



*The City of*

**St. Joseph**

*Missouri*

# **Comprehensive Annual Financial Report**

For the fiscal year ended June 30, 2008



CITY OF ST. JOSEPH, MISSOURI

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Prepared by the Financial Services Department

Carolyn Harrison  
Director of Financial Services



**CITY OF ST. JOSEPH, MISSOURI**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
 FOR THE YEAR ENDED JUNE 30, 2008

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# **INTRODUCTORY SECTION**



# CITY OF ST. JOSEPH, MISSOURI

## PRINCIPAL OFFICIALS

Ken Shearin  
Mayor

### CITY COUNCIL

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Roger Baker	Donna Jean Boyer
Mike Bozarth	Bill Falkner
Mike Hirter	Barbara LaBass
Gary Roach	Joyce Starr

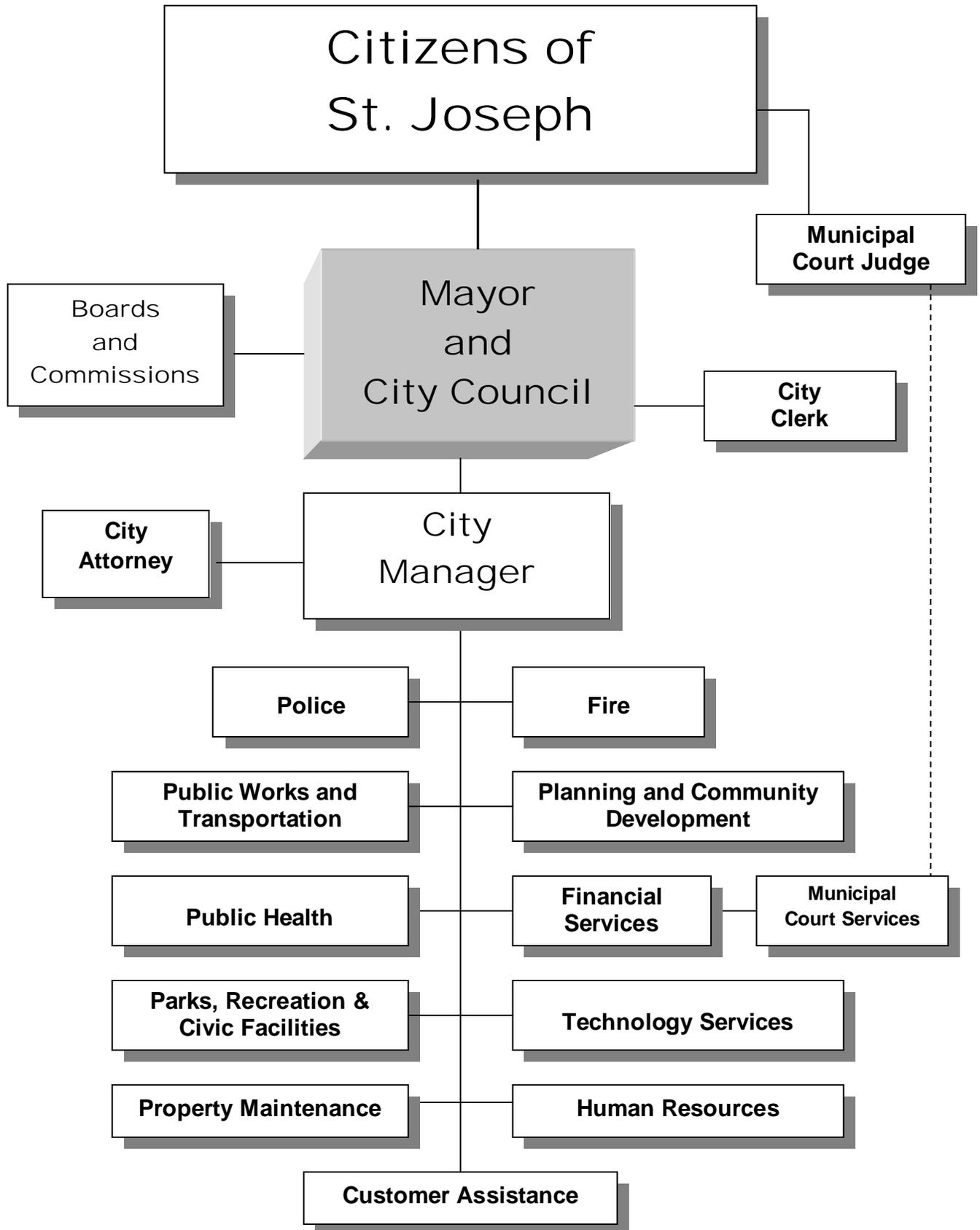
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Vincent J. Capell  
City Manager

City Attorney	Lisa Robertson
City Clerk	Paula Heyde
Community Services	Clint Thompson
Customer Assistance	Sam Barber
Financial Services	Carolyn Harrison
Fire Chief	Jack Brown
Human Resources	Diana Slater
Parks and Recreation	Bill McKinney
Police Chief	Chris Connally
Public Health	Debra Bradley
Public Works & Transportation	J. Bruce Woody
Technology Services/Property Maintenance	Steve Hofferber

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# ORGANIZATION CHART



# *City of St. Joseph*

1100 Frederick Avenue St. Joseph, Missouri 64501

December 12, 2008

Honorable Mayor, Members of the City Council, and Citizens of the City of St. Joseph:

The comprehensive annual financial report of the City of St. Joseph, Missouri (the City) for the Fiscal Year Ended June 30, 2008, is hereby submitted in compliance with Article IV, Section 4.4 (f) of the City Charter. The Charter requires that the City of St. Joseph issues annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of its data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) which are standard guidelines for financial reporting, further ensuring that the financial position of the City is presented fairly. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The independent accounting firm of Cochran Head Vick & Co., P.C. has audited the City's financial statements. The purpose of the audit conducted by Cochran Head Vick & Co., P.C. was to review and provide reasonable assurance that the City's financial statements for fiscal year ended June 30, 2008, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

As a recipient of federal, state, and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to assistance programs. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act as Amended and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The standards governing Single Audit engagements require the independent auditor to report on the audited government's internal controls over compliance and compliance with legal requirements applicable to its major Federal programs. These reports are available in the City's separately issued Single Audit Report.

This report is prepared in accordance with accounting principles generally accepted in the United States of America in conformance with the standards of financial reporting set forth by the Governmental Accounting Standards Board (GASB), and the guidelines recommended by the Government Finance Officers Association (GFOA).

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found in the Financial Section, immediately following the report of the independent auditors.

## **PROFILE OF THE CITY**

St. Joseph is the county seat of Buchanan County, and the eighth largest city in Missouri. It was incorporated as a village in 1851, a second class city in 1885, a first class city in 1909, and as a constitutional charter city government in 1961. The current charter became effective April 19, 1982, and provides that the municipal government shall be known as a "Council-Manager Government." A City Manager is appointed by the Council and serves as the chief administrative officer of the City for an indefinite term.

The City Charter was amended August 8, 1989, to provide for the District Council system consisting of nine (9) members including a Mayor and three (3) Council members nominated and elected at-large, and five (5) Council members elected by District. Council members serve concurrent, four (4) year terms. The Mayor and eight (8) City Council members are charged with the formation of public policy to meet the community's needs. They provide leadership in the development of priorities for the City and in planning economic growth and stability for the community.

The City provides the full range of services normally associated with a municipality, including police and fire protection, public works services, parks and

other recreational facilities, public health, street maintenance and general administrative services. The City also operates Rosecrans Airport, public parking garages, water pollution treatment plant, municipal golf course, mass transit system, and City landfill, all of which are accounted for in the financial statements as business-type funds.

This report includes all funds for the City as a primary government and component units for which the City is financially accountable. Component units, although legally separate entities, are, in substance, a part of the City's operations and are included as part of the primary government for reporting purposes. Accordingly, financial data for the Public Building Authority (PBA) of the City of St. Joseph, Missouri are also included in this report as described in Note 1 to the financial statements.

The City Manager annually prepares a plan of services, or budget, for the upcoming fiscal year. The budget is the most significant annual policy document, operations guide, financial plan and communications device prepared by the City. It establishes the expectations of City Council and provides the fiscal resources and policy direction needed to achieve Council's goals. This plan is reviewed by the City Council and is formally adopted by the passage of a budget ordinance no later than sixty days prior to June 30, the end of the City's fiscal year. The appropriated budget is prepared by fund, department, and program or function. Strict budgetary compliance is maintained by the Financial Services Department using the automated accounting system to ensure effective fiscal management and accountability. As purchase orders are issued, corresponding appropriations are encumbered for later payment to ensure that appropriations are not overspent. Open encumbrances are reported as a reservation of fund balances at year-end and all unencumbered appropriations lapse at year-end. Departments can transfer between accounts except for salary, benefits, and capital. These require Council approval.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local economy**

The City is the central services provider for a seven county area of northwest Missouri and northeast Kansas with a combined population of 123,339. The City's population of 73,990 represents 60% of the total service area. Located in the heart of the country, St. Joseph's prime location provides for access to customers and suppliers. From Canada to Mexico, Interstate 29, a major north-south interstate runs through the city. St. Joseph has two airports available. South of St. Joseph is Kansas City International (KCI) airport and just west over the Missouri River is Rosecrans Memorial Airport serving St. Joseph's civilian and military needs by providing capacity for any size aircraft. The Missouri River borders St. Joseph allowing the public river port facility the ability to give area businesses the option of transporting via river. In addition, rail service provides direct access to all parts of North America.

The City, Buchanan County (the County), and the Chamber of Commerce provide joint economic development structure and funding. This cooperative effort provides for aggressive economic development activities in the community including attracting new businesses, servicing existing businesses, assisting community development and promoting entrepreneurship. The City and County provide assistance through various means to build infrastructure, provide indirect and direct financial assistance, and facilitate compliance with government regulations and requirements.

### Labor Force

St. Joseph's Metropolitan Statistical Area (MSA) consists of Andrew, Buchanan, and DeKalb Counties in Missouri and Doniphan County in Kansas. The St. Joseph MSA maintains a civilian labor force of 69,628 with 66,160 employed for the period ending June 30, 2008, producing an unemployment rate of 5.0%. At this time last year the unemployment rate was 4.5%. From a heritage rich in agriculture, St. Joseph's economy boasts a strong life science emphasis which help offset the slight increase in the unemployment rate.

### Major Employers

St. Joseph's economy is highly diversified, with major industrial, manufacturing, financial services, healthcare, and educational institutions. The City's largest employer, Heartland Health, provides 2,800 jobs, or 4.2% of the total employed work force. Heartland Health is an integrated health system, including a comprehensive acute care medical center, physician practices, and a health plan. This consolidation has provided stability and expansion in the regional health services industry. The ten largest employers provide a total of 12,026 jobs, representing 18.1% of the total employed work force. These employers are listed as follows:

<b>TEN LARGEST EMPLOYERS</b>			
<b>Employer</b>	<b>Industry</b>	<b>Number</b>	<b>% of Work Force</b>
Heartland Health	Health Services	2,800	4.2%
Triumph Foods	Pork Processing	2,300	3.5%
St. Joseph School District	Public Education	1,825	2.8%
Altec Industries	Utility Equipment	850	1.3%
American Family	Insurance	820	1.2%
Boehringer Ingelheim Vetmedica	Animal Pharmaceuticals	750	1.1%
System and Services Technology	Loan Servicing	744	1.1%
Sara Lee	Meat Products	700	1.0%
City of St. Joseph, Missouri	Government	661	1.0%
Western Reception Diagnostic	Correctional Facility	576	0.9%
<b>Total</b>		<b>12,026</b>	<b>18.1%</b>

### **Economic Development Efforts**

The St. Joseph economy has felt the impact of the recent economic slow-down, but is continuing to experience moderate growth and expansion. The level of ongoing cooperation among the City, County, Chamber of Commerce and the business community was reflected in the level of economic development success demonstrated throughout the year.

### **New and Existing Businesses**

During the year, the City, County, and the Chamber of Commerce were involved in numerous attraction and expansion projects, resulting in new jobs created and millions in new investment instilled in the community.

**AG Processing**, became operational in September, 2007, of a new soy biodiesel plant. The plant will produce 30 million gallons of soy biodiesel annually and employ an additional 24 people. The multi-million dollar project included installation of new processing equipment, additional soybean storage capacity, expanded rail siding, and upgraded the truck unloading facilities.

**Christopher S. “Kit” Bond Science and Technology Incubator**, includes laboratory, conference room, operation offices, and tenant spaces for companies in the early stages of development. Located on the Missouri Western State University campus, the facility is home to the Institute of Industrial and Applied Life Sciences.

**Eastowne Business Park**, the proposed 350 acre business park, is located at the corner of Pickett and Riverside Roads. With the success of Mitchell Woods, St. Joseph is in the process of developing another business park for commercial offices and light industrial facilities. The future development will include infrastructure improvements of roads, storm sewers, and sanitary sewers.

**Heartland Regional Medical Center**, invested \$3.1 million for the new Breast Center scheduled to open in October, 2008. Located in Heartland’s Plaza 1 building, the facility offers new digital mammography equipment to streamline the treatment process for breast cancer patients.

**Pony Express Plaza and Financial Center**, located at Frederick Avenue and Belt Highway, a new development that houses several tenants including United Missouri Bank and several retail and restaurants.

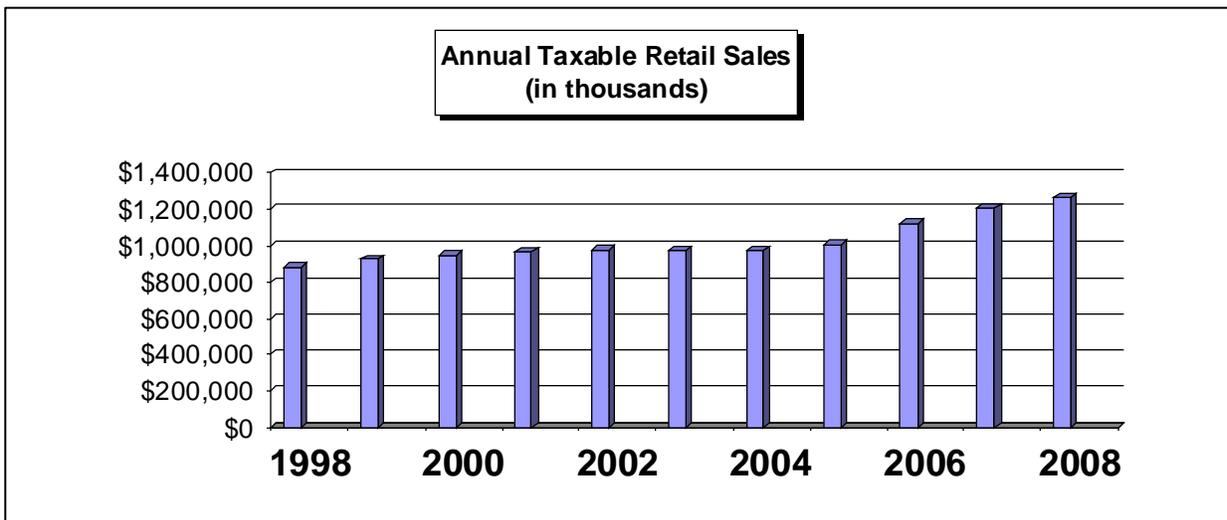
**Remington Nature Center of St. Joseph**, offers a café, auditorium, aquarium, classrooms, and wildlife viewing areas. It is expected to be completed in November, 2008. Additional features surrounding the Nature Center will be the bird and animal habitats, a sensory garden, a butterfly/hummingbird

garden, a rain garden, and prairie and wildflower areas. The City of St. Joseph intends to utilize the 15,000 square foot center to educate, entertain, and enlighten guests in an enjoyable environment.

**Remington/Agenstein Science and Math Facilities**, held a groundbreaking ceremony at Missouri Western State University for the construction of Remington Hall and the renovation of Evan R Agenstein Hall. The \$37.5 million expansion will double the amount of space devoted to the Western’s biology, chemistry, and computer science, mathematics and physics departments.

### **Taxable Annual Retail Sales and City Sales Tax**

One of the City’s largest general revenue sources, the one and one-half cent local sales tax increased for fiscal year 2008. Total retail sales in St. Joseph increased, as reflected in the total sales tax remitted to the City. The following chart depicts the revenue over the last eleven years.



### **ECONOMIC CONDITIONS**

On November 4, 1997, City of St. Joseph voters approved an extension of the 1993 half-cent CIP Sales Tax. The sales tax extension, referred to as the 1998 half-cent CIP Sales Tax, was scheduled to sunset on June 30, 2003. On November 5, 2002, City of St. Joseph voters continued the extension of the half-cent CIP Sales Tax. This tax generates \$5.6 million annually in City revenues and provides infrastructure, enhancements to City facilities, and investment in the community. In November 2007, the citizens voted to extend the CIP half cent sales tax until 2013. This will allow the City to further the projects promised to the citizens.

### **Business Licenses**

Growth was demonstrated in the local community as evidenced by the number of business licenses issued. The City issued 4,756 business licenses for fiscal year ended June 30, 2008. This is an increase of 23 businesses in the St. Joseph local economy over the previous year.

### **Work Force Education and Training**

Missouri Western State University (MWSU), Hillyard Area Vocational Technical School, and Vatterott Community College are located in St. Joseph. MWSU and Hillyard have joined efforts to enhance technical educational programs. Students can transfer from a certificate program at Hillyard to associate, bachelor and/or master degree programs at MWSU. The City has a well-regarded public school system as well as private and parochial elementary, middle, and high schools.

The St. Joseph Area Chamber of Commerce serves as the community facilitator of the local workforce development initiative, 21<sup>st</sup> Century Jobs, designed to enhance and equip St. Joseph with a workforce prepared to compete in the technologically advanced and global economy. A competitive workforce is a critical feature to the community's ability to promote economic vitality and attract business investment.

St. Joseph has a strong life sciences based economy with over 5,600 jobs directly employed in such businesses as animal pharmaceuticals, agriculture chemicals, food processing, health care, animal research and development and seed production. These companies are located in St. Joseph, as Northwest Missouri boasts the highest crop yields for soybeans and corn in the state of Missouri and provides easy access to raw materials for manufacturing. Locally, a life science network has been formed to provide direction and input to the initiative of creating an applied Life Science Institute in St. Joseph in order to attract more life sciences jobs to the area. The group includes representatives from the City, County, Missouri Western State University, Chamber of Commerce, and life science businesses.

### **Culture and Recreation**

The City's role as a cultural and tourism center provides further diversification in its economy. St. Joseph is a unique community famous for its historic link to the Pony Express and Jesse James, for exquisite historic architecture and mansions, and for its luxurious bed and breakfasts and many fine museums. Other available cultural activities include the Albrecht-Kemper Museum of Art, Robidoux Resident Theatre and St. Joseph Symphony. Civic Arena, Missouri Theater, Krug Park, and Missouri Western State University have numerous events including performing artists, theatrical presentations, and themed attractions.

The St. Joseph Park system, listed on the National Register of Historic Places, is comprised of 1,500+ acres, 26 miles of parkways and boulevards, 49 parks and facilities and a 9.5 mile green belt that connects principal parks from north end by Krug Park to south end near Hyde Park.

Fairview Golf Course, one of the oldest public golf courses in Northwest Missouri, was established in 1930. With rolling fairways, large mature trees, and several water hazards, the 18-hole facility offers many services as well as a challenge to players of all skill levels.

For the fifth consecutive year, the USTA held a satellite Pro women's tennis tournament in July, 2008. The 2008 Tournament saw 51 qualifier participants competing for the 16 spots to go against the 16 pro seeds. There were 67 participants representing 22 countries.

The City opened an Aquatic Center water park complete with two water slides, floating river, and children play area. Adjacent to the Aquatic Center, the 23 acre facility has 12 lighted tennis courts, a horseshoe court, and a running track.

Heritage Park Softball Complex, located near the Riverfront, features a five field complex where numerous invitational, regional, and state tournaments and special events were held this season with over 239 league teams participating this year.

In August, 2008, the Allied Arts Council of St. Joseph produced the sixteenth annual Trails West! ® Festival, with 80,000 in attendance. Other festivals and parades include the Apple Blossom Parade in May, Sacred Hills Encampment each June, Southside Fall Festival and Parade the middle of September, and Pumpkinfest every October.

Parties on the Parkway is an after-work social gathering at various locations along St. Joseph's beautiful and unique parkway system offered from May through September. Live music is provided by local bands and food is available for sampling.

The City's recreation division coordinates a wide range of instructional, developmental and recreational programs and leisure opportunities for all ages, interests, and abilities. The Joyce Raye Patterson Senior Citizens Center features a multi-purpose room, stage area, cafeteria, and newly constructed exercise center. Bode Sports Complex, encompassing a six court outdoor basketball complex, an in-line skate rink and an indoor ice arena, offers family entertain all year. The St. Joseph Civic Arena can entertain any type of event from sporting competition to craft show with seating available for 2,300 people. Missouri Theater, a 1927 former movie theater listed on the National Register of Historic Landmarks, is an architectural asset to downtown St. Joseph sponsoring many St. Joseph arts organizations. The Public Works and Parks and Recreation Departments joined forces to create the Hike and Bike Trail system in

St. Joseph. This system will increase the pedestrian access to the full length of the parkway from Krug Park to Hyde Park. As the Hike and Bike Trail system continues to expand off of the parkway and reaches further into existing neighborhoods, its use as a source of recreation and transportation enhances the community and citizens.

St. Joseph offers two major established retail locations in The Shoppes at North Village and East Hills Mall. Each location has national retailers as well as individual specialty shops. Downtown St. Joseph attracts shoppers with their unique boutiques and antique stores.

With these valuable assets, St Joseph is large enough to sustain its economic base and support its diverse selections in arts, dining, entertainment, history, natural attractions, recreation and shopping.

**National Accreditation of the Police Department** - On November 17, 2002, the St. Joseph Police Department was awarded National Accreditation by the Commission for the Accreditation of Law Enforcement Agencies, also known as CALEA. To maintain this prestigious honor, over four hundred standards have to be met every three years.

**Economic Development Efforts and Incentives** – The City contracts with the Chamber of Commerce to provide extensive economic development assistance with primary emphasis on attracting new businesses and the retention and expansion of existing businesses. In addition to and in conjunction with the Chamber’s efforts, the City promotes and utilizes the following economic development incentives and activities:

- Enterprise Zone Benefits – The City also participates in a number of programs such as subsidized “Enterprise Zones” designed to ease the financial burden on growing businesses. The City of St. Joseph, per RSMo 100.090, is granted the authority to issue general obligation bonds in the amount not in excess of ten percent of the assessed valuation of the taxable tangible property of the City for special industrial development projects. These abatements may apply to real and personal property. The City shall bear no pecuniary liability. The bond is payable solely from the revenue pledged to the payment and does not constitute a debt of the City.
- Missouri Chapter 100 bonds – Provides real and/or personal property tax abatements. Currently, there are eight (8) companies benefiting from these abatements.
- Tax Increment Financing (TIF)– Redirects incremental increases in economic activity taxes, property taxes and/or user fees within qualifying jurisdictions for the exclusive use of paying off bonds

issued to finance infrastructure and related business developments within the jurisdiction. The City had ten (10) TIF projects at June 30, 2008.

- Developer Agreements – Special assessments, tax abatements, loans and other financing assistance negotiated directly between the City and the business requesting such assistance in order to achieve a common objective generally held to be in the best interest of the community. The City had eleven (11) Developer Agreements at June 30, 2008.
- Community Improvement Districts (CID) – Special assessments, taxes and/or fees can be established in order to make improvements and support business activity and economic development within designated boundaries of the district. The City had two (2) CID's established at June 30, 2008.
- Neighborhood Improvement Districts (NID) – Special assessments levied on benefiting properties to make improvements within designated boundaries. The City had three (3) Neighborhood Sewer Improvement Districts and one (1) Neighborhood Lighting Improvement District, as of June 30, 2008.
- Special Business District – Real property and businesses may be taxed within designated boundaries in order to make improvements. The City has one (1) Special Business District, the Downtown Business District established February, 1990.
- Transportation Development District (TDD) – Transportation related infrastructure improvements can be financed through special assessments, property taxes or sales taxes levied within designated boundaries. The City had one (1) TDD as of June 30, 2008
- Low interest loan programs offered through Community Development Block Grant (CDBG) programs.
- Direct Loans from City Operating Accounts – The City has, on occasion, entered into temporary loans with companies as inducements to further development. A recent example is the \$100,000 short-term loan from the City's emergency reserves to a developer of speculative shell buildings at Mitchell Woods Business Park.
- Infrastructure (in-kind) Improvements – In order to entice new and existing business to relocate to or expand in St. Joseph, the City

frequently takes it upon itself to make the necessary sewerage, street, lighting and similar infrastructure improvements.

- Participation in Mo-Kan Regional Council (Mo-Kan). The City contributes annually for representation on the Board of Directors and membership in Mo-Kan. In addition to its many other responsibilities, Mo-Kan works in Northwest Missouri and Northeast Kansas in areas of financing and economic development, on-the-job customized training programs and worker reentry program under the Workforce Improvement Act, loan packaging and grant applications.

**The Community's Plan** - Seven community partners developed a 35 member steering committee made up of business leaders and residents to survey residents on their needs and concerns of the community. With this information, certain areas were identified with action teams developed to implement strategies and initiatives to address these concerns. Some of the initiatives which the City is involved include:

**Improved Citizen Communications** – The City continues to improve and expand its methods of communicating with residents. In addition to regularly scheduled City Council meetings, work sessions, committee meetings and public hearings, the City continues to reach out to its citizens through the Mayor's monthly townhall **City Talk** public forums, Student in Government Day, resident surveys, government access channel, 24-hour complaint hotline, interactive website, and educational campaigns. Various publications are produced to provide information to residents on a regular basis: quarterly neighborhood newsletter, monthly *City Builder*, bi-weekly Economic Development Outlook, and weekly electronic Publications *City Weekly* and *Mayor and City Council Update*. City council meetings are televised live and rebroadcast on the city's government access channel.

**City Neighborhoods** - The City began working together with neighborhood associations in 1994 to develop solutions for concerns that will benefit residents and the community.

**Community Betterment Groups** – Community Development staff works with many governmental and not-for-profit groups on projects designed to enhance the physical appearance of the community. These groups include the Friends of the Park, Landmark Commission, National Military Heritage Society, Inc., Neighborhood Partnership, and St. Joseph Preservation, Inc. and St Joe Serve.

**St. Joseph, A City Building Character** - Several organizations created a partnership to identify proactive actions that will ensure a competitive workforce in the 21<sup>st</sup> Century. The purpose of the partnership is to create a community wide initiative that would involve business, industry,

government, education, health services, and social service groups designed to instill character traits throughout the community.

**Long-term financial planning** - A Five Year Capital Improvement Program is adopted by City Resolution that provides for a summary of proposed improvements, estimate of project costs, and plan for financing. The City's capital improvement initiatives are funded primarily by the half-cent CIP sales taxes, government grants, revenue bond proceeds and operating reserves. The 1998 half-cent sales tax is a five year tax that was extended in June, 2003, by voters in the November 2002 election. The voters again in November, 2007 extended the tax until 2013. Following are redevelopment projects the City is working on with other agencies.

**Riverfront / Downtown Redevelopment** – The City, in concert with several different governments and agencies, is working to redevelop the Downtown and Riverfront areas. For several years, the City and other organizations have wanted to develop the Riverfront environment into an attractive and accessible area providing residents and visitors with a variety of amenities including sports, recreation, education, and entertainment but still reflecting the historic significance of St. Joseph. The major focus is on the following four areas:

**Riverfront/Riverwalk Redevelopment** – City officials, downtown representatives and business owners are pursuing redevelopment strategies for the Riverfront along the Missouri River. Private development has already occurred in this area to include Terrible's Casino facility and shops and cabin rental facilities. In early 2001, the City entered into an engineering and design component services contract with a consultant to assist in preparation of the Riverfront Development Master Plan. The Plan calls for a riverfront recreation complex, riverwalk, county fairgrounds, and nature center among other amenities. In April 2003, Heritage Softball Complex was built and available for play. The construction of the Riverwalk was completed at the end of May, 2004. As of June 2004, the beginnings of the Living History Preserve were in place. The preserve will tell the story of the development of the community from the early Native Americans through the Civil War to the end of the 19<sup>th</sup> century. The Federal Government has provided a \$992,000 VA/HUD grant and the Missouri Department of Conservation has provided a \$1,000,000 Challenge grant to build a nature center just south of the McArthur Drive parking lot at the Riverfront. Another \$1,400,000 will be coming from the City's one-half cent Capital Improvement Sales Tax and \$1,000,000 from Buchanan County. Nature Center design plans were complete the end of August, 2006 and the grand opening is scheduled for November, 2008.

**Downtown Redevelopment and DREAM Initiative** - City officials and DREAM Team made up of representatives interested in downtown redevelopment are working to accomplish one of Council's long term goals; downtown redevelopment. The DREAM Initiative outlines three goals: the creation of a Conference Center, Hotel, and Entertainment District to help spur private investment and downtown revitalization.

The use of MODESA, Hotel/Motel Tax, TIF, and CID are identified as the main source of funding for the above mentioned improvements. Implementation of the Master Plan began with the construction of the Third and Edmond Street "West Gateway" project which was completed in the fall of 2004. This project will lay the design guidelines for the remaining Downtown projects which are identified in the City's Capital Improvement Program through 2008. Work began on these projects in fiscal year 2004-2005 with Felix Street Streetscape design that is complete.

**St. Joseph Regional Port Authority** – Adjacent to the Riverfront Industrial Development Area (Brownsfield) is the location of the multipurpose port and general cargo dock facility. This project was completed March 2002, and goes hand in hand with the Downtown Redevelopment, Brownsfield Redevelopment and Economic Development Initiatives. The Port Authority mission is to promote the general welfare of the community and serve the surrounding agricultural and industrial markets.

**New Eastowne Business Park** - With the success of the Mitchell Woods Business Park, an additional business park is needed to continue to attract new or existing business expansion. The City is providing \$5.4 million in funding from the voter approved 2003 one-half cent Capital Improvement Sales Tax for infrastructure improvements at the new Eastowne Business Park located at Riverside and Pickett Roads. This project is moving forward in conjunction with the Missouri Department of Transportation's extension of Route AC (Riverside Road) south to Highway 169. Private investors and developers will provide the remaining funding. Completion is anticipated for FY 2009 - 2010.

Under Missouri State Law, the City has the authority to issue general obligation bonds payable from ad valorem taxes to finance capital improvements upon two-thirds majority vote and, on general election dates, a four-sevenths majority vote, of the qualified voters. The Missouri Constitution provides that the amount of bonds payable from tax receipts (including bonds payable from special assessments) shall not exceed twenty percent of the total assessed valuation of the taxable property in the City. At June 30, 2008, the City had no general obligation debt.

The City is authorized to issue revenue bonds to finance capital improvements to its wastewater treatment plant and sewer line facilities. Revenue bonds require a simple majority vote. Bond repayment is secured solely from the earnings generated by the wastewater facility.

**Cash Management Policies and Practices** - The City's investments are established by State Statutes and the City Investment Policy. Funds in excess of the operational needs are invested in U. S. Government Agency Discount Notes or in securities issued by the U.S. Treasury based on competitive bids received. It is City policy to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all Missouri state statutes, the City Charter, the City Administrative Code, and the City's Code of Ordinances governing the investment of public funds. The maturities of the investments range from 30 days to 180 days. To maximize investment earnings, the City consolidates cash balances of all funds except restricted or special funds. All bank deposits were insured by Federal Depository Insurance or were collateralized at June 30, 2008.

**Risk Management** - Effective July 1, 1995, the City contracted with various insurance companies for general, property and casualty insurance and initiated a self-insured workers' compensation program with a third party administrator. The City retains liability up to \$350,000 for each accident with specific excess coverage purchased to provide protection in excess of that amount. The City adopted an internal program of loss control that includes operating safety committees in each department. Active awareness of safety in the work place is being promoted by engaging employees in periodic walk-through hazard detection reviews, an employee suggestion program, and by having full-time staff involvement in workers' compensation case management reviews.

**Pension Benefits** - The City sponsors a contributory, defined benefit pension plan for its police employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City of St. Joseph must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis.

The City also provides pension benefits for its fire and non-public safety employees. These benefits are provided through Local Area Government Employee Retirement System (LAGERS), a state-wide plan. The City's obligation in connection with employee benefits is to contribute pension payments on behalf of the employees.

Additional information on the City's pension arrangements can be found in the notes to the financial statements.

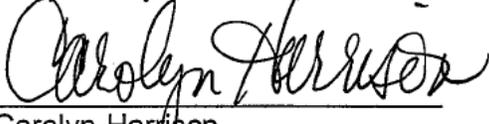
## Awards and Acknowledgements

### Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Joseph, Missouri, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. This was the eighteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The preparation of this CAFR was made possible by the efforts of many City staff. Special thanks are extended to Tom Mahoney, Accounting Manager, Cindy McDermott, Accounting Supervisor and their staff for their efforts and to the Members of the City Council for their continued support.

Respectfully submitted,

  
\_\_\_\_\_  
Carolyn Harrison  
Director of Financial Services

  
\_\_\_\_\_  
Vincent J. Capelli CPA  
City Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of St. Joseph Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Handwritten signature of Oliver S. Cox in black ink.

President

Handwritten signature of Jeffrey R. Emer in black ink.

Executive Director

# FINANCIAL SECTION



**CHV****& Co****COCHRAN HEAD VICK & CO., P.C.***Certified Public Accountants***Independent Auditors' Report**

1251 NW Briarcliff Parkway  
Suite 125  
Kansas City, MO 64116  
(816) 584-9955  
Fax (816) 584-9958

The Honorable Mayor and  
Members of the City Council  
City of St. Joseph, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Joseph, Missouri (the City), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2008, and the respective changes in financial position and cash flow, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

**Other Offices**

1333 Meadowlark Lane  
Kansas City, KS 66102  
(913) 287-4433  
(913) 287-0010 FAX

6700 Antioch Rd, Suite 460  
Merriam, Kansas 66204  
(913) 378-1100  
(913) 378-1177 FAX

317 W. Young  
Warrensburg, MO 64093  
(660) 747-9125  
(660)747-9490 FAX

The Management's Discussion and Analysis, budgetary comparison information and schedules of funding progress and employer contributions, which appear as listed in the accompanying table of contents, are not a required part of the basic financial statements but are supplementary information required accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this 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 basic financial statements of the City. The introductory section, combining and individual fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, schedules, budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

December 12, 2008

*Cohen Hard Vick PC PE*

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

As management of the City of St. Joseph (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$227,775 (*net assets*).
- The City's total net assets decreased \$2,449. Approximately \$3,140 is attributable to a decrease in "governmental activities". "Business-type activities" contributed to the decrease by \$691.
- As of the close of the current fiscal year, the City's funds reported combined ending governmental fund balances of \$42,870 an increase of \$4,718 in comparison with the prior year. Approximately \$24,052 is available for spending at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,593, or 20% of total general fund expenditures.
- The City's investment in capital assets for its governmental and business-type activities increased \$4,040. More information is provided on page MD-13.
- The City's total long-term debt as detailed on page MD-14 increased \$28,782 during the current fiscal year.

#### Overview of the Financial Statements

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

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

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

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

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type or enterprise activities*). The governmental activities of the City include general government, public safety, highways and streets, public works, health and welfare, parks and recreation. The business-type activities of the City include the Sewer (Wastewater Treatment) Facility, Municipal Airport, Municipal Landfill, Downtown Parking operations and facilities, Municipal Golf Course, and Mass Transit Authority.

The government-wide financial statements can be found beginning on page GW-1 of this report.

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

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

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

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *General Fund*, *Street Improvement Maintenance & Repair (SIM&R) Fund*, *Special Allocation Fund* and *CIP Sales Tax Improvement Fund*. These funds are considered to be major funds. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

A budgetary comparison schedule has been provided for the City's major governmental funds beginning on page RS-1 for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found beginning on page FF-1 of this report.

***Proprietary Funds.*** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

financial statements. The City uses enterprise funds to account for its municipal landfill, golf course, sewer treatment & maintenance facilities, airport, parking lots & garages, and mass transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally across the City's various functions. The City uses an internal service fund to account for its workers' compensation management and claims activities. This service benefits governmental and business-type functions; therefore it is allocated based on its percentage of use by the functions.

Proprietary funds and the internal service fund provide the same type of information as the government-wide financial statements. The major enterprise funds are *Sewer, Mass Transit and Landfill Funds*. The single internal service fund data is provided separately on the statement. Individual fund data for the enterprise funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary fund financial statements can be found beginning on page FF-5 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found beginning on page FF-11 of this report.

***Notes to the Financial Statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page FN-1 of this report.

***Other Information.*** The combining statements referred to earlier in connection with non-major governmental funds and enterprise funds are presented beginning on page CS-1 of this report.

#### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$227,775 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any depreciation and related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

**City of St. Joseph's Net Assets**

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 61,515	\$ 56,343	\$ 38,949	\$ 17,643	\$ 100,464	\$ 73,986
Capital assets	185,480	181,766	82,169	81,843	267,649	263,609
Total assets	<u>246,995</u>	<u>238,109</u>	<u>121,118</u>	<u>99,486</u>	<u>368,113</u>	<u>337,595</u>
Long-term liabilities	76,010	65,381	50,224	29,289	126,234	94,670
Other liabilities	10,723	9,326	3,381	3,376	14,104	12,702
Total liabilities	<u>86,733</u>	<u>74,707</u>	<u>53,605</u>	<u>32,665</u>	<u>140,338</u>	<u>107,372</u>
Net assets						
Invested in capital assets, net of related debt	190,941	181,139	58,959	59,053	249,900	240,192
Restricted	11,925	18,805	7,052	4,066	18,977	22,871
Unrestricted	(42,604)	(36,542)	1,502	3,703	(41,102)	(32,839)
Total net assets	<u>\$ 160,262</u>	<u>\$ 163,402</u>	<u>\$ 67,513</u>	<u>\$ 66,822</u>	<u>\$ 227,775</u>	<u>\$ 230,224</u>

At the end of the current fiscal year, the City is able to report positive balances in the “invested in capital assets” and “restricted net asset” categories, for the government as a whole, as well as for its separate governmental activities. However, the unrestricted net asset category for the governmental activities is negative. The deficit in unrestricted net assets is the result of recording certain development related long-term obligations of the City that do not result in the acquisition of a corresponding capital asset. GASBS No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* requires total approved reimbursable expenditures in the various economic development agreements be recorded as long-term obligations. However the City is not legally nor financially responsible for the reimbursements or debt payments.

Unlike the governmental activities, the business type activities show positive unrestricted net assets for FY08 of \$1,502.

An additional portion of the City's net assets, 8% or \$18,977 represents resources that are subject to external restrictions on how they may be used. Governmental activities claim 5% or \$11,925 while the business type activities have the other 3% or \$7,052.

The City's net assets decreased \$2,449 during the current fiscal year. Governmental activities represent a \$3,140 decrease in the City's net assets and a \$691 increase in net assets is reported in connection with the City's business-type activities.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

**City of St. Joseph's Changes in Net Assets**

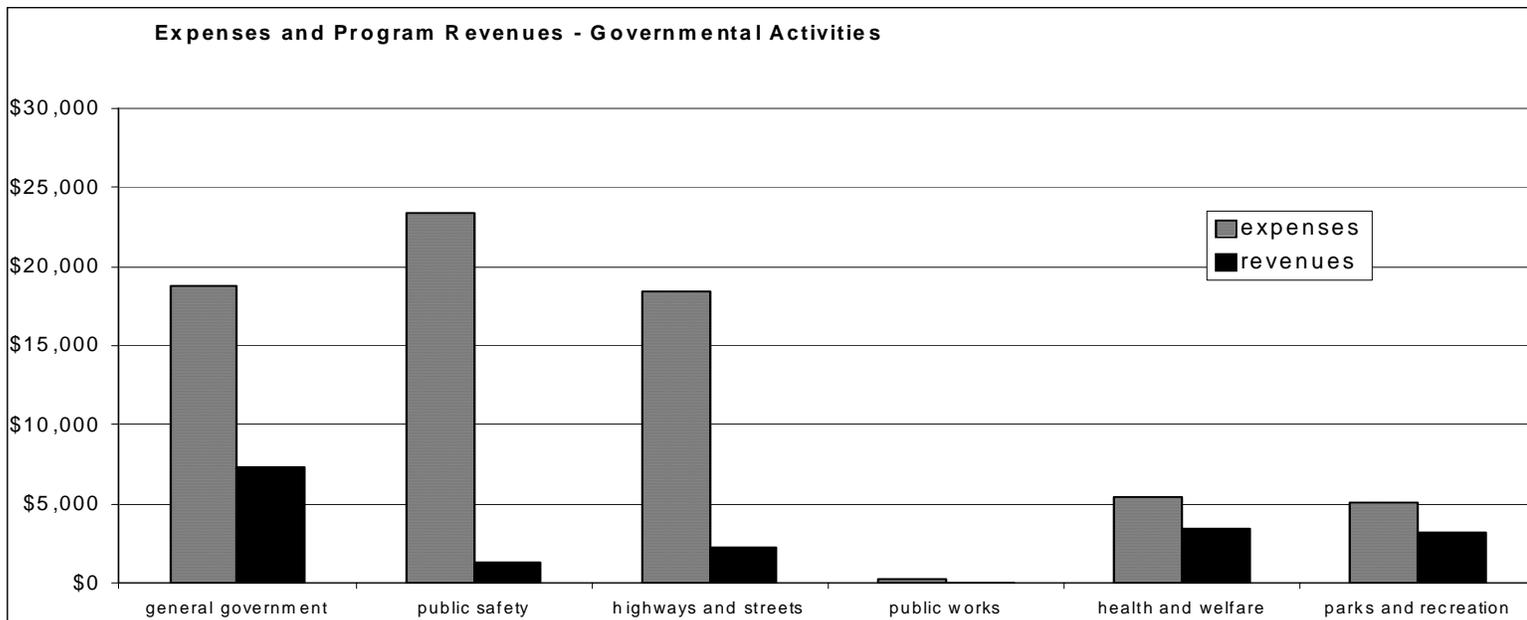
	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
General Revenues:						
Property taxes	\$ 13,757	\$ 12,861	\$ -	\$ -	\$ 13,757	\$ 12,861
Sales taxes	25,169	22,879	1,726	1,644	26,895	24,523
Other taxes	12,044	8,651	1,058	943	13,102	9,594
Program Revenues:						
Charges for Services	8,859	7,838	17,990	14,746	26,849	22,584
Operating grants, contributions, & other intergovernmental funds	6,361	6,508	2,918	2,839	9,279	9,347
Capital grants & contributions	2,255	2,428	688	1,325	2,943	3,753
Other revenue	1,923	2,220	1,276	1,146	3,199	3,366
Total revenues	<u>70,368</u>	<u>63,385</u>	<u>25,656</u>	<u>22,643</u>	<u>96,024</u>	<u>86,028</u>
Expenses:						
Functions/Programs:						
General government	18,759	9,596	-	-	18,759	9,596
Public safety	23,319	21,957	-	-	23,319	21,957
Highway and streets	18,376	15,810	-	-	18,376	15,810
Public works	213	386	-	-	213	386
Health and welfare	5,397	5,803	-	-	5,397	5,803
Parks and recreation	5,097	5,572	-	-	5,097	5,572
Interest	3,752	3,803	-	-	3,752	3,803
Sewer	-	-	12,066	9,867	12,066	9,867
Mass Transit	-	-	5,047	4,930	5,047	4,930
Landfill	-	-	4,672	2,463	4,672	2,463
Other Proprietary Functions	-	-	1,775	1,797	1,775	1,797
Total expenditures	<u>74,913</u>	<u>62,927</u>	<u>23,560</u>	<u>19,057</u>	<u>98,473</u>	<u>81,984</u>
Excess (deficiency) of revenues over (under) expenses	(4,545)	458	2,096	3,586	(2,449)	4,044
Transfers	1,405	836	(1,405)	(836)	-	-
Change in net assets	(3,140)	1,294	691	2,750	(2,449)	4,044
Net assets - beginning	163,402	162,108	66,822	64,072	230,224	226,180
Net assets - ending	<u>\$160,262</u>	<u>\$163,402</u>	<u>\$67,513</u>	<u>\$66,822</u>	<u>\$227,775</u>	<u>\$230,224</u>

# CITY OF ST. JOSEPH, MISSOURI

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

**Governmental Activities.** Governmental activities decreased the City's net assets by \$3,140. The key elements to this decrease are as follows:

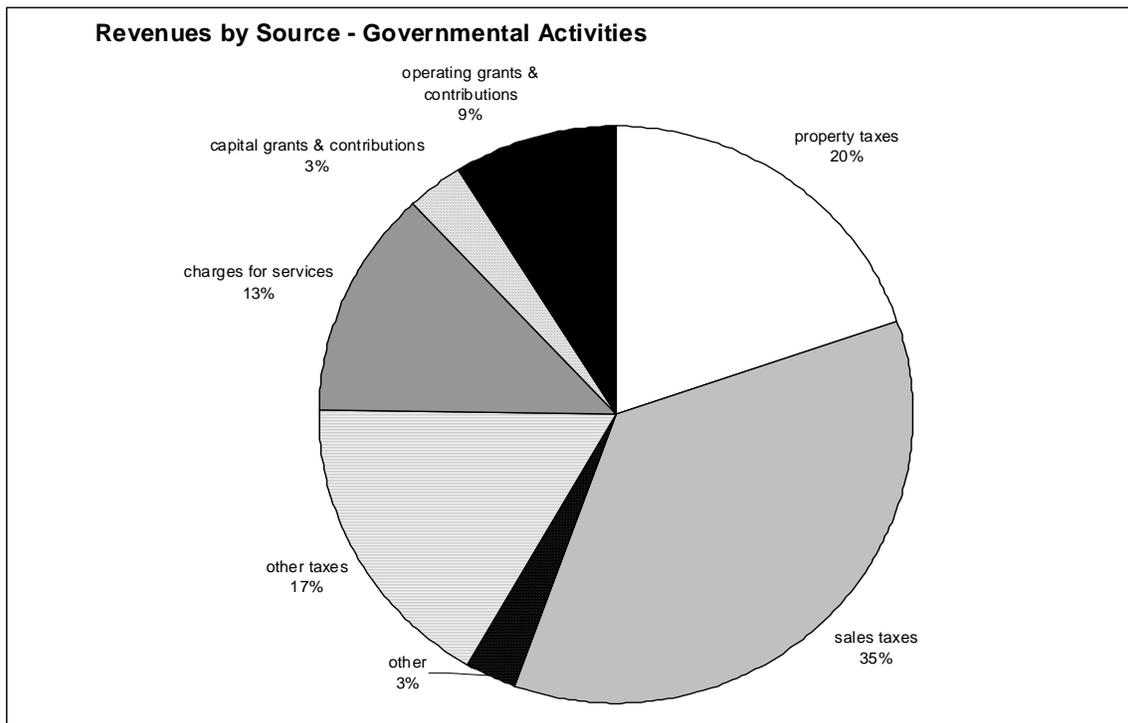
- Property taxes showed a minimal increase over the prior year. Total receipts for these revenue sources were \$13,757 in FY08 up from \$12,861 in FY07. For the first time, the Museum fund was included in the governmental activities contributing to the increase.
- A major revenue source for governmental funds is sales tax. Sales tax revenue grew slightly from \$24,150 (as adjusted to reflect a change in unearned revenue of \$1,271 in prior years) in FY07 to \$25,169 in FY08. Consumers have access to two larger retail establishments with the completion of the Shoppes at North Village and the recent renovation of East Hills Mall.
- Utility franchise fees are assessed on the gross receipts of utility companies who deliver or provide services to local residents and businesses. With the settlements between Missouri cities and most of the cell phone carriers, franchise fee revenues of \$7,588 include the one-time cell phone revenue of two years' back taxes from four of the five major telecommunications companies.
- Motor vehicle, fuel and road & bridge taxes, cigarette taxes, and hotel/motel taxes dropped in FY08 by \$179. The decreases are attributed to motor vehicle, fuel, and road and bridge taxes in the Streets Improvement Maintenance and Repair Fund and cigarette taxes in the General fund Hotel/Motel taxes were a positive revenue source for the Parks and Recreation fund.
- Interest earnings took a downturn from \$2,144 in FY07 to \$1,847 in FY08 even though cash balances remained relatively the same as the previous fiscal year. This is the direct result of the recent decline in interest rates experienced by the downturn in the global economy.



## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

- The City saw an increase in general government expenses by \$9,163. The increase is due to additional developer agreements and TIF reimbursable expenses. TIF bond proceeds are paid out to developers for approved TIF expenses. TIF reimbursables paid through bond issuance were essentially complete except for the Mitchell Avenue Corridor project where bonds were issued late in FY08.
- The City had a slight raise in the public safety expenses again over last year. \$21,957 for public safety in FY07 compared to \$23,319 in FY08. Throughout the fiscal year, overtime was an on-going issue for Police and Fire. The reason for the huge amounts of overtime has been military leave, medical leave, and light duty restrictions. Also hitting both departments was the rise in fuel costs that bombarded the Police Maintenance motor fuel expenditure line item as well as Fire Maintenance. As a result of the new 911 communication system, the cost of software maintenance agreements increased significantly.
- In December, 2007, the community experienced an ice storm where the majority of the expenses impacted the Highway and Streets. The City was declared a federal and state disaster area and up to 85% of the disaster-related expenses (as approved by FEMA) have been recovered.
- The City recognized \$971 in donated streets from new subdivisions.



## CITY OF ST. JOSEPH, MISSOURI

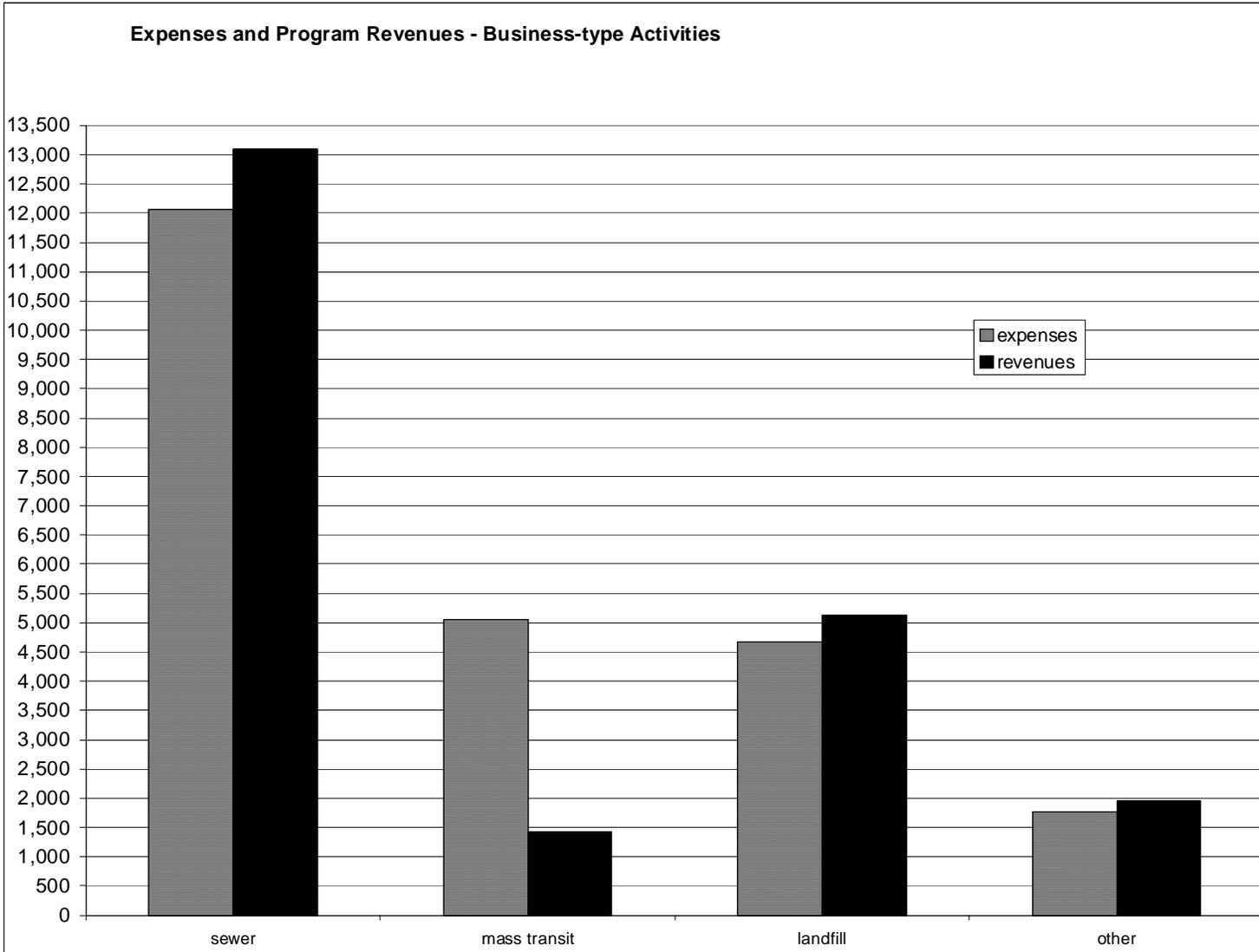
### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

**Business-type activities.** The net assets of the City's business-type activities increased \$691. Key elements of the increase within the business-type activities are:

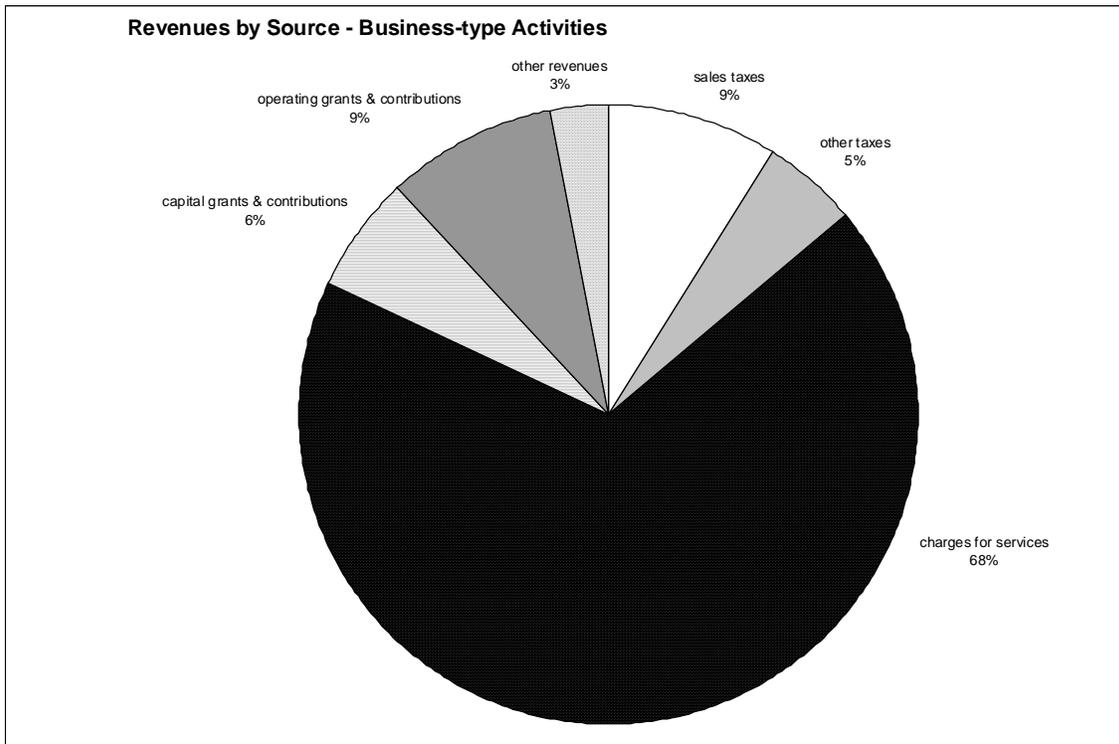
- Revenues from business-type activities went from \$22,643 in FY07 to \$25,656 for FY08, an increase of \$3,013, while expenses were higher in FY08 by \$4,503
- The "charges for services" operating revenue category reported an overall increase of \$3,244. Of that amount, increases in revenue belong to Aviation services, \$10, Parking fees, \$104, Sewer user charges, \$1,079, Mass Transit fares, \$125 and Landfill fees, \$1,936. Aviation hangar rent underwent a 3% rate increase, sewer rates reflected a 4% climb, and Mass Transit doubled their daily fares. A new revenue associated with parking for events held at the Civic Arena was responsible for more revenue in the Parking fund. Tonnage brought to the Landfill increased significantly leading to increased revenue for that fund. Revenues from Golf user fees declined by \$10 due to the bad weather and a colder than usual spring.
- Parallel to the governmental funds, sales tax increased in the Mass Transit fund. Sales tax revenue grew slightly from \$1,644 in FY07 to \$1,726 in FY08. Consumers have access to two larger retail establishments with the completion of the Shoppes at North Village and the recent renovation of East Hills Mall increasing overall sales in the City.
- Mass Transit receives revenues from selected utility franchise fees which are assessed on the gross receipts of utility companies who deliver or provide services to local residents and businesses. This does not include telecommunications and so Transit did not benefit from the influx of those revenues. Significant year to year fluctuations in the gas, electric, and water franchise fee revenues frequently occur in response to unusual seasonal climates. Warm winters and cold/wet summers have a downward impact of gas, electric, and water franchise fee revenues whereas the opposite is true for cold winters and hot/dry summers.
- Higher expenses in FY08 were incurred by five of the six business-type activities. Aviation services increased \$13, Sewer went up by \$2,199, Golf showed a \$53 increase, Mass Transit climbed by \$117, and Landfill offset the increase in revenue with a \$2,209 increase in costs. Fuel costs caused concern for all the funds as well as the ice storm that covered the area.
- The Parking fund was successful in lowering costs by \$87 due to salary savings from vacant positions throughout the fiscal year. The fund also had lower insurance claims expense compared to FY07.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**



**CITY OF ST. JOSEPH, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2008**



**Financial Analysis of the City's Funds**

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

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,593 while total general fund balance reached \$7,668. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 20% of total general fund expenditures, while total fund balance represents 27% of that same amount.

The fund balance of the City's general fund increased \$4,481 during the current fiscal year. Key factors in this increase are as follows:

- General fund's total revenue increased from \$26,810 in FY07 to \$31,218 in FY08 and total expenditures went from \$28,426 in FY07 to \$28,474 in FY08.
- Property tax and sales tax revenues came in over last year's revenue by \$633.
- Utility franchise fees collected for gas, electric, water, cable, telephone and the one-time cell phone revenue of two years' back taxes from four of the five major telecommunications companies contributed to \$3,571 more in FY08 than in FY07.
- Charges for services were \$64 higher than FY07.

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

- Municipal Court in the General fund generated a boost of \$89 in fine revenue over last fiscal year from an increase in the number of tickets and more cases.
- General government expenditures decreased \$163, while Public Safety expenditures increased \$527. City departments were given the directive from the City Manager to decrease operating expenditures and it was a concerted effort in the General fund. The majority of the increase in the Public Safety expenditures resulted from overtime due to military leave, medical leave, and light duty restrictions and from increased costs for the first year of the maintenance agreements for the new 911 communication system.

The Street Improvement, Maintenance & Repair (SIM&R) Fund is the second major fund for the City. This fund had an ending fund balance of \$2,676 of which \$2,107 represents unreserved fund balance. Unreserved fund balance represents 18% of the SIM&R fund's expenditures for the current year. The net change in fund balance of the SIM&R fund decreased by \$1,298 during the current fiscal year due to the following key factors:

- SIM&R produced an increase in total revenue from \$9,234 in FY07 to \$10,198 in FY08 for a difference of \$964.
- The City, in December, 2007, experienced an ice storm where the majority of the expenditures in overtime, supplies, maintenance & repair of equipment and contracted assistance in debris removal impacted the SIMR fund. The City received federal and state disaster funds jumping up grant revenue by \$1,021 and offsetting some of the expenditures.
- Expenditures were up from \$9,409 in FY07 to \$11,897 in FY08 for an increase of \$2,488. This is a direct association in costs due to overtime and materials for the ice storm.

The Special Allocation Fund was established in FY04 to record transactions for the City's TIF districts and related bond issues. The ending fund balance of \$15,163 includes \$7,864 reserved for bond payments leaving \$7,299 unreserved. Unreserved fund balance represents 83% of the Special Allocation fund's total expenditures. The following key factors contributed to the Special Allocation's fund balance:

- Although property tax and payment in lieu of taxes saw a jump in revenues from \$1,843 in FY07 to \$2,017 in FY08, overall the Special Allocation fund total revenue decreased from \$6,914 in FY07 to \$6,759 in FY08.
- As seen in the General fund, incremental sales tax revenues for the Special Allocation fund went up from \$2,251 in FY07 to \$2,549 in this year.
- Developer contributions relating to bonds issued provided for more revenue in the previous fiscal year by \$507 than the current year.
- With the additional developer agreements and TIF agreements, expenditures increased for pay as you go and TIF reimbursable costs from \$1,697 for FY07 to \$3,725 in FY08.
- Debt service related expenditures were higher in FY08 than FY07 by \$406 due to first time principal payments for the bond issues.

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

The CIP Sales Tax Improvement Fund has a total fund balance of \$9,172. While unreserved, \$6,462 of this fund balance actually represents capital projects that have been appropriated but have not been completed. All of the budgeted monies within the capital improvement fund are attached to projects approved by the voters with the five-year, half-cent CIP sales tax issue renewed for the fourth time in November 2007. Fund balance fluctuations are tied directly to the status of projects and/or to the timing of grant monies anticipated as reimbursements for up-front expenditures on the projects.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Proprietary funds net assets activity resulted in an increase of \$973 over last year. Investment in capital assets is the largest component of net assets with a decrease of \$95 from last year. A portion of the City's proprietary fund net assets, 10% or \$7,052 represents resources that are subject to external restrictions on how they may be used. .

Unrestricted net assets at the end of the fiscal year were positive in the Sewer and Mass Transit funds. The Sewer fund claimed \$2,089 in unrestricted net assets while Mass Transit had \$283. A deficit unrestricted net asset balance of \$1,294 was in the Landfill fund. Increased number of landfill users and the resulting increase in tipping fee revenues along with controlling operating expenditures will help eliminate the deficit.

#### **General Fund Budgetary Highlights**

##### General Fund

Differences between the original budget and the final amended budget amounted to \$476. The differences can be briefly summarized as follows:

- Election expenses for the CIP and Mass Transit sales tax - \$52
- Funds for personal identification system for Customer Assistance department - \$14
- Replacement regulation pistols, ammunition and equipment for the Police department - \$70
- Final payment to Buchanan County for LEC renovations - \$136
- Tasers for Police officers - \$30
- Media equipment for Police training room - \$13
- Acquire K9 to be used by the Police department - \$7
- Repairs for two vehicles and purchase of three vehicles for Fire department - \$126
- Multi-media coordinator hired and an in-house video production program established - \$17

Differences between the original budget and the actual amounts for revenues and expenditures are as follows:

- Revenues came in slightly over target by \$2,452 largely due to the one-time cell phone settlement.
- Expenditures were under budget by \$753. Customer Assistance department budgeted for professional services costs associated specialized inspection services that were not utilized resulted in savings of \$100. Vacant positions and military leave salary and related benefits in the Police department make up the remaining amount.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounts to \$267,649 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, office furniture and fixtures, roads, park improvements, major fire apparatus, sewer lines and wastewater treatment facility improvements. Major capital asset events during the current fiscal year included the following:

- Purchased Oshkosh Snow Blower/Broom (\$576) at Rosecrans Airport
- Started construction of Eastowne Business Park infrastructure (\$3,381)
- Improved utility connections for relocation of Air National Guard at Rosecrans (\$1,055)
- Received International Flusher Truck (\$587)
- Completed construction of the Riverfront Nature Center (\$4,930)
- Expanded the Urban Hike and Bike Trails (\$1,926)
- Continued construction of the Felix street Streetscape (\$1,922)

**City of St. Joseph's Capital Assets**  
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 5,227	\$ 5,227	\$ 5,375	\$ 5,438	\$ 10,602	\$ 10,665
Buildings	13,071	13,814	19,232	20,328	32,303	34,142
Improvements other than buildings	19,946	20,472	19,621	5,260	39,567	25,732
Machinery and equipment	2,961	3,722	3,857	3,308	6,818	7,030
Infrastructure	129,964	135,219	1,307	1,422	131,271	136,641
Sewer Lines	-	-	30,284	30,276	30,284	30,276
Construction in progress	14,311	3,312	2,493	15,811	16,804	19,123
Total capital assets	\$ 185,480	\$ 181,766	\$ 82,169	\$ 81,843	\$ 267,649	\$ 263,609

Additional information on the City's capital assets can be found in the Notes to Financial Statements on page FN-18 of this report.

**Debt Administration**

At the end of the current fiscal year, the City had total debt outstanding of \$119,925. Of this amount, \$10,119 represents bonds secured solely by specified revenue sources (i.e., Revenue Bonds). The remaining \$109,806 is comprised of 1) \$616 of Public Building Authority Bonds covered by annual appropriations in the general government activity funds and by dedicated revenues of the Landfill and Parking Operations funds, 2) \$19,280 Infrastructure Facility Bond loan payments funded by PILOTS and EATS pursuant to the financing agreement, TIF Incremental Tax Revenues and Chapter 100 Pilots Revenue in the Special Allocation fund, 3) \$66,700 issued by the Industrial Development Authority Bonds in connection with The Shoppes at North Village, the Mitchell Avenue Corridor, and Sewer

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

Improvement projects in the Special Allocation fund and Sewer fund respectively, 4) \$13,445 in Missouri Development Finance Board Bonds which includes \$2,170 in the General fund for the Public Safety Improvement projects and \$11,275 in the Sewer fund for the Sewerage System Improvements related to the Stockyards Redevelopment project, 5) \$9,654 in Developer Pay-As-You-Go Obligations for certified costs in the Special Allocation fund, and 6) by capital lease obligations for major pieces of equipment totaling \$30 located in the Landfill fund, \$30 supported in the Municipal Golf fund, and \$50 recorded in the Parks, Recreation, and Civic Facilities fund.

The Missouri State Constitution permits a City, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for “City purposes” not to exceed specified percentages of the assessed value of taxable tangible property. Currently, the City has no outstanding general obligation debt.

**City of St. Joseph’s Outstanding Debt**

Revenue Bonds and Other Bonded Debt

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue Bonds	\$ -	\$ -	\$ 10,119	\$ 11,216	\$ 10,119	\$ 11,216
Public Building Authority Bonds	297	341	319	366	616	707
Special Obligation Bonds	-	-	-	60	-	60
Industrial Development Authority	46,290	42,235	20,410	-	66,700	42,235
Infrastructure Facility Bonds	19,280	19,430	-	-	19,280	19,430
MO Development Finance Board	2,170	3,810	11,275	11,515	13,445	15,325
Developer Obligation	9,654	2,029	-	-	9,654	2,029
Capital Lease Obligations	51	-	60	141	111	141
Total long-term debt	<u>\$ 77,742</u>	<u>\$ 67,845</u>	<u>\$ 42,183</u>	<u>\$ 23,298</u>	<u>\$ 119,925</u>	<u>\$ 91,143</u>

The City's total debt increased by \$28,782 during the current fiscal year. The key factors in this increase were as follows:

- The normal annual retirement of debt service.
- The Municipal Golf Special Obligation bond was paid off reducing the debt in that fund.
- Industrial Development Authority Bonds in the Special Allocation fund and the Sewer fund were issued this fiscal year.
- New developer obligations (pay-as-you-go reimbursable costs) were recognized in the Special Allocation fund.
- Additional information on the City's long-term debt can be found in Note 6 of this report.

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

#### Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City at June 30, 2008 is 5.0%, which is an increase from a rate of 4.5% a year ago. This compares favorably to the state's average unemployment rate of 5.7% and reflects the expansion and addition of several small companies in the St. Joseph area.
- In September, 2008, the City received the bond credit rating of a stable A overall from Standard and Poor's. The city's financial position is adequate and St. Joseph's financial management practices are considered good under the Standard and Poor's Financial Management Assessment (FMA).
- Eastowne Business Park, the proposed 350 acre business park, is located at the corner of Pickett and Riverside Roads. With the success of Mitchell Woods, St. Joseph is in the process of developing another business park for commercial offices and light industrial facilities.
- In November, the citizens voted to extend the CIP half cent sales tax until 2013. This will allow the City to further the projects promised to the citizens.
- In February 2008 voters approved an increase in the Mass Transit Sales Tax from .15% to .375%, which is expected to keep the existing transit services in place and operational through the year 2023. The tax will also provide City matching funds for federally funded bus and equipment replacements. The City established a separate reserve for use in setting aside each year an amount of money needed to replace buses when that becomes necessary. The additional revenues generated from the higher tax rate will avoid deep cuts in Mass Transit operating budgets and public transit services.
- New developments are occurring throughout the St. Joseph area with eight (8) approved Tax Increment Financing districts, six (6) of which are active.

#### Revenue Forecast.

In aggregate terms, City revenues came in well over what was expected for the Fiscal Year ended June 30, 2008 (FY2008). When controlled for the one-time cell phone revenues, and a late-year TIF bond issue, revenues came in .5% over projections and 7% over the adopted budget. Looking at only operating revenues (excluding cell phone, CIP and Special Allocation revenues) projections came in \$1,560 over projections (2%).

Of the funds, only Riverboat Gaming and CDBG had revenue decreases from that received during the prior year. Gaming Fund's decrease in revenues can be tied directly to the economic downturn. The CDBG Fund's decrease was the result of decision on the federal level to lower HUD funds.

FY2009 Budget decisions on major revenue categories were made almost five months prior to the end of the FY2008 fiscal year and were based on the following assumptions.

Property Tax Projections: Annual growth in property taxes for the past five years had fluctuated between less than 1% up to 5% in re-assessment years. Due to the Hancock Amendment, property tax growth is confined to the lower of 5% or the Consumer Price Index ceiling. New construction valuations and prior year tax collections are not restricted by the Hancock Amendment. The current economic slow-down and increased foreclosure rate through the region has resulted in low activity over the past year. Therefore the real property tax revenues were estimated to increase by 2%. The County Assessor had lowered the assessed valuations totals for personal property values two years in a

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

row in the recent past as a result of errors in assessed valuations, major plant closings and, to some degree, tax abatements provided as economic development initiatives. As a result, personal property tax revenue projections were increased by 2.0% as well.

Sales Tax Projections: Beginning around FY 2000 the annual growth in sales taxes slowed to an average of 1% to 1.5%. Staff has been cautiously optimistic that the local economy continues to realize the positive effects of two, major economic boosts – the development of an up-scale shopping center in the northeast section of the City and the development of a major food processing plant just south of the downtown area. Both of these projects were completed and operational within FY 2006 fiscal year. And indeed tax revenues increased at 2.35% and 1.58% in FY 2005 and FY 2006 respectively. FY 2007 actual revenues had a 6.5% increase over FY 2006 as a full year's worth of sales tax revenues were received from the new retail center. FY 2008 sales tax receipts were within \$9,245, or .0003%, of the projected amount. However, the economic climate led to a conservative estimates in FY 2009 of a 2-2.6% increase depending on the sales category.

There will be an uptick in revenues received due to a voter approved increase in the sales tax devoted to the transit system.

Franchise Fee Projections: Annual growth in Franchise Fees for the past few years has ranged from a negative 10% to a 25% increase (in FY 2001). Fluctuations in franchise fee revenues correspond to changes in annual weather conditions and rate increases (or decreases) by individual utilities, as well as restrictions imposed by State Statutes.

A steady migration of the telecommunications business to wireless and data transmission had meant an 18% decrease in communications' franchise revenue over the last five years. Recent settlements with the telecommunications companies will be brought in about \$2.7 million in one-time payments for back taxes late in FY 2008. Phone franchise fees are estimated to increase approximately \$1.3 million a year due to [long overdue] franchise payments on these phone services.

Because the legal settlements also included a five year time frame within which the phone companies agreed not to attempt to circumvent tax payments, there could be a time in which these revenues are once again threatened. As a result the great majority of the new revenues are being segregated within the General Fund. Except for \$500,000 a year transferred to the Streets Fund toward as an operational subsidy, the monies are being used for one-time capital or other non-operating items.

Historical revenue patterns are only marginally useful because they cannot predict future weather conditions or legislative impacts on utility revenues. For FY 2009, budgeted franchise revenue is estimated as follows: Gas, Electric, and Water revenues were based on three year averages. Telephone (until a year's worth of history with new cell phone tax revenues is available) estimates were based on the prior year actual plus an estimated base of \$350,000. Cable was projected on its historical growth of 2%.

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

User Fee Projections: User fees are charged for civic facility rents, downtown and on-street public parking, building inspections, recreational activities (swimming, ice skating, golf, athletic leagues, etc...), riverboat gaming taxes, bus fares, sewer user fees, landfill tipping fees, and various other fees for service.

Riverboat gaming revenues had decreased every year from FY 2001 to FY 2005. The revenue losses were worsening – 2%, 5%, to an 8% decrease in FY 2004. FY 2005 was continuing that slide until the casino changed ownership in January. A dramatic turn around occurred and there was a 21% increase of FY 2006 revenues over FY 2005. FY 2007 increase slowed to 10.5%. Staff had projected a modest increase of 3% increase for FY 2008; however the state of the region's economy has finally hit gaming too. FY 2008 was projected to have little increase so FY09 had an "optimistic" 1% increase budgeted.

Sewer fees are determined by cost of service studies prepared by specialists. Increases in both Sewer discharge fees will take effect October 1, 2008. Most other user fees were estimated to be above FY 2008 levels as a result of an almost city-wide effort to identify cost of services and to raise user fees accordingly in many areas. Given the increase in tonnage taken to the Landfill, no rate increases were planned for that service. Revenue increases are due totally to increased use at that facility.

License/Permit/Fine Projections: Given the trend in FY 2008 fine revenues were budgeted at a slight increase for FY2009. Actual revenue received will depend on the Municipal Judge's decisions on what amounts to actually levy or waive as well as on the City's efforts to collect unpaid fines. All other license and permit revenues have remained fairly constant over the past 6 years. Revenue estimates were based largely on the experience and projections of the responsible departments.

Sale of Bonds: Bonds sales most often occur in response to individual capital project and capital outlay funding initiatives with little or no relationship to prior year bond sales. Most of the FY2006 bond sales were directly related to a number of TIF related infrastructure improvements. The \$5.5 million bond issue budgeted for sewer improvements in FY2007 did not occur. While no bond issues were budgeted in FY2008, Special Obligation Revenue Bonds in the amount of \$20 million were issued by the Industrial Development Authority for use by the City in completing major Sewer System and Wastewater Treatment upgrades to not only meet state and federal mandates, but to expand sewer mains in areas not currently served by the sewer system. The amount of bond proceeds budgeted reflects the amount of capital improvement projects slated for FY 2009.

#### Expenditure Controls.

The City Council expressed its desire to accomplish three important budget goals for FY2009 including balancing (revenues equal or exceed expenditures) all operating funds, providing additional street improvements and resuming annual compensation increases for City employees. These budget objectives, were, of course, added to the always-present Council objective of delivering timely and effective municipal services to the City's customers.

Those goals, including a 4% across-the-board increase to employees, were achieved in a number of ways. Major factors in accomplishing these goals in the FY 2009 budget are listed as follows:

**CITY OF ST. JOSEPH, MISSOURI**

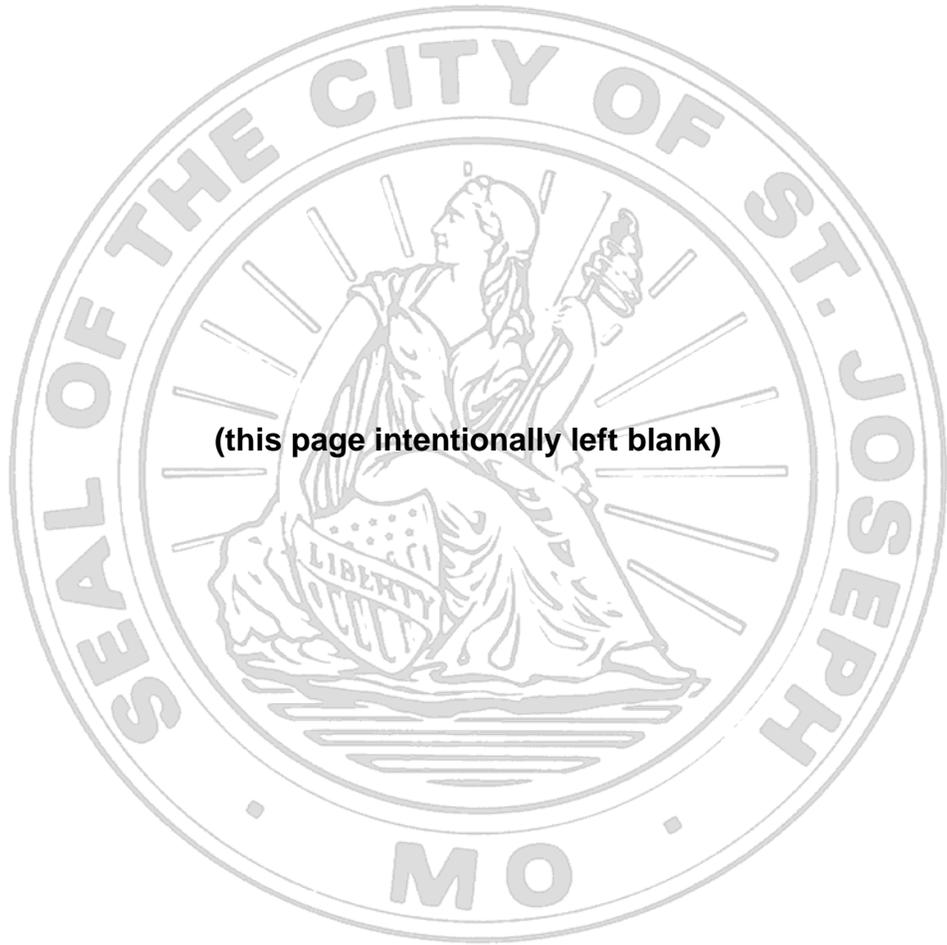
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

- Lower actuarially-determined minimum pension contribution rates for general, police and fire employees could be implemented.
- A 5% cap on increases to City-paid health premiums was put in place.
- The policy decision was made that the cell phone settlement revenues would be treated as one-time monies. A majority of the revenue was directed toward street maintenance and repair activities.
- Hold-the-line operating budgets were maintained.

The City continues to examine its current Compensation Plan, looking for ways in which to implement fair, and financially responsible, employee pay increases.

***Requests for Information***

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Financial Services, 1100 Frederick Avenue, City of St. Joseph, Missouri, 64501.



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**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF NET ASSETS**  
JUNE 30, 2008

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 22,564,631	\$ 8,945,278	\$ 31,509,909
Receivables, net where applicable of allowances for uncollectibles	17,590,687	3,593,553	21,184,240
Loan receivables	3,625,315	-	3,625,315
Internal balances	334,894	(334,894)	-
Due from other governments	1,978,324	182,825	2,161,149
Prepaid items and deferred charges	1,613,019	561,428	2,174,447
Restricted assets:			
Cash and investments	13,808,385	26,000,713	39,809,098
Capital assets not being depreciated:			
Land	5,227,255	5,375,085	10,602,340
Construction in progress	14,310,624	2,493,256	16,803,880
Capital assets net of accumulated depreciation:			
Buildings	13,071,289	19,231,528	32,302,817
Improvements other than buildings	19,946,151	19,621,185	39,567,336
Machinery and equipment	2,854,641	3,856,489	6,711,130
Office Equipment	105,787	-	105,787
Infrastructure	129,964,017	31,591,234	161,555,251
Total assets	<u>246,995,019</u>	<u>121,117,680</u>	<u>368,112,699</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	5,531,391	982,895	6,514,286
Accrued interest payable	789,505	435,911	1,225,416
Liabilities payable from restricted assets			
Noncurrent liabilities:			
Due within one year	4,402,013	1,888,311	6,290,324
Due in more than one year	76,010,398	40,517,803	116,528,201
Landfill closure and postclosure costs:			
Due within one year	-	73,500	73,500
Due in more than one year	-	9,706,383	9,706,383
Total liabilities	<u>86,733,307</u>	<u>53,604,803</u>	<u>140,338,110</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	190,940,915	58,958,430	249,899,345
Restricted for:			
Debt service	7,917,956	7,052,076	14,970,032
Capital projects	4,006,793	-	4,006,793
Unrestricted (deficit)	(42,603,952)	1,502,371	(41,101,581)
Total net assets	<u>\$ 160,261,712</u>	<u>\$ 67,512,877</u>	<u>\$ 227,774,589</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
FOR THE YEAR ENDED JUNE 30, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities:							
General government	\$ 18,759,334	\$ 5,836,677	\$ 1,458,421	\$ -	\$ (11,464,236)	\$ -	\$ (11,464,236)
Public safety	23,318,744	543,241	737,587	-	(22,037,916)	-	(22,037,916)
Highways and streets	18,375,904	172,658	1,113,413	971,354	(16,118,479)	-	(16,118,479)
Public works	212,776	23,327	-	-	(189,449)	-	(189,449)
Health and welfare	5,397,561	684,720	2,733,829	-	(1,979,012)	-	(1,979,012)
Parks and recreation	5,096,787	1,598,356	317,679	1,283,955	(1,896,797)	-	(1,896,797)
Interest on long-term debt	3,752,522	-	-	-	(3,752,522)	-	(3,752,522)
Total governmental activities	<u>74,913,628</u>	<u>8,858,979</u>	<u>6,360,929</u>	<u>2,255,309</u>	<u>(57,438,411)</u>	<u>-</u>	<u>(57,438,411)</u>
Business-type activities:							
Aviation services	989,152	479,350	623,479	-	-	113,677	113,677
Parking services	358,222	447,428	-	-	-	89,206	89,206
Sewer services	12,065,818	11,321,682	1,075,721	688,019	-	1,019,604	1,019,604
Golf services	427,656	369,883	30,694	-	-	(27,079)	(27,079)
Transit services	5,047,032	284,077	1,149,151	-	-	(3,613,804)	(3,613,804)
Landfill services	4,672,139	5,087,108	39,206	-	-	454,175	454,175
Total business-type activities	<u>23,560,019</u>	<u>17,989,528</u>	<u>2,918,251</u>	<u>688,019</u>	<u>-</u>	<u>(1,964,221)</u>	<u>(1,964,221)</u>
<b>Total primary government</b>	<u>\$ 98,473,647</u>	<u>\$ 26,848,507</u>	<u>\$ 9,279,180</u>	<u>\$ 2,943,328</u>	<u>(57,438,411)</u>	<u>(1,964,221)</u>	<u>(59,402,632)</u>
General revenues:							
Property taxes					13,757,320	-	13,757,320
Sales taxes					25,169,192	1,726,313	26,895,505
Franchise taxes					7,588,044	1,058,276	8,646,320
Motor fuel taxes					3,554,512	-	3,554,512
Cigarette taxes					451,815	-	451,815
Hotel taxes					448,717	-	448,717
Unrestricted investment revenues					1,913,204	1,099,122	3,012,326
Gain on sale of capital assets					9,914	177,256	187,170
Transfers					1,405,495	(1,405,495)	-
Total general revenues and transfers					<u>54,298,213</u>	<u>2,655,472</u>	<u>56,953,685</u>
Change in net assets					<u>(3,140,198)</u>	<u>691,251</u>	<u>(2,448,947)</u>
Net assets - beginning					163,401,910	66,821,626	230,223,536
Net assets - ending					<u>\$ 160,261,712</u>	<u>\$ 67,512,877</u>	<u>\$ 227,774,589</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	General	Street Improvement Maintenance & Repair	Special Allocation	CIP Sales Tax Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and investments	\$ 5,272,639	\$ 1,511,225	\$ 2,267,443	\$ 7,406,302	\$ 4,982,246	\$ 21,439,855
Receivables	3,388,338	1,473,974	10,396,078	1,838,304	493,993	17,590,687
Loan receivables	-	-	-	-	3,625,315	3,625,315
Due from other funds	-	-	-	830,827	-	830,827
Due from other governments	61,345	771,878	420,406	38,143	686,552	1,978,324
Prepaid items	53,966	34,573	-	-	40,870	129,409
Restricted cash and investments	199,222	-	13,554,899	-	54,264	13,808,385
Total assets	<u>\$ 8,975,510</u>	<u>\$ 3,791,650</u>	<u>\$ 26,638,826</u>	<u>\$ 10,113,576</u>	<u>\$ 9,883,240</u>	<u>\$ 59,402,802</u>
<b>Liabilities And Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 574,367	\$ 948,274	\$ 1,546,967	\$ 572,575	\$ 692,610	\$ 4,334,793
Contracts payable	-	88,490	-	369,215	59,442	517,147
Due to other funds	-	-	-	-	605,913	605,913
Other current liabilities	466,920	78,446	-	-	126,282	671,648
Deferred revenue	265,842	-	9,929,034	-	208,009	10,402,885
Total liabilities	<u>1,307,129</u>	<u>1,115,210</u>	<u>11,476,001</u>	<u>941,790</u>	<u>1,692,256</u>	<u>16,532,386</u>
Fund balances:						
Reserved for:						
Encumbrances	1,822,317	535,364	-	2,709,861	1,878,862	6,946,404
Debt service	199,222	-	7,863,692	-	54,264	8,117,178
Prepaid items	53,966	34,573	-	-	40,870	129,409
Long-term receivables	-	-	-	-	3,625,315	3,625,315
Unreserved reported in:						
General fund	5,592,876	-	-	-	-	5,592,876
Special revenue funds	-	2,106,503	7,299,133	-	2,535,983	11,941,619
Capital projects funds	-	-	-	6,461,925	55,690	6,517,615
Total fund balances	<u>7,668,381</u>	<u>2,676,440</u>	<u>15,162,825</u>	<u>9,171,786</u>	<u>8,190,984</u>	<u>42,870,416</u>
Total liabilities and fund balances	<u>\$ 8,975,510</u>	<u>\$ 3,791,650</u>	<u>\$ 26,638,826</u>	<u>\$ 10,113,576</u>	<u>\$ 9,883,240</u>	<u>\$ 59,402,802</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

Fund balances – total governmental funds	\$ 42,870,416
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	185,479,764
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when due.	(789,505)
Adjustment of deferred revenue	10,402,885
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Fund is included in the governmental activities in the statement of net assets.	358,082
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(79,543,540)
Deferred debt costs	<u>1,483,610</u>
Net assets of governmental activities	<u>\$ 160,261,712</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	General	Street Improvement Maintenance & Repair	Special Allocation	CIP Sales Tax Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes:						
Property	\$ 6,781,116	\$ -	\$ 1,546,023	\$ -	\$ 4,952,314	\$ 13,279,453
Sales	11,717,581	5,249,653	2,549,374	5,652,584	-	25,169,192
Franchise	7,588,044	-	-	-	-	7,588,044
Motor Fuel	-	3,554,512	-	-	-	3,554,512
Cigarette	451,815	-	-	-	-	451,815
Hotel	-	-	-	-	448,717	448,717
Licenses and permits	1,199,607	14,626	-	-	247,123	1,461,356
Intergovernmental	783,909	1,113,413	-	1,580,390	5,167,172	8,644,884
Charges for services	1,334,933	135,713	-	-	3,246,764	4,717,410
Fines	1,147,268	-	-	-	45,251	1,192,519
Special assessments	-	5,000	-	-	23,648	28,648
Investment earnings	44,498	107,952	1,072,047	423,352	199,464	1,847,313
Contributions and donations	40,139	-	-	-	53,853	93,992
Payments in lieu of taxes	21,512	-	470,490	-	-	492,002
Other	107,987	17,319	1,121,405	104	370,710	1,617,525
Total revenues	31,218,409	10,198,188	6,759,339	7,656,430	14,755,016	70,587,382
<b>Expenditures</b>						
Current:						
General government	6,286,125	-	3,724,991	-	945,008	10,956,124
Public safety	21,779,899	-	-	-	-	21,779,899
Highways and streets	-	8,834,917	-	-	-	8,834,917
Public works	-	-	-	-	212,776	212,776
Health and welfare	-	-	-	-	5,203,704	5,203,704
Parks and recreation	-	-	-	-	4,566,717	4,566,717
Debt Service:						
Principal	95,000	-	1,595,775	1,545,000	55,608	3,291,383
Interest and fiscal charges	96,641	-	3,493,667	80,624	15,546	3,686,478
Capital outlay	216,831	3,061,736	-	9,111,258	1,575,535	13,965,360
Total expenditures	28,474,496	11,896,653	8,814,433	10,736,882	12,574,894	72,497,358
Excess (deficiency) of revenues over expenditures	2,743,913	(1,698,465)	(2,055,094)	(3,080,452)	2,180,122	(1,909,976)
<b>Other financing sources (uses)</b>						
Transfers in	2,692,222	892,612	30,900	1,491,390	1,569,171	6,676,295
Transfers out	(980,863)	(510,570)	-	(440,323)	(3,339,044)	(5,270,800)
Bonds issued	-	-	5,110,000	-	-	5,110,000
Capital lease	-	-	-	-	56,201	56,201
Sale of capital assets	26,156	18,861	-	-	11,361	56,378
Total other financing sources (uses),	1,737,515	400,903	5,140,900	1,051,067	(1,702,311)	6,628,074
Net change in fund balances	4,481,428	(1,297,562)	3,085,806	(2,029,385)	477,811	4,718,098
Fund balances - beginning	3,186,953	3,974,002	12,077,019	11,201,171	7,713,173	38,152,318
Fund balances - ending	\$ 7,668,381	\$ 2,676,440	\$ 15,162,825	\$ 9,171,786	\$ 8,190,984	\$ 42,870,416

The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

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

Net changes in fund balances – total governmental funds \$ 4,718,098

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	Capital Outlay	11,990,910	
	Depreciation	<u>(9,202,189)</u>	2,788,721

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations);

	Disposals	(46,464)	
	Capital contribution	<u>971,354</u>	924,890

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,266,606)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from debt issuance			(5,110,000)
Principal payments			3,291,383
Debt issuance costs and related amortization			(102,739)
Capital lease proceeds			(56,201)
Developer obligation			(8,016,804)

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 the governmental funds:

Accrued interest			36,695
Compensated absences			(47,117)

Internal Service Funds are used by management to charge the costs of self-insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with the governmental activities. (300,518)

Change in net assets of governmental activities \$ (3,140,198)

The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
JUNE 30, 2008

	Business-type Activities - Enterprise Funds					Total Internal Service Fund
	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Total	
<b>Assets</b>						
Current assets:						
Cash and investments	\$ 78,762	\$ 100	\$ 8,284,388	\$ 582,028	\$ 8,945,278	\$ 1,124,776
Restricted cash and cash equivalents	2,010,513	-	2,006	55,191	2,067,710	-
Interest receivable	12,237	-	24,295	1,706	38,238	-
Accounts receivable (net of allowance for uncollectibles)	2,716,219	421,203	416,767	1,126	3,555,315	-
Due from other governments	-	-	44,434	138,391	182,825	-
Prepaid items	22,107	60,680	13,543	4,897	101,227	-
Total current assets	4,839,838	481,983	8,785,433	783,339	14,890,593	1,124,776
Noncurrent assets:						
Restricted cash and investments	23,930,964	-	72	1,967	23,933,003	-
Deferred charges	448,232	-	8,461	3,508	460,201	-
Capital assets:						
Land	528,294	189,134	1,248,872	3,408,785	5,375,085	-
Buildings	28,992,937	4,321,204	517,248	8,274,111	42,105,500	-
Improvements other than buildings	19,631,478	41,699	453,421	9,652,011	29,778,609	-
Machinery and equipment	10,662,958	5,552,143	4,030,682	1,859,293	22,105,076	-
Office furniture and fixtures	35,946	288,143	-	28,284	352,373	-
Construction in progress	1,346,461	-	-	1,146,795	2,493,256	-
Infrastructure	57,582,316	-	-	1,921,975	59,504,291	-
Less accumulated depreciation	(54,268,067)	(6,537,464)	(3,449,895)	(15,289,987)	(79,545,413)	-
Total capital assets (net of accumulated depreciation)	64,512,323	3,854,859	2,800,328	11,001,267	82,168,777	-
Total noncurrent assets	88,891,519	3,854,859	2,808,861	11,006,742	106,561,981	-
Total assets	\$ 93,731,357	\$ 4,336,842	\$ 11,594,294	\$ 11,790,081	\$ 121,452,574	\$ 1,124,776

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
JUNE 30, 2008

Business-type Activities - Enterprise Funds						Total Internal Service Fund
Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals		
<b>Liabilities and Net Assets</b>						
Current liabilities:						
Accounts payable	\$ 539,058	\$ 37,220	\$ 258,485	\$ 148,132	\$ 982,895	\$ 7,803
Due to other funds	63,379	161,535	-	-	224,914	-
Compensated absences	137,469	-	39,126	40,343	216,938	-
Claims payable	-	-	-	-	-	610,742
Matured bonds payable	1,577,000	-	1,922	52,877	1,631,799	-
Matured interest payable	433,513	-	84	2,314	435,911	-
Capital lease payable	-	-	30,029	9,545	39,574	-
Landfill closure and postclosure liability	-	-	73,500	-	73,500	-
Total current liabilities	<u>2,750,419</u>	<u>198,755</u>	<u>403,146</u>	<u>253,211</u>	<u>3,605,531</u>	<u>618,545</u>
Noncurrent liabilities:						
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	40,227,313	-	2,542	261,399	40,491,254	-
Capital lease payable	-	-	-	20,648	20,648	-
Compensated absences	-	-	-	5,901	5,901	-
Claims	-	-	-	-	-	258,129
Landfill closure and postclosure liability	-	-	9,706,383	-	9,706,383	-
Total noncurrent liabilities	<u>40,227,313</u>	<u>-</u>	<u>9,708,925</u>	<u>287,948</u>	<u>50,224,186</u>	<u>258,129</u>
Total liabilities	<u>42,977,732</u>	<u>198,755</u>	<u>10,112,071</u>	<u>541,159</u>	<u>53,829,717</u>	<u>876,674</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	41,668,968	3,854,859	2,774,296	10,660,307	58,958,430	-
Restricted for debt service	6,995,238	-	1,994	54,844	7,052,076	-
Unrestricted (deficit)	2,089,419	283,228	(1,294,067)	533,771	1,612,351	248,102
Total net assets	<u>\$ 50,753,625</u>	<u>\$ 4,138,087</u>	<u>\$ 1,482,223</u>	<u>\$ 11,248,922</u>	<u>67,622,857</u>	<u>\$ 248,102</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					<u>(109,980)</u>	
Net assets of business-type activities					<u>\$ 67,512,877</u>	

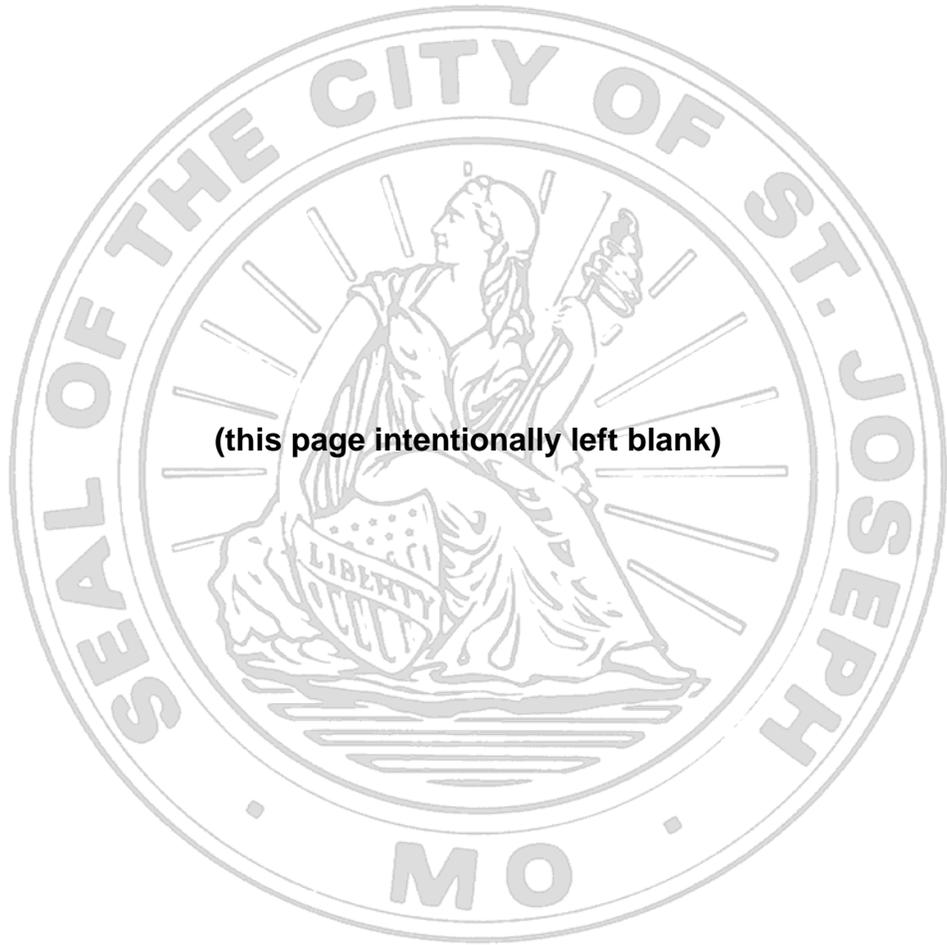
The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals	Total Internal Service Fund
<b>Operating revenues:</b>						
Charges for services (pledged for sewer)	\$ 11,198,513	\$ 252,095	\$ 5,024,006	\$ 1,266,881	\$ 17,741,495	\$ 573,665
Other	123,169	31,982	63,102	29,780	248,033	-
Total operating revenues	<u>11,321,682</u>	<u>284,077</u>	<u>5,087,108</u>	<u>1,296,661</u>	<u>17,989,528</u>	<u>573,665</u>
<b>Operating expenses:</b>						
Personal services	3,325,584	3,941	940,129	723,361	4,993,015	-
Contractual services	2,511,864	3,478,648	748,121	148,955	6,887,588	1,221,543
Commodities	569,853	549,397	405,551	121,716	1,646,517	-
Heat, light and power	862,363	40,600	17,744	108,044	1,028,751	-
Depreciation	2,245,309	974,446	364,204	632,861	4,216,820	-
Closure and postclosure care costs	-	-	2,171,928	-	2,171,928	-
Total operating expenses	<u>9,514,973</u>	<u>5,047,032</u>	<u>4,647,677</u>	<u>1,734,937</u>	<u>20,944,619</u>	<u>1,221,543</u>
Operating income (loss)	<u>1,806,709</u>	<u>(4,762,955)</u>	<u>439,431</u>	<u>(438,276)</u>	<u>(2,955,091)</u>	<u>(647,878)</u>
<b>Nonoperating revenues (expenses):</b>						
Intergovernmental and other	1,075,721	1,149,151	39,206	654,173	2,918,251	-
Franchise taxes	-	1,058,276	-	-	1,058,276	-
Taxes	-	1,726,313	-	-	1,726,313	-
Investment income	864,284	-	226,901	7,937	1,099,122	65,891
Interest and fiscal charges	(2,286,994)	-	(6,844)	(40,093)	(2,333,931)	-
Gain (loss) on disposal of capital assets	3,998	(1,606)	172,328	2,536	177,256	-
Total nonoperating revenues (expenses), net	<u>(342,991)</u>	<u>3,932,134</u>	<u>431,591</u>	<u>624,553</u>	<u>4,645,287</u>	<u>65,891</u>
Income (loss) before capital contributions and transfers	<u>1,463,718</u>	<u>(830,821)</u>	<u>871,022</u>	<u>186,277</u>	<u>1,690,196</u>	<u>(581,987)</u>
Capital contributions	688,019	-	-	-	688,019	-
Transfers in	-	-	-	213,000	213,000	-
Transfers out	(801,370)	(154,255)	(493,740)	(169,130)	(1,618,495)	-
Change in net assets	<u>1,350,367</u>	<u>(985,076)</u>	<u>377,282</u>	<u>230,147</u>	<u>972,720</u>	<u>(581,987)</u>
Total net assets - beginning	<u>49,403,258</u>	<u>5,123,163</u>	<u>1,104,941</u>	<u>11,018,775</u>	<u>830,089</u>	<u>830,089</u>
Total net assets - ending	<u>\$ 50,753,625</u>	<u>\$ 4,138,087</u>	<u>\$ 1,482,223</u>	<u>\$ 11,248,922</u>	<u>\$ 248,102</u>	<u>\$ 248,102</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. (281,469)

Change in net assets of business-type activities \$ 691,251



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**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 10,091,534	\$ 196,688	\$ 4,780,286	\$ 1,257,746	\$ 16,326,254	\$ 573,665
Payments to suppliers	(4,351,789)	(4,091,838)	(1,054,460)	(388,007)	(9,886,094)	(1,129,890)
Payments to employees	(3,307,283)	(3,941)	(938,881)	(723,047)	(4,973,152)	-
Other operating revenues	123,169	31,982	63,102	29,780	248,033	-
Net cash provided (used) by operating activities	<u>2,555,631</u>	<u>(3,867,109)</u>	<u>2,850,047</u>	<u>176,472</u>	<u>1,715,041</u>	<u>(556,225)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental grants	1,075,721	1,149,151	(5,228)	26,872	2,246,516	-
Taxes received	-	2,784,589	-	-	2,784,589	-
Transfers in / (out)	(737,991)	(75,165)	(493,740)	43,870	(1,263,026)	-
Net cash provided (used) by noncapital financing activities	<u>337,730</u>	<u>3,858,575</u>	<u>(498,968)</u>	<u>70,742</u>	<u>3,768,079</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Bond Proceeds	20,410,000	-	-	-	20,410,000	-
Payments of debt principal	(1,354,000)	-	(40,097)	(115,687)	(1,509,784)	-
Payments of capital lease principal	-	-	(30,029)	-	(30,029)	-
Payments of debt interest and charges	(1,988,079)	-	(5,290)	(42,035)	(2,035,404)	-
Capital grants received	-	-	-	667,678	667,678	-
Purchase of capital assets	(2,101,117)	-	(616,711)	(959,284)	(3,677,112)	-
Net cash provided (used) by capital and related financing activities	<u>14,966,804</u>	<u>-</u>	<u>(692,127)</u>	<u>(449,328)</u>	<u>13,825,349</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sales and maturities of investments	11,858,709	-	20,510,371	(1,101,009)	31,268,071	(2,024,702)
Purchase of investments	(29,987,448)	-	(21,197,944)	1,316,010	(49,869,382)	2,543,206
Interest and dividends received	975,179	-	329,532	21,538	1,326,249	65,891
Net cash provided (used) by investing activities	<u>(17,153,560)</u>	<u>-</u>	<u>(358,041)</u>	<u>236,539</u>	<u>(17,275,062)</u>	<u>584,395</u>
Net increase (decrease) in cash and cash equivalents	706,605	(8,534)	1,300,911	34,425	2,033,407	28,170
Cash and cash equivalents - beginning	587,090	8,634	1,229,308	143,338	1,968,370	315,359
Cash and cash equivalents - ending	1,293,695	100	2,530,219	177,763	4,001,777	343,529
Investments	24,726,544	-	5,756,247	461,423	30,944,214	781,247
Total cash and investments	<u>\$ 26,020,239</u>	<u>\$ 100</u>	<u>\$ 8,286,466</u>	<u>\$ 639,186</u>	<u>\$ 34,945,991</u>	<u>\$ 1,124,776</u>
Cash and investments reported on the Statement of Net Assets:						
Unrestricted cash and investments	\$ 78,762	\$ 100	\$ 8,284,388	\$ 582,028	\$ 8,945,278	\$ 781,247
Restricted cash and investments	25,941,477	-	2,078	57,158	26,000,713	343,529
Total cash and investments	<u>\$ 26,020,239</u>	<u>\$ 100</u>	<u>\$ 8,286,466</u>	<u>\$ 639,186</u>	<u>\$ 34,945,991</u>	<u>\$ 1,124,776</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ 1,806,709	\$ (4,762,954)	\$ 439,431	\$ (438,276)	\$ (2,955,090)	\$ (647,878)
Adjustments to reconciliation operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,245,309	974,446	364,204	632,861	4,216,820	-
Landfill closure and postclosure	-	-	2,171,928	-	2,171,928	-
Changes in operating assets and liabilities:						
Accounts receivable	(1,075,136)	(55,407)	(243,720)	5,289	(1,368,974)	-
Prepaid expenses	7,104	2,646	(5,649)	6,929	11,030	-
Accounts payable and contracts/claims payable	(446,656)	(25,840)	122,605	(30,645)	(380,536)	91,653
Accrued payroll and compensated absences	18,301	-	1,248	314	19,863	-
Net cash provided (used) by operating activities	<u>\$ 2,555,631</u>	<u>\$ (3,867,109)</u>	<u>\$ 2,850,047</u>	<u>\$ 176,472</u>	<u>\$ 1,715,041</u>	<u>\$ (556,225)</u>
<b>Non-cash capital and financing activities:</b>						
Capital contributions	<u>\$ 688,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 688,019</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
 JUNE 30, 2008

	Pension Trust Fund	
	Police Pension	Total Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 2,896,106	\$ 62,973
Investments:		
US Government obligations	2,331,785	-
Corporate bonds	5,703,736	-
Corporate stock	12,107,716	-
Preferred stock	197,391	-
Receivables:		
Taxes	-	150,829
Contributions	66,073	-
Accrued interest	125,660	-
Total assets	<u>23,428,467</u>	<u>213,802</u>
<b>Liabilities</b>		
Accounts payable	2,815	-
Due to others	-	213,802
Total liabilities	<u>2,815</u>	<u>213,802</u>
<b>Net Assets</b>		
Held in trust for pension benefits	<u>\$23,425,652</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Pension Trust Fund Police Pension
Additions:	
Member contributions	\$ 219,328
Employer contributions	1,536,575
Investment income	876,363
Net appreciation(depreciation) in fair value of investments	(1,915,967)
Less investment expenses	(71,070)
Total additions	<u>645,229</u>
Deductions:	
Benefit payments	1,714,941
Refunds of contributions	2,241
Administrative expenses	48,666
Total deductions	<u>1,765,848</u>
Change in net assets	(1,120,619)
Net assets - beginning	<u>24,546,271</u>
Net assets - ending	<u><u>\$ 23,425,652</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the City of St. Joseph, Missouri (the “City”) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The following is a summary of the more significant accounting and reporting policies and practices of the City.

**A. Reporting Entity**

The City operates under a constitutional home rule charter as adopted by City Council on August 4, 1981, and as amended by Council on April 19, 1982. This charter provides for a council-manager form of government and the following services:

- public safety (police and fire)
- public improvements
- sanitation, health and social services
- highway and streets
- planning and zoning
- culture and recreation
- general and administrative services

In accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement 14, “The Financial Reporting Entity” and GASB Statement 39, “Determining Whether Certain Organizations are Component Units – an amendment to GASB Statement 14”, an evaluation is made of organizations to determine whether they are within the scope of the “primary government” or whether they are a component unit of the government. Primary governments are financially accountable for organizations that make up their legal entity, for legally separate organizations (if certain criteria are met) and for organizations that are fiscally dependent upon the government. Generally, component units are presented discretely within the financial statements of the primary government; unless certain criteria are met in which case they are blended.

Organizations were evaluated and determined if they were part of the primary government and not a separate component unit. The test to determine if an organization falls within the umbrella of the City’s legal entity is determining if the organization has separate legal standing. However, GASB 14 does note that some organizations, despite being legally separate from the primary government, are so intertwined with the primary government that they are, in substance, the same as the primary government and should be reported as part of the primary government.

The definition of a legally separate entity includes possessing corporate powers that would distinguish it as being legally separate from the primary government. This includes the right to sue and be sued in its own name without recourse to the City, and the right to buy, sell, lease and mortgage property in its own name.

# CITY OF ST. JOSEPH, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

The financial statements of the City include all funds and agencies which are controlled by or dependent on the City's executive and legislative branches, the City Manager and City Council, respectively. Control by, or dependence on the City was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, obligations of the City to finance any deficits which may occur, or receipt of significant subsidies from the City. This criteria was used to determine that the following organization was to be included in the City's financial statements:

### **Blended Component Unit:**

*St. Joseph Public Building Authority* - The Authority was formed for the sole purpose to own, operate, maintain, and lease facilities and equipment to the City. A board consisting of the City Manager, Director of Finance, one City Council member, and two citizens appointed by the Council governs the Public Building Authority. Outstanding debt issued by the Authority is treated as an obligation of the City. Debt issued by the Authority for Governmental Funds and the related capital assets are recorded in the government-wide statement of net assets. Debt issued by the Authority for Enterprise Funds and related capital assets are recorded in the respective Enterprise Funds and the government-wide statement of net assets.

No separately issued financial statements are prepared for the Public Building Authority.

### **B. Government-Wide and Fund Financial Accounting**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

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

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

## **CITY OF ST. JOSEPH, MISSOURI**

### **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The financial statements for the Police Pension Fund, a pension trust fund, are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, as the City has a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is due and payable. However, interest and principal on general long-term debt is recognized when due, or when payments are due early in the next fiscal year, and the advance of resources to the debt service fund is mandatory, and debt service expenditures are recognized before year-end to match the resources provided for these payments.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. Property tax, sales tax, franchise tax, motor fuel tax, cigarette tax, hotel tax, interest, and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

The City reports the following major governmental funds:

The *General Fund* is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

The *Street Improvement Maintenance and Repair Fund*, a special revenue fund, is used to account for the City's share of the Missouri motor fuel tax, road and bridge tax, and a portion of the 1% sales tax. Revenues are used for maintenance of streets, storm sewers, bridges, street signing, and street lighting.

The *Special Allocation Fund*, a special revenue fund, is used to account for the City's Tax Increment Financing (TIF) and other redevelopment projects. Revenues are derived from Payment in Lieu of Taxes, Economic Activity Taxes, bond proceeds and reimbursements from funding agreements.

The *CIP Sales Tax Improvement Fund*, a capital projects fund, accounts for the five year, one-half cent sales tax to fund capital improvement projects to City streets, stormwater facilities, buildings, infrastructure, as well as replacements of fire suppression equipment.

The City reports the following major proprietary funds:

The *Sewer Fund* accounts for operation, maintenance, and expansion of the City's sewage treatment facilities and the city-wide sewage collection network including lines and pump stations. Funding is provided primarily through sewer service charges.

The *Mass Transit Fund* accounts for the operations of the City-wide bus system and handicap van services. The operations are funded by user charges, 1% utility franchise fees, a 1/7th cent (\$.0015) transit sales tax and Federal Transit Administration operating and capital grants.

The *Landfill Fund* accounts for the operations of the City-owned landfill and recycling facility, which are funded by user charges.

Additionally, the City reports the following fund types:

The *Internal Service Fund* is used to account for self-insurance reserves provided to other departments or agencies of the City on a cost reimbursement basis.

The *Pension Trust Fund* is used to account for the accumulation of resources for pension benefit payments to qualified police personnel.

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

The *Agency Funds* are used to account for assets held by the City as an agent for the Gateway TDD Agency Fund and the St. Joseph Library Agency Fund. Agency funds report assets and liabilities and use the accrual basis of accounting to recognize receivables and payables.

The City applies all applicable pronouncements of the Financial Accounting Standards Board (FASB) in accounting and reporting for enterprise activities and on a government-wide basis issued on or before November 30, 1989, unless these pronouncements conflict with applicable Governmental Accounting Standards Board (GASB) guidance as prescribed by GASB Statement No. 20. No pronouncements of the FASB issued after November 30, 1989 have been adopted.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are considered nonoperating.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### **D. Cash and Investments**

It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and while conforming to all Missouri state statutes, the City Charter, the City Administrative Code, and the City's Code of Ordinances governing the investment of public funds.

A cash and investment pool is maintained by the City and is accounted for in a separate "Pooled Cash Fund." All funds with a cash balance carry an "Equity in Pooled Cash Fund" account equal to their respective cash and investment portion of the pool, which is comprised of United States Treasury and Agency securities with maturities primarily less than one year.

Cash and cash equivalents, as used in the statement of cash flows, refers to cash on hand, cash in demand deposit accounts in financial institutions, and short-term, highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value due to changes in interest rates.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

Under GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City has elected to take the “one-year option” because its investments at the time of purchase have a maturity date of less than one year and are valued at amortized cost. The Police Pension investments are recorded at fair value since maturity is longer than one year.

**E. Receivables**

All trade receivables are shown net of an allowance for uncollectibles as determined by management.

**F. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation. Balances in prepaid items at June 30, 2008, are the premiums paid to various companies for general liability insurance, auto liability, boiler and machinery, crime, and other insurance for coverage effective July 1, 2008.

**G. Restricted Assets**

Portions of net assets are segregated for future use, and are; therefore, not available for current appropriation or expenditure. Proceeds from the sale of bonds are restricted for project expenditures and the related debt service reserve accounts held by the Trustees are restricted to pay debt service and meet bond covenant requirements.

**H. Capital Assets**

Capital assets, which include property, buildings, equipment, and infrastructure assets (e.g., roads), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

- Computer equipment	3 years
- Motor vehicles and motorized equipment	5 years
- Furniture, machinery and equipment	10 years
- Buildings and improvements	30 years
- Sewer treatment plant	50 years
- Sewer lines	80 years
- Infrastructure	25 - 50 years

**I. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time, and medical leave benefits. Medical leave is earned at a rate of four hours (6 hours for fire personnel) per full two-week pay period. Employees may elect partial conversion or payment of accrued medical leave balances as of the end of the first pay period in the new calendar year in any one of these options: (1) Conversion of accrued medical leave balances over 520 hours (780 for fire personnel) to vacation hours at a rate of two-for-one, limited to 80 medical leave hours (120 for fire personnel) converted, and (2) Receipt of cash payment for accrued medical leave balances over 520 hours (780 for fire personnel) at a rate of four-for-one, limited to 80 hours (120 for fire personnel) of medical leave hours converted. Termination of an employee cancels medical leave balance and the employee shall not be entitled to receive reimbursement for accrued medical leave. Employees who retire in accordance with one of the City's pension programs will receive lump-sum payment for part of their accrued medical leave balance.

Vacation leave is earned at the following rates:

Years of Service	Hours Earned per Pay Period	Annually
0-7	3.08	10 days
	4.62 (Fire)	15 days
8-15	4.62	15 days
	6.47 (Fire)	21 days
16+	6.16	20 days
	9.24 (Fire)	30 days

Maximum vacation leave credit can be carried forward from one year to another at a rate of 160 hours, 240 for fire personnel. An employee is entitled to receive reimbursement for accrued vacation leave upon termination of employment.

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

From one fiscal year to another, accrued compensatory time is limited to 40 hours. Any accrued compensatory time over 40 hours that is not used by June 1<sup>st</sup> will be paid to the employee on the final payroll of the fiscal year.

All vested or accumulated vacation, scheduled holiday leave and vested accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured for example, as a result of employee resignations and retirements.

#### **J. Property Tax Revenue Recognition**

Property tax revenue is recognized independent of receivable recognition in the fiscal year for which the taxes have been levied (budgeted). Property tax revenue becomes available within the fiscal year of the levy. Delinquent taxes expected to be received later than 60 days after the close of the fiscal year are classified as deferred revenue within the governmental fund financial statements.

#### **K. Interfund Activity**

During the course of normal operations the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The City determines the classification of amounts recorded as subsidies, advances, or contributions.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “interfund receivables/payables” and are reported as “due to/from other funds”.

#### **L. Net Assets**

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

***Invested in Capital Assets, Net of Related Debt*** – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

***Restricted*** – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

***Unrestricted*** – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**M. Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**N. Deficit Fund Balance/Net Assets**

The following Fund had a deficit fund balance at June 30, 2008:

**Special Revenue Funds**

Community Development	(\$527,597)
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**NOTE 2: CASH DEPOSITS AND INVESTMENTS**

Unrestricted cash deposits and investments are pooled and include cash held in commercial bank checking accounts and investments held in United States Government Treasury and Agency securities. The cash deposit and investment pool is accounted for in a separate treasurer's account. All funds with a cash balance carry an "Equity in Pooled Cash" balance on the financial statements equal to their respective cash deposit and investment portion of the pool. The pool is comprised of commercial bank deposits and other investments with maturities less than one year. The City utilizes an interest bearing checking account for daily cash deposits and deductions in the bank account.

United States Treasury and Agency securities with maturities of one year or less when purchased are reported on the balance sheet at their cost. All other investments are reported at fair value.

Interest earnings from unrestricted cash and investments are allocated to each fund based on a weekly average cash balance. Interest earnings from restricted cash and investments are reported directly in the related fund. Funds, if any, having negative month-end cash balances are assessed interest charges.

Restricted cash and investments are segregated from other cash balances and are recorded separately in the financial statements. Restricted cash and investments include escrow balances, pension plan assets, funds set aside for legally restricted purposes, and certain bond proceeds and reserves required to be restricted by the bond indenture agreements.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

Statutes authorize the City to enter into a Banking Services Depository Agreement; whereby, the City invests, daily, all available collected account balances in an interest bearing checking account based on the 90-day U.S. Treasury Bill Rate. Cash deposits exceeding the City's estimated three month operational expense needs are invested in collateralized time deposits or U.S. Treasury and Agency securities. In addition, the City is authorized to invest in other direct obligations of the U.S. Government or insured Agency bonds or obligations of the State of Missouri, Buchanan County or the City.

City ordinances further provide for a Safekeeping Agreement between the banking institution, the City, and the Federal Reserve Bank; whereby, the bank agrees to deposit with the Federal Reserve Bank, as custodian for the City, such collateral securities as required by Missouri State Statutes (Chapter 110 – Depositories for Public Funds), for the safekeeping and prompt payment of City deposits.

The market value of pledged securities shall at all times be not less than one hundred percent (100%) of the actual amount of the funds on deposit with the bank, less the amount covered by federal depository insurance.

A reconciliation of cash and investments as shown on the government-wide statement of net assets and statement of fiduciary net assets is as follows:

	<b>Balance June 30, 2008</b>		
Cash on hand	\$	13,335	
Cash Deposit in Bank		8,945,168	
Investments held by Trustee (Bond Reserves)		35,652,072	
U.S. Government and Agency securities		26,771,405	
Police Pension Trust:			
Cash		2,896,106	
Investments		20,340,628	
		<u>23,236,734</u>	
		<u>\$ 94,618,714</u>	
	<b>Government- wide Statement of Net Assets</b>	<b>Fiduciary Funds Statement of Net Assets</b>	<b>Total</b>
Unrestricted – cash and investments	\$ 31,509,909	\$ 62,973	\$ 31,572,882
Restricted – cash and cash equivalents	39,809,098	—	39,809,098
Police Pension – cash and investments	—	23,236,734	23,236,734
Total	<u>\$ 71,319,007</u>	<u>\$ 23,299,707</u>	<u>\$ 94,618,714</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

Investments for the City of St. Joseph, Missouri are as follows for the year ended June 30, 2008

Investment type:	Investment Maturities (in years)		
	Cost	Fair Value	Less Than 1
Debt Securities			
U.S. Agency Discount Notes	\$ 26,771,405	\$ 26,864,775	\$ 26,771,405

Investments for the Police Pension fund are as follows for the year ended June 30, 2008:

Investment type:	Investment Maturities (in years)			
	Fair Value	Less Than 1	1 - 5	6 - 10
Debt Securities				
U.S. Agencies	\$ 2,331,785	\$ -	\$ 1,831,160	\$ 500,625
Corporate Debt	5,703,736	503,957	4,472,714	727,065
	8,035,521	\$ 503,957	\$ 6,303,874	\$ 1,227,690
Other Investments:				
Corporate Stock	12,305,107			
Total	\$ 20,340,628			

**Custodial Credit Risk** – At June 30, 2008, the City reported bank deposits of \$8,945,168. The bank balance of \$6,853,515 was insured by federal depository insurance of \$100,000 and collateral securities held by the City’s agent in the name of the City. The total market value of the City’s collateral securities at June 30, 2008, was \$10,235,038 in the form of U.S. Government and Agency securities. At June 30, 2008, the City’s investments in U.S. Government and Agency securities of \$26,771,405 were held by commercial banks and broker-dealer firms. All U.S. Government and Agency securities were insured through the broker-dealers’ membership in the Securities Investor Protection Corporation (SIPC) and through surety bonds purchased by them from private insurance companies. Investments are reported at fair value based upon quoted market prices at the valuation date, except for the U.S. Government and Agency securities discussed above which are recorded at cost due to their short-term nature.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

The Police Pension investments totaling \$20,340,628 consist of \$2,331,785 in government fixed securities, \$5,703,736 in corporate bond fixed income securities, \$12,107,716 in common corporate stock, \$197,391 in convertible preferred stock. The Police Pension fund's investments are held by its investment custodian in the fund's name, and cash totaling \$2,896,106 is uncollateralized.

**Interest Rate Risk** – It is the policy of the City of St. Joseph, Missouri, to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and while conforming to all Missouri state statutes, the City Charter, the City Administrative Code, and the City's Code of Ordinances governing the investment of public funds. The City's investment policy limits investment maturities to less than one year as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment theory and historical capital market return data suggests that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. Given this relationship between risk and return, the investment objective of the Police Pension Fund is to provide attractive investment returns from income and capital appreciation consistent with the moderate level of risk taken in the portfolio. This is a goal of relatively stable returns over the longer term, with some potential of negative returns in any given year. According to the Police Pension fund investment policy statement, the average maturity of the portfolio's fixed income component will not exceed 10 years.

**Credit Risk** – The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to limit its investments to Certificates of Deposit and Bonds or other obligations of the United States.

Credit ratings for the City of St. Joseph, Missouri, investments that are rated are as follows:

Investment type:	Quality Ratings		
	Cost	Fair Value	AAA
Debt Securities			
U.S. Agency Discount	\$ 26,771,405	\$ 26,864,775	\$ 26,771,405

The Police Pension fund follows the prudent person rule with certain fixed income securities portfolio constraints. According to the Police Pension fund investment policy statement only "investment grade" debt securities held in the portfolio with an overall quality average AA or better are allowed.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

Credit ratings for the Police Pension fund investments that are rated are as follows:

Investment type:	Fair Value	Quality Ratings				
		AAA	AA	A	BAA	Unrated
Debt Securities						
U.S. Agencies	\$ 2,331,785	\$ 2,331,785	\$ —	\$ —	\$ —	\$ —
Corporate Debt	5,703,736	1,385,677	1,020,422	2,213,861	628,700	455,076
	<u>8,035,521</u>	<u>\$ 1,385,677</u>	<u>\$ 1,020,422</u>	<u>\$ 2,213,861</u>	<u>\$ 628,700</u>	<u>\$ 455,076</u>

Other Investments:

Corporate Stock	<u>12,305,107</u>
Total	<u>\$ 20,340,628</u>

**Concentration of Credit Risk** – Safety of principal is the foremost objective of the City’s investment program. The cash investments of the City of St. Joseph, Missouri, shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The City’s investments are in the following investment types at June 30:

	2008	
	Fair Value	Concentration
Federal Home Loan Bank	\$ 10,907,060	41%
Federal National Mortgage Association	6,942,978	26%
Federal Farm Credit	8,921,367	33%
	<u>\$ 26,771,405</u>	<u>100%</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

The Police Pension Board established asset allocation guidelines in its investment policy statement to achieve the long term investment objectives. The asset allocation mix should be maintained as follows: 1) Equity investments will range between a maximum of 60%, and a minimum of 40% of the total portfolio within the total equity exposure. 2) Investments in international securities may comprise up to 10% of the total portfolio value. 3) Fixed income investments will range between a maximum of 60% and a minimum of 40% of the total portfolio. 4) Cash investments will range between 0% and 20%, of the total portfolio. Convertible securities may represent attractive investment alternatives and limited to 10% of the portfolio value. To ensure diversification of the Fixed Income securities, credit exposure to any individual issuer, other than the U.S. Government, shall not exceed 10% of the total fixed income portfolio assets.

	2008	
	Fair Value	Concentration
Federal Home Loan Bank	\$ 1,819,440	23%
Federal Farm Credit Bank	512,345	6%
Corporate Debt :		
Deutsche Telekom Intl	628,700	8%
Astrazeneca	511,325	6%
Walt Disney	503,145	6%
Travelers	485,300	6%
Target	455,076	6%
General Electric	389,972	5%

**Foreign Currency Risk** – The City has no policy related to foreign currency risk. The Police Pension Plan’s exposure to foreign currency risk is as follows:

Investment	Currency	Maturity	Fair Value
Canada Government	Canadian dollar	11/5/2008	\$ 353,091

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**NOTE 3: RECEIVABLES**

The City property taxes are levied as of August 21 based on the assessed valuation of real and personal property located in the City as of the preceding January 1, the assessment date. Taxes so levied become an immediate and continuing lien on the property until paid. Real estate taxes remaining unpaid for two years are submitted to the Buchanan County tax sale for collection through foreclosure proceedings.

Assessed values for real and personal property are established annually by Buchanan County and used by the City. The following calendar provides important dates for property tax assessment, billing and collection activities:

	Real Property	Personal Property
Assessment date	January 1	January 1
Levy date	August 21	August 21
Lien date	When levied	When levied
Billing date	November 1	November 1
Due date	December 31	December 31
Delinquent date	January 1	January 1

The City's 2007 property tax rate was \$1.55 per \$100 valuation (\$1.15 per \$100 valuation in areas annexed effective December 30, 1972.) An additional special assessment of \$.50 per \$100 assessed value of land only is levied in the Park District for park maintenance and repair. A special business district levy is imposed on landowners in this special downtown district of \$.78 per \$100 assessed valuation effective February 5, 1990, for seven years and extended by the voters effective January 1, 1997, and again on January 28, 2004, for an additional seven years.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

The tax levy is as follows:

Tax Year/Fiscal Year	2007/2008	2006/2007
City:		
General Fund	\$ .63	\$ .63
Public Safety	.07	.07
Parks & Recreation	.19	.19
Public Health	.21	.21
Library	.40	.40
Museum	.05	.05
Business District	.78	.81
Special Park	.50	.50

As required by RSMo 137.073, the State Auditor examined and approved the property tax rates for 2003 which comply with Article X, Section 22 of the Missouri Constitution.

The following assessed to actual property value ratios are specified by State statute for each class of property:

Agricultural @ 12%      Residential @ 19%      Commercial @ 32%

The assessed valuation of all tangible taxable property for the 2007 and 2006 levies were as follows:

Tax Year/ Fiscal Year	2007 / 2008	2006 / 2007	Change	Percent of Change
Real Property	\$ 618,779,174	\$ 604,882,031	\$ 13,897,143	2.3%
Personal Property	255,509,796	244,962,219	10,547,577	4.3%
Railroad Utilities	16,182,516	16,280,178	( 97,662)	(.6%)
Total	<u>\$ 890,471,486</u>	<u>\$ 866,124,428</u>	<u>\$ 24,347,058</u>	<u>2.8%</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

Receivables as of June 30, 2008, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Accounts</b>	<b>Accrued Interest</b>	<b>Taxes</b>	<b>Total Receivables</b>	<b>Allowance for Doubtful Accounts</b>	<b>Receivables, Net</b>
Government activities:						
General	\$ 300,990	\$ 30,742	\$ 3,056,606	\$ 3,388,338	\$ —	\$ 3,388,338
Street improvement, maintenance and repair	23,574	4,429	1,445,971	1,473,974	—	1,473,974
Special Allocation	10,125,003	6,882	264,193	10,396,078	—	10,396,078
CIP Sales Tax	1,000,000	24,159	814,145	1,838,304	—	1,838,304
Nonmajor governmental funds	64,283	23,183	406,527	493,993	—	493,993
Total governmental activities	<u>11,513,850</u>	<u>89,395</u>	<u>5,987,442</u>	<u>17,590,687</u>	<u>—</u>	<u>17,590,687</u>
Business-type activities:						
Sewer	2,746,219	12,237	—	2,758,456	( 30,000 )	2,728,456
Mass transit	—	—	421,203	421,203	—	421,203
Landfill	416,767	24,295	—	441,062	—	441,062
Nonmajor enterprise funds	1,126	1,706	—	2,832	—	2,832
Total business-type activities	<u>3,164,112</u>	<u>38,238</u>	<u>421,203</u>	<u>3,623,553</u>	<u>( 30,000 )</u>	<u>3,593,553</u>
Total Net Receivables	<u>\$ 14,677,962</u>	<u>\$ 127,633</u>	<u>\$ 6,408,645</u>	<u>\$ 21,214,240</u>	<u>\$ ( 30,000 )</u>	<u>\$ 21,184,240</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

<b>NOTE 4: CAPITAL ASSETS</b>
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Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,227,255	\$ —	\$ —	\$ 5,227,255
Construction in progress	3,312,346	11,052,290	54,012	14,310,624
Total capital assets, not being depreciated	8,539,601	11,052,290	54,012	19,537,879
Capital assets, being depreciated:				
Buildings	31,426,616	98,695	4,914	31,520,397
Improvements other than buildings	25,370,420	254,687	—	25,625,107
Machinery and equipment	20,901,480	639,249	1,310,978	20,229,751
Infrastructure	253,401,162	971,354	—	254,372,516
Total capital assets being depreciated	331,099,678	1,963,985	1,315,892	331,747,771
Less accumulated depreciation for:				
Buildings	17,613,617	839,372	3,881	18,449,108
Improvements other than buildings	4,897,825	781,131	—	5,678,956
Machinery and equipment	17,179,740	1,355,131	1,265,548	17,269,323
Infrastructure	118,181,944	6,226,555	—	124,408,499
Total accumulated depreciation	157,873,126	9,202,189	1,269,429	165,805,886
Total capital assets, being depreciated, net	173,226,552	(7,238,204)	46,463	165,941,885
Governmental activities capital assets, net	\$ 181,766,153	\$ 3,814,086	\$ 100,475	\$ 185,479,764

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
<b>Sewer fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 528,294	\$ —	\$ —	\$ 528,294
Construction in progress	15,008,582	1,417,981	15,080,102	1,346,461
Total capital assets, not being depreciated	15,536,876	1,417,981	15,080,102	1,874,755
Capital assets, being depreciated:				
Buildings	28,992,937	—	—	28,992,937
Improvements other than buildings	4,551,376	15,080,102	—	19,631,478
Machinery and equipment	10,530,836	687,134	519,066	10,698,904
Sewer lines	56,894,297	688,019	—	57,582,316
Total capital assets being depreciated	100,969,446	16,455,255	519,066	116,905,635
Less accumulated depreciation for:				
Buildings	14,837,395	770,491	—	15,607,886
Improvements other than buildings	1,593,468	456,499	—	2,049,967
Machinery and equipment	9,492,913	338,342	519,066	9,312,189
Sewer lines	26,618,048	679,977	—	27,298,025
Total accumulated depreciation	52,541,824	2,245,309	519,066	54,268,067
Total capital assets, being depreciated, net	48,427,622	14,209,946	—	62,637,568
<b>Total sewer fund capital assets, net</b>	\$ 63,964,498	\$ 15,627,927	\$ 15,080,102	\$ 64,512,323

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Mass transit fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 189,134	\$ —	\$ —	\$ 189,134
Total capital assets, not being depreciated	189,134	—	—	189,134
Capital assets, being depreciated:				
Buildings	4,321,204	—	—	4,321,204
Improvements other than buildings	73,827	—	32,128	41,699
Machinery and equipment	5,860,193	—	19,907	5,840,286
Total capital assets being depreciated	10,255,224	—	52,035	10,203,189
Less accumulated depreciation for:				
Buildings	1,204,418	145,323	—	1,349,741
Improvements other than buildings	49,287	4,170	30,521	22,936
Machinery and equipment	4,359,741	824,953	19,907	5,164,787
Total accumulated depreciation	5,613,446	974,446	50,428	6,537,464
Total capital assets, being depreciated, net	4,641,778	(974,446)	1,607	3,665,725
<b>Total mass transit fund capital assets, net</b>	\$ 4,830,912	\$ (974,446)	\$ 1,607	\$ 3,854,859

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Landfill fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,312,472	\$ —	\$ 63,600	\$ 1,248,872
Total capital assets, not being depreciated	1,312,472	—	63,600	1,248,872
Capital assets, being depreciated:				
Buildings	564,672	—	47,424	517,248
Improvements other than buildings	429,694	32,410	8,683	453,421
Machinery and equipment	<u>3,770,170</u>	<u>846,781</u>	<u>586,269</u>	<u>4,030,682</u>
Total capital assets being depreciated	4,764,536	879,191	642,376	5,001,351
Less accumulated depreciation for:				
Buildings	255,214	14,696	25,872	244,038
Improvements other than buildings	211,979	33,714	8,683	237,010
Machinery and equipment	<u>3,234,322</u>	<u>315,794</u>	<u>581,269</u>	<u>2,968,847</u>
Total accumulated depreciation	3,701,515	364,204	615,824	3,449,895
Total capital assets, being depreciated, net	<u>1,063,021</u>	<u>514,987</u>	<u>26,552</u>	<u>1,551,456</u>
<b>Total landfill fund capital assets, net</b>	<u>\$ 2,375,493</u>	<u>\$ 514,987</u>	<u>\$ 90,152</u>	<u>\$ 2,800,328</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Nonmajor enterprise funds:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,408,785	\$ —	\$ —	\$ 3,408,785
Constuction in progress	<u>801,975</u>	<u>344,820</u>	<u>—</u>	<u>1,146,795</u>
Total capital assets, not being depreciated	4,210,760	344,820	—	4,555,580
Capital assets, being depreciated:				
Buildings	8,275,448	—	1,337	8,274,111
Improvements other than buildings	9,652,011	—	—	9,652,011
Infrastructure	1,921,975	—	—	1,921,975
Machinery and equipment	<u>1,498,708</u>	<u>617,558</u>	<u>228,689</u>	<u>1,887,577</u>
Total capital assets being depreciated	21,348,142	617,558	230,026	21,735,674
Less accumulated depreciation for:				
Buildings	5,530,033	143,051	779	5,672,305
Improvements other than buildings	7,592,187	255,326	—	7,847,513
Infrastructure	499,713	115,318	—	615,031
Machinery and equipment	<u>1,264,661</u>	<u>119,166</u>	<u>228,689</u>	<u>1,155,138</u>
Total accumulated depreciation	14,886,594	632,861	229,468	15,289,987
Total capital assets, being depreciated, net	<u>6,461,548</u>	<u>(15,303)</u>	<u>558</u>	<u>6,445,687</u>
<b>Total nonmajor enterprise fund capital assets, net</b>	<u>10,672,308</u>	<u>329,517</u>	<u>558</u>	<u>11,001,267</u>
<b>Total business-type activities capital assets, net</b>	<u>\$ 81,843,211</u>	<u>\$ 15,497,985</u>	<u>\$ 15,172,419</u>	<u>\$ 82,168,777</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	\$	243,050
Public safety		1,236,676
Highways and streets		6,148,350
Public works		417,075
Health and welfare		143,650
Parks and recreation		<u>1,013,388</u>
Total depreciation expense – governmental activities	\$	<u><u>9,202,189</u></u>
Business-type activities:		
Aviation	\$	540,221
Parking		48,309
Sewer		2,245,309
Golf		44,331
Mass transit		974,446
Landfill		<u>364,204</u>
Total depreciation expense – business-type activities	\$	<u><u>4,216,820</u></u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**NOTE 5: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund receivable and payable balances consisting of fund allocations of pooled cash shortages and the Internal Service Allocation at June 30, 2008 are as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
Major governmental funds:		
CIP Sales Tax Improvement	\$ 830,827	\$ —
Nonmajor governmental funds	—	605,913
Major business-type fund:		
Sewer	—	63,379
Mass Transit	—	161,535
 Total	<u><u>\$ 830,827</u></u>	<u><u>\$ 830,827</u></u>

Interfund transfers consisted of the following amounts:

		<u>Transfers To</u>						
		<u>General Fund</u>	<u>SIMR</u>	<u>Special Allocation</u>	<u>CIP Sales Tax</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Business-type</u>	<u>Total</u>
<b>Transfers From</b>	Major Governmental Funds:							
	General Fund	\$ —	\$ 295,093	\$ —	\$ —	\$ 685,770	\$ —	\$ 980,863
	Street Improvement Maintenance and Repair	510,570	—	—	—	—	—	510,570
	CIP Sales Tax Improvement	—	—	—	—	440,323	—	440,323
	Nonmajor governmental	1,220,817	1,419	30,900	1,491,390	443,078	151,440	3,339,044
	Major Enterprise Funds:							
	Sewer	339,810	400,000	—	—	—	61,560	801,370
	Mass transit	134,255	20,000	—	—	—	—	154,255
	Landfill	339,340	154,400	—	—	—	—	493,740
	Nonmajor enterprise	147,430	21,700	—	—	—	—	169,130
	 Total	<u><u>\$ 2,692,222</u></u>	<u><u>\$ 892,612</u></u>	<u><u>\$ 30,900</u></u>	<u><u>\$ 1,491,390</u></u>	<u><u>\$ 1,569,171</u></u>	<u><u>\$ 213,000</u></u>	<u><u>\$ 6,889,295</u></u>

Transfers are used to (1) move revenues from the fund that budgets or ordinance requires to collect them to the fund that budgets or ordinance requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

<b>NOTE 6: LONG-TERM LIABILITIES</b>
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<b>Governmental activities</b>	<b>Balance 7/1/07</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 6/30/08</b>	<b>Current Portion</b>
Public Building Authority Bonds	\$ 377,696	\$ —	\$ (50,200)	\$ 327,496	\$ 50,200
Deferred Charge on PBA Bonds	(36,544)	—	5,695	(30,849)	—
<b>Total PBA Bonds, Net</b>	<b>341,152</b>	<b>—</b>	<b>(44,505)</b>	<b>296,647</b>	<b>50,200</b>
Industrial Development					
Authority Bonds	42,235,000	5,110,000	(1,055,000)	46,290,000	1,220,000
Infrastructure Facility					
Revenue Bonds	19,430,000	—	(150,000)	19,280,000	665,000
MO Development Finance					
Board Bonds	3,810,000	—	(1,640,000)	2,170,000	100,000
Developer Obligation	2,028,523	8,016,804	(390,775)	9,654,552	—
Capital Lease Obligations	—	56,201	(5,408)	50,793	15,220
Compensated Absences *	1,754,429	1,948,739	(1,901,620)	1,801,548	1,740,851
Claims	774,466	962,307	(867,902)	868,871	610,742
<b>Total Governmental activity</b>					
<b>Long-term liabilities</b>	<b>\$ 70,373,570</b>	<b>\$ 16,094,051</b>	<b>\$ (6,055,210)</b>	<b>\$ 80,412,411</b>	<b>\$ 4,402,013</b>

\* Compensated absences are generally liquidated by the general fund.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

<b>Business-type activities</b>	<b>Balance 7/1/07</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 6/30/08</b>	<b>Current Portion</b>
<b>Sewer Fund</b>					
Revenue Bonds	\$ 11,301,000	\$ —	\$ (1,114,000)	\$ 10,187,000	\$ 1,162,000
Deferred Charge Advance Refund	(84,607)	—	16,920	(67,687)	—
Total Revenue Bonds, Net	11,216,393	—	(1,097,080)	10,119,313	1,162,000
Industrial Development Authority Bonds	—	20,410,000	—	20,410,000	—
MO Development Finance Board Bonds	11,515,000	—	(240,000)	11,275,000	415,000
Compensated Absences	119,168	178,863	(160,562)	137,469	137,469
<b>Total sewer fund long-term liabilities</b>	<b>22,850,561</b>	<b>20,588,863</b>	<b>(1,497,642)</b>	<b>41,941,782</b>	<b>1,714,469</b>
<b>Landfill fund:</b>					
Public Building Authority Bonds	14,464	—	(1,922)	12,542	1,922
Deferred Charge on PBA bonds	(9,569)	—	1,491	(8,078)	—
Total PBA Bonds, Net	4,895	—	(431)	4,464	1,922
Capital Lease Obligations	99,723	—	(69,694)	30,029	30,029
Closure/Post Closure	7,607,955	2,171,928	—	9,779,883	73,500
Compensated Absences	37,878	51,066	(49,818)	39,126	39,126
<b>Total landfill fund long-term liabilities</b>	<b>7,750,451</b>	<b>2,222,994</b>	<b>(119,943)</b>	<b>9,853,502</b>	<b>144,577</b>
<b>Nonmajor enterprise funds:</b>					
Public Building Authority Bonds	397,840	—	(52,877)	344,963	52,877
Deferred charge on PBA bonds	(36,354)	—	5,667	(30,687)	—
Total PBA Bonds, Net	361,486	—	(47,210)	314,276	52,877
Special Obligation Bonds	60,000	—	(60,000)	—	—
Capital Lease Obligations	41,172	—	(10,979)	30,193	9,545
Compensated absences	43,428	44,082	(41,266)	46,244	40,343
<b>Total nonmajor enterprise funds long-term liabilities</b>	<b>506,086</b>	<b>44,082</b>	<b>(159,455)</b>	<b>390,713</b>	<b>102,765</b>
<b>Total Business-type activities long-term liabilities</b>	<b>\$ 31,107,098</b>	<b>\$ 22,855,939</b>	<b>\$ (1,777,040)</b>	<b>\$ 52,185,997</b>	<b>\$ 1,961,811</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

<b>Governmental Activities</b>							
<b>Year ending 30-Jun</b>	<b>Public Building Authority Bonds</b>		<b>Industrial Development Authority Bonds</b>		<b>Infrastructure Facility Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2009	\$ 50,200	\$ 12,364	\$ 1,220,000	\$ 2,168,344	\$ 665,000	\$ 1,178,965	
2010	54,981	10,545	1,245,000	2,117,469	695,000	1,147,671	
2011	52,591	8,490	1,260,000	2,066,975	730,000	1,114,096	
2012	54,981	6,270	1,285,000	2,016,919	765,000	1,078,001	
2013	62,153	3,734	1,245,000	1,963,750	805,000	1,038,768	
2014-2018	52,590	1,183	7,840,000	8,833,827	4,875,000	4,362,673	
2019-2023	-	-	11,655,000	6,597,137	6,615,000	2,648,227	
2024-2028	-	-	20,145,000	3,124,030	4,130,000	440,069	
2029-2033	-	-	395,000	21,725	-	-	
	<u>\$ 327,496</u>	<u>\$ 42,586</u>	<u>\$ 46,290,000</u>	<u>\$ 28,910,176</u>	<u>\$ 19,280,000</u>	<u>\$ 13,008,470</u>	

<b>Governmental Activities</b>				<b>Business-type Activities</b>			
<b>Year ending 30-Jun</b>	<b>MO Development Finance Board Bonds</b>		<b>Public Building Authority Bonds</b>		<b>Industrial Development Authority Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2009	\$ 100,000	\$ 89,819	\$ 54,799	\$ 13,497	\$ -	\$ 988,581	
2010	105,000	86,819	60,019	11,511	-	988,581	
2011	105,000	83,406	57,409	9,268	-	988,581	
2012	110,000	79,863	60,019	6,844	-	988,581	
2013	115,000	76,013	67,847	4,076	-	988,581	
2014-2018	650,000	307,825	57,412	1,292	1,930,000	4,914,431	
2019-2023	800,000	152,774	-	-	7,210,000	3,890,556	
2024-2028	185,000	8,325	-	-	11,270,000	1,677,500	
2029-2033	-	-	-	-	-	-	
	<u>\$ 2,170,000</u>	<u>\$ 884,844</u>	<u>\$ 357,505</u>	<u>\$ 46,488</u>	<u>\$ 20,410,000</u>	<u>\$ 15,425,393</u>	

<b>Business-type Activities</b>				<b>TOTAL DEBT SERVICE REQUIREMENTS</b>		
<b>Year ending 30-Jun</b>	<b>MO Development Finance Board Bonds</b>		<b>Revenue Bonds</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>		
2009	\$ 415,000	\$ 506,075	\$ 1,162,000	\$ 528,795	\$ 3,666,999	\$ 5,486,440
2010	445,000	491,550	1,230,000	468,898	3,835,000	5,323,044
2011	465,000	473,750	1,282,000	404,610	3,952,000	5,149,176
2012	485,000	455,150	1,360,000	336,272	4,120,000	4,967,900
2013	505,000	435,750	1,178,000	263,720	3,978,000	4,774,392
2014-2018	2,840,000	1,856,600	3,715,000	437,319	21,960,002	20,715,150
2019-2023	3,520,000	1,173,325	260,000	41,398	30,060,000	14,503,417
2024-2028	2,600,000	219,500	-	-	38,330,000	5,469,424
2029-2033	-	-	-	-	395,000	21,725
	<u>\$ 11,275,000</u>	<u>\$ 5,611,700</u>	<u>\$ 10,187,000</u>	<u>\$ 2,481,011</u>	<u>\$ 110,297,001</u>	<u>\$ 66,410,668</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**General Obligation Bonds:**

The Missouri State Constitution permits a City, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "City purposes" not to exceed 10% of the assessed value of taxable tangible property; and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring right-of-way, construction, extending and improving streets and avenues and/or sanitary or storm sewer systems; and an additional 10% for purchasing or constructing waterworks, electric, or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property. Currently, the City does not have any outstanding general obligation debt.

**Public Building Authority Bonds:**

The City leases certain computers, communications and air conditioning equipment and certain streets, parking garage, and landfill improvements from the St. Joseph Public Building Authority. Lease payments are equal to the debt service requirements of the bonds issued by the Authority. Ownership of the equipment and improvements, which currently vest with the Authority and serve as security for the bonds, passes to the City at the end of the lease term.

Public Building Authority (PBA) Bonds are reported in the government wide financial statement and the Public Parking and Landfill Enterprise Funds at June 30, 2008 for a total principal balance outstanding of \$685,001.

Governmental Activities

Series 2003 – Collateralized Lease Refunding Revenue Bonds (Patee Hall); due in annual installments through November 1, 2013; interest at 1.45% to 4.5%	\$ 289,690
Series 2003 – Collateralized Lease Refunding Revenue Bonds (Parks & Recreation); Due in annual installments through November 1, 2013; interest at 1.45% to 4.5%	25,143
Series 2003 – Collateralized Lease Refunding Revenue Bonds (Public Health); due in annual installments through November 1, 2013; interest at 1.45% to 4.5%	<u>12,663</u>
Total PBA Bonds for the Governmental Activities	<u>\$ 327,496</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

Business-type Activities

Series 2003 – Collateralized Lease Refunding Revenue Bonds (Public Parking); due in annual installments through November 1, 2013; interest at 1.45% to 4.5% \$ 344,963

Series 2003 – Collateralized Lease Refunding Revenue Bonds (Landfill); due in annual installments through November 1, 2013; interest at 1.45% to 4.5% 12,542

Total PBA Bonds for the Business-type Activities \$ 357,505

**Industrial Development Authority Bonds:**

The Industrial Development Authority of the City of St. Joseph, Missouri is authorized and empowered under Chapter 349 of the Revised Statutes of Missouri to issue bonds for the purpose of promoting projects within the City of St. Joseph, Missouri. March 1, 2005, the Authority issued \$26,000,000 in Tax Increment Revenue Bonds in connection with the financing of redevelopment costs for The Shoppes at North Village. Then on August 1, 2005, the Authority issued an additional \$16,985,000 in Tax Increment Revenue Bonds to provide funding for costs of public and private improvements for The Shoppes at North Village. November 1, 2007, the Authority issued \$20,410,000 for the Sewerage System improvement projects. Mitchell Avenue Tax Increment Revenue Bonds were issued for \$5,110,000 on June 5, 2008 by the Authority for the purpose of promoting public facility projects within a redevelopment area. The Series 2005A, 2005B, and 2008 bonds and interest are limited obligations of the Authority, payable solely from Payments in Lieu of Taxes and Economic Activity Tax Revenues. The 2007 bonds are payable from surplus revenues of the Sewer fund and debt service reserve funds held by the Trustee.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

The total principal balance outstanding for the Industrial Development Authority Bonds as of June 30, 2008 is \$66,700,000.

Governmental Activities

Series 2005A – Industrial Development Authority Bonds (Special Allocation); due in annual installments through May 1, 2027; interest at 4.00% to 5.50%	\$ 24,500,000
Series 2005B – Industrial Development Authority Bonds (Special Allocation); due in annual installments through November 1, 2027; interest at 4.00% to 5.50%	16,680,000
Series 2008 – Industrial Development Authority Bonds (Special Allocation); due in annual installments through March 1, 2029; interest at 5.50%	<u>5,110,000</u>
Total Industrial Development Authority Bonds for Governmental Activities	<u>\$ 46,290,000</u>

Business-type Activities

Series 2007 – Industrial Development Authority Bonds (Sewer); due in annual installments through April 1, 2027; interest at 4.250% to 5.00%	\$ <u>20,410,000</u>
Total Industrial Development Authority Bonds for Business-type Activities	<u>\$ 20,410,000</u>

**Infrastructure Facility Revenue Bonds:**

The City of St. Joseph issued Taxable Infrastructure Facility Revenue Bonds to obtain financial assistance with the Stockyards Redevelopment Agreement for the purpose of Private Property Improvement costs. The bonds are secured by loan payments made by the City pursuant to the financing agreement, TIF Incremental Tax Revenues and Chapter 100 Pilots Revenues. The loan payments to be made shall constitute currently budgeted expenditures of the City, therefore, is included or reported in the City's statement of net assets. The annual appropriation covenant of the City constitutes a commitment of all general funds of the City to make loan payments under the financing agreement.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

The total principal balance outstanding for the Taxable Infrastructure Facilities Revenue Bonds as of June 30, 2008 is \$19,280,000.

Governmental Activities

Series 2004A – Infrastructure Facility Revenue Bonds  
(Special Allocation); due in annual installments through  
March 1, 2025; interest at 4.00% to 6.00% \$ 9,170,000

Series 2004B – Infrastructure Facility Revenue Bonds  
(Special Allocation); due in annual installments through  
March 1, 2025; interest at 4.24% to 7.32% 10,110,000

Total Infrastructure Facility Revenue Bonds for Governmental Activities \$19,280,000

**Missouri Development Finance Board Bonds:**

On December 1, 2004, the City of St. Joseph issued Missouri Development Finance Board Bonds Series 2004C and Series 2004D. \$11,720,000 of the proceeds of the Series 2004C was used to fund improvements to the City’s sewerage system and pay certain blight remediation costs in connection with the City’s Stockyard Redevelopment Project. In association with the 2004C Series, a financing agreement related to the issuance of Missouri Build Bonds was entered into by the Board, City and Triumph Foods. Under the agreement, subject to certain requirements, tax credits earned by Triumph Foods have been assigned to the trustee of the 2004C bonds. \$6,860,000 of the Series 2004D proceeds financed the cost of acquiring two new fire apparatus, completing the acquisition of new equipment for the Public Safety Communication System and funding improvements to the Law Enforcement Center. The bonds and the interest are special, limited obligations of the Board, payable by the Board solely from the loan payments made by the City. The loan payments to be made shall constitute currently budgeted expenditures of the City, therefore, is included or reported in the City’s statement of net assets. The annual appropriation covenant of the City constitutes a commitment to make loan payments under the financing agreements. The total principal balance outstanding for the MO Development Board Bonds as of June 30, 2008 is \$13,445,000.

Governmental Activities

Series 2004D – Infrastructure Facilities Revenue Bonds (General); due in  
annual installments through March 1, 2024; interest at 3.00% to 5.00% \$ 2,170,000

Business-type Activities

Series 2004C – Infrastructure Facilities Revenue Bonds (Sewer); due in  
annual installments through March 1, 2025; interest at 2.65% to 5.00% \$ 11,275,000

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**Revenue Bonds:**

The City of St. Joseph, Missouri issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue Bonds payables are recorded in the Sewer Enterprise Fund and total principal outstanding at June 30, 2008 is \$10,187,000.

Business-type Activities

Series 1993A – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through July 1, 2015; interest at 3.70% to 5.4% \$4,802,000

Series 1997D – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through January 1, 2018; interest at 4.3% to 6.00% 3,870,000

Series 1999 – Sewer System Refunding and Improvement Revenue Bonds: due in annual installments through April 1, 2012; interest at 3.5% to 4.8% 890,000

Series 2003 – Sewer System Revenue Bonds: due in annual installments through April 1, 2023; interest at 1.3% to 5.125% 625,000

Total Revenue Bonds for Business-type Activities \$10,187,000

On April 7, 1992, the voters of the City of St. Joseph, Missouri approved the City's issuance of \$17.6 million revenue in bonds for the purpose of repairing, constructing, improving, and extending the sanitary sewerage collection system of the City. On August 24, 1993, the City authorized the issuance of \$10,308,000 of sewerage system revenue bonds with the State Revolving Fund Program. On June 1, 1997, the City authorized the issuance of \$6,515,000 of sewerage system revenue bonds with the State Revolving Fund Program. These bonds are issued under the Missouri Leveraged State Water Pollution Control Revolving Fund Program established by the State Environmental Improvement and Energy Resources Authority (EI ERA) in cooperation with the Missouri Department of Natural Resources and the Missouri Clean Water Commission. On September 2, 2003, the City authorized the remaining issuance of \$777,000 of sewerage system revenue bonds to finance construction projects.

In conjunction with this issuance, the City entered into a revolving loan program established by the Missouri Department of Natural Resources. The State of Missouri managed and invested the bond proceeds on behalf of the City. As the City incurred approved capital expenditures, the Department of Natural Resources reimbursed the City

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

for the expenditures from the bond proceeds account and deposited funds into a reserve fund at 70% of the expenditure amount. This reserve fund serves as collateral on the Sewerage System Revenue Bonds in the event of default, and interest earnings on the reserve fund are used to reduce the City's interest payment on the outstanding bonds. The reserve fund is transferred back to the state as the bond issue is retired. As of June 30, 2008, \$6,070,400 has been advanced from the Missouri Department of Natural Resources into this reserve fund.

The City is in compliance with the provisions of the ordinance relating to the maintenance of special reserves and accounts for the 1999 Sewer Revenue Refunding series. Net revenues of the City's sewerage system are sufficient to pay both the principal and interest on all the Sewerage System Refunding and Improvement Revenue Bonds that have been pledged for payment of the principal and interest on the bonds as they mature.

**Wastewater Improvement Agreement**

In conjunction with the issuance of the 2004B bond issuance, the City entered into a wastewater improvement agreement with Triumph Foods, LLC (Triumph). The agreement requires that Triumph pay the City monthly sewer reserve charges beginning February 2005. As of June 30, 2008, the total annual sewer reserve charges due to the City through the agreement are payable as follows:

Year Ending June 30:	Total
2009	\$ 972,996
2010	972,996
2011	972,996
2012	972,996
2013	972,996
2014-2018	4,864,980
2019-2023	4,864,980
2024-2027	<u>1,504,274</u>
	16,099,214
Less interest	<u>(6,170,180)</u>
Net present value	<u>\$ 9,929,034</u>

The total present value of the agreement is recorded on the City's fund financial statements as Accounts Receivable and Deferred Revenue in the Special Allocation Fund.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**Industrial Development Revenue Bonds:**

The City of St. Joseph issued Industrial Development Revenue Bonds to provide economic financial assistance to private entities. The bonds are secured by the improvements that are to be made. The debt service on these issues are paid solely from the private entities through lease agreements; therefore, the issues do not constitute a debt of the City and accordingly, are not included nor reported in the City's statement of net assets. The total principal balance outstanding for the Industrial Development Revenue Bonds as of June 30, 2008 is \$272,631,539.

**Tax Increment Financing (TIF) Bonds and Developer Obligations:**

The City's tax increment financing bonds indebtedness is recorded as a liability of the City to match revenue streams to the related debt for which they have been pledged. The obligation of the City to pay principal and interest on these bonds is generally limited solely to the tax increment financing (TIF) revenues generated from each project.

The City has pledged a portion of future property tax, sales tax, and franchise tax revenue to repay \$67,740,000 in tax increment financing bonds issued at various dates beginning in 2004 to finance redevelopment projects within each of the respective TIF plans. The bonds are payable solely from the incremental increase in the property, sales, and franchise taxes generated within the TIF plans. TIF revenues were projected to produce sufficient funds to meet debt service requirements over the life of the TIF bonds. Should TIF revenues not be sufficient to meet the required debt service obligations, the City is obligated in certain instances to make such bond payments from any other sources of its revenues. Management does not anticipate that any of the City's general funds will be required to make up any deficiency in bond payments during the next fiscal year.

Developer obligations represent developer project costs that have been certified by the City as eligible for reimbursement from tax increment financing revenues attributable to each respective project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from certain incremental taxes during a period not to exceed 23 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the City. TIF revenues were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligations are limited solely to the amount of incremental taxes received attributable to each respective project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the City.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

At June 30, 2008, total principal and interest remaining on the bonds was \$107,488,646 and outstanding developer obligations was \$9,654,552. The bonds are scheduled to mature at varying amounts through 2029 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.

For the current year, principal and interest paid on TIF bonds and developer obligations totaled \$4,986,924. Incremental revenues from the City included \$1,658,794 in sales taxes, \$470,490 in property taxes and \$203,708 in other economic activity revenues. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues and other sources from other taxing districts and governmental entities, developer contributions, cash reserves, and debt trust funds.

**NOTE 7: CAPITAL LEASE AGREEMENTS**

**Capital Lease Obligations:**

The City has entered into a number of capital leases for the purchase of heavy machinery and equipment. Lease terms provide for payments over specified terms with an option for the City to purchase the item for \$1 at the completion of the agreement. The agreements are subject to annual appropriation of funds by the City for their payment and are terminated if the City should fail to do so. In that instance the City would relinquish the financed items to the debt holder in full satisfaction of its responsibilities.

Capital lease obligations are reported in the government-wide financial statements and the enterprise fund statements and consist of the following at June 30, 2008:

**Governmental activities:**

Parks & Recreation, and Civic Facilities fund; Jacobsen Rotary Mower; due in annual installments of \$ 3,689 through September 2011; interest of 4.669%	\$ 13,183
Parks & Recreation, and Civic Facilities fund; Captor 4300 Sweeper; due in monthly installments of \$ 1,265 through April 2011; interest of 9.439%.	<u>37,610</u>
Total Lease Obligations for the Enterprise Funds	<u>\$ 50,793</u>

**Business-type activities:**

Landfill fund; Advantage 525 compactor; due in monthly installments of \$ 6,077 through November 2008; interest of 4.75%	\$ 30,029
Golf fund; Jacobsen Rotary Mower; due in annual installments of \$ 11,160 through July 2010; interest of 5.35%	<u>30,193</u>
	<u>\$ 60,222</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

The following is a schedule of the present value of net minimum lease payments for all of the City's capitalized leases as of June 30, 2008:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Year ending June 30:		
2009	\$ 18,869	\$ 41,546
2010	18,869	11,160
2011	16,339	11,160
2012	3,689	-
Total minimum lease payments	<u>57,766</u>	<u>63,866</u>
Less amount representing interest	6,973	3,644
Present value of net minimum lease payments	<u>\$ 50,793</u>	<u>\$ 60,222</u>

The following schedule shows the amount and asset classifications for capital lease items as of June 30, 2008:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Machinery & equipment	\$ 61,971	\$ 501,172
less: Accumulated depreciation	(6,197)	(426,352)
Total	<u>\$ 55,774</u>	<u>\$ 74,820</u>

<b>NOTE 8: RISK MANAGEMENT</b>
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The City contracts with various insurance companies for general, property, and casualty insurance and has qualified as its own self-insurer for workers' compensation benefits. The City retains liability for \$350,000 of each accident with specific excess coverage purchased to provide protection in excess of that amount. The City has an aggregate limit of \$1,000,000. A third party administrator is contracted to provide claims administration and payment services for worker's compensation. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the Insurance Fund. An actuarial report is prepared to evaluate loss and allocated loss adjustment expense reserves for the self-funded workers compensation program and to determine the funding level of the program. The net assets of the Insurance Internal Service Fund is \$248,102.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

As of June 30, 2008 incurred but not reported (IBNR) workers' compensation claims and claims payable of \$868,871 have been accrued as a liability in the Insurance Internal Service Fund.

Workers' Compensation Claims Payable

	Beginning Of Year	Current Year Claims and Changes in Estimates	Claim Payments	End of Year
Fiscal Year 2007	\$ 850,801	\$ 468,079	(\$ 544,414)	\$ 774,466
Fiscal Year 2008	774,466	962,307	(867,902)	868,871

<b>NOTE 9: COMMITMENTS</b>
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**A. Construction Commitments**

At June 30, 2008 the City had the following commitments of approximately \$5,057,712 to complete construction contracts.

	<u>Amounts</u>
<b>Governmental Activities</b>	
Major Governmental Funds:	
Street Improvement Maintenance & Repair	\$ 334,196
CIP Sales Tax Improvement	2,712,851
Nonmajor Governmental Funds:	
Parks and Recreation	813,060
Public Health	17,100
Total governmental-type Funds	<u>3,877,207</u>
<b>Business-type Activities</b>	
Major business-type funds:	
Sewer	1,146,315
Landfill	17,590
Nonmajor business-type funds:	
Aviation	16,600
Total business-type Funds	<u>1,180,505</u>
Total	<u>\$ 5,057,712</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**B. Landfill Closure and Postclosure Care Liabilities**

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions for a minimum of thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these costs as an operating expense based upon landfill capacity used at the statement of net assets date.

**LANDFILL CLOSURE  
AND POSTCLOSURE CARE LIABILITIES  
June 30, 2008**

Description	Amount	Anticipated Close Year (1)	Capacity Used
City's Operating Landfill			
Area I	\$ 1,596,000	2012	100 %
Area II	2,047,900	2010	100 %
Area III	<u>5,265,280</u>	2015	80 %
	<u>\$ 8,909,180</u>		
McArthur Drive Landfill	<u>\$ 870,703</u>	Closed	100 %
Total	<u>\$ 9,779,883</u>		

(1) Based on anticipated year for placement of final cover over an entire area.

During the year ended June 30, 2008, total closure and postclosure care liabilities increased \$2,171,928 from \$7,607,955 to \$9,779,883.

1. City's Operating Landfill - Total estimated future closure and postclosure care costs for the City's operating landfill are \$19,948,600 of which \$8,909,180 is reported as landfill closure and postclosure care liability at June 30, 2008, representing the cumulative amount reported to date based on capacity use measurements. The City will recognize the remaining estimated cost of closure and postclosure care of \$11,039,420 as the remaining estimated capacity is consumed by the year 2013. These amounts are based on what it would cost to perform all closure and postclosure care in 2005. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in environmental regulations.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

2. McArthur Drive Landfill - This landfill was owned and operated by the City until the late 1950's or early 1960's and no longer accepts waste. The Environmental Protection Agency has listed the site on its National Priorities List and is requiring proper closure and remediation. The City entered into an Administrative Order on Consent with the Environmental Protection Agency on October 11, 1996. That order required the remediation of this site including a bank stabilization project and plans for a permanent cap to be placed on the old landfill. A contribution protection action may eventually be filed by the City to recoup some of these costs. Currently the remaining closure and postclosure liability of \$870,703 is recorded in the Landfill Enterprise Fund and costs are expected to be expended by the year 2033.
3. Norris/Pigeon Hill Landfill – The existing landfill personnel perform all the post-closure care activities; thus, no cost are directly attributed to the Norris landfill.

The City engages an outside professional engineering firm to prepare a tipping fee/cost analysis. The analysis quantifies the timing and amount of future closure and postclosure care costs and recommended tipping fee adjustments. Based upon the results of the 1999 tipping fee/cost analysis provides annual cash designations of \$353,227 for future closure and postclosure care expenses. At June 30, 2008, these cash designations totaled \$3,180,611 and will be increased annually subject to the availability of funds and the results of future tipping fee/cost analysis.

The City maintains a Contract of Obligation with the Missouri Department of Natural Resources (MDNR) in accordance with the Missouri Solid Waste Management Law. At June 30, 2008, the City's Contract of Obligation was \$10,518,712 including \$10,102,620 for the current operating landfill and \$416,092 for the "Free Property" landfill area that won't be accessed until after the year 2009.

The Contract of Obligation does not require the City to restrict assets or record liabilities. However, should there be a violation of the Contract of Obligation or Missouri Solid Waste Management Law or related regulations, the State of Missouri may withhold funds normally disbursed to the City. Due to the remotely contingent nature of this event and the City's present state of compliance with the Contract and related Law, no effect is given to the obligation in the City's financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

<b>NOTE 10: RETIREMENT PLANS</b>
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All full-time, regular employees of the City participate in one of two retirement plans. The *LAGERS Plan* covers all employees except commissioned police officers. The Missouri Local Government Employees Retirement System (LAGERS) is an agent multi-employer statewide public employee retirement plan for units of local government established and operated under provisions of the Revised Statutes of Missouri (RSMo) Section 70. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. The *Police Pension Plan* covers all commissioned police officers and is a single-employer defined benefit pension plan established and operated under provisions of Revised Statutes of Missouri (RSMo) Section 86. All Plans are qualified as tax exempt under the Internal Revenue Code.

**A. Plan Descriptions**

Local Government Employees Retirement System (LAGERS)

***Plan Description***

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo. 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

***Funding Policy***

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 4.2% (general) and 38.0% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the City Council. The contribution provisions of the City are established by Missouri state statute.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

***Annual Pension Cost***

For 2008, the City's annual pension cost of \$2,886,483 was equal to the required and actual contribution. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions as of February 29, 2008 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age, attributable to seniority/merit, (d) preretirement mortality based on the RP-2000 Combined Healthy Table, set back 0 years for men and women, and (e) postretirement mortality based on the 1971 Group Annuity Mortality table projected to 2000, set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2008 was 15 years.

Police Pension

***Plan Description***

*Police Pension* membership is mandatory for all full-time commissioned officers of the City of St. Joseph Police Department immediately upon employment. The pension plan is administered by the Police Pension Board of Trustees. Pension plan benefit changes are recommended by the Board of Trustees and approved by the City Council. The plan provides for monthly defined benefits commencing with the attainment of 20 years service. Benefits are computed at 40% of average monthly salary plus 2% for each full year of service beyond 20 years, not to exceed 15 additional years.

These retirement benefits do not vest with the participant until attaining the requisite years for benefit eligibility. Two-thirds of member contributions are refundable, without interest, upon termination after 5 years of service but before retirement eligibility. The plan also provides death and disability benefits and an annual cost of living adjustment to retirees equal to one-half of the Consumer Price Index not to exceed 4%.

The City Council adopted a new plan document on July 15, 1996, whereas the plan document was modified, but not the plan benefits. The City of St. Joseph issues a separate report and financial statements for the Police Pension Fund with an opinion expressed therein. This report may be obtained by writing to the City of St. Joseph, Missouri, Director of Financial Services, 1100 Frederick, St. Joseph, MO 64501.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

***Funding Policy***

The City is required to withhold participant contributions at a rate established in accordance with applicable state statutes as recommended by the Police Pension Board of Trustees and approved by the City Council. For the year ended June 30, 2008, the participant's contribution rate was 4%. The City is required to contribute at an actuarially determined rate; the current rate is 28.0% of annual covered payroll.

***Annual Pension Cost***

For 2008, the City's annual pension cost of \$1,536,575 was equal to the required and actual contribution. The required contribution was determined as part of the March 1, 2007 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions as of January 1, 2008 included:

Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Inflation assumption	4%
Investment rate of return	7.5%
Salary increases	4%
Mortality – healthy lives	RP 2000 Mortality Table
Mortality – disabled lives	RP 2000 Mortality Table set forward 10 years
Termination of employment	Rate of turnover from 0.75% to 5.00% based on age
Disablement	Rates from 0.17% to 1.93% based on age

The actuarial assumptions and methods and the provisions of the plan used in this valuation are the same as those used in the prior valuation.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

Membership of each plan consisted of the following at the date of the latest actuarial valuation:

Number of Participants	LAGERS	Police Pension	Total
<b>Inactive Participants:</b>			
Retirees and beneficiaries currently receiving benefits	315	92	407
Terminated employees entitled to future benefits	-	-	-
<b>Total Inactive Participants</b>	<b>315</b>	<b>92</b>	<b>407</b>
<b>Active Participants:</b>			
Fully vested	N/A	20	20
Partially vested	N/A	92	92
Non-vested	N/A	-	-
<b>Total Active Participants</b>	<b>505</b>	<b>112</b>	<b>617</b>
<b>Total Number of Participants</b>	<b><u>820</u></b>	<b><u>204</u></b>	<b><u>1,024</u></b>

**Three-Year Trend Information**

	<u>Year</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset) Obligation
LAGERS	06/30/06	\$2,825,852	100%	\$ -0-
	06/30/07	2,997,567	100%	-0-
	06/30/08	2,886,483	100%	-0-
Police Pension	06/30/06	\$1,671,950	100%	\$ -0-
	06/30/07	1,675,384	100%	-0-
	06/30/08	1,536,575	100%	-0-

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS**

Employees who retire from the City are eligible to continue coverage in the City's health, dental and life insurance programs, as prescribed by City ordinances. As long as the retiree is participating in the plan, dependent spouses and eligible children may also participate in the plan. The premiums are paid entirely by the retired employee, with no contribution or obligation to contribute by the City for any of the insurance plans. As of June 30, 2008, there were 27 retirees participating in the health plan, 84 retirees participating in the dental plan and 190 retirees participating in the life insurance plan.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**NOTE 12: NEW ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board issued Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The City offers health insurance plans to retirees and current employees as a group. Should the retiree take advantage of the health insurance plan, the retirees pay 100 percent of their premium. The City will treat the implicit rate subsidy as an OPEB, if material. Implementation of this pronouncement by the City will be June 30, 2009.

In May 2007, GASB issued Statement No. 50, Pension Disclosures. The statement more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The City will implement Statement No. 50 beginning with the year ended June 30, 2009.

In June 2007, GASB issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets. This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The City is currently evaluating the impact of adopting Statement No. 51. The City will implement GASB No. 51 beginning with the year ended June 30, 2010.

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Budget and Actual  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Property	\$ 6,612,515	\$ 6,612,515	\$ 6,781,116	\$ 168,601
Sales	11,449,760	11,449,760	11,717,581	267,821
Franchise	4,112,300	5,612,300	7,588,044	1,975,744
Cigarette	475,200	475,200	451,815	(23,385)
Licenses and permits	1,112,600	1,112,820	1,199,607	86,787
Intergovernmental	705,428	813,838	783,909	(29,929)
Charges for services	1,329,455	1,334,455	1,334,933	478
Fines	1,116,200	1,116,200	1,147,268	31,068
Investment earnings	18,500	18,500	44,498	25,998
Contributions and donations	25,250	29,739	40,139	10,400
Payments in lieu of taxes	21,500	21,500	21,512	12
Other	152,885	169,932	107,987	(61,945)
Total revenues	27,131,593	28,766,759	31,218,409	2,451,650
<b>Expenditures</b>				
Current:				
General government				
City council				
Salaries	47,922	47,922	47,905	17
Benefits	112,238	104,125	97,319	6,806
Materials and supplies	2,500	5,050	4,435	615
Outside services	28,230	31,680	23,238	8,442
Total City council	190,890	188,777	172,897	15,880
City clerk				
Salaries	117,469	117,469	113,872	3,597
Benefits	32,653	32,828	32,819	9
Materials and supplies	3,600	3,720	3,510	210
Outside services	59,807	115,512	106,232	9,280
Total City clerk	213,529	269,529	256,433	13,096
Municipal court				
Salaries	252,239	253,503	253,503	-
Benefits	66,605	67,955	67,951	4
Materials and supplies	4,755	5,105	4,751	354
Outside services	95,690	92,726	83,357	9,369
Total Municipal court	419,289	419,289	409,562	9,727
City manager				
Salaries	293,038	306,913	302,871	4,042
Benefits	95,234	97,024	91,903	5,121
Materials and supplies	2,525	9,757	9,600	157
Outside services	41,139	39,971	37,831	2,140
Total City manager	431,936	453,665	442,205	11,460
Human resources				
Salaries	263,228	279,238	247,987	31,251
Benefits	77,520	81,965	67,009	14,956
Materials and supplies	7,300	7,628	5,750	1,878
Outside services	50,005	52,302	44,978	7,324
Total Human resources	398,053	421,133	365,724	55,409

(continued)

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Budget and Actual  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Legal				
Salaries	380,698	379,135	379,125	10
Benefits	94,105	95,758	95,539	219
Materials and supplies	3,400	4,565	4,318	247
Outside services	145,532	144,277	141,941	2,336
Total Legal	623,735	623,735	620,923	2,812
Planning				
Salaries	214,292	214,292	197,810	16,482
Benefits	57,680	57,805	54,005	3,800
Materials and supplies	2,310	2,205	1,721	484
Outside services	23,132	23,112	18,544	4,568
Total Planning	297,414	297,414	272,080	25,334
Finance				
Salaries	684,134	684,134	674,780	9,354
Benefits	198,115	196,260	192,186	4,074
Materials and supplies	26,215	25,451	24,482	969
Outside services	289,434	292,053	283,747	8,306
Total Finance	1,197,898	1,197,898	1,175,195	22,703
Technology				
Salaries	254,842	254,842	244,993	9,849
Benefits	79,583	81,702	79,335	2,367
Materials and supplies	148,675	138,197	135,569	2,628
Outside services	118,767	123,476	95,004	28,472
Capital outlay	-	23,650	23,650	-
Total Technology	601,867	621,867	578,551	43,316
Customer assistance				
Salaries	635,131	638,616	637,719	897
Benefits	197,754	196,680	192,097	4,583
Materials and supplies	13,405	28,676	26,973	1,703
Outside services	151,168	152,053	51,062	100,991
Total Customer assistance	997,458	1,016,025	907,851	108,174
Community resources				
Salaries	316,156	316,156	289,763	26,393
Benefits	95,645	95,645	88,856	6,789
Materials and supplies	43,700	48,389	40,686	7,703
Outside services	274,220	279,031	214,386	64,645
Total Community resources	729,721	739,221	633,691	105,530
Other - unclassified				
Benefits	-	65,064	65,062	2
Outside services	438,153	472,290	472,273	17
Capital outlay	-	1,649,290	1,609,212	40,078
Total Other - unclassified	442,153	2,186,644	2,146,547	40,097
Total general government	6,543,943	8,435,197	7,981,659	453,538

(continued)

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Budget and Actual  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Public safety:				
Police				
Salaries	7,102,367	7,077,965	6,885,703	192,262
Benefits	3,071,027	2,967,410	2,870,173	97,237
Materials and supplies	334,637	514,411	515,303	(892)
Outside services	1,211,298	1,234,838	1,223,982	10,856
Capital outlay	199,000	159,529	159,529	-
Total Police	11,918,329	11,954,153	11,654,690	299,463
Fire				
Salaries	6,354,470	6,440,730	6,440,720	10
Benefits	3,381,937	3,408,569	3,408,539	30
Materials and supplies	145,270	154,055	154,047	8
Outside services	226,155	282,265	282,175	90
Capital outlay	-	93,917	93,914	3
Total Fire	10,107,832	10,379,536	10,379,395	141
Total public safety	22,026,161	22,333,689	22,034,085	299,604
Total expenditures	28,570,104	30,768,886	30,015,744	753,142
Revenues over (under) expenditures	(1,438,511)	(2,002,127)	1,202,665	3,204,792
<b>Other financing sources (uses)</b>				
Transfers in	2,654,848	2,721,470	2,692,222	(29,248)
Transfers out	(980,643)	(980,863)	(980,863)	-
Capital lease	-	-	-	-
Total other financing sources	1,674,205	1,762,082	1,737,515	(24,567)
Net change in fund balances, net	235,694	(240,045)	2,940,180	3,180,225
Fund balances - beginning, as restated	3,186,953	3,186,953	3,186,953	-
Fund balances - ending	\$ 3,422,647	\$ 2,946,908	\$ 6,127,133	\$ 3,180,225

(concluded)

See independent auditors' report and notes to required supplementary information.

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**STREET IMPROVEMENT MAINTENANCE AND REPAIR FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
 Budget and Actual  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Sales	\$ 5,028,765	\$ 5,028,765	\$ 5,249,653	\$ 220,888
Motor Fuel	3,810,165	3,810,165	3,554,512	(255,653)
Licenses and permits	12,000	12,000	14,626	2,626
Intergovernmental	215,268	218,768	1,113,413	894,645
Charges for services	408,000	403,000	135,713	(267,287)
Special assessments	-	-	5,000	5,000
Investment earnings	150,000	150,000	107,952	(42,048)
Other	15,000	15,000	17,319	2,319
Total revenues	9,639,198	9,637,698	10,198,188	560,490
<b>Expenditures</b>				
Current:				
Highways and Streets				
Salaries	3,377,402	3,433,117	3,433,070	47
Benefits	953,165	953,180	944,673	8,507
Materials and supplies	1,633,530	1,585,577	1,583,164	2,413
Outside services	2,424,535	2,887,632	2,884,360	3,272
Capital outlay	2,206,560	2,213,302	2,212,893	409
Total Highways and Streets	10,595,192	11,072,808	11,058,160	14,648
Total expenditures	10,595,192	11,072,808	11,058,160	14,648
Revenues over (under) expenditures	(955,994)	(1,435,110)	(859,972)	575,138
<b>Other financing sources (uses)</b>				
Transfers in	974,193	975,612	892,612	(83,000)
Transfers out	(595,570)	(510,570)	(510,570)	-
Capital lease	-	-	-	-
Total other financing sources	378,623	465,042	400,903	(64,139)
Net change in fund balances	(577,371)	(970,068)	(459,069)	510,999
Fund balances - beginning	3,974,002	3,974,002	3,974,002	-
Fund balances - ending	\$ 3,396,631	\$ 3,003,934	\$ 3,514,933	\$ 510,999

See independent auditors' report and notes to required supplementary information.

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
SPECIAL ALLOCATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Budget and Actual  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 1,608,650	\$ 1,608,650	\$ 1,546,023	\$ (62,627)
Sales	2,519,380	2,519,380	2,549,374	29,994
Investment earnings	5,000	5,000	1,072,047	1,067,047
Payments in lieu of taxes	430,370	430,370	470,490	40,120
Other	898,256	1,358,833	1,121,405	(237,428)
Total revenues	<u>5,461,656</u>	<u>5,922,233</u>	<u>6,759,339</u>	<u>837,106</u>
<b>Expenditures</b>				
Current:				
General Government				
Materials and supplies	-	69	68	1
Outside services	5,301,570	8,814,367	8,814,365	2
Capital outlay	-	-	-	-
Total General Government	<u>5,301,570</u>	<u>8,814,436</u>	<u>8,814,433</u>	<u>3</u>
Total expenditures	<u>5,301,570</u>	<u>8,814,436</u>	<u>8,814,433</u>	<u>3</u>
Revenues over (under) expenditures	<u>160,086</u>	<u>(2,892,203)</u>	<u>(2,055,094)</u>	<u>837,109</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	30,900	30,900	-
Transfers out	(83,000)	-	-	-
Bonds issued	-	2,938,389	5,110,000	2,171,611
Sale of capital assets	-	-	-	-
Net change in fund balances	<u>77,086</u>	<u>77,086</u>	<u>3,085,806</u>	<u>3,008,720</u>
Fund balances - beginning	<u>12,077,019</u>	<u>12,077,019</u>	<u>12,077,019</u>	<u>-</u>
Fund balances - ending	<u>\$ 12,154,105</u>	<u>\$ 12,154,105</u>	<u>\$ 15,162,825</u>	<u>\$ 3,008,720</u>

See independent auditors' report and notes to required supplementary information.

## CITY OF ST. JOSEPH, MISSOURI

### REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2008

#### A. Budgetary Information

Annual budgets are adopted by City Ordinances for the General, Special Revenue (except the CDBG Loan funds), Capital Projects (except the Downtown Business District Fund) and Enterprise funds on or before the third Monday in June. Public hearings are held by the Council on the budget and all proposed tax levies prior to adoption. The City Charter establishes the following procedures for budgetary data reflected in the financial statements:

- A proposed budget is submitted by the City Manager to the Council at least sixty days prior to June 30, the end of the City's fiscal year. The proposed budget must be balanced within each fund based on estimated revenue for the upcoming fiscal year, plus or minus any carry-over surplus or deficits from prior fiscal years. The Manager's proposed budget is based on requests prepared by each Department and includes prior year actual, current year budget, current year estimated actual, and next year proposed data; with summary schedules and tables on revenues, expenditures, fund balances, staffing, and capital outlays.
- The Council may change the proposed appropriations within the estimated revenue and available fund balances contained in the City Manager's proposed budget.
- A public hearing on the proposed budget is required.
- The Council shall adopt and appropriate the budget on or before the third (3rd) Monday of the month immediately prior to the beginning of the fiscal year.

A formal budget document is bound, issued and publicly available. This document communicates how the City will deliver governmental services to its residents. Programs and services to be delivered in the fiscal year are identified along with funding sources that support the services. Goals and objectives are defined by program level. The budget serves as a policy document, operation guide, financial plan and communications device.

The City Manager is authorized to transfer budgeted amounts within programs within any department; however, revisions that alter the total expenditures of any department and certain appropriations of salary and wages, fringe benefits and capital outlay must be approved by the City Council. Budgetary control is exercised at the departmental classification level (personnel, supplies, services, etc.), the level at which an expenditure may not exceed appropriations without Council approval. Unencumbered appropriations lapse at year end.

The City Council approves a formal budget document for the General, Special Revenue (except the CDBG Loan funds), Capital Projects (except the Downtown Business District fund), and

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**JUNE 30, 2008**

Enterprise Funds. Encumbrance accounting is employed in Governmental Fund Types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Budgeted amounts are reported as originally adopted or as amended by Council ordinance. The Council approved several appropriation adjustments during the fiscal year.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is due and payable. However, interest and principal on general long-term debt is recognized when due, or when payments are due early in the next fiscal year, and the advance of resources to the debt service fund is mandatory, and debt service expenditures are recognized before year-end to match the resources provided for these payments.

The City Council during the fiscal year adopted a number of amendments to the budget to address unforeseen contingencies. The following schedule outlines the appropriation changes for the General, Special Revenue, Capital Projects and Enterprise Funds. The General budget increase is due to the purchases of Police K9, media equipment, regulation pistols, ammunition, and tasers while the Fire department acquired three vehicles and repaired two. The Special Revenue increase includes the Museum fund budget for the first time, the Riverboat fund payment for the LEC parking lot, concrete pavement replacement was reported in the SIMR fund, and ice storm expenditures in SIMR and Parks and Recreation funds. The Capital Projects increase is from the feasibility study for a detention basin on Blacksnake Creek and construction of Felix Street Streetscape. The increase in the Enterprise Funds is for the purchase of a self service fueling station located in the Aviation fund, the Riverside sewer extension project and emergency mainline repairs recorded in the Sewer fund, and unexpected ice storm expenditures in the Landfill fund.

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2008**

<b>Fund Type</b>	<b>2008 Budget</b>		
	<b>Original Appropriation</b>	<b>Amended Appropriation</b>	<b>Increase</b>
General	\$ 29,550,747	\$ 31,749,749	\$ 2,199,002
Special	30,254,610	38,242,064	7,987,454
Capital	9,358,997	10,895,960	1,536,963
Enterprise	22,772,140	26,110,503	3,338,363
<b>Total</b>	<b>\$ 91,936,494</b>	<b>\$ 106,998,276</b>	<b>\$ 15,061,782</b>

**B. Budget/GAAP Reconciliation**

The following schedule reconciles the amounts on the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual to the amounts on the Statement of Revenues, Expenses and Changes in Fund Balances for the year ended June 30, 2008:

	<b>General Fund</b>	<b>Street Improvement Maintenance and Repair Fund</b>	<b>Special Allocation Fund</b>
Ending Fund Balance on budgetary basis	\$ 6,127,133	\$ 3,514,933	\$ 15,162,825
Encumbrances outstanding June 30, 2008	1,783,623	494,768	-
Prior Year Encumbrances Expended in FY 2008	(180,657)	(1,321,013)	-
Accrued payroll	(61,718)	(12,248)	-
Ending Fund Balance on GAAP basis	<b>\$ 7,668,381</b>	<b>\$ 2,676,440</b>	<b>\$ 15,162,825</b>

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2008**

**PENSION PLANS  
SCHEDULE OF FUNDING PROGRESS**

**LAGERS Pension**

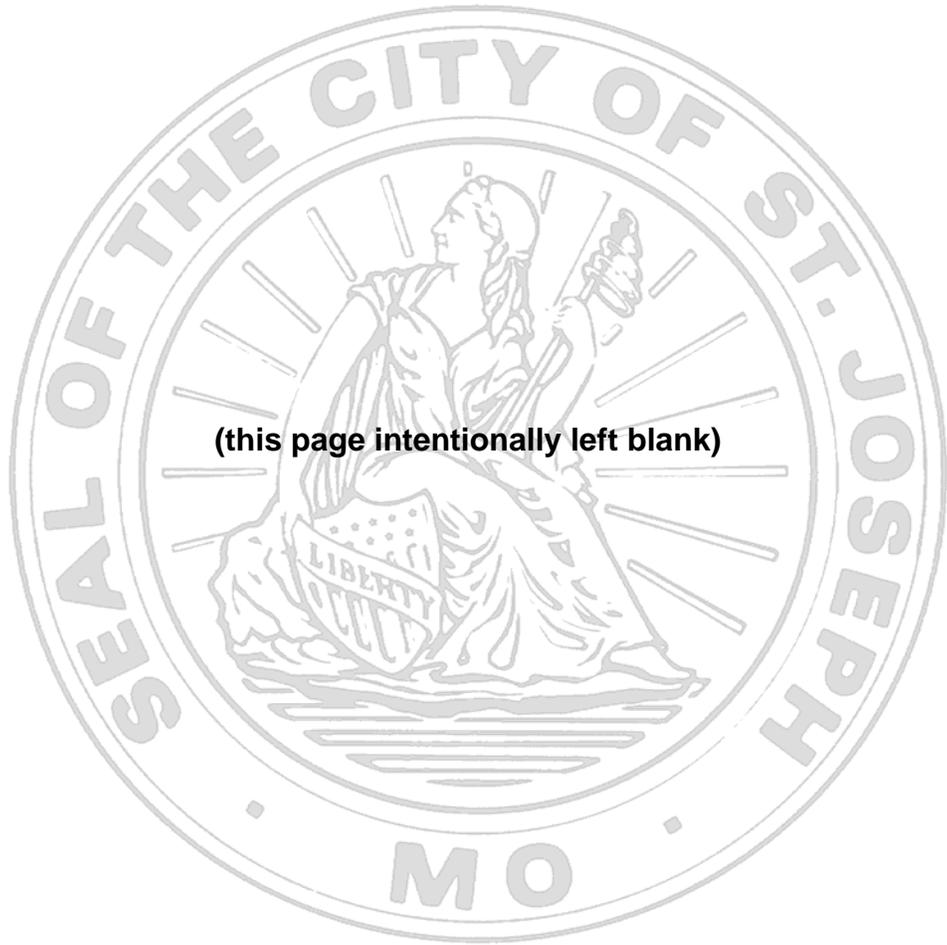
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
02/28/06	\$31,760,430	\$47,820,360	\$16,059,930	66.0%	\$20,763,920	77.0%
02/28/07	35,410,041	49,524,931	14,114,890	71.0%	20,792,977	68.0%
02/29/08	39,218,367	51,560,779	12,342,416	76.0%	21,006,673	59.0%

**Police Pension**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
03/01/06	\$20,369,111	\$32,390,571	\$12,021,460	62.9%	\$5,136,368	234.0%
01/01/07	22,953,206	33,248,289	10,295,083	69.0%	5,104,658	201.7%
01/01/08	24,580,275	34,763,770	10,183,495	70.7%	5,043,081	201.9%

**PENSION PLANS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	Year Ended	Annual Required Contribution(ARC)	Percentage of ARC Contributed	Net Pension Obligation
LAGERS	06/30/06	\$ 2,825,852	100%	—
	06/30/07	2,997,567	100%	—
	06/30/08	2,886,483	100%	—
Police Pension	06/30/06	\$ 1,671,950	100%	—
	06/30/07	1,675,384	100%	—
	06/30/08	1,536,575	100%	—



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**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	Special Revenue					
	Parks & Recreation	Public Health	Community Development	Riverboat Gaming	Museum	C.D Rehab Loan
<b>Assets</b>						
Cash and investments	\$ 1,215,152	\$ 1,788,283	\$ 69,999	\$ 266,944	\$ 438,678	\$ 184,108
Receivables	262,704	146,423	100	35,156	27,352	-
Loan receivables	-	-	-	-	-	920,686
Due from other governments	262,830	146,154	130,153	147,415	-	-
Prepaid items	27,636	11,684	1,550	-	-	-
Restricted cash and investments	4,166	50,098	-	-	-	-
Total assets	<u>\$ 1,772,488</u>	<u>\$ 2,142,642</u>	<u>\$ 201,802</u>	<u>\$ 449,515</u>	<u>\$ 466,030</u>	<u>\$ 1,104,794</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable	242,818	36,047	113,391	236,584	180	17,790
Contracts payable	58,398	-	1,044	-	-	-
Due to other funds	-	-	605,913	-	-	-
Other current liabilities	80,015	37,216	9,051	-	-	-
Deferred revenue	94,906	75,540	-	-	17,585	-
Total liabilities	<u>476,137</u>	<u>148,803</u>	<u>729,399</u>	<u>236,584</u>	<u>17,765</u>	<u>17,790</u>
Fund balances:						
Reserved for:						
Encumbrances	854,711	99,518	910,230	13,885	-	-
Debt service	4,166	50,098	-	-	-	-
Prepaid items	27,636	11,684	1,550	-	-	-
Long-term receivables	-	-	-	-	-	920,686
Unreserved reported in:						
Special revenue funds	409,838	1,832,539	(1,439,377)	199,046	448,265	166,318
Capital projects funds	-	-	-	-	-	-
Total fund balances	<u>1,296,351</u>	<u>1,993,839</u>	<u>(527,597)</u>	<u>212,931</u>	<u>448,265</u>	<u>1,087,004</u>
Total liabilities and fund balances	<u>\$ 1,772,488</u>	<u>\$ 2,142,642</u>	<u>\$ 201,802</u>	<u>\$ 449,515</u>	<u>\$ 466,030</u>	<u>\$ 1,104,794</u>

Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
Rental Rehab Loan	Historic Preservation Loan	Home Revolving Loan	Downtown Business District		
\$ 677,379	\$ 151,762	\$ 135,968	\$ 53,973	\$	4,982,246
-	-	-	22,258		493,993
203,100	255,651	2,245,878	-		3,625,315
-	-	-	-		686,552
-	-	-	-		40,870
-	-	-	-		54,264
<u>\$ 880,479</u>	<u>\$ 407,413</u>	<u>\$ 2,381,846</u>	<u>\$ 76,231</u>	<u>\$</u>	<u>9,883,240</u>

29,583	5,626	10,546	45	\$	692,610
-	-	-	-		59,442
-	-	-	-		605,913
-	-	-	-		126,282
-	-	-	19,978		208,009
<u>29,583</u>	<u>5,626</u>	<u>10,546</u>	<u>20,023</u>		<u>1,692,256</u>

-	-	-	518		1,878,862
-	-	-	-		54,264
-	-	-	-		40,870
203,100	255,651	2,245,878	-		3,625,315
647,796	146,136	125,422	-		2,535,983
-	-	-	55,690		55,690
<u>850,896</u>	<u>401,787</u>	<u>2,371,300</u>	<u>56,208</u>		<u>8,190,984</u>
<u>\$ 880,479</u>	<u>\$ 407,413</u>	<u>\$ 2,381,846</u>	<u>\$ 76,231</u>	<u>\$</u>	<u>9,883,240</u>

**CITY OF ST. JOSEPH, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue					
	Parks & Recreation	Public Health	Community Development	Riverboat Gaming	Museum	C.D Rehab Loan
<b>Revenues</b>						
Taxes:						
Property	\$ 2,440,716	\$ 2,026,023	\$ -	\$ -	\$ 448,132	\$ -
Hotel	448,717	-	-	-	-	-
Licenses and permits	93,575	153,548	-	-	-	-
Intergovernmental	1,021,244	923,921	3,222,007	-	-	-
Charges for services	1,405,849	450,579	-	1,390,336	-	-
Fines	-	45,251	-	-	-	-
Special assessments	-	-	23,648	-	-	-
Investment earnings	22,496	68,844	1,606	30,465	8,307	10,992
Contributions and donations	45,999	7,854	-	-	-	-
Other	52,933	27,122	52,035	-	52,138	100,906
Total revenues	<u>5,531,529</u>	<u>3,703,142</u>	<u>3,299,296</u>	<u>1,420,801</u>	<u>508,577</u>	<u>111,898</u>
<b>Expenditures</b>						
Current:						
General government	-	-	159,034	578,647	9,627	-
Public works	-	-	212,776	-	-	-
Health and welfare	-	2,891,676	2,312,028	-	-	-
Parks and recreation	4,566,717	-	-	-	-	-
Debt Service:						
Principal	9,262	46,346	-	-	-	-
Interest	1,947	13,599	-	-	-	-
Capital outlay	1,315,983	219,570	6,445	-	-	-
Total expenditures	<u>5,893,909</u>	<u>3,171,191</u>	<u>2,690,283</u>	<u>578,647</u>	<u>9,627</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(362,380)</u>	<u>531,951</u>	<u>609,013</u>	<u>842,154</u>	<u>498,950</u>	<u>111,898</u>
<b>Other financing sources (uses)</b>						
Transfers in	927,342	323,830	317,999	-	-	-
Transfers out	(160,315)	(571,265)	(1,132,427)	(996,653)	(50,685)	(208,744)
Capital lease	56,201	-	-	-	-	-
Sale of capital assets	5,826	5,535	-	-	-	-
Total other financing sources (uses),net	<u>829,054</u>	<u>(241,900)</u>	<u>(814,428)</u>	<u>(996,653)</u>	<u>(50,685)</u>	<u>(208,744)</u>
Net change in fund balances	466,674	290,051	(205,415)	(154,499)	448,265	(96,846)
Fund balances - beginning	829,677	1,703,788	(322,182)	367,430	-	1,183,850
Fund balances - ending	<u>\$ 1,296,351</u>	<u>\$ 1,993,839</u>	<u>\$ (527,597)</u>	<u>\$ 212,931</u>	<u>\$ 448,265</u>	<u>\$ 1,087,004</u>

Rental Rehab Loan	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	Historic Preservation Loan	Home Revolving Loan	Downtown Business District		
\$ -	\$ -	\$ -	\$ 37,443	\$	4,952,314
-	-	-	-	-	448,717
-	-	-	-	-	247,123
-	-	-	-	-	5,167,172
-	-	-	-	-	3,246,764
-	-	-	-	-	45,251
-	-	-	-	-	23,648
6,461	7,590	36,866	5,837		199,464
-	-	-	-	-	53,853
65	50	85,461	-	-	370,710
<u>6,526</u>	<u>7,640</u>	<u>122,327</u>	<u>43,280</u>		<u>14,755,016</u>
26,054	-	171,646	-		945,008
-	-	-	-	-	212,776
-	-	-	-	-	5,203,704
-	-	-	-	-	4,566,717
-	-	-	-	-	55,608
-	-	-	-	-	15,546
-	-	-	33,537	-	1,575,535
<u>26,054</u>	<u>-</u>	<u>171,646</u>	<u>33,537</u>		<u>12,574,894</u>
(19,528)	7,640	(49,319)	9,743		2,180,122
-	-	-	-	-	1,569,171
-	-	(109,255)	(109,700)	-	(3,339,044)
-	-	-	-	-	56,201
-	-	-	-	-	11,361
-	-	(109,255)	(109,700)	-	(1,702,311)
(19,528)	7,640	(158,574)	(99,957)		477,811
870,424	394,147	2,529,874	156,165		7,713,173
<u>\$ 850,896</u>	<u>\$ 401,787</u>	<u>\$ 2,371,300</u>	<u>\$ 56,208</u>	<u>\$</u>	<u>\$ 8,190,984</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**PARKS, RECREATION AND CIVIC FACILITIES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Budget and Actual**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Property	\$ 2,399,910	\$ 2,399,910	\$ 2,440,716	\$ 40,806
Hotel	462,000	462,000	448,717	(13,283)
Licenses and permits	93,000	93,000	93,575	575
Intergovernmental	461,000	1,727,644	1,021,244	(706,400)
Charges for services	1,407,887	1,411,682	1,405,849	(5,833)
Investment earnings	16,050	16,050	22,496	6,446
Contributions and donations	30,600	56,593	45,999	(10,594)
Other	41,425	51,899	52,933	1,034
Total revenues	4,911,872	6,218,778	5,531,529	(687,249)
<b>Expenditures</b>				
Current:				
Parks & recreation				
Salaries	2,391,941	2,309,183	2,306,545	2,638
Benefits	582,371	570,823	570,591	232
Materials and supplies	446,660	534,229	533,157	1,072
Outside services	1,120,780	1,168,736	1,166,331	2,405
Capital outlay	572,000	2,355,309	2,096,805	258,504
Total Parks & recreation	5,113,752	6,938,280	6,673,429	264,851
Total expenditures	5,113,752	6,938,280	6,673,429	264,851
Revenues over (under) expenditures	(201,880)	(719,502)	(1,141,900)	(422,398)
<b>Other financing sources (uses)</b>				
Transfers in	578,120	1,027,342	927,342	(100,000)
Transfers out	(160,315)	(160,315)	(160,315)	-
Sale of capital assets	-	-	5,826	5,826
Total other financing sources	417,805	867,027	772,853	(94,174)
Net change in fund balances	215,925	147,525	(369,047)	(516,572)
Fund balances - beginning	829,677	829,677	829,677	-
Fund balances - ending	\$ 1,045,602	\$ 977,202	\$ 460,630	\$ (516,572)

**CITY OF ST. JOSEPH, MISSOURI**  
**PUBLIC HEALTH FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
 Budget and Actual  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 1,982,580	\$ 1,982,580	\$ 2,026,023	\$ 43,443
Licenses and permits	144,625	144,625	153,548	8,923
Intergovernmental	771,869	922,978	923,921	943
Charges for services	442,686	454,686	450,579	(4,107)
Fines	40,000	40,000	45,251	5,251
Investment earnings	51,200	51,200	68,844	17,644
Contributions and donations	4,000	7,200	7,854	654
Other	16,000	23,100	27,122	4,022
Total revenues	<u>3,452,960</u>	<u>3,626,369</u>	<u>3,703,142</u>	<u>76,773</u>
<b>Expenditures</b>				
Current:				
Public health				
Salaries	1,612,854	1,608,460	1,541,216	67,244
Benefits	470,886	483,085	446,182	36,903
Materials and supplies	98,150	213,329	185,239	28,090
Outside services	829,002	900,882	805,197	95,685
Capital outlay	541,000	515,847	260,452	255,395
Total Public health	<u>3,551,892</u>	<u>3,721,603</u>	<u>3,238,286</u>	<u>483,317</u>
Total expenditures	<u>3,551,892</u>	<u>3,721,603</u>	<u>3,238,286</u>	<u>483,317</u>
Revenues over (under) expenditures	<u>(98,932)</u>	<u>(95,234)</u>	<u>464,856</u>	<u>560,090</u>
<b>Other financing sources (uses)</b>				
Transfers in	323,830	323,830	323,830	-
Transfers out	(571,265)	(571,265)	(571,265)	-
Sale of capital assets	-	-	5,535	5,535
Total other financing sources	<u>(247,435)</u>	<u>(247,435)</u>	<u>(241,900)</u>	<u>5,535</u>
Net change in fund balances	(346,367)	(342,669)	222,956	565,625
Fund balances - beginning	1,703,788	1,703,788	1,703,788	-
Fund balances - ending	<u>\$ 1,357,421</u>	<u>\$ 1,361,119</u>	<u>\$ 1,926,744</u>	<u>\$ 565,625</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMMUNITY DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Budget and Actual**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Intergovernmental	\$ 2,978,854	\$ 4,727,065	\$ 3,222,007	\$ (1,505,058)
Special assessments	-	-	23,648	23,648
Investment earnings	-	-	1,606	1,606
Other	-	-	52,035	52,035
Total revenues	<u>2,978,854</u>	<u>4,727,065</u>	<u>3,299,296</u>	<u>(1,427,769)</u>
<b>Expenditures</b>				
Current:				
C.D.B.G.				
Salaries	362,843	362,843	362,508	335
Benefits	128,345	128,370	113,419	14,951
Materials and supplies	15,367	15,144	8,733	6,411
Outside services	2,088,916	3,079,577	2,477,607	601,970
Capital outlay	-	6,450	6,445	5
Total C.D.B.G.	<u>2,595,471</u>	<u>3,592,384</u>	<u>2,968,712</u>	<u>623,672</u>
Total expenditures	<u>2,595,471</u>	<u>3,592,384</u>	<u>2,968,712</u>	<u>623,672</u>
Revenues over (under) expenditures	<u>383,383</u>	<u>1,134,681</u>	<u>330,584</u>	<u>(804,097)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	14,000	317,999	303,999
Transfers out	(383,383)	(1,148,681)	(1,132,427)	(16,254)
Total other financing sources	<u>(383,383)</u>	<u>(1,134,681)</u>	<u>(814,428)</u>	<u>287,745</u>
Net change in fund balances	-	-	(483,844)	(516,352)
Fund balances - beginning	(322,182)	(322,182)	(322,182)	-
Fund balances - ending	<u>\$ (322,182)</u>	<u>\$ (322,182)</u>	<u>\$ (806,026)</u>	<u>\$ (516,352)</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**RIVERBOAT GAMING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
 Budget and Actual  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Charges for services	\$ 1,426,365	\$ 1,426,365	\$ 1,390,336	\$ (36,029)
Investment earnings	33,000	33,000	30,465	(2,535)
Total revenues	<u>1,459,365</u>	<u>1,459,365</u>	<u>1,420,801</u>	<u>(38,564)</u>
<b>Expenditures</b>				
Current:				
Riverboat				
Materials and supplies	-	5,700	5,700	-
Outside services	379,000	588,699	532,316	56,383
Total Riverboat	<u>379,000</u>	<u>594,399</u>	<u>538,016</u>	<u>56,383</u>
Total expenditures	<u>379,000</u>	<u>594,399</u>	<u>538,016</u>	<u>56,383</u>
Revenues over (under) expenditures	<u>1,080,365</u>	<u>864,966</u>	<u>882,785</u>	<u>17,819</u>
<b>Other financing sources (uses)</b>				
Transfers out	(924,200)	(1,057,153)	(996,653)	(60,500)
Total other financing sources	<u>(924,200)</u>	<u>(1,057,153)</u>	<u>(996,653)</u>	<u>(60,500)</u>
Net change in fund balances	156,165	(192,187)	(113,868)	(42,681)
Fund balances - beginning	367,430	367,430	367,430	-
Fund balances - ending	<u>\$ 523,595</u>	<u>\$ 175,243</u>	<u>\$ 253,562</u>	<u>\$ (42,681)</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**MUNICIPAL MUSEUM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Budget and Actual**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ -	\$ -	\$ 448,132	\$ (448,132)
Investment earnings	-	-	8,307	8,307
Other	-	-	52,138	52,138
Total revenues	-	-	508,577	(387,687)
<b>Expenditures</b>				
Current:				
Museum				
Outside services	-	9,485	9,627	(142)
Total Museum	-	9,485	9,627	(142)
Total expenditures	-	9,485	9,627	(142)
Revenues over (under) expenditures	-	(9,485)	498,950	508,435
<b>Other financing sources (uses)</b>				
Transfers out	-	(50,685)	(50,685)	-
Total other financing sources	-	(50,685)	(50,685)	-
Net change in fund balances	-	(60,170)	448,265	508,435
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (60,170)	\$ 448,265	\$ 508,435

**CITY OF ST. JOSEPH, MISSOURI**  
**CIP SALES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Budget and Actual**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Sales	\$ 5,577,450	\$ 5,577,450	\$ 5,652,584	\$ 75,134
Intergovernmental	2,148,000	2,456,000	1,580,390	(875,610)
Investment earnings	433,100	433,100	423,352	(9,748)
Contributions and donations	500,000	500,000	-	(500,000)
Other	-	-	104	104
Total revenues	8,658,550	8,966,550	7,656,430	(1,310,120)
<b>Expenditures</b>				
Current:				
Capital outlay				
Materials and supplies	-	406	405	1
Outside services	1,833,750	2,450,869	2,398,869	52,000
Capital outlay	7,387,147	7,866,262	3,033,909	4,832,353
Total Capital outlay	9,220,897	10,317,537	5,433,183	4,884,354
Total expenditures	9,220,897	10,317,537	5,433,183	4,884,354
Revenues over (under) expenditures	(562,347)	(1,350,987)	2,223,247	3,574,234
<b>Other financing sources (uses)</b>				
Transfers in	650,000	891,640	1,491,390	599,750
Transfers out	(138,100)	(578,423)	(440,323)	(138,100)
Total other financing sources	511,900	313,217	1,051,067	461,650
Net change in fund balances	(50,447)	(1,037,770)	3,274,314	4,035,884
Fund balances - beginning	11,201,171	11,201,171	11,201,171	-
Fund balances - ending	\$ 11,150,724	\$ 10,163,401	\$ 14,475,485	\$ 4,035,884

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2008**

Business-type Activities - Enterprise Funds

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 306,733	\$ 220,803	\$ 54,492	\$ 582,028
Restricted cash and cash equivalents	-	55,191	-	55,191
Interest receivable	899	647	160	1,706
Accounts receivable (net of allowance for uncollectibles)	-	1,126	-	1,126
Due from other governments	134,569	-	3,822	138,391
Prepaid items	2,455	1,436	1,006	4,897
Total current assets	444,656	279,203	59,480	\$ 783,339
Noncurrent assets:				
Restricted cash and investments	-	1,967	-	1,967
Deferred charges	-	3,508	-	3,508
Capital assets:				
Land	1,747,787	1,550,998	110,000	3,408,785
Buildings	3,404,754	4,641,281	228,076	8,274,111
Improvements other than buildings	8,349,631	366,776	935,604	9,652,011
Machinery and equipment	1,406,895	103,142	349,256	1,859,293
Office furniture and fixtures	5,840	18,194	4,250	28,284
Construction in progress	1,146,795	-	-	1,146,795
Infrastructure	1,921,975	-	-	1,921,975
Less accumulated depreciation	(9,669,571)	(4,430,700)	(1,189,716)	(15,289,987)
Total capital assets (net of accumulated depreciation)	8,314,106	2,249,691	437,470	11,001,267
Total noncurrent assets	8,314,106	2,255,166	437,470	11,006,742
Total assets	\$ 8,758,762	\$ 2,534,369	\$ 496,950	11,790,081

**Liabilities and Fund Balances**

Current liabilities:				
Accounts payable	\$ 109,902	\$ 15,653	\$ 22,577	\$ 148,132
Compensated absences	21,978	6,706	11,659	40,343
Matured bonds payable	-	52,877	-	52,877
Matured interest payable	-	2,314	-	2,314
Capital lease payable	-	-	9,545	9,545
Total current liabilities	131,880	77,550	43,781	253,211
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	-	261,399	-	261,399
Capital lease payable	-	-	20,648	20,648
Compensated absences	3,397	-	2,504	5,901
Total noncurrent liabilities	3,397	261,399	23,152	287,948
Total liabilities	135,277	338,949	66,933	541,159
<b>Net Assets</b>				
Invested in capital assets, net of related debt	8,314,106	1,938,923	407,278	10,660,307
Restricted for debt service	-	54,844	-	54,844
Unrestricted	309,379	201,653	22,739	533,771
Total net assets	\$ 8,623,485	\$ 2,195,420	\$ 430,017	\$ 11,248,922

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 457,027	\$ 447,428	\$ 362,426	\$ 1,266,881
Other	22,323	-	7,457	29,780
Total operating revenues	<u>479,350</u>	<u>447,428</u>	<u>369,883</u>	<u>1,296,661</u>
Operating expenses:				
Personal services	302,878	221,442	199,041	723,361
Contractual services	52,093	31,159	65,703	148,955
Commodities	50,948	7,975	62,793	121,716
Heat, light and power	28,260	27,764	52,020	108,044
Depreciation	540,221	48,309	44,331	632,861
Closure and postclosure care costs	-	-	-	-
Total operating expenses	<u>974,400</u>	<u>336,649</u>	<u>423,888</u>	<u>1,734,937</u>
Operating income (loss)	<u>(495,050)</u>	<u>110,779</u>	<u>(54,005)</u>	<u>(438,276)</u>
Nonoperating revenues (expenses):				
Intergovernmental and other	623,479	-	30,694	654,173
Investment income	-	7,533	404	7,937
Interest and fiscal charges	(14,752)	(21,573)	(3,768)	(40,093)
Gain on sale of capital assets	1,493	706	337	2,536
Total nonoperating revenues (expenses), net	<u>610,220</u>	<u>(13,334)</u>	<u>27,667</u>	<u>624,553</u>
Income (loss) before capital contributions and transfers	<u>115,170</u>	<u>97,445</u>	<u>(26,338)</u>	<u>186,277</u>
Transfers in	161,560	20,000	31,440	213,000
Transfers out	(109,930)	(40,000)	(19,200)	(169,130)
Change in net assets	<u>166,800</u>	<u>77,445</u>	<u>(14,098)</u>	<u>230,147</u>
Total net assets - beginning	<u>8,456,685</u>	<u>2,117,975</u>	<u>444,115</u>	<u>11,018,775</u>
Total net assets - ending	<u>\$ 8,623,485</u>	<u>\$ 2,195,420</u>	<u>\$ 430,017</u>	<u>\$ 11,248,922</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 452,920	\$ 442,400	\$ 362,426	\$ 1,257,746
Payments to suppliers	(158,540)	(57,929)	(171,538)	(388,007)
Payments to employees	(298,147)	(221,586)	(203,314)	(723,047)
Other operating revenues	22,323	-	7,457	29,780
Net cash provided (used) by operating activities	<u>18,556</u>	<u>162,885</u>	<u>(4,969)</u>	<u>176,472</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental grants	-	-	26,872	26,872
Transfers in / out	51,630	(20,000)	12,240	43,870
Net cash provided (used) by noncapital financing activities	<u>51,630</u>	<u>(20,000)</u>	<u>39,112</u>	<u>70,742</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Payments of debt principal	-	(47,212)	(68,475)	(115,687)
Payments of debt interest and charges	(14,752)	(23,961)	(3,322)	(42,035)
Capital grants received	667,678	-	-	667,678
Purchase of capital assets	(960,885)	706	895	(959,284)
Net cash provided (used) by capital and related financing activities	<u>(307,959)</u>	<u>(70,467)</u>	<u>(70,902)</u>	<u>(449,328)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	(476,363)	(541,021)	(83,625)	(1,101,009)
Purchase of investments	693,547	499,253	123,210	1,316,010
Interest and dividends received	9,883	9,711	1,944	21,538
Net cash provided (used) by investing activities	<u>227,067</u>	<u>(32,057)</u>	<u>41,529</u>	<u>236,539</u>
Net increase (decrease) in cash and cash equivalents	(10,706)	40,361	4,770	34,425
Cash and cash equivalents - beginning	104,388	27,077	11,873	143,338
Cash and cash equivalents - ending	93,682	67,438	16,643	177,763
Investments	213,051	210,523	37,849	461,423
Total cash and investments	<u>\$ 306,733</u>	<u>\$ 277,961</u>	<u>\$ 54,492</u>	<u>\$ 639,186</u>
Cash and investments reported on the Statement of Net Assets:				
Unrestricted cash and investments	\$ 306,733	\$ 220,803	\$ 54,492	\$ 582,028
Restricted cash and investments	-	57,158	-	57,158
Total cash and investments	<u>\$ 306,733</u>	<u>\$ 277,961</u>	<u>\$ 54,492</u>	<u>\$ 639,186</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (495,050)	\$ 110,779	\$ (54,005)	\$ (438,276)
Adjustments to reconciliation operating income (loss) to net cash provided by operating activities:				
Depreciation	540,221	48,309	44,331	632,861
Changes in operating assets and liabilities:				
Accounts receivable	2,992	2,297	-	5,289
Prepaid expenses	6,624	184	121	6,929
Accounts payable and contracts/claims payable	(40,962)	1,460	8,857	(30,645)
Accrued payroll and compensated absences	4,731	(144)	(4,273)	314
<b>Net cash provided (used) by operating activities</b>	<b>\$ 18,556</b>	<b>\$ 162,885</b>	<b>\$ (4,969)</b>	<b>\$ 176,472</b>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
**FOR THE PERIOD ENDED JUNE 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<b>3rd Street TDD Tax Fund</b>				
Assets:				
Cash and investments	\$ -	\$ 62,973	\$ -	\$ 62,973
	<u>\$ -</u>	<u>\$ 62,973</u>	<u>\$ -</u>	<u>\$ 62,973</u>
Liabilities:				
Due to others	\$ -	\$ 62,973	\$ -	\$ 62,973
	<u>\$ -</u>	<u>\$ 62,973</u>	<u>\$ -</u>	<u>\$ 62,973</u>
<b>Museum Tax Fund</b>				
Assets:				
Cash and investments	\$ 26,778	\$ -	\$ 26,778	\$ -
Receivables:				
Taxes	24,269	-	24,269	-
Accrued interest	1,092	-	1,092	-
	<u>\$ 52,139</u>	<u>\$ -</u>	<u>\$ 52,139</u>	<u>\$ -</u>
Liabilities:				
Due to others	\$ 52,139	\$ -	\$ 52,139	\$ -
	<u>\$ 52,139</u>	<u>\$ -</u>	<u>\$ 52,139</u>	<u>\$ -</u>
<b>Library Tax Fund</b>				
Assets:				
Cash and investments	\$ 117	\$ 184,179	\$ 184,296	\$ -
Receivables:				
Taxes	154,087	150,829	154,087	150,829
Accrued interest	-	-	-	-
	<u>\$ 154,204</u>	<u>\$ 335,007</u>	<u>\$ 338,383</u>	<u>\$ 150,829</u>
Liabilities:				
Due to others	\$ 154,204	\$ 150,829	\$ 154,204	\$ 150,829
	<u>\$ 154,204</u>	<u>\$ 150,829</u>	<u>\$ 154,204</u>	<u>\$ 150,829</u>
<b>All Agency Funds</b>				
Assets:				
Cash and investments	\$ 26,895	\$ 247,152	\$ 211,074	\$ 62,973
Receivables:				
Taxes	178,356	150,829	178,356	150,829
Accrued interest	1,092	-	1,092	-
	<u>\$ 206,343</u>	<u>\$ 397,980</u>	<u>\$ 390,522</u>	<u>\$ 213,802</u>
Liabilities:				
Due to others	\$ 206,343	\$ 213,802	\$ 206,343	\$ 213,802
	<u>\$ 206,343</u>	<u>\$ 213,802</u>	<u>\$ 206,343</u>	<u>\$ 213,802</u>

# STATISTICAL SECTION



# STATISTICAL SECTION

This part of the City of St. Joseph'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 City's overall financial health.

<u>Contents</u>	<u>Tables</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>1-5</b>
<b>Revenue Capacity</b>	<b>6-12</b>
These schedules contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.	
<b>Debt Capacity</b>	<b>13-17</b>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	
<b>Demographic and Economic Information</b>	<b>18-20</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	<b>21-22</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.



**CITY OF ST. JOSEPH, MISSOURI**  
**Net Assets by Component**  
**Last Six Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 29,111,703	29,322,591	42,978,508	51,567,893	181,138,463	190,940,915
Restricted	6,301,050	5,572,772	15,359,724	11,586,030	18,805,437	11,924,749
Unrestricted	11,647,395	18,527,968	(19,476,602)	(33,823,289)	(36,541,990)	(42,603,952)
Total governmental activities net assets	<u>\$ 47,060,148</u>	<u>53,423,331</u>	<u>38,861,630</u>	<u>29,330,634</u>	<u>163,401,910</u>	<u>160,261,712</u>
Business-type activities	\$					
Invested in capital assets, net of related debt	53,334,648	59,565,885	61,317,196	58,367,018	59,053,451	58,958,430
Restricted	8,155,420	2,392,348	3,770,260	4,017,572	4,065,619	7,052,076
Unrestricted	2,427,039	1,822,265	(1,197,406)	188,263	3,702,556	1,502,371
Total business-type activities net assets	<u>\$ 63,917,107</u>	<u>63,780,498</u>	<u>63,890,050</u>	<u>62,572,853</u>	<u>66,821,626</u>	<u>67,512,877</u>
Primary government						
Invested in capital assets, net of related debt	\$ 82,446,351	88,888,476	104,295,704	109,934,911	240,191,914	249,899,345
Restricted	14,456,470	7,965,120	19,129,984	15,603,602	22,871,056	18,976,825
Unrestricted	14,074,434	20,350,233	(20,674,008)	(33,635,026)	(32,839,434)	(41,101,581)
Total primary government net assets	<u>\$ 110,977,255</u>	<u>117,203,829</u>	<u>102,751,680</u>	<u>91,903,487</u>	<u>230,223,536</u>	<u>227,774,589</u>

Note: GASB 34 was implemented in fiscal year 2003, so only six fiscal years are shown.

Note: FY 2005 Unrestricted net asset includes developer related debt that does not result in an asset for the City - \$38,942,000.

Note: FY2007 Completed the retroactive infrastructure reporting requirements of GASB 34 for governmental activities.

**CITY OF ST. JOSEPH, MISSOURI**  
 Changes in Net Assets  
 Last Six Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
Governmental activities:						
General government	\$ 8,162,055	\$ 3,448,810	\$ 39,676,618	\$ 23,853,935	\$ 9,595,821	\$ 18,759,334
Public safety	19,594,533	19,003,061	15,552,714	21,133,947	21,956,657	23,318,744
Highways and streets	6,052,644	9,479,906	9,473,469	10,042,359	15,809,603	18,375,904
Public works	1,283,978	257,751	274,980	370,810	385,983	212,776
Health and welfare	7,035,645	7,226,366	7,807,850	5,908,864	5,803,456	5,397,561
Parks and Recreation	3,541,370	6,119,506	5,094,993	5,187,029	5,572,153	5,096,787
Interest on long-term debt	100,734	25,430	983,094	4,669,961	3,802,505	3,752,522
Total governmental activities expenses	<u>45,770,959</u>	<u>45,560,830</u>	<u>78,863,718</u>	<u>71,166,905</u>	<u>62,926,178</u>	<u>74,913,628</u>
Business-type activities:						
Aviation	869,308	923,145	921,180	863,917	976,138	989,152
Parking	492,519	459,985	525,677	510,026	445,675	358,222
Sewer	7,496,824	7,918,146	10,233,920	9,614,343	9,867,502	12,065,818
Golf	436,367	411,499	410,943	403,045	374,989	427,656
Transit	3,881,183	4,291,909	4,550,225	4,874,741	4,929,923	5,047,032
Landfill	1,198,668	1,723,420	2,202,206	2,967,669	2,462,903	4,672,139
Total business-type activities expenses	<u>14,374,869</u>	<u>15,728,104</u>	<u>18,844,151</u>	<u>19,233,741</u>	<u>19,057,130</u>	<u>23,560,019</u>
Total primary government expenses	<u>\$ 60,145,828</u>	<u>\$ 61,288,934</u>	<u>\$ 97,707,869</u>	<u>\$ 90,400,646</u>	<u>\$ 81,983,308</u>	<u>\$ 98,473,647</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:						
General government	\$ 2,283,021	\$ 3,799,256	\$ 4,600,425	\$ 4,635,231	\$ 4,873,363	\$ 5,836,677
Public safety	541,646	562,301	619,251	709,962	496,759	543,241
Highways and streets	656,891	151,963	281,004	150,512	158,804	172,658
Public works	478,916	15,669	18,046	36,730	45,627	23,327
Health and welfare	938,532	559,690	567,388	674,058	749,166	684,720
Parks and Recreation	10,756	1,245,464	1,187,399	1,521,336	1,514,198	1,598,356
Operating grants and contributions	6,081,057	6,630,787	5,339,972	5,347,446	6,508,083	6,360,929
Capital grants and contributions	654,879	808,616	10,899,818	4,414,950	2,427,643	2,255,309
Total governmental activities program revenues	<u>11,645,698</u>	<u>13,773,746</u>	<u>23,513,303</u>	<u>17,490,225</u>	<u>16,773,643</u>	<u>17,475,217</u>
Business-type activities:						
Charges for services:						
Aviation	349,599	393,286	410,800	441,058	469,727	479,350
Parking	295,434	355,464	359,257	356,273	343,396	447,428
Sewer	6,888,825	7,116,113	7,944,771	8,724,982	10,242,357	11,321,682
Golf	382,570	370,379	400,615	405,379	379,891	369,883
Transit	115,500	125,058	105,594	124,959	158,916	284,077
Landfill	2,356,690	2,923,924	3,006,818	2,801,026	3,151,363	5,087,108
Operating grants and contributions	956,320	917,265	917,764	1,112,699	2,839,376	2,918,251
Capital grants and contributions	1,377,413	1,512,453	3,128,516	839,014	1,324,937	688,019
Total business-type activities program revenues	<u>12,722,351</u>	<u>13,713,942</u>	<u>16,274,135</u>	<u>14,805,390</u>	<u>18,909,963</u>	<u>21,595,798</u>
Total primary government program revenues	<u>\$ 24,368,049</u>	<u>\$ 27,487,688</u>	<u>\$ 39,787,438</u>	<u>\$ 32,295,615</u>	<u>\$ 35,683,606</u>	<u>\$ 39,071,015</u>
Net (expense)/revenue						
Governmental activities	(34,125,261)	(31,787,084)	(55,350,415)	(53,676,680)	(46,152,535)	(57,438,411)
Business-type activities	(1,652,518)	(2,014,162)	(2,570,016)	(4,428,351)	(147,167)	(1,964,221)
Total primary government net expense	<u>\$ (35,777,779)</u>	<u>\$ (33,801,246)</u>	<u>\$ (57,920,431)</u>	<u>\$ (58,105,031)</u>	<u>\$ (46,299,702)</u>	<u>\$ (59,402,632)</u>

**General Revenues and Other Changes in Net Assets**

Governmental activities:

Taxes							
Property taxes	\$ 8,885,541	\$ 9,279,250	\$ 9,960,360	\$ 10,730,888	\$ 12,860,706	\$ 13,757,320	
Sales and use taxes	19,429,459	19,497,214	21,213,657	22,600,548	22,879,226	25,169,192	
Franchise taxes	3,494,833	3,691,553	3,734,204	3,956,650	4,016,906	7,588,044	
Motor fuel taxes	3,483,646	3,572,836	3,613,104	3,592,068	3,750,470	3,554,512	
Cigarette taxes	444,354	452,770	437,460	459,855	453,013	451,815	
Hotel taxes	339,110	354,801	389,986	400,792	430,551	448,717	
Unrestricted investment earnings	323,973	311,348	910,325	2,028,405	2,220,429	1,913,204	
Gain (loss) on sale of capital assets	(201,970)	48,713	73,644	-	-	9,914	
Transfers	(2,971)	941,782	455,974	376,478	835,608	1,405,495	
Total governmental activities	<u>36,195,975</u>	<u>38,150,267</u>	<u>40,788,714</u>	<u>44,145,684</u>	<u>47,446,909</u>	<u>54,298,213</u>	

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Business-type activities:

Sales and use taxes	1,458,333	1,460,047	1,501,994	1,560,135	1,643,460	1,726,313
Franchise taxes	782,374	841,936	887,532	939,913	942,673	1,058,276
Unrestricted investment earnings	591,009	504,901	740,503	987,584	1,146,274	1,099,122
Gain (loss) on sale of capital assets	15,960	12,451	5,513	-	-	177,256
Transfers	2,971	(941,782)	(455,974)	(376,478)	(835,608)	(1,405,495)
Total business-type activities	<u>2,850,647</u>	<u>1,877,553</u>	<u>2,679,568</u>	<u>3,111,154</u>	<u>2,896,799</u>	<u>2,655,472</u>
Total primary government	<u>\$ 39,046,622</u>	<u>\$ 40,027,820</u>	<u>\$ 43,468,282</u>	<u>\$ 47,256,838</u>	<u>\$ 50,343,708</u>	<u>\$ 56,953,685</u>

**Changes in Net Assets**

Governmental activities	\$ 2,070,714	\$ 6,363,183	\$ (14,561,701)	\$ (9,530,996)	\$ 1,294,374	\$ (3,140,198)
Business-type activities	1,198,129	(136,609)	109,552	(1,317,197)	2,749,632	691,251
Total primary government	<u>\$ 3,268,843</u>	<u>\$ 6,226,574</u>	<u>\$ (14,452,149)</u>	<u>\$ (10,848,193)</u>	<u>\$ 4,044,006</u>	<u>\$ (2,448,947)</u>

Note: GASB 34 was implemented in fiscal year 2003, so only six fiscal years are shown.

**CITY OF ST. JOSEPH, MISSOURI**  
**Governmental Activities Tax Revenues By Source**  
**Last Six Fiscal Years**  
 (accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Motor Fuel Tax</u>	<u>Cigarette Tax</u>	<u>Hotel Tax</u>	<u>Total</u>
2003	\$ 8,885,541	\$ 19,429,459	\$ 3,494,833	\$ 3,483,646	\$ 444,354	\$ 339,110	\$ 36,076,943
2004	9,279,250	19,497,214	3,691,553	3,572,836	452,770	354,801	36,848,424
2005	9,960,360	21,213,657	3,734,204	3,613,104	437,460	389,986	39,348,771
2006	10,730,888	22,600,548	3,956,650	3,592,068	459,855	400,792	41,740,801
2006	12,860,706	22,879,226	4,016,906	3,750,470	453,013	430,551	44,390,872
2008	13,757,320	25,169,192	7,588,044	3,554,512	451,815	448,717	50,969,600

Note: GASB 34 was implemented in fiscal year 2003, so only six fiscal years are shown.

**CITY OF ST. JOSEPH, MISSOURI**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 451,501	366,494	565,488	528,819	403,469	421,535	540,938	1,061,421	635,136	2,075,505
Unreserved	1,252,695	882,851	836,873	882,820	2,244,724	3,100,054	5,465,123	2,081,515	2,551,817	5,592,876
Total General Fund	\$ 1,704,196	1,249,345	1,402,361	1,411,639	2,648,193	3,521,589	6,006,061	3,142,936	3,186,953	7,668,381
All other governmental funds										
Reserved	\$ 7,520,103	6,632,614	8,453,384	9,440,319	9,530,749	22,146,975	21,702,717	20,908,204	23,647,498	16,742,801
Unreserved, reported in:										
Special revenue funds	602,178	928,892	1,764,210	2,357,671	5,245,512	4,086,832	11,081,617	5,142,593	8,458,323	11,941,619
Capital project funds	3,406,273	5,769,516	5,859,267	3,142,441	5,364,774	4,771,513	2,117,955	6,469,342	2,859,544	6,517,615
Total all other governmental funds	\$ 11,528,554	13,331,022	16,076,861	14,940,431	20,141,035	31,005,320	34,902,289	32,520,139	34,965,365	35,202,035

**CITY OF ST. JOSEPH, MISSOURI**  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$ 28,659,443	30,061,386	31,275,425	35,144,936	36,335,290	37,110,533	38,532,875	41,528,031	45,654,024	50,983,735
Licenses, fees and permits	1,278,700	1,233,404	1,353,954	1,165,397	1,259,208	1,376,641	1,403,084	1,445,418	1,465,195	1,461,356
Intergovernmental	7,275,725	7,302,128	5,211,172	5,757,234	6,735,936	7,439,403	5,830,759	8,951,096	5,697,209	8,644,884
Charges for services	1,997,844	2,057,916	2,010,945	2,172,509	2,379,460	2,785,721	4,179,090	4,584,989	4,744,541	4,717,410
Fines, forfeitures, and court costs	656,419	741,672	643,971	784,821	808,169	807,885	936,012	1,006,127	1,101,165	1,192,519
Special Assessments	23,786	20,746	31,007	17,813	11,815	18,140	21,802	39,688	47,522	28,648
Investment earnings	530,391	701,980	813,286	487,998	323,973	303,510	910,325	1,980,288	2,143,643	1,847,313
Other	819,878	290,426	1,047,998	745,448	507,196	1,326,956	733,525	789,906	2,544,549	1,711,517
<b>Total revenues</b>	<b>41,242,186</b>	<b>42,409,658</b>	<b>42,387,758</b>	<b>46,276,156</b>	<b>48,361,047</b>	<b>51,168,789</b>	<b>52,547,472</b>	<b>60,325,543</b>	<b>63,397,848</b>	<b>70,587,382</b>
<b>Expenditures</b>										
General government	4,643,749	5,500,413	4,885,067	4,776,223	5,936,326	6,496,521	36,267,743	23,608,397	8,782,348	10,956,124
Public safety	13,750,569	14,762,938	14,835,831	16,899,825	17,990,251	18,627,416	20,533,681	20,665,255	21,252,553	21,779,899
Highways and streets	8,751,313	7,934,711	6,892,660	8,148,914	6,879,745	6,968,828	6,900,810	7,566,077	7,492,151	8,834,917
Public works	231,244	274,934	250,760	307,844	352,546	253,312	274,980	344,143	274,688	212,776
Health and welfare	4,658,827	4,564,105	4,069,329	5,341,224	5,665,480	5,881,934	5,325,299	5,450,574	5,406,459	5,203,704
Parks and Recreation	3,663,272	3,752,604	3,311,231	3,676,430	3,505,279	3,862,181	4,029,293	4,420,506	4,576,833	4,566,717
Capital outlay	3,290,305	4,488,793	5,253,727	7,929,468	10,455,782	7,094,524	13,837,195	15,038,466	7,317,407	13,965,360
Debt Service										
Principal	256,850	272,745	296,112	300,449	207,370	70,000	696,934	1,713,663	2,918,292	3,291,383
Interest and bond costs	176,461	159,449	144,099	125,174	103,942	455,432	2,312,389	4,271,923	3,723,482	3,686,478
<b>Total expenditures</b>	<b>39,422,590</b>	<b>41,710,692</b>	<b>39,938,816</b>	<b>47,505,551</b>	<b>51,096,721</b>	<b>49,710,148</b>	<b>90,178,324</b>	<b>83,079,004</b>	<b>61,744,213</b>	<b>72,497,358</b>
Excess of revenues over (under) expenditures	1,819,596	698,966	2,448,942	(1,229,395)	(2,735,674)	1,458,641	(37,630,852)	(22,753,461)	1,653,635	(1,909,976)
<b>Other Financing Sources (Uses)</b>										
Transfers in	3,087,473	3,344,429	2,690,731	5,182,720	4,935,876	6,184,221	8,433,017	5,218,834	5,766,678	6,676,295
Transfers out	(2,648,864)	(2,695,778)	(2,308,360)	(5,080,477)	(4,938,847)	(5,242,439)	(7,977,043)	(4,842,356)	(4,931,070)	(5,270,800)
Issuance of debt	-	-	67,542	-	-	9,240,266	43,335,000	16,985,000	-	5,110,000
Capital leases	-	-	-	-	-	48,933	-	35,300	-	56,201
Sale of capital assets	-	-	-	-	48,114	48,059	221,319	111,408	-	56,378
<b>Total other financing sources (uses)</b>	<b>438,609</b>	<b>648,651</b>	<b>449,913</b>	<b>102,243</b>	<b>45,143</b>	<b>10,279,040</b>	<b>44,012,293</b>	<b>17,508,186</b>	<b>835,608</b>	<b>6,628,074</b>
<b>Net change in fund balances</b>	<b>\$ 2,258,205</b>	<b>1,347,617</b>	<b>2,898,855</b>	<b>(1,127,152)</b>	<b>(2,690,531)</b>	<b>11,737,681</b>	<b>6,381,441</b>	<b>(5,245,275)</b>	<b>2,489,243</b>	<b>4,718,098</b>
Debt service as a percentage of non capital expenditures	1.94%	1.16%	1.28%	0.99%	0.70%	1.14%	3.97%	8.47%	11.75%	11.53%

**CITY OF ST. JOSEPH, MISSOURI**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
 LAST TEN FISCAL YEARS  
 (amounts expressed in thousands)

Fiscal Year	Property Tax (1)	Sales Tax	Cigarette Tax	Motor Vehicle Tax	Utility Franchise Tax	Hotel Motel Tax (2)	Financial Institution Tax	Total
1999	\$ 7,850	\$ 13,496	\$ 487	\$ 3,294	\$ 3,066	\$ 341	\$ 125	\$ 28,659
2000	8,502	14,161	451	3,265	3,266	353	63	30,061
2001	8,554	14,473	444	3,462	3,950	344	49	31,276
2002	9,087	17,883	441	3,711	3,609	324	90	35,145
2003	9,067	19,429	444	3,484	3,495	339	77	36,335
2004	9,511	19,497	453	3,573	3,692	355	30	37,111
2005	10,298	20,030	437	3,613	3,734	390	30	38,533
2006	10,611	22,472	460	3,592	3,957	400	36	41,528
2007	12,817	24,150	453	3,750	4,017	431	36	45,654
2008	13,727	25,169	452	3,555	7,588	449	44	50,984

(1) Includes interest and penalties.

(2) Prior to 1999 Hotel Motel Taxes were recorded in Enterprise fund and not considered general government revenues.

**CITY OF ST. JOSEPH, MISSOURI**  
**Total City Taxable Sales by Category**  
**Last Eight Calendar Years**  
(in thousands of dollars)

<b>Sales by Retail Category:</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Apparel stores	\$ 18,248	17,415	15,685	15,122	15,563	22,622	24,739	22,163
General merchandise	19,539	20,877	157,169	173,757	83,297	279,648	292,646	319,569
Food stores	115,776	106,956	97,375	100,179	105,386	112,337	114,235	121,311
Eating and drinking establishments	96,086	96,497	98,638	101,951	108,052	116,550	124,297	129,267
Home furnishings and appliances	26,719	64,653	68,312	68,411	67,312	75,994	79,286	66,385
Building materials and farm tools	29,908	26,203	23,159	22,289	29,188	34,068	32,685	31,288
Construction/Remodeling	3,493	2,979	3,571	6,690	5,806	5,335	4,765	4,351
Auto dealers and supplies	45,270	48,564	47,243	48,713	43,264	41,152	48,235	75,045
Wholesale Trade	40,826	35,536	28,988	27,447	21,825	23,732	27,285	32,332
Hotels, Motels	12,316	11,543	11,096	10,728	11,328	12,951	14,698	15,614
Communication	34,335	34,994	34,375	30,326	34,718	35,224	39,503	40,951
Other retail stores	209,811	240,319	120,777	114,163	102,011	91,268	86,650	97,343
All other outlets	86,075	45,254	43,415	42,176	49,361	51,367	58,000	50,974
<b>Total</b>	<b>\$ <u>738,402</u></b>	<b><u>751,788</u></b>	<b><u>749,805</u></b>	<b><u>761,955</u></b>	<b><u>677,111</u></b>	<b><u>902,249</u></b>	<b><u>947,023</u></b>	<b><u>1,006,593</u></b>

Note: Amounts for 2008 are not provided due to only receiving partial year figures.

Note: Amounts for years prior to 2000 are not available.

Source: Missouri Department of Revenue

**CITY OF ST. JOSEPH, MISSOURI**  
**Sales Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Calendar Years**  
 (in percent)

<b>Direct Sales Tax Rate City of St. Joseph</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
General Fund	1.000	1.000	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Capital Improvements	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Mass Transit	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
<b>Total Direct Sales Tax Rate</b>	<b>1.650</b>	<b>1.650</b>	<b>2.150</b>							
<b>Total Local Option Sales Tax Rate</b>										
State of Missouri										
General Sales Tax	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Education	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total State of Missouri	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
Buchanan County										
General Sales Tax	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Law Enforcement	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Capital Improvements	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
County Tourism	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total Buchanan County	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100
City of St. Joseph	1.650	1.650	2.150	2.150	2.150	2.150	2.150	2.150	2.150	2.150
<b>Total Direct and Overlapping Sales Tax Rate</b>	<b>6.975</b>	<b>6.975</b>	<b>7.475</b>							

Sources: Missouri Department of Revenue  
 City of St. Joseph Revenue Manual

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**CITY OF ST. JOSEPH, MISSOURI**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)**  
 LAST TEN FISCAL YEARS  
 (amounts expressed in thousands)

Fiscal Year	Real Property (1)		Personal Property		Railroad & Utility		Total			Ratio of Total Assess Value To Total Estimated Actual Value
	Assess Value(2)	Estimated Actual Value	Assess Value	Estimated Actual Value	Assess Value	Estimated Actual Value	Assess Value	Direct Tax Rate	Estimated Actual Value	
1999	\$ 431,363	\$ 1,881,766	\$ 208,249	\$ 631,057	\$ 18,800	\$ 56,971	\$ 658,412	\$ 1.39	\$ 2,569,794	25.6%
2000	456,988	2,002,675	231,476	701,442	22,462	68,066	710,926	1.56	2,772,184	25.6%
2001	465,126	2,041,920	245,550	744,091	18,580	56,302	729,255	1.56	2,842,313	25.7%
2002	497,957	2,206,207	244,694	741,496	18,761	56,852	761,412	1.55	3,004,555	25.3%
2003	500,861	2,224,004	250,533	759,190	20,935	63,440	772,329	1.55	3,046,634	25.4%
2004	527,739	2,317,589	233,182	706,612	20,301	61,519	781,222	1.57	3,085,720	25.3%
2005	521,034	2,306,219	231,804	702,436	19,306	58,503	772,144	1.60	3,067,158	25.2%
2006	597,842	2,681,510	224,605	680,623	17,194	52,102	839,641	1.54	3,414,234	24.6%
2007	604,882	2,710,836	244,962	742,310	16,280	49,334	866,124	1.55	3,502,480	24.7%
2008	618,779	2,769,236	255,510	774,272	16,183	49,038	890,471	1.55	3,592,546	24.8%

(1) Real estate exemptions not included.

(2) On January 1, 1985 state-mandated reassessment set values at: 12% for agricultural property, 19% for residential property,

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**CITY OF ST. JOSEPH, MISSOURI**  
 Property Tax Rates  
 Direct and Overlapping Governments  
 Last Ten Fiscal Years  
 (rate per \$100 assessed value)

Fiscal Year	City Direct Rates								Overlapping Rates (1)			
	General Fund	Public Safety	Debt Service	Public Health	Parks & Recreation	Museum	Library	Total City of St. Joseph	State of Missouri	St. Joseph School District	Buchanan County	Total
1999	\$ 0.60	\$ 0.07	\$ -	\$ 0.20	\$ 0.20	\$ 0.05	\$ 0.27	\$ 1.39	\$ 0.03	\$ 2.87	\$ 0.43	\$ 4.72
2000	0.62	0.07	-	0.20	0.20	0.05	0.42	1.56	0.03	2.88	0.44	4.91
2001	0.62	0.07	-	0.20	0.20	0.05	0.42	1.56	0.03	3.26	0.44	5.29
2002	0.61	0.07	-	0.20	0.20	0.05	0.42	1.55	0.03	3.26	0.44	5.28
2003	0.61	0.07	-	0.20	0.20	0.05	0.42	1.55	0.03	3.26	0.44	5.28
2004	0.63	0.07	-	0.20	0.20	0.05	0.42	1.57	0.03	3.42	0.44	5.46
2005	0.65	0.07	-	0.21	0.20	0.05	0.42	1.60	0.03	4.05	0.46	6.14
2006	0.62	0.07	-	0.21	0.19	0.05	0.40	1.54	0.03	4.03	0.46	6.06
2007	0.63	0.07	-	0.21	0.19	0.05	0.40	1.55	0.03	3.98	0.46	6.02
2008	0.63	0.07	-	0.21	0.19	0.05	0.40	1.55	0.03	3.93	0.44	5.95

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Notes: (1) County Tax Breakdown for Current Year:  
 General Fund 0.06  
 Road & Bridge Fund 0.28  
 Handicap 0.10  
Total County 0.44

Table 11

**CITY OF ST. JOSEPH, MISSOURI**  
**PRINCIPAL TAXPAYERS**  
 JUNE 30, 2008

TAXPAYER	TYPE OF BUSINESS	2008			1999		
		ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION(1)	1998 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
Triumph Foods LLC	Pork Processing	\$ 12,282,040	1	1.38%	\$ -		
Johnson Controls Battery Grp	Battery Manufacturer	10,784,885	2	1.21%	-		
HHS Properties, Inc.	Healthcare Industry	10,226,150	3	1.15%	-		
Wal Mart Stores Inc.	Retail Variety Store	9,919,790	4	1.11%	5,863,920	8	0.66%
American Family Insurance	Insurance	9,615,820	5	1.08%	-		
Danisco	Food Manufacturing	9,299,260	6	1.04%	-		
Missouri American Water Co	Water Utility	8,971,466	7	1.01%	5,121,910	10	0.58%
St. Joseph Foods	Meat Manufacturer	8,655,415	8	0.97%	-		
Ag Processing Inc	Soybean Processing	8,518,780	9	0.96%	7,819,180	5	0.88%
Cole PC St. Joseph MO LLC	Shopping Development	8,285,240	10	0.93%	-		
Quaker Oats	Food Manufacturing	-			23,104,180	1	2.59%
Nestle - Friskies	Pet Food	-			15,697,660	2	1.76%
Boehringer Ingelheim	Animal Health Manufacturer	-			11,064,880	3	1.24%
St. Joseph Light & Power	Electric Utility	-			7,948,240	4	0.89%
Belt Highway Investment	Shopping Mall	-			6,383,370	6	0.72%
St. Joseph Riverboat Partners	Development Company	-			5,921,710	7	0.67%
Mead Corporation	Paper Manufacturer	-			5,700,600	9	0.64%
		<u>\$ 96,558,846</u>		<u>10.84%</u>	<u>\$ 94,625,650</u>		<u>10.63%</u>

(1) The total assessed valuation for 2008 = 890,471,486

**CITY OF ST. JOSEPH, MISSOURI**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30,	Taxes Levied for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
T-13	1999	\$ 8,884,505	\$ 8,633,392	97.17%	\$ 251,616	\$ 8,885,008	100.01%
	2000	9,645,017	9,259,717	96.01%	245,778	9,505,495	98.55%
	2001	10,344,344	9,937,547	96.07%	371,888	10,309,435	99.66%
	2002	11,162,208	10,720,274	96.04%	350,910	11,071,184	99.18%
	2003	10,754,976	10,364,135	96.37%	433,838	10,797,973	100.40%
	2004	10,766,443	10,375,602	96.37%	383,459	10,759,061	99.93%
	2005	11,423,095	10,965,000	95.99%	449,060	11,414,060	99.92%
	2006	11,939,359	10,170,697	85.19%	438,437	10,609,134	88.86%
	2007	13,119,059	10,686,423	81.46%	308,812	10,995,235	83.81%
	2008	13,346,762	11,054,967	82.83%	-	11,054,967	82.83%

Table 13

**CITY OF ST. JOSEPH, MISSOURI**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	PBA	MDFB	IFB/IDA	Developer Obligations	Capital Leases	Loans			
1999	\$ 1,343,720	\$ -	\$ -	\$ -	\$ -	\$ 996,441			
2000	1,146,350	-	-	-	-	921,065			
2001	938,980	-	-	-	54,284	845,581			
2002	726,610	-	-	-	41,786	770,000			
2003	589,240	-	-	-	67,160	700,000			
2004	542,640	-	9,170,000	-	91,586	630,000			
2005	475,706	6,860,000	45,645,000	2,467,000	56,280	-			
2006	425,506	5,395,000	62,530,000	2,379,177	69,828	-			
2007	341,152	3,810,000	61,665,000	2,028,523	-	-			
2008	296,647	2,170,000	65,570,000	9,654,552	50,793	-			

Fiscal Year	Business-Type Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	PBA	MDFB	Revenue Bonds	Special Obligations	Capital Leases	Loans			
1999	\$ 1,056,280	\$ -	\$ 17,652,000	\$ 265,000	\$ 403,625	\$ -	\$ 21,717,066	1.40%	\$ 20,939
2000	973,650	-	16,895,000	245,000	858,405	393,036	21,432,506	1.10%	26,376
2001	886,020	-	16,116,000	225,000	628,792	359,240	20,053,897	1.03%	26,376
2002	793,389	-	15,309,000	200,000	386,894	324,102	18,551,781	1.05%	24,106
2003	755,760	-	14,460,000	175,000	195,936	287,569	17,230,665	0.96%	24,799
2004	592,360	-	14,316,000	150,000	315,500	249,585	26,057,671	1.43%	25,103
2005	519,294	11,720,000	13,365,000	120,000	229,580	210,093	81,667,953	4.40%	25,541
2006	464,495	11,720,000	12,359,001	90,000	166,191	169,033	95,768,231	4.88%	26,528
2007	366,381	11,515,000	11,216,393	60,000	99,723	-	91,102,172	4.34%	28,402
2008	318,740	11,275,000	30,529,313	-	60,222	-	119,925,267	5.45%	29,719

(1) Bureau of Economic Analysis

**CITY OF ST. JOSEPH, MISSOURI**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Est. Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Less Amounts Available in Debt Service	Total		
1999	\$ -	\$ -	\$ -	0.00%	\$ -
2000	-	-	-	0.00%	-
2001	-	-	-	0.00%	-
2002	-	-	-	0.00%	-
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-

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Note: The City does not have any General Bonded Debt over the past ten fiscal years. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF ST. JOSEPH, MISSOURI**  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2008

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Joseph School District	\$ 45,029,054	95.75%	\$ <u>43,115,319</u>
Subtotal, overlapping debt			43,115,319
City of St. Joseph direct debt			77,741,992
Total direct and overlapping debt			\$ <u><u>120,857,311</u></u>

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Sources: Assessed valuation data and outstanding debt provided by the St. Joseph School District and Buchanan County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of St. Joseph, Missouri. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**CITY OF ST. JOSEPH, MISSOURI**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit (1)	\$ 131,682,498	142,185,111	145,851,051	152,282,321	154,465,774	156,244,388	154,428,775	167,928,218	173,224,886	178,094,297
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 131,682,498	142,185,111	145,851,051	152,282,321	154,465,774	156,244,388	154,428,775	167,928,218	173,224,886	178,094,297
Total net debt applicable to the limit as a percentage of debt limit	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

**Legal Debt Margin Calculation for Fiscal Year 2008**

Assessed Value	\$ 890,471,486
Debt Limit (20% of assessed value)	178,094,297
General obligation:	
Total Bonded Debt	-
Less:	
Total net debt applicable to limit	-
Legal debt margin	\$ 178,094,297

Notes:

(1) Total tangible property assessed value as of January 1, 2007 as certified by the County Clerk on June 30, 2007

(2) Section 95.115 of the 1986 Missouri Revised Statutes permits any county or city, by vote of two-thirds of qualified electors voting thereon, to incur an indebtedness for city purposes not to exceed 5 percent of the taxable tangible property therein, as shown by the last assessment.

Section 95.120 of the 1986 Missouri Revised Statutes permits any county or city, by a vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness of city purposes not to exceed 5 percent of the taxable property therein, as shown by the assessment.

Section 95.125 and 95.130 of the 1986 Missouri Revised Statutes provides that any city may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring right-of-ways, constructing, extending and improving streets and avenues and/or sanitary sewer system and an additional ten percent for purchasing or construction of waterworks, electric or other light plants provided the total general obligation indebtedness of the city does not exceed twenty percent of the assessed valuation.

(3) Debt service reserve funds were used to call for redemption and pay all outstanding general obligation bonds prior to their original stated maturity of February, 1998.

**CITY OF ST. JOSEPH, MISSOURI**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year	Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
<u>Sewer</u>						
1999	\$ 6,911	\$ 3,945	\$ 2,966	\$ 686	965	1.80
2000	7,326	4,537	2,789	779	877	1.68
2001	7,964	4,557	3,407	807	827	2.09
2002	7,577	4,753	2,824	849	790	1.72
2003	7,395	5,164	2,231	884	751	1.37
2004	7,473	5,709	1,764	951	739	1.04
2005	9,824	7,814	2,010	1,006	691	1.18
2006	10,108	6,302	3,806	1,058	639	2.24
2007	11,299	5,881	5,418	1,263	1,458	1.99
2008	13,265	7,269	5,996	1,354	1,811	1.89

**CITY OF ST. JOSEPH, MISSOURI**  
Demographic and Economic Statistics  
Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1999	73,990	\$ 1,549,277	\$ 20,939	35.30	12,184	4.70%
2000	74,013	1,952,167	26,376	36.50	11,817	2.40%
2001	73,492	1,938,425	26,376	36.80	11,733	5.60%
2002	73,163	1,763,667	24,106	37.00	11,689	6.20%
2003	72,744	1,803,978	24,799	37.20	11,817	6.00%
2004	72,602	1,822,528	25,103	37.60	11,689	5.40%
2005	72,661	1,855,835	25,541	37.90	11,690	5.90%
2006	73,990	1,962,807	26,528	37.90	11,466	4.90%
2007	73,990	2,101,464	28,402	35.30	11,718	4.50%
2008	73,990	2,198,909	29,719	35.30	11,630	5.00%

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Sources: 1 Bureau of Economic Analysis  
2 Census.gov  
3 Information provided by school districts.

Table 19

**CITY OF ST. JOSEPH, MISSOURI**  
Principal Employers  
2008 and 1999

Employer	2008			1999		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Heartland Health	2,800	1	4.20%	2,259	1	5.70%
Triumph Foods	2,300	2	3.50%	-		
St. Joseph School District	1,825	3	3.30%	1,546	2	3.90%
Altec Industries	850	4	1.40%	586	9	1.50%
American Family	820	5	1.20%	558	10	1.40%
Boehringer Ingelheim Vetmedica	750	6	1.10%	-		
System and Services Technology	744	7	1.10%	-		
Sara Lee	700	8	1.10%	-		
City of St. Joseph, Missouri	661	9	1.00%	621	8	1.60%
Western Reception Diagnostic	576	10	0.90%	642	6	1.60%
Snorkel				800	3	2.00%
Johnson Controls				678	4	1.70%
Mead Products				675	5	1.70%
The Quaker Oats Company				627	7	1.60%
<b>Total</b>	<b>12,026</b>		<b>18.80%</b>	<b>8,992</b>		<b>22.70%</b>

Source: St. Joseph Area Chamber of Commerce

**CITY OF ST. JOSEPH, MISSOURI**  
 Full-time City Government Employees by Function/Program  
 Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Function/Program</b>										
<b>General Government</b>										
Mayor/Council	1	1	1	1	1	1	1	1	1	1
City Clerk	2	2	2	2	2	3	3	3	3	3
City Manager	4	4	4	3	3	3	3	4	4	6
Technology & Communications	-	-	-	-	6	5	5	5	5	5
Municipal Court	7	5	5	6	8	5	5	5	6	6
Legal	5	6	6	6	6	7	7	7	7	7
Financial Services	26	25	24	24	18	19	14	15	15	15
Human resources	5	5	5	5	5	5	5	5	5	6
Customer Assistance	15	17	18	21	17	17	25	26	25	16
Property Maintenance										11
<b>Public Safety</b>										
Police - Arrest Powers	106	106	105	108	115	114	116	117	118	117
Police - Civilian	42	41	41	41	40	39	41	41	41	44
Fire Protection	130	131	130	131	127	131	131	131	131	131
Fire - Civilian	2	2	2	2	2	2	3	3	3	3
<b>Public Works</b>										
Engineering	13	13	11	10	10	11	11	10	10	10
Public Works Administration	5	5	4	4	4	5	5	4	5	5
Streets	65	54	54	59	63	62	59	61	62	64
Traffic	8	8	8	8	8	8	8	8	8	8
Airport	5	6	6	6	6	6	6	6	6	6
Parking Services	-	6	6	6	6	6	6	6	6	6
Landfill	19	16	16	16	16	15	16	16	17	18
Recycling Center	-	3	3	3	3	3	2	2	2	2
Sewer Maintenance	12	17	17	17	16	17	17	14	19	19
Water Pollution Control	43	42	42	42	43	42	41	42	45	46
<b>Health Department</b>	34	34	35	37	41	41	41	41	42	42
<b>Parks and Recreation</b>	51	52	49	51	50	50	47	48	48	53
<b>Community Development</b>										
Planning	4	5	4	3	5	5	5	4	4	4
Housing & Community Dev	10	7	8	6	8	8	7	8	9	7
<b>Total</b>	<u>614</u>	<u>613</u>	<u>606</u>	<u>618</u>	<u>629</u>	<u>630</u>	<u>630</u>	<u>633</u>	<u>647</u>	<u>661</u>

Source: City of St. Joseph Annual Report

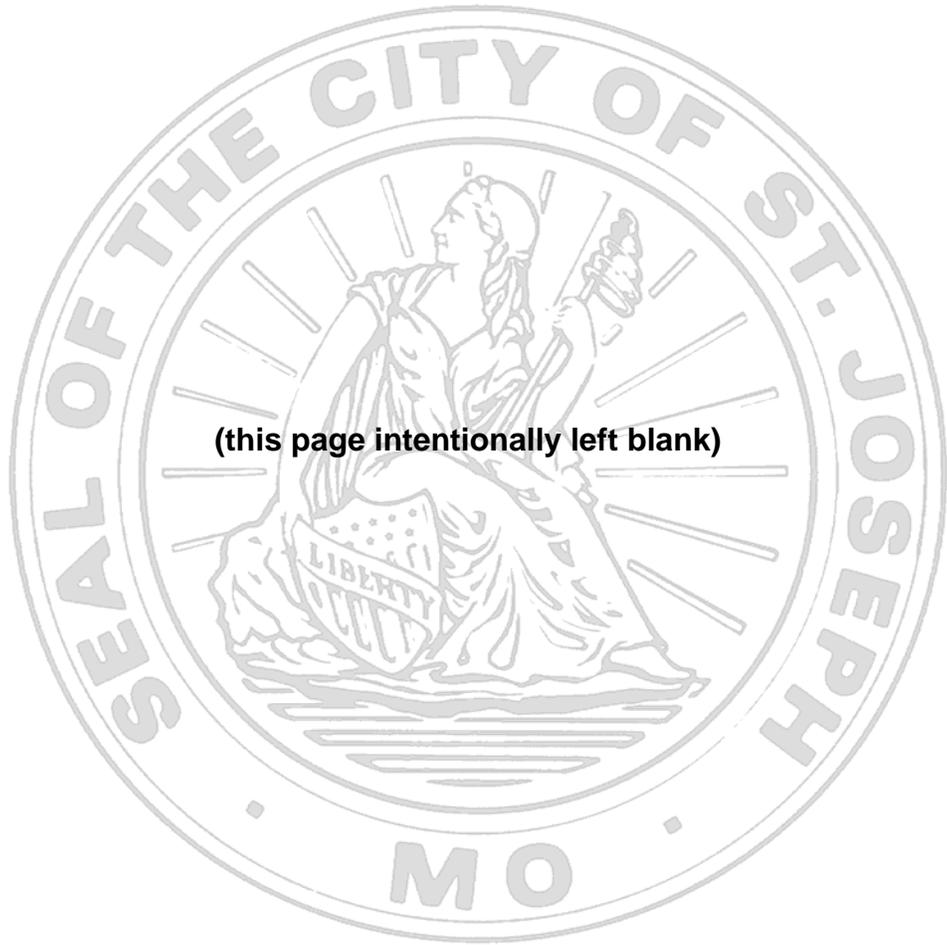
**CITY OF ST. JOSEPH, MISSOURI**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Physical Arrests	5,687	5,060	7,291	6,226	7,230	7,859	6,679	5,610	6,183	7,178
Traffic Violations	11,856	18,406	18,679	17,232	14,644	15,336	15,669	15,688	11,541	18,065
Parking Violations	19,824	20,099	19,219	14,656	12,629	12,629	11,307	11,620	10,182	10,524
Fire										
Total Alarms	6,957	7,386	10,456	10,557	12,508	6,642	6,621	6,895	7,322	8,573
Inspections	1,040	2,453	2,704	2,966	348	515	250	500	398	390
Water										
Number of customers	35,417	31,129	31,402	31,553	36,878	36,878	36,878	31,751	32,480	33,333
Daily Average Water Consumption	15,450,000	16,038,000	15,200,000	14,363,000	14,994,000	15,156,000	14,933,000	15,000,000	17,083,000	18,000,000
Sewer										
Number of customers	25,417	25,722	25,895	25,764	25,764	26,397	30,878	31,751	26,768	26,908
Daily Average Wastewater Treated	20,000,000	13,500,000	23,000,000	20,300,000	12,800,000	17,000,000	17,000,000	15,000,000	15,000,000	17,000,000

**CITY OF ST. JOSEPH, MISSOURI**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Public Safety</b>										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Vehicles	65	74	77	82	104	84	91	91	108	106
Fire										
Fire Stations	9	9	9	9	9	9	9	9	9	9
<b>Public Works</b>										
Total area (square miles)	45.300	45.300	45.300	45.050	45.045	45.045	45.045	44.443	44.443	45.443
Paved miles	412.0	531.0	531.0	531.0	531.0	418.0	425.0	425.0	426.3	426.4
<b>Culture and Recreation</b>										
Park acreage	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Parks	49	49	46	48	49	49	46	46	46	47
Ball Fields	19	19	17	19	23	23	22	23	23	22
Community Centers	4	4	4	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Ice Arenas	1	1	1	1	1	1	1	1	1	1
Swimming Pools	3	3	3	3	3	3	3	3	3	3
Tennis Courts	21	21	21	21	21	21	21	21	21	21
<b>Power and Light</b>										
Power stations	9	14	13	13	13	13	13	12	17	12
Transmission/Distribution Circuits (miles)	602.00	765.00	792.00	781.00	1,000.00	800.00	1,000.00	793.00	799.25	813.04
Street Lights	5,483	5,631	5,689	5,725	5,755	5,883	5,933	6,097	6,652	6,884
<b>Water</b>										
Water mains (miles)	594	594	594	598	600	604	619	605	620	613
Fire hydrants	2,792	2,797	2,815	2,843	2,887	2,986	2,986	2,985	3,141	3,075
Maximum daily pumpage (millions of gallons)	21	21	30	30	30	30	30	30	30	30
<b>Sewer</b>										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	355	369	366	366	372	372	386	377	388	390
Maximum daily capacity of treatment (MGD)	27	27	27	27	27	27	27	27	27	27

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