651	9,489,240	8,317,356	7,697,736	7,828,289	7,758,885	7,767,831
Capital Grants and Contributions	1,796,035	1,454,811	966,394	971,801	306	---	---
Total Program Revenues	13,463,377	13,172,749	11,342,787	10,486,033	9,514,230	9,369,907	9,221,498
Total Governmental Activities							
Net Program (Expense) Revenue	(9,531,265)	(10,489,956)	(10,956,495)	(10,418,556)	(10,195,090)	(10,299,101)	(10,405,486)
General Revenues and Other Changes in Net Assets							
Taxes:							
Sales and Use	2,570,244	2,572,491	2,635,068	2,871,465	2,929,398	3,047,305	3,003,405
Individual Income	4,878,166	4,840,809	5,169,741	5,447,817	5,140,588	5,271,506	4,821,500
Corporate Income	394,389	360,764	377,801	463,826	496,378	520,324	351,116
County Foreign Insurance	182,679	171,497	177,393	186,566	178,507	186,647	163,952
Alcoholic Beverage	27,247	27,657	26,689	27,754	28,074	29,068	28,045
Corporate Franchise	70,743	82,182	82,114	82,360	69,704	76,574	118,343
Inheritance	1,833	233	2,671	3,073	5,351	15,319	41,832
Miscellaneous Taxes	1,210,758	1,207,501	1,160,700	1,173,076	1,164,171	1,307,727	1,334,595
Grants and Contributions not Restricted to Specific Programs	889,051	1,301,531	499,542	196,397	195,662	158,745	158,140
Unrestricted Investment Earnings	23,282	28,870	69,339	136,782	145,879	146,234	80,161
Transfers	265,280	258,947	257,441	264,416	256,687	258,773	207,159
Total General Revenues and Other Changes in Net Assets	10,513,672	10,852,482	10,458,499	10,853,532	10,610,399	11,018,222	10,308,248
Total Governmental Activities Change in Net Assets	$ 982,407	$ 362,526	$ (497,996)	$ 434,976	$ 415,309	$ 719,121	$ (97,238)
Business-Type Activities:							
Expenses							
State Lottery	$ 746,010	$ 724,915	$ 726,106	$ 740,189	$ 689,426	$ 665,848	$ 575,667
Unemployment Compensation	1,719,619	2,216,078	1,292,531	498,318	444,962	412,937	501,098
Petroleum Storage Tank Insurance	13,939	13,925	17,186	21,516	16,249	13,243	25,944
State Fair Fees	3,693	3,843	4,303	3,648	4,189	4,060	3,800
State Parks and DNR	12,256	9,042	14,211	8,178	7,686	12,656	5,456
Historic Preservation	509	1,145	714	403	256	93	267
Missouri Veterans' Homes	76,052	70,884	62,378	57,075	53,215	46,662	58,756
Surplus Property	2,292	2,542	1,759	3,530	3,152	3,086	2,635
Revenue Information	1,193	1,513	5,345	1,090	1,234	871	1,191
Total Expenses	2,575,563	3,043,887	2,124,533	1,333,947	1,220,369	1,159,456	1,174,814
Program Revenues							
Charges for Services:							
State Lottery	1,011,055	984,187	981,431	1,005,421	946,017	925,079	793,750
Other Activities	55,153	56,659	60,015	101,062	65,390	64,624	63,924
Operating Grants and Contributions	1,749,487	1,823,732	967,324	657,534	618,071	603,727	542,984
Total Program Revenues	2,815,695	2,864,578	2,008,770	1,764,017	1,629,478	1,593,430	1,400,658
Total Business-Type Activities Net Program (Expense) Revenue	240,132	(179,309)	(115,763)	430,070	409,109	433,974	225,844
General Revenues and Other Changes in Net Assets							
Unrestricted Investment Earnings	(1,044)	2,533	10,152	15,424	5,684	(2,189)	3,213
Extraordinary Items	---	---	---	---	---	35	---
Transfers	(265,280)	(258,947)	(257,441)	(264,416)	(256,687)	(258,773)	(207,159)
Total General Revenues and Other Changes in Net Assets	(266,324)	(256,414)	(247,289)	(248,992)	(251,003)	(260,927)	(203,946)
Total Business-Type Activities Change in Net Assets	$ (26,192)	$ (435,723)	$ (363,052)	$ 181,078	$ 158,106	$ 173,047	$ 21,898
Total Primary Government Change in Net Assets	$ 956,215	$ (73,197)	$ (861,048)	$ 616,054	$ 573,415	$ 892,168	$ (75,340)

*Fiscal year 2010 amounts have been restated.

STATE OF MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEARS 2005-2011
(In Thousands of Dollars)

	2011	2010*
General Fund		
Nonspendable	$ 42,906	$ 44,158
Restricted	475,188	186,737
Committed	512,623	534,620
Assigned	59,888	51,734
Unassigned	325,146	423,227
Total General Fund	1,415,751	1,240,476
All Other Governmental Funds		
Nonspendable	1,016,981	986,201
Restricted	2,152,507	2,021,223
Committed	284,444	219,557
Assigned	339,189	355,202
Total All Other Governmental Funds	3,793,121	3,582,183
Total Fund Balances, Governmental Funds	$ 5,208,872	$ 4,822,659

*Fiscal year 2010 amounts have been restated.
Fiscal years 2005-2009 will not be restated for GASB Statement No. 54.

	2009	2008	2007	2006	2005
General Fund					
Reserved	$ 589,532	$ 584,516	$ 567,880	$ 526,159	$ 577,561
Unreserved	716,371	1,310,239	1,289,033	988,240	326,920
Total General Fund	1,305,903	1,894,755	1,856,913	1,514,399	904,481
All Other Governmental Funds					
Reserved	1,218,019	1,112,262	1,068,533	988,493	876,859
Unreserved, Reported in:					
Special Revenue Funds	1,182,724	1,314,796	1,184,853	1,192,431	1,043,965
Capital Projects Funds	540,554	927,694	542,038	213,026	251,124
Permanent Funds	124	116	88	96	87
Total All Other Governmental Funds	2,941,421	3,354,868	2,795,512	2,394,046	2,172,035
Total Fund Balances, Governmental Funds	$ 4,247,324	$ 5,249,623	$ 4,652,425	$ 3,908,445	$ 3,076,516

STATE OF MISSOURI
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEARS 2005-2011
(In Thousands of Dollars)

	2011	2010*	2009	2008	2007	2006	2005
Revenues:							
Taxes	$ 9,398,841	$ 8,987,066	$ 9,503,743	$ 10,220,623	$ 10,030,906	$ 10,648,213	$ 9,646,452
Licenses, Fees, and Permits	630,949	637,078	657,725	638,048	574,873	622,911	591,530
Sales	10,131	8,917	10,301	12,064	34,973	11,321	16,849
Leases and Rentals	665	934	448	438	373	155	2,143
Services	272,552	243,998	244,557	231,509	230,173	240,857	182,112
Contributions and Intergovernmental	12,383,008	12,265,891	9,763,754	8,865,962	8,025,979	7,930,499	7,901,109
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	(53)	1,734	(9,565)	6,172	15,758	(113)	3,152
Interest	34,497	44,954	103,068	203,782	185,163	136,876	69,698
Penalties and Unclaimed Properties	54,836	60,284	48,730	64,004	63,151	83,174	25,854
Cost Reimbursement/Miscellaneous	662,184	963,030	739,288	507,021	478,419	427,916	441,555
Total Revenues	23,447,610	23,213,886	21,062,049	20,749,623	19,639,768	20,101,809	18,880,454
Expenditures:							
Current:							
General Government	883,952	889,467	952,780	1,021,589	923,316	850,355	852,997
Education	6,525,986	6,809,217	6,582,393	6,373,671	6,044,098	5,776,495	5,668,542
Natural and Economic Resources	827,512	974,260	894,815	853,872	819,326	759,733	792,650
Transportation and Law Enforcement	1,758,410	1,814,485	1,515,903	1,429,102	1,394,597	1,206,611	1,174,113
Human Services	11,627,776	11,632,371	10,829,000	9,835,109	9,158,585	9,796,523	9,795,983
Capital Outlay:							
General Government	1	5	---	---	321	386	245
Education	---	---	---	---	18,042	21,687	13,769
Transportation and Law Enforcement	1,253,100	1,409,557	1,308,229	1,144,171	1,250,233	1,231,092	903,776
Human Services	---	4	306	3,133	10,248	12,319	7,821
Debt Service:							
Principal	242,497	227,307	219,496	196,669	197,212	170,295	127,264
Interest	225,858	209,428	191,684	186,432	165,470	121,301	120,982
Bond Issuance Costs	1,552	8,101	1,278	2,694	5,775	1,821	---
Underwriter's Discount	437	---	---	390	247	---	326
Arbitrage	42	374	583	---	---	---	---
Total Expenditures	23,347,123	23,974,576	22,496,467	21,046,832	19,987,470	19,948,618	19,458,468
Excess Revenues (Expenditures)	100,487	(760,690)	(1,434,418)	(297,209)	(347,702)	153,191	(578,014)
Other Financing Sources (Uses):							
Proceeds from Capital Leases	6,300	6,675	26,317	52,245	8,794	41,924	53,025
Capital Lease Termination Payment	---	---	---	(22,559)	---	---	---
Debt Issuance	---	1,085,000	142,735	576,800	920,000	350,660	---
Issuance of Refunding Bonds	312,960	---	---	---	394,870	---	157,605
Swap Termination Payment	---	---	---	(11,118)	---	---	---
Payments to Escrow Agent	(351,599)	---	---	---	(433,477)	---	(175,553)
Bond Premium	40,468	30,631	2,835	28,361	77,099	21,336	18,274
Proceeds from Capital Asset Sale	14,703	12,938	11,087	13,142	8,675	6,634	5,920
Transfers In	265,331	259,810	258,568	266,263	257,287	260,967	239,465
Transfers Out	(48)	(738)	(902)	(6,476)	(120,586)	(1,598)	(19,420)
Total Other Financing Sources (Uses)	288,115	1,394,316	440,640	896,658	1,112,662	679,923	279,316
Net Change in Fund Balances	388,602	633,626	(993,778)	599,449	764,960	833,114	(298,698)
Increase (Decrease) in Reserve for Inventory	(2,389)	(279)	(105)	(2,251)	838	(129)	327
Net Change in Fund Balances	$ 386,213	$ 633,347	$ (993,883)	$ 597,198	$ 765,798	$ 832,985	$ (298,371)
Debt Service as a Percentage of Non-Capital Expenditures	2.14%	1.99%	1.96%	1.96%	1.99%	1.59%	1.35%

*Fiscal year 2010 amounts have been restated.

STATE OF MISSOURI
REVENUE BASE - TAXABLE SALES BY INDUSTRY
FISCAL YEARS 2005-2011

Taxable Sales by Industry	2011	2010	2009	2008
Agricultural/Forestry, Fishing, and Other	$ 201,234,995	$ 202,810,606	$ 209,980,903	$ 192,024,683
Mining	73,001,501	85,194,876	88,867,589	106,892,575
Construction	794,578,753	786,022,254	889,561,095	887,618,876
Manufacturing	2,916,005,779	2,994,039,718	3,203,288,128	2,995,302,916
Transportation and Public Utilities	8,377,819,035	8,347,862,197	8,247,781,684	7,130,631,754
Wholesale Trade	7,636,707,697	5,708,391,048	7,019,606,804	8,028,332,745
Retail Trade	43,451,150,211	42,667,031,160	44,820,794,586	46,413,720,906
Finance, Insurance, and Real Estate	573,590,035	562,957,084	592,136,070	538,271,852
Services	8,712,983,898	8,676,719,865	8,648,622,385	9,212,468,960
State and Local Government	150,984,890	135,174,330	158,765,152	162,520,783
Non-Classifiable	13,130,346	14,230,874	21,079,516	19,669,233
Total Taxable Sales	$ 72,901,187,140	$ 70,180,434,012	$ 73,900,483,912	$ 75,687,455,283
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%

Continues Below

Taxable Sales by Industry	2007	2006	2005
Agricultural/Forestry, Fishing, and Other	$ 198,564,812	$ 190,183,959	$ 173,064,997
Mining	128,534,001	148,041,999	144,360,458
Construction	929,753,447	929,146,007	781,324,533
Manufacturing	2,862,904,859	3,217,299,757	3,033,835,702
Transportation and Public Utilities	7,673,318,253	7,285,790,054	6,950,561,788
Wholesale Trade	8,338,189,598	8,604,467,502	8,136,436,052
Retail Trade	46,166,130,737	44,878,694,872	42,950,724,459
Finance, Insurance, and Real Estate	529,797,617	533,582,629	507,350,286
Services	8,787,849,846	8,433,450,983	8,015,509,010
State and Local Government	161,631,024	156,947,658	84,808,852
Non-Classifiable	15,518,372	16,694,236	16,301,552
Total Taxable Sales	$ 75,792,192,566	$ 74,394,299,656	$ 70,794,277,689
Direct Sales Tax Rate	4.225%	4.225%	4.225%

Source: Missouri Department of Revenue

STATE OF MISSOURI
REVENUE BASE - PERSONAL INCOME BY INDUSTRY
CALENDAR YEARS 2004-2010

Personal Income by Industry (In Thousands of Dollars)	2010	2009*	2008*	2007*
Farm Earnings	$ 1,709,096	$ 1,735,353	$ 2,376,908	$ 1,374,784
Agricultural/Forestry, Fishing, and Other	259,939	280,097	303,216	305,046
Mining	337,108	345,372	502,265	440,499
Construction/Utilities	10,654,400	11,282,770	12,515,535	12,386,303
Manufacturing	17,449,834	17,611,348	20,135,244	19,030,882
Transportation and Public Utilities	5,838,538	5,918,622	6,293,066	6,255,137
Wholesale Trade	8,820,611	8,729,474	9,231,282	9,027,671
Retail Trade	10,651,964	10,475,458	10,569,745	10,617,610
Finance, Insurance, and Real Estate	12,357,746	11,766,980	11,669,686	11,183,515
Services	67,010,780	64,769,162	67,546,802	63,543,402
Federal, Civilian	5,962,272	5,704,489	5,354,353	5,011,544
Military	2,706,004	2,862,252	2,595,583	2,323,860
State and Local Government	19,392,966	19,354,397	18,814,524	17,853,285
Total Personal Income	$ 163,151,258	$ 160,835,774	$ 167,908,209	$ 159,353,538
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%

Continues Below

Personal Income by Industry (In Thousands of Dollars)	2006	2005	2004
Farm Earnings	$ 1,275,728	$ 1,418,941	$ 2,249,533
Agricultural/Forestry, Fishing, and Other	296,794	285,101	298,302
Mining	382,200	493,876	376,755
Construction/Utilities	12,504,699	11,841,236	11,336,058
Manufacturing	19,108,565	18,615,722	18,349,966
Transportation and Public Utilities	6,103,789	5,879,793	5,631,080
Wholesale Trade	8,465,151	8,073,239	7,627,621
Retail Trade	10,540,177	10,325,489	9,996,119
Finance, Insurance, and Real Estate	11,405,949	10,865,949	10,480,778
Services	59,934,255	56,500,169	53,613,041
Federal, Civilian	4,852,757	4,689,078	4,524,741
Military	2,109,152	1,972,637	1,828,320
State and Local Government	16,825,963	16,065,575	15,346,234
Total Personal Income	$ 153,805,179	$ 147,026,805	$ 141,658,548
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%

*Calendar years 2007, 2008, and 2009 have been updated by the Bureau of Economic Analysis.

Source: Bureau of Economic Analysis

STATE OF MISSOURI
PERSONAL INCOME TAX REVENUE
FISCAL YEARS 2005-2011

Personal Income Tax Revenue	2011	2010	2009	2008
Personal Income Tax Revenue	$782,203,135	$814,647,826	$872,343,037	$804,377,211
Personal Income (Federal AGI)	$206,107,657,668	$214,909,582,160	$254,573,370,206	$242,481,271,497
Taxable Income	$147,407,200,244	$124,489,765,954	$188,091,389,476	$172,825,313,183
Average Effective Rate:				
Federal Adjusted Gross	0.38%	0.38%	0.34%	0.33%
Taxable Income	0.53%	0.65%	0.46%	0.47%

Continues Below

Personal Income Tax Revenue	2007	2006	2005
Personal Income Tax Revenue	$773,375,291	$662,996,843	$543,193,091
Personal Income (Federal AGI)	$215,491,776,833	$185,705,288,582	$161,726,939,117
Taxable Income	$157,963,987,815	$133,414,355,787	$114,900,652,083
Average Effective Rate:			
Federal Adjusted Gross	0.36%	0.36%	0.34%
Taxable Income	0.49%	0.50%	0.47%

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

STATE OF MISSOURI
PERSONAL INCOME TAX RATES
FISCAL YEARS 2005-2011

Ranges of Tax Rates on the Portion of Taxable Income (In Thousands of Dollars)	2011	2010	2009	2008	2007	2006	2005
Tax Rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Income Levels	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2
Tax Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Income Levels	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3
Tax Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Income Levels	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4
Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income Levels	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5
Tax Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Income Levels	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6
Tax Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Income Levels	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7
Tax Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Income Levels	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8
Tax Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Income Levels	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9
Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Income Levels	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

STATE OF MISSOURI
REVENUE PAYERS BY INDUSTRY
FISCAL YEARS 2005-2011

Sales Tax

	2011	%	2010	%	2009	%
Agricultural	$ 8,502,179	0.28%	$ 8,568,748	0.29%	$ 8,871,693	0.28%
Mining	3,084,313	0.10%	3,599,484	0.12%	3,754,656	0.12%
Construction	33,570,952	1.09%	33,209,440	1.12%	37,583,956	1.20%
Manufacturing	123,201,244	4.00%	126,498,178	4.27%	135,338,923	4.34%
Transportation & Utilities	353,962,854	11.49%	352,697,178	11.90%	348,468,776	11.16%
Wholesale Trade	322,650,900	10.47%	241,179,522	8.13%	296,578,387	9.50%
Retail Trade	1,835,811,096	59.60%	1,802,682,066	60.80%	1,893,678,571	60.65%
Finance, Insurance, & Real Estate	24,234,179	0.79%	23,784,937	0.80%	25,017,749	0.80%
Services	368,123,570	11.95%	366,591,414	12.36%	365,404,296	11.70%
Government	6,379,112	0.21%	5,711,115	0.19%	6,707,828	0.22%
Non-Classifiable	554,757	0.02%	601,254	0.02%	890,610	0.03%
Total	$ 3,080,075,156	100.00%	$ 2,965,123,336	100.00%	$ 3,122,295,445	100.00%

	2008	%	2007	%	2006	%
Agricultural	$ 8,113,043	0.25%	$ 8,389,363	0.26%	$ 8,035,272	0.26%
Mining	4,516,211	0.14%	5,430,562	0.17%	6,254,774	0.20%
Construction	37,501,898	1.17%	39,282,083	1.23%	39,256,419	1.25%
Manufacturing	126,551,548	3.96%	120,957,730	3.78%	135,930,915	4.32%
Transportation & Utilities	301,269,192	9.42%	324,197,696	10.12%	307,824,630	9.79%
Wholesale Trade	339,197,058	10.61%	352,288,511	11.00%	363,538,752	11.57%
Retail Trade	1,960,979,708	61.32%	1,950,519,024	60.91%	1,896,124,858	60.32%
Finance, Insurance, & Real Estate	22,741,986	0.71%	22,383,949	0.70%	22,543,866	0.72%
Services	389,226,814	12.17%	371,286,656	11.60%	356,313,304	11.34%
Government	6,866,503	0.22%	6,828,911	0.21%	6,631,039	0.21%
Non-Classifiable	831,025	0.03%	655,651	0.02%	705,332	0.02%
Total	$ 3,197,794,986	100.00%	$ 3,202,220,136	100.00%	$ 3,143,159,161	100.00%

	2005	%
Agricultural	$ 7,311,996	0.25%
Mining	6,099,229	0.20%
Construction	33,010,961	1.10%
Manufacturing	128,179,558	4.29%
Transportation & Utilities	293,661,236	9.82%
Wholesale Trade	343,764,423	11.49%
Retail Trade	1,814,668,108	60.67%
Finance, Insurance, & Real Estate	21,435,550	0.72%
Services	338,655,256	11.32%
Government	3,583,174	0.12%
Non-Classifiable	688,741	0.02%
Total	$ 2,991,058,232	100.00%

Source: Missouri Department of Revenue

STATE OF MISSOURI
PERSONAL INCOME TAX FILERS/LIABILITY
FISCAL YEARS 2005-2011

Personal Income *

	2011**			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
$50,000 and under	3,335,433	77.33%	$ 1,326,683,118	25.99%
$50,000 - $100,000	725,133	16.81%	1,440,565,487	28.23%
$100,000 - $250,000	195,951	4.54%	937,767,204	18.37%
$250,000 - $1,000,000	46,320	1.08%	650,241,336	12.74%
$1,000,000 and over	10,398	0.24%	748,681,711	14.67%
Total	4,313,235	100.00%	$ 5,103,938,856	100.00%

	2005**			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
$50,000 and under	3,370,705	82.60%	$ 1,381,799,422	34.47%
$50,000 - $100,000	543,861	13.33%	1,124,700,381	28.05%
$100,000 - $250,000	124,636	3.05%	616,542,538	15.38%
$250,000 - $1,000,000	33,760	0.83%	486,315,065	12.13%
$1,000,000 and over	7,854	0.19%	399,557,445	9.97%
Total	4,080,816	100.00%	$ 4,008,914,851	100.00%

*Federal Adjusted Gross Income

**Per GASB Statement 44 (effective for statistical sections prepared for periods beginning after June 15, 2005), this schedule is to show the current year and nine years ago. Information not available prior to 2005.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Source: Missouri Department of Revenue

STATE OF MISSOURI
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2005-2011
(In Thousands of Dollars Except Per Capita)

	2011	2010*	2009	2008	2007	2006	2005
Governmental Activities							
General Obligation Bonds	$ 487,090	$ 528,910	$ 600,075	$ 666,165	$ 684,515	$ 739,935	$ 790,910
Other Bonds	3,880,975	4,060,855	3,102,685	3,084,670	2,660,875	1,873,140	1,609,815
Leasehold Revenue Bonds	33,880	34,935	35,955	36,935	37,880	38,860	---
Certificates of Participation	77,545	87,550	96,235	105,325	113,990	122,255	124,490
Capital Leases	98,100	97,423	113,147	108,815	74,641	74,049	107,647
Total Governmental Activities	$ 4,577,590	$ 4,809,673	$ 3,948,097	$ 4,001,910	$ 3,571,901	$ 2,848,239	$ 2,632,862
Business-Type Activities							
Capital Leases	$ 66	$ 116	$ 210	$ 244	$ ---	$ ---	$ ---
Total Business-Type Activities	$ 66	$ 116	$ 210	$ 244	$ ---	$ ---	$ ---
Total Primary Government	$ 4,577,656	$ 4,809,789	$ 3,948,307	$ 4,002,154	$ 3,571,901	$ 2,848,239	$ 2,632,862
Personal Income	$ 221,650,468	$ 216,049,019	$ 223,548,498	$ 209,131,189	$ 198,727,013	$ 186,752,616	$ 180,546,848
Debt as a Percentage of Personal Income[1]	2.1%	2.2%	1.8%	1.9%	1.8%	1.5%	1.5%
Debt Per Capita[1]	$ 763	$ 807	$ 666	$ 680	$ 611	$ 492	$ 458

Legal Debt Margin Calculation for Fiscal Year 2011:

General Obligation Bonds Authorized (Legislative Debt Limit)	$ 1,726,395
Unforeseen Emergency or Casual Deficiency	1,000
Less: General Obligation Issued	(1,489,494)
Legal Debt Margin	$ 237,901

Legal Debt Margin Summary by Fiscal Year:

Legislative Debt Limit	$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,686,395	$ 1,646,395	$ 1,606,395
Total Net Debt Applicable to Limit	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,438,494)	(1,438,494)	(1,438,494)
Legal Debt Margin	$ 237,901	$ 237,901	$ 237,901	$ 237,901	$ 247,901	$ 207,901	$ 167,901
Legal Debt Margin to Debt Limit Ratio	13.78%	13.78%	13.78%	13.78%	14.70%	12.63%	10.45%

[1]These ratios are calculated using personal income and population for the calendar year. See *Demographic Indicators* for personal income and population data.

*Fiscal year 2010 has been restated.

STATE OF MISSOURI
PLEDGED REVENUE COVERAGE
FISCAL YEARS 2006-2011
(In Thousands of Dollars)

Fiscal Year	Gross Revenues[1]	Less: Operating Expenses[2]	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage[3]
	Missouri Road Fund					
2011	$ 2,237,700	$ 305,649	$ 1,932,051	$ 137,015	$ 146,326	6.8
2010	1,760,497	281,320	1,479,177	88,285	128,851	6.8
2009	997,990	279,971	718,019	84,896	113,591	3.6
2008	1,049,645	279,823	769,822	62,515	105,117	4.6
2007	1,024,787	269,210	755,577	73,350	82,049	4.9
2006	727,870	N/A	727,870	63,149	49,248	6.5

N/A = not available

[1]Revenues for Missouri Road Fund consist of a portion of the taxes and fees received by the State from the motor fuel tax, sales tax on motor vehicles, use tax on motor vehicles, revenue derived from motorists for their usage of the highways of the State, federal grants, and bond proceeds.

[2]Operating Expenses do not include depreciation/amortization.

[3]Coverage equals net available revenue divided by debt service.

Source: Missouri Department of Transportation

STATE OF MISSOURI
DEMOGRAPHIC INDICATORS
CALENDAR YEARS 2004-2010

	2010	2009	2008	2007
Population				
Missouri (In Thousands)	5,996	5,961	5,924	5,888
Change	0.6%	0.6%	0.6%	0.8%
National (In Thousands)	309,350	306,772	304,094	301,231
Change	0.8%	0.9%	1.0%	1.0%
Total Personal Income				
Missouri				
(In Thousands of Dollars)	$ 221,650,468	$ 216,049,019	$ 223,548,498	$ 209,131,189
Change	2.6%	-3.4%	6.9%	5.2%
National				
(In Thousands of Dollars)	$ 12,357,113,000	$ 11,916,808,000	$ 12,451,599,000	$ 11,900,562,000
Change	3.7%	-4.3%	4.6%	5.7%
Per Capita Personal Income				
Missouri	$ 36,965	$ 36,243	$ 37,737	$ 35,521
Change	2.0%	-4.0%	6.2%	4.4%
National	$ 39,945	$ 38,846	$ 40,947	$ 39,506
Change	2.8%	-5.1%	3.6%	4.7%
Resident Civilian Labor Force and Employment				
Civilian Labor Force (In Thousands)	3,014	3,051	3,046	3,050
Employed (In Thousands)	2,726	2,768	2,861	2,896
Unemployed (In Thousands)	289	283	186	155
Unemployment Rate	9.6%	9.3%	6.1%	5.1%
National Unemployment Rate	9.6%	9.3%	5.8%	4.6%

Continues Below

	2006	2005	2004
Population			
Missouri (In Thousands)	5,843	5,790	5,748
Change	0.9%	0.7%	
National (In Thousands)	298,380	295,517	292,805
Change	1.0%	0.9%	
Total Personal Income			
Missouri			
(In Thousands of Dollars)	$ 198,727,013	$ 186,752,616	$ 180,546,848
Change	6.4%	3.4%	
National			
(In Thousands of Dollars)	$ 11,256,516,000	$ 10,476,669,000	$ 9,928,790,000
Change	7.4%	5.5%	
Per Capita Personal Income			
Missouri	$ 34,013	$ 32,253	$ 31,412
Change	5.5%	2.7%	
National	$ 37,725	$ 35,452	$ 33,909
Change	6.4%	4.6%	
Resident Civilian Labor Force and Employment			
Civilian Labor Force (In Thousands)	3,034	3,011	2,986
Employed (In Thousands)	2,888	2,850	2,814
Unemployed (In Thousands)	147	162	172
Unemployment Rate	4.8%	5.4%	5.8%
National Unemployment Rate	4.6%	5.1%	5.5%

Sources: Bureau of Economic Analysis, Missouri Economic Research and Information Center, Bureau of Labor Statistics

STATE OF MISSOURI
ECONOMIC INDICATORS
CALENDAR YEARS 2004-2010

	2010-11	2009-10	2008-09	2007-08
School Enrollment (In Thousands)				
Elementary and Secondary Education	890	892	893	894
Higher Education - Private Institutions	95	93	89	88
Total Enrollment	985	985	982	982
% Change from Prior Year	0.0%	0.3%	0.0%	-0.2%
Higher Education				
Public Community Colleges				
Number of Campuses	19	20	19	19
Number of Students (FTE*)	70,320	65,034	56,365	54,900
Number of Regular Term Teaching Positions (FTE)	1,233	1,402	1,413	1,352
State Technical College				
Number of Campuses	1	1	1	1
Number of Students (FTE)	1,133	1,116	976	891
Number of Regular Term Teaching Positions (FTE)	46	45	45	45
State Colleges/Universities				
Number of Campuses	14	14	14	14
Number of Students (FTE)	114,655	112,539	108,159	106,056
Number of Regular Term Teaching Positions (FTE)	4,296	4,791	4,764	4,731

Continues Below

	2006-07	2005-06	2004-05
School Enrollment (In Thousands)			
Elementary and Secondary Education	898	898	892
Higher Education - Private Institutions	86	84	82
Total Enrollment	984	982	974
% Change from Prior Year	0.2%	0.8%	0.3%
Higher Education			
Public Community Colleges			
Number of Campuses	18	18	18
Number of Students (FTE*)	52,377	51,945	52,204
Number of Regular Term Teaching Positions (FTE)	1,332	1,309	1,291
State Technical College			
Number of Campuses	1	1	1
Number of Students (FTE)	888	885	854
Number of Regular Term Teaching Positions (FTE)	57	51	50
State Colleges/Universities			
Number of Campuses	14	14	14
Number of Students (FTE)	103,856	102,628	100,717
Number of Regular Term Teaching Positions (FTE)	4,638	4,578	4,597

*FTE is Full-Time Equivalent.

Sources: Missouri Department of Elementary and Secondary Education and Missouri Department of Higher Education

STATE OF MISSOURI
PRINCIPAL EMPLOYERS
CALENDAR YEARS 2010 AND 2001

2010

Employer	Number of Employees	Percent of Total State Employment
State of Missouri[1]	60,000	2.20%
Wal-Mart Associates, Inc.	40,000 - 45,000	1.47% - 1.65%
University of Missouri	20,000 - 25,000	0.73% - 0.92%
U.S. Post Office	15,000 - 17,500	0.55% - 0.64%
Washington University	15,000 - 17,500	0.55% - 0.64%
Boeing Corporation	12,500 - 15,000	0.46% - 0.55%
U.S. Department of Defense	7,500 - 10,000	0.28% - 0.37%
Barnes-Jewish Hospital	7,500 - 10,000	0.28% - 0.37%
Schnuck Markets, Inc.	7,500 - 10,000	0.28% - 0.37%
City of St. Louis	7,500 - 10,000	0.28% - 0.37%
Department of Veterans Affairs	7,500 - 10,000	0.28% - 0.37%
Total	200,000 - 230,000	7.34% - 8.44%
Total Missouri Employment		**2,725,527**

2001

Employer	Number of Employees	Percent of Total State Employment
State of Missouri[1]	65,000	2.27%
Wal-Mart Associates, Inc.	30,000 - 32,500	1.05% - 1.13%
Boeing Corporation	12,500 - 15,000	0.44% - 0.52%
Schnuck Markets, Inc.	10,000 - 12,500	0.35% - 0.44%
Washington University	10,000 - 12,500	0.35% - 0.44%
TWA/American Airlines, L.L.C.	7,500 - 10,000	0.26% - 0.35%
Barnes-Jewish Hospital	7,500 - 10,000	0.26% - 0.35%
May Department Stores	7,500 - 10,000	0.26% - 0.35%
Ford Motor Company	7,500 - 10,000	0.26% - 0.35%
Southwestern Bell Telephone Co.	5,000 - 7,500	0.17% - 0.26%
Total	162,500 - 185,000	5.67% - 6.45%
Total Missouri Employment		**2,867,853**

All figures are based on a calendar-year average.

[1]Number of state employees includes only full-time personnel and does not include college or university employees.

Sources: Missouri Economic Research and Information Center,
State of Missouri CAFR-Fiscal Year 2002, State Employee Headcount report

STATE OF MISSOURI
STATE EMPLOYEES BY FUNCTION
FISCAL YEARS 2005-2011
FULL-TIME EQUIVALENTS*

	2011	2010	2009	2008	2007	2006	2005
General Government							
Legislature	703	725	716	719	732	749	708
Judiciary	3,393	3,626	3,755	3,731	3,777	3,826	3,452
Public Defender	578	570	558	555	558	561	571
Governor	32	33	24	32	33	34	35
Lt. Governor	6	6	6	6	7	7	8
Secretary of State	253	261	272	277	275	266	262
State Auditor	116	119	124	128	127	132	142
State Treasurer	50	49	51	51	51	51	50
Attorney General	371	408	420	451	443	427	423
Office of Administration	2,139	2,040	2,091	2,046	1,783	868	899
Revenue	1,383	1,421	1,487	1,523	1,586	1,766	2,086
Total General Government	9,024	9,258	9,504	9,519	9,372	8,687	8,636
Education							
Elementary and Secondary Education	2,635	2,662	2,760	2,650	2,654	2,719	2,261
Higher Education	65	75	73	67	58	67	73
Total Education	2,700	2,737	2,833	2,717	2,712	2,786	2,334
Natural and Economic Resources							
Agriculture	535	617	494	479	467	456	388
Insurance, Financial Institutions and Professional Registratio	744	734	741	748	192	200	207
Conservation	1,894	1,982	2,085	2,065	2,190	2,270	2,047
Economic Development	947	1,019	994	1,024	1,604	1,681	1,379
Labor and Industrial Relations	987	924	777	810	913	1,056	1,051
Natural Resources	1,934	1,903	2,121	2,102	2,061	2,175	2,019
Total Natural and Economic Resources	7,041	7,179	7,212	7,228	7,427	7,838	7,091
Transportation and Law Enforcement							
Transportation	6,399	6,970	6,969	6,961	7,196	7,300	7,024
Public Safety	5,281	5,336	5,412	5,294	5,085	5,101	4,927
Total Transportation and Law Enforcement	11,680	12,306	12,381	12,255	12,281	12,401	11,951
Human Services							
Health and Senior Services	1,706	1,826	1,927	1,885	1,877	1,969	2,048
Mental Health	8,256	8,961	9,613	9,500	9,602	9,784	9,571
Social Services	7,562	8,138	8,584	8,624	8,553	8,794	9,034
Corrections	10,990	11,175	11,364	11,020	11,138	11,235	11,493
Total Human Services	28,514	30,100	31,488	31,029	31,170	31,782	32,146
State Total	58,959	61,580	63,418	62,748	62,962	63,494	62,158

*Based on a four quarter average.

Source: Office of Administration, Division of Accounting, Statewide Indirect Cost Allocation Plan

STATE OF MISSOURI
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2006-2011

	2011	2010**	2009	2008	2007	2006
General Government						
Individual Income Tax Returns Processed (In Thousands)	2,917	2,877	2,946	3,013	3,902	2,770
Sales and Use Tax Returns Processed (In Thousands)	773	785	772	788	1,055	742
Driver Licenses Processed (In Thousands)	1,160	1,090	1,179	964	1,052	1,106
Motor Vehicle Registrations Processed (In Thousands)	3,828	3,844	3,502	3,866	3,856	2,994
Audit Reports Issued	168	151	101	91	88	103
Statewide Court Filings (In Thousands)*	2,525	2,359	2,322	2,196	2,027	2,152
Business Services Requests made on Secretary of State Web Page (In Thousands)	81,643	79,974	76,744	44,300	36,000	35,000
Checks Issued (In Thousands)	2,216	2,465	2,667	2,807	3,035	3,309
Unclaimed Property Returned (In Thousands)	$ 36,373	$ 35,014	$ 26,672	$ 34,531	$ 22,966	$ 21,816
Education						
High School Drop Out Rate*	4.0%	4.1%	3.9%	4.2%	4.7%	3.8%
Elementary and Secondary Schools Meeting Adequate Yearly Progress*	25.6%	35.3%	35.7%	40.1%	62.6%	65.2%
Clients Achieving Employment after Receiving Vocational Rehabilitation Services	56.0%	61.0%	67.1%	67.7%	70.2%	67.6%
Guaranteed Student Loans (In Thousands)****	$ ---	$ 656,656	$ 780,838	$ 901,385	$1,178,692	$1,162,519
Scholarships/Grants Awarded to Eligible Missouri Residents (In Thousands)	$ 91,146	$ 98,593	$ 108,981	$ 89,728	$ 41,466	$ 41,845
Natural and Economic Resources						
Job Placement Rate of Unemployed Individuals that Registered on MissouriCareerSource Web Page	58.2%	57.9%	64.0%	66.0%	62.0%	63.3%
Insurance Policies Filed Electronically	96.0%	96.0%	94.7%	50.0%	50.0%	50.0%
Initial Unemployment Claims (In Thousands)	502	582	565	396	411	393
International Agricultural Exports (In Thousands)	$ 15,000	$ 38,000	$ 22,700	$ 30,300	$ 19,760	$ 18,191
Hunting License Holders (In Thousands)*	588	592	591	580	579	570
Visitors to Missouri State Parks and Historic Sites (In Thousands)	16,363	15,891	15,307	15,577	16,069	16,650
Transportation and Law Enforcement						
Methamphetamine Labs Seized	340	245	165	274	259	375
State - Licensed Fire Safety Inspections	11,487	10,603	11,008	11,998	11,684	9,848
Buildings Served by Missouri Capitol Police	73	75	83	82	82	79
Alcohol Arrests***	---	385	845	736	954	1,084
Missouri Major Roads Rated in Good Condition	85.8%	86.5%	83.4%	78.0%	74.0%	60.8%
Difference Between Awarded and Actual Transportation Construction Costs	(0.4%)	(1.9%)	1.1%	0.9%	0.9%	3.1%
Human Services						
Medicaid Enrollees	897,306	892,691	850,722	833,112	822,685	830,262
Food Stamp Recipients	949,136	909,139	827,639	899,332	826,313	795,963
Doses of Vaccine Issued by Vaccines for Children Providers (In Thousands)	1,420	1,384	1,317	1,360	1,097	1,075
Incarcerated Offenders	30,771	30,418	30,476	30,803	29,975	30,185
Individuals Served in State Comprehensive Psychiatric Service Facilities	2,170	4,120	6,759	6,882	7,805	7,772

*Previous fiscal year data was used since it was the most recent available.

**Restated for Doses of Vaccine Issued by Vaccines for Children Providers.

***Number of Alcohol Arrests is zero due to a loss of grant funding to perform alcohol compliance buys.

****Total loans guaranteed during fiscal year 2011 was zero, as the authority to ensure loans ended June 30, 2010, due to the enactment of the Health Care and Education Affordability Reconciliation Act. However, the Department of Higher Education will continue to act as the US Department of Education's agent in fulfilling responsibilities relating to outstanding guarantees, which totaled $3.0 billion as of June 30, 2011.

Sources: State agencies

STATE OF MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION
FISCAL YEARS 2005-2011

	2011	2010*	2009	2008	2007	2006	2005
General Government							
Parcels of Land	20	20	21	21	20	18	15
Land Improvements	38	38	37	37	35	35	31
Square Footage of Buildings	1,013,314	1,011,732	1,015,214	1,001,281	996,590	991,800	1,071,699
Equipment	35,316	35,333	36,813	35,171	42,333	44,469	49,644
Software	213	168	88	---	---	---	---
Education							
Parcels of Land	31	31	31	31	32	32	32
Land Improvements	43	43	32	31	31	31	29
Square Footage of Buildings	136,465	133,494	135,230	135,230	135,230	102,719	134,162
Equipment	5,984	5,911	6,031	6,010	6,679	6,780	6,723
Trademarks	1	---	---	---	---	---	---
Natural and Economic Resources							
Parcels of Land	825	824	823	815	811	815	812
Land Improvements	324	323	325	323	318	320	216
Temporary Easements	1	1	---	---	---	---	---
Square Footage of Buildings	616,729	622,181	622,285	625,779	622,887	528,136	370,505
Equipment	36,097	36,881	38,807	41,145	43,534	46,574	46,915
Software	20	12	3	---	---	---	---
State Parks and Historic Sites	85	85	85	84	84	84	84
State Conservation Areas	1,196	1,179	1,169	1,165	1,151	1,148	1,140
Transportation and Law Enforcement							
Parcels of Land	805	819	831	836	853	862	1,608
Land Improvements	307	264	245	198	184	177	183
Permanent Easements	254	221	---	---	---	---	---
Temporary Easements	961	1,086	---	---	---	---	---
Square Footage of Buildings	175,138	164,119	164,119	151,533	158,081	157,658	157,172
Equipment	67,649	67,959	67,100	65,074	63,327	62,984	61,965
Software	202	146	---	---	---	---	---
Miles of State Highway	33,702	33,639	33,676	33,685	32,800	32,423	32,402
State-Owned Bridges and Culverts	10,405	10,335	10,249	10,276	10,240	10,224	10,190
Highway Patrol Stations	9	9	9	9	9	9	9
Human Services							
Parcels of Land	83	83	84	84	84	83	85
Land Improvements	157	154	130	118	115	115	112
Square Footage of Buildings	924,380	932,827	952,117	962,710	967,653	870,129	834,352
Equipment	63,442	70,684	78,543	91,178	98,649	107,434	106,334
Software	13	10	7	---	---	---	---
Correctional Facilities	30	30	30	28	26	26	24

*Restated fiscal year 2010 for Temporary Easements under Transportation and Law Enforcement.

Source: State of Missouri capital asset records by agency.

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