

City of St. Joseph, Missouri



Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2011

CITY OF ST. JOSEPH, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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, 2011

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INTRODUCTORY SECTION

CITY OF ST. JOSEPH, MISSOURI

PRINCIPAL OFFICIALS

Bill Falkner
Mayor

CITY COUNCIL

Donna Jean Boyer

Pat Jones

P J Kovac

Barbara LaBass

Byron Myers

Jeff Penland

Gary Roach

Joyce Starr

J. Bruce Woody
City Manager

City Attorney

Lisa Robertson

City Clerk

Paula Heyde

Community Services

Clint Thompson

Interim Customer Assistance

Clint Thompson

Financial Services

Carolyn Harrison

Fire Chief

Michael Dalsing

Human Resources

Diana Slater

Parks and Recreation

Bill McKinney

Police Chief

Chris Connally

Public Health

Debra Bradley

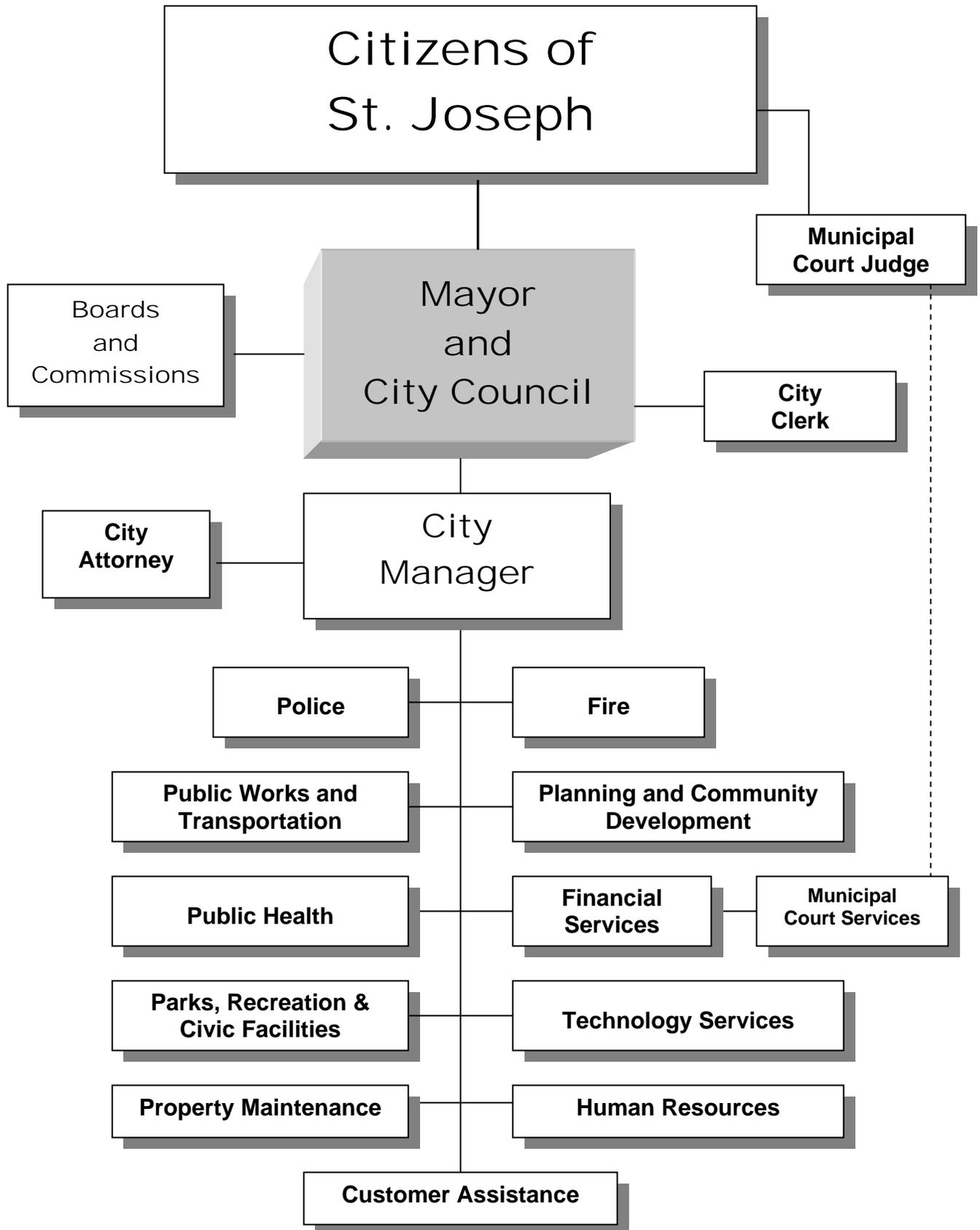
Public Works & Transportation

Jody Carlson

Technology Services/Property Maintenance

Steve Hofferber

ORGANIZATION CHART



City of St. Joseph

1100 Frederick Avenue St. Joseph, Missouri 64501

December 23, 2011

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, 2011, 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, 2011, 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 Memorial Airport, public parking garages, wastewater 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 Tax Increment Financing Commission of St. Joseph, Missouri and 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 submitted to Council no later than 60 days prior to June 30, the end of the fiscal year. It is reviewed by the City Council and is formally adopted by the passage of a budget ordinance on or before the third Monday of the month prior to June 30. 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 four county area of northwest Missouri and northeast Kansas with a combined population of 127,329. The City's population of 76,780 represents 61% 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 68,268 with 62,691 employed for the period ending June 30, 2011, producing an unemployment rate of 8.2%. At this time last year the unemployment rate was 7.9%. The unemployment rate is lower than Missouri's rate of 8.8%.

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 3,451 jobs, or 5.5% 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 13,117 jobs, representing 20.9% of the total employed work force. These employers are listed as follows:

TEN LARGEST EMPLOYERS			
Employer	Industry	Number	% of Work Force
Heartland Health	Health Services	3,451	5.5%
Triumph Foods	Pork Processing	2,740	4.4%
St. Joseph School District	Public Education	1,807	2.9%
Boehringer Ingelheim Vetmedica	Animal Pharmaceuticals	947	1.5%
Altec Industries	Utility Equipment	940	1.5%
American Family	Insurance	757	1.2%
Sara Lee	Meat Products	700	1.1%
City of St. Joseph, Missouri	Government	665	1.1%
Western Reception Diagnostic	Correctional Facility	576	0.9%
Missouri Western State University	Education	534	0.9%
Total		13,117	20.9%

Economic Development Efforts

The St. Joseph economy in FY2011 felt the impact of the economic slow-down, but continued 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 investment in the community.

Agri-Business Expo Center, a 50,000 to 80,000 square foot exhibition center will reside on a 145 acre tract purchased in October of 2010 east of St. Joseph. The plans include a 6,000 seat arena, auditorium, classrooms, and a RV park. In addition, the property adjacent to the Expo Center will serve to attract other agricultural-related entities.

Boehringer Ingelheim Vetmedica, Inc., held a groundbreaking ceremony in March, 2011, for the anticipated start of construction of the new \$20 million administration building on its campus at the corner of Gene Field and Woodbine. This signifies a major investment by the company into its St. Joseph facilities as the company's corporate headquarters.

East Hills, renovated its 629,000 square foot retail center offering a family friendly environment with lifestyle shopping, restaurants, play area, Sunporch Café and Lounge with floor to ceiling fireplace, televisions, free Wi-Fi access and comfortable seating. East Hills has various shopping options including JCPennys, Dillard's, and Sears and recently added the Texas Roadhouse restaurant, Gordman's, The Children's Place, and Charming Charlie's to their list of tenants.

Eastowne Business Park, a 350 acre business park, is at the corner of Pickett and Riverside Roads. The development has 240 acres available for business park sites, 45 acres are available for office/warehouse and more than 15 acres are available for office facilities.

Fire Station #12, a project covering the course of three years from planning to completion cost \$2.1 million funded by the Capital Improvements Project sales tax. The new addition, located on St. Joseph Avenue, includes two truck bays, parking lot, individual bedrooms, kitchen, living room, storage room, and a small garage. The current building, built in 1910, was renovated with new windows and doors, meeting/training conference room, small kitchen and storage area.

Griffon Hall, located on the Missouri Western State University campus, was completed in August, 2011 for the fall semester. The \$13 million resident hall has 250 beds in apartment style units with each apartment having kitchen facilities and four private bedrooms. The hall features a workout room and community lounge.

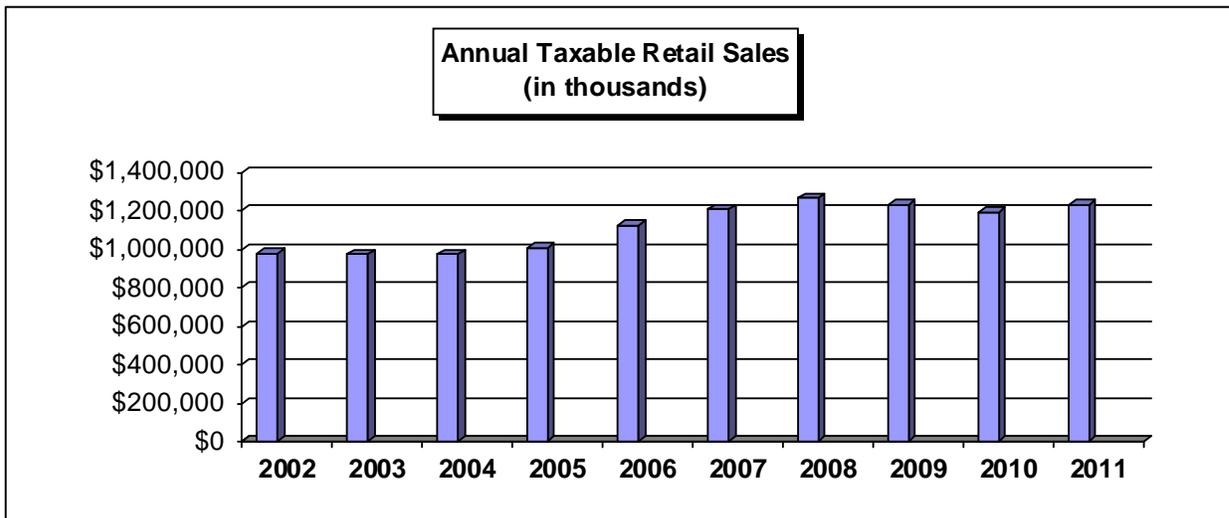
Missouri Western State University, built a new spring sports complex ready for 2011 spring sports. The \$3.5 million complex includes two softball fields, one baseball field, bleachers, press box, parking lot, and concession stand

Multipurpose Athletic Center, a new 30,000 square foot recreational building is being built on the site of the old Hoffman softball field located next to Phil Welch Stadium with a tentative completion set for the late spring of 2012. The new center will boast three gymnasiums, a fitness room, a mezzanine level running track, two community rooms, concession area, and office space.

Recycling Center, combined with the Water Protection Line Maintenance division of the Public Works department share a new location at 3405 South Belt Highway. The Recycling Center accepts paper, clear and brown glass, magazines, #1 and #2 plastics, tin and aluminum cans, and cardboard. Since moving to the centrally located site, the Recycling Center has served 250 more vehicles each week and received over 100,000 pounds of recyclable materials each month.

Taxable Annual Retail Sales and City Sales Tax

Receipts from one of the City's largest general revenue sources, the one and one-half cent local sales tax increased slightly in fiscal year 2011. Total retail sales in St. Joseph increased as reflected in the total sales tax remitted to the City. The following chart depicts the annual taxable retail sales over the last ten years.



ECONOMIC CONDITIONS

City of St. Joseph voters have approved a five year half cent CIP Sales Tax four times – 1993, 1997, 2003, and the latest in 2008. The current CIP tax is scheduled to sunset in 2013 and will be submitted to the voters for extension in 2012. This tax generates \$5 million annually in City revenues and provides infrastructure, enhancements to City facilities, and investment in the community.

On February 5, 2008, voters approved an increase in the Transit tax from .15% to .375% effective July 1, 2008 to keep the public transportation in operation.

In June 2011, voters approved a 3% increase in the local Hotel/Motel occupancy tax. The new revenues are earmarked for a future, downtown convention center as well as other downtown/riverfront redevelopment activities.

Business Licenses

The slow economy was also reflected in the number of business licenses issued. The City issued 4,749 business licenses for fiscal year ended June 30, 2011. This is a decrease of 63 businesses in the St. Joseph local economy from the previous year.

Work Force Education and Training

The City has a well-regarded public school system as well as private and parochial elementary, middle, and high schools. The St. Joseph Public School District includes three high schools, four middle schools, and 16 elementary schools with enrollment of 11,146 students.

Missouri Western State University (MWSU), Hillyard Area Vocational Technical School, and Vatterott Community College are located in St. Joseph. MWSU has certificates, associate degrees, four-year baccalaureate programs and a number of master's degree programs. With enrollment of more than 6,100 students, MWSU serves both the needs of traditional as well as non traditional students. The Western Institute at MWSU is home to many community outreach programs and services. Northwest Missouri State University (NWMSU), located 45 miles north of St. Joseph in Maryville, is a four-year university. NWMSU conducts graduate classes from its downtown St. Joseph location. Hillyard Technical School provides classes with hands on experience up to 30 credit hours. 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. In less than two years, students can earn a Diploma or Associate Degree from Vatterott College in a variety of careers.

The St. Joseph Area Chamber of Commerce serves as the community facilitator of the local workforce development initiative, 21st 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.

From a heritage rich in agriculture, St. Joseph has a strong life sciences-based economy with over 6,500 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, St. Joseph Area 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 to Jesse James, for exquisite historic architecture and mansions, and for many fine museums. Other available cultural activities include the Albrecht-Kemper Museum of Art, Robidoux Resident Theatre and St. Joseph Symphony. Missouri Western State University as well as the municipally owned Civic Arena, Missouri Theater and Krug Park, host numerous events including performing artists, theatrical presentations, city-wide festivals 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.

"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 Public Works and the Parks and Recreation departments joined forces to create the Hike and Bike Trail system in St. Joseph. This system increases 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.

The City's recreation division coordinates a wide range of instructional, developmental and recreational programs and leisure opportunities for all ages, interests, and abilities.

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.

The Joyce Raye Patterson Senior Citizens Center features a multi-purpose room, stage area, cafeteria, and a newly renovated and expanded fitness center.

Bode Sports Complex, encompassing a six court outdoor basketball complex, an in-line skate rink and an indoor ice arena, offers family entertainment all year.

Phil Welch, a 5,000 seat stadium, is home to the St. Joseph Mustangs competing in the MINK League averaging 1,853 fans per game. The Mustang's third season resulted in attendance of 50,000 fans and the first MINK League Championship.

The St. Joseph Civic Arena can entertain any type of event from sporting competition to craft show with seating available from 3,000 to 5,000 patrons. In March, 2011, the Arena along with MWSU hosted the NCAA Division II Women's Elite Eight Basketball Championship. It was a sold out televised event on ESPN-2.

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 and touring theatrical groups.

The Remington Nature Center visitors and guests are greeted by a life-sized Mammoth and calf along with the only mammoth bones excavated in Missouri, which happen to have been found in Buchanan County. As the journey begins, guests will see a 7,000 gallon aquarium home to Missouri River fishes. Throughout the Center are interactive displays, artifacts, and animal exhibits native to the St. Joseph area. Visitors will stroll through time and witness how civilization from 10,000 B.C. to the turn of the 20th Century impacted nature. Outside next to the "Mighty MO", the riverwalk is available to view the Loess Hills Bluffs and the Living History Preserve. The city of St. Joseph intends to utilize the 15,000 square foot center to educate, entertain, and enlighten guests and visitors in an enjoyable environment.

Heritage Park Softball Complex, located near the Remington Nature Center, features a five field complex where numerous invitational, regional, state, and national tournaments and special events were held this season. Missouri Western State University hosted the 2010 NCAA Division II Women's Softball Champions at Heritage Park featured on CBS College Sports. The Amateur Softball Association of America (ASA) selected Heritage Complex as the 2009 ASA Complex of the Year.

The City boasts an aquatic 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, 16 horseshoe courts, two bantam football/soccer fields, a ball field, and a running track. In July 2011, for the eighth consecutive year, the United States Tennis Association held the Heartland USTA Women's Tennis Classic Tournament at the Noyes Tennis Courts. The tournament saw 33 qualifier participants representing 13 countries competing for the 16 spots to go against the 16 pro seeds.

In August, 2010, the Allied Arts Council of St. Joseph produced the eighteenth annual Trails West! ® Festival, with 40,000 in attendance. Other festivals and parades include the Apple Blossom Parade and BBQ in May, Northside Festival and Coleman Hawkins Jazz Festival each June, St. Patrick's Mexican Fiesta the first weekend in August, Southside Fall Festival and Parade the middle of September, and Pumpkinfest every October.

Felix Street Square, located in historic downtown, hosts the "Sounds of Summer Concert Series" held Friday nights during the months of June and July. Live music under the stars can be enjoyed on a warm summer night.

St. Joseph offers two major established retail locations in The Shoppes at North Village and East Hills Shopping Center. Each location has national retailers as well as individual specialty shops. Downtown St. Joseph attracts shoppers with its 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.

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, per RSMo 135.215, participates in the "Enterprise Zones" program designed to ease the financial burden on growing businesses. Eligible facilities can receive a minimum of 50% abatement of property taxes for improvements made to real property for a period of 10 years from assessment of improvements.
- Missouri Chapter 100 bonds – The City, per RSMo 100.090, is granted the authority to issue Industrial Development Revenue Bonds

in the amount not to exceed ten percent of the assessed valuation of the taxable tangible property in the City for special industrial development projects for private corporations, partnerships, or individuals. 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. Currently, there are ten (10) companies benefiting from these Missouri Chapter 100 bonds.

- 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 or developer obligations that were used to finance infrastructure and related business developments within the jurisdiction. The City had ten (10) approved and nine (9) TIF projects which are active at June 30, 2011.
- 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 three (3) Developer Agreements at June 30, 2011.
- 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 one (1) Community Improvement Districts established at June 30, 2011.
- 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 three (3) Neighborhood Lighting Improvement Districts, as of June 30, 2011.
- 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, 2011.

- 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 for further development. A \$100,000 short-term loan from the City's emergency reserves to a developer of speculative shell buildings at Mitchell Woods Business Park and a \$420,000 short-term loan from CDBG and the cell phone programs to a developer for rehabilitation of the Corby Building are just two examples.
- 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 Alliance of St. Joseph promotes a shared vision for the community through collective input from citizens to provide a strategic plan and implementation process to help St. Joseph optimize its potential. Its goal is to work together to advance improved educational opportunities and attainment, as well as improved livability and quality jobs to promote growth and a solid future for St. Joseph and its residents. Some of the initiatives the city has developed and implemented to address these issues 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 City Council bi-monthly town hall **City Talk** public forums, Student in Government Day, resident surveys, government access channel, 24-hour complaint hotline, interactive website, and educational campaigns. Weekly publications are produced to provide information to residents on a regular basis: *City Weekly* and *Mayor and City Council Update*. The city also uses social networking as a means to communicate with residents via Facebook and Twitter. Regular 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-Neighborhood Pride, 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 21st 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. The Five Year Plan provides 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 Capital Projects sales taxes, government grants, revenue bond proceeds and operating reserves. The current half-cent sales tax is a five year tax that was extended for the fourth time by the voters in November, 2007.

Following are redevelopment projects the City is working on with other agencies.

Riverfront / Downtown – 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 worked 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 two 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 St Joe Frontier 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 tells the story of the development of the community from the early Native Americans through the Civil War to the end of the 19th century.

The Remington Nature Center held its grand opening on November 1, 2008. The Federal Government provided a \$992,000 VA/HUD grant and the Missouri Department of Conservation provided a \$1,000,000 Challenge grant to build a nature center. Another \$1,400,000 came from the City's one-half cent Capital Improvement Sales Tax and \$1,000,000 from Buchanan County.

- **Downtown Redevelopment and DREAM Initiative** - City officials and a DREAM Team (made up of representatives interested in downtown redevelopment) are working to accomplish one of Council's long term goals, downtown redevelopment. In 2008 the City was identified as one of the first "DREAM" communities by the governor. With assistance from state economic development staff and outside consultants, the result was a plan - The DREAM Initiative - which outlines three goals: the creation of a conference center, creation of a convention hotel, and establishment of an Entertainment District to help spur private investment and downtown revitalization.

The use of MODESA, Hotel/Motel Tax, TIF, and CID were 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 completed in the fall of 2004 and continued in 2005 with the multi-phased Felix Streetscape project. The DREAM Plan lays the design guidelines for the remaining Downtown projects which are identified in the City's Capital Improvement Program through 2013.

As mentioned earlier, the City, through approval of a vote in June, 2011, from St. Joseph residents, will increase the hotel lodging tax from 3% to 6% starting in 2012 to generate additional revenue for both downtown and riverfront redevelopment activities. Money generated from this tax will help fund a portion of the proposed "Downtown Event Center."

St. Joseph Regional Port Authority – Adjacent to the Riverfront Industrial Development Area (Brownfield) is the location of a multipurpose port and general cargo dock facility. This project was completed March 2002, and goes hand in hand with the Downtown Redevelopment, Brownfield 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 was needed to continue to attract new or existing business expansion. The City provided \$5.4 million in funding from the voter approved 2003 one-half cent Capital Project Sales Tax with an additional \$2.3 million from the 2008 Capital Project tax for infrastructure improvements at the new Eastowne Business Park located at Riverside and Pickett Roads. This project moved forward in conjunction with the Missouri Department of Transportation's extension of Route AC (Riverside Road) south to Highway 169. Private investors and developers are providing the remaining funding.

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, 2011, 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.

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, 2010. This was the twenty-first 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



J. Bruce Woody
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, 2010

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.

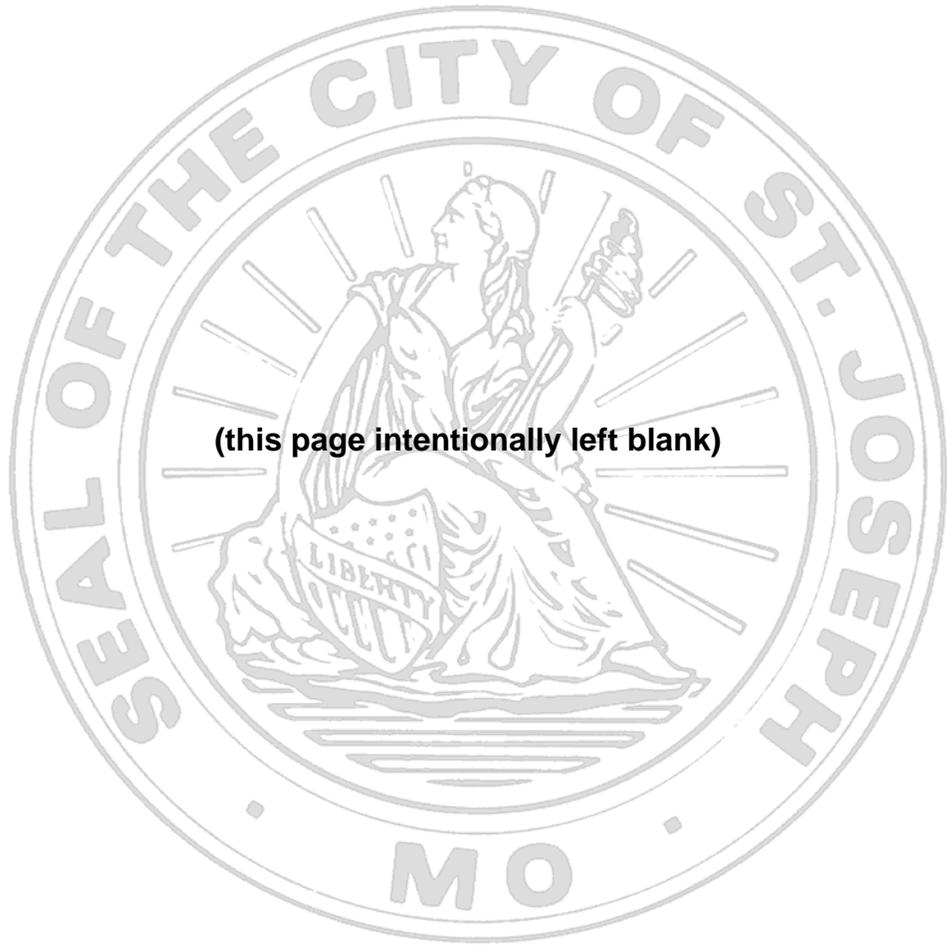


Linda C. Davison

President

Jeffrey R. Emer

Executive Director



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FINANCIAL SECTION



Independent Auditors' Report

1251 NW Briarcliff Pkwy
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 aggregate remaining fund information of the City of St. Joseph, Missouri, (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the 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 respective 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, 2011, and the respective changes in financial position and cash flow, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

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

Other Offices

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 financial statements. The combining and individual fund financial statements, schedules and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

December 23, 2011

Cochran Head V:dk VLP/PC

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

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, 2011. 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.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$217,986,708 (*net assets*).
- The City's total net assets increased \$8.9 million - \$3.5 million is attributable to a decrease in "Governmental activities" while "Business-type activities" contributed an increase of \$12.4.
- As of the close of the current fiscal year, the City's funds reported combined ending governmental fund balances of \$38.4 million an increase of \$2.3 million in comparison with the prior year. Approximately \$3.06 million is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the fiscal year, unassigned fund balance for the general fund was \$3.2 million or 8% of total general fund expenditures.
- The City's investment in capital assets for its governmental and business-type activities increased \$3.5 million. More information is provided on page MD-13.
- The City's total long-term debt as detailed on page MD-14 decreased \$3.5 million 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 required supplementary and 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

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

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).

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 twelve 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 Maintenance Fund*, *Special Allocation Fund* and *Capital Projects 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.

Budgetary comparison schedules have been provided for the City's budgeted governmental funds to demonstrate compliance with the budget.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

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 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 both governmental and business-type functions; therefore certain amounts are 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 non-major 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-9 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 \$217,986,708 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

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

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’s Net Assets

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 56,231,375	\$ 53,900,271	\$ 38,510,736	\$ 39,345,980	\$ 94,742,111	\$ 93,246,251
Capital assets	180,136,124	185,038,338	96,247,609	87,866,855	276,383,733	272,905,193
Total assets	<u>236,367,499</u>	<u>238,938,609</u>	<u>134,758,345</u>	<u>127,212,835</u>	<u>371,125,844</u>	<u>366,151,444</u>
Long-term liabilities	92,673,079	93,563,626	40,652,211	47,848,396	133,325,290	141,412,022
Other liabilities	12,596,461	10,803,410	7,217,385	4,873,990	19,813,846	15,677,400
Total liabilities	<u>105,269,540</u>	<u>104,367,036</u>	<u>47,869,596</u>	<u>52,722,386</u>	<u>153,139,136</u>	<u>157,089,422</u>
Net assets						
Invested in capital assets, net of related debt	177,925,146	182,851,470	61,758,837	59,207,226	239,683,983	242,058,696
Restricted	28,961,044	26,413,521	7,010,353	7,127,675	35,971,397	33,541,196
Unrestricted (deficit)	(75,788,231)	(74,693,418)	18,119,559	8,155,548	(57,668,672)	(66,537,870)
Total net assets	<u>\$ 131,097,959</u>	<u>\$ 134,571,573</u>	<u>\$ 86,888,749</u>	<u>\$ 74,490,449</u>	<u>\$ 217,986,708</u>	<u>\$ 209,062,022</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.

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 may not result in the acquisition of a corresponding capital asset. However the City is not legally or financially responsible for these reimbursements or debt payments. This is particularly relevant when considering “reimbursable” amounts to pay-as-you-go Tax Increment Financing (TIF) plans (which comprise the majority of the City’s economic redevelopment districts). The developer is reimbursed only to the extent that TIF revenues are generated by the development district. Once the term of the TIF expires, reimbursements end even if the developer has not been fully reimbursed.

Unlike the governmental activities, the business-type activities show positive unrestricted net assets for FY11 of \$18,119,559.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

An additional portion of the City's net assets, 16% or \$36.0 million represents resources that are subject to external restrictions on how they may be used. Governmental activities claim 13% or \$29.0 million while the business-type activities have the other 3% or \$7.0 million.

As previously stated, the City's net assets increased \$8,924,686 during the current fiscal year. Governmental activities represent a \$3.5 million decrease in the City's net assets and a \$12.4 million increase in net assets is reported in connection with the City's business-type activities.

City of St. Joseph's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
General Revenues:						
Property taxes	\$ 12,404,637	\$ 12,516,447	\$ -	\$ -	\$ 12,404,637	\$ 12,516,447
Sales taxes	23,538,465	22,846,746	4,085,862	3,975,759	27,624,327	26,822,505
Other taxes	14,753,840	15,698,623	1,109,866	1,053,842	15,863,706	16,752,465
Other revenue	743,816	867,055	330,070	373,056	1,073,886	1,240,111
Program Revenues:						
Charges for services	9,252,999	8,455,010	20,946,921	19,242,550	30,199,920	27,697,560
Operating grants & contributions	6,904,263	6,278,518	2,559,544	3,429,946	9,463,807	9,708,464
Capital grants & contributions	1,306,274	3,999,694	3,287,255	1,471,591	4,593,529	5,471,285
Total revenues	68,904,294	70,662,093	32,319,518	29,546,744	101,223,812	100,208,837
Expenses:						
Functions\Programs:						
General government	13,596,637	26,922,302	-	-	13,596,637	26,922,302
Public safety	25,728,700	25,875,428	-	-	25,728,700	25,875,428
Highway and streets	15,698,362	14,582,255	-	-	15,698,362	14,582,255
Public works	398,643	293,125	-	-	398,643	293,125
Health and welfare	6,380,731	5,231,832	-	-	6,380,731	5,231,832
Parks and recreation	7,377,233	6,163,817	-	-	7,377,233	6,163,817
Interest	3,612,293	3,825,683	-	-	3,612,293	3,825,683
Sewer	-	-	14,737,097	14,046,926	14,737,097	14,046,926
Mass transit	-	-	5,111,531	4,925,073	5,111,531	4,925,073
Landfill	-	-	2,811,194	3,631,750	2,811,194	3,631,750
Other proprietary functions	-	-	2,227,154	2,123,796	2,227,154	2,123,796
Total expenses	72,792,599	82,894,442	24,886,976	24,727,545	97,679,575	107,621,987
Excess (deficiency) of revenues over (under) expenses	(3,888,305)	(12,232,349)	7,432,542	4,819,199	3,544,237	(7,413,150)
Special item	-	-	5,380,449	-	5,380,449	-
Transfers	414,691	1,158,838	(414,691)	(1,158,838)	-	-
Change in net assets	(3,473,614)	(11,073,511)	12,398,300	3,660,361	8,924,686	(7,413,150)
Net assets - beginning	134,571,573	145,645,084	74,490,449	70,830,088	209,062,022	216,475,172
Net assets - ending	\$131,097,959	\$134,571,573	\$86,888,749	\$74,490,449	\$217,986,708	\$209,062,022

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

Governmental Activities. Governmental activities decreased the City's net assets by \$3,473,614. The key elements to this decrease are as follows:

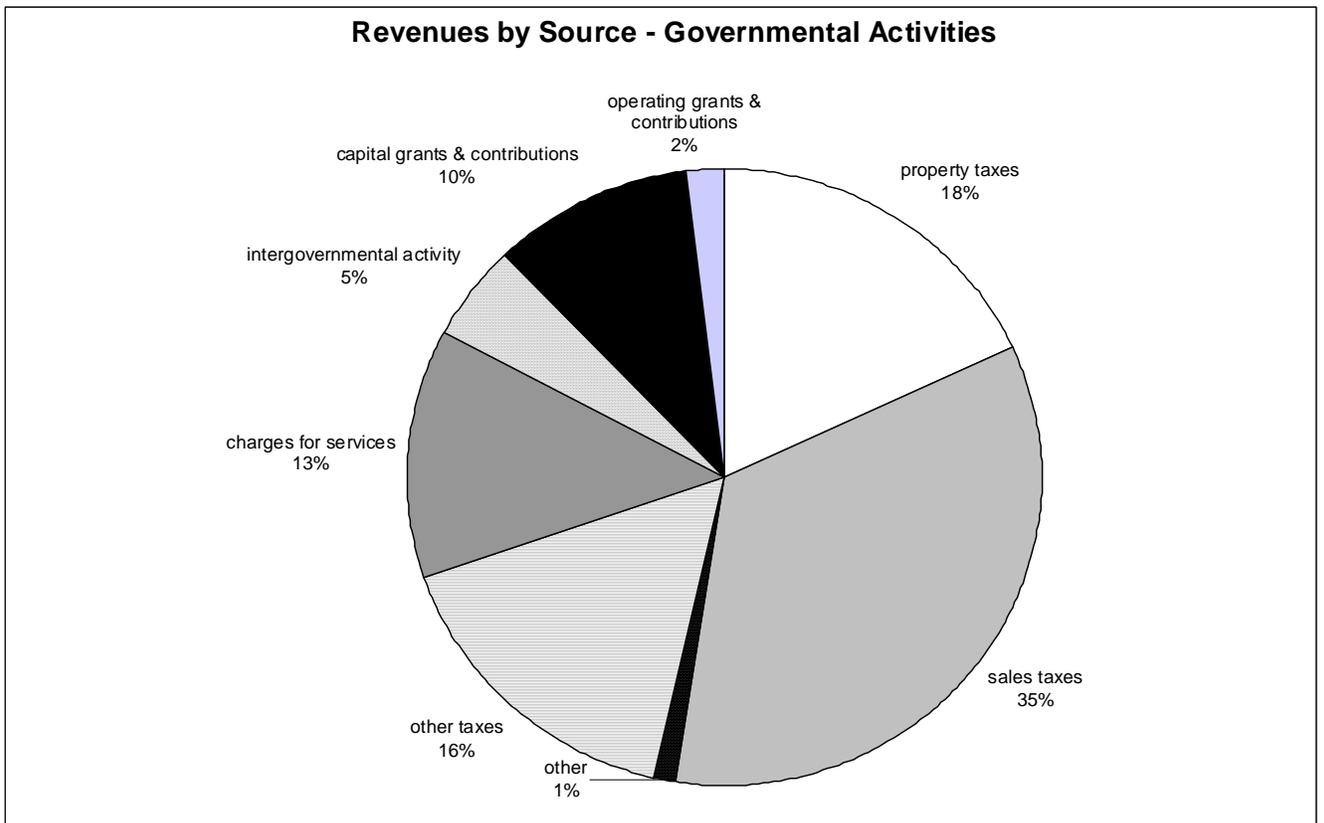
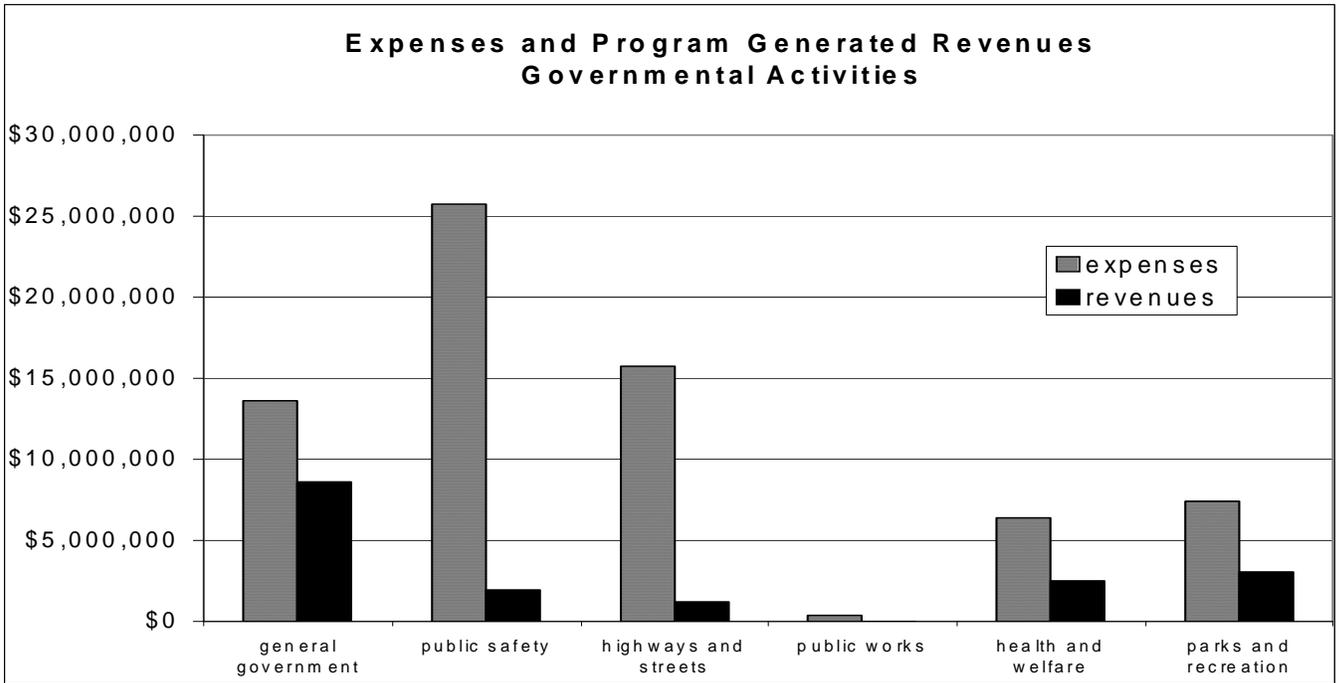
- Utility franchise fees, assessed on the gross receipts of utility companies who deliver or provide services to local residents and businesses (electric, water, natural gas, cable, communications), had an overall decrease in revenue. Significant year to year fluctuations in the gas, electric, and water franchise fee revenues frequently occur in response to unusual seasonal climates. During most years these climactic conditions average out producing no noticeable or significant volatility in revenues overall. However, with most one-time, large back tax settlements between Missouri cities and the cell phone carriers completed in FY10, telecommunication franchise taxes declined from \$8.2 million in FY10 to \$6.65 million in FY11.
- Property taxes showed a minor decrease from the prior year. Total receipts for this revenue source was \$12.4 million in FY11 down from \$12.5 million in FY10. The biggest impact was Senate Bill 711, which mandated the General fund levy be returned to the 1984 rate. As a result, it rolled back the FY2009 levy of 70.46 cents per \$100 valuation to 67 cents per \$100 valuation for FY2010 and 2011. The reduction could also be linked to a number of causes – protested taxes, changes in assessed value, increased number of delinquencies, and foreclosures.
- Interest earnings dropped from \$0.776 million in FY10 to \$0.743 million in FY11 even though cash balances remained relatively the same as the previous fiscal year. This is the direct result of the decline in interest rates experienced by the downturn in the global economy.
- During FY2011, grants in total decreased a net \$2.07 million, the increase in operating grants and contributions of \$.0627 million was offset by the decrease in capital grants and donations. Donated capital infrastructure in the amount of \$2.9 million was recognized in FY10 where FY11 only saw \$0.119 million in donated capital infrastructure.

Offsetting the decline in the revenues described above were the following:

- Retail sales tax revenue rose \$0.692 million from \$22.8 million in FY10 to \$23.5 million in FY11. Most of that increase came in the revenues generated in the City's TIF districts (EATS) and deposited to the Special Allocation Fund.
- Motor vehicle, fuel and road & bridge taxes, cigarette taxes, and hotel/motel taxes reported more revenue in FY11 by a combined \$0.212 million. Additional road & bridge taxes resulted when the City asked Buchanan County to remit road & bridge taxes based on actual collections instead of the estimated collections and it had done in previous years. A strong schedule of national and state-wide tournaments and the Kansas City Chiefs training camp helped keep St. Joseph's hotels and motels busy with increased number of visitors.
- The major offset was a decrease in total expenditures for the governmental activities by \$10.1 million, dropping from \$26.9 million in FY10 to \$13.6 million in FY11. Most of that decrease was due to difference belongs to the East Hills developer costs that occurred in FY10.

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**



CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

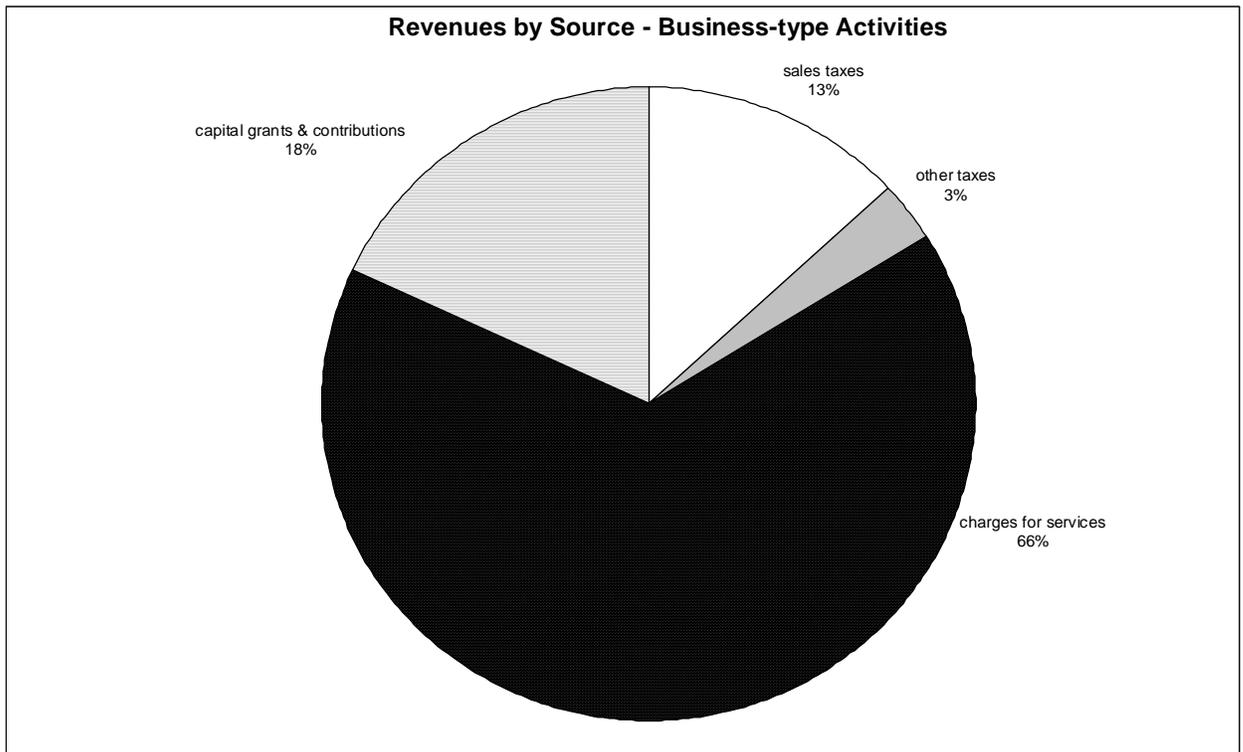
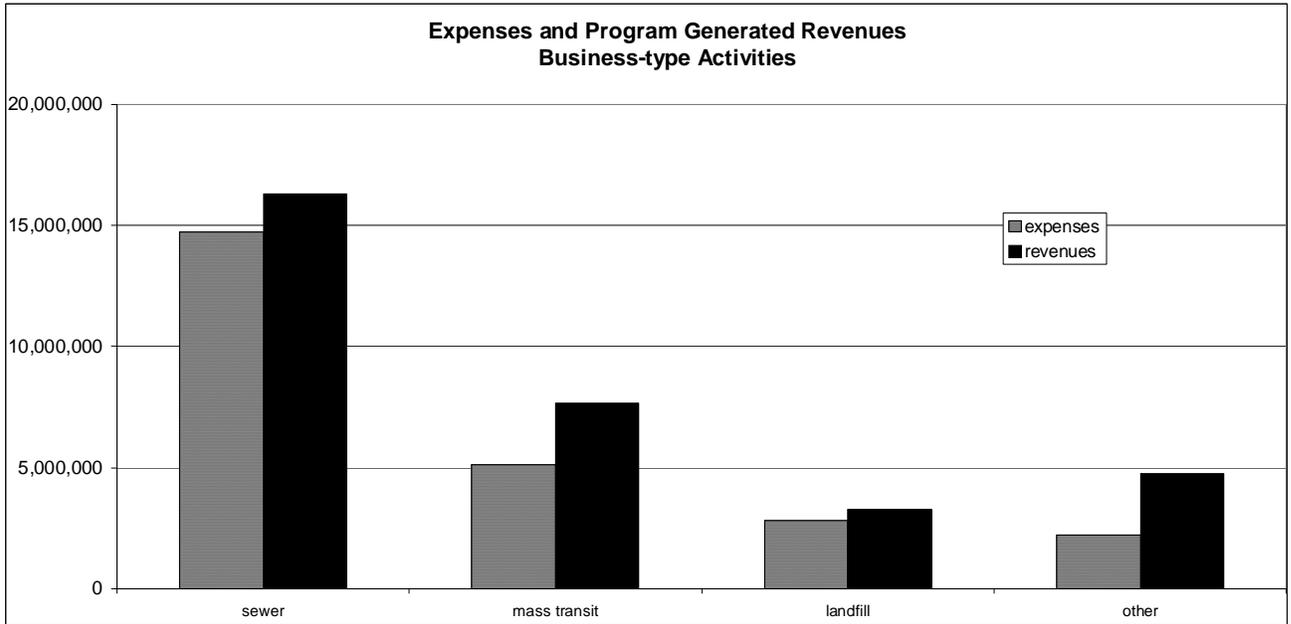
Business-type activities. The net assets of the City's business-type activities increased \$12,398,300. Key elements of the increase within the business-type activities were:

- Revenues from business-type activities went from \$29.5 million in FY10 to \$31.9 million for FY11, an increase of \$2.4 million.
- The largest boost in revenue for business-type activities came from \$2.1 million in capital grant revenues. Aviation received a grant from the Missouri Air National Guard reporting more revenue over FY10. Mass Transit was awarded ARRA stimulus funds filtered through the Federal Transit Authority for an increase to the fund.
- Transit operations are the only business-type service receiving sales tax and utility franchise fees revenues. In this area, slight increases in both revenue sources amounted to \$0.166 million.
- Decreases in revenues from Aviation charges, Parking fees and permits, and Landfill tipping fees dampened the revenue increases from the 17% rate hike in sewer rates; the increase in transit ridership; and, new revenue streams added at Fairview Golf Course following city takeover of management services there. Nevertheless, the "charges for services" operating revenue category reported an overall increase of \$1.7 million.
- As in governmental-type activities, the main factor influencing the increase in business-type activities was the decrease in overall liabilities - from \$24.7 million in FY10 down to \$19.2 million in FY11 for a difference of \$5.5 million.

There were increases in three areas. Sewer services increased \$0.358 million in EPA mandated expenses. Golf had \$0.265 million in higher costs as a result of added city staff management responsibilities and enhanced services. Transit incurred a \$0.186 million increase for software maintenance fees and emergency maintenance repairs at the Transit locations. These increases were more than offset by the results of the FY2011 tipping fee study conducted for the Landfill. The first study in five years, the findings resulted in a lowering of the closure/post-closure liability amount by \$ 5.38 million. This amount has been reported as a Special Item. See Note 9B for additional information.

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**



CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

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. It records all assets, liabilities, revenues, and expenditures that are not assigned to a special purpose fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,176,846 while total general fund balance reached \$7,694,842. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. City Council has adopted a fund balance policy which includes a target for unassigned general fund balance of 10% of expenditures. At the end of FY11, unassigned fund balance represented 8% of total general fund expenditures, while total fund balance represented 19% of that same amount.

Total fund balance of the City's general fund increased \$3.7 million during the current fiscal year. The key factor in this increase was the change in the City's budgetary and accounting practice in accordance with GASB Statement 54 regarding the definition of funds and of the types of fund balances. Effective July 1, 2010, the City transferred all divisions of the former Public Health Fund, all but three divisions of the former SIM&R Fund and all but one division of the former Parks, Recreation, and Civic Facilities Fund into the General Fund.

As a result of this restructure, General fund had escalated revenues and expenditures compared to the previous year and the overall increase to fund balance as stated above. The increase in fund balance was impacted by several of the financial highlights pointed out earlier, as well as the following:

- General government expenditures were down \$2.1 million. Salaries either remained flat or decreased compared to FY10. The vacancy of the City Manager position provided some of the reduction. With the conclusion of contract negotiations between the City and the two public safety unions, the City's legal expenses dropped in FY11. The Buchanan County Collector fees generally follow tax receipts. With the dip in property tax revenue, the collection and assessment costs followed suit.
- The City saw public safety expenditures decrease \$0.375 million as public safety salaries remained flat or slightly lower and the police pension rates saw a reduction from 33.6% to 31.6%.
- Capital outlay for the General fund also had a \$0.624 million drop compared to FY10 wherein the police department received a COPS Technology grant and ARRA stimulus funds and the fire department extended two Homeland Security grants.

The *Street Maintenance Fund* is the second major fund for the City. This fund had an ending restricted fund balance of \$1,538,356. The fund balance of the Street Maintenance fund decreased \$1.0 million representing the unrestricted revenues transferred to the General Fund as part of fund restructuring. The restructuring left only Streets Maintenance, Traffic, and Snow/Ice Control divisions in this Special Revenue fund. This resulted in both lower revenues and expenditures for the Street Maintenance fund.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

The *Special Allocation Fund* was established in FY04 to record transactions for the City's TIF districts, special economic development districts, and any related bond issues. The ending fund balance of \$12,733,880 is restricted for debt service payments or pay-as-you go distributions as the case may be. There was an increase in fund balance of \$0.513 million from FY10. The three districts for which TIF bonds had been issued – Triumph, North Shoppes, and Mitchell Road Corridor – all generated sufficient revenues to meet bond payments. Disbursements to the other pay-as-you-go districts were roughly equal to revenues received minus collection fees and slight differences in timing between receipt and distribution of monies.

The *Capital Projects Fund* had a total fund balance of \$10,981,858. All of the budgeted monies within this 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' statements 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 \$12,498,652 over last year. Investment in capital assets is the largest component of net assets with an increase of \$ 2.6 million over last year. A portion of the City's proprietary fund net assets, 8% or \$7.0 million 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 Water Pollution, Mass Transit and Landfill funds. The Water Pollution fund claimed \$7.2 million in unrestricted net assets, Mass Transit had \$7.0 million, while the Landfill fund reported an unrestricted net asset balance of \$4.2 million.

General Fund Budgetary Highlights

Except for a few bright spots in the revenue picture (Building Permits, Business Licenses, Ice Rentals at Bode, Nature Center Memberships, Fire District Contracts, Franchise Fees, Motor Vehicle Sales Tax, and Real Property taxes), revenues came in under the final amended General Fund budget by \$1,534,489. Major shortfalls fell in the following categories:

- A shortage of officers available for traffic patrol and a long-term vacancy in the Parking Enforcement Division, were among the factors leading to a \$0.284 shortfall in Fines & Forfeitures.
- Grant reimbursements in the Police and Health departments were a combined \$0.402 million below budget although most of those monies could be rolled into the following budget year.
- Except for the items listed above, the Charges for Services category saw a \$0.362 shortfall.
- Personal Property taxes were under budget by \$0.207 million.
 - Sales taxes as a category (including Cigarette and Hotel/Motel taxes) had a net shortfall of \$0.279 million.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

Over the course of the fiscal year, the Council revised the City budget several times. Appropriations were increased \$2.6 million in the General Fund. These budget amendments can be briefly summarized as follows:

- Monies transferred to other funds.
 - To the Capital Projects Fund: Multipurpose Athletic Facility (\$1.06 million); Pershing and Rock Springs Road repair (\$0.198 million); Missouri Theater fire insurance deductible (\$0.100 million)
 - To Streets Maintenance Fund: Street maintenance vehicle repairs (\$0.082 million)
- Expenditures using roll-over (re-appropriated) grant funds: COPS Technology grant (\$0.423 million); Enforcement for DWI, seat belt underage drinking, etc grants (\$0.107 million); Public Health grants (\$0.298 million)
- Unanticipated expenditures of \$0.118 million including two elections and a City Manager replacement search.

Actual expenditures (excluding transfers) were \$2.7 million less than the amount appropriated representing operating savings of 6.87%. This was largely the result of an intentional under-spending of the budget by means of delays in filling of vacant positions and continued cost containment measures where possible. All but one operating department experienced savings within budgeted appropriations and all but three came in under mid-year projections. The three areas experiencing the greatest amount of savings were Public Health with \$0.391 million, Police Department with \$0.580 million, and the Telecom program with \$1.15 million in savings when several projects slated to be completed with cell phone revenues were moved to FY12.

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, 2011 amounts to \$276,383,733 (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:

- Renovation of the currently occupied building including a large expansion for Fire Station #12 (\$1.6 million)
- Rehabilitated secondary clarifiers at Water Protection (\$1.1 million)
- Started construction for the new Multipurpose Athletic Center (\$1.0 million)
- Finished the new Recycling Center and Water Protection Line Maintenance facilities (\$0.826 million)
- Acquired Intelligent Transit Management Software System (\$0.570 million)
- Upgraded Senior Citizen Center Fitness Center (\$0.254 million)
- Bought a replacement Street Sweeper (\$0.226 million)
- Purchased exhaust systems for nine fire stations (\$0.127 million)
- Built Quonset salt storage facility (\$0.071 million)
- Completed the trolley barn (\$0.69 million)
- Recognized donated sewers (\$0.127 million) and streets (\$0.120 million)

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

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

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 5,694,829	\$ 5,640,948	\$ 6,390,324	\$ 6,089,897	\$ 12,085,153	\$ 11,730,845
Buildings	17,234,674	17,786,761	18,418,149	17,185,774	35,652,823	34,972,535
Improvements other than buildings	25,845,031	22,838,448	18,424,977	19,780,258	44,270,008	42,618,706
Machinery and equipment	4,576,114	4,927,187	4,099,291	4,901,360	8,675,405	9,828,547
Infrastructure	120,222,408	125,942,494	37,267,900	36,640,006	157,490,308	162,582,500
Construction in progress	6,563,068	7,902,500	11,646,968	3,269,560	18,210,036	11,172,060
Total capital assets	\$ 180,136,124	\$ 185,038,338	\$ 96,247,609	\$ 87,866,855	\$ 276,383,733	\$ 272,905,193

Additional information on the City's capital assets can be found in Note 4 of the Notes to Financial Statements.

Debt Administration

At the end of the current fiscal year, the City had total bonded debt outstanding of \$131 million, a decrease of \$3.5 million. The key factor in this net decrease was the normal annual retirement of debt service. Of the current amount, \$6.5 million represents bonds secured solely by specified revenue sources (i.e., Revenue Bonds). The remaining \$124.5 million is comprised of the following:

- \$0.324 million 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,
- \$17 million Infrastructure Facility Bond loan payments funded by PILOTS and EATS pursuant to the financing agreements, TIF Incremental Tax Revenues and Chapter 100 Pilots Revenue in the Special Allocation fund,
- \$62.9 million issued by the Industrial Development Authority Bonds in connection with The Shoppes at North Village, the Mitchell Avenue Corridor, and Sewer Improvement projects in the Special Allocation fund and Sewer fund respectively,
- \$11.8 million in Missouri Development Finance Board Bonds which includes \$1.860 million in the General fund for the Law Enforcement Center expansion project and \$9.95 million in the Sewer fund for the Sewerage System Improvements related to the Stockyards Redevelopment project and to federal- and state-mandated water protection measures,
- \$32 million in Developer Pay-As-You-Go Obligations for certified costs in the Special Allocation fund, and
- \$0.273 million in capital lease obligations for major pieces of equipment located in the Municipal Golf fund and in the General 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

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

obligation debt. Standard & Poors has given the City an issuer rating of A and the City’s current bonds ratings of A.

City of St. Joseph’s Outstanding Debt
Revenue Bonds and Other Bonded Debt

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue Bonds	\$ -	\$ -	\$ 6,496,079	\$ 7,761,157	\$ 6,496,079	\$ 7,761,157
Public Building Authority Bonds	155,961	202,856	167,982	218,235	323,943	421,091
Industrial Development Authority	42,565,000	43,825,000	20,410,000	20,410,000	62,975,000	64,235,000
Infrastructure Facility Bonds	17,190,000	17,920,000	-	-	17,190,000	17,920,000
MO Development Finance Board	1,860,000	1,965,000	9,950,000	10,415,000	11,810,000	12,380,000
Developer Obligation	31,948,993	31,689,113	-	-	31,948,993	31,689,113
Capital Lease Obligations	195,021	19,012	77,956	103,661	272,977	122,673
Total long-term debt	\$ 93,914,975	\$ 95,620,981	\$ 37,102,017	\$ 38,908,053	\$ 131,016,992	\$ 134,529,034

Additional information on the City's long-term debt can be found in Note 6 of the Notes to the Financial Statements.

Economic Factors and Next Year’s Budgets and Rates

Economic Factors

- The unemployment rate for the City at June 30, 2011 is 8.2%. This compares favorably to the state’s average unemployment rate of 8.8% and reflects the trend of the slowly improving economy in the region.
- The City has a bond credit rating of an A overall from Standard and Poor’s. The rating was re-affirmed by S&P in November, 2011. The city’s financial position is strong overall and St. Joseph’s financial management practices are considered good under the Standard and Poor’s Financial Management Assessment (FMA).
- Eastowne Business Park, the new 350 acre business park located at the corner of Pickett and Riverside Roads, is ready for tenants. With the success of Mitchell Woods Business Park, Eastowne’s opening provides St. Joseph with another business park for commercial offices and light industrial facilities.
- New developments, though few in number, are occurring throughout the St. Joseph area with fifteen (15) approved Tax Increment Financing or Economic Development districts, 13 of which are active.
- Boehringer Ingelheim Vetmedica, Inc, headquartered in St. Joseph, has almost completed their \$150 million expansion expected to bring 154 new jobs, most of them professional/technical positions.

Revenue Forecast

FY2012 Budget decisions on major revenue categories were made almost five months prior to the end of the FY2011 fiscal year and were based on the following assumptions.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

Sales Tax...General, CIP, and Transit sales tax revenues were projected to increase at the extremely low rate of 0.004. Fortunately, the City experienced 0.9% more sales tax revenue in FY2011 than the mid-year projections anticipated. Since the FY2012 budget was based on FY11 projections there is a chance (if the economy can stabilize and continue to improve, however slightly) that sales tax revenues will meet budget projections. Fuel taxes which fund street maintenance activities were budgeted at the FY2011 level.

In a recent election, the voters approved a 3% increase to the local Hotel/Motel tax which will take effect October 1, 2011, with a 20 year sunset clause on the 3% additional tax. The increase has been projected to result in \$500,000 additional revenue annually and will be designated (and tracked) in a separate account for downtown redevelopment.

Real and Personal Tax Revenues... Taken in total, there has been little increase in property tax revenues over the past five years. The Hancock Amendment ties assessed valuation increases to the variance in the CPI plus any new construction valuation. Neither category has showed a lot of growth. With little increase in assessed valuations, there were, at best, minimal increases in real property tax revenues projected. Personal property tax revenues have declined and were lowered for the FY2012 budget.

Franchise Fees - Annual growth in Franchise Fees for the past few years has ranged from a negative 10% to a 25% increase (in FY2001). 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 from 2005 through 2009. Settlements with the telecommunications companies brought in about \$2.9 million in one-time payments for back taxes late in FY2008. FY2009, FY2010 and FY2011 also enjoyed hefty one-time settlement payments. For FY2012, budgeted franchise revenue was estimated as follows: Gas, Electric, and Water revenues were based on three year averages. Telephone estimates were based on the prior year actual. Cable was projected on its historical growth of 2%.

User Fees - Sewer fees are determined by cost of service studies prepared by specialists. In order to better manage budget projections, the effective date of fee changes was revised to July 1 in Fiscal 2011. The newest sewer rate, with a 12% increase, went into effect July 1, 2011. Other user fee revenue estimates were generally provided by departments, based on their history as well as projected activity for the next fiscal year.

Licenses/Permits/Fines - Fine revenue was not meeting projections at mid-year, so FY2012 budget estimates were reduced to FY2011 projections. Revenue estimates for FY2012 licenses and permits were based largely on the experience and projections of the responsible departments. Given the economy, revenues for inspection fees and plan review were lowered. Licensing fees should increase some due to the new licensing requirements for several trades. Business license receipts were projected to increase slightly.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

Sale of Bonds -.A planned issue of Special Obligation Revenue Bonds in the estimated amount of \$34 million was budgeted in FY2012 for the on-going improvements at the Wastewater Plant.

Expenditure Controls

City-wide, FY2011 operating expenditures came in 2.2% below projections. Actual expenditures were 6% lower than the original budget. The position reductions, along with other cost-saving measures taken during the year helped to keep expenditures under budget.

With stagnant sales tax revenues, facing no real increase in property tax revenues in the General fund, seeing increases in pension contribution rates and in health insurance premium costs, the City dealt with a potentially significant budget deficit of around \$1 million as follows:

- Only anticipated increases in fuel and utility costs were built in. Known increases in maintenance and licensing agreements were recognized;
- Temporary reductions were made in capital outlays in the non-enterprise areas; and
- Rather than budgeting for full employment, known salary and benefit savings were budgeted into programs as appropriate.

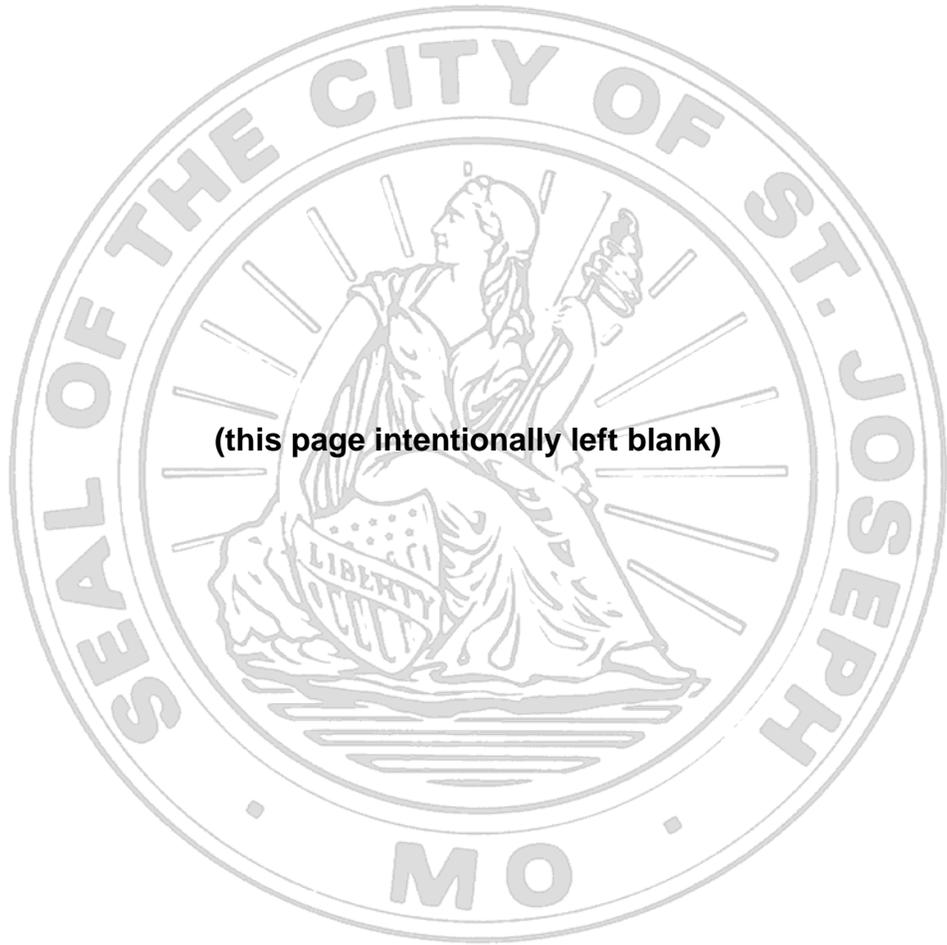
There were no reductions-in-force and no real permanent changes were undertaken. The City Manager position was vacant for the last two, critical months of the budget process. It was decided to reduce the projected budget deficit as much as possible through temporary measures and a few revenue increases and leave an opportunity for any major changes for the incoming City Manager to undertake.

The FY2012 Annual Budget at \$139,147,000 was a six percent (6%) decrease over the FY2011 budget primarily due to reductions in the magnitude of projected capital project expenditures in both the Water Protection and Capital Projects funds. Aside from that, the City's operating component of the budget increased \$867,000 to \$92,795,000. This represents an increase to the City's operating budget of less than 1% (0.9%).

The largest individual expenditure items contributing to the increase are wastewater treatment facility materials and new staff positions to meet federally mandated reporting requirements, TIF related reimbursements and debt service (paid by TIF revenues), Police Pension contribution increase (determined by the Police Pension actuary), maintenance & repair of vehicles and equipment in the Transit Fund, operating costs resulting from the City taking over management of the Municipal Golf Course, and the increase in the cost of health insurance (all funds).

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, 2011

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 22,459,698	\$ 21,982,174	\$ 44,441,872
Receivables, net where applicable of allowances for uncollectibles	16,113,594	3,326,671	19,440,265
Other receivables	-	1,156,304	1,156,304
Loan receivables	4,061,737	-	4,061,737
Property held for resale	543,107	-	543,107
Internal balances	217,993	(217,993)	-
Due from other governments	1,213,145	1,858,507	3,071,652
Prepaid items and deferred charges	1,326,270	366,528	1,692,798
Restricted assets:			
Cash and investments	10,295,831	10,038,545	20,334,376
Capital assets:			
Capital assets, not being depreciated	12,257,897	18,037,291	30,295,188
Capital assets net of accumulated depreciation	167,878,227	78,210,318	246,088,545
Total assets	<u>236,367,499</u>	<u>134,758,345</u>	<u>371,125,844</u>
Liabilities			
Accounts payable and other current liabilities	5,582,622	4,586,743	10,169,365
Accrued interest payable	823,836	414,951	1,238,787
Noncurrent liabilities:			
Due within one year	6,190,003	2,142,191	8,332,194
Due in more than one year	92,673,079	35,437,750	128,110,829
Landfill closure and postclosure costs:			
Due within one year	-	73,500	73,500
Due in more than one year	-	5,214,461	5,214,461
Total liabilities	<u>105,269,540</u>	<u>47,869,596</u>	<u>153,139,136</u>
Net Assets			
Invested in capital assets, net of related debt	177,925,146	61,758,835	239,683,981
Restricted for:			
Debt service	12,160,203	7,010,353	19,170,556
Capital projects	11,034,959	-	11,034,959
Museum	432,814	-	432,814
Loan programs	5,040,961	-	5,040,961
Property held for resale	292,107	-	292,107
Unrestricted (deficit)	<u>(75,788,231)</u>	<u>18,119,561</u>	<u>(57,668,670)</u>
Total net assets	<u>\$ 131,097,959</u>	<u>\$ 86,888,749</u>	<u>\$ 217,986,708</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, 2011

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 13,596,637	\$ 5,346,454	\$ 3,312,658	\$ -	\$ (4,937,525)	\$ -	\$ (4,937,525)
Public safety	25,728,700	665,299	1,184,732	126,564	(23,752,105)	-	(23,752,105)
Highways and streets	15,698,362	269,131	215,150	755,610	(14,458,471)	-	(14,458,471)
Public works	398,643	21,516	-	-	(377,127)	-	(377,127)
Health and welfare	6,380,731	655,605	1,837,546	-	(3,887,580)	-	(3,887,580)
Parks and recreation	7,377,233	2,294,994	354,177	424,100	(4,303,962)	-	(4,303,962)
Interest on long-term debt	3,612,293	-	-	-	(3,612,293)	-	(3,612,293)
Total governmental activities	<u>72,792,599</u>	<u>9,252,999</u>	<u>6,904,263</u>	<u>1,306,274</u>	<u>(55,329,063)</u>	<u>-</u>	<u>(55,329,063)</u>
Business-type activities:							
Aviation services	1,127,663	500,349	-	3,141,392	-	2,514,078	2,514,078
Parking services	328,919	383,003	-	-	-	54,084	54,084
Sewer services	14,737,097	15,727,445	442,166	145,863	-	1,578,377	1,578,377
Golf services	770,572	705,864	-	-	-	(64,708)	(64,708)
Transit services	5,111,531	357,891	2,117,378	-	-	(2,636,262)	(2,636,262)
Landfill services	2,811,194	3,272,369	-	-	-	461,175	461,175
Total business-type activities	<u>24,886,976</u>	<u>20,946,921</u>	<u>2,559,544</u>	<u>3,287,255</u>	<u>-</u>	<u>1,906,744</u>	<u>1,906,744</u>
Total primary government	<u>\$ 97,679,575</u>	<u>\$ 30,199,920</u>	<u>\$ 9,463,807</u>	<u>\$ 4,593,529</u>	<u>(55,329,063)</u>	<u>1,906,744</u>	<u>(53,422,319)</u>
General revenues:							
Property taxes					12,404,637	-	12,404,637
Sales taxes					23,538,465	4,085,862	27,624,327
Franchise taxes					6,653,184	1,109,866	7,763,050
Motor fuel taxes					3,484,128	-	3,484,128
Cigarette taxes					439,289	-	439,289
Hotel taxes					443,127	-	443,127
Intergovernmental activity taxes					3,734,112	-	3,734,112
Unrestricted investment revenues					743,281	330,070	1,073,351
Gain on sale of capital assets					535	-	535
Special item (Note 9B)					-	5,380,449	5,380,449
Transfers in (out)					414,691	(414,691)	-
Total general revenues, special item and transfers					<u>51,855,449</u>	<u>10,491,556</u>	<u>62,347,005</u>
Change in net assets					<u>(3,473,614)</u>	<u>12,398,300</u>	<u>8,924,686</u>
Net assets - beginning					134,571,573	74,490,449	209,062,022
Net assets - ending					<u>\$ 131,097,959</u>	<u>\$ 86,888,749</u>	<u>\$ 217,986,708</u>

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

CITY OF ST. JOSEPH, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Streets Maintenance	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 5,080,922	\$ 1,573,849	\$ 2,215,639	\$ 10,495,263	\$ 2,053,088	\$ 21,418,761
Receivables	4,881,853	377,208	9,568,664	999,330	286,539	16,113,594
Loan receivables	313,726	-	-	-	3,748,011	4,061,737
Property held for resale	-	-	-	251,000	292,107	543,107
Due from other funds	-	-	-	917,528	-	917,528
Due from other governments	260,239	37,063	-	259,341	656,502	1,213,145
Prepaid items	94,782	-	-	-	1,840	96,622
Restricted cash and investments	250,159	-	10,045,672	-	-	10,295,831
Total assets	<u>\$ 10,881,681</u>	<u>\$ 1,988,120</u>	<u>\$ 21,829,975</u>	<u>\$ 12,922,462</u>	<u>\$ 7,038,087</u>	<u>\$ 54,660,325</u>
Liabilities And Fund Balances						
Liabilities:						
Accounts payable	\$ 1,192,958	\$ 384,701	\$ 286,371	\$ 1,689,604	\$ 520,823	\$ 4,074,457
Due to other funds	-	-	-	-	917,528	917,528
Accrued payroll	1,380,364	65,063	-	-	50,649	1,496,076
Deferred revenue	613,517	-	8,809,724	251,000	64,623	9,738,864
Total liabilities	<u>3,186,839</u>	<u>449,764</u>	<u>9,096,095</u>	<u>1,940,604</u>	<u>1,553,623</u>	<u>16,226,925</u>
Fund balances:						
Nonspendable	408,508	-	-	-	-	408,508
Restricted	409,628	1,538,356	12,733,880	10,981,858	5,605,980	31,269,702
Committed to	2,492,882	-	-	-	-	2,492,882
Assigned to	1,206,978	-	-	-	-	1,206,978
Unassigned	3,176,846	-	-	-	(121,516)	3,055,330
Total fund balances	<u>7,694,842</u>	<u>1,538,356</u>	<u>12,733,880</u>	<u>10,981,858</u>	<u>5,484,464</u>	<u>38,433,400</u>
Total liabilities and fund balances	<u>\$ 10,881,681</u>	<u>\$ 1,988,120</u>	<u>\$ 21,829,975</u>	<u>\$ 12,922,462</u>	<u>\$ 7,038,087</u>	<u>\$ 54,660,325</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, 2011

Fund balances – total governmental funds	\$ 38,433,400
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	180,136,124
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when due.	(823,836)
Liabilities for earned but deferred revenues in fund statements.	9,738,867
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.	(567,499)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(97,048,745)
Deferred debt costs	<u>1,229,648</u>
Net assets of governmental activities	<u>\$ 131,097,959</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, 2011

	General	Streets Maintenance	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property	\$ 10,671,471	\$ -	\$ 561,929	\$ -	\$ 1,115,727	\$ 12,349,127
Sales	16,054,841	-	2,161,656	5,321,968	-	23,538,465
Franchise	7,808,123	-	-	-	-	7,808,123
Motor Fuel	791,395	2,692,733	-	-	-	3,484,128
Cigarette	439,289	-	-	-	-	439,289
Hotel	443,127	-	-	-	-	443,127
Intergovernmental activity	-	-	3,734,112	-	-	3,734,112
Licenses and permits	1,342,891	1,323	-	-	94,258	1,438,472
Intergovernmental	2,324,578	37,063	-	1,400,884	4,323,988	8,086,513
Charges for services	2,926,716	149,798	3,500	-	1,143,544	4,223,558
Fines	929,267	-	-	-	-	929,267
Special assessments	-	4,486	-	-	21,516	26,002
Investment earnings	19,415	528	623,302	20,821	77,192	741,258
Contributions and donations	45,231	-	-	286,382	8,735	340,348
Other	174,412	71,638	1,175,302	541,130	502,652	2,465,134
Total revenues	43,970,756	2,957,569	8,259,801	7,571,185	7,287,612	70,046,923
Expenditures						
Current:						
General government	7,446,920	-	722,898	-	3,231,420	11,401,238
Public safety	22,913,580	-	-	-	-	22,913,580
Highways and streets	2,817,921	5,324,641	-	-	-	8,142,562
Public works	-	-	-	-	252,137	252,137
Health and welfare	2,983,399	-	-	-	1,980,047	4,963,446
Parks and recreation	2,818,061	-	-	-	2,000,717	4,818,778
Debt Service:						
Principal	173,077	-	3,569,470	-	-	3,742,547
Interest and fiscal charges	96,936	-	3,456,780	-	-	3,553,716
Capital outlay	737,454	1,975,400	-	6,806,624	237,703	9,757,181
Total expenditures	39,987,348	7,300,041	7,749,148	6,806,624	7,702,024	69,545,185
Excess (deficiency) of revenues over expenditures	3,983,408	(4,342,472)	510,653	764,561	(414,412)	501,738
Other financing sources (uses)						
Transfers in	6,386,693	4,481,963	2,727	1,293,597	1,340,562	13,505,542
Transfers out	(6,866,630)	(1,158,536)	-	-	(3,849,800)	(11,874,966)
Capital lease	198,694	-	-	-	-	198,694
Sale of capital assets	535	-	-	-	-	535
Total other financing sources (uses), net	(280,708)	3,323,427	2,727	1,293,597	(2,509,238)	1,829,805
Net change in fund balances	3,702,700	(1,019,045)	513,380	2,058,158	(2,923,650)	2,331,543
Fund balances - beginning	3,992,142	2,557,401	12,220,500	8,923,700	8,408,114	36,101,857
Fund balances - ending	\$ 7,694,842	\$ 1,538,356	\$ 12,733,880	\$ 10,981,858	\$ 5,484,464	\$ 38,433,400

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, 2011

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

Net changes in fund balances – total governmental funds \$ 2,331,543

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 depreciation exceeded capital outlays in the current period.

	Capital outlay	7,255,157	
	Depreciation	<u>(11,055,756)</u>	(3,800,599)

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

	Disposals	(1,221,165)	
	Capital contribution	<u>119,550</u>	(1,101,615)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(1,264,737)

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.

Principal payments		3,749,745	
Debt issuance costs and related amortization		(92,375)	
Capital lease proceeds		(198,694)	
Developer obligation		(1,839,350)	

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		26,600	
Compensated absences and OPEB obligations		(566,883)	

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.

(717,249)

Change in net assets of governmental activities

\$ (3,473,614)

The accompanying notes are an integral part of these financial statements

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-type Activities - Enterprise Funds					Total Internal Service Fund
	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Total	
Assets						
Current assets:						
Cash and investments	\$ 5,278,016	\$ 6,181,629	\$ 9,626,621	\$ 895,908	\$ 21,982,174	\$ 1,040,937
Restricted cash and cash equivalents	1,975,234	-	2,078	57,158	2,034,470	-
Interest receivable	1,503	981	1,529	142	4,155	-
Accounts receivable (net of allowance for uncollectibles)	2,313,497	830,373	170,546	8,100	3,322,516	-
Other receivables	1,156,304	-	-	-	1,156,304	-
Due from other governments	-	98,849	-	1,759,658	1,858,507	-
Prepaid items	19,570	-	11,073	6,828	37,471	-
Total current assets	<u>10,744,124</u>	<u>7,111,832</u>	<u>9,811,847</u>	<u>2,727,794</u>	<u>30,395,597</u>	<u>1,040,937</u>
Noncurrent assets:						
Restricted cash and investments	8,004,075	-	-	-	8,004,075	-
Deferred charges	323,717	-	3,775	1,565	329,057	-
Capital assets:						
Capital assets, not being depreciated:	7,220,683	790,220	1,910,011	8,116,377	18,037,291	-
Capital assets net of accumulated depreciation:	66,062,218	3,044,796	2,151,155	6,952,149	78,210,318	-
Total capital assets (net of accumulated depreciation)	<u>73,282,901</u>	<u>3,835,016</u>	<u>4,061,166</u>	<u>15,068,526</u>	<u>96,247,609</u>	<u>-</u>
Total noncurrent assets	<u>81,610,693</u>	<u>3,835,016</u>	<u>4,064,941</u>	<u>15,070,091</u>	<u>104,580,741</u>	<u>-</u>
Total assets	<u>92,354,817</u>	<u>10,946,848</u>	<u>13,876,788</u>	<u>17,797,885</u>	<u>134,976,338</u>	<u>1,040,937</u>
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	1,435,520	153,630	148,865	2,576,418	4,314,433	12,092
Claims payable	-	-	-	-	-	1,158,611
Accrued payroll	186,775	-	44,117	41,418	272,310	-
Accrued interest payable	413,575	-	48	1,328	414,951	-
Long-term obligations due in one year	1,975,234	-	43,177	123,780	2,142,191	-
Landfill closure and postclosure liability	-	-	73,500	-	73,500	-
Total current liabilities	<u>4,011,104</u>	<u>153,630</u>	<u>309,707</u>	<u>2,742,944</u>	<u>7,217,385</u>	<u>1,170,703</u>
Noncurrent liabilities:						
Claims	-	-	-	-	-	655,726
Long term obligations due in more than one year (net of unamortized discounts and deferred amount on refunding)	35,180,686	-	49,792	207,272	35,437,750	-
Landfill closure and postclosure liability	-	-	5,214,461	-	5,214,461	-
Total noncurrent liabilities	<u>35,180,686</u>	<u>-</u>	<u>5,264,253</u>	<u>207,272</u>	<u>40,652,211</u>	<u>655,726</u>
Total liabilities	<u>39,191,790</u>	<u>153,630</u>	<u>5,573,960</u>	<u>2,950,216</u>	<u>47,869,596</u>	<u>1,826,429</u>
Net Assets						
Invested in capital assets, net of related debt	39,040,065	3,835,016	4,058,270	14,825,484	61,758,835	-
Restricted for debt service	6,952,493	-	2,030	55,830	7,010,353	-
Unrestricted (deficit)	7,170,469	6,958,202	4,242,528	(33,645)	18,337,554	(785,492)
Total net assets	<u>\$ 53,163,027</u>	<u>\$ 10,793,218</u>	<u>\$ 8,302,828</u>	<u>\$ 14,847,669</u>	<u>87,106,742</u>	<u>\$ (785,492)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(217,993)	
Net assets of business-type activities					<u>\$ 86,888,749</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, 2011

	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals	Total Internal Service Fund
Operating revenues:						
Charges for services	\$ 15,574,935	\$ 311,733	\$ 3,241,221	\$ 1,558,536	\$ 20,686,425	\$ 868,177
Other	152,510	46,158	31,148	30,680	260,496	-
Total operating revenues	<u>15,727,445</u>	<u>357,891</u>	<u>3,272,369</u>	<u>1,589,216</u>	<u>20,946,921</u>	<u>868,177</u>
Operating expenses:						
Personal services	3,719,538	3,487	1,008,040	914,109	5,645,174	-
Contractual services	4,762,903	4,310,369	738,010	238,161	10,049,443	1,687,801
Commodities	499,366	542,448	346,810	204,603	1,593,227	-
Heat, light and power	1,047,202	45,580	19,705	129,360	1,241,847	-
Depreciation	2,822,612	209,647	689,800	718,752	4,440,811	-
Total operating expenses	<u>12,851,621</u>	<u>5,111,531</u>	<u>2,802,365</u>	<u>2,204,985</u>	<u>22,970,502</u>	<u>1,687,801</u>
Operating income (loss)	<u>2,875,824</u>	<u>(4,753,640)</u>	<u>470,004</u>	<u>(615,769)</u>	<u>(2,023,581)</u>	<u>(819,624)</u>
Nonoperating revenues (expenses):						
Intergovernmental and other	442,166	2,117,378	-	-	2,559,544	-
Franchise taxes	-	1,109,866	-	-	1,109,866	-
Taxes	-	4,085,862	-	-	4,085,862	-
Investment income	293,626	11,401	23,547	1,496	330,070	2,023
Interest and fiscal charges	(1,458,583)	-	(3,400)	(22,169)	(1,484,152)	-
Gain (loss) on disposal of capital assets	(331,970)	-	-	-	(331,970)	-
Total nonoperating revenues (expenses), net	<u>(1,054,761)</u>	<u>7,324,507</u>	<u>20,147</u>	<u>(20,673)</u>	<u>6,269,220</u>	<u>2,023</u>
Income (loss) before capital contributions, special item and transfers	1,821,063	2,570,867	490,151	(636,442)	4,245,639	(817,601)
Capital contributions and grants	145,863	-	-	4,357,277	4,503,140	-
Special item (Note 9B)	-	-	5,380,449	-	5,380,449	-
Transfers in	-	-	-	143,445	143,445	-
Transfers out	(835,507)	(149,264)	(638,630)	(150,620)	(1,774,021)	-
Change in net assets	<u>1,131,419</u>	<u>2,421,603</u>	<u>5,231,970</u>	<u>3,713,660</u>	<u>12,498,652</u>	<u>(817,601)</u>
Total net assets - beginning	<u>52,031,608</u>	<u>8,371,615</u>	<u>3,070,858</u>	<u>11,134,009</u>		<u>32,109</u>
Total net assets - ending	<u>\$ 53,163,027</u>	<u>\$ 10,793,218</u>	<u>\$ 8,302,828</u>	<u>\$ 14,847,669</u>		<u>\$ (785,492)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(100,352)	
Change in net assets of business-type activities					<u>\$ 12,398,300</u>	

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

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 15,260,401	\$ 287,785	\$ 3,298,972	\$ 1,567,373	\$ 20,414,531	\$ 868,177
Payments to suppliers	(6,330,389)	(4,849,621)	(1,146,990)	1,549,279	(10,777,721)	(902,253)
Payments to employees	(3,557,360)	(3,487)	(971,785)	(876,729)	(5,409,361)	-
Other operating revenues	152,510	46,158	31,148	30,680	260,496	-
Net cash provided (used) by operating activities	5,525,162	(4,519,165)	1,211,345	2,270,603	4,487,945	(34,076)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental grants	442,166	2,198,543	5,228	-	2,645,937	-
Taxes received	-	5,195,728	-	3,821	5,199,549	-
Transfers in	-	-	-	143,445	143,445	-
Transfers out	(835,507)	(149,264)	(638,630)	(150,620)	(1,774,021)	-
Net cash provided (used) by noncapital financing activities	(393,341)	7,245,007	(633,402)	(3,354)	6,214,910	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Payments of debt principal	(1,629,000)	-	(1,923)	(76,732)	(1,707,655)	-
Payments of capital lease principal	-	-	-	-	-	-
Payments of debt interest and charges	(1,527,446)	-	(452)	(23,384)	(1,551,282)	-
Capital grants received	-	-	-	(1,690,311)	(1,690,311)	-
Purchase of capital assets	(6,829,503)	(723,175)	(397,335)	(700,382)	(8,650,395)	-
Net cash provided (used) by capital and related financing activities	(9,985,949)	(723,175)	(399,710)	(2,490,809)	(13,599,643)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	(1,606,713)	(1,353,036)	(7,076,733)	(5,156,822)	(15,193,304)	(721,727)
Purchase of investments	7,204,284	-	7,331,489	5,374,360	19,910,133	792,762
Interest and dividends received	294,049	11,705	24,923	1,697	332,374	2,023
Net cash provided (used) by investing activities	5,891,620	(1,341,331)	279,679	219,235	5,049,203	73,058
Net increase (decrease) in cash and cash equivalents	1,037,492	661,336	457,912	(4,325)	2,152,415	38,982
Cash and cash equivalents - beginning	1,217,818	812,458	1,837,220	217,923	4,085,419	209,193
Cash and cash equivalents - ending	2,255,310	1,473,794	2,295,132	213,598	6,237,834	248,175
Investments	13,002,015	4,707,835	7,333,567	739,468	25,782,885	792,762
Total cash and investments	\$ 15,257,325	\$ 6,181,629	\$ 9,628,699	\$ 953,066	\$ 32,020,719	\$ 1,040,937
Cash and investments reported on the Statement of Net Assets:						
Unrestricted cash and investments	\$ 5,278,016	\$ 6,181,629	\$ 9,626,621	\$ 895,908	\$ 21,982,174	\$ 1,040,937
Restricted cash and investments	9,979,309	-	2,078	57,158	10,038,545	-
Total cash and investments	\$ 15,257,325	\$ 6,181,629	\$ 9,628,699	\$ 953,066	\$ 32,020,719	\$ 1,040,937

(continued)

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 2,875,824	\$ (4,753,640)	\$ 470,004	\$ (615,769)	\$ (2,023,581)	\$ (819,624)
Adjustments to reconciliation operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,822,612	209,647	689,800	718,752	4,440,811	-
Changes in operating assets and liabilities:						
Accounts and other receivables	(314,534)	(23,948)	57,751	8,837	(271,894)	-
Prepaid expenses	(925)	-	134	26	(765)	-
Accounts payable and contracts/claims payable	(19,993)	48,776	(42,599)	2,121,377	2,107,561	785,548
Accrued payroll and compensated absences	162,178	-	36,255	37,380	235,813	-
Net cash provided (used) by operating activities	<u>\$ 5,525,162</u>	<u>\$ (4,519,165)</u>	<u>\$ 1,211,345</u>	<u>\$ 2,270,603</u>	<u>\$ 4,487,945</u>	<u>\$ (34,076)</u>
Non-cash capital and financing activities:						
Capital contributions	\$ 145,863	\$ -	\$ -	\$ 4,357,277	\$ 4,503,140	\$ -
Special item (Note 9B)	-	-	5,380,449	-	5,380,449	-
	<u>\$ 145,863</u>	<u>\$ -</u>	<u>\$ 5,380,449</u>	<u>\$ 4,357,277</u>	<u>\$ 9,883,589</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, 2011

	Pension Trust Fund	
	Police Pension	Total Agency Funds
Assets		
Cash and cash equivalents	\$ 3,292	\$ 68,109
Investments:		
US Government obligations	3,951,240	-
Corporate bonds	6,976,241	-
Corporate stock	16,868,245	-
Receivables:		
Taxes	-	232,241
Contributions	75,677	-
Accrued interest	120,467	-
Total assets	<u>27,995,162</u>	<u>300,350</u>
Liabilities		
Accounts payable	3,190	-
Due to others	-	300,350
Total liabilities	<u>3,190</u>	<u>\$ 300,350</u>
Net Assets		
Held in trust for pension benefits	<u>\$ 27,991,972</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, 2011

	Pension Trust Fund <u>Police Pension</u>
Additions:	
Member contributions	\$ 212,538
Employer contributions	1,786,550
Investment income	710,175
Net appreciation in fair value of investments	3,981,730
Less investment expenses	<u>(60,677)</u>
Total additions	<u>6,630,316</u>
Deductions:	
Benefit payments	1,737,473
Administrative expenses	<u>51,763</u>
Total deductions	<u>1,789,236</u>
Change in net assets	4,841,080
Net assets - beginning	<u>23,150,892</u>
Net assets - ending	<u><u>\$ 27,991,972</u></u>

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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, 2011

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:

Tax Increment Financing Commission of St. Joseph, Missouri (Commission) - The Commission is governed by an eleven-member board of which six members are appointed by the City Council. The remaining members are appointed by the respective taxing districts' boards. Although it is legally separate from the City, the Commission is reported as if it were part of the primary government because its sole function is to review proposed TIF plans and provide recommendations to the City Council for the use of TIF as a method to finance economic activity and infrastructure improvements through payments in lieu of taxes and economic activity taxes. The Commission's activities are reported in Special Allocation Fund.

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 Commission and the 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

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

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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.

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

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

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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.

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 Maintenance Fund*, a special revenue fund, is used to account for the City's share of the Missouri motor fuel tax, road and bridge 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 *Capital Projects 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 3/8th cent (\$.0375) 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.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.

The *Agency Funds* are used to account for assets held by the City as an agent for the Gateway TDD, certain funds of the St. Joseph Library and the East Hills Mall CID. 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.

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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.

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 based on a review of outstanding accounts and prior history of uncollectible accounts.

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, 2011, 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, 2011.

G. Property Held for Resale

The City has acquired various properties through the federal Neighborhood Stabilization Grant Program and private donation. The purpose of the federal program is to purchase foreclosed or abandoned properties and provide rehabilitation funding for properties to eventually be sold to revitalize older neighborhoods. The private donation was received from UMB Bank, N.A. for the purpose of using the facility for City activities. City Council has chosen to receive proposals for the sale of the property in order to fund future renovations of fire stations. The properties have been included as property held for investment in the Community Development Block Grant Fund and the CIP Sales Tax Fund.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

	Beginning Balance	Increases	Decreases	Ending Balance
Major governmental funds:				
CIP Sales Tax Improvement	\$ -	\$ 251,000	\$ -	\$ 251,000
Nonmajor governmental funds	362,821	178,137	248,851	292,107
 Total	 \$ 362,821	 \$ 429,137	 \$ 248,851	 \$ 543,107

H. 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.

I. 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 acquisition.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense and fiscal charges incurred by the Sewer fund during the current fiscal year was \$1,984,403. Of this amount, \$525,820 was included as part of the cost of capital assets under construction in connection with Sewer fund construction projects.

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

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

- 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
- Streets Infrastructure	25 years
- Sewer Infrastructure	40 years
- Bridge Infrastructure	50 years

J. 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.

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 1st will be paid to the employee on the final payroll of the fiscal year.

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

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.

K. 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.

L. 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”.

M. Net Assets/Fund Balance

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, 2011**

Fund Balances

The objective of a fund balance policy is for the City to be in a strong fiscal position that will (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain investment grade bond ratings, (3) offset significant economic downturns or revenue shortfalls, and (4) provide funds for unforeseen expenditures related to emergencies. It is City policy to identify fund balance separately based on a hierarchy of constraints placed on the use of the financial resources within its governmental funds up to five classifications. See Note 12 for additional information regarding Fund balance.

Nonspendable Fund Balance – resources that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to be maintained intact

Restricted Fund Balance – resources where constraints are placed imposed by externally enforceable legal restrictions through (1) external creditors, grantors, contributors or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Restricted for Debt Service – portion of fund balance that is restricted by Debt requirements.

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for training, equipment, and public safety purposes.

Restricted for Health Services – portion of fund balance that is restricted by revenue source for public health purposes.

Restricted for Parks and Recreation - portion of fund balance that is restricted by revenue source for certain maintenance and equipment.

Restricted for Streets – portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures.

Restricted for Construction – portion of fund balance that is restricted by revenue source from the voter approved City's sales tax for the purpose of future construction projects.

Committed Fund Balance – resources for specific purposes government's imposed upon itself by formal action of the City Council, the government's highest level of decision making authority. Any changes or removal of specific purpose requires action by the governing body.

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

Committed for Emergency – portion of fund balance that has been designated for emergency reserve by City Council.

Committed for Future Reserves – portion of fund balance that has been designated from utility franchise cellular phone tax revenue for future uses imposed by City Council.

Committed for Public Safety – portion of fund balance that has been designated by the City Council for the Police Server program expenditures.

Assigned Fund Balance – resources that are (1) limited by the government's intent to be used for specific purposes or (2) remaining excess amounts in the governmental funds other than the General Fund not classified as non-spendable, restricted, or committed. The authority to assign fund balance for specific uses has been deleted to the City Manager and/or the Director of Financial Services.

Unassigned Fund Balance – total fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balances.

The General Fund will be the only fund that reports a positive unassigned fund balance amount. In the other governmental funds if the assigned fund balance is negative it will be necessary to report it as a negative unassigned fund balance.

The City strives to develop and maintain a diversified and reliable revenue stream so as to avoid becoming overly dependent on any single source of revenue. Efforts are directed to optimize existing revenue sources while periodically reviewing potential new revenue sources. The City is to utilize the restricted fund balance for a specific purpose prior to unrestricted fund balance when more than one fund balance resource is required. Unrestricted fund balance will be maintained for necessary and unexpected expenditures. The City will consent to committed amounts first followed by assigned funds before allocating unassigned net resources when more than one unrestricted resource is required.

The City has also adopted a minimum fund balance policy for the General Fund which instructs management to maintain a fund balance level in the General Fund equal to 10% of annual expenditures. If fund balance is near minimum threshold, appropriations shall be only for one time expenditures and not for ongoing and routine operating expenditures.

N. 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

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

O. Deficit Fund Balance/Net Assets

The following Funds had a deficit fund balance/net assets at June 30, 2011 that will be eliminated by future revenues or transfers:

Special Revenue Funds	
Park Maintenance	(\$ 3,441)
Community Development	(\$118,075)
Internal Service Funds	
Worker's Compensation	(\$785,492)

P. Reclassifications

Certain line items have been reclassified to conform to the presentation of the financial statements in the current year. These reclassifications had no net effect on the City's net assets or changes therein for the current year.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2: CASH DEPOSITS AND INVESTMENTS
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Unrestricted cash deposits and investments are pooled and include cash held in commercial bank checking accounts, collateralized time deposits, 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.

Collateralized time deposits and 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.

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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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:

	Balance June 30, 2011
Cash on hand	\$ 21,833
Cash Deposit in Bank	9,683,635
Investments held by Trustee (Bond Reserves)	16,152,798
US Agency Securities	37,986,091
Collateralized Time Deposits	1,000,000
Police Pension Trust:	
Cash	3,292
Investments	27,795,726
	<u>27,799,018</u>
	<u><u>\$ 92,643,375</u></u>

	Government- wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Unrestricted – cash and investments	\$ 44,441,872	\$ 68,109	\$ 44,509,981
Restricted – cash and investments	20,334,376	—	20,334,376
Police Pension – cash and investments	—	27,799,018	27,799,018
Total	<u>\$ 64,776,248</u>	<u>\$ 27,867,127</u>	<u>\$ 92,643,375</u>

Investments for the City of St. Joseph, Missouri are as follows for the year ended June 30, 2011

	Investment Maturities (in years)		
	Cost	Fair Value	Less Than 1
Investment type:			
Debt Securities			
US Agency Securities	\$ 37,986,091	\$ 37,996,649	\$ 37,986,091
Collateralized Time Deposits	1,000,000	1,000,000	1,000,000
Total	<u>\$ 38,986,091</u>	<u>\$ 38,996,649</u>	<u>\$ 38,986,091</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Investments for the Police Pension fund are as follows for the year ended June 30, 2011:

	Investment Maturities (in years)			
	Fair Value	Less Than 1	1 - 5	6 - 10
Investment type:				
Debt Securities				
US Agencies	\$ 3,602,046	\$ 3,077,806	\$ 524,240	-
US Treasuries	245,019	-	245,019	-
Muni Obligations	104,175	-	104,175	-
Foreign debt	314,589	-	314,589	-
Corporate debt	\$ 6,661,652	\$ 1,278,731	\$ 4,988,640	\$ 394,281
	<u>10,927,481</u>	<u>\$ 4,356,537</u>	<u>\$ 6,176,663</u>	<u>\$ 394,281</u>
Other Investments:				
Corporate stock	<u>16,868,245</u>			
Total	<u>\$ 27,795,726</u>			

Custodial Credit Risk – At June 30, 2011, the City reported bank deposits of \$9,683,635. The bank balance of \$9,511,195 was insured by federal depository insurance of \$250,000 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, 2011, was \$11,408,478 in the form of U.S. Agency securities. At June 30, 2011, the City’s investments in U.S. Agency securities of \$37,986,091 and Collateralized Time Deposits of \$1,000,000 were held by commercial banks and broker-dealer firms. All U.S. 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. Agency securities discussed above which are recorded at cost due to their short-term nature.

The Police Pension investments totaling \$27,795,726 consist of \$3,847,065 in government fixed securities and treasuries, \$104,175 in municipal bonds, \$314,589 in foreign debt, \$6,661,652 in corporate bond fixed income securities, and \$16,868,245 in common corporate stock. The Police Pension fund’s investments are held by its investment custodian in the fund’s name.

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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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 produce 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 collateralized time deposits, agencies, 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			
US Agency Securities	\$ 37,986,091	\$ 37,996,649	\$ 37,986,091
Collateralized Time Deposits	1,000,000	1,000,000	1,000,000
Total	<u>\$ 38,986,091</u>	<u>\$ 38,996,649</u>	<u>\$ 38,986,091</u>

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 will be held in the portfolio.

CITY OF ST. JOSEPH, MISSOURI
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Credit ratings for the Police Pension fund investments that are rated are as follows:

Investment type:	Quality Ratings				
	Fair <u>Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BAA</u>
Debt Securities					
US Agencies	\$ 3,602,046	\$ 3,602,046	\$ —	\$ —	\$ —
US Treasuries	245,019	245,019	—	—	—
Muni Obligations	104,175	—	104,175	—	—
Foreign Debt	314,589	—	314,589	—	—
Corporate debt	6,661,652	394,281	1,044,223	4,142,127	1,081,021
	<u>10,927,481</u>	<u>\$ 4,241,346</u>	<u>\$ 1,462,987</u>	<u>\$ 4,142,127</u>	<u>\$ 1,081,021</u>
Other Investments:					
Corporate stock	16,868,245				
Total	<u>\$ 27,795,726</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:

	Carrying Value	Concentration
Federal Home Loan Bank	\$ 13,996,265	36%
Federal National Mortgage Association	12,994,423	33%
Federal Farm Credit	10,995,403	28%
Collateralized Time Deposits	1,000,000	3%
	<u>\$ 38,986,091</u>	<u>100%</u>

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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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 15% 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. 5) 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.

	2011	
	Fair Value	Concentration
Federal Farm Credit Bank	\$ 524,240	5%
Goldman Sachs Financial Square Government Fund	3,077,806	28%
Corporate Debt :		
Astrazeneca	529,040	5%
Walt Disney	528,140	5%

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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The City's 2010 property tax rate was \$1.53 per \$100 valuation (\$1.12 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. The tax levy is as follows:

Tax Year/Fiscal Year	2010/2011	2009/2010
City:		
General Fund	\$.60	\$.60
Public Safety	.07	.07
Parks & Recreation	.20	.20
Public Health	.21	.21
Library	.40	.40
Museum	.05	.05
Business District	.78	.78
Special Park	.50	.50

As required by RSMo 137.073, the State Auditor examined and approved the property tax rates for 2011 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 2010 and 2009 levies were as follows:

Tax Year/ Fiscal Year	<u>2010 / 2011</u>	<u>2009 / 2010</u>	<u>Change</u>	<u>Percent of Change</u>
Real Property	\$ 636,915,160	\$ 636,014,460	\$ 900,700	0%
Personal Property	284,496,248	284,101,965	394,283	0%
Railroad Utilities	21,011,620	16,233,689	4,777,931	29%
Total	<u>\$ 942,423,028</u>	<u>\$ 936,350,114</u>	<u>\$ 6,072,914</u>	<u>6.5%</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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Receivables as of June 30, 2011, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts and Other	Accrued Interest	Taxes	Total Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental activities:						
General	\$ 98,570	\$ 28,705	\$ 4,754,578	\$ 4,881,853	\$ -	\$ 4,881,853
Street Maintenance	22,507	392	354,309	377,208	-	377,208
Special Allocation	8,971,237	352	597,075	9,568,664	-	9,568,664
CIP Sales Tax	176,876	1,813	820,641	999,330	-	999,330
Nonmajor governmental funds	207,430	1,486	77,623	286,539	-	286,539
Total governmental activities	9,476,620	32,748	6,604,226	16,113,594	-	16,113,594
Business-type activities:						
Sewer	3,499,801	1,503	-	3,501,304	(30,000)	3,471,304
Mass transit	-	981	830,373	831,354	-	831,354
Landfill	170,546	1,529	-	172,075	-	172,075
Nonmajor enterprise funds	8,100	142	-	8,242	-	8,242
Total business-type activities	3,678,447	4,155	830,373	4,512,975	(30,000)	4,482,975
Total Net Receivables	\$ 13,155,067	\$ 36,903	\$ 7,434,599	\$ 20,626,569	\$ (30,000)	\$ 20,596,569

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance	Increases	Decreases	Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,640,948	\$ 53,881		\$ 5,694,829
Construction in progress	7,902,500	5,613,353	6,952,785	6,563,068
Total capital assets, not being depreciated	13,543,448	5,667,234	6,952,785	12,257,897
Capital assets, being depreciated:				
Buildings	38,071,011	295,255		38,366,266
Improvements other than buildings	30,229,695	3,987,839		34,217,534
Machinery and equipment	23,337,792	1,516,761	194,098	24,660,455
Infrastructure	263,269,565	1,644,518		264,914,083
Total capital assets being depreciated	354,908,063	7,444,373	194,098	362,158,338
Less accumulated depreciation for:				
Buildings	20,284,250	847,342		21,131,592
Improvements other than buildings	7,391,247	981,256		8,372,503
Machinery and equipment	18,410,605	1,862,554	188,818	20,084,341
Infrastructure	137,327,071	7,364,604		144,691,675
Total accumulated depreciation	183,413,173	11,055,756	188,818	194,280,111
Total capital assets, being depreciated, net	171,494,890	(3,611,383)	5,280	167,878,227
Total Governmental activities capital assets, net	\$ 185,038,338	\$ 2,055,851	\$ 6,958,065	\$ 180,136,124

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Sewer fund:				
Capital assets, not being depreciated:				
Land	\$ 871,967	\$ 10,427		\$ 882,394
Construction in progress	2,247,512	6,901,242	2,810,465	6,338,289
Total capital assets, not being depreciated	3,119,479	6,911,669	2,810,465	7,220,683
Capital assets, being depreciated:				
Buildings	28,986,259	889,013		29,875,272
Improvements other than buildings	20,418,856		675,405	19,743,451
Machinery and equipment	11,568,306	492,700	48,992	12,012,014
Infrastructure	64,264,877	1,564,273		65,829,150
Total capital assets being depreciated	125,238,298	2,945,986	724,397	127,459,887
Less accumulated depreciation for:				
Buildings	17,082,919	740,107		17,823,026
Improvements other than buildings	3,442,100	633,034	271,611	3,803,523
Machinery and equipment	9,554,146	589,970	48,992	10,095,124
Infrastructure	28,816,495	859,501		29,675,996
Total accumulated depreciation	58,895,660	2,822,612	320,603	61,397,669
Total capital assets, being depreciated, net	66,342,638	123,374	403,794	66,062,218
Total sewer fund capital assets, net	\$ 69,462,117	\$ 7,035,043	\$ 3,214,259	\$ 73,282,901

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Mass transit fund:				
Capital assets, not being depreciated:				
Land	\$ 189,134			\$ 189,134
Construction in Progress	138,532	715,087	252,533	601,086
Total capital assets, not being depreciated	327,666	715,087	252,533	790,220
Capital assets, being depreciated:				
Buildings	4,321,204	183,309		4,504,513
Improvements other than buildings	103,532			103,532
Machinery and equipment	5,630,918	77,312		5,708,230
Total capital assets being depreciated	10,055,654	260,621	—	10,316,275
Less accumulated depreciation for:				
Buildings	1,632,691	144,530		1,777,221
Improvements other than buildings	32,306	6,231		38,537
Machinery and equipment	5,396,835	58,886		5,455,721
Total accumulated depreciation	7,061,832	209,647	—	7,271,479
Total capital assets, being depreciated, net	2,993,822	50,974	—	3,044,796
Total mass transit fund capital assets, net	\$ 3,321,488	\$ 766,061	\$ 252,533	\$ 3,835,016

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Landfill fund:				
Capital assets, not being depreciated:				
Land	\$ 1,620,011	\$ 290,000		\$ 1,910,011
Construction in Progress	—			—
Total capital assets, not being depreciated	1,620,011	290,000	—	1,910,011
Capital assets, being depreciated:				
Buildings	522,248			522,248
Improvements other than buildings	710,527			710,527
Machinery and equipment	5,537,350	107,335	8,569	5,636,116
Total capital assets being depreciated	6,770,125	107,335	8,569	6,868,891
Less accumulated depreciation for:				
Buildings	272,597	12,696		285,293
Improvements other than buildings	305,312	42,563		347,875
Machinery and equipment	3,458,596	634,541	8,569	4,084,568
Total accumulated depreciation	4,036,505	689,800	8,569	4,717,736
Total capital assets, being depreciated, net	2,733,620	(582,465)	—	2,151,155
Total landfill fund capital assets, net	\$ 4,353,631	\$ (292,465)	\$ —	\$ 4,061,166
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nonmajor enterprise funds:				
Capital assets, not being depreciated:				
Land	\$ 3,408,785			\$ 3,408,785
Constuction in progress	883,516	3,824,076		4,707,592
Total capital assets, not being depreciated	4,292,301	3,824,076	—	8,116,377
Capital assets, being depreciated:				
Buildings	8,285,253	1,215,883		9,501,136
Improvements other than buildings	10,706,762			10,706,762
Machinery and equipment	1,976,335	17,700	5,828	1,988,207
Infrastructure	1,921,975			1,921,975
Total capital assets being depreciated	22,890,325	1,233,583	5,828	24,118,080
Less accumulated depreciation for:				
Buildings	5,940,982	158,498		6,099,480
Improvements other than buildings	8,379,702	269,658		8,649,360
Machinery and equipment	1,401,973	213,717	5,828	1,609,862
Infrastructure	730,350	76,879		807,229
Total accumulated depreciation	16,453,007	718,752	5,828	17,165,931
Total capital assets, being depreciated, net	6,437,318	514,831	—	6,952,149
Total nonmajor enterprise fund capital assets, net	10,729,619	4,338,907	—	15,068,526
Total business-type activities capital assets, net	\$ 87,866,855	\$ 11,847,546	\$ 3,466,792	\$ 96,247,609

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	\$	218,810
Public safety		1,816,676
Highways and streets		6,925,991
Health and welfare		173,318
Parks and recreation		<u>1,920,961</u>
Total depreciation expense – governmental activities	\$	<u><u>11,055,756</u></u>
Business-type activities:		
Sewer	\$	2,822,612
Mass transit		209,647
Landfill		689,800
Non-major enterprise funds		<u>718,752</u>
Total depreciation expense – business-type activities	\$	<u><u>4,440,811</u></u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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, 2011 are as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
Major governmental funds:		
CIP Sales Tax Improvement	\$ 917,528	\$ —
Nonmajor governmental funds	—	917,528
 Total	<u>\$ 917,528</u>	<u>\$ 917,528</u>

Interfund transfers consisted of the following amounts:

	<u>Transfers To</u>						<u>Total</u>
	<u>General Fund</u>	<u>Street Maint</u>	<u>Special Allocation</u>	<u>CIP Sales Tax</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Business-type</u>	
Major Governmental Funds:							
General Fund	\$ —	\$ 4,481,963	\$ —	\$ 1,192,539	\$ 1,192,128	\$ —	\$ 6,866,630
Streets Maint Fund	1,122,656					35,880	1,158,536
Nonmajor governmental	3,547,081		2,727	85,058	148,434	66,500	3,849,800
Major Enterprise Funds:							
Sewer	784,287		—	16,000		35,220	835,507
Mass transit	149,264		—	—	—	—	149,264
Landfill	638,630		—	—		—	638,630
Nonmajor enterprise	144,775		—	—		5,845	150,620
Total	<u>\$ 6,386,693</u>	<u>\$ 4,481,963</u>	<u>\$ 2,727</u>	<u>\$ 1,293,597</u>	<u>\$ 1,340,562</u>	<u>\$ 143,445</u>	<u>\$ 13,648,987</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, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) partial and full consolidation of certain funds.

	<u>Governmental activities</u>	<u>Business-type activities</u>
Government-wide transfers, in (out) before reclassifications	\$ 1,630,576	\$ (1,630,576)
Parks and recreation governmental function transfer to Golf services	(1,215,885)	—
Golf services business-type function capital transfer from Parks and recreation function	—	1,215,885
Government-wide transfers, net	<u>\$ 414,691</u>	<u>\$ (414,691)</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 6: LONG-TERM LIABILITIES

Governmental Activities	Balance 7/1/10	Increases	Decreases	Balance 6/30/11	Current Portion
Public Building Authority Bonds	\$ 222,315	\$ —	\$ (52,590)	169,725	\$ 54,981
Deferred Charge on PBA Bonds	(19,459)	—	5,695	(13,764)	—
Total PBA Bonds, Net	202,856	—	(46,895)	155,961	54,981
Industrial Development					
Authority Bonds	43,825,000	—	(1,260,000)	42,565,000	1,285,000
Infrastructure Facility					
Revenue Bonds	17,920,000	—	(730,000)	17,190,000	765,000
MO Development Finance					
Board Bonds	1,965,000	—	(105,000)	1,860,000	110,000
Developer Obligation	31,689,113	1,839,350	(1,579,470)	31,948,993	1,300,000
Capital Lease Obligations	19,012	198,694	(22,685)	195,021	48,484
Compensated Absences *	1,478,185	1,667,605	(1,649,854)	1,495,936	1,467,927
OPEB Obligation*	1,088,702	549,132	—	1,637,834	—
Claims	1,032,995	1,514,500	(733,158)	1,814,337	1,158,611
Total Governmental activities					
Long-term liabilities	\$ 99,220,863	\$ 5,769,281	\$ (6,127,062)	\$ 98,863,082	\$ 6,190,003

* Compensated absences and other post employment benefit obligations are generally liquidated by the general fund.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Business-type Activities	Balance 7/1/10	Increases	Decreases	Balance 6/30/11	Current Portion
Water Protection Fund					
Revenue Bonds	\$ 7,795,000	-	(1,282,000)	6,513,000	1,360,000
Deferred Charge Advance Refund	(33,843)	-	16,922	(16,921)	-
Total Revenue Bonds, Net	7,761,157	-	(1,265,078)	6,496,079	1,360,000
Industrial Development Authority Bonds	20,410,000	-	-	20,410,000	-
MO Development Finance Board Bonds	10,415,000	-	(465,000)	9,950,000	485,000
Compensated Absences	126,948	150,140	(146,854)	130,234	130,234
OPEB Obligation	109,222	60,385	-	169,607	-
Total water protection fund					
Long-term liabilities	38,822,327	210,525	(1,876,932)	37,155,920	1,975,234
Landfill fund:					
Public Building Authority Bonds	8,513	-	(2,014)	6,499	2,105
Deferred Charge on PBA bonds	(5,094)	-	1,491	(3,603)	-
Total PBA Bonds, Net	3,419	-	(523)	2,896	2,105
Capital Lease Obligations	-	-	-	-	-
Closure/Post Closure	10,668,410	-	(5,380,449)	5,287,961	73,500
Compensated Absences	42,429	42,951	(44,308)	41,072	41,072
OPEB Obligation	33,144	15,857	-	49,001	-
Total landfill fund					
Long-term liabilities	10,747,402	58,808	(5,425,280)	5,380,930	116,677
Nonmajor enterprise funds:					
Public Building Authority Bonds	234,172	-	(55,395)	178,777	57,913
Deferred charge on PBA bonds	(19,356)	-	5,665	(13,691)	-
Total PBA Bonds, Net	214,816	-	(49,730)	165,086	57,913
Capital Lease Obligations	103,661	-	(25,705)	77,956	27,555
Compensated absences	42,424	36,787	(32,436)	46,775	38,312
OPEB Obligation	27,005	14,230	-	41,235	-
Total nonmajor enterprise funds Long-term liabilities	387,906	51,017	(107,871)	331,052	123,780
Total Business-type activities Long-term liabilities	\$ 49,957,635	320,350	(7,410,083)	42,867,902	2,215,691

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Year ending 30-Jun	Governmental Activities					
	Public Building Authority Bonds		Industrial Development Authority Bonds		Infrastructure Facility Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 54,981	\$ 6,270	\$ 1,285,000	\$ 2,264,419	\$ 765,000	\$ 1,078,001
2013	62,153	3,734	1,245,000	2,202,175	805,000	1,038,768
2014	52,591	1,183	1,305,000	2,135,247	855,000	988,986
2015	-	-	1,445,000	2,061,356	915,000	935,611
2016	-	-	1,550,000	1,979,956	975,000	875,504
2017-2021	-	-	10,010,000	8,459,557	5,855,000	3,393,402
2022-2026	-	-	14,495,000	5,216,329	7,020,000	1,257,466
2027-2031	-	-	11,230,000	781,549	-	-
	<u>\$ 169,725</u>	<u>\$ 11,187</u>	<u>\$ 42,565,000</u>	<u>\$ 25,100,588</u>	<u>\$ 17,190,000</u>	<u>\$ 9,567,738</u>

Year ending 30-Jun	Governmental Activities MO Development Finance Board Bonds		Business-type Activities			
			Public Building Authority Bonds		Industrial Development Authority Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 110,000	\$ 79,863	\$ 57,409	\$ 6,844	\$ -	\$ 988,581.00
2013	115,000	76,013	60,019	4,076	-	988,581.00
2014	120,000	71,700	67,848	1,291	-	988,581.00
2015	125,000	66,900	-	-	-	988,581.00
2016	130,000	61,900	-	-	-	988,581.00
2017-2021	735,000	220,275	-	-	6,060,000	4,483,257
2022-2026	525,000	48,149	-	-	9,380,000	2,784,988
2027-2031	-	-	-	-	4,970,000	248,500
	<u>\$ 1,860,000</u>	<u>\$ 624,800</u>	<u>\$ 185,276</u>	<u>\$ 12,211</u>	<u>\$ 20,410,000</u>	<u>\$ 12,459,649</u>

Year ending 30-Jun	Business-type Activities				TOTAL DEBT SERVICE REQUIREMENTS	
	MO Development Finance Board Bonds		Revenue Bonds		Principal	Interest
	Principal	Interest	Principal	Interest		
2012	\$ 485,000	\$ 455,150	\$ 1,360,000	\$ 336,272	\$ 4,117,390	\$ 5,215,400
2013	505,000	435,750	1,178,000	263,720	3,970,172	5,012,817
2014	525,000	415,550	1,245,000	199,345	4,170,439	4,801,883
2015	545,000	394,550	1,315,000	131,293	4,345,000	4,578,291
2016	565,000	372,750	540,000	60,066	3,760,000	4,338,757
2017-2021	3,220,000	1,473,325	760,000	79,059	26,640,000	18,108,875
2022-2026	4,105,000	593,250	115,000	8,955	35,640,000	9,909,137
2027-2031	-	-	-	-	16,200,000	1,030,049
	<u>\$ 9,950,000</u>	<u>\$ 4,140,325</u>	<u>\$ 6,513,000</u>	<u>\$ 1,078,709</u>	<u>\$ 98,843,001</u>	<u>\$ 52,995,207</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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, 2011 for a total principal balance outstanding of \$355,001.

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%	\$ 150,132
Series 2003 – Collateralized Lease Refunding Revenue Bonds (Parks & Recreation); Due in annual installments through November 1, 2013; interest at 1.45% to 4.5%	13,030
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>6,563</u>
Total PBA Bonds for the Governmental Activities	<u>\$ 169,725</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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% \$ 178,777

Series 2003 – Collateralized Lease Refunding Revenue Bonds (Landfill); due in annual installments through November 1, 2013; interest at 1.45% to 4.5% 6,499

Total PBA Bonds for the Business-type Activities \$ 185,276

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 2005A Series 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 2005B Series 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 2007 Series Bonds for the Sewerage System improvement projects. The 2008 Mitchell Avenue Tax Increment Revenue Bond Series 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, 2011**

The total principal balance outstanding for the Industrial Development Authority Bonds as of June 30, 2011 is \$62,975,000.

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%	\$ 22,405,000
Series 2005B – Industrial Development Authority Bonds (Special Allocation); due in annual installments through November 1, 2027; interest at 4.00% to 5.50%	15,500,000
Series 2008 – Industrial Development Authority Bonds (Special Allocation); due in annual installments through March 1, 2029; interest at 5.50%	<u>4,660,000</u>
Total Industrial Development Authority Bonds for Governmental Activities	<u>\$ 42,565,000</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, 2011**

The total principal balance outstanding for the Taxable Infrastructure Facilities Revenue Bonds as of June 30, 2011 is \$17,190,000.

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% \$ 8,075,000

Series 2004B – Infrastructure Facility Revenue Bonds
(Special Allocation); due in annual installments through
March 1, 2025; interest at 4.24% to 7.32% 9,115,000

Total Infrastructure Facility Revenue Bonds for Governmental Activities \$17,190,000

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, 2011 is \$11,810,000.

Governmental Activities

Series 2004D – Infrastructure Facilities Revenue Bonds (General); due in
annual installments through March 1, 2024; interest at 3.00% to 5.00% \$ 1,860,000

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% \$ 9,950,000

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011 is \$6,513,000.

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%	\$2,958,000
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%	2,780,000
Series 1999 – Sewer System Refunding and Improvement Revenue Bonds: due in annual installments through April 1, 2012; interest at 3.5% to 4.8%	240,000
Series 2003 – Sewer System Revenue Bonds: due in annual installments through April 1, 2023; interest at 1.3% to 5.125%	<u>535,000</u>
Total Revenue Bonds for Business-type Activities	<u>\$6,513,000</u>

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 (EIERA) 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, 2011**

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, 2011, \$4,016,600 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, 2011, the total annual sewer reserve charges due to the City through the agreement are payable as follows:

Year Ending June 30:	Total
2012	\$ 972,996
2013	972,996
2014	972,996
2015	972,996
2016	972,996
2017-2021	4,864,980
2022-2026	3,450,266
	<u>13,180,226</u>
Less interest	(4,370,502)
Net present value	<u>\$ 8,809,724</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, 2011

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, 2011 is \$404,702,354.

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 (Series 2004 A \$8,075,000 and Series 2004 B \$9,115,000 Infrastructure Facility Revenue Bonds) to make such bond payments from any other sources of its revenues. Management does not anticipate that any of the City's 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. The City has estimated that \$1,300,000 of these obligations will be paid in 2011. 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.

At June 30, 2011, total principal and interest remaining on the bonds was \$94,423,326 and outstanding developer obligations were \$31,948,993. The bonds are scheduled to

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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 \$7,006,841. Incremental revenues from the City included \$2,161,656 in sales taxes, \$561,929 in property taxes and \$183,327 in other economic activity revenues. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues from other taxing districts and governmental entities, developer contributions, 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, 2011:

Governmental Activities:

General fund; Jacobsen Rotary Mower; due in annual installments of \$ 3,689 through September 2011; interest of 4.669%	\$ 3,525
General fund; Copiers; due in monthly installments of \$ 4,781 through April 2015; interest of 7.250%.	<u>191,496</u>
Total Lease Obligations for the Governmental Activities	<u>\$195,021</u>

Business-type Activities:

Golf fund; Golf Carts; due in monthly installments of \$ 2,677 through February 2014; interest of 6.97%	<u>\$77,956</u>
Total Lease Obligations for the Business-type Activities	<u>\$77,956</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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, 2011:

	Governmental Activities	Business-type Activities
Year ending June 30:		
2012	\$ 61,057	\$ 32,119
2013	57,368	32,119
2014	57,368	21,413
2015	47,807	-
	<hr/>	<hr/>
Total minimum lease payments	223,600	85,651
Less amount representing interest	(28,579)	(7,695)
Present value of net minimum lease payments	<u>\$ 195,021</u>	<u>\$ 77,956</u>

The following schedule shows the amount and asset classifications for capital lease items as of June 30, 2011:

	Governmental Activities	Business-type Activities
Machinery & equipment	\$ 219,369	\$ 111,840
less: Accumulated depreciation	(47,588)	(33,552)
Present value of net minimum lease payments	<u>\$ 171,781</u>	<u>\$ 78,288</u>

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8: RISK MANAGEMENT

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 \$450,000 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 negative net assets of the Insurance Internal Service Fund are (\$785,492).

As of June 30, 2011 incurred but not reported (IBNR) workers' compensation claims and claims payable of \$1,814,337 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 2010	\$1,211,046	\$ 556,687	(\$ 734,738)	\$1,032,995
Fiscal Year 2011	1,032,995	1,514,500	(733,158)	1,814,337

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 9: COMMITMENTS

A. Construction Commitments

At June 30, 2011 the City had the following commitments of approximately \$15,023,579 to complete construction contracts.

	Amounts
Governmental Activities	
Major Governmental Funds:	
CIP Sales Tax Improvement	\$ 5,195,633
Nonmajor Governmental Funds:	
Streets	108,371
Total Governmental Activities	5,304,004
 Business-type Activities	
Major business-type funds:	
Sewer	4,205,039
Mass Transit	682,960
Nonmajor business-type funds:	
Aviation	4,831,576
Total Business-type Activities	9,719,575
Total	\$ 15,023,579

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

B. Landfill Closure, Postclosure Care Liabilities and Special item

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, 2011**

<u>Description</u>	<u>Amount</u>	<u>Anticipated Close Years</u>	<u>Capacity Used</u>
City's Operating Landfill			
Area I	\$ 672,139	2016-2018	94 %
Area II	795,942	2013-2015	96 %
Area III	1,978,434	2019-2022	85 %
	<u>\$ 3,446,515</u>		
McArthur Drive Landfill	<u>\$ 1,841,446</u>	Closed	100 %
Total	<u>\$5,287,961</u>		

In 2011, the City engaged an outside professional engineering firm to update and develop a Landfill Tipping Fee Study (the Study) for the purpose of establishing landfill fees to cover operating cost as well as providing funding for landfill closure and postclosure care cost. With the 2011 Study, the City changed the previously used assumption of having a third party perform most of the closure and postclosure care activities to the assumption of having City personnel perform most of these closure and postclosure activities resulting in a significant change in the City's estimated closure and postclosure care obligation. Accordingly, the City has reported the change in the estimated closure and postclosure obligations of \$5,380,449 as a Special Item in the financial statements.

During the year ended June 30, 2011, total closure and postclosure care liabilities incurred a net decrease of \$5,380,449 from \$10,668,410 to \$5,287,961.

1. City's Operating Landfill - Total estimated future closure and postclosure care costs for the City's operating landfill are \$9,305,746 of which \$3,446,515 is reported as landfill closure and postclosure care liability at June 30, 2011, 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 \$5,859,231 as the remaining estimated capacity is consumed by the year 2022. These

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

amounts are based on estimates, actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in environmental regulations.

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 \$1,841,446 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 costs 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 2011 tipping fee/cost analysis provides annual cash designations of \$394,600 for future closure and postclosure care expenses. At June 30, 2011, these cash designations totaled \$4,331,715 and will be adjusted 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, 2011, the City's Contract of Obligation was \$14,775,412 including \$14,339,059 for the current operating landfill and \$436,353 for the "Free Property" landfill area that won't be accessed until after the year 2011.

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.

C. Litigation

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding various issues. While other cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10: RETIREMENT PLANS

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 3.8% (general) and 37.7% (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.

Annual Pension Cost

For 2011, the City’s annual pension cost of \$2,873,531 was equal to the required and actual contribution. The required contribution was determined as part of the February 28, 2009 annual actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions as of February 28, 2011 included (a) a rate of return on the investment of

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) preretirement mortality based on 75% of the RP-2000 Combined Healthy Table, set back 0 years for men and 0 years for women, and (e) postretirement mortality based on 105% of the 1994 Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The amortization period at February 28, 2009 was 1 years for the general division and 21 years for the fire division.

As of February 28, 2011, the most recent actuarial valuation date, the plan was 64 percent funded. The actuarial accrued liability for benefits was \$54,909,587, and the actuarial value of assets was \$35,172,854, resulting in an unfunded accrued liability (UAAL) of \$19,736,733. The covered payroll (annual payroll of active employees covered by the plan) was \$21,533,525, and the ratio of the UAAL to the covered payroll was 92 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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. Member contributions are 100% refundable, without interest, upon resignation or dismissal prior to obtaining 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

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.

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, 2011, the participant's contribution rate was 4%. The City is required to contribute at an actuarially determined rate; the current rate is 33.7% of annual covered payroll.

Annual Pension Cost

For 2011, the City's annual pension cost of \$1,786,550 was equal to the required and actual contribution. The required contribution was determined as part of the January 1, 2011 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions as of January 1, 2011 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.

As of January 1, 2011, the most recent actuarial valuation date, the plan was 68 percent funded. The actuarial accrued liability for benefits was \$38,762,271, and the actuarial value of assets was \$26,333,980, resulting in an unfunded accrued liability (UAAL) of

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

\$12,428,291. The covered payroll (annual payroll of active employees covered by the plan) was \$5,234,079, and the ratio of the UAL to the covered payroll was 237 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Number of Participants	LAGERS	Police Pension	Total
Inactive Participants:			
Retirees and beneficiaries currently receiving benefits	339	94	433
Terminated employees entitled to future benefits	-	-	-
Total Inactive Participants	339	94	433
Active Participants:			
Fully vested	N/A	27	27
Partially vested	N/A	83	83
Non-vested	N/A	-	-
Total Active Participants	516	110	626
Total Number of Participants	<u>855</u>	<u>204</u>	<u>1,059</u>

Three-Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
LAGERS	06/30/09	\$ 2,862,763	100%	-0-
	06/30/10	2,692,228	100%	-0-
	06/30/11	2,873,531	100%	-0-
Police Pension	06/30/09	\$ 1,550,095	100%	-0-
	06/30/10	1,980,812	100%	-0-
	06/30/11	1,786,550	100%	-0-

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits the City provides the post employment healthcare benefits described below. In past years the City has recorded the cost of providing these benefits on a pay-as-you-go-basis. During the year ended June 30, 2009, the City adopted Government Accounting Standards Board (GASB) Statement No. 45. Under GASB 45, the City recognizes the cost of post-employment healthcare benefits in the year in which the employee services are provided, reports the accumulated liability from prior years, and provides additional information useful to assess potential demands on the City's future cash flows. Recognition of the liability that has accumulated from prior years will be phased in over 30 years, commencing with the 2009 fiscal year.

Plan Description

The City provides for a continuation of health, dental and life benefits to employees that retire from City employment and who participate in the Missouri Local Government Employees Retirement System (LAGERS).

The City requires the retirees to pay 100% of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those had the retirees been rated as a separate group. The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under GASB Statement No. 45.

Retirees and spouses have the same benefits as active employees. However, all retiree coverage terminates upon Medicare entitlement or when payment is not received on a timely basis. When the retiree attains Medicare eligibility age, it may be a COBRA qualifying event for the spouse.

Funding Policy

GASB Statement No. 45 does not require funding of the OPEB liability, and the City has chosen not to fund it.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over a period of time that the City has selected as being thirty years.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

The following table shows the components of the City's annual OPEB cost for the year, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$ 811,687
Interest on net OPEB obligation	36,526
Adjustment to annual required contribution	<u>(73,909)</u>
Annual OPEB cost (expense)	774,304
Less: Net employer contribution	<u>134,700</u>
Change in net OPEB obligation	639,604
Net OPEB obligation - July 1, 2010	<u>1,258,073</u>
Net OPEB obligation - June 30, 2011	<u><u>\$ 1,897,677</u></u>

This net OPEB obligation is recorded on the City's financial statements as follows:

	<u>Net OPEB Obligation</u>
Governmental Activities	<u>\$ 1,637,834</u>
Business-Type Activities	
Sewer	169,607
Landfill	49,001
Other Business-Type Funds	<u>41,235</u>
Total Business-Type Activities	<u>259,843</u>
Total Government	<u><u>\$ 1,897,677</u></u>

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2011 is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 729,965	9%	\$ 664,246
6/30/2010	692,934	14%	1,258,073
6/30/2011	774,304	17%	1,897,677

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Funded Status and Funding Progress

As of June 30, 2011, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$7,344,894. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$26,810,493, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 28 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit actuarial cost method is used in the June 30, 2008 initial actuarial valuation. At this initial valuation date, actuarial present value of benefits is determined for each participant. The sum of these actuarial present values of benefits allocated to the current valuation year is the normal cost for the initial plan year. The sum of actuarial present values of benefits allocated to all valuation years preceding the valuation date represents the actuarial accrued liability.

The actuarial assumptions include a 4.5 percent investment rate of return and a 3.5 percent inflation rate. The actuarial assumptions for healthcare cost trend is a growth factor of 8.5 percent for the first year and then declining by 0.5 percent per year until 4.5 percent is reached. The 4.5 percent growth is used on a go-forward basis. The UAAL will be amortized over a period of 30 years in level dollar amounts on an open period amortization basis.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 12: FUND BALANCE

The City classifies fund balance based on the nature of the particular net resources reported in a governmental fund and on the constraints placed on their use.

Fund Balance	Governmental activities					Total
	General	Street Maintenance	Special Allocation	Capital Sales Tax	Nonmajor	
Nonspendable:						
Prepays	\$ 94,782	-	-	-	-	\$ 94,782
Loan Receivables	313,726	-	-	-	-	313,726
Total Nonspendable	408,508	-	-	-	-	408,508
Restricted for:						
Debt Service	250,159	-	\$ 12,733,880	-	-	12,984,039
General Government	15,000	-	-	-	\$ 5,605,980	5,620,980
Public Safety	24,841	-	-	-	-	24,841
Highways	-	\$ 1,538,356	-	-	-	1,538,356
Health & Welfare	86,248	-	-	-	-	86,248
Parks	33,380	-	-	-	-	33,380
Capital Projects	-	-	-	\$ 10,981,858	-	10,981,858
Total Restricted	409,628	1,538,356	12,733,880	10,981,858	5,605,980	31,269,702
Committed for:						
General Government	2,317,094	-	-	-	-	2,317,094
Public Safety	26,628	-	-	-	-	26,628
Highways	84,160	-	-	-	-	84,160
Health & Welfare	3,000	-	-	-	-	3,000
Parks	62,000	-	-	-	-	62,000
Total Committed	2,492,882	-	-	-	-	2,492,882
Assigned to:						
General Government	1,095,002	-	-	-	-	1,095,002
Public Safety	79,259	-	-	-	-	79,259
Highways	12,675	-	-	-	-	12,675
Health & Welfare	12,396	-	-	-	-	12,396
Parks	7,646	-	-	-	-	7,646
Total Assigned	1,206,978	-	-	-	-	1,206,978
Unassigned:						
General Government	3,176,846	-	-	-	(121,516)	3,055,330
Total Unassigned	3,176,846	-	-	-	(121,516)	3,055,330
Total Fund Balance	\$ 7,694,842	\$ 1,538,356	\$ 12,733,880	\$ 10,981,858	\$ 5,484,464	\$ 38,433,400

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year end.

Fund Balance	Governmental activities					Total
	General	Street Maintenance	Special Allocation	Capital Sales Tax	Nonmajor	
Encumbrances	\$ 331,271	\$ 1,481,042	\$ -	\$ 5,679,032	\$ 2,051,687	\$ 9,543,032

NOTE 13: SUBSEQUENT EVENTS

The City evaluated subsequent events through the date the financial statements were available to be issued.

During the week of May 23, 2011, the City of St. Joseph was notified by the Corps of Engineers of possible high river flow on the Missouri River. The reason for the high flow was related to the fact that the Corps of Engineers was releasing record flow out of its reservoirs upstream. This action was taken in order to maintain safe levels behind those reservoirs, which have been at a record high caused by snow pack and record rainfall in the northern Missouri River basin. The Missouri River levels at St. Joseph were above flood stage for over three months causing flooding and levy failures. On August 12, 2011, Buchanan County and the City were declared a natural disaster and eligible for FEMA assistance. The City is working with FEMA to assess and evaluate damages.

On December 1, 2011, the City of St. Joseph has issued \$6,685,000 in Missouri Development Finance Board Infrastructure Facilities Refunding Revenue Bonds – Triumph Foods, LLC Project, Series 2011A to refinance a portion of the Stockyards Redevelopment Project. The interest rate on the bonds range from 2.00 – 4.625 percent and the maturity date is May 1, 2024.

On December 1, 2011, the City of St. Joseph has issued \$22,275,000 in Missouri Development Finance Board Infrastructure Facilities Refunding Revenue Bonds – Sewerage System Improvement Projects, Series 2011E to provide financial assistance for improvements to the city’s sewerage system. The interest rate on the bonds range from 2.00 – 5.375 percent and the mature date is May 1, 2036.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS

In December, 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer and other post-employment benefit plans. The City is currently evaluating the impact of adopting Statement No. 57. The City will implement GASB No. 57 beginning with the year ended June 30, 2012.

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This statement improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The City is currently evaluating the impact of adopting Statement No. 60. The City will implement GASB No. 60 beginning with the year ended June 30, 2013.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus – and Amendment of GASB Statements No. 14 and No. 34*. The objective of this statement is to improve financial reporting for a governmental financial reporting entity. GASB Statements No 14 and No. 34 have been amended to better meet user needs and address reporting entity issues that have arisen since the issuance of those Statements. The City is currently evaluating the impact of adopting Statement No. 61. The City will implement GASB No. 61 beginning with the year ended June 30, 2013.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

The City is currently evaluating the impact of adopting Statement No 62. The City will implement GASB No. 62 beginning with the year ended June 30, 2013.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The City is currently evaluating the impact of adopting Statement No. 63. The City will implement GASB. No. 63 beginning with the year ended June 30, 2013.

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. This statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and when hedge accounting should continue to be applied. The City is currently evaluating the impact of adopting Statement No. 64. The City will implement GASB No. 64 beginning with the year ended June 30, 2012.

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, 2011

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 10,872,472	\$ 10,872,472	\$ 10,671,471	\$ (201,001)
Sales	16,211,877	16,211,877	16,054,841	(157,036)
Franchise	7,673,351	7,673,351	7,808,123	134,772
Motor Fuel	700,000	700,000	791,395	91,395
Cigarette	455,000	455,000	439,289	(15,711)
Hotel	549,600	549,600	443,127	(106,473)
Licenses and permits	1,381,390	1,381,390	1,342,891	(38,499)
Intergovernmental	1,953,111	2,809,031	2,324,578	(484,453)
Charges for services	3,293,716	3,294,969	2,926,716	(368,253)
Fines	1,213,185	1,213,185	929,267	(283,918)
Investment earnings	59,950	59,950	19,415	(40,535)
Contributions and donations	49,450	52,624	45,231	(7,393)
Other	188,605	231,796	174,412	(57,384)
Total revenues	44,601,707	45,505,245	43,970,756	(1,534,489)
Expenditures				
Current:				
General government				
City council				
Salaries	49,167	49,167	49,167	-
Benefits	125,347	125,347	106,094	19,253
Materials and supplies	2,500	2,500	2,133	367
Outside services	39,365	39,365	38,386	979
Total City council	216,379	216,379	195,780	20,599
City clerk				
Salaries	93,371	93,596	93,582	14
Benefits	27,864	27,639	27,033	606
Materials and supplies	3,600	3,600	2,288	1,312
Outside services	59,895	155,065	147,630	7,435
Total City clerk	184,730	279,900	270,533	9,367
Municipal court				
Salaries	264,237	264,237	250,252	13,985
Benefits	68,823	68,823	68,603	220
Materials and supplies	5,880	5,880	4,164	1,716
Outside services	105,452	105,452	95,544	9,908
Total Municipal court	444,392	444,392	418,563	25,829
City manager				
Salaries	305,782	305,782	244,979	60,803
Benefits	105,052	105,052	86,733	18,319
Materials and supplies	3,925	3,812	2,963	849
Outside services	91,135	91,248	78,261	12,987
Total City manager	505,894	505,894	412,936	92,958
Human resources				
Salaries	239,840	239,840	238,871	969
Benefits	76,746	76,746	72,258	4,488
Materials and supplies	6,600	6,600	3,815	2,785
Outside services	49,990	49,990	45,540	4,450
Total Human resources	373,176	373,176	360,484	12,692

(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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Legal				
Salaries	345,005	345,005	344,812	193
Benefits	92,383	93,538	93,536	2
Materials and supplies	3,900	2,780	2,756	24
Outside services	200,319	200,284	174,232	26,052
Total Legal	641,607	641,607	615,336	26,271
Planning				
Salaries	175,525	175,525	174,399	1,126
Benefits	52,081	54,081	53,407	674
Materials and supplies	2,000	2,000	1,328	672
Outside services	119,285	136,285	129,771	6,514
Total Planning	348,891	367,891	358,905	8,986
Finance				
Salaries	713,112	714,147	714,118	29
Benefits	229,606	229,606	228,486	1,120
Materials and supplies	29,265	29,265	28,843	422
Outside services	320,487	319,452	301,616	17,836
Total Finance	1,292,470	1,292,470	1,273,063	19,407
Technology				
Salaries	180,943	181,218	181,214	4
Benefits	66,104	65,829	61,133	4,696
Materials and supplies	172,425	134,575	127,082	7,493
Outside services	124,710	172,560	169,376	3,184
Total Technology	544,182	554,182	538,805	15,377
Customer assistance				
Salaries	616,540	606,670	592,527	14,143
Benefits	212,093	205,817	204,747	1,070
Materials and supplies	15,560	17,120	15,207	1,913
Outside services	93,347	107,933	78,459	29,474
Total Customer assistance	937,540	937,540	890,940	46,600
Community resources				
Salaries	331,040	340,290	340,246	44
Benefits	105,871	105,871	102,188	3,683
Materials and supplies	45,700	45,700	33,263	12,437
Outside services	341,490	322,240	225,667	96,573
Total Community resources	824,101	814,101	701,364	112,737
Other - unclassified				
Salaries	305,000	305,000	106,879	198,121
Benefits	-	350	350	-
Outside services	1,852,182	1,865,493	943,368	922,125
Total Other - unclassified	2,157,182	2,170,843	1,050,597	1,120,246
Total general government	8,470,544	8,598,375	7,087,306	1,511,069 (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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Public safety:				
Police				
Salaries	7,114,699	7,065,075	6,938,405	126,670
Benefits	3,520,703	3,558,211	3,503,930	54,281
Materials and supplies	478,679	539,973	515,709	24,264
Outside services	1,635,482	1,688,141	1,654,619	33,522
Capital outlay	428,656	857,870	516,658	341,212
Total Police	13,178,219	13,709,270	13,129,321	579,949
Fire				
Salaries	6,383,354	6,383,354	6,319,489	63,865
Benefits	3,558,786	3,558,786	3,547,240	11,546
Materials and supplies	145,185	185,791	167,977	17,814
Outside services	252,065	258,334	258,296	38
Capital outlay	-	11,977	11,976	1
Total Fire	10,339,390	10,398,242	10,304,978	93,264
Total public safety	23,517,609	24,107,512	23,434,299	673,213
Highway and streets				
Salaries	1,391,953	1,391,953	1,385,053	6,900
Benefits	417,574	417,574	404,040	13,534
Materials and supplies	323,180	376,680	376,214	466
Outside services	704,603	770,217	717,891	52,326
Total Highway and streets	2,837,310	2,956,424	2,883,198	73,226
Parks and recreation				
Salaries	1,443,485	1,471,938	1,469,957	1,981
Benefits	343,580	346,950	345,396	1,554
Materials and supplies	388,448	369,236	312,112	57,124
Outside services	799,378	793,553	771,275	22,278
Capital outlay	16,340	16,340	-	16,340
Total Parks and recreation	2,991,231	2,998,017	2,898,740	99,277
Health and welfare				
Salaries	1,635,037	1,689,222	1,582,405	106,817
Benefits	531,044	562,236	494,965	67,271
Materials and supplies	143,733	212,969	116,331	96,638
Outside services	848,625	971,659	851,004	120,655
Total Health and welfare	3,158,439	3,436,086	3,044,705	391,381
Total expenditures	40,975,133	42,096,414	39,348,248	2,748,166
Revenues over (under) expenditures	3,626,574	3,408,831	4,622,508	1,213,677
Other financing sources (uses)				
Transfers in	2,452,907	2,690,077	2,498,727	(191,350)
Transfers out	(6,082,950)	(7,564,237)	(6,866,630)	697,607
Sale of capital assets	-	-	535	535
Total other financing sources	(3,630,043)	(4,874,160)	(4,367,368)	506,792
Net change in fund balances, net	(3,469)	(1,465,329)	255,140	1,720,469
Fund balances, beginning of year	3,992,142	3,992,142	3,992,142	-
Transfers in - full and partial fund consolidation	-	-	3,887,966	-
Fund balances - ending	\$ 3,988,673	\$ 2,526,813	\$ 8,135,248	\$ 1,720,469

(concluded)

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

CITY OF ST. JOSEPH, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
STREETS MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Revenues				
Taxes:				
Motor Fuel	\$ 2,707,644	\$ 2,707,644	\$ 2,692,733	\$ (14,911)
Licenses and permits	13,000	13,000	1,323	(11,677)
Intergovernmental	-	-	37,063	37,063
Charges for services	300,000	300,000	149,798	(150,202)
Special assessments	-	-	4,486	4,486
Investment earnings	5,000	5,000	528	(4,472)
Other	-	35,475	71,638	36,163
Total revenues	<u>3,025,644</u>	<u>3,061,119</u>	<u>2,957,569</u>	<u>(103,550)</u>
Expenditures				
Highways and streets				
Salaries	2,026,623	1,981,523	1,909,955	71,568
Benefits	660,383	648,973	625,206	23,767
Materials and supplies	1,391,400	1,312,310	1,311,927	383
Outside services	1,356,850	1,553,450	1,552,099	1,351
Capital outlay	1,881,270	1,980,390	1,970,951	9,439
Total Highways and streets	<u>7,316,526</u>	<u>7,476,646</u>	<u>7,370,138</u>	<u>106,508</u>
Revenues over (under) expenditures	<u>(4,290,882)</u>	<u>(4,415,527)</u>	<u>(4,412,569)</u>	<u>2,958</u>
Other financing sources (uses)				
Transfers in	4,290,870	4,533,395	4,481,963	(51,432)
Transfers out	-	(117,880)	(117,880)	-
Total other financing sources	<u>4,290,870</u>	<u>4,415,515</u>	<u>4,364,083</u>	<u>(51,432)</u>
Net change in fund balances	(12)	(12)	(48,486)	(48,474)
Fund balances, beginning of year	2,557,401	2,557,401	2,557,401	-
Transfers out - partial fund consolidation	-	-	(1,040,656)	-
Fund balances - ending	<u>\$ 2,557,389</u>	<u>\$ 2,557,389</u>	<u>\$ 1,468,259</u>	<u>\$ (48,474)</u>

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, 2011

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 573,201	\$ 573,201	\$ 561,929	\$ (11,272)
Sales	2,144,900	2,152,200	2,161,656	9,456
Intergovernmental activity	4,128,236	4,129,143	3,734,112	(395,031)
Charges for services	15,000	15,000	3,500	(11,500)
Investment earnings	51,400	51,400	623,302	571,902
Other	1,851,846	1,871,846	1,175,302	(696,544)
Total revenues	<u>8,764,583</u>	<u>8,792,790</u>	<u>8,259,801</u>	<u>(532,989)</u>
Expenditures				
General government				
Outside services	7,867,266	7,895,473	7,749,148	146,325
Total General government	<u>7,867,266</u>	<u>7,895,473</u>	<u>7,749,148</u>	<u>146,325</u>
Revenues over (under) expenditures	<u>897,317</u>	<u>897,317</u>	<u>510,653</u>	<u>(386,664)</u>
Other financing sources (uses)				
Transfers in	5,050	5,050	2,727	(2,323)
Total other financing sources	<u>5,050</u>	<u>5,050</u>	<u>2,727</u>	<u>(2,323)</u>
Net change in fund balances	902,367	902,367	513,380	(388,987)
Fund balances - beginning	12,220,500	12,220,500	12,220,500	-
Fund balances - ending	<u>\$ 13,122,867</u>	<u>\$ 13,122,867</u>	<u>\$ 12,733,880</u>	<u>\$ (388,987)</u>

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

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2011

A. Budgetary Information

Annual budgets are adopted by City Ordinances for the General, Special Revenue (except the CDBG Loan funds and the Downtown Business District fund), Capital Projects 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 and the Downtown Business District fund), Capital Projects, and 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

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2011

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 fiscal year 2011 beginning adopted fund balance includes partial and full consolidation of fund balances from the Streets Maintenance, Parks Maintenance and Public Health funds to the General and CIP Sales Tax funds.

Fund	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Streets Maintenance	\$ 1,040,656	-0-	\$ 1,040,656
Parks Maintenance	670,604	\$ 6,867	677,471
Public Health	2,176,706	-0-	2,176,706
<u>Total</u>	<u>\$ 3,887,966</u>	<u>\$ 6,867</u>	<u>\$ 3,894,833</u>

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 construction costs of the multipurpose athletic facility, equipment purchases from the COPS Technology grant, the Missouri Theater fire deductible, the transit operational study and MWSU traffic study, fill the vacancy of the City Manager position, and finance the Hotel/Motel tax election as well as the sewer revenue bond election. The Special Revenue budget increase is from Pershing and Rock Springs Road repair and the resurfacing program in the Street Maintenance Fund, improve security at the Horace Mann building in the Parks, Recreation and Civic Facilities fund, recognize the Neighborhood Stabilization Program and allocate funding for Applewood Estates senior housing in the Community Development Block Grant Fund, renovate Phil Welch stadium and Heritage softball complex, finance city’s portion of the Dream Initiative, and the “Shop St. Joseph” campaign paid from the Riverboat fund, and cover maintenance expenses at the

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2011

Wyeth-Tootle Mansion in the Museum fund. The Capital Projects increase to the budget is to refurbish the Fire Department Ladder Truck #5, purchase a new Fire Pumper Truck, new construction of Fire Station #12, resurface basketball courts located at Bode Sports Complex, and roof replacements at Noyes Tennis Court and Missouri Theater. The increase in the Enterprise Funds is for the Military Construction Cooperative Agreement for the fire crash/rescue station and the taxiway alpha located at Rosecrans Memorial Airport, sewer line collapsed insurance deductible and resurface parking lot at the water protection plant in the Sewer fund, finance first year of golf operations in the new facility at Fairview Golf Course, pay the city's share of two new coach buses from Gillig in the Mass Transit fund and the Landfill Fund acquired land for the new Recycling facility.

2011 Budget			
Fund Type	Original Appropriation	Amended Appropriation	Increase
General	\$ 47,058,083	\$ 49,660,651	\$ 2,602,568
Special Revenue	21,758,235	26,656,970	4,898,735
Capital	8,468,899	11,013,304	2,544,405
Enterprise	70,672,544	79,330,689	8,658,145
Total	\$ 147,957,761	\$ 166,661,614	\$ 18,703,853

CITY OF ST. JOSEPH, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2011**

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, 2011:

	<u>General Fund</u>	<u>Street Improvement Maintenance and Repair Fund</u>	<u>Special Allocation Fund</u>
Ending Fund Balance on budgetary basis	\$ 8,135,248	\$ 1,468,259	\$ 12,733,880
Encumbrances outstanding June 30, 2010	316,555	1,476,974	-
Prior Year Encumbrances Expended in FY 2010	(200,523)	(1,400,364)	-
Accrued payroll	<u>(556,438)</u>	<u>(6,513)</u>	<u>-</u>
Ending Fund Balance on GAAP basis	\$ <u>7,694,842</u>	\$ <u>1,538,356</u>	\$ <u>12,733,880</u>

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2011

SCHEDULE OF FUNDING PROGRESS

PENSION PLANS

LAGERS Pension

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
02/28/09	\$32,124,099	\$52,969,615	\$20,845,516	61.0%	\$22,028,176	95.0%
02/28/10	32,974,443	53,027,997	20,053,554	62.0%	22,103,979	91.0%
02/28/11	35,172,854	54,909,587	19,736,733	64.0%	21,533,525	92.0%

Police Pension

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded Actuarial Accrued 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%
01/01/09	20,158,258	36,492,434	16,334,176	55.2%	5,137,480	317.9%
01/01/10	23,454,239	37,703,762	14,249,523	62.2%	5,276,973	270.0%
01/01/11	26,333,980	38,762,271	12,428,291	67.9%	5,234,079	237.4%

OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit(b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
06/30/09	\$-0-	\$6,188,946	\$6,188,946	0.0%	\$26,049,574	23.8%
06/30/10	-0-	6,408,408	6,408,408	0.0%	27,165,656	23.6%
6/30/11	-0-	7,344,894	7,344,894	0.0%	26,810,498	27.3%

CITY OF ST. JOSEPH, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2011**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PENSION PLANS

LAGERS Pension

Year Ended		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/09	\$	2,862,763	100%	—
06/30/10		2,692,228	100%	—
06/30/11		2,873,531	100%	—

Police Pension

06/30/06	\$	1,671,950	100%	—
06/30/07		1,675,384	100%	—
06/30/08		1,536,575	100%	—
06/30/09		1,550,095	100%	—
06/30/10		1,980,812	100%	—
06/30/11		1,786,550	100%	—

OTHER POST-EMPLOYMENT BENEFITS

Year Ended		Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
06/30/09	\$	729,965	9%	\$ 664,246
06/30/10		692,934	14%	1,258,073
06/30/11		774,304	17%	1,897,677

CITY OF ST. JOSEPH, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Parks & Recreation	Public Health	Community Development	Riverboat Gaming	Museum	C.D Rehab Loan	Home Revolving Loan	Downtown Business District	Total Nonmajor Governmental Funds
Assets									
Cash and investments	\$ 40,361	\$ -	\$ 100,057	\$ 425,409	\$ 436,227	\$ 841,342	\$ 157,168	\$ 52,524	\$ 2,053,088
Receivables	35,974	-	10,244	197,254	34,040	-	-	9,027	286,539
Loan receivables	-	-	120,000	-	-	1,487,751	2,140,260	-	3,748,011
Property held for resale	-	-	292,107	-	-	-	-	-	292,107
Due from other governments	22,204	-	634,298	-	-	-	-	-	656,502
Prepaid items	-	-	1,840	-	-	-	-	-	1,840
Total assets	\$ 98,539	\$ -	\$ 1,158,546	\$ 622,663	\$ 470,267	\$ 2,329,093	\$ 2,297,428	\$ 61,551	\$ 7,038,087
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 34,090	\$ -	\$ 346,944	\$ 109,833	\$ 10,654	\$ 12,980	\$ 6,306	\$ 16	\$ 520,823
Due to other funds	-	-	917,528	-	-	-	-	-	917,528
Accrued payroll	38,500	-	12,149	-	-	-	-	-	50,649
Deferred revenue	29,390	-	-	-	26,799	-	-	8,434	64,623
Total liabilities	101,980	-	1,276,621	109,833	37,453	12,980	6,306	8,450	1,553,623
Fund balances:									
Restricted	-	-	-	512,830	432,814	2,316,113	2,291,122	53,101	5,605,980
Unassigned (deficit)	(3,441)	-	(118,075)	-	-	-	-	-	(121,516)
Total fund balances	(3,441)	-	(118,075)	512,830	432,814	2,316,113	2,291,122	53,101	5,484,464
Total liabilities and fund balances	\$ 98,539	\$ -	\$ 1,158,546	\$ 622,663	\$ 470,267	\$ 2,329,093	\$ 2,297,428	\$ 61,551	\$ 7,038,087

CITY OF ST. JOSEPH, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue					Capital Projects			Total Nonmajor Governmental Funds
	Parks & Recreation	Public Health	Community Development	Riverboat Gaming	Museum	C.D Rehab Loan	Home Revolving Loan	Downtown Business District	
Revenues									
Taxes:									
Property	\$ 586,443	\$ -	\$ -	\$ -	\$ 482,161	\$ -	\$ -	\$ 47,123	\$ 1,115,727
Licenses and permits	94,258	-	-	-	-	-	-	-	94,258
Intergovernmental	142,250	-	4,181,738	-	-	-	-	-	4,323,988
Charges for services	47,779	-	3,450	1,092,315	-	-	-	-	1,143,544
Special assessments	-	-	21,516	-	-	-	-	-	21,516
Investment earnings	303	-	10	864	795	44,781	30,226	213	77,192
Contributions and donations	8,735	-	-	-	-	-	-	-	8,735
Other	185	-	112,567	100,000	-	58,359	231,541	-	502,652
Total revenues	879,953	-	4,319,281	1,193,179	482,956	103,140	261,767	47,336	7,287,612
Expenditures									
Current:									
General government	-	-	2,196,276	340,775	348,968	93,233	160,698	91,470	3,231,420
Public works	-	-	252,137	-	-	-	-	-	252,137
Health and welfare	-	-	1,980,047	-	-	-	-	-	1,980,047
Parks and recreation	2,000,717	-	-	-	-	-	-	-	2,000,717
Capital outlay	199,935	-	-	37,768	-	-	-	-	237,703
Total expenditures	2,200,652	-	4,428,460	378,543	348,968	93,233	160,698	91,470	7,702,024
Excess (deficiency) of revenues over (under) expenditures	(1,320,699)	-	(109,179)	814,636	133,988	9,907	101,069	(44,134)	(414,412)
Other financing sources (uses)									
Transfers in	1,228,067	-	112,495	-	-	-	-	-	1,340,562
Transfers out	(677,471)	(2,176,706)	(233,809)	(567,357)	(72,262)	-	(112,495)	(9,700)	(3,849,800)
Total other financing sources (uses),net	550,596	(2,176,706)	(121,314)	(567,357)	(72,262)	-	(112,495)	(9,700)	(2,509,238)
Net change in fund balances	(770,103)	(2,176,706)	(230,493)	247,279	61,726	9,907	(11,426)	(53,834)	(2,923,650)
Fund balances - beginning	766,662	2,176,706	112,418	265,551	371,088	2,306,206	2,302,548	106,935	8,408,114
Fund balances (deficit) - ending	\$ (3,441)	\$ -	\$ (118,075)	\$ 512,830	\$ 432,814	\$ 2,316,113	\$ 2,291,122	\$ 53,101	\$ 5,484,464

CITY OF ST. JOSEPH, MISSOURI
PARKS MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 582,410	\$ 582,410	\$ 586,443	\$ 4,033
Licenses and permits	94,000	94,000	94,258	258
Intergovernmental	70,000	145,360	142,250	(3,110)
Charges for services	43,787	47,777	47,779	2
Investment earnings	-	-	303	303
Contributions and donations	-	7,509	8,735	1,226
Other	-	-	185	185
Total revenues	790,197	877,056	879,953	2,897
Expenditures				
Parks and recreation				
Salaries	1,029,121	1,037,211	1,037,191	20
Benefits	307,417	311,827	311,819	8
Materials and supplies	136,150	165,150	164,434	716
Outside services	375,925	472,920	472,904	16
Capital outlay	109,000	124,348	124,335	13
Total Parks and recreation	1,957,613	2,111,456	2,110,683	773
Revenues over (under) expenditures	(1,167,416)	(1,234,400)	(1,230,730)	3,670
Other financing sources (uses)				
Transfers in	1,180,480	1,243,242	1,228,067	(15,175)
Transfers out	-	-	-	-
Total other financing sources	1,180,480	1,243,242	1,228,067	(15,175)
Net change in fund balances	13,064	8,842	(2,663)	(11,505)
Fund balances, beginning of year	766,662	766,662	766,662	-
Transfers out - partial fund consolidation	-	-	(677,471)	-
Fund balances - ending	\$ 779,726	\$ 775,504	\$ 86,528	\$ (11,505)

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, 2011

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Intergovernmental	\$ 2,985,088	\$ 7,483,221	\$ 4,181,738	\$ (3,301,483)
Special assessments	23,000	23,000	21,516	(1,484)
Investment earnings	1,000	1,000	10	(990)
Other	25,629	25,629	112,567	86,938
Total revenues	<u>3,034,717</u>	<u>7,532,850</u>	<u>4,319,281</u>	<u>(3,213,569)</u>
Expenditures				
General government				
Salaries	81,238	81,238	72,681	8,557
Benefits	33,564	33,564	22,351	11,213
Materials and supplies	3,050	3,050	1,480	1,570
Outside services	21,332	3,038,604	2,300,696	737,908
Total General government	<u>139,184</u>	<u>3,156,456</u>	<u>2,397,208</u>	<u>759,248</u>
Health and welfare				
Salaries	203,859	203,859	171,134	32,725
Benefits	86,365	86,365	66,340	20,025
Materials and supplies	9,503	9,428	1,490	7,938
Outside services	1,890,345	3,371,281	2,637,593	733,688
Total Health and welfare	<u>2,190,072</u>	<u>3,670,933</u>	<u>2,876,557</u>	<u>794,376</u>
Public works				
Salaries	91,845	91,845	80,386	11,459
Benefits	34,060	34,060	23,396	10,664
Materials and supplies	3,555	3,555	2,257	1,298
Outside services	251,367	251,367	160,867	90,500
Total Public works	<u>380,827</u>	<u>380,827</u>	<u>266,906</u>	<u>113,921</u>
Total expenditures	<u>2,710,083</u>	<u>7,208,216</u>	<u>5,540,671</u>	<u>1,667,545</u>
Revenues over (under) expenditures	<u>324,634</u>	<u>324,634</u>	<u>(1,221,390)</u>	<u>(1,546,024)</u>
Other financing sources (uses)				
Transfers in	-	-	112,495	112,495
Transfers out	(275,005)	(275,005)	(233,809)	41,196
Total other financing sources	<u>(275,005)</u>	<u>(275,005)</u>	<u>(121,314)</u>	<u>153,691</u>
Net change in fund balances	49,629	49,629	(1,342,704)	(1,392,333)
Fund balances - beginning	112,418	112,418	112,418	-
Fund balances(deficit) - ending	<u>\$ 162,047</u>	<u>\$ 162,047</u>	<u>\$ (1,230,286)</u>	<u>\$ (1,392,333)</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, 2011

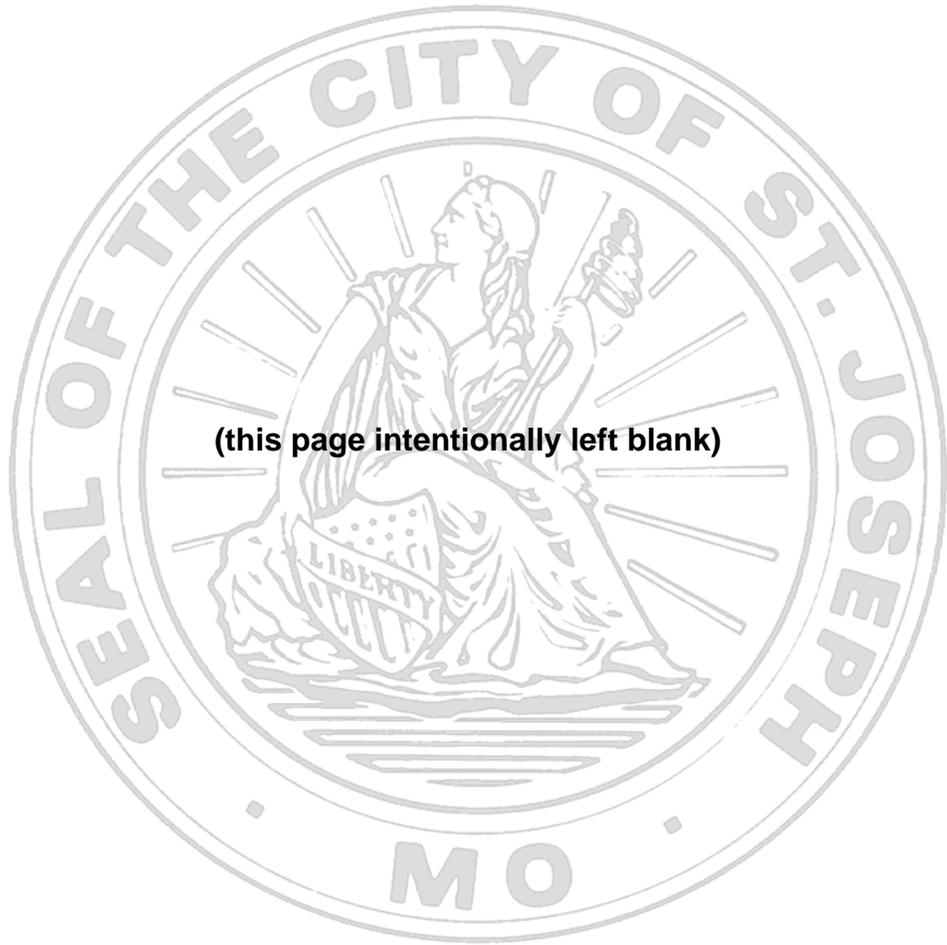
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
Revenues				
Charges for services	\$ 973,000	\$ 973,000	\$ 1,092,315	\$ 119,315
Investment earnings	1,000	1,000	864	(136)
Other	-	-	100,000	100,000
Total revenues	<u>974,000</u>	<u>974,000</u>	<u>1,193,179</u>	<u>219,179</u>
Expenditures				
General government				
Outside services	346,867	351,367	340,775	10,592
Capital outlay	40,000	40,000	37,768	2,232
Total General government	<u>386,867</u>	<u>391,367</u>	<u>378,543</u>	<u>12,824</u>
Revenues over (under) expenditures	<u>587,133</u>	<u>582,633</u>	<u>814,636</u>	<u>232,003</u>
Other financing sources (uses)				
Transfers out	(591,250)	(766,789)	(567,357)	199,432
Total other financing sources	<u>(591,250)</u>	<u>(766,789)</u>	<u>(567,357)</u>	<u>199,432</u>
Net change in fund balances	(4,117)	(184,156)	247,279	431,435
Fund balances - beginning	265,551	265,551	265,551	-
Fund balances - ending	<u>\$ 261,434</u>	<u>\$ 81,395</u>	<u>\$ 512,830</u>	<u>\$ 431,435</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
Revenues				
Taxes:				
Property	\$ 487,185	\$ 487,185	\$ 482,161	\$ (5,024)
Investment earnings	1,500	1,500	795	(705)
Total revenues	<u>488,685</u>	<u>488,685</u>	<u>482,956</u>	<u>(5,729)</u>
Expenditures				
General government				
Outside services	313,360	353,570	352,412	1,158
Total General government	<u>313,360</u>	<u>353,570</u>	<u>352,412</u>	<u>1,158</u>
Revenues over (under) expenditures	<u>175,325</u>	<u>135,115</u>	<u>130,544</u>	<u>(4,571)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(340,265)	(338,290)	(72,262)	266,028
Total other financing sources	<u>(340,265)</u>	<u>(338,290)</u>	<u>(72,262)</u>	<u>266,028</u>
Net change in fund balances	(164,940)	(203,175)	58,282	261,457
Fund balances - beginning	371,088	371,088	371,088	-
Fund balances - ending	<u>\$ 206,148</u>	<u>\$ 167,913</u>	<u>\$ 429,370</u>	<u>\$ 261,457</u>

CITY OF ST. JOSEPH, MISSOURI
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Revenues				
Taxes:				
Sales	\$ 5,374,880	\$ 5,374,880	\$ 5,321,968	\$ (52,912)
Intergovernmental	-	222,858	1,400,884	1,178,026
Investment earnings	150,000	150,000	20,821	(129,179)
Payments in lieu of taxes	-	-	286,382	286,382
Other	-	-	541,130	541,130
Total revenues	5,524,880	5,747,738	7,571,185	1,823,447
Expenditures				
Capital outlay				
Outside services	335,000	345,750	103,413	242,337
Capital outlay	8,011,399	10,545,054	7,762,165	2,782,889
Total Capital outlay	8,346,399	10,890,804	7,865,578	3,025,226
Revenues over (under) expenditures	(2,821,519)	(5,143,066)	(294,393)	4,848,673
Other financing sources (uses)				
Transfers in	761,315	2,034,854	1,286,730	(748,124)
Transfers out	(122,500)	(122,500)	-	122,500
Total other financing sources	638,815	1,912,354	1,286,730	(625,624)
Net change in fund balances	(2,182,704)	(3,230,712)	992,337	4,223,049
Fund balances, beginning of year	8,923,700	8,923,700	8,923,700	-
Transfers in - partial fund consolidation	-	-	6,867	-
Fund balances - ending	\$ 6,740,996	\$ 5,692,988	\$ 9,922,904	\$ 4,223,049



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CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2011

Business-type Activities - Enterprise Funds

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
Assets				
Current assets:				
Cash and investments	\$ 636,593	\$ 238,588	\$ 20,727	\$ 895,908
Restricted cash and cash equivalents	-	57,158	-	57,158
Interest receivable	101	38	3	142
Accounts receivable (net of allowance for uncollectibles)	-	2,021	6,079	8,100
Due from other governments	1,759,658	-	-	1,759,658
Prepaid items	2,185	1,347	3,296	6,828
Total current assets	2,398,537	299,152	30,105	\$ 2,727,794
Noncurrent assets:				
Restricted cash and investments	-	-	-	-
Deferred charges	-	1,565	-	1,565
Capital assets:				
Capital assets, not being depreciated:	6,455,379	1,550,998	110,000	8,116,377
Capital assets net of accumulated depreciation:	4,842,348	572,043	1,537,758	6,952,149
Total capital assets (net of accumulated depreciation)	11,297,727	2,123,041	1,647,758	15,068,526
Total noncurrent assets	11,297,727	2,124,606	1,647,758	15,070,091
Total assets	\$ 13,696,264	\$ 2,423,758	\$ 1,677,863	\$ 17,797,885
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	\$ 2,533,474	\$ 9,075	\$ 33,869	\$ 2,576,418
Accrued payroll	14,226	12,571	14,621	41,418
Accrued interest payable	-	1,328	-	1,328
Long-term obligations due in one year	20,451	65,355	37,974	123,780
Total current liabilities	2,568,151	88,329	86,464	2,742,944
Noncurrent liabilities:				
Long term obligations due in more than one year (net of unamortized discounts and deferred amount on refunding)	21,830	119,799	65,643	207,272
Total noncurrent liabilities	21,830	119,799	65,643	207,272
Total liabilities	2,589,981	208,128	152,107	2,950,216
Net Assets				
Invested in capital assets, net of related debt	11,297,727	1,957,955	1,569,802	14,825,484
Restricted for debt service	-	55,830	-	55,830
Unrestricted	(191,444)	201,845	(44,046)	(33,645)
Total net assets	\$ 11,106,283	\$ 2,215,630	\$ 1,525,756	\$ 14,847,669

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, 2011

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 481,838	\$ 382,842	\$ 693,856	\$ 1,558,536
Other	18,511	161	12,008	30,680
Total operating revenues	<u>500,349</u>	<u>383,003</u>	<u>705,864</u>	<u>1,589,216</u>
Operating expenses:				
Personal services	374,964	211,764	327,381	914,109
Contractual services	85,564	29,162	123,435	238,161
Commodities	43,373	4,465	156,765	204,603
Heat, light and power	33,435	28,857	67,068	129,360
Depreciation	590,327	38,916	89,509	718,752
Total operating expenses	<u>1,127,663</u>	<u>313,164</u>	<u>764,158</u>	<u>2,204,985</u>
Operating income (loss)	<u>(627,314)</u>	<u>69,839</u>	<u>(58,294)</u>	<u>(615,769)</u>
Nonoperating revenues (expenses):				
Investment income	1,045	461	(10)	1,496
Interest and fiscal charges	-	(15,755)	(6,414)	(22,169)
Total nonoperating revenues (expenses), net	<u>1,045</u>	<u>(15,294)</u>	<u>(6,424)</u>	<u>(20,673)</u>
Income (loss) before capital contributions and transfers	<u>(626,269)</u>	<u>54,545</u>	<u>(64,718)</u>	<u>(636,442)</u>
Capital contributions and grants	3,141,392	-	1,215,885	4,357,277
Transfers in	131,100	12,345	-	143,445
Transfers out	(64,210)	(59,160)	(27,250)	(150,620)
Change in net assets	<u>2,582,013</u>	<u>7,730</u>	<u>1,123,917</u>	<u>3,713,660</u>
Total net assets - beginning	<u>8,524,270</u>	<u>2,207,900</u>	<u>401,839</u>	<u>11,134,009</u>
Total net assets - ending	<u>\$ 11,106,283</u>	<u>\$ 2,215,630</u>	<u>\$ 1,525,756</u>	<u>\$ 14,847,669</u>

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 484,055	\$ 384,635	\$ 698,683	\$ 1,567,373
Payments to suppliers	1,966,235	(61,551)	(355,405)	1,549,279
Payments to employees	(362,000)	(198,499)	(316,230)	(876,729)
Other operating revenues	18,511	161	12,008	30,680
Net cash provided (used) by operating activities	<u>2,106,801</u>	<u>124,746</u>	<u>39,056</u>	<u>2,270,603</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	131,100	12,345	-	143,445
Transfers out	(64,210)	(59,160)	(27,250)	(150,620)
Net cash provided (used) by noncapital financing activities	<u>66,890</u>	<u>(46,815)</u>	<u>(23,429)</u>	<u>(3,354)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments of debt principal	-	(52,877)	(23,855)	(76,732)
Payments of debt interest and charges	-	(15,121)	(8,263)	(23,384)
Capital grants received	(1,690,311)	-	-	(1,690,311)
Purchase of capital assets	(682,684)	-	(17,698)	(700,382)
Net cash provided (used) by capital and related financing activities	<u>(2,372,995)</u>	<u>(67,998)</u>	<u>(49,816)</u>	<u>(2,490,809)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	(297,678)	(179,731)	(4,679,413)	(5,156,822)
Purchase of investments	484,820	181,705	4,707,835	5,374,360
Interest and dividends received	1,201	493	3	1,697
Net cash provided (used) by investing activities	<u>188,343</u>	<u>2,467</u>	<u>28,425</u>	<u>219,235</u>
Net increase (decrease) in cash and cash equivalents	(10,961)	12,400	(5,764)	(4,325)
Cash and cash equivalents - beginning	162,734	44,483	10,706	217,923
Cash and cash equivalents - ending	151,773	56,883	4,942	213,598
Investments	484,820	238,863	15,785	739,468
Total cash and investments	<u>\$ 636,593</u>	<u>\$ 295,746</u>	<u>\$ 20,727</u>	<u>\$ 953,066</u>
Cash and investments reported on the Statement of Net Assets:				
Unrestricted cash and investments	\$ 636,593	\$ 238,588	\$ 20,727	\$ 895,908
Restricted cash and investments	-	57,158	-	57,158
Total cash and investments	<u>\$ 636,593</u>	<u>\$ 295,746</u>	<u>\$ 20,727</u>	<u>\$ 953,066</u>

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (627,314)	\$ 69,839	\$ (58,294)	\$ (615,769)
Adjustments to reconciliation operating income (loss) to net cash provided by operating activities:				
Depreciation	590,327	38,916	89,509	718,752
Changes in operating assets and liabilities:				
Accounts receivable	2,217	1,793	4,827	8,837
Prepaid expenses	(8)	(95)	129	26
Accounts payable and contracts/claims payable	2,128,615	1,028	(8,266)	2,121,377
Accrued payroll and compensated absences	12,964	13,265	11,151	37,380
Net cash provided (used) by operating activities	<u>\$ 2,106,801</u>	<u>\$ 124,746</u>	<u>\$ 39,056</u>	<u>\$ 2,270,603</u>
Non-cash capital and financing activities:				
Capital contributions	<u>\$ 3,141,392</u>	<u>\$ -</u>	<u>\$ 1,215,885</u>	<u>\$ 4,357,277</u>

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
3rd Street TDD Tax Fund				
Assets:				
Cash and investments:	\$ 12,274	\$ 51,186	\$ -	\$ 63,460
Receivables - taxes	61,566	4,441	61,566	4,441
	<u>\$ 73,840</u>	<u>\$ 55,627</u>	<u>\$ 61,566</u>	<u>\$ 67,901</u>
Liabilities:				
Due to others	\$ 73,840	\$ 55,627	\$ 61,566	\$ 67,900
	<u>\$ 73,840</u>	<u>\$ 55,627</u>	<u>\$ 61,566</u>	<u>\$ 67,900</u>
East Hills CID Tax Fund				
Assets:				
Cash and investments:	\$ 3,606	\$ 1,043	\$ -	\$ 4,649
Receivables - taxes	37,097	35,782	37,097	35,782
	<u>\$ 40,703</u>	<u>\$ 36,825</u>	<u>\$ 37,097</u>	<u>\$ 40,431</u>
Liabilities:				
Due to others	\$ 40,703	\$ 36,825	\$ 37,097	\$ 40,431
	<u>\$ 40,703</u>	<u>\$ 36,825</u>	<u>\$ 37,097</u>	<u>\$ 40,431</u>
Library Tax Fund				
Assets:				
Cash and investments:	\$ 4	\$ -	\$ 4	\$ -
Receivables - taxes	191,320	192,018	191,320	192,018
	<u>\$ 191,324</u>	<u>\$ 192,018</u>	<u>\$ 191,324</u>	<u>\$ 192,018</u>
Liabilities:				
Due to others	\$ 191,324	\$ 192,018	\$ 191,324	\$ 192,018
	<u>\$ 191,324</u>	<u>\$ 192,018</u>	<u>\$ 191,324</u>	<u>\$ 192,018</u>
All Agency Funds				
Assets:				
Cash and investments	\$ 15,884	\$ 52,229	\$ 4	\$ 68,109
Receivables - taxes	289,983	232,241	289,983	232,241
	<u>\$ 305,867</u>	<u>\$ 284,470</u>	<u>\$ 289,987</u>	<u>\$ 300,350</u>
Liabilities:				
Due to others	\$ 305,867	\$ 284,470	\$ 289,987	\$ 300,350
	<u>\$ 305,867</u>	<u>\$ 284,470</u>	<u>\$ 289,987</u>	<u>\$ 300,350</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>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-5
Revenue Capacity	6-12
These schedules contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.	
Debt Capacity	13-17
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	
Demographic and Economic Information	18-20
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	21-22
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 Nine Fiscal Years
 (accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 29,111,703	29,292,688	41,153,764	52,331,937	181,425,001	185,183,117	182,248,926	182,851,470	177,925,146
Restricted	10,663,055	18,997,121	18,285,178	23,426,188	20,555,701	27,093,178	25,568,379	26,413,521	28,961,044
Unrestricted	7,285,390	5,133,522	(20,577,312)	(46,427,491)	(38,578,792)	(52,014,583)	(62,172,221)	(74,693,418)	(75,788,231)
Total governmental activities net assets	\$ 47,060,148	53,423,331	38,861,630	29,330,634	163,401,910	160,261,712	145,645,084	134,571,573	131,097,959
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	59,010,032	59,207,226	61,758,835
Restricted	8,155,420	2,392,348	3,770,260	4,017,572	4,065,619	7,052,076	7,242,299	7,127,675	7,010,353
Unrestricted	2,427,039	1,822,265	(1,197,406)	188,263	3,702,556	1,502,371	4,577,757	8,155,548	18,119,561
Total business-type activities net assets	\$ 63,917,107	63,780,498	63,890,050	62,572,853	66,821,626	67,512,877	70,830,088	74,490,449	86,888,749
Primary government									
Invested in capital assets, net of related debt	\$ 82,446,351	88,858,573	102,470,960	110,698,955	240,478,452	244,141,547	241,258,958	242,058,696	239,683,981
Restricted	18,818,475	21,389,469	22,055,438	27,443,760	24,621,320	34,145,254	32,810,678	33,541,196	35,971,397
Unrestricted	9,712,429	6,955,787	(21,774,718)	(46,239,228)	(34,876,236)	(50,512,212)	(57,594,464)	(66,537,870)	(57,668,670)
Total primary government net assets	\$ 110,977,255	117,203,829	102,751,680	91,903,487	230,223,536	227,774,589	216,475,172	209,062,022	217,986,708

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

Note: FY 2005 - Beginning in 2005, unrestricted net asset includes tax increment financing related obligations that does not result in an asset for the City.

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

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government	\$ 8,162,055	\$ 3,448,810	\$ 39,676,618	\$ 23,853,935	\$ 9,595,821	\$ 18,759,334	\$ 26,816,581	\$ 26,922,302	\$ 13,596,637
Public safety	19,594,533	19,003,061	15,552,714	21,133,947	21,956,657	23,318,744	25,047,545	25,875,428	25,728,700
Highways and streets	6,052,644	9,479,906	9,473,469	10,042,359	15,809,603	18,375,904	15,691,228	14,582,255	15,698,362
Public works	1,283,978	257,751	274,980	370,810	385,983	212,776	247,807	293,125	398,643
Health and welfare	7,035,645	7,226,366	7,807,850	5,908,864	5,803,456	5,397,561	5,998,130	5,231,832	6,380,731
Parks and Recreation	3,541,370	6,119,506	5,094,993	5,187,029	5,572,153	5,096,787	5,613,173	6,163,817	7,377,233
Interest on long-term debt	100,734	25,430	983,094	4,669,961	3,802,505	3,752,522	3,754,782	3,825,683	3,612,293
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>	<u>83,169,246</u>	<u>82,894,442</u>	<u>72,792,599</u>
Business-type activities:									
Aviation	869,308	923,145	921,180	863,917	976,138	989,152	1,117,337	1,234,602	1,127,663
Parking	492,519	459,985	525,677	510,026	445,675	358,222	397,508	384,058	328,919
Sewer	7,496,824	7,918,146	10,233,920	9,614,343	9,867,502	12,065,818	13,047,197	14,046,926	14,737,097
Golf	436,367	411,499	410,943	403,045	374,989	427,656	403,153	505,136	770,572
Transit	3,881,183	4,291,909	4,550,225	4,874,741	4,929,923	5,047,032	4,711,415	4,925,923	5,111,531
Landfill	1,198,668	1,723,420	2,202,206	2,967,669	2,462,903	4,672,139	3,486,083	3,631,750	2,811,194
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>	<u>23,162,893</u>	<u>24,727,545</u>	<u>24,886,976</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>	<u>\$ 106,331,939</u>	<u>\$ 107,621,987</u>	<u>\$ 97,679,575</u>
Program Revenues									
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	\$ 5,916,735	\$ 5,320,274	\$ 5,346,454
Public safety	541,646	562,301	619,251	709,962	496,759	543,241	583,425	642,911	665,299
Highways and streets	656,891	151,963	281,004	150,512	158,804	172,658	103,004	151,461	269,131
Public works	478,916	15,669	18,046	36,730	45,627	23,327	24,080	93,802	21,516
Health and welfare	938,532	559,690	567,388	674,058	749,166	684,720	746,525	572,275	655,605
Parks and Recreation	10,756	1,245,464	1,187,399	1,521,336	1,514,198	1,598,356	1,648,685	1,674,287	2,294,994
Operating grants and contributions	6,081,057	6,630,787	5,339,972	5,347,446	6,508,083	6,360,929	5,232,333	6,278,518	6,904,263
Capital grants and contributions	654,879	808,616	10,899,818	4,414,950	2,427,643	2,255,309	1,455,757	3,999,694	1,306,274
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>	<u>15,710,544</u>	<u>18,733,222</u>	<u>17,463,536</u>
Business-type activities:									
Charges for services:									
Aviation	349,599	393,286	410,800	441,058	469,727	479,350	465,191	517,945	500,349
Parking	295,434	355,464	359,257	356,273	343,396	447,428	446,538	425,611	383,003
Sewer	6,888,825	7,116,113	7,944,771	8,724,982	10,242,357	11,321,682	12,080,534	13,423,446	15,727,445
Golf	382,570	370,379	400,615	405,379	379,891	369,883	394,779	532,429	705,864
Transit	115,500	125,058	105,594	124,959	158,916	284,077	327,506	298,583	357,891
Landfill	2,356,690	2,923,924	3,006,818	2,801,026	3,151,363	5,087,108	5,029,726	4,044,536	3,272,369
Operating grants and contributions	956,320	917,265	917,764	1,112,699	2,839,376	2,918,251	1,831,416	3,429,946	2,559,544
Capital grants and contributions	1,377,413	1,512,453	3,128,516	839,014	1,324,937	688,019	788,444	1,471,591	3,287,255
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>	<u>21,344,134</u>	<u>24,144,087</u>	<u>26,793,720</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>	<u>\$ 37,054,678</u>	<u>\$ 42,877,309</u>	<u>\$ 44,257,256</u>
Net (expense)/revenue									
Governmental activities	(34,125,261)	(31,787,084)	(55,350,415)	(53,676,680)	(46,152,535)	(57,438,411)	(67,458,702)	(64,161,220)	(55,329,063)
Business-type activities	(1,652,518)	(2,014,162)	(2,014,016)	(4,428,351)	(147,167)	(1,964,221)	(1,818,559)	(583,458)	(1,906,744)
Total primary government net expense	<u>\$ (35,777,779)</u>	<u>\$ (33,801,246)</u>	<u>\$ (57,364,431)</u>	<u>\$ (58,105,031)</u>	<u>\$ (46,299,702)</u>	<u>\$ (59,402,632)</u>	<u>\$ (69,277,261)</u>	<u>\$ (64,744,678)</u>	<u>\$ (57,235,807)</u>

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes										
Property taxes	\$ 8,885,541	\$ 9,279,250	\$ 9,960,360	\$ 10,499,547	\$ 11,388,612	\$ 12,214,235	\$ 12,611,491	\$ 12,516,447	\$ 12,404,637	
Sales and use taxes	19,429,459	19,497,214	21,186,735	21,897,287	21,933,448	24,278,612	23,570,684	22,846,746	23,538,465	
Franchise taxes	3,494,833	3,691,553	3,734,204	3,956,650	4,016,906	7,588,044	6,822,074	8,218,703	6,653,184	
Motor fuel taxes	3,483,646	3,572,836	3,613,104	3,592,068	3,750,470	3,554,512	3,256,266	3,310,259	3,484,128	
Cigarette taxes	444,354	452,770	437,460	459,855	453,013	451,815	441,029	418,473	439,289	
Hotel taxes	339,110	354,801	389,986	400,792	430,551	448,717	412,623	425,537	443,127	
Intergovernmental activity taxes	-	-	26,922	934,602	2,417,872	2,433,665	3,110,961	3,325,651	3,734,112	
Unrestricted investment earnings	323,973	311,348	910,325	2,028,405	2,220,429	1,913,204	1,113,290	776,579	743,281	
Gain (loss) on sale of capital assets	(201,970)	48,713	73,644	-	-	9,914	75,546	90,476	535	
Transfers	(2,971)	941,782	455,974	376,478	835,608	1,405,495	1,428,110	1,158,838	414,691	
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>	<u>52,842,074</u>	<u>53,087,709</u>	<u>51,855,449</u>	

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	4,016,551	3,975,759	4,085,862
Franchise taxes	782,374	841,936	887,532	939,913	942,673	1,058,276	1,049,179	1,053,842	1,109,866
Unrestricted investment earnings	591,009	504,901	740,503	987,584	1,146,274	1,099,122	619,634	365,302	330,070
Gain (loss) on sale of capital assets	15,960	12,451	5,513	-	-	177,256	-	7,754	-
Special item	-	-	-	-	-	-	-	-	5,380,449
Transfers	2,971	(941,782)	(455,974)	(376,478)	(835,608)	(1,405,495)	(1,428,110)	(1,158,838)	(414,691)
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>	<u>4,257,254</u>	<u>4,243,819</u>	<u>10,491,556</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>	<u>\$ 57,099,328</u>	<u>\$ 57,331,528</u>	<u>\$ 62,347,005</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)	\$ (14,616,628)	\$ (11,073,511)	\$ (3,473,614)
Business-type activities	1,198,129	(136,609)	109,552	(1,317,197)	2,749,632	691,251	2,438,695	3,660,361	12,398,300
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>	<u>\$ (12,177,933)</u>	<u>\$ (7,413,150)</u>	<u>\$ 8,924,686</u>

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

Table 3

CITY OF ST. JOSEPH, MISSOURI
 Governmental Activities Tax Revenues By Source
 Last Nine 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>Intergovernmental Activity 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	21,186,735	3,734,204	3,613,104	437,460	389,986	26,922	39,348,771
2006	10,499,547	21,897,287	3,956,650	3,592,068	459,855	400,792	934,602	41,740,801
2007	11,388,612	21,933,448	4,016,906	3,750,470	453,013	430,551	2,417,872	44,390,872
2008	12,214,235	24,278,612	7,588,044	3,554,512	451,815	448,717	2,433,665	50,969,600
2009	12,611,491	23,570,684	6,822,074	3,256,266	441,029	412,623	3,110,961	50,225,128
2010	12,516,447	22,846,746	8,218,703	3,310,259	418,473	425,537	3,325,651	51,061,816
2011	12,404,637	23,538,465	6,653,184	3,484,128	439,289	443,127	3,734,112	50,696,942

Note: GASB 34 was implemented in fiscal year 2003, so only nine 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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 528,819	403,469	421,535	540,938	1,061,421	635,136	2,075,505	1,715,494	860,005	
Unreserved	882,820	2,244,724	3,100,054	5,465,123	2,081,515	2,551,817	5,592,876	5,449,331	3,132,137	
Total General Fund	\$ 1,411,639	2,648,193	3,521,589	6,006,061	3,142,936	3,186,953	7,668,381	7,164,825	3,992,142	
General Fund										
Nonspendable										\$ 408,508
Restricted										409,628
Committed										2,492,882
Assigned										1,206,978
Unassigned										3,176,846
Total General Fund										\$ 7,694,842
All other governmental funds										
Reserved	\$ 9,440,319	9,530,749	22,146,975	21,702,717	20,908,204	23,647,498	16,742,801	21,830,413	24,371,401	
Unreserved, reported in:										
Special revenue funds	2,357,671	5,245,512	4,086,832	11,081,617	5,142,593	8,458,323	11,941,619	5,477,728	3,245,197	
Capital project funds	3,142,441	5,364,774	4,771,513	2,117,955	6,469,342	2,859,544	6,517,615	5,110,764	4,493,117	
Total all other governmental funds	\$ 14,940,431	20,141,035	31,005,320	34,902,289	32,520,139	34,965,365	35,202,035	32,418,905	32,109,715	
All other governmental funds										
Restricted										\$ 30,860,074
Assigned										(121,516)
Total all other governmental funds										\$ 30,738,558

Note: In 2011 GASB 54 was implemented which changes the Fund Balance classifications

Table 5

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 35,144,936	36,335,290	37,110,533	38,532,875	41,528,031	45,654,024	50,983,735	50,132,601	49,880,091	51,796,371
Licenses, fees and permits	1,165,397	1,259,208	1,376,641	1,403,084	1,445,418	1,465,195	1,461,356	1,376,436	1,519,836	8,086,513
Intergovernmental	5,757,234	6,735,936	7,439,403	5,830,759	8,951,096	5,697,209	8,644,884	6,045,431	7,347,329	1,438,472
Charges for services	2,172,509	2,379,460	2,785,721	4,179,090	4,584,989	4,744,541	4,717,410	4,715,722	4,177,716	4,223,558
Fines, forfeitures, and court costs	784,821	808,169	807,885	936,012	1,006,127	1,101,165	1,192,519	1,222,664	1,041,640	929,267
Special Assessments	17,813	11,815	18,140	21,802	39,688	47,522	28,648	24,474	22,040	26,002
Investment earnings	487,998	323,973	303,510	910,325	1,980,288	2,143,643	1,847,313	1,097,544	774,001	741,258
Other	745,448	507,196	1,326,956	733,525	789,906	2,544,549	1,711,517	2,011,842	2,059,121	2,805,482
Total revenues	46,276,156	48,361,047	51,168,789	52,547,472	60,325,543	63,397,848	70,587,382	66,626,714	66,821,774	70,046,923
Expenditures										
General government	4,776,223	5,936,326	6,496,521	36,267,743	23,608,397	8,782,348	10,956,124	11,676,893	12,036,926	11,401,238
Public safety	16,899,825	17,990,251	18,627,416	20,533,681	20,665,255	21,252,553	21,779,899	22,495,913	23,288,767	22,913,580
Highways and streets	8,148,914	6,879,745	6,968,828	6,900,810	7,566,077	7,492,151	8,834,917	7,961,665	8,145,602	8,142,562
Public works	307,844	352,546	253,312	274,980	344,143	274,688	212,776	245,910	294,018	252,137
Health and welfare	5,341,224	5,665,480	5,881,934	5,325,299	5,450,574	5,406,459	5,203,704	5,266,266	5,132,934	4,963,446
Parks and Recreation	3,676,430	3,505,279	3,862,181	4,029,293	4,420,506	4,576,833	4,566,717	4,999,838	5,028,218	4,818,778
Capital outlay	7,929,468	10,455,782	7,094,524	13,837,195	15,038,466	7,317,407	13,965,360	11,882,657	10,465,131	9,757,181
Debt Service										
Principal	300,449	207,370	70,000	696,934	1,713,663	2,918,292	3,291,383	3,218,074	3,514,899	3,742,547
Interest and bond costs	125,174	103,942	455,432	2,312,389	4,271,923	3,723,482	3,686,478	3,683,004	3,657,857	3,553,716
Total expenditures	47,505,551	51,096,721	49,710,148	90,178,324	83,079,004	61,744,213	72,497,358	71,430,220	71,564,352	69,545,185
Excess of revenues over (under) expenditures	(1,229,395)	(2,735,674)	1,458,641	(37,630,852)	(22,753,461)	1,653,635	(1,909,976)	(4,803,506)	(4,742,578)	501,738
Other Financing Sources (Uses)										
Transfers in	5,182,720	4,935,876	6,184,221	8,433,017	5,218,834	5,766,678	6,676,295	5,754,232	7,158,847	13,505,542
Transfers out	(5,080,477)	(4,938,847)	(5,242,439)	(7,977,043)	(4,842,356)	(4,931,070)	(5,270,800)	(4,326,122)	(6,000,009)	(11,874,966)
Issuance of debt	-	-	9,240,266	43,335,000	16,985,000	-	5,110,000	-	-	-
Capital leases	-	-	48,933	-	35,300	-	56,201	-	-	198,694
Sale of capital assets	-	48,114	48,059	221,319	111,408	-	56,378	88,710	101,867	535
Total other financing sources (uses)	102,243	45,143	10,279,040	44,012,293	17,508,186	835,608	6,628,074	1,516,820	1,260,705	1,829,805
Net change in fund balances	\$ (1,127,152)	(2,690,531)	11,737,681	6,381,441	(5,245,275)	2,489,243	4,718,098	(3,286,686)	(3,481,873)	2,331,543
Debt service as a percentage of non capital expenditures	0.99%	0.70%	1.14%	3.97%	8.47%	11.75%	11.53%	10.96%	11.25%	11.71%

Table 6

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	Intergovernmental Activity Tax	Total
2002	\$ 9,177	\$ 17,883	\$ 441	\$ 3,711	\$ 3,609	\$ 324	\$ -	\$ 35,145
2003	9,144	19,429	444	3,484	3,495	339	-	36,335
2004	9,541	19,497	453	3,573	3,692	355	-	37,111
2005	10,328	20,003	437	3,613	3,734	390	27	38,533
2006	10,415	21,769	460	3,592	3,957	400	935	41,528
2007	11,381	23,205	453	3,750	4,017	431	2,417	45,654
2008	12,228	24,278	452	3,555	7,588	449	2,434	50,983
2009	12,519	23,571	441	3,256	6,822	413	3,111	50,133
2010	12,469	22,847	418	3,310	7,084	426	3,326	49,880
2011	12,349	23,538	439	3,484	7,808	443	3,734	51,796

(1) Includes interest and penalties.

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

<u>Sales by Retail Category:</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Apparel stores	\$ 17,415	15,685	15,122	16,252	22,622	24,739	22,163	28,381	21,991	24,995
General merchandise	20,877	157,169	173,757	86,987	279,648	292,646	319,569	326,102	318,626	311,804
Food stores	106,956	97,375	100,179	110,054	112,337	114,235	121,311	127,635	127,175	124,988
Eating and drinking establishments	96,497	98,638	101,951	112,838	116,550	124,297	129,267	135,897	134,125	135,082
Home furnishings and appliances	64,653	68,312	68,411	70,293	75,994	79,286	66,385	62,775	30,768	31,395
Building materials and farm tools	26,203	23,159	22,289	30,481	34,068	32,685	31,288	27,178	51,514	50,134
Construction/Remodeling	2,979	3,571	6,690	6,063	5,335	4,765	4,351	10,999	4,299	4,824
Auto dealers and supplies	48,564	47,243	48,713	45,180	41,152	48,235	75,045	81,079	82,324	89,594
Wholesale Trade	35,536	28,988	27,447	22,792	23,732	27,285	32,332	21,793	21,787	19,789
Hotels, Motels	11,543	11,096	10,728	11,829	12,951	14,698	15,614	13,317	11,458	10,986
Communication	34,994	34,375	30,326	36,256	35,224	39,503	40,951	44,011	45,268	44,607
Other retail stores	240,319	120,777	114,163	106,529	91,268	86,650	97,343	84,559	79,669	76,782
All other outlets	45,254	43,415	42,176	51,547	51,367	58,000	50,974	50,330	49,766	51,062
Total	\$ <u>751,788</u>	<u>749,805</u>	<u>761,955</u>	<u>707,102</u>	<u>902,249</u>	<u>947,023</u>	<u>1,006,593</u>	<u>1,014,056</u>	<u>978,770</u>	<u>976,042</u>

Note: Amounts for 2011 are not provided due to only receiving partial year figures.

Note: Amounts for 2004 are estimates.

Source: Retail categories and information provided by Missouri Department of Revenue.

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

Direct Sales Tax Rate City of St. Joseph	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund	1.500	1.500	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	0.375	0.375	0.375
Total Direct Sales Tax Rate	2.150	2.375	2.375	2.375						
Total Local Option Sales Tax Rate										
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	2.150	2.150	2.150	2.150	2.150	2.150	2.150	2.375	2.375	2.375
Total Direct and Overlapping Sales Tax Rate	7.475	7.700	7.700	7.700						

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

6-1

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	
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%
2009	622,357	2,789,469	271,357	822,293	15,858	48,054	909,571	1.56	3,659,816	24.9%
2010	636,014	2,843,770	284,102	860,915	16,234	49,193	936,350	1.53	3,753,878	24.9%
2011	636,915	2,848,165	284,496	862,110	21,012	63,672	942,423	1.53	3,773,946	25.0%

(1) Real estate exemptions not included.

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
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
2009	0.63	0.07	-	0.21	0.20	0.05	0.40	1.56	0.03	3.93	0.45	5.97
2010	0.60	0.07	-	0.21	0.20	0.05	0.40	1.53	0.03	3.39	0.46	5.41
2011	0.60	0.07	-	0.21	0.20	0.05	0.40	1.53	0.03	4.00	0.46	6.02

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Notes: (1) County Tax Breakdown for Current Year:
 General Fund 0.08
 Road & Bridge Fund 0.28
 Handicap 0.10
Total County 0.46

Table 11

CITY OF ST. JOSEPH, MISSOURI
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	TYPE OF BUSINESS	2011			2002		
		ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION(1)	2001 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
Ag Processing Inc	Soybean Processing	\$ 17,848,935	1	1.89%	\$ 10,834,430	5	1.42%
Missouri American Water Co	Water Utility	16,550,550	2	1.76%	21,200,610	1	2.78%
Belt Highway Investment	Shopping Mall	14,584,850	3	1.55%	6,522,320	9	0.86%
Johnson Controls Battery Group	Battery Manufacturer	13,572,260	4	1.44%			
St. Joseph Foods	Meat Manufacturer	13,054,185	5	1.39%			
HHS Properties, Inc.	Healthcare Industry	12,441,400	6	1.32%	10,372,640	6	1.36%
Triumph Foods LLC	Pork Processing	11,658,240	7	1.24%			
Boehringer Ingelheim Animal Health	Animal Health Manufacturer	11,471,610	8	1.22%	19,596,580	2	2.57%
American Family Mutual Insurance	Insurance	10,165,350	9	1.08%	17,776,350	3	2.33%
Nestle USA Inc	Pet Food Manufacturing	10,148,910	10	1.08%			
St. Joseph Light & Power	Electric Utility				11,812,800	4	1.55%
Mead Corporation	Paper Manufacturer				7,753,540	7	1.02%
Southern Union Gas Co.	Natural Gas Utility				7,396,770	8	0.97%
Silgan Containers	Canned Food Containers				6,168,030	10	0.81%
		<u>\$ 131,496,290</u>		<u>13.95%</u>	<u>\$ 119,434,070</u>		<u>15.69%</u>

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(1) The total assessed valuation for 2011 = 942,423,028

Table 12

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 (1)	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	433,900	10,798,035	100.40%
2004	10,766,443	10,375,602	96.37%	384,056	10,759,658	99.94%
2005	11,423,095	10,965,000	95.99%	451,442	11,416,442	99.94%
2006	11,939,359	10,893,184	91.24%	451,324	11,344,508	95.02%
2007	13,119,059	12,770,207	97.34%	415,356	13,185,563	100.51%
2008	13,346,762	13,086,927	98.05%	402,751	13,489,678	101.07%
2009	13,493,589	13,237,877	98.10%	456,156	13,694,033	101.49%
2010	13,572,486	13,192,295	97.20%	465,516	13,657,811	100.63%
2011	13,861,209	13,532,867	97.63%	-	13,532,867	97.63%

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(1) Total Collections to Date include penalties and interest

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

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Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	PBA	MDFB	IFB/IDA	Developer Obligations	Capital Leases	Loans			
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	-			
2009	252,142	2,070,000	63,685,000	20,882,574	35,573	-			
2010	202,856	1,965,000	61,745,000	31,689,113	19,012	-			
2011	155,961	1,860,000	59,755,000	31,948,993	195,021	-			

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			
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	5.17%	25,059
2007	366,381	11,515,000	11,216,393	60,000	99,723	-	91,102,172	4.75%	25,909
2008	318,740	11,275,000	30,529,313	-	60,222	-	119,925,267	5.94%	27,306
2009	271,095	10,860,000	29,384,235	-	20,648	-	127,461,267	6.03%	28,552
2010	218,235	10,415,000	28,171,157	-	103,661	-	134,529,034	6.08%	29,896
2011	167,981	9,950,000	26,906,079	-	77,957	-	131,016,992	5.41%	31,542

(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		
2002	\$ -	\$ -	\$ -	0.00%	\$ -
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-

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, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Joseph School District	\$ 23,120,000	95.75%	\$ <u>22,137,400</u>
Subtotal, overlapping debt			22,137,400
City of St. Joseph direct debt			93,914,975
Total direct and overlapping debt			\$ <u><u>116,052,375</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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit (1)	\$ 152,282,321	154,465,774	156,244,388	154,428,775	167,928,218	173,224,886	178,094,297	181,914,282	187,270,023	188,484,606
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ <u>152,282,321</u>	<u>154,465,774</u>	<u>156,244,388</u>	<u>154,428,775</u>	<u>167,928,218</u>	<u>173,224,886</u>	<u>178,094,297</u>	<u>181,914,282</u>	<u>187,270,023</u>	<u>188,484,606</u>
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 2011

Assessed Value	\$ 942,423,028
Debt Limit (20% of assessed value)	188,484,606
General obligation:	-
Total Bonded Debt	-
Less:	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 188,484,606</u>

Notes:

(1) Total tangible property assessed value as of January 1, 2010 as certified by the County Clerk on June 30, 2010

(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>						
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
2009	13,743	8,451	5,292	1,675	1,949	1.46
2010	15,828	10,372	5,456	1,747	1,867	1.51
2011	16,849	10,901	5,948	1,845	1,780	1.64

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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>
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	1,854,115	25,059	37.90	11,466	4.90%
2007	73,990	1,917,007	25,909	35.30	11,718	4.50%
2008	73,990	2,020,371	27,306	35.30	11,630	5.00%
2009	73,990	2,112,562	28,552	36.50	11,744	8.70%
2010	73,990	2,212,005	29,896	36.50	11,935	7.70%
2011	76,780	2,421,795	31,542	35.90	11,737	8.17%

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

CITY OF ST. JOSEPH, MISSOURI
Principal Employers
2011 and 2002

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Heartland Health	3,451	1	5.50%	2,259	1	6.80%
Triumph Foods	2,740	2	4.37%	-		
St. Joseph School District	1,807	3	2.88%	1,546	2	4.60%
Boehringer Ingelheim Vetmedica	947	4	1.51%	-		
Altec Industries	940	5	1.50%	825	3	2.80%
American Family	757	6	1.21%	775	4	2.30%
Sara Lee Foods	700	7	1.12%	609	8	1.80%
City of St. Joseph, Missouri	648	8	1.03%	634	7	1.90%
Western Reception Diagnostic & Correctional Center	576	9	0.92%	642	6	1.90%
Missouri Western State University	534	10	0.85%	550	10	1.60%
Johnson Controls				664	5	2.10%
Systems & Services Technology				560	9	1.70%
Total	13,100		20.90%	9,064		27.50%

Source: St. Joseph Area Chamber of Commerce

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program										
General Government										
Mayor/Council	1	1	1	1	1	1	1	1	1	1
City Clerk	2	2	3	3	3	3	3	3	3	2
City Manager	3	3	3	3	4	4	6	6	6	5
Technology & Communications	-	6	5	5	5	5	5	5	5	5
Municipal Court	6	8	5	5	5	6	6	6	6	5
Legal	6	6	7	7	7	7	7	7	7	6
Financial Services	24	18	19	14	15	15	15	15	15	15
Human Resources	5	5	5	5	5	5	6	6	6	5
Customer Assistance	21	17	17	25	26	25	16	16	16	15
Property Maintenance							11	10	11	9
Public Safety										
Police - Arrest Powers	108	115	114	116	117	118	117	119	117	116
Police - Civilian	41	40	39	41	41	41	44	44	45	44
Fire Protection	131	127	131	131	131	131	131	131	131	127
Fire - Civilian	2	2	2	3	3	3	3	3	3	3
Public Works										
Engineering	10	10	11	11	10	10	10	10	10	9
Public Works Administration	4	4	5	5	4	5	5	5	5	5
Streets	59	63	62	59	61	62	64	64	64	63
Traffic	8	8	8	8	8	8	8	8	8	8
Airport	6	6	6	6	6	6	6	6	6	6
Parking Services	6	6	6	6	6	6	6	6	6	6
Landfill	16	16	15	16	16	17	18	18	18	18
Recycling Center	3	3	3	2	2	2	2	2	2	2
Sewer Maintenance	17	16	17	17	14	19	19	19	19	20
Water Pollution Control	42	43	42	41	42	45	46	46	50	51
Health Department	37	41	41	41	41	42	42	42	42	41
Parks and Recreation	51	50	50	47	48	48	53	51	52	51
Community Development										
Planning	3	5	5	5	4	4	4	4	4	3
Housing & Community Dev	6	8	8	7	8	9	7	7	7	7
Total	<u>618</u>	<u>629</u>	<u>630</u>	<u>630</u>	<u>633</u>	<u>647</u>	<u>661</u>	<u>660</u>	<u>665</u>	<u>648</u>

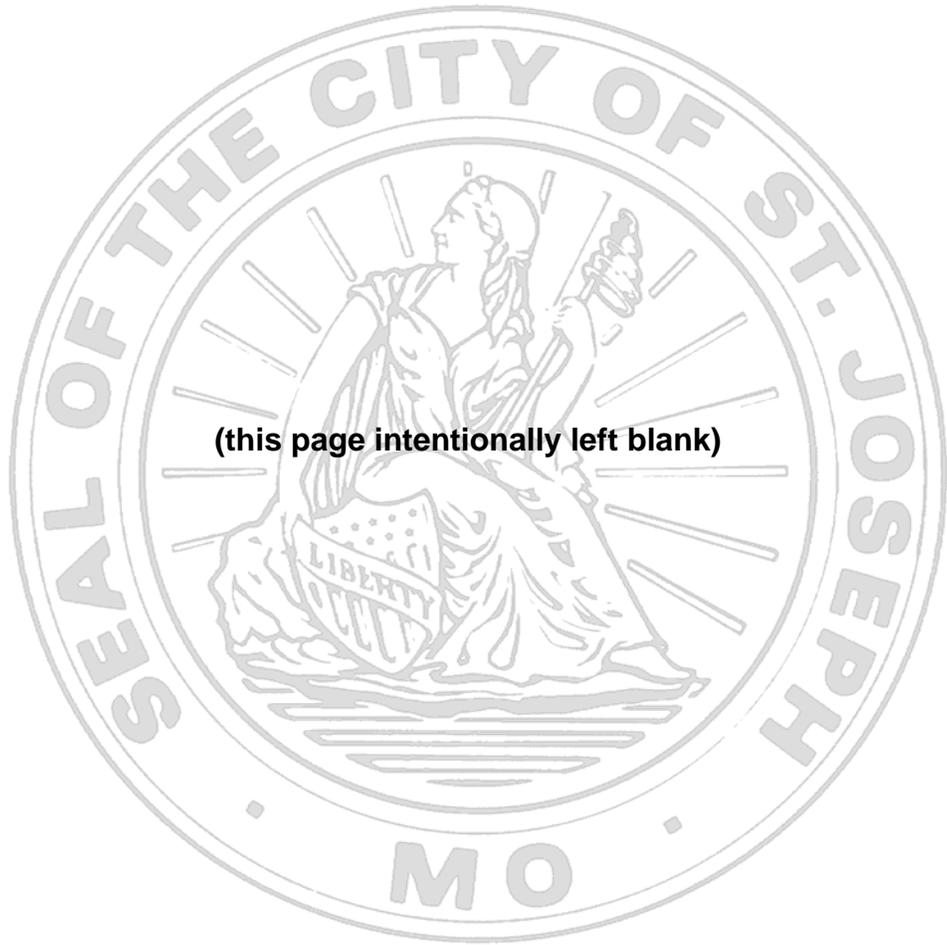
Source: City of St. Joseph Annual Report

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

Function/Program		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety											
	Police										
	Physical Arrests	6,226	7,230	7,859	6,679	5,610	6,183	7,178	6,368	5,170	5,275
	Traffic Violations	17,232	14,644	15,336	15,669	15,688	11,541	18,065	18,453	14,544	11,084
	Parking Violations	14,656	12,629	12,629	11,307	11,620	10,182	10,524	11,861	12,071	8,719
	Fire										
	Total Alarms	10,557	12,508	6,642	6,621	6,895	7,322	8,573	8,074	7,920	9,049
	Inspections	2,966	348	515	250	500	398	390	1,058	590	419
T-22	Water										
	Number of customers	31,553	36,878	36,878	36,878	31,751	32,480	33,333	32,548	32,002	32,014
	Daily Average Water Consumption	14,363,000	14,994,000	15,156,000	14,933,000	15,000,000	17,083,000	18,000,000	17,209,000	17,161,000	17,589,000
	Sewer										
	Number of customers	25,764	25,764	26,397	30,878	31,751	26,768	26,876	26,859	26,910	26,875
	Daily Average Wastewater Treated	20,300,000	12,800,000	17,000,000	17,000,000	15,000,000	15,000,000	17,000,000	17,000,000	17,000,000	17,000,000

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Vehicles	82	104	84	91	91	108	106	104	106	119
Fire										
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works										
Total area (square miles)	45.050	45.045	45.045	45.045	44.443	44.443	45.443	44.680	46.500	46.500
Paved miles	531.0	531.0	418.0	425.0	425.0	426.3	426.4	432.8	432.8	432.3
Culture and Recreation										
Park acreage	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	2,000
Parks	48	49	49	46	46	46	46	46	46	46
Ball Fields	19	23	23	22	23	23	22	23	23	23
Community Centers	1	1	1	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
Power and Light										
Power stations	13	13	13	13	12	17	12	12	12	12
Transmission/Distribution Circuits (miles)	781.00	1,000.00	800.00	1,000.00	793.00	799.25	813.04	816.45	816.45	593.32
Street Lights	5,725	5,755	5,883	5,933	6,097	6,652	6,884	6,903	6,923	6,943
Water										
Water mains (miles)	598	600	604	619	605	620	613	616	619	619
Fire hydrants	2,843	2,887	2,986	2,986	2,985	3,141	3,075	3,063	3,096	3,031
Maximum daily pumpage (millions of gallons)	30	30	30	30	30	30	30	30	21	24
Sewer										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	366	372	372	386	377	388	390	380	397	397
Maximum daily capacity of treatment (MGD)	27	27	27	27	27	27	27	27	27	27



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