

CITY OF ST. JOSEPH



FOURTH QUARTER FINANCIAL REPORT

Year Ended June 30, 2011

PURPOSE

This Financial Report is for the twelve month period ended June 30, 2011. The purpose of the Report is to help users focus on major issues, conditions or events effecting fund balances, revenues and expenditures and to assist management and policy makers in gauging their impact on future operations of the City.

Amounts included in this report are based on preliminary closing figures for the Fiscal Year and may change as a result of the annual audit and final reconciliation of account balances. However, we don't expect there to be significant audit adjustments and we believe that amounts included in this report are substantially accurate in all significant respects.

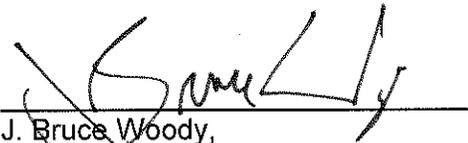
Please review the Report and contact the Financial Services Department or City Manager's office if you have any questions.

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EXECUTIVE SUMMARY

The three most important indicators of financial health are adequate levels of ending fund balance, multi-year trends in which major sources of revenues keep up with or out-pace any increase in expenditures, and a positive revenue-to-expenditure relationship. A fund with lower than “ideal” fund balance, large deficit spending, and expenditure growth outstripping revenue growth is a fund that needs immediate attention.

The following matrix scores the City’s major (staff supporting) funds on these three factors. Two or more “negative” factors raise a red flag and the fund bears close attention. A more extensive discussion of each fund is provided in the remainder of this year-end report.

Major Staff-Supporting Operating Funds	Did the Fund end the year with an operating Surplus or Deficit?	Excluding transfers, did the Fund end the year with revenue growth meeting or exceeding growth of expenditures?	Did the Fund end the year maintaining its target fund balance amount?
General Governmental fund:			
General	Deficit	No	No
Special Revenue funds:			
Streets Maintenance	Deficit*	No	N/A
Parks Maintenance	Deficit*	No	N/A
CDBG	N/A**	N/A	N/A
Enterprise funds:			
Aviation	Surplus	No	Yes
Parking	Deficit	No	Yes
Water Protection	Surplus	Yes	Yes
Golf	Deficit	No	No
Transit	Surplus	Yes	Yes
Landfill	Deficit	Almost	Yes

*A “deficit” in these two cases meant additional transfers from the General Fund in order to bring revenues into line with expenses allowing the funds to break even.

**CDBG expenditures are kept within the entitlement funds provided through the federal government.

The General Fund went into the 2011 fiscal year with a small budgeted operating deficit. In other words, budgeted expenditures higher than anticipated revenues. While there were overall budget savings of 3.5%, revenues came in 6% under the original budget. Expenditures exceeding revenues in the Streets and Parks maintenance funds required additional transfers from the General Fund as well. These three factors turned the small budgeted operating deficit into a \$1.25 million operating deficit.

In the Enterprise Funds, Parking has the biggest struggle and continues to drain its fund balance. Even with \$12,000 in transfers from Gaming and Aviation funds; with \$95,000 in revenue from City Stickers (basically a General Fund revenue source, assigned to Parking a few years ago); and, the benefit of an almost year-long position vacancy, it ended the year with a \$7,000 operating deficit.

The Aviation Fund continues to operate in the black with the help of significant transfers from the Gaming and Water Protection funds. Now that city staff has had a year of actual experience managing the Municipal Golf course, that fund should return to its practice of running in the black.

Financial health continues to depend on a combination of expenditure control, fees and charges-for-service that keep up with the cost of providing services, and the performance of sales tax and property tax revenues for the General Fund.

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Operating Surplus or Deficits

Operating surpluses occur when more revenues come in during a fiscal year than go out. While this is good, and definitely better than the reverse – expenses higher than revenues – a surplus by itself doesn't indicate a fund in good fiscal health. An operating surplus can occur not because revenues are healthy, but because the expenses have been cut or deferred. If the cut is deep enough, services can suffer.

Operating deficits can occur and not necessarily be “bad”. If it is due to a one-time set of circumstances (the monies used in Landfill to provide cell construction in FY2011) and is not an ongoing issue, then occasional operating deficits can be overcome.

On-going deficits eventually lead to the depletion of fund balance. When that happens, services can be permanently cut or curtailed. Below is a graph of the major operating funds and whether each has experienced operating deficits or surpluses and by how much in FY2011 compared to FY2010. Surpluses are good. Shrinking surpluses and/or deficits are not so good. Excluded from both revenues and expenses are CIP projects, cell phone transactions, and (in Streets Mnt and Parks Mnt) transfers from the General Fund.

ACTUAL OPERATING SURPLUS OR DEFICIT		
FUND	FY2010	FY2011
General Gov't		
General	D	D
	(\$1.1M)	(\$1.25M)
Streets Mnt	NA	D
	-	(\$4.5M)
Parks Mnt	NA	D
	-	(\$1.2M)
Enterprise		
Aviation	S	S
	\$16K	\$31K
Parking	D	D
	(\$13K)	(\$7K)
Water Protection	S	S
	\$3.0M	\$3.0M
Golf	S	D
	\$8K	(\$19.5K)
Transit	S	S
	\$2.1M	\$1.9M
Landfill	D	D
	(\$5K)	(\$500K)

Continuing operating deficits in the three general governmental funds led to the need to eliminate positions in the FY2011 budget. That was avoided in FY2012, but could be a real possibility for FY2013 if a new revenue source is not established.

Revenue-to-Expenditure Relationships

The best case scenario is when revenues increase more than expenditures (or while expenditures decrease and not just through deferred acquisitions, projects, or temporary salary savings).

An acceptable scenario exists if revenues decrease (as long as the fund has a comfortable fund balance or at least is not deficit spending) but expenditures go down an even bigger percentage.

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A worst case scenario occurs when revenues decrease while expenditures increase, or when revenues drop faster than expenditures are reduced; especially if a fund is below its targeted fund balance amount to begin with.

When one-time cell phone, CIP and Special Allocation revenues, were excluded, City operating revenues came in 6% under the original and amended budget and 3% under projections for the Fiscal Year ended June 30, 2011. Most of this was due to the lag in receiving operating grant revenues in the General Fund's Police and Health departments and in CDBG; and, decreases in the major general governmental funds' revenue sources – property tax (the impact of SB711), user fees, and fines.

There was a 2.8% increase in the sales tax category (which include fuel, hotel/motel, cigarette and other specialty sales revenues). This increase brought the revenues back to the FY2009 level.

Operating expenditures were 5% less than original budget and 3% less than projected overall. Actual expenditures compared to projected came in everywhere from a low of \$42,000 under (Aviation Fund) to \$830,000 under (General Fund). Compared to the adopted and amended budget, actual expenditures reflected savings in every fund but Streets Maintenance, Parks Maintenance and Golf.

The chart below compares the percentage growth (or decline) of FY2011 revenues and expenditures compared to the prior year. Like the chart on page 3, this excludes general government transfers, cell phone revenues & expenditures, and capital projects in the operating funds

Gaming Fund's large increase in FY2011 revenues was tied to a one-time payment of \$100,000 to the City, closing out the lease agreement between the parties. Without that one-time revenue infusion, the program had a 1.6% increase in revenues.

Percent Change from Prior Year Operating Revenues & Expenditures		
	Revenue	Expense
Fund	Increase/ (Decrease)	Increase/ (Decrease)
General	.88%	.72%
Streets Maintenance*	13.37%	10.70%
Parks Maintenance*	(4.7%)	.53%
Gaming Initiatives	11.0%	2.25%
Museum Tax	(1.5%)	(11.4%)
Special Allocation	5.89%	21.4%
Capital Projects (all funds)	78.90%	15.22%
Aviation Operations	(4.28%)	(7.08%)
Parking Operations	(9.86%)	(11.38%)
Water Protection	11.1%	.11%
Municipal Golf	34.34%	46.70%
Mass Transit	2.33%	8.39%
Landfill	(19.09%)	26.80%

* Excluding the transfers from the General Fund required to maintain balanced budgets.

(Table 7, page 89 provides the details on the percentages shown in the preceding chart.)

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Fund Balance Goals

The Government Finance Officers Association lays out the recommended level of unassigned fund balance for non-enterprise funds as two months (60 days) of operating expenses. At the very least 5% is recommended. Factors for maintaining balances at a higher level include drains on resources due to financial difficulties, growing budgets, an area with exposure to natural disasters (like tornados, floods, ice storms). At the end of FY11 only two funds did not maintain a target fund balance. Unfortunately, one of those is the General fund with an ending balance \$1.9 million under target.

Fourth Quarter Report - June 30, 2011

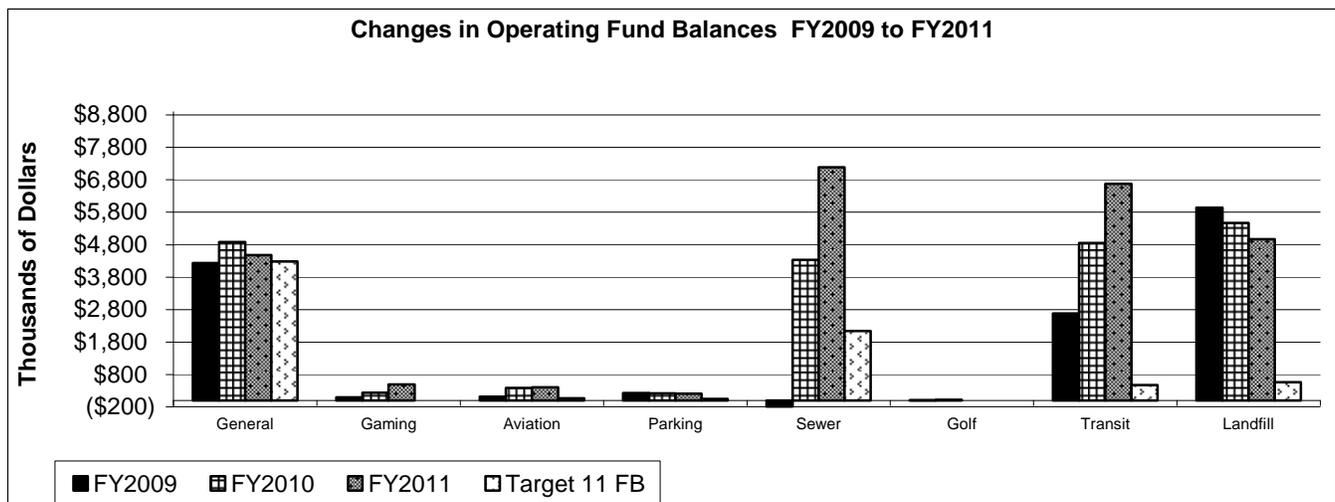
CHANGES IN OPERATING FUND BALANCES

Fund	Total Beginning*	FY11 Preliminary Actual		Designated Adjstmnt	Year End	Target Balance	Maintained
		Revenues	Expenditures		Projected Ending		Target FB
General	\$7,541,049	\$46,179,027	\$46,806,963	(\$4,165,741)	\$2,747,372	\$4,680,696	No
Streets Maintenance	0	7,488,017	7,488,017	0	0		n/a
Parks Maintenance	0	2,110,682	2,110,682	0	0		n/a
Gaming Funded Initiatives	242,591	1,193,113	943,173	0	492,531		n/a
Museum Tax	341,498	479,002	424,576	(355,691)	40,233		n/a
Aviation	551,419	612,764	579,901	(6,270)	578,012	66,912	Yes
Public Parking	225,047	395,771	400,865	(4,770)	215,183	46,254	Yes
Water Protection	4,374,587	15,918,360	12,889,555	(62,805)	7,340,587	2,118,831	Yes
Municipal Golf	22,138	682,583	715,476	(3,990)	(14,745)	82,555	No
Mass Transit	5,058,025	6,942,481	4,999,977	(276,040)	6,724,489	480,767	Yes
Landfill	9,421,978	3,294,286	3,437,280	(4,309,320)	4,969,664	661,015	Yes
Total Operating	\$27,778,332	\$85,296,086	\$80,796,465	(\$9,184,627)	\$23,093,326		

*Includes designated fund balances

The table above provides the ending available fund balance increase or decrease compared to beginning fund balances and indicates if each fund managed to maintain its target unassigned ending balance amount. Inter-fund transfers have been included in this chart. As previously mentioned, there can be a surplus (i.e., no deficit spending) and a fund can still be below its targeted reserve. Deficit spending will result in a decrease in fund balance. However, a fund can still be within its target range. A fund is in need of corrective action when decreases become routine

The graph below shows the changes in fund balance over the last three years. If appropriate, the "target" fund balance for the year ending FY11 is also displayed.



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The chart below compares the beginning and ending fund balances for what this report terms “non-operating” funds, for CIP programs and for the designated revenues & expenditures in the operating funds (like cell phone monies in the General Fund), none of which have a fund balance “target”.

Fourth Quarter Report - June 30, 2011 CHANGES IN NON-OPERATING AND DESIGNATED FUND BALANCES

Fund Designated/CIP	Total Beginning	FY11 Preliminary Actual		Designated Adjstmnt	Year End Projected Ending	Preliminary Inc (Dec) in Fund Bal
		Revenues	Expenditures			
Non-Operating Funds						
Special Allocation Fund	4,534,835	7,460,329	7,702,350	0	4,292,814	(242,021)
Capital Projects Fund	4,386,699	8,715,282	7,859,982	0	5,241,999	855,300
Special Purpose Designations						
General - Computer Escrow	\$73,165	\$383,000	\$255,007	0	\$201,158	\$127,993
General - Cell Phone	972,604	2,790,629	1,764,532	0	1,998,701	1,026,097
General - Reestablish						
Emergency Fund	1,025,000	0	0	1,025,000	1,025,000	0
Mass Transit Bus Replcmr	200,000	0	0	76,040	276,040	76,040
Landfill Closure/PostClsr	3,937,115	0	0	353,965	4,291,080	353,965
27th Payroll Designations						
General Fnd - 27th PY	589,400	0	0	333,130	922,530	333,130
CDBG - 27th PY	5,850	0	0	2,925	8,775	2,925
Aviation - 27th PY	4,180	0	0	2,090	6,270	2,090
Parking - 27th PY	3,180	0	0	1,590	4,770	1,590
Water Protection - 27th PY	41,870	0	0	20,935	62,805	20,935
Municipal Golf - 27th PY	2,660	0	0	1,330	3,990	1,330
Landfill - 27th PY	12,160	0	0	6,080	18,240	6,080
Operating Funds' CIP Programs						
1 Aviation CIP	107,542	7,928,719	7,928,719	0	107,542	0
Water Protection CIP	9,382,105	7,418,358	7,524,332	0	9,276,131	(105,974)
Municipal Golf CIP	14,383	22,069	20,785	0	15,667	1,284
1 Transit CIP	140,465	664,565	746,947	0	58,083	(82,382)

1. Actual revenues in Aviation and Transit CIP programs were less than expenditures due to the timing involved in receiving grant monies. Revenues have been increased to reflect what is referred to as technically "unearned" but "anticipated" grant receipts in the following fiscal year.

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CITY-WIDE REVENUE & EXPENDITURE TRENDS

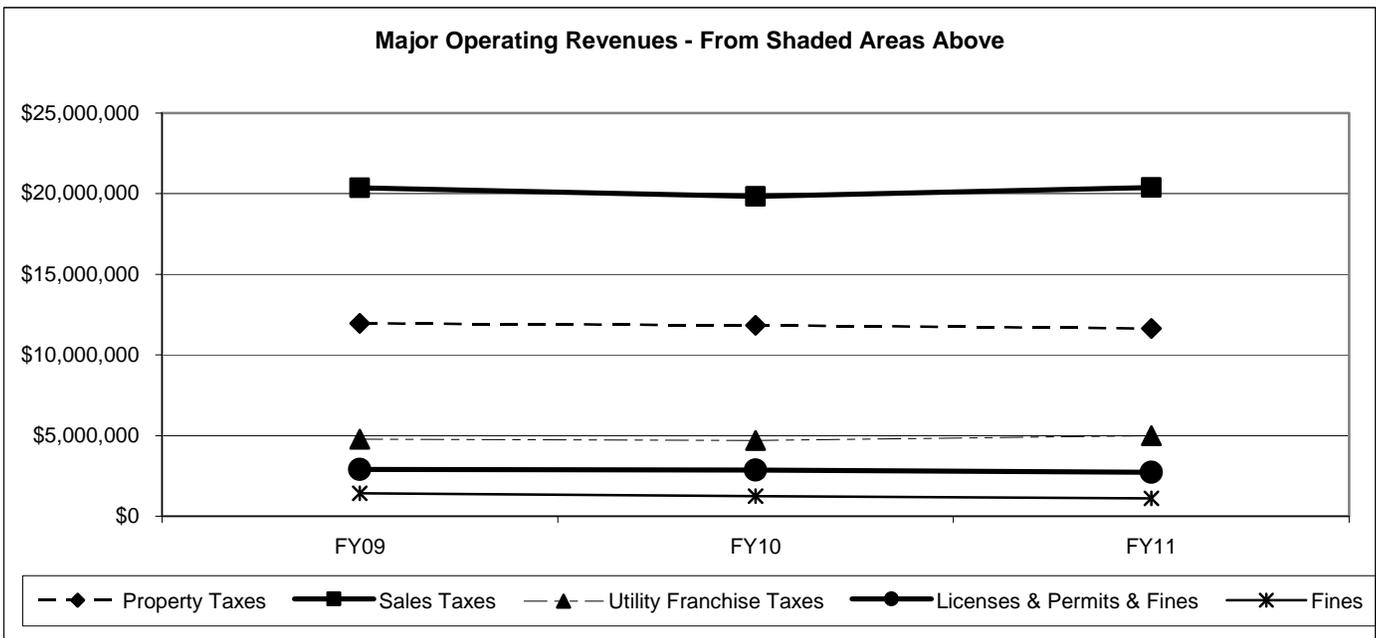
Problems, or opportunities, come to light when trends are examined. On the following pages, this report will look at the overall trends of various revenue and expenditure categories. Below is a look at the trends over the last three years of the major revenue sources for the departments that support city staff and provide the bulk of city services – Police, Fire, Health, Planning & Inspections, Parks & Recreation (excluding Golf), Public Works (excluding Parking, Airport, Landfill, Transit), and the general administrative departments.

COMPARISONS - FY2009:FY2011 BY MAJOR REVENUE SOURCE

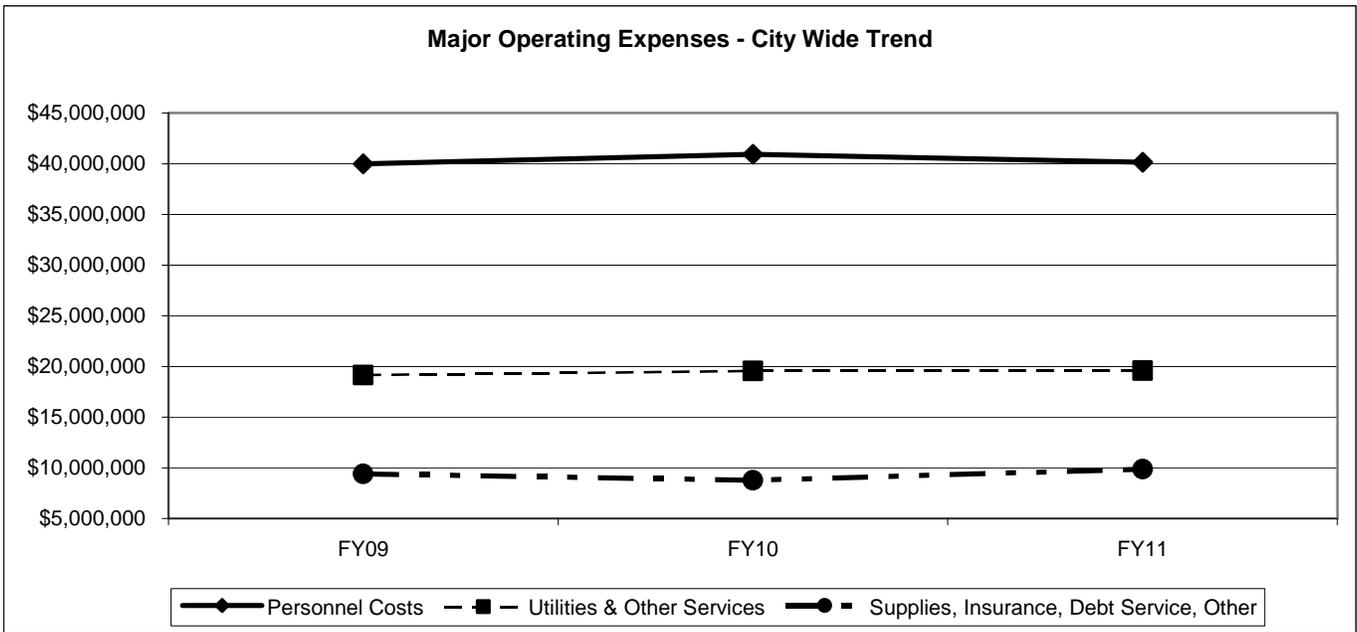
<u>Type of Revenue</u>	<u>FY09 Actual</u>	<u>FY10 Actual</u>	<u>FY11 Actual</u>	<u>Over/(Under)</u>	
	<u>Revenues</u>	<u>Revenues</u>	<u>Revenues</u>	<u>Prior Year</u>	
Property Taxes	\$11,956,473	\$11,847,057	\$11,648,302	(\$198,755)	-1.68%
Sales Taxes	20,357,178	19,836,729	20,387,422	550,693	2.78%
Utility Franchise Taxes	4,779,390	4,700,114	4,996,784	296,670	6.31%
Licenses & Permits	1,472,701	1,618,524	1,536,706	(81,818)	-5.06%
Fines	1,422,062	1,236,697	1,112,943	(123,754)	-10.01%
Rents & Gaming Revenue	2,006,334	1,671,982	1,685,155	13,173	0.79%
Charges for Services	21,733,995	23,771,355	23,356,798	(414,557)	-1.74%
Interest Earnings & Other	768,233	784,984	744,937	(40,047)	-5.10%
Op Grants & Entitlements	6,786,288	6,504,689	7,539,921	1,035,232	15.92%
Total Operating Funds	\$71,282,654	71,972,131	73,008,968	\$1,036,837	1.44%

Excluding interfund transfers, sales taxes (Transit, Special Allocation & CIP), cell phone franchise taxes, Transit franchise taxes

Put in graph form, it's obvious that the major revenue sources for most of the city's non-enterprise funds are flat. In order to meet this challenge, the FY2011 contained an 18 position reduction and departments held the line in every expenditure they had control over as displayed on the next page.



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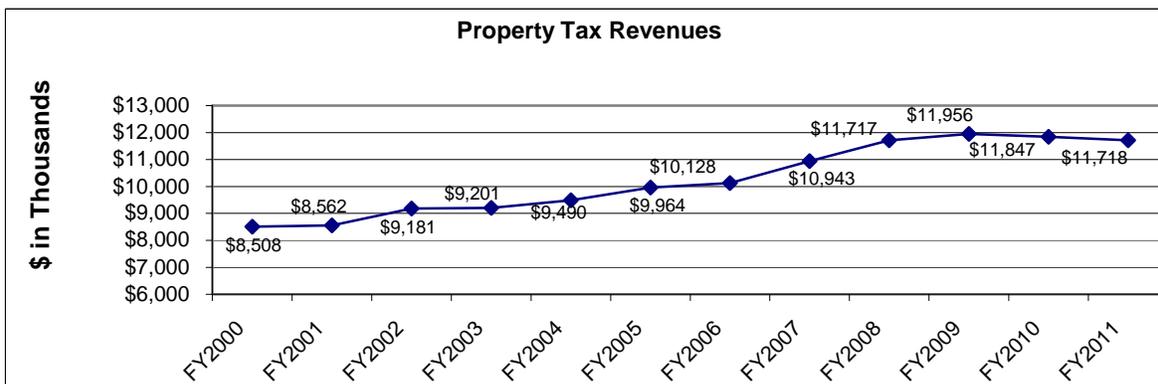
Utilities, insurances, and maintenance & repair costs continue to drive expenses up. Increase in pension and health insurance costs offset the loss of 27 positions somewhat and personnel lowered only to FY2009 levels.

The series of graphs below chart revenue and expenditure trends for all funds combined over the last ten years. More specific information on how each revenue or expenditure type performed within separate funds can be found starting on page 20.

Property Taxes

Excluding the PILOT revenues posted to the TIF programs, as a result of SB711 and the depressed housing market, property taxes showed an almost 2% decrease over the prior year. This follows a 1% decrease in FY10 from FY09 (discussed in more detail on page 21).

Even with PILOTS included, total receipts for these two revenue sources were down slightly from \$14,503,000 in FY10 to \$14,495,500. PILOTS from current TIFS represent \$2,777,000 of these revenues. Property tax revenue was under the original budget amount by \$397,000, and \$233,400 less than projected. Property taxes represented 16% of operating revenues.



[The above graph excludes the property tax revenues (PILOTS) recorded in the Special Allocation Fund TIFs.]

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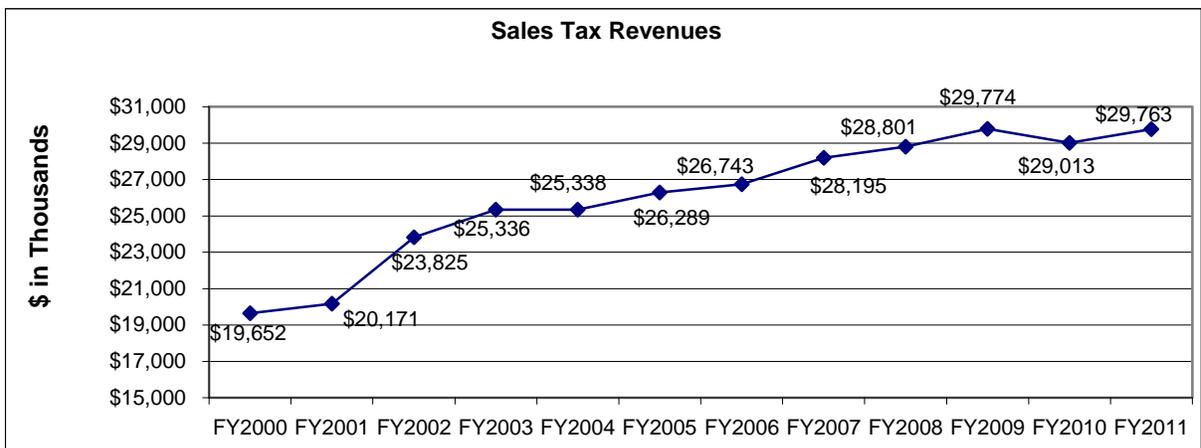
Sales Taxes

Overall, sales taxes increased 2.8% from \$32,187,000 to \$33,154,000. Excluding the \$3,392,000 that went into various TIF programs in the Special Allocation Fund, remaining sales tax revenues increased 2.5%. This offsets the 2.5% DECREASE the revenues experienced in FY10 bringing the operating revenues back to just under the FY09 levels.

City-wide this category reflects a combination of local general (gross sales), cigarette, CIP, EATS (the City's portion from TIFs), transit, motor vehicle, fuel, and hotel/motel taxes helping to fund six of the City's major funds. Mid-year revenue projections included a decrease from the original budget. Actual revenues came in just \$292,000 or 0.009 more than projected.

The continuing sluggish economy will be a reoccurring theme throughout this revenue report. The "general" sales tax includes a combination of normal sales tax received and City retained taxes, which include 50% of the new taxes generated over the base taxes from approved TIFs. The revenues from the TIF districts held their own, coming in \$195,000 more than last year. The sales tax decreases were in the other sales tax areas.

These revenues account for approximately 28% of the City's operating funds and are the source of 61% of the funding for FY2011 capital improvement projects. Staff monitors this revenue source closely.



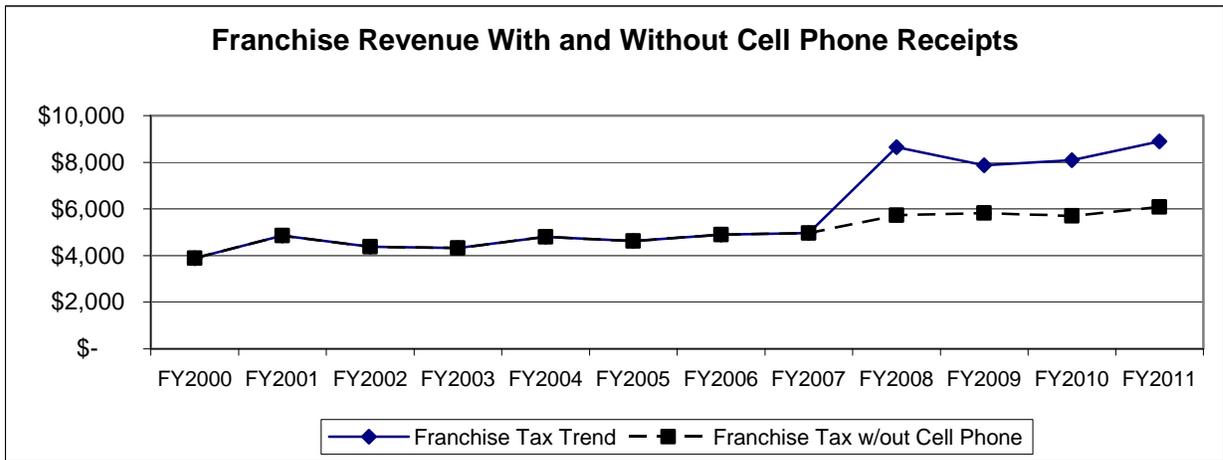
[The above graph excludes the sales tax revenues (EATS) recorded in the Special Allocation Fund TIFs.]

Utility Franchise Fees

Utility franchise fees are assessed on the gross receipts of utility companies who deliver or provide services to local residents and businesses (electric, water, natural gas, cable, communications). Franchise fee revenue had been all but flat. Revenues in FY07 were only 2.2% higher than they were in FY01.

However, with the settlements between Missouri cities and most of the cell phone carriers, revenues in this category have started to increase. \$2,917,000 of the FY08 amount represents the one-time cell phone revenue of two years' back taxes from four of the five major telecommunications companies. Cell phone revenues make up \$2,809,000 of the FY11 revenue. A little over \$1.16 million of the FY11 amount was another one-time, back tax settlement. Excluding the cell phone revenue, utility taxes represent 7% of the City's operating revenues. Franchise revenues are recorded in the General and Transit funds.

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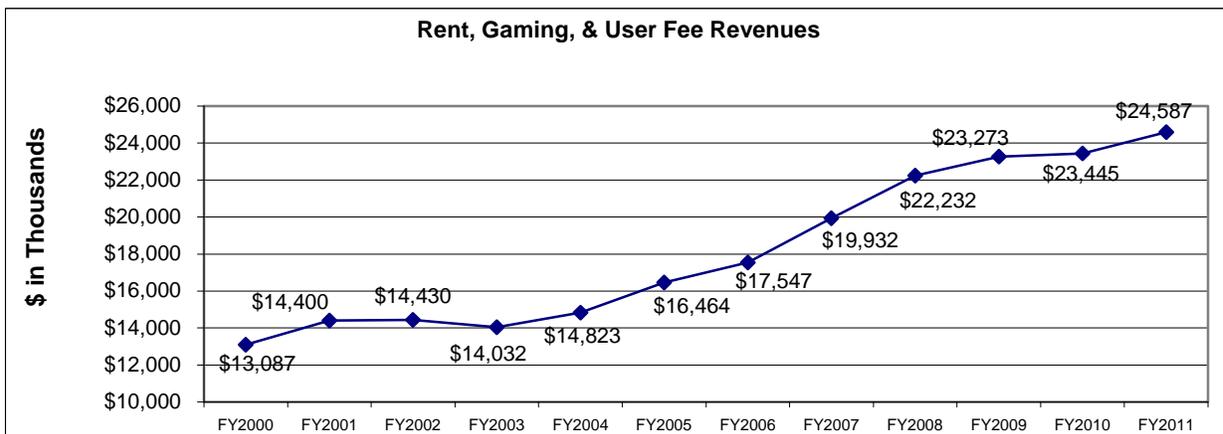


As can be seen in the above chart, excluding the revenues from the wireless services, franchise revenues remain fairly flat. There has been a slight up-tick with a settlement with AT&T, compelling the land-line company to pay franchise taxes on services it previously excluded. But the various phone utilities continue to resist paying taxes through both court actions and through attempts to curtail municipalities taxing authority through federal legislation.

Significant year-to-year fluctuations in the gas, electric and water franchise fee revenues frequently occur in response to unusual seasonal climates. Warm winters and cold/wet summers have a downward impact of gas, electric and water franchise fee revenues whereas the opposite is true for cold winters and hot/dry summers. During most years these climactic conditions average out producing no noticeable or significant volatility in revenues overall. However, the additional complication of constantly fluctuating rates themselves makes projections in this area extremely difficult. Actual FY11 revenues came in 3% (\$290,000) less than projected.

User Fees

The City's twelve categories of user fees, rents, and gaming revenues totaled \$24,587,000 in FY11 and represent 32% of total City operating revenue. User fees include revenues from downtown parking; Gaming (casino admission and gaming taxes); public health services; parks, recreation, and civic facility fees and concessions; golf fees; bus fares; sewer charges; landfill tipping fees; aviation rents; and other miscellaneous user fees including charges for street cut repairs, fire district contracts, and weed abatements. User charges are found in virtually every fund in one form or another.



Total user fee revenue increased 4.8%, climbing \$1,142,000 from the FY10 actual of \$23,445,000.

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The biggest percentage of user fee revenues (76%) comes from sewer and landfill charges. These are fairly stable sources of revenue, although landfill receipts are more susceptible to market forces than sewer fees. In these Enterprise funds, revenues can be more easily adjusted to meet the demands of the expenditures. Transit fees are a minor contributor to the overall support of the bus system, thanks to federal subsidies and the dedicated transportation sales tax.

Other user fees are dependent on factors beyond City control – user preference, other entertainment or recreation opportunities, etc. When fees are generated at outdoor venues (swimming, golf, ball fields) weather can have a big impact. It is in these areas that expenditures must be reviewed constantly in comparison with revenues generated. Although most of the services provided are not meant to be self-supporting, small fund balances mean that increasing cost of service levels be met with some corresponding increase in revenues. Otherwise service levels will face cutbacks.

Licenses & Permits

License revenue is derived from business, liquor, dog, garage sale, trade exam licensing activities; from local vehicle fees (city stickers) billed annually with City property taxes; and from a variety of permits from building construction, septic tank installation, special events, dangerous buildings, special uses and more. Together these revenues generated \$1,537,000 or 2.0% of the City's total revenues. There was an overall decrease of \$82,000 from FY10. Actual revenues were lower than both the original budget and revised projections.

Fine Revenue

Fine revenue decreased by 10% (\$124,000) - \$1,237,000 to \$1,113,000. This follows last year's decline of 13% from FY09 (\$185,000). Fine revenue represented 1.5% of the City's total revenue; however, has been a fairly important source for the General Fund (up to 3.5% of total fund receipts). With the recent declines, the revenue now provides only 2% of General Fund revenues. Actual fine revenues came in lower than both the original and projected budgets.

Interest Earnings

Interest earnings continue their not-so-slow decline. Even with the additional cell phone funds sitting in the bank, record low interest rates generated a city-wide total revenue of \$436,000, a \$751,000 (63%) drop from FY10 amount, \$1,187,000. (Of this amount, \$283,000 represents special assessment interest in the Water Protection Fund.) FY2010 interest earnings were over 27% (\$439,000) lower than FY2009. FY09 was \$1.3 million less than FY08. And, FY2008 interest earnings had decreased 5.5% from FY2007. Interest earnings now represent a negligible amount (0.3%) of all City revenues.

Grants

During FY2011, grant revenue increased by \$874,000. Year-to-year fluctuations are not necessarily significant from an operational point of view. They result mostly from timing of capital improvement projects and other grant-funded activities. Most of the FY11 increase resulted from carry-over ARRA stimulus monies received by Transit and CDBG. Actual receipts were under the projected and budget amounts. Departments erred on the side of caution and estimated they would receive all of the ARRA and CIP project-related grants they had been awarded. In reality, many of the CIP projects were not started nor were ARRA projects completed to the point the City could receive corresponding grant receipts.

Donations, Bond Proceeds, and Other Revenues

Donations, bonds, and other revenues increased FY2011 from \$6.6 million to \$10.144 million. These revenues represented 9% of total City revenues. \$7.4 million of the total amount this year is attributable to bond proceeds recorded in the Water Protection Fund – draw-downs as capital projects are being completed.

Besides the various bond proceeds, major contributors to the FY11 amount in this category were:

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- \$397,000 of Sewer Reserve Charges. This is an annual payment from Triumph Foods which goes to pay the debt service on one of the TIF bonds issued for that project;
- \$758,000 “developer’s contribution” which is Chapter 100 Personal Property PILOTs from Triumph Foods sent directly to the bond trustee;
- \$388,000 in Missouri BUILD tax credits in the Sewer Fund, funneled through Triumph Foods in order to support the MDFB Series C bond payments;
- \$100,000 one-time payment from the casino to offset the unanticipated loss of revenues resulting from the loss of the City’s lease with the casino;
- \$437,200 insurance payment for the fire at the Missouri Theater complex;
- \$106,800 insurance payment for the collapsed manhole at the Water Protection plant;
- \$32,000 donation from Southside Progressive towards renovations at Hyde Park;
- \$254,400 donation from the Senior Citizen Foundation towards the expansion of the Center’s fitness area; and
- \$31,000 in recycling revenues (\$22,000 more than FY10).

Except for the Triumph sewer reserve charges, BUILD tax credits, and PILOTs, sources such as these are very unpredictable and therefore rarely budgeted.

Fund Transfers-In

Transfers-in from other funds totaled \$9,747,000 or 8.5% of total City revenues. This is \$2.3 million more than the prior year. The details behind these revenues are provided under the EXPENDITURES section, on page 17. The difference between fund transfers-in and fund transfers-out represent monies received by the CDBG fund from off-budget sources such as the Revolving Loan Funds as reflected in the CDBG Fund chart on page 36.

EXPENDITURES

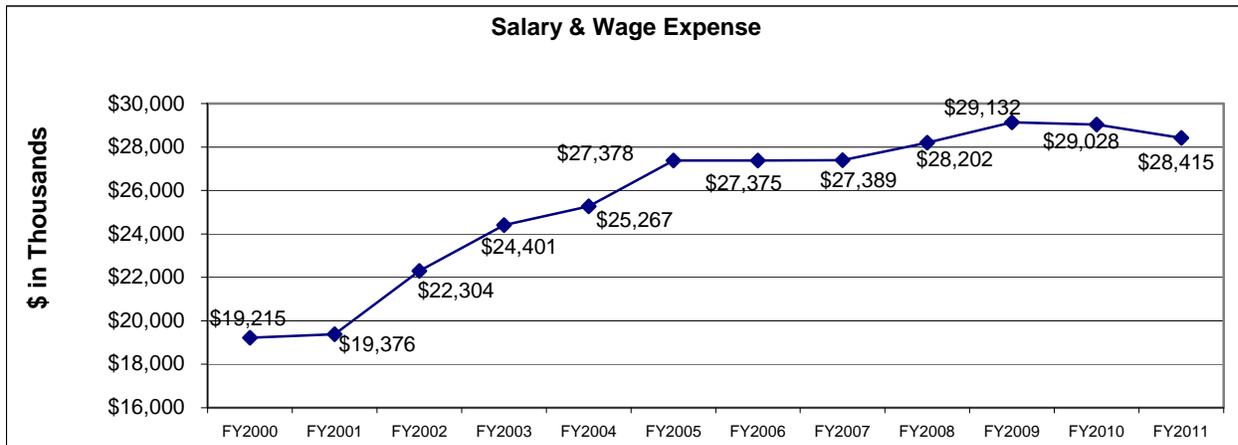
Salaries and Wages

Salaries and wages were basically flat from FY05 to FY07 as can be seen on the following chart. The cost of a 27th payroll in FY05 almost exactly matched the cost of the normal matrix salary increases in FY06. FY07 expenses reflect the fact there were no salary increases. In fact, there is only an \$11,000 difference between FY05 and FY07 salary & wage expenses. Overtime costs incurred during the ice event and overall harsh winter also contributed to the 3% increase in expenditures in FY07. There was a 3% increase in salaries in FY09, but an actual decrease in FY10 as a result of vacancy savings and a decreased use of overtime.

FY2011 wage & salary costs decreased another \$613,000, the result of a 20 position reduction in order to balance the FY2011 budget as well as vacancy savings realized throughout the year.

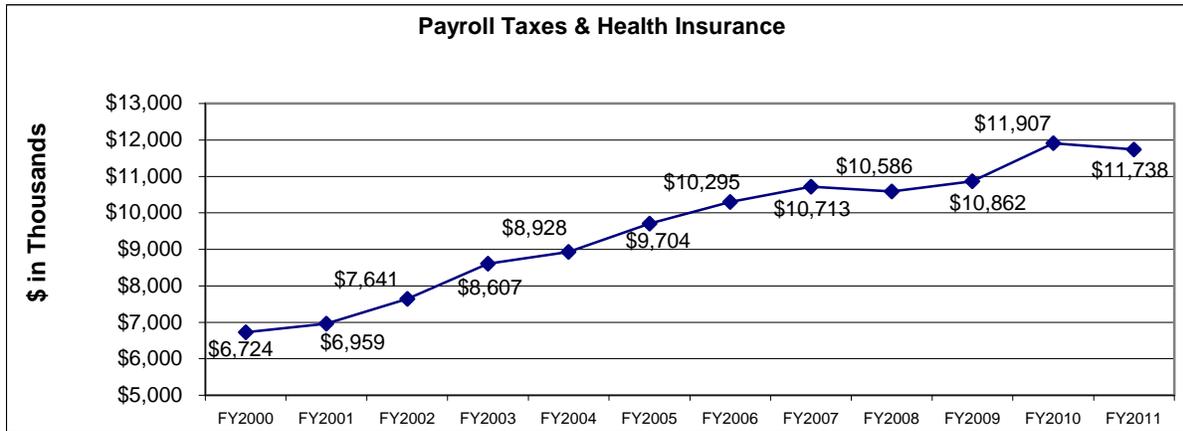
Salaries and wages (including overtime, out-of-title pay, and wages for temporary/part-time employees) make up 34.5% of total City operating expenditures. Actual FY11 expenditures reflected a 3% savings from the original budget, and were 0.2% (\$50,000) below projections.

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Employee Benefits

Employee “benefits” represent 14% of operating expenditures and cover payroll related taxes (social security), contributions to employee pension plans, contributions to health and dental coverage, life insurance, long-term disability coverage, workers compensation, mileage reimbursement and training/travel expenses. As can be seen in the chart below, this category increased only \$169,000 (1.4%) in FY11 from \$11,907,000 to \$11,738,000. While the \$613,000 savings in salaries & wages translated to a corresponding savings of approximately \$150,000 in pension, social security, and other payroll related expenses those savings were offset by increases in all of the city’s contribution rates to the employee pension plans. There was also a 4.5% increase in the cost of health insurance. Benefit expenses for FY11, were 2.2% under original budget and 0.2% (\$21,000) over projections.



Materials & Supplies

Material and supply expenditures increased 10% (\$448,000) in FY11, slightly topping FY08 levels. FY10 totals were \$4,465,000 in FY10 compared to \$4,913,000 in FY11. Expenditures for fuel related projects accounted for \$410,000 of the \$448,000 increase.

As a category, materials & supplies represented 4.2% of the City’s total expenditures. The year-end actual amount was 4% under the adopted budget, and 3% under projected expense.

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Services (Utilities, Maintenance & Repairs, Professional Services, Contributions)

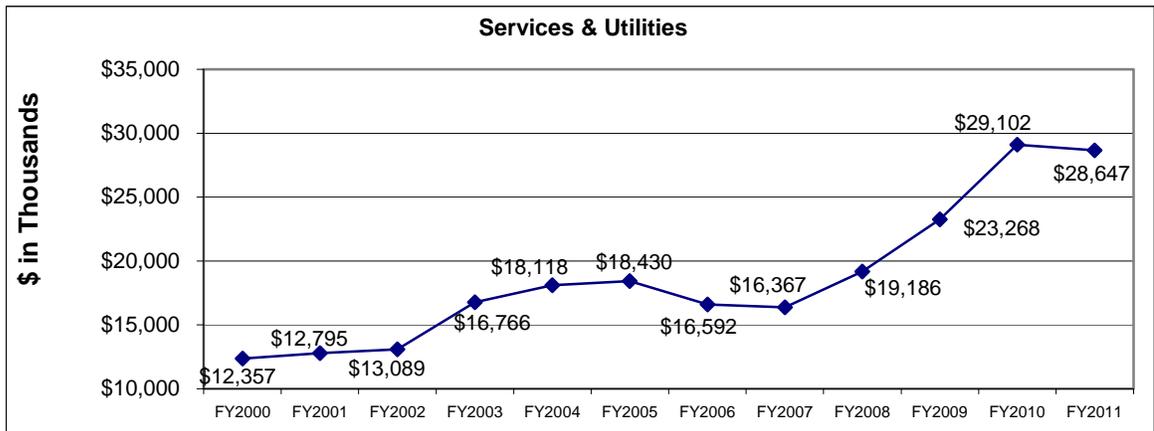
The cost of services paid for by the City decreased \$455,000 (2%), from \$29,102,000 to \$28,647,000. Services represented 24% of the City's total budget. This category contains the most diverse types of expenditures. The major components of the city's "service" costs included:

- *Professional Services* account was responsible for about 70% of the decrease in the Services category. For FY11 the amount in professional services equaled \$6.4 million compared to FY10's \$6.7 million. With the conclusion of contract negotiations between the City and the two public safety unions, the City's legal expenses dropped from the FY10 high of \$202,000 to the more normal annual cost of \$144,300. Architectural, engineering, and design work accounted for the bulk of professional fees in Landfill (\$553,000) and Airport (\$873,000) CIP programs. Specialized engineering, design and laboratory services for the MPO division, Water Protection and the Landfill made up \$1.19 million of the expense. The \$259,000 in Transit went toward the management contract with Laidlaw. The greatest single contributor to the professional services cost was the engineering & design costs for projects in the Water Protection CIP program – over \$3.578 million. This was less than the amount spent in FY10 and the reduction makes up most of the FY11 decrease in Professional Services;
- *Utility payments* (communications, gas, electric, water, solid waste) totaled a combined \$3.727 million (a 3% increase from FY10). Largest single portion of the expense is the cost of the street and traffic lighting systems (\$1.85 million, up \$700,000 from last year). Next is the electric service at the Water Protection Plant (\$973,000). There is a \$625,000 expense racked up within the Parks & Recreation department for all of the electric/gas/water utility usage at their facilities and grounds. The final utility expense that hits the triple digit mark is a \$108,500 cost in Police Communications for various emergency service communications;
- *Maintenance and repair of equipment, buildings, vehicles* at \$4.73 million, a decrease of \$163,000 from last year. A major portion of the total costs is made up of \$1,120,000 over all funds for computers, new/upgraded emergency communications equipment. Excluding the computer/communication expenses, maintenance & repair of buildings, vehicles and equipment totaled: \$1,605,000 in Water Protection divisions, \$595,000 in the Engineering/Streets divisions, \$381,000 in all Parks & Recreation divisions, \$275,000 in the Transit division, \$112,000 in the Landfill divisions, \$254,000 in the Police & Fire departments and the remaining \$388,000 scattered amount the other departments and divisions in the City;
- *Federal pass-through monies* in the CDBG Fund to various public service agencies and community development organizations and activities accounted for \$4.94 million an increase of \$1.55 million over last year's expenditures as a result of a roll-over of ARRA stimulus monies;
- *Gaming Fund* provided \$341,000 covering expenditures such as the contract with the Chamber of Commerce for economic development activities, the contribution to MO-KAN, the Downtown Partnership contract, the match for the Downtown DREAM initiative, festival funding, etc.

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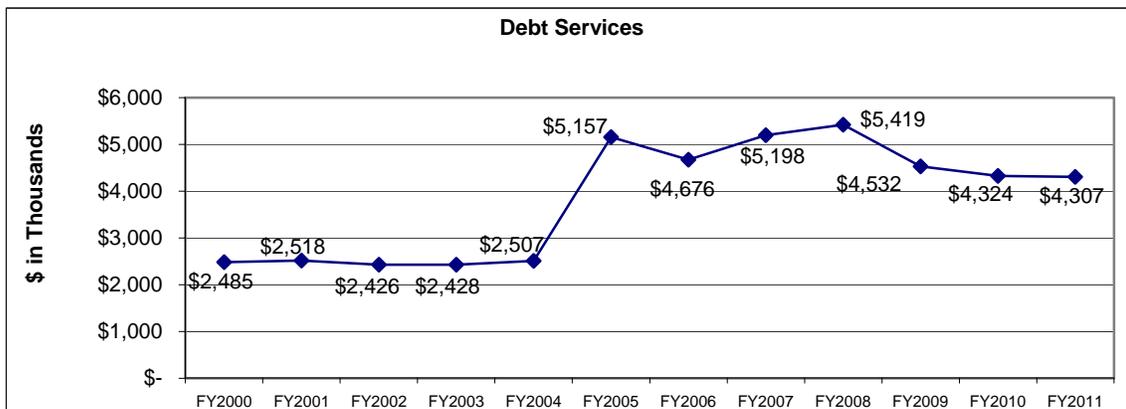
- *Municipal tax* funds reimbursed St. Joseph Museum, Inc for their management of one of the City's museums, per contract, for a total of \$338,000.
- Use of *temporary work crews* in Property Maintenance, Water Protection, Parks & Recreation, and Streets departments totaled \$375,000.
- *TIF programs* generate \$644,000 in administrative and collection fees paid to the City and County for tax collection and administration of the TIF programs.
- "*Special Contributions*" and "*Other Services*" accounts contain expenditures such as the \$408,000 payments to the LEC for the City's space in that building, the \$433,800 contribution to the Social Welfare Board recorded in the Health department, \$258,000 paid in MoDNR landfill fees, \$243,000 is paid to the water company for collecting City sewer fees, \$277,000 was paid to Buchanan County for collecting City property taxes;
- Finally, all of the *salaries, benefits, contractual service costs for the mass transit system* were expended in a "Services" line item and totaled \$3.467 million.

Expenditures were 4% under the original budget. As detailed above, year-to-year fluctuations in service costs are mainly due to the number and magnitude of capital improvement projects (with their significant engineering/architectural design costs) and the amount of federal pass-through monies allocated in any one-year in the CDBG Fund. Services came in almost \$2.4 million under projections with the last minute delay of several capital projects expected to occur at the time FY11 estimates were made.



Debt Service (excluding \$6.986 million in Special Allocation reimbursements & debt service)

Debt service expenditures (principal and interest payments on bonds and loans) stand at just over \$4.3 million. The Water Protection Fund accounts for \$3.9 million of that expense.



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The \$6.986 million in Special Allocation which shows up as “debt service” is actually comprised of two types of expenditures. \$5.7 million represents actual principal & interest payments on bonds issued in three of the City’s TIFS. The remaining \$1.286 million represents payments to developers in pay-as-you-go TIFS. The City’s outside auditors insisted on reclassifying these expenditures as “debt”, thus overstating the long-term payment commitments the City is obligated to make.

As a part of the various Redevelopment Agreements the City may have pledged to reimburse approved costs. However, with pay-as-you-go TIFS, if the project does not generate incremental revenues it gets no reimbursements. When the 23-year statute of limitations on a TIF is over, and the total amount has not been reimbursed, the developer loses it.

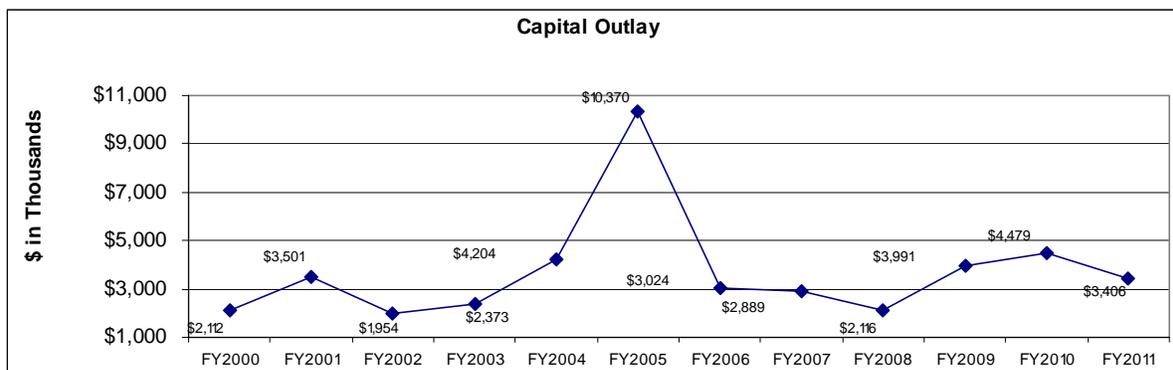
This category came in 1% (\$88,000) under the adopted budget and \$9,000 under projections. As a whole, the “debt service” category represents almost 10% of the city’s total budget.

Insurance & Other Charges

The FY11 total for this category was \$745,000, a \$4,000 increase over FY10 total. It includes costs of Transit vehicle liability insurance at \$138,000; City property and general liability insurance premiums (\$416,000, a \$50,000 decrease from the prior year) and City property damage and liability claims (\$66,200). Major portions of the Claims expense were made up of: Water Protection for sewer back-ups (30%), Streets’ divisions (24%), and Parks & Recreation divisions (37%). Most of the claims in the last two departments were due to vehicle or other property damage during plowing in snow & ice events. This expenditure category has historically been a minor portion of the whole. In FY11 it represented 0.006% of total expenditures.

Capital Outlay

Capital outlay expenditures can fluctuate significantly from year-to-year depending on the City’s capital equipment needs and whether capital equipment is funded by CIP sales tax funds. FY11 capital outlay decreased from \$4,479,000 to \$3,400,000 (3% of total expenditures). The spike in capital outlay that occurred in FY05 resulted from the \$8 million purchase of the Public Safety Communication System.



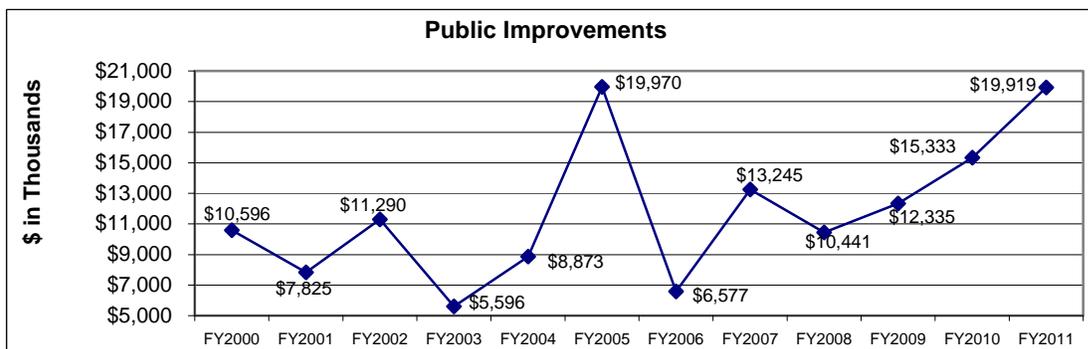
Large capital purchases in FY11 included \$517,000 worth of police vehicles and other equipment; \$700,000 worth of new and upgraded equipment, in the Transit system from remaining ARRA stimulus funds filtered through the FTA; \$256,000 for Landfill equipment; \$649,000 in rolling stock in the Streets, Parks & Recreation and Water Protection departments; and \$119,000 in equipment needed at the Water Protection Plant in order to meet EPA and MDNR mandates.

CIP tax funded capital equaled \$1,131,000 and included \$135,700 for the upgrade in finance/HR software/hardware; \$92,000 for fire station generators; and \$907,700 for fire vehicles & equipment (of which \$819,000 represented purchase of the platform for an aerial ladder truck).

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Public Improvements

Public improvement expenditures can, and usually do, fluctuate annually in response to the timing, nature and cost of projects outlined in the City's Five-Year CIP and the EPA/DNR mandated sewer system improvements.



FY05 was an example with an almost \$11.1 million dollar increase from FY04. The projects that year included the \$8.8 million Police Communications System upgrade and the capacity improvements at the Water Protection Plant totaling over \$11 million. The FY07 jump to \$13,245,000 included several unusually large projects: expansion of the LEC, Nature Center Construction, Felix Streetscape Phase One, start of construction at the site of the new Eastowne Business Park and continued improvements at the airport related to the MOANG expansion.

FY2009 began to see the use of the large, one-time cell phone settlement funds for projects as well as the large-scale projects at the Water Protection plant, bring total expenditures of \$12.335 million.

FY10 public improvement costs took another \$3 million jump for a total of \$15.3 million with Water Protection projects fueling the increase.

And FY2011 major improvement projects once more took a \$4.6 million hike to \$19.9 million:

- Additional land purchase for future expansion at the new Recycling Center/Sewer Maintenance Facility location \$290,000;
- \$6.6 million in the Capital Projects Fund which included the new Multi-Purpose Recreation Center at \$4.5 million (including over \$1 million contributed from cell phone revenues), an additional \$303,000 in renovations at Fire Station 12, and various repairs and improvements to the Senior Center, 4th Floor City Hall, and a fire damaged portion of the Missouri Theater complex.
- The airport incurred \$7.4 million for the first major phase of the immense ANG Alpha Taxiway Rehab project;
- \$1.7 million in the annual streets asphalt overlay and concrete repair projects; and
- \$3.9 million in facility improvements undertaken at the Water Protection Plant to meet state & federal Clean Water mandates.

Transfers-Out

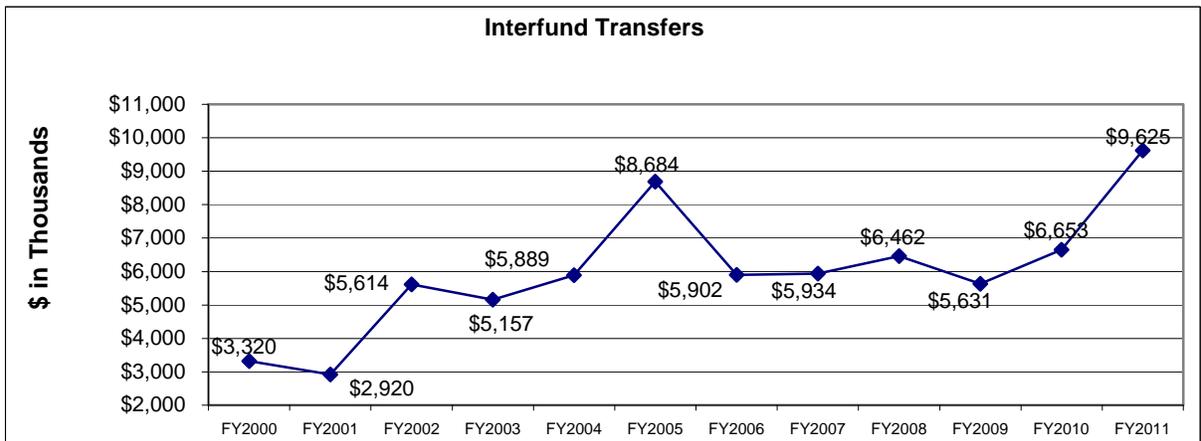
FY11 saw an increase of \$2.9 million from the FY10 from \$6.7 million to \$9.6 million. [The \$122,200 difference between fund transfers-in and fund transfers-out represent monies received by the CDBG fund from off-budget sources such as the HOME Revolving Loan Fund (\$112,500) and the transfer from the Downtown Business District account to Parks Maintenance for Downtown Cleanup (\$9,700).]

Transfers occur for several reasons.

- The *computer escrow transfers* decreased significantly in FY11 from \$178,600 to \$51,200. Transfers for maintenance, upgrades and replacement of network components are calculated and adjusted annually depending on projected expenditures for the upcoming year. With the move of the majority of Parks & Recreation, Health, and Public Works Administration/Engineering to the General Fund the transfers from these departments were eliminated;

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- Transfers to cover General Fund support departments' *administrative costs* from the Enterprise funded departments totaled just over \$1.2 million;
- Landfill provided \$500,000 in transfers to support the property maintenance function and \$325,000 to Streets Maintenance for 8.5 months support of the Alley Maintenance program;
- Transfers from one fund to another help cover *operating costs*: The General Fund transferred almost \$4.5 million to Streets Maintenance and \$1.2 million to Parks Maintenance activities;
- The Gaming Fund transferred \$565,000 to various funds to support specific projects, purchases, or other operations; and
- Transfers to help fund *capital projects* – A total of \$1.3 million was transferred for this in FY11. The Capital Projects Fund received \$1.2 million of that amount for the Multi-Purpose Recreation Center from general fund cell phone revenues, \$78,000 from Gaming and Museum Tax for Living History and improvements at the Wyeth-Tootle Mansion.



The following sections provide a more detailed analysis of the City's budgeted funds' performance in FY2011 compared to FY2010. The report takes a look at how revenues and expenditures compare to budget and to prior year's experience. The analysis is provided in narrative format, sprinkled with graphs, and ends with a spreadsheet of each fund's sources and uses of monies. To meet the requirements of the GASB Statement No. 54, officially taking effect with the 2011 fiscal year, ending fund balances are separated into "assigned" and "unassigned" and "reserved".

GENERAL GOVERNMENTAL FUNDS

GENERAL FUND

SPECIAL REVENUE FUNDS

STREETS MAINTENANCE

PARKS MAINTENANCE

CDBG

GAMING INITIATIVES

MUSEUM

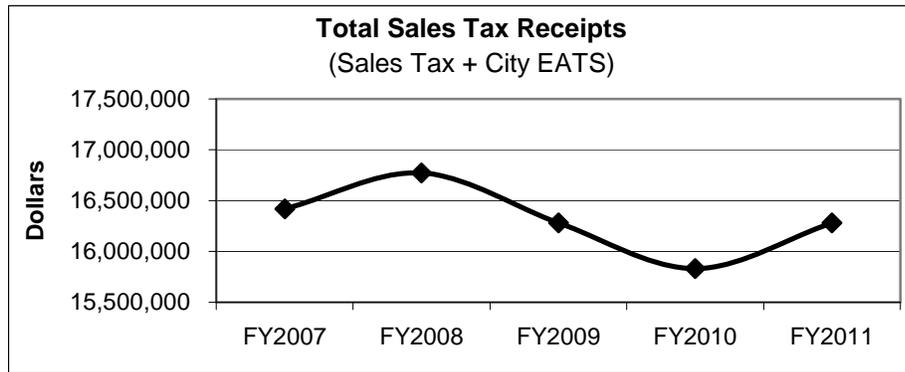
SPECIAL ALLOCATION

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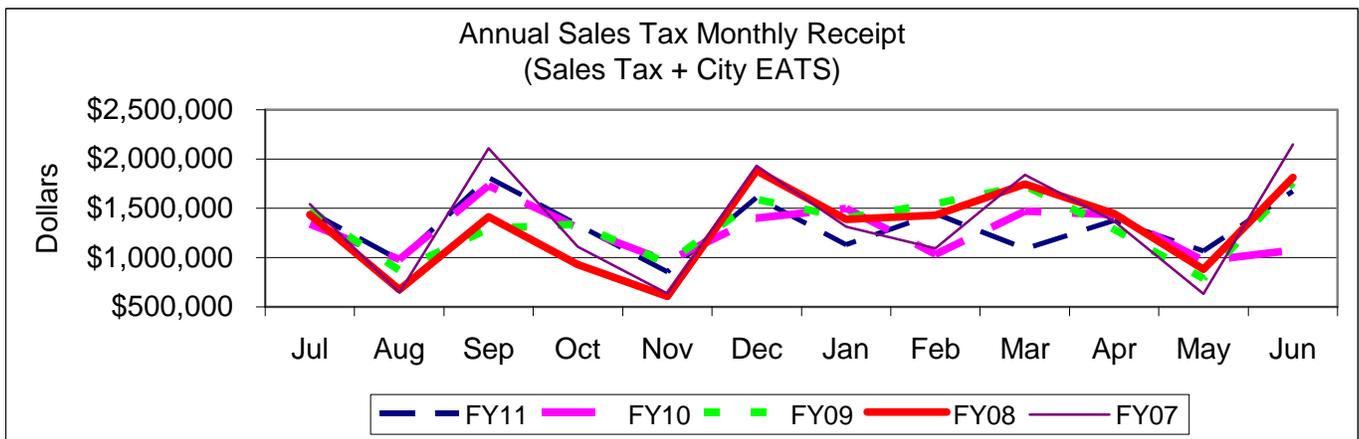
GENERAL FUND

Revenues

As discussed in the opening sections, **general sales tax revenues** saw a decrease in this fund for two years in a row starting in FY2008. Total decrease was over \$600,000. After analyzing the decrease experienced in FY2010, the Year End Report warned, "... the City actually experienced a 6.4% shortfall from the original FY10 budget and 2% lower than mid-year projections. Since the FY2011 budget was based on FY10 projections there is, once again, a good chance that sales tax revenues will be short this coming year-end by 2-3%." The City did, indeed, fall 1.7% short of original budget projections.



Fortunately, the City experienced 0.9% more revenue 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. Even though staff waits as long as possible to project sales tax revenues, because of the cyclical nature of the receipts (seen in the chart below) it's difficult to be very accurate until mid-April when March receipts are received. By that time budget projections have been built into the upcoming year's financial plans.



The strong opening sales tax receipts had in the first months of the year was the result of major tournaments held at Heritage Park, the national tennis championship tournament and the Kansas City Chiefs training camp. The next two quarters gave way to a slow decrease. The fourth quarter revenues rebounded positive again. June was the second highest month for collections with September being the strongest. The growing popularity of online holiday shopping could have possibly attributed lower numbers in the third quarter when compared to the same time frame during FY10. Another reason could have been the unfortunate circumstance that many of the due dates fell on the weekend which caused delays.

Cigarette tax revenue (included in the overall sales tax category) was 5% higher than in FY10, but was under projections by \$16K. Cigarette sales overall continue to fall with the economy and the increased federal tax implemented two years ago. Vehicle sales did well throughout the year and **motor vehicle**

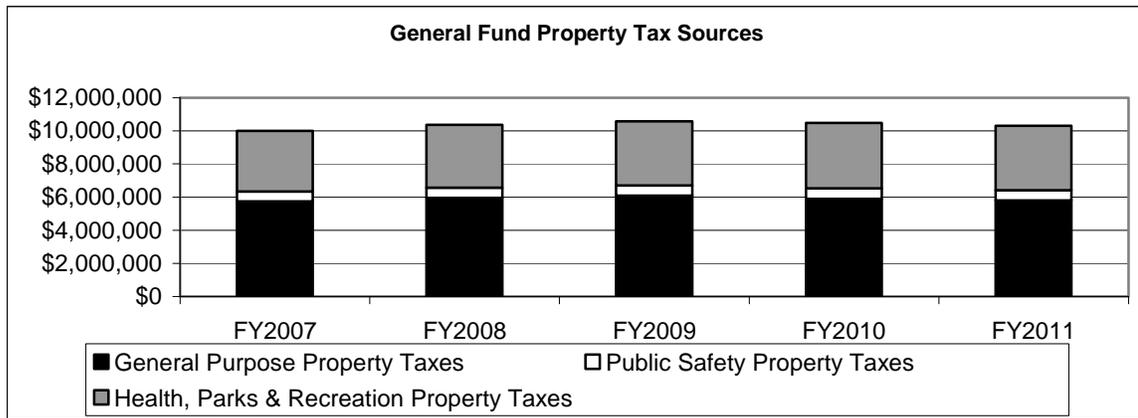
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sales tax revenues were \$81,000 above budget. This was a 19% increase when compared to the prior year.

At the time of this report, **Hotel/Motel taxes** had not yet been finalized. Receipts were under trend (82%) despite events earlier in the year such as the major tournaments held at Heritage Park, the national tennis championship tournament, and the August Chief's camp. In a recent election, the voters approved a 3% increase to the 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. Originally a 5% increase was proposed and failed at the election booth.

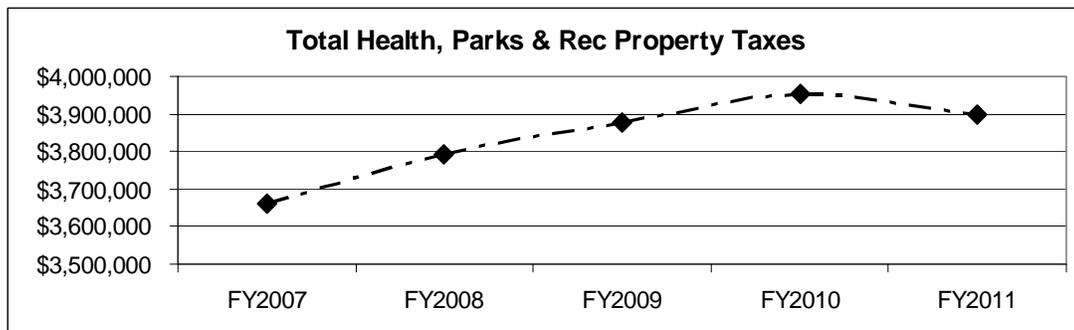
Real and Personal Tax Revenues

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. The chart below reflects this lack of significant growth in any of the categories (General Purpose, Public Safety, Health, Parks & Recreation) making up general fund property taxes.

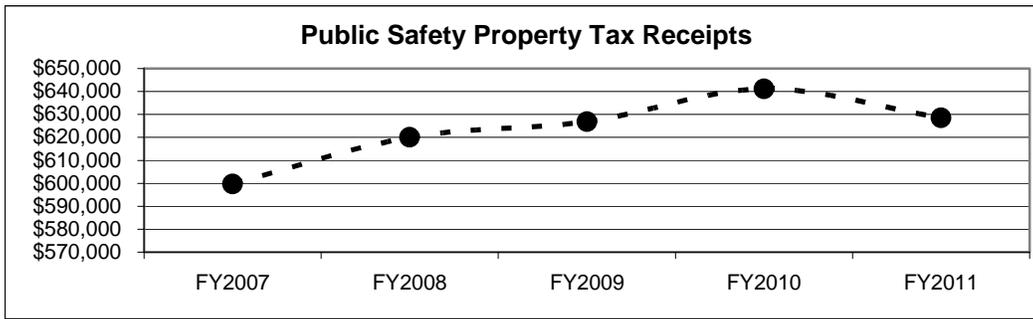


In fact, as in FY10, the general purpose tax levy was impacted negatively by SB711. The bill was passed in August of 2008 with the mandate that the General Fund levy be rolled back to the 1984 rate of 67 cents per \$100 valuation from the 2008 general levy of \$.7046 per \$100 valuation. This translated into a 4.9% decrease in General fund taxes for FY10.

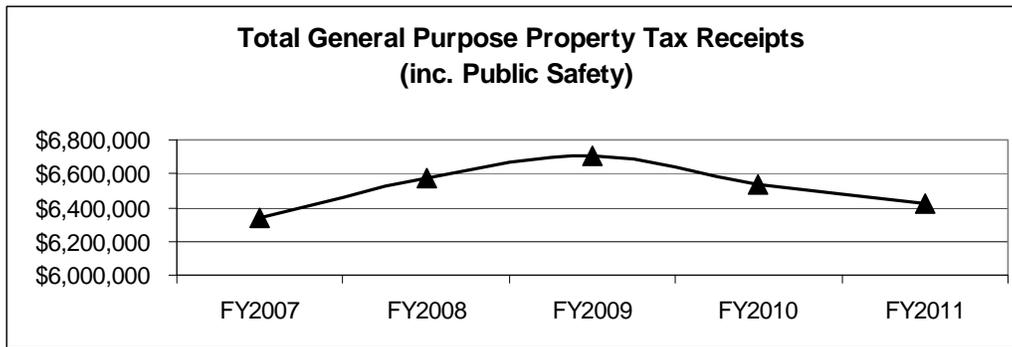
The impact of receipts of the general purpose property taxes can be seen in the three charts starting below. Fortunately, SB711 did not impact the general fund's health or park property tax levies. In addition, there was a Hancock increase of 2.7% implemented for those two levies. Despite the increased levy, collections were \$41,000 less than in FY10, with Parks completing the year at 98.6% of budget and Health at 97.8%. The reduction could be linked to a number of causes – protested taxes, changes in assessed value, increased number of delinquencies, resulting in foreclosures.



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On the other hand, the last of the three charts shows the immediate decrease in general purpose taxes in FY10. SB711 and the factors affecting the other property tax receipts combined to continue to negatively affect this revenue source in FY11.



Overall, 97.5% of budget revenue was collected for the year (\$245,000 under the projected budget). This represented a slight decrease of 0.74% decrease from the previous year actual.

Utility Taxes

Utility Taxes for the General fund met the projected budget. (At the time of this report not all year end entries were finalized for utility taxes.) The FY11 Telecom budget (for program 0011) was based upon the average monthly revenues from settlement data (\$1.3M) recorded by companies. Staff is tracking these revenues separately, as their future remains uncertain past December, 2012 (FY2013). To date, over twice the amount of what had been projected for the fiscal year had been collected (\$2.8M in total) due to receipt of another one-time settlement. The Voice Stream/T-Mobile settlement for past year revenues was received in December (\$1.16 million), as well as almost a full year of current tax revenues. This represented the final settlement of the telecom companies and there should now only be month to month revenues going forward. AT&T cell remittance increased \$483K from the prior year.

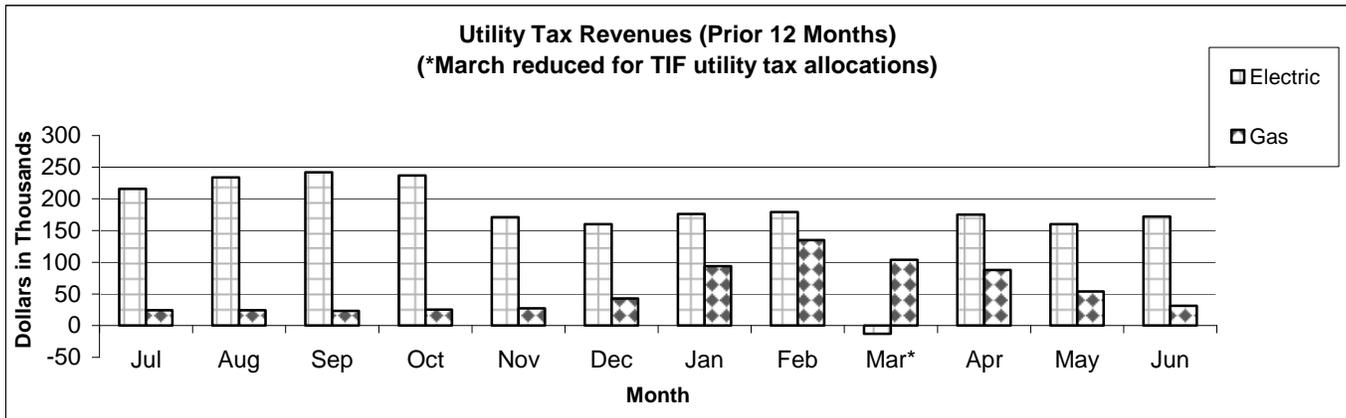
With the exclusion of the additional telecom revenues, utility revenues finished just under projections at 98.5%. Gas revenues showed an increase of \$26,000 more than the previous fiscal year, but were still below budget at 89.1%. The warmer temperatures lasted well into the fall season and overall had a milder winter when compared to FY10.

To balance out the deficit of gas, electric franchise revenue surpassed expectations by 6.6%. The unseasonably warm fall temperatures had revenues \$129,000 more than this time the previous fiscal year. As shown in the graph on the next page, the relationship between gas and electric is cyclical. In the warmer months, electric is high and gas is low. In colder months, electric decreases and gas increases.

Water revenues hit their mark this year. A 3.4% rate increase went into effect for customers at the beginning of the year. This evened out the impact of the large amounts of snow and rainfall that led to less water usage. The land line telephone revenues were significantly under target by \$152,000, but up

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34% when compared to the prior fiscal year. Part of the decrease could be attributed to the increasing number of consumers opting to drop their land lines. Cable finished close to projections at 98%.



Municipal Court fine revenues were on the decline all year and finished woefully under budget at 23% (\$281,000) below adopted and 10% (\$109,000) under projected budgets. These revenues are down 11.5% when compared to the previous year. Total filed cases, overall, were down (13%) compared to this time in FY10.

The biggest variance was from the Police Department, filing 2,119 fewer violations - a 13% drop. Parking Control issued violations were down 73% as there were staff shortages during the last half of FY10. Staff was unable to write tickets as often because they were forced to fill in at the garages in absence of other employees.

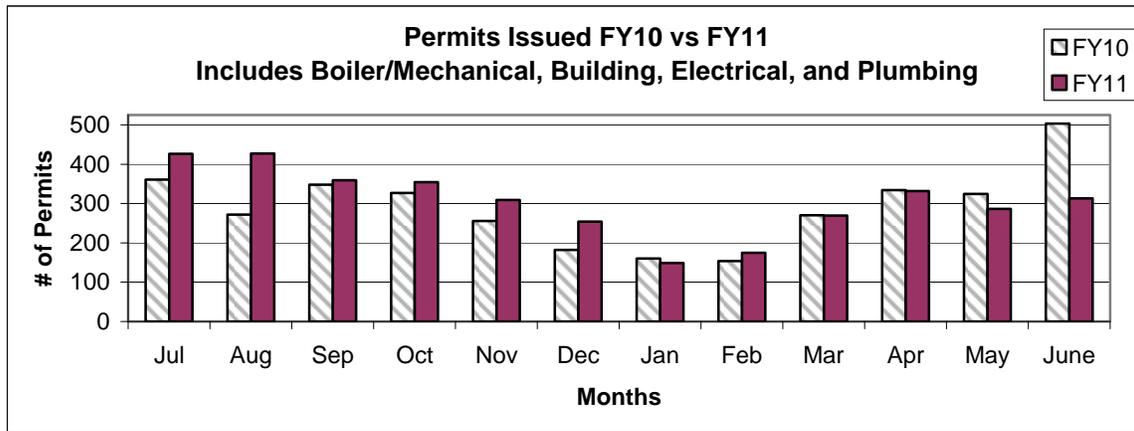
Animal Control filed cases declined by 13% as well. More severe penalties for offenders have led to increased compliance from citizens. Only Code Enforcement showed an increase with 96 more cases filed, a 22% change.

In addition to the decline of cases being filed, so were fewer completed cases. Compared to FY10, 22% more (391 cases) were dismissed by the City Prosecutor (Nolle Pros). Also experiencing a rise were cases that closed out with only court costs being paid. These cases went up 5% (100 cases). Cases where violations were paid before a judge/jury were 1,198 less than this time in the prior fiscal year. Overall, total cases completed are down 8%.

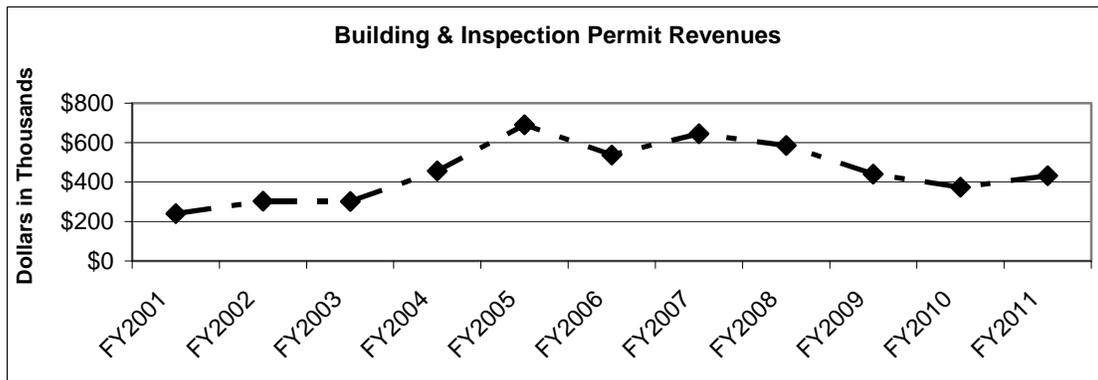
DWI enforcement revenues, recorded in the Patrol Operations program, topped projections by 8.5%, but 26% less than this time prior year. According to the Police Department, this resulted from a decrease in the level of grant funding to perform DWI enforcement compared to FY10. Server licenses, a new fee for training servers of alcohol, were established in FY10 and more than tripled the total year original projections. Total fees collected were \$26,000 more than budgeted (accounted for in the Support Services program). Revenue also increased as all servers were given until July 1, 2011 to comply with the licensing. (Ordinance passed on November 2, 2009).

As indicated by the first graph on the next page, the number of **Building Development permits** issued slowed in the second half, but the category still had an improved year in terms of revenues. Building permits were the greatest contributor to revenues at \$28,000 above budget. This was a 23% increase when compared to FY10. Major projects during the year included the Nestle/Purina addition, the ICM expansion, and the Wesley Towers renovations.

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Boiler/Mechanical permits were up 34% from the prior year. Plumbing also increased from FY10 (up 7%). Only electrical slid down from the previous year (a 10% decrease). The revenue trend over the last ten years can be seen below. Construction in the TIF districts provided boosts to revenue from 2004 to 2007. From there it was a downhill slide until last year. While the rebound isn't major, at least it is in the right direction.



The economy has had a major impact on Business Licenses as revenues experienced a decrease of \$140,000 (15%) when compared to FY10. Liquor Licenses were up \$9,100 (10%) from a year ago. As expected, Garage sale permits picked back up for the final quarter. They came up a little short of prior fiscal year by 6%. A factor could have been a four-day free garage sale weekend in August (as approved by Council).

Health Department program revenues for the second consecutive year ended at 99% of the budget.

Overall, **Animal Control** revenues were just under budget at 95%. The majority of dog licenses were received in May, but only 86% of expected revenues came in for the year. Part of this can be attributed to license fees as they no longer expire on May 31st annually. The department has implemented staggered expiration dates.

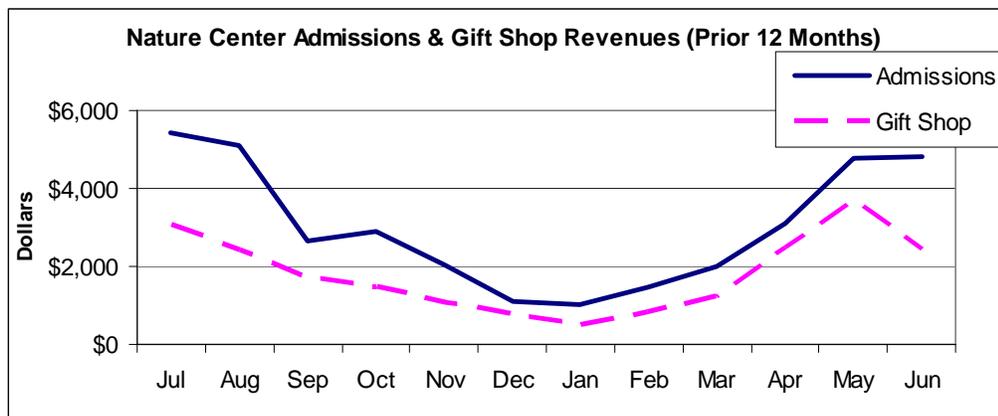
Animal Control citations were steady at 97% of the budget, but revenues were down 7% compared to FY10. This was an improvement when you consider that at the end of the first quarter citations were down 28%. The department is seeing a two-fold reason for the decline: (1) a reduction in overall complaints and (2) pet owners apparently are discovering that being in compliance is much cheaper than going through the court system. Pound fees exceeded budget by 5% (\$3,000 above trend). Cremation services also topped budget at 6% above projections.

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Birth/Death certificates were down 5% from a year ago and finished \$7,000 short of trend. The combination of the economy and high fuel prices may be a factor for less travel abroad. Revenues for food establishment permits, received in May and June, were 12% higher than projections indicated. This is interesting given the decrease, overall, in business licenses in FY11.

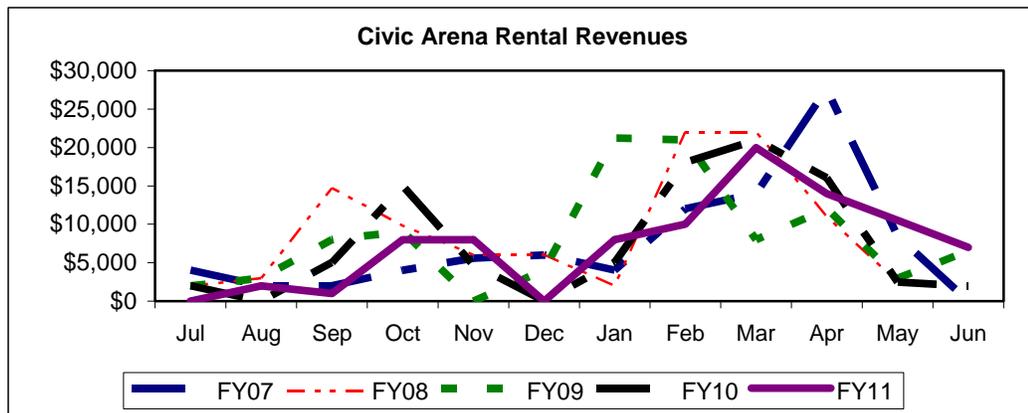
Parks, Recreation & Civic Facilities department program revenues, in total, were well under projections at 84%. Many programs struggled throughout the year. The return of spring and summer programs such as the ball fields and pools helped, but revenues overall finished down 9% compared to FY10.

- **Park Rentals and Shelter Reservations** each collected above budget. Park rentals showed an 11% increase compared to FY10. Shelter reservations picked up in the second half and were 37% above the yearly projections.
- League fees for **Summer Softball** came in under target at 85%. They were down 8% from the previous year. This was the second consecutive year that revenues fell under expectations. Fall Softball also ended on the low side at 75% at the beginning of the year.
- **Swimming** had overall good numbers for the season and finished at 98% of budget. The daily fees for the Aquatic Park met budget, but were down slightly (3%) from FY10. Krug and Hyde also hit their target for the year. This was despite the pools being closed after the first week in August. Pool rentals were at trend and showed an increase of 19% from a year ago. Swimming lessons were under trend by \$2,000.
- After a stagnant middle of the year, **Nature Center** revenues began their seasonal increase in March. Revenues continued to improve into the fourth quarter before the Center experienced major problems with flooding, eventually having to close on June 27th. As shown in the following graph, admission and gift shop revenues started strong and then declined starting in October. A slight uptick in February and March showed signs of a steady increase in business. Revenues gradually increased each month until the summer flood occurred. Admissions were \$15K below budget and 26% less than in FY10. The gift shop did a little better at 87%, but also decreased significantly compared to the prior year (22%). The meeting room was the only area that hit their budgeted target and surpassed it by 10%. School field trips and decent weather are huge factors when it comes to the success of the business. It's clear that the months of April thru October are the strongest months for the Center on a yearly basis. With the flooding of the Missouri River, a huge portion of that window will be missed. Not only was the impact felt this fiscal year, but will also resonate for FY12. Regardless of the unfortunate event, the Nature Center more than likely would not have met budget due to their low numbers during the second and third quarters.



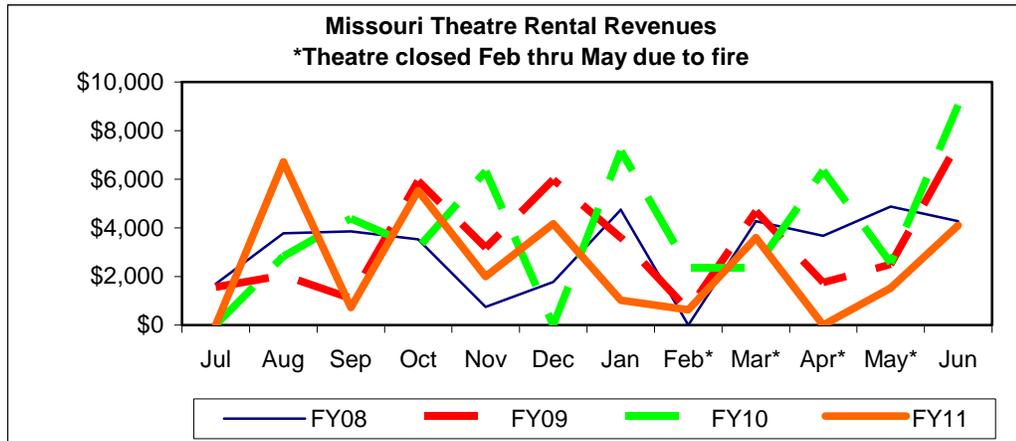
FY2011 YEAR END FINANCIAL REPORT

- With the expansion of the Fitness Center earlier in the year, the **Senior Center** displayed a \$6,000 increase in revenues compared to the prior year. Recreation fees were 49% below budget, but these were offset by the new membership fee, added in January, with year-end revenues that totaled \$15,000. Cafeteria fees for the Senior Center were \$3,000 under the mark as the cafe was closed some days during the winter due to the weather. New fees added to the fitness center membership charges will address future equipment needs.
- **Volleyball revenues** for Muchenberger were close to budget for the year. All but 3% of the projected budget was collected.
- The **Bode Recreation Complex** was \$4,000 above trend. Ice rink admissions slowed down over the final quarter and finished at 96% of the projected budget (down 8% from FY10). The season for Hockey ice rental ended by the third quarter and 89% of the expected revenues were collected for the year. This equaled a 4% decrease compared to FY10. Ice rental-general was above the total year mark by 42% due to the closing of a Kansas City facility that the hockey teams used. The line item was the only area within the Bode Complex that increased (\$8K more) compared to the prior year. Figure skating rental's season collected 93% of the expected revenues.
- All aspects of **Parks Concessions** had disappointing revenues. Much of it can be contributed to the anticipation of the flood. The biggest area of concessions, ball fields, was impacted the most (\$53K under budget). Many tournaments, scheduled for the end of the year at Heritage Complex were canceled due to the flood. Once Heritage Park was evacuated in June, the softball leagues were moved to different fields in the city with open fan viewing areas, reducing concession sales. Also affected by the flood were the Nature Center concessions. The Center closed in late June and experienced low numbers leading up to the flood, resulting in only 61% of the expected being collected. Pools showed an 18% decrease compared to prior year in part due to being closed for the season a week earlier than in FY10. All together, concessions were \$91,000 below projections for the year.
- Although the **Civic Arena** had a strong second half, it was not enough to recover from a very poor first half of the year. Only 71% (\$88,000) of budgeted arena rental revenues were collected this year. For the first six months of the year only 22% was garnered. Despite several shows and events held in the late winter and spring, revenues were 3% less than a year ago. Historically, as noted by the graph below, the second half of the year is usually the strongest. As expected, the other arena revenues were directly impacted by a decrease in rentals. Primarily affected was concession revenue, \$50,000 below trend (a decrease of 26% when compared to last fiscal year). Special Promotions was \$18,000 under the mark as well. On a positive note, equipment rental and moving fees met their budgeted targets. Moving fees increased by 34% when compared FY10.



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- For the first half of the year the **Missouri Theatre** was close to budget. Unfortunately, a fire broke out above the theatre in February. The costume/prop room and businesses that rented space were significantly damaged. The theatre itself only suffered smoke damage, but was unable to host any events until late May. Theatre rental was \$10,000 below budget and 36% less than the previous year. Office rental had been under target most of the year, and the fire set it back even farther (53% of projected budget). The rental fees were waived during the weeks they were unable to operate their businesses. Two businesses weren't expected to reopen until the end of the fiscal year. The following graph shows a comparison between the four most recent fiscal years.



The majority of programs in the Parks & Recreation department exist to provide citizens and visitors the opportunity to engage in sports, arts, entertainment, exercise, educational experiences. As revenues decrease and budgets tighten, policy makers and the citizenry will need to determine how much these amenities should be supported by the taxpayers and how much by the end-users.

The chart on the next page compares each program's expenditures to the revenues it generates. The percent of cost not covered by self-generated revenues (paid by the individuals or groups that use the service) are paid for by the general tax base.

FY2011 YEAR END FINANCIAL REPORT

	FY2010 Actual		% Self-Supported
	Revenue	Expenditure	
Recreation	49,570	114,284	43.37%
Softball/Baseball	104,477	199,972	52.25%
Swimming	214,025	320,390	66.80%
Nature Center	90,077	226,043	39.85%
Senior Citizens Center	73,351	213,075	34.42%
Muchenberger Center	23,980	127,324	18.83%
Bode Recreation Complex	193,602	290,652	66.61%
Parks Concessions	361,444	392,096	92.18%
Civic Arena, Concessions & MO Theater	801,018	757,416	105.76%
	1,911,544	2,641,252	72.37%
Parks Maintenance	920,450	2,099,654	43.84%
Restricted Parks	19,801	29,487	67.15%
Parks Administration	2,378,854	768,804	309.42%

(1) Excluding the Transfer from the Museum Fund. With that transfer, 84% of the programs expenses are covered.
 (2) Revenues include the Hotel/Motel tax receipts
 (3) Excluding the monies transferred from the Cell Phone program in the General Fund for capital equipment purchases.
 (4) Excluding the \$362,000 transfer from General Fund as an operating subsidy.

Only the Civic Arena, Civic Arena Concessions and Missouri Theater (when considered as a group and when Hotel/Motel tax revenues are included) generate more revenue than expenditures. Without the Hotel/Motel tax, this set of programs generates 60% of revenue needed to cover expenses. The Parks Concessions program (which includes concessions at the pools and the ballparks) is nearly self-sufficient. Bode Complex and the Swimming programs cover at least 2/3rds of their needs. The Swimming program (Aquatic Park) would actually be a money-maker if the two, underutilized neighborhood pools were closed.

Parks Maintenance, discussed in more detail later in this report, gets more than half its revenues from parks & recreation property taxes (on top of the specific property tax assessment for parks) and the remainder from general fund operating subsidies.

Amount of General Fund operating revenue budget collected at year-end: 98%

Expenditures

There were some budget deficits that, while covered by savings elsewhere, do point up areas needing to be addressed during the next budget cycle:

- With the vacancy in the city manager position and with the project manager expenses split between the CMO and the Parks Department there were significant savings in salaries in the City Manager Office budget. Fund-wide, salary savings and a more judicious use of overtime in most departments, provided a \$553,000 savings in the personnel costs based on the adopted and amended budget.

There was only one significant **Personnel** cost issue for this fund at year end - Temporary/PT wages and related payroll tax categories in five Parks & Recreation Department programs. Recreation, Softball/Baseball, Nature Center, Senior Citizens Center and Parks Concessions combined to top their personnel budgets by almost \$49,000. Overages occurred despite shortened seasons for all but the Senior Citizens Center because of late the spring flooding. Only

FY2011 YEAR END FINANCIAL REPORT

a combined savings of \$19,500 in the Temp/PT categories from Swimming, Muchenberger Center, Bode Recreation Center, and Civic Arena & Arena Concessions kept the department-wide deficit to \$49,000.

- Fuel price increases resulted in the only **Materials & Supplies** account that didn't have savings on a fund-wide basis. Fuel costs were \$68,000 over even the amended budget. Overall, the Supplies categories came in \$198,000 under budget.
- The **Outside Services** category is comprised of all of the #1400 numbered line items. This includes everything from Professional Services to Utilities, to Special/Other Contributions. Excluding the dollar amounts budgeted in Special and Other Contributions, the fund went over its original budget in the Outside Services category by \$61,000.

Most of this can be traced to the various Maintenance & Repair accounts (Equipment, Vehicles, Buildings) which combined to go over budget by \$129,000 fund-wide. Bode Complex was over budget by \$16,600 on M&R of Building & Facility for various expenses including infrared heaters and replacement of fan motors for the compressor. Because of a fire, the Missouri Theatre had its fair share of M&R Building & Facility expenses. Costs of numerous chemical treatments, replacement of speakers, and painting, exceeded the Theater's budget by \$7,000. Major repairs at the Civic Arena resulted in a \$62,000 expense; M&R to Vehicles in the Fire and the Public Works divisions added another \$112,000.

Maintenance and repair of the City's facilities and equipment is an ever-growing segment of annual expenditures.

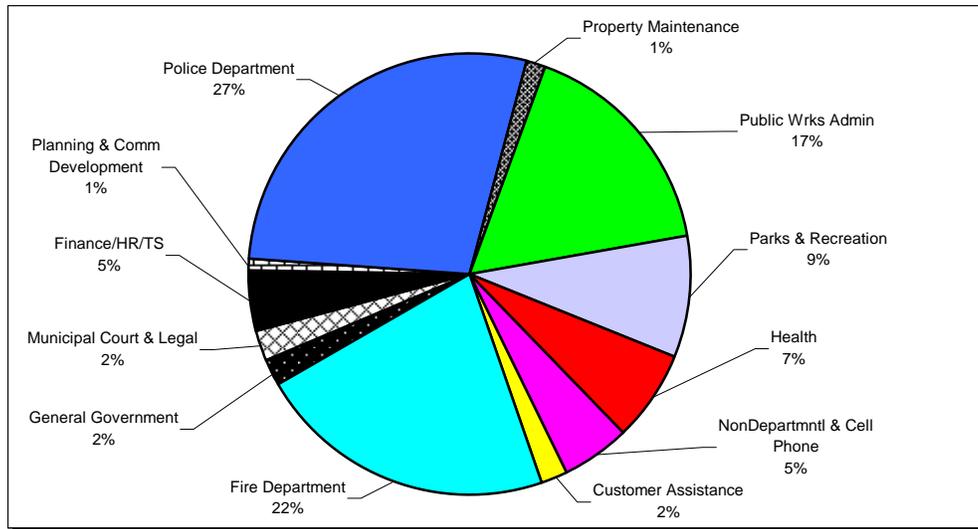
Several individual departments or programs had issues with utility costs. But as mentioned in the Executive Summary, while one utility cost can spike due to climate issues, there will usually be a corresponding drop in another utility. For 2011 electric service ended the year \$27,000 over budgets fund-wide balanced by the fact that gas and water utilities were \$27,000 under their combined budgets.

- **Transfers to Other Funds** were significantly over original budget. An additional \$1.2 million in cell phone monies was appropriated by City Council for capital expenditures, mostly attributed to the \$1 million for the new Multi-Purpose Recreation facility and its parking lot. The General Fund transferred an additional \$191,000 to the Streets Maintenance and another \$31,000 to the Parks Maintenance in order to meet the budget deficits experienced in those two funds. Some of these additional expenditures were offset by the fact a one-time transfer to the Water Protection Fund for the general fund's portion of a software program was postponed to the FY2012 budget.

While the capital expenditures were one-time occurrences, transfers to the Streets and Parks funds will increase as the expenditures in those funds are allowed to increase.

Amount of GF operating budget expended at year-end: 95.5% [excluding the effect of transfers to other funds and expenditures from Cell Phone program]

FY2011 YEAR END FINANCIAL REPORT



The performance of each department (budget deficit or surplus) is shown on the following graph.

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GENERAL FUND

	2010-2011		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Proj Beginning Unassigned FB:			\$4,880,880		
Computer Escrow FB:			73,165		
Cell Phone FB:			972,604		
27th Payroll FB:			589,400		
Emergency Reserve:			<u>1,025,000</u>		
			<u>\$7,541,049</u>		
SOURCES					
Property Tax	10,872,472	10,816,106	10,586,423	(0.03)	(0.02)
Utility Franchise Fees	5,070,731	5,085,743	4,996,782	(0.01)	(0.02)
Cell Phone Franchise Fees	2,602,620	2,947,200	2,790,629	0.07	(0.05)
Sales Tax	17,916,477	17,377,300	17,691,490	(0.01)	0.02
Licenses/Permits	1,381,390	1,408,725	1,342,892	(0.03)	(0.05)
Fines	1,213,185	1,041,350	932,217	(0.23)	(0.10)
Inspection Fees	434,160	428,200	433,435	(0.00)	0.01
Charges for Service	3,373,966	3,308,779	2,967,489	(0.12)	(0.10)
Other Revenue/Bond Proceeds/Tower Leases	285,541	313,256	261,020	(0.09)	(0.17)
Investment Earnings	59,950	10,810	18,862	(0.69)	0.74
Intergovernmental/Other Grants	1,391,100	2,404,961	1,663,457	0.20	(0.31)
Transfers In	2,453,022	2,641,856	2,494,331	0.02	(0.06)
TOTAL SOURCES	<u>47,054,614</u>	<u>47,784,286</u>	<u>46,179,027</u>	(0.02)	(0.03)
USES BY DEPARTMENT					
Mayor/City Council	216,379	216,379	195,780	(0.10)	(0.10)
City Clerk	279,900	219,744	270,534	(0.03)	0.23
Municipal Court	444,392	427,852	405,721	(0.09)	(0.05)
City Manager's Office	505,894	457,476	413,098	(0.18)	(0.10)
Human Resources	373,176	372,126	360,165	(0.03)	(0.03)
Legal Services	641,607	641,607	615,337	(0.04)	(0.04)
Planning & Community Services	367,891	358,891	354,393	(0.04)	(0.01)
Financial Services	1,292,470	1,287,320	1,273,062	(0.02)	(0.01)
Technology Services	554,182	531,244	538,805	(0.03)	0.01
Customer Assistance	937,540	907,350	890,939	(0.05)	(0.02)
Property Maintenance	814,101	827,856	701,364	(0.14)	(0.15)
Police Department	13,768,970	13,456,939	13,100,072	(0.05)	(0.03)
Fire Department	10,398,242	10,186,070	10,303,928	(0.01)	0.01
Public Works Admin (adj for add'l trf to Strt Mnt)	7,072,324	7,100,372	7,783,091	0.10	0.10
Parks & Recreation (adj for add'l trf to Prks Mnt)	4,081,145	4,007,683	4,131,884	0.01	0.03
Health	3,469,034	3,382,202	3,077,232	(0.11)	(0.09)
Non-Departmental (inc. Transfers Out)	654,193	604,859	627,026	(0.04)	0.04
Non-Departmental (Cell Phone)	3,789,211	2,702,916	1,764,532	(0.53)	(0.35)
TOTAL USES	<u>49,660,651</u>	<u>47,688,886</u>	<u>46,806,963</u>	(0.06)	(0.02)
Net Surplus (Deficit)	<u>(2,606,037)</u>	<u>95,400</u>	<u>(627,936)</u>		
Ending Unrestricted Fund Balance:	10% of Exp	\$4,966,065	<u>\$6,913,113</u>		
Computer Escrow Reserve:			(201,158)		
Reserve for 27th PY (2016):			(922,530)		
Cell Phone Balance:			(1,998,701)		
Emergency Reserve:			<u>(1,025,000)</u>		
Ending Unassigned Fund Balance:			<u>\$2,765,724</u>		

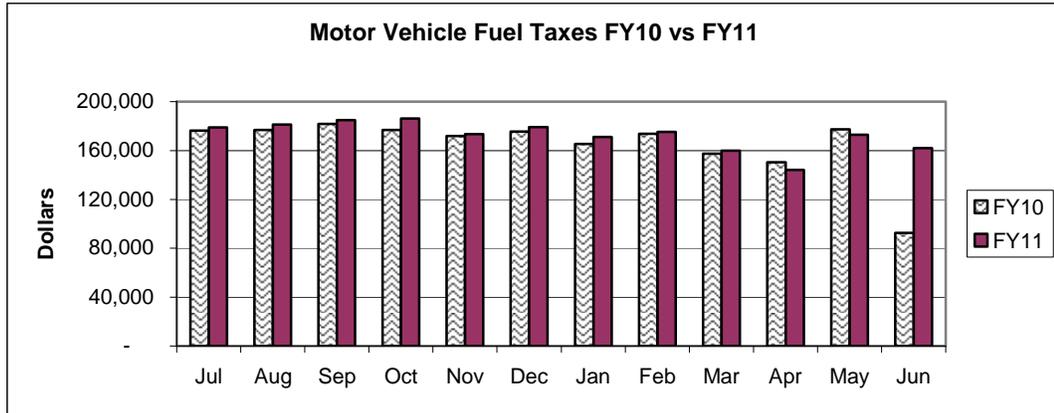
General Fund (Revenue : Expenditure - \$46,179,000 : \$46,807,000)

The ending available fund balance amount is \$1,900,000 below the target set in the City's financial policy, of ten percent of total expenditures (\$4.68 million), and is only 10% of the GFOA recommended amount of 60 days reserve (\$7.69 million).

STREETS MAINTENANCE FUND

Revenues

Fuel prices stayed steady for most of the year. However, the final quarter rose significantly and may have deterred some motorists. **Motor vehicle fuel taxes** came up just short of budget in the Streets Maintenance Fund at 98.4%. As indicated by the following graph, there was an increase in each of the first nine months compared to FY10. Beginning in March the impact of the rise in prices began to take effect. Despite the late dip, revenues improved 4.7% from the previous fiscal year.



Road and bridge tax, received in May, was 3% more than originally budgeted and resulted in \$22K more than in FY10. After the County initially remitted only 90% of “expected” 95% collection rate, at the end of FY2010, City staff contacted the County Auditor to find out why they didn’t follow the remittance as stated in RSMo Section 137.556 - “any county of the first class, not having a charter form of government, shall expend not less than twenty-five percent of the moneys accruing to it from the county’s special road and bridge tax levied upon property situated within the limits of any city, town or village within the county for the repair and improvement of existing roads, streets and bridges within the city, town or village from which such moneys accrued into the fund”. By using estimated collections, the County had been failing to “true up” all prior year actual collections. A minimum of twenty-five (25%) percent is to be remitted to the City which resulted in the additional FY11 total.

Since the Streets Maintenance Fund collected 5% less revenue than budgeted, the General Fund was required to transfer an additional \$37,600 in order to balance its budget.

Amount of Streets Maintenance operating revenue budget (excluding transfers from the General Fund) collected at year-end: 95%

Expenditures

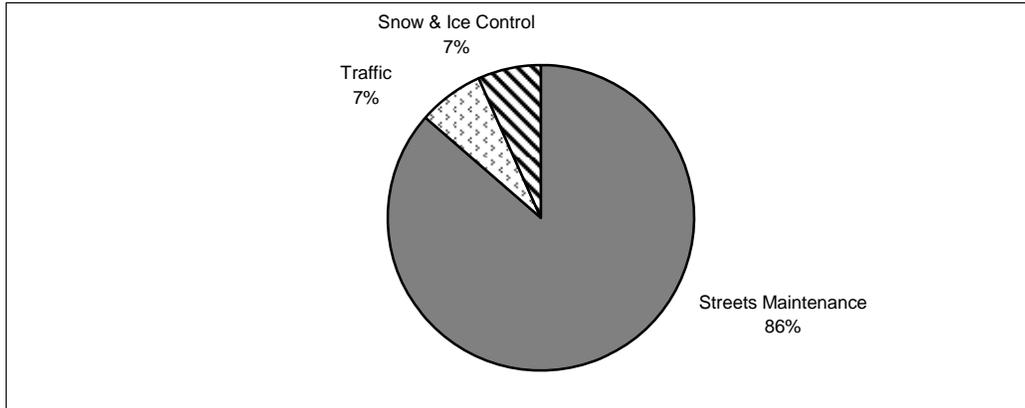
The challenges represented by the combination of strong winter storms and the summer flooding issues resulted in higher-than-anticipated costs in the Streets Fund. Unfortunately, when budgets are as tight as the City’s, we don’t have the funds to budget for the “worst case”. Budget deficits when unusual conditions occur are unavoidable. In FY11 those deficits were incurred in the following:

- The work in keeping the City’s streets passable left some of the programs in this fund playing catch up with overtime the second half of the fiscal year. Street Maintenance ended the year over budget by \$5,000. Savings in other divisions helped to cover the budget deficit. Materials for snow & ice control exceeded the original budget by \$66,000.
- M&R of Motor Vehicles was \$74,000 over its original budget in Equipment Support in direct result of heavy use of the street vehicles for plowing and street cleanup.

There were some budget deficits that, while covered by savings elsewhere, do point up areas needing to be addressed during the next budget cycle:

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- As noted in the city-wide overview section, the programs that experienced utility issues all revolve around electric usage: Street Maintenance showed an overall increase in electric expense of 27% when compared to FY10, topping the original budget by \$241,000; Traffic was \$10,400 over, using 40% of its electric budget in the final quarter. This issue will need to be addressed during the next budget cycle. Either the budget for electric service needs to be increased significantly which will require either reductions elsewhere; or a plan needs to be developed to decrease costs by changing the amount of time or the number of street lights that are actually in service.



Amount of Streets Maintenance operating budget expended at year-end: 99%

STREETS MAINTENANCE FUND

	2010-2011		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
SOURCES					
Fuel and Road & Bridge Taxes	2,707,644	2,669,103	2,695,932	(0.00)	0.01
Permits	13,000	13,000	1,324	(0.90)	(0.90)
Charges for Service (Utility Street Cuts)	300,000	150,000	150,953	(0.50)	0.01
Other Revenue	80,000	86,160	71,638	(0.10)	(0.17)
Investment Earnings	5,000	5,105	4,622	(0.08)	(0.09)
Intergovernmental/Other Grants	0	0	37,063	100.00	100.00
Transfers In	4,488,870	4,488,870	4,526,485	0.01	0.01
TOTAL SOURCES	<u>7,594,514</u>	<u>7,412,238</u>	<u>7,488,017</u>	(0.01)	0.01
USES BY PROGRAM					
Streets Maintenance	6,470,698	6,499,760	6,475,562	0.00	(0.00)
Traffic	594,628	545,628	513,783	(0.14)	(0.06)
Snow/Ice Control	529,200	522,050	498,672	(0.06)	(0.04)
TOTAL USES	<u>7,594,526</u>	<u>7,567,438</u>	<u>7,488,017</u>	(0.01)	(0.01)
Net Surplus (Deficit)	(12)	(155,200)	0		

Streets Maintenance Fund (Revenue : Expenditure - \$7,488,000 : \$7,488,000)

The restructuring required by GASB brought most of the divisions in the previously structured SIM&R Fund into the General Fund, leaving Streets Maintenance, Traffic, and Snow/Ice Control divisions in this Special Revenue Fund. The revenue to expenditure deficit when considering only those revenues legally dedicated to maintaining streets is huge. This requires a substantial transfer from the general fund to maintain a balanced budget.

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PARKS MAINTENANCE FUND

Revenues

Overall revenues for the Parks Maintenance Fund finished over the adopted budget for the year by 4%. Fortunately, SB711 does not impact the property tax levies in other funds. The Parks levy was able to have a slight increase of .1% over the 2009 levy (via the Hancock Allowance) and collected \$18,000 more in property taxes than in FY10. This year, penalty payments were also broken out and recorded in this fund rather than leaving them in Parks & Recreation Administration. This increased revenues by \$6,000 (decreasing the amount recorded in the General Fund by a like amount).

Horace Mann rent finished the year 9% above budget. In September, lease rates were increased by 4%. And, FEMA reimbursements from the flooding a year ago were received, helping the fund by the one-time \$75,000 payment.

Amount of Parks Maintenance operating revenue budget collected at year-end: 101%

Expenditures

Parks Maintenance had several areas of concern and the fund, as a whole, was over projections for the fiscal year. As with the Streets Fund, budget issues occurred in areas where there are no easy "fixes":

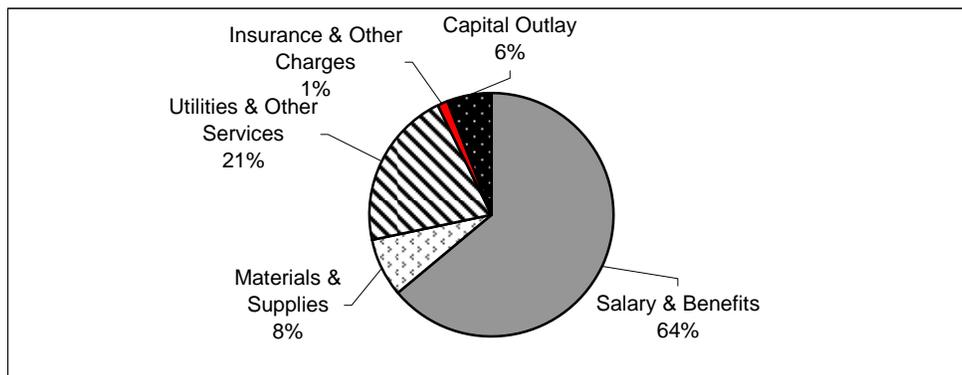
- Salaries & Wages were above budget throughout the year and finished \$16K over the mark (1.8% above projections). Part Time Wages were under budget at 97%, but not enough to balance out the salaries portion.
- There were utility cost issues, All three categories of utilities ended the fiscal year above budget. Combined they were \$19,000 over projections. As in other programs, Electric Service experienced the majority of cost (\$14,000).
- The biggest deficit was for Motor Fuel at \$28,000 over projections. Compared to FY10, expenses for Motor Fuel rose 47%.

Permanent elimination of the ongoing deficits will only occur with more revenue or a reduction of services.

One-time, unforeseeable problems caused budget challenges in several areas:

- A major variance the fund endured was from Judgment & Claims with a total of \$21,000 in claims paid against the fund. This was an increase of 200% when compared to a year ago.
- M&R of Building & Facilities surpassed budget by 10% for a new alarm system for the Horace Mann building.
- M&R of Motor Vehicle was on the high side at \$8,000 above target with major expenditures such as body work from Collision Repair and repair work on mowers at Horizon Equipment.

Overall the fund was at 104.7% of its budgeted expenditures. Some of this was absorbed by the higher-than-budgeted revenues, but the remaining revenue needed to balance the budget came from additional General Fund transfers.



Amount of Parks Maintenance operating budget expended at year-end: 104.7%

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PARKS MAINTENANCE FUND

	2010-2011			%over/(under)	
	Adopted & Amended	Projected	Preliminary	Adopt	Proj
	Budget	Budget	Actual		
SOURCES					
Special Parks Property Tax (on land only)	582,410	581,500	583,602	0.00	0.00
Licenses (City Sticker & Penalty)	94,000	94,000	94,258	0.00	0.00
Rents	43,787	43,787	47,779	0.09	0.09
Other Revenue	174	8,788	8,921	50.27	0.02
Investment Earnings	0	0	248	100.00	100.00
Intergovernmental/Other Grants	75,560	139,024	142,250	0.88	0.02
Transfers In	1,228,067	1,228,067	1,233,624	0.00	0.00
TOTAL SOURCES	<u>2,023,998</u>	<u>2,095,166</u>	<u>2,110,682</u>	0.04	0.01
USES					
Salary & Benefits	1,346,538	1,160,740	1,349,010	0.00	0.16
Materials & Supplies	133,650	133,650	164,434	0.23	0.23
Utilities & Other Services	406,920	406,920	444,507	0.09	0.09
Insurance & Other Charges	2,000	18,800	28,396	13.20	0.51
Capital Outlay	126,048	126,048	124,335	(0.01)	(0.01)
TOTAL USES	<u>2,015,156</u>	<u>1,846,158</u>	<u>2,110,682</u>	0.05	0.14
Net Surplus (Deficit)	8,842	249,008	0		

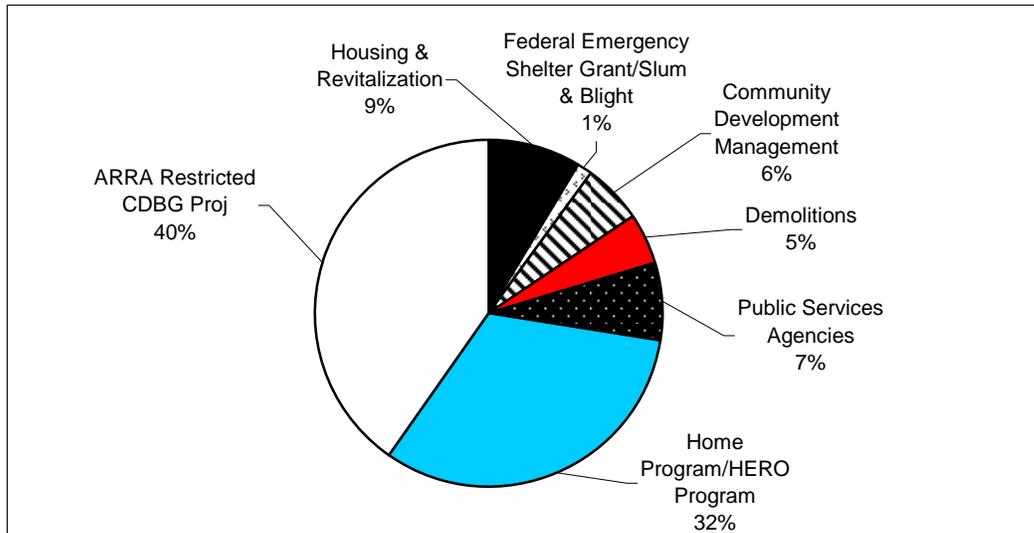
Parks Maintenance Fund (Revenue : Expenditure - \$2,111,000 : \$2,111,000)

The restructuring required by GASB brought most of the divisions in the previously structured Parks, Recreation & Civic Facilities Fund within the General Fund, leaving Parks Maintenance Division in this Special Revenue Fund. Those revenues legally dedicated to maintaining the parks system covers a little more than 50% of the cost. This requires a substantial transfer from the general fund to maintain a balanced budget.

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CDBG FUND

There were no outstanding revenue or expenditure issues for the end of the year. While money for administrative activities is limited by federal guidelines, large increases or decreases of federal grant funds can be accommodated by adjustments to grant funded activities. In FY11, mid-year roll-over of restricted ARRA stimulus funds increased the total fund significantly, representing 40% of all expenditures as show in the chart below.



Amount of CDBG operating revenue budget collected at year-end: 138%

Amount of CDBG operating budget expended at year-end: 76%

CDBG FUND

	2010-2011		%over/(under)	
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt Proj
SOURCES				
Special Assessments/Interest Earnings	24,000	24,000	21,526	(0.10) (0.10)
Intergovernmental/Other Grants	2,985,088	4,294,412	4,225,481	0.42 (0.02)
Other Revenue	109,629	26,173	116,017	0.06 3.43
Transfers In-firm Unbudgeted Funds	120,000	62,275	112,495	(0.06) 0.81
TOTAL SOURCES	3,238,717	4,406,860	4,475,519	0.38 0.02
USES BY PROGRAM				
Housing & Revitalization	1,244,422	1,213,648	493,275	(0.60) (0.59)
Historic Preservation	0	0	0	
Community Development Management	350,894	338,419	318,149	(0.09) (0.06)
ARRA Restricted CDBG Funds	3,017,272	3,017,648	2,290,769	(0.24) (0.24)
Demolitions	424,462	409,062	269,344	(0.37) (0.34)
Federal Emergency Shelter Grant	0	50,852	50,852	
Slum/Blight Activity	0	23,500	23,500	
Public Services Agencies	410,000	410,000	410,000	0.00 0.00
HeRO Program	0	0	0	
Home Program	2,012,671	952,589	1,843,590	(0.08) 0.94
TOTAL USES	7,459,721	6,415,718	5,699,479	(0.24) (0.11)
Net Surplus (Deficit)	(4,221,004)	(2,008,858)	(1,223,960)	
Designated Reserve 27th PY (2016):			(8,775)	

FY2011 YEAR END FINANCIAL REPORT

GAMING INITIATIVES FUND

Revenues

Gaming and admission revenues each exceeded budget by 12%. Gaming revenues collected \$17,000 more than the end of FY10, reflecting the full-year impact of the revised state statutes on distribution formulas and the lifting of player loss limits.

A settlement of the land lease issue with Herbst Gaming, Inc., (begun when Terrible's, now St. Joseph Frontier Casino, noted the lease for local revenues expired in June 2009 and refused to extend the lease or to pay local gaming and admission taxes), was reached in September. The City and County each received a one-time \$100,000 settlement, but will no longer receive local gaming revenues. It should be noted the summer flooding forced the casino to shut down late June. The owners are hoping to be re-opened by October.

Expenditures

The fund ended the year 19% under original budget and 13% under mid-year projections. The 13% savings from mid-year projects came from lower than budgeted expenses in transfers for demolition and for deferred parks projects.

GAMING FUND

	2010-2011		<u>%over/(under)</u>		
	<u>Adopted & Amended Budget</u>	<u>Projected Budget</u>	<u>Preliminary Actual</u>	<u>Adopt</u>	<u>Proj</u>
Projected Beginning Fund Balance:			242,591		
SOURCES					
Gaming Revenue	973,000	1,118,125	1,092,315	0.12	(0.02)
Interest Earnings	1,000	600	798	(0.20)	0.33
Recovery/Reimbursement	0	100,000	100,000	-	0.00
Transfer from General Fund	0	0	0	-	0.00
TOTAL SOURCES	<u>974,000</u>	<u>1,218,725</u>	<u>1,193,113</u>	0.22	(0.02)
USES BY PROGRAM					
Gaming Funded Initiatives	1,158,156	1,085,671	943,173	(0.19)	(0.13)
TOTAL USES	<u>1,158,156</u>	<u>1,085,671</u>	<u>943,173</u>	(0.19)	(0.13)
Net Surplus (Deficit)	(184,156)	133,054	249,940		
Total Ending Fund Balance:			\$492,531		

FY2011 YEAR END FINANCIAL REPORT

MUSEUM TAX FUND

Revenues & Expenditures

Revenues were within 1% of the projected budget.

The general operations budget, covering County assessment and collection fees, public notices, administrative fees and a transfer to the city-run museum, the Nature Center, came in \$900 under the projected budget.

Late in the fiscal year the St. Joseph Museum Inc board requested a budget amendment in order to cover additional, approved expenses. Actual expenditures exactly match the adopted & amended budget. Mid-year projections had anticipated a smaller request than the one ultimately made.

Planned improvements to the Wyeth-Tootle Mansion were delayed due to weather and unused funds will be re-appropriated in FY12 as actual contracts are let.

MUSEUM FUND						
				2010-2011		%over/ (under)
				Adopted & Amended	Projected	Preliminary
				Budget	Budget	Actual
						Adopt
						Proj
Proj Beginning Ops Fund Balance:						73,495
Wyeth-Tootle CIP Fund Balance:						268,003
						341,498
SOURCES						
Property Tax				487,185	483,473	478,277 (0.02) (0.01)
Interest Earnings				1,500	670	725 (0.52) 0.08
TOTAL SOURCES				488,685	484,143	479,002 (0.02) (0.01)
USES BY PROGRAM						
Museum Tax Initiatives - Operations				73,310	74,933	74,030 0.01 (0.01)
Museum Tax - SJMI Contract				338,235	313,940	338,234 (0.00) 0.08
Museum Tax Initiatives - CIP				280,315	280,315	12,312 (0.96) (0.96)
TOTAL USES				691,860	669,188	424,576 (0.39) (0.37)
Net Surplus (Deficit)				(203,175)	(185,045)	54,426
Ending Operations Fund Balance:						\$40,233
Ending CIP Fund Balance:						355,691
Total Ending Fund Balance:						\$395,924

The ending fund balance is divided between that remaining to be drawn down by the Museum contractor, available for CIP projects at the Wyeth-Tootle (or other museum as approved by City Council), and for other operational expenses at the City's direction.

FY2011 YEAR END FINANCIAL REPORT

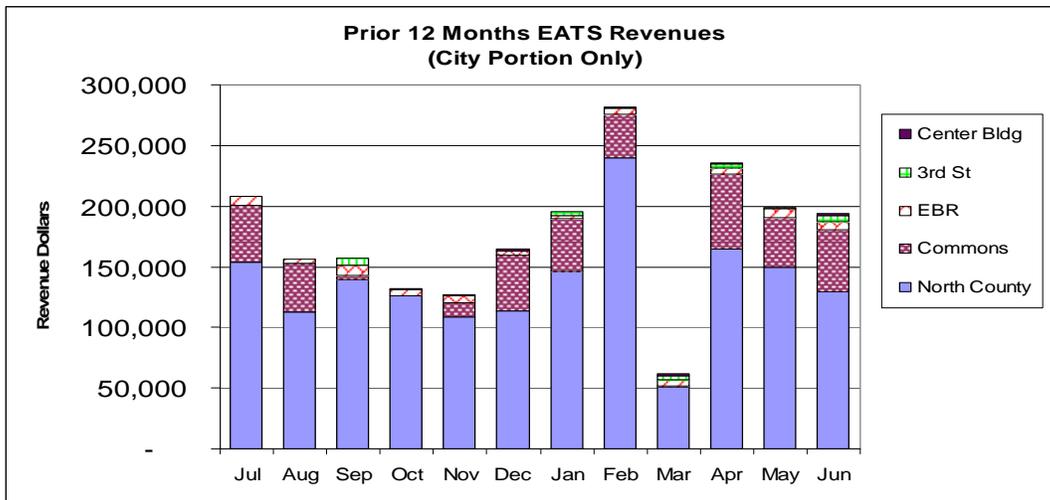
SPECIAL ALLOCATION FUND

Revenues & Expenditures

In the Special Allocations fund, Economic Activity Taxes (EATS) represent 50% of sales tax and franchise tax revenues generated above a “base” within a TIF district. FY2011 EATs revenues experienced a solid quarter that equaled the strongest of the year. February had a large spike with receipts collected from the holiday shopping season. As indicated by the graph below, March revenues were significantly lower than at any other time in the last twelve months. As explained in the General Fund revenue section, Missouri Department of Revenue sales tax due dates play a major role in when the City revenues are received. Weather could have played a part as the city endured some rough, winter weather during January and February. Revenues bounced back in April and stayed steady for the remainder of the fiscal year.

- City EATS for North Shoppes were under budget at 96%, but collected \$92,000 more than the prior year. The 2010 additions included the popular Chick-Fil-A, and Allure Nails. Borders (a significant tenant) closed in April due to a national restructuring plan.
- EBR TIF City EATS were under by \$9,000, but still improved by 3% compared to FY10. December and January revenues were significantly lower than any other part of the year. The cold, winter weather seemed to hamper the restaurant businesses and kept them from hitting the budgeted targets.
- The Third Street Hotel City EATS were under target by about \$6,000. Businesses within the development were delinquent remitting their sales tax in FY11 as in FY10. The Department of Revenue collects the TDD and distributes the revenues to the City, creating a lag of 60 days in the collection cycle.
- The Commons brought in 21% more than projected. Revenues are up 12% compared to the previous fiscal year. The development pulled in \$381,000. Base sales taxes of \$250,000 were met in the first quarter. Earlier in the fiscal year, Council approved a second amendment to the agreement that would allow for a big box business to relocate there. Negotiations are on-going and no timeframe has been established as to when this will take place. The King Kong restaurant has been delayed and the anticipated opening date is not known at this time.

The graph below illustrates where EATs are generated on a month-to-month basis.

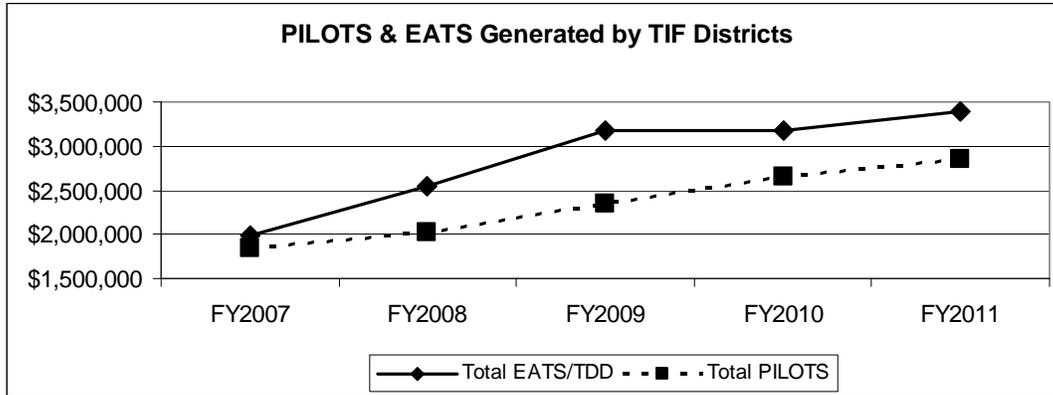


In FY11, unlike in the other sales tax supported funds, revenues were steady for most of the TIF plans. As can be seen in the chart on the next page, EATS had an almost imperceptible decline from FY09 to FY10, but a healthy increase overall in FY11, indicating the strong performance of the retail and restaurant establishments in the City’s TIF districts.

The other significant revenue generated by the TIF and economic development districts is their Payments-In-Lieu-Of-Taxes (PILOTS). TIF districts receive 100% of the real property taxes generated

FY2011 YEAR END FINANCIAL REPORT

within the district above the base tax revenues received before the district was established. As additional TIFS are triggered, the amount of PILOTS received has increased. Another positive is that the \$.63 school district levy, missing in FY10 and affecting PILOT revenues in the Special Allocation TIF programs, returned this year as it was voted to be reinstated. In the Special Allocations fund, PILOT tax revenue was billed by the Buchanan County Collector in November, 2010. All tax revenues have been received for the 2010 tax year, except for the Third Street Hotel (Holiday Inn) TIF.



TIF generated revenues deposited to their respective TIF districts are used in one of two ways:

Bonded TIFS: For the following TIFs, revenues are used to meet bonded debt issued to meet project eligible reimbursements.

- EATS for North County Shoppes finished under projections by \$167,000. However, the revenues were an increase of \$64,000 compared to FY10. With the PILOT payments, the TIF generated (\$3.47 million), sufficient to meet bond payments for the year (\$3.3 million).
- The major revenue sources for the bonds issued in the Triumph Foods' TIF are PILOTS and payments made directly by the developer to service the debt (Sewer Reserve Charges and PILOTS on Chapter 100 bonds issued to the company). Total revenues (\$2.54 million) were sufficient to meet debt service payments (\$2.24 million).
- Mitchell Woods Corridor TIF began as a pay-as-you-go TIF. However, bonds were issued and purchased by the developer (American Family) in FY09. Expenses now exist as debt service payments. The PILOTS and small amount of EATS generated by the district (\$396,000) was short of the \$435,000 debt service payment. There were sufficient reserves left from prior year revenues to cover the debt service. However, as available reserves are used, the company may find itself in a position of paying the difference between PILOTS generated and debt service requirements directly in the not too distant future.

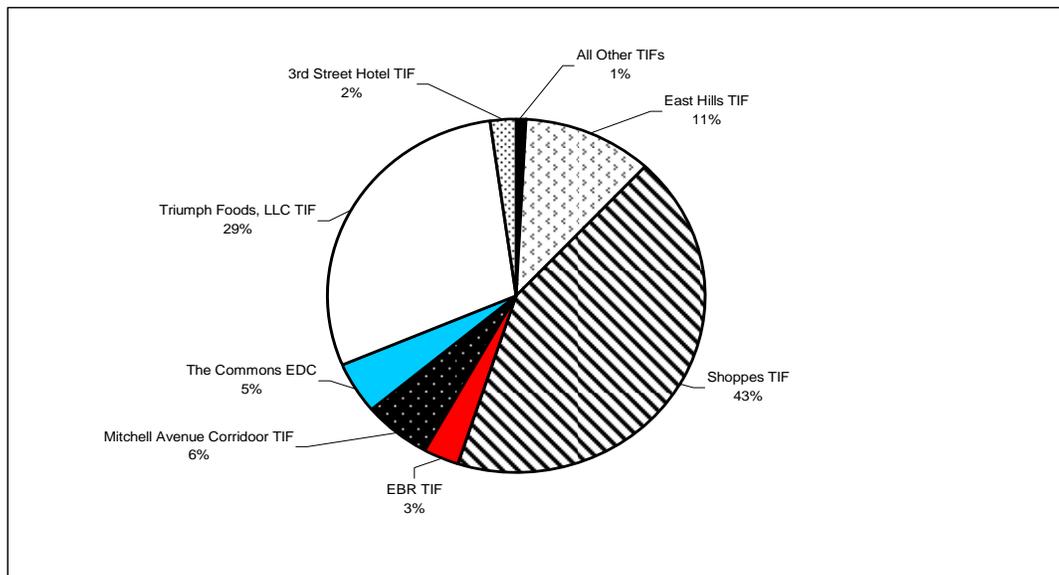
Pay-as-you-go TIFS: The following economic development projects are pay-as-you-go. This means developers are reimbursed their approved TIF expenditures only the amount of EATS/PILOTS/Interest generated by their district during the year. Of the remaining nine TIFS and one EDC, the only ones generating any significant activity in FY10 were:

- A total of \$231,000 in EATS and PILOTS were received for the EBR TIF. After 30% of the additional revenues were deposited to a designated account by the City for future infrastructure improvements (up to \$1M as per the Redevelopment Agreement) and various legal and other expenses paid, \$171,000 of eligible expenses was reimbursed to the developer.
- The Third Street Hotel was the only TIF below budget on EATS due to delinquent payments on the Hotel's part. This was a drop of \$20,000 (17%) when compared to fiscal year 2010. Holiday Inn caught up on its sales tax remittance in FY12. With PILOTS and EATS the bank servicing the hotel's debt received \$163,000.

FY2011 YEAR END FINANCIAL REPORT

- Sales tax revenues from The Commons development, an economic development district with a City-only agreement, have begun to reach its base of \$250,000 and generate significantly more EATS for the project. FY2011 EATS were \$64,000 above last year's receipts in good part to the opening of Mr. Goodcents last March. The developers were able to receive \$375,000 in reimbursement, an increase of \$58,000 from FY10.
- No EATS sales taxes were posted to East Hills. Although construction at the mall completed, the economic downturn has prevented many of the anticipated tenants from materializing. The project needs to meet its base of \$1.4 million before EATS are generated. However, East Hills' Community Improvement District (CID) and its additional 1 cent sales tax on sales within the TIF generated over \$292,000 pledged toward TIF reimbursement. Through the CID revenues, some minor franchise EATS, and the year's receipt of PILOTS a total of \$823,000 was reimbursed. This is \$36,000 more than was reimbursed in FY10. The opening of a well-known, restaurant franchise on a pad site helped to boost revenues and with the recent opening of a major, popular department store, the development should meet its EATS base in FY12. When generated revenues are back to the level anticipated in the TIF plan, the developer hopes to issue bonds and use future TIF and CID revenues to pay the debt service.
- The Center Building TIF is beginning to generate EATS (and in FY12 will have PILOTS paid into the development). Enough EATS were received to reimburse the developer almost \$12,000 for FY11.
- Some PILOTS from the North East Cook Road residential TIF were received. Combined with Sewer System Development fees, the developer was reimbursed \$36,000.

The remaining TIF projects (Uptown Redevelopment, Downtown Redevelopment, Ryan Block, Fountain Creek, Cooks Crossing, Tuscany Towers) generated little to no FY2011 activity.



More detailed information on the various TIF districts can be found in the Supplemental Reports section starting on page 78.

FY2011 YEAR END FINANCIAL REPORT

SPECIAL ALLOCATION FUND

	2010-2011		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Fund Balance:			4,534,835		
SOURCES					
PILOTS	2,950,097	2,847,845	2,847,236	(0.03)	(0.00)
EATS/TDD/NonIncremental Sales Tax	3,896,240	3,541,789	3,391,858	(0.13)	(0.04)
Bond Proceeds	0	0	0		
Recovery/Reimbursement	69,750	80,000	20,000	(0.71)	(0.75)
Refunds Prior Year Expenditure	0	0	83	-	0.00
Developer Contributions	809,100	809,100	758,139	(0.06)	(0.06)
Sewer System Development Fees	15,000	1,500	3,500	1.00	1.33
Interest Earnings	51,400	42,677	42,433	(0.17)	(0.01)
Sewer Reserve Charges	972,996	972,996	397,080	(0.59)	(0.59)
Transfers from Other Funds	5,050	3,400	0	(1.00)	(1.00)
TOTAL SOURCES	<u>8,769,633</u>	<u>8,299,307</u>	<u>7,460,329</u>	(0.15)	(0.10)
USES BY PROGRAM					
Uptown Redevelopment TIF	2,050	1,144	1,245	(0.39)	0.09
Ryan Block TIF	100	4	3	(0.97)	(0.25)
Cooks Crossing TIF	12,645	15,008	12,645	0.00	(0.16)
Downtown Revitalization TIF	1,280	1,900	1,230	(0.04)	(0.35)
Center Building TIF	36,220	17,220	12,636	(0.65)	(0.27)
Mitchell Avenue Corridor TIF	433,614	433,755	434,570	0.00	0.00
The Commons Development (EDC)	384,940	384,630	382,560	(0.01)	(0.01)
North East Cook Road TIF	32,519	34,240	34,368	0.06	0.00
East Hills TIF	840,956	842,425	848,334	0.01	0.01
Shoppes at North Village TIF	3,356,930	3,357,050	3,332,997	(0.01)	(0.01)
EBR Development TIF	286,085	224,284	231,155	(0.19)	0.03
Triumph Foods, LLC TIF	2,232,772	2,242,912	2,238,915	0.00	(0.00)
Fountain Creek TIF	250	41	41	(0.84)	0.00
3rd Street Hotel TIF	273,615	200,705	170,155	(0.38)	(0.15)
Tuscany Towers TIF	1,497	1,500	1,496	(0.00)	(0.00)
TOTAL USES	<u>7,895,473</u>	<u>7,756,818</u>	<u>7,702,350</u>	(0.02)	(0.01)
Net Surplus (Deficit)	874,160	542,489	(242,021)		
Total Ending Fund Balance:			\$4,292,814		

BUSINESS-TYPE ACTIVITIES

ENTERPRISE FUNDS

ROSECRANS AIRPORT

PUBLIC PARKING

WATER PROTECTION

FAIRVIEW GOLF COURSE

MASS TRANSIT

LANDFILL

**Rosecrans Airport
(Aviation Fund)**

Revenues

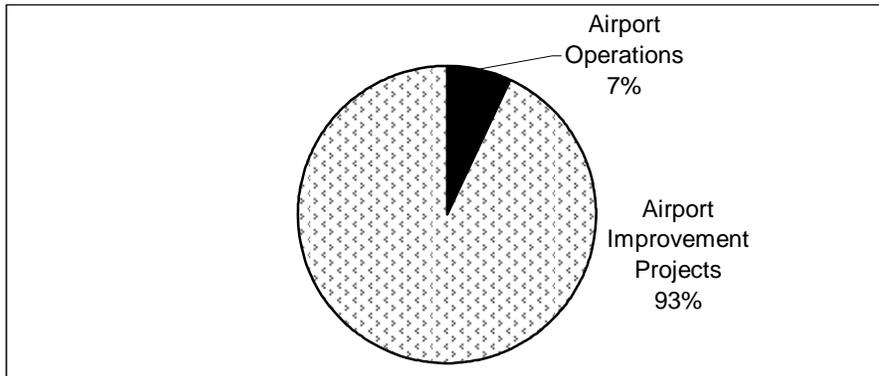
Aviation revenues were came in just under budget at 97%. Hangar rent had been on trend all year and ended \$4,000 above projections. A 3% rate increase took effect at the beginning of July. The FBO Lease also surpassed budget as well (2%). Sale of gas and oil has been under projection since the beginning of the year and only managed to receive 60% of the budget. The line item has been in a steady decline since winter 2008.

Amount of Aviation operating revenue budget collected at year-end: 97%

Expenditures

No issues with the exception of a slight overage of 13% in Motor Fuel which was well covered by savings in other areas. FY2012 will see another ANG Airshow and this time was anticipated during the budget process with a \$13,000 increase in the amount for overtime,

Amount of Aviation operating budget expended at year-end: 92.4%



FY2011 YEAR END FINANCIAL REPORT

AVIATION FUND

	2010-2011		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Proj Beginning Op Fund Balance:			\$382,366		
Designated 27th Payroll FB:			\$4,180		
			<u>\$386,546</u>		
Proj Beginning CIP Fund Balance:			\$107,542		
SOURCES					
Rents	487,621	476,113	487,899	0.00	0.02
Other Revenue	30,450	22,000	18,510	(0.39)	(0.16)
Investment Earnings	1,000	700	944	(0.06)	0.35
FEMA Reimbursements	0	0	10,191		
Transfers In	95,220	95,220	95,220	0.00	0.00
Airport CIP Revenues	7,658,051	7,658,051	7,658,051	0.00	0.00
TOTAL SOURCES	<u>8,272,342</u>	<u>8,252,084</u>	<u>8,270,815</u>	(0.00)	0.00
USES BY PROGRAM					
Airport Operations	626,217	621,601	579,901	(0.07)	(0.07)
Airport CIP Improvements	7,928,218	7,399,374	7,928,719	0.00	0.07
TOTAL USES	<u>8,554,435</u>	<u>8,020,975</u>	<u>8,508,620</u>	(0.01)	0.06
Net Surplus (Deficit)	(282,093)	231,109	(237,805)		
Operating Fund Balance:			\$419,409		
Designated Reserve 27th PY (2016):			(6,270)		
Ending Available Op Fund Balance:	Target: \$66,912		<u>\$413,139</u>		
Ending CIP Fund Balance:	includes unearned, but anticipated grant receipts:		\$6,500,000		

Aviation Fund (Revenue : Expenditure - \$613,000 : \$580,000)

FY2011 Aviation operating fund balance increased by \$31,000 (8%) and ended well above its target reserve amount. While revenues in hangar rents and various leases have been going in a positive direction, there is the possibility future leases with the ANG could be significantly lower. Some correspondence from ANG headquarters has hinted at those reductions. Without a supplemental transfer from the General Fund of \$60,000, the fund would have ended the year in a budget deficit.

FY2011 YEAR END FINANCIAL REPORT

Public Parking Fund

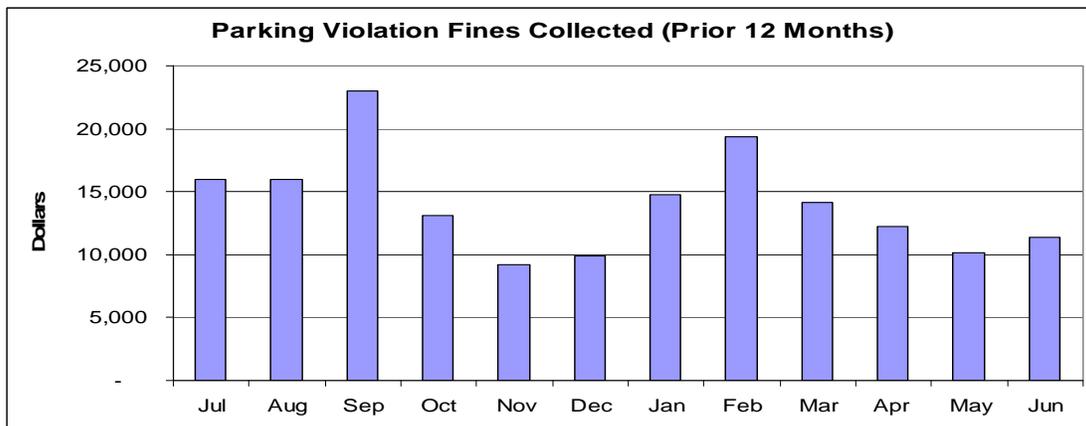
Revenues

Public Parking fund revenues came in under the original budget by 11% and under projections by 6%. The city sticker fees came in as expected at 100%. The garage at 5th and Felix collected 84% of the original revenue. Although the revenues for that garage did not meet budget, it was an increase of \$12,000 when compared to FY10. Universal Guardian and Rehabilitation Institute parking permits kept the garage at 6th and Jules at budget. A majority of Universal Guardian staff have switched from the 8th & Felix lot to either 5th & Felix or 6th & Jules lots, resulting in a 48% decrease of revenues in 8th & Felix when compared to the previous year. The 9th and Felix lot has exceeded its total year projections by 60% and showed an increase of \$3K in comparison to this time last year. Other Parking Permits/Fees collected only 27% of its budget and is down 66% from FY10 due to the lack of Ticketmaster events held at the Arena.

Parking violation fine revenues were falling short throughout the year and ended \$30,000 below budget and \$33,000 below FY10 receipts. Many factors were in play that led to the low outcome. No employees were certified to lookup vehicle owner information in the latter part of FY10. Although three staff members went through the official certification process in March, 2011 the delayed collection activity also had an impact on FY11 revenue.

Another contributor is the current staffing shortage within the parking fund. Parking control staff are constantly filling in for the garage attendants and not able to write tickets. Weather also played a role in the decline. There were many days during the winter that staff was unable to patrol the streets for parking violations due to the snowy conditions of the roads. As a result public parking tickets issued went down 24% (1,799 less tickets).

Police issued tickets were down an even greater rate at 35%. This year's total of tickets issued equaled only 73% of FY10's total. As indicated by the graph below, revenues were average to below average with the exception of two months. In September, a large volume of legal letters was sent out by the Financial Services staff following the long delay due to the lack of vehicle information. February's numbers were higher as well with the increase of enforcement for snow ordinances. Legal letters were sent out in June for 200 tickets in hopes of salvaging the year. The results had little impact.



Amount of Public-Parking operating revenue budget collected at year-end: 89%

Expenditures

Other than Electric Service over budget by \$4,000, the fund's expenditures were in good shape.

There were several, one-time positive impacts. With the lack of staff to research registered owner information, the postage account finished below budget. Salary and benefit savings due to the vacant position provided an additional \$54,000 in savings. There was also \$17,000 budgeted for Street

FY2011 YEAR END FINANCIAL REPORT

Maintenance supplies. Some of the budget was used to cover the Electric Service deficit mentioned above, but there was still an \$11,000 savings in that line item. The fund ended the year 14% under original budget and within \$6,800 of the mid-year projection.

Amount of Public-Parking operating budget expended at year-end: 86.0%

PARKING OPERATIONS FUND

	2010-2011		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Proj Beginning Op Fund Balance:			\$221,867		
Designated 27th Payroll FB:			\$3,180		
			<u>\$225,047</u>		
SOURCES					
City Sticker/Penalty	94,000	95,000	94,258	0.00	(0.01)
Parking Fines	200,100	203,370	169,726	(0.15)	(0.17)
Parking Fees	137,100	117,400	118,858	(0.13)	0.01
Other Revenue/Interest Earnings	3,000	700	584	(0.81)	(0.17)
Transfers In	12,345	6,500	12,345	0.00	0.90
TOTAL SOURCES	<u>446,545</u>	<u>422,970</u>	<u>395,771</u>	(0.11)	(0.06)
USES BY PROGRAM					
Parking Operations	466,460	393,999	400,865	(0.14)	0.02
TOTAL USES	<u>466,460</u>	<u>393,999</u>	<u>400,865</u>	(0.14)	0.02
Net Surplus (Deficit)	(19,915)	28,971	(5,094)		
Operating Fund Balance:			\$219,953		
Designated Reserve 27th PY (2016):			(4,770)		
Ending Available Op Fnd Balance:	Target: \$46,254		<u>\$215,183</u>		

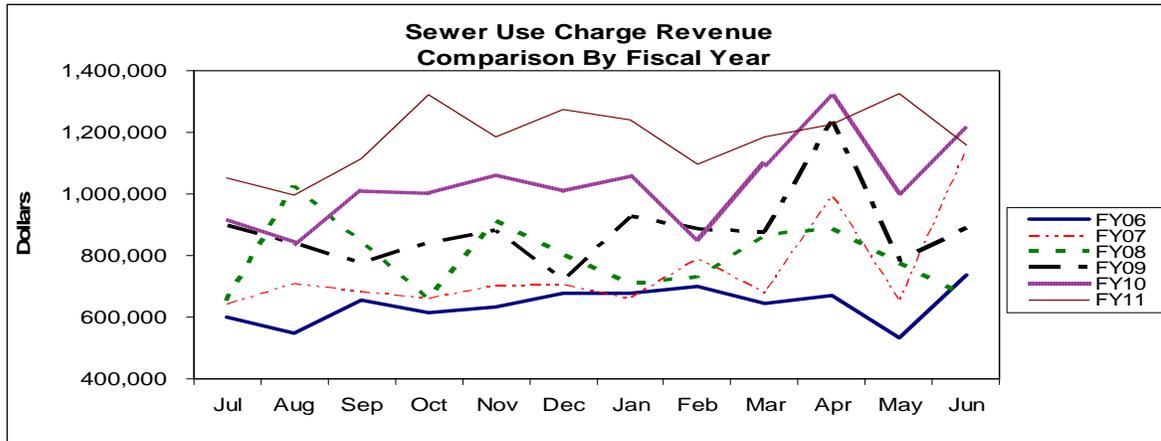
Public Parking Fund (Revenue : Expenditure - \$396,000 : \$401,000)

Ending available fund balance showed a decrease of \$13,000 from prior year. The small increase in city sticker revenues could not offset the loss of money from parking lot fees decreasing fine revenues and savings on the expenditure side. Ending fund balance is above target. However an on-going operating deficit will eventually erode that cushion, especially if transfers from other funds are discontinued.

Water Protection Fund

Revenues

The **Sewer fund** met budget and exceeded by a small margin of 0.9%. With the 17% rate increase at the beginning of the fiscal year, sewer service charges showed an increase of \$1.7 million when compared to FY10. Wholesale users, including South St. Joseph Sewer District also underwent a rate increase (11.9%) at the beginning of the fiscal year. SSJSD ended the year above budget by \$96,000. Sewer service penalties were 55% above total year projections (\$88,000 above budget). The fund, in total, had generated \$1.8 million more than FY10 year end.



Amount of Water Protection operating revenue budget collected at year-end: 111%

Expenditures

Items that continue to be issues for the fund include overtime, fuel and M&R costs.

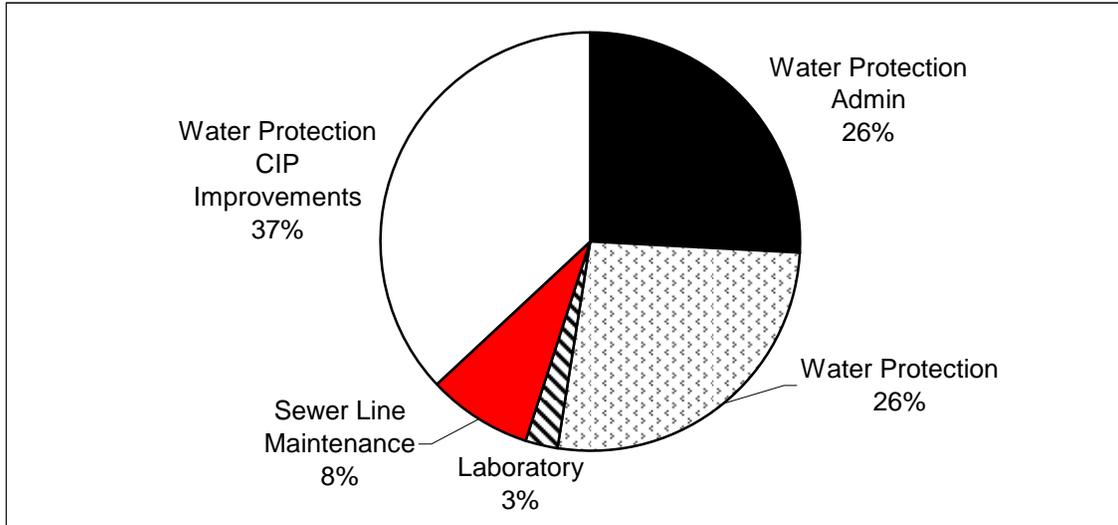
- Overtime for Water Protection was 36% above budgeted projections. Overflow testing and the summer flood contributed to the variance. Despite the major gap, it was only \$2,000 more than in FY10. There was room from salary savings to cancel out the deficit.
- Like most other city departments, Motor Fuel was a thorn in the side of Water Protection's budget with an overage of \$20,000. The item was nowhere close to an issue the prior fiscal year.
- Water Protection ended the year over projections with Vehicle and Equipment Rental (\$15,000 above) for various crane rentals.
- M&R Building & Facility for the same program topped its budgeted expense by \$40,000 for several repairs to pumps and clarifiers.
- Sewer Maintenance experienced issues with M&R of Motor Vehicles. The program more than doubled the line item with repairs to the jet and vacuum trucks that totaled to \$44,000.

More within the one-time deficit spending category were the following.

- Water Protection's line item of Professional Services had a sizeable variance at \$77,000. The majority of this was made up of charges for GIS mapping & field work.
- Within the same area, Safety Equipment/Clothing exceeded budget by \$6,000. This was a 9% increase when compared to the previous fiscal year.
- The program was also \$7,000 over the mark on Minor Equipment. Such items as: CVR test ball, flow meter signal converter, mortar mixer, and generators resulted in 13% above budget.
- Laboratory surpassed budget by \$8,000 each for Chemicals and Minor Equipment.

The numerous high-dollar variances barely made a dent in the savings that accumulated at year-end (\$673,000 below budget). All deficits were covered.

FY2011 YEAR END FINANCIAL REPORT



Amount of Water Protection operating budget expended at year-end: 94.8%

FY2011 YEAR END FINANCIAL REPORT

WATER PROTECTION FUND

	2010-2011		%over/(under)		
	Adopted & Amended	Projected	Preliminary	Adopt	Proj
	Budget	Budget	Actual		
Proj Beginning Op Fund Balance:			\$4,332,717		
Designated 27th Payroll FB:			41,870		
			<u>\$4,374,587</u>		
Proj Beginning CIP Fund Balance:			\$9,382,105		
SOURCES					
Sanitary Sewer Charges	15,322,510	15,625,000	15,442,446	0.01	(0.01)
Missouri BUILD Tax Credits	387,727	387,727	-584	(1.00)	(1.00)
Other Revenues	107,500	129,148	134,878	0.25	0.04
Interest Earnings/Special Assessments	400,800	315,800	282,531	(0.30)	(0.11)
FEMA Reimbursement	0	105,015	59,089	1.00	(0.44)
Sewer CIP Revenues (Bond Proceeds/Int)	50,562,281	6,073,985	7,418,358	(0.85)	0.22
TOTAL SOURCES	<u>66,780,818</u>	<u>22,636,675</u>	<u>23,336,718</u>	(0.65)	0.03
USES BY PROGRAM					
Water Protection Administration	5,230,616	5,250,962	5,287,598	0.01	0.01
Water Protection	5,580,197	5,532,941	5,406,233	(0.03)	(0.02)
Laboratory	546,614	543,437	560,970	0.03	0.03
Sewer Maintenance	1,712,940	1,679,165	1,634,754	(0.05)	(0.03)
Sewer CIP Improvements*	46,364,782	6,981,078	7,524,332	(0.84)	0.08
TOTAL USES	<u>59,435,149</u>	<u>19,987,583</u>	<u>20,413,887</u>	(0.66)	0.02
Net Surplus (Deficit)	7,345,669	2,649,092	2,922,831		
Operating Fund Balance:			\$7,403,392		
Designated Reserve 27th PY (2016):			(62,805)		
Ending Available Op Fund Bal:	Target: \$2,118,831		<u>\$7,340,587</u>		
Ending CIP Fund Balance:			9,276,131		

Water Protection Fund Operating (Revenue : Expenditure - \$15,900,000 : \$12,900,000)

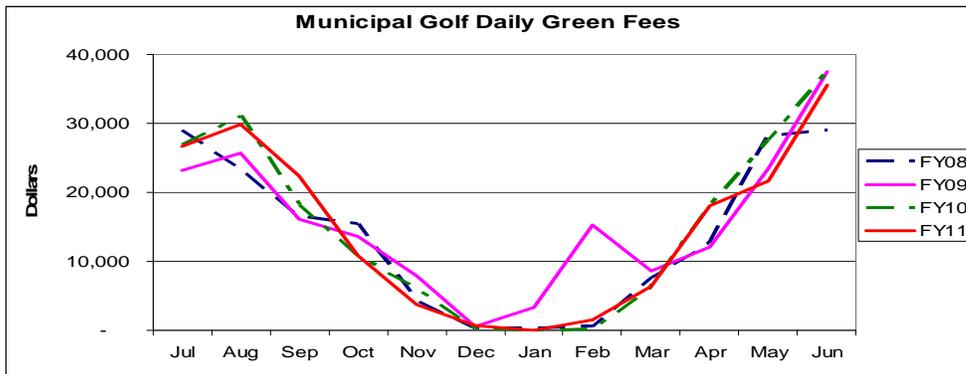
FY2011 operating fund balance increased significantly from FY2010 levels, easily meeting the 60 day reserve target. Fund revenues were 11% above FY10. Bad debt expense remained at the F Y10 level of 1.5% of sewer service charge revenue, slightly below the average of 2%. Operating expenditures increased only 0.1% over FY10.

Fairview Municipal Golf Course (Golf Fund)

Revenues

This program underwent a major change mid-year FY2010, around the same time as the FY2011 budget was being prepared. Management duties were taken over by City staff. FY2011 budgeted revenues and expenditures were estimates since City staff had little experience running the total operations. City staff had almost a full year's experience to draw on as the FY2012 budget was developed. So, by January, 2012 the data will be more measurable and staff will have a more solid basis on which to project a budget for FY2013.

As for FY2011, nice weather in the final quarter brought out customers and not only met revenue budget overall, but topped it by 9%. Daily green fees finished over projections by \$10,000. As indicated by the graph below, greens fees followed a near identical path to the one of FY2010.



Golf cart rental fees, a new revenue item for the City added in January 2010, also exceeded the expected amount by 16%. The new banquet/meeting room has been a widely used facility and collected nearly four times the revenue projected for FY11. Driving range fees hit their budgeted target. Concessions performed very well at \$44,000 above budget. Annual fees were one of the few areas that underachieved with a collection rate of 86%.

Amount of Golf operating revenue budget collected at year-end: 112%

Expenditures

Unless major changes are made in the way part-time help is managed (or unless revenues do even better than FY2011 levels), personnel costs will be an on-going issue. While Full Time Wages were on target, there was a significant problem in Part Time Wages which exceeded budget by 36% (\$133,000 total expense). Last year only half that amount was used for the full year.

Other major items driving the expenditure budget:

- Water usage was \$17,000 more this year than budget.
- Materials for Resale exceeded budget by 70% (\$78,000 in total). In this area, however, revenues need to be considered. Golf Concessions generated \$124,000, 55% more than the expected budget.

Although expenses surpassed budget by 16.1%, revenues were not far behind also finishing over the year over projections by 9.4%. This allowed the existing deficit not cut too deeply into Golf's fund balance.

Amount of Golf operating budget expended at year-end: 116.1%

FY2011 YEAR END FINANCIAL REPORT

MUNICIPAL GOLF FUND

	2010-2011		Preliminary Actual	%over/(under)	
	Adopted & Amended Budget	Projected Budget		Adopt	Proj
Proj Beginning Op Fund Balance:			\$19,478		
Designated 27th Payroll FB:			\$2,660		
			\$22,138		
Proj Beginning CIP Fund Balance:			\$14,383		
SOURCES					
Golf Charges	607,100	591,650	670,587	0.10	0.13
Other Revenue	4,397	10,708	12,009	1.73	0.12
Investment Earnings	0	25	-13	100.00	(1.52)
Golf CIP Program	26,500	26,500	22,069	(0.17)	(0.17)
TOTAL SOURCES	637,997	628,883	704,652	0.10	0.12
USES BY PROGRAM					
Municipal Golf Course	616,266	647,058	715,476	0.16	0.11
Golf CIP Program	23,000	23,000	20,785	(0.10)	(0.10)
TOTAL USES	616,266	670,058	715,476	0.16	0.07
Net Surplus (Deficit)	21,731	(41,175)	(10,824)		
Operating Fund Balance:			(\$10,755)		
Designated Reserve 27th PY (2016):			(3,990)		
Ending Available Op Fund Bal:	Target: \$59,623		(\$14,745)		
Ending CIP Fund Balance:			\$15,667		

Municipal Golf Fund (Revenue : Expenditure - \$682,500 : \$715,500)

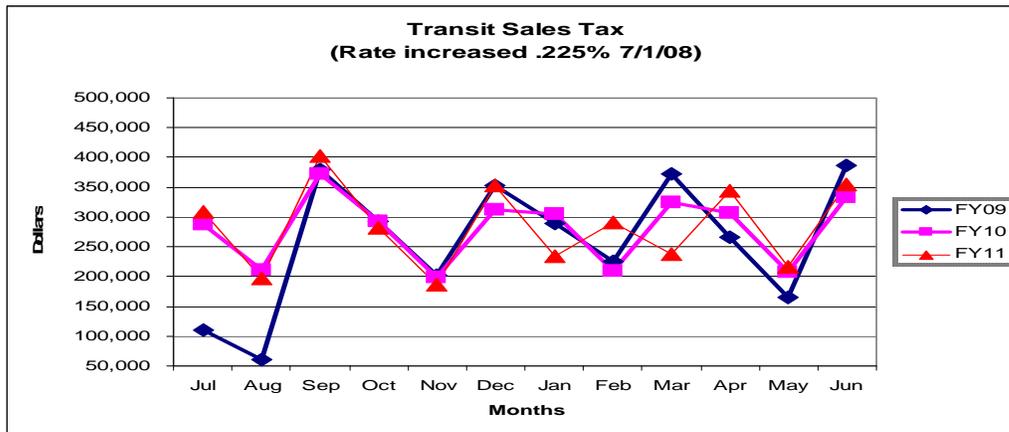
With an operating deficit of \$33,000 fund balance was basically eliminated. The "CIP" balance in this fund is a designation for 1/2 of the daily surcharge paid by players. It was originally used to pay off the Course PBA debt. When those bonds were retired, the department voluntarily left the money in the capital projects program to purchase new equipment or other course improvements. However, it will be needed in FY2011 to have a balanced ending budget.

Since the revenues are strong – coming in 10% above the original budget and 13% above projections, if the program can get revenues under control the Course can once again run in the black.

Transit Fund

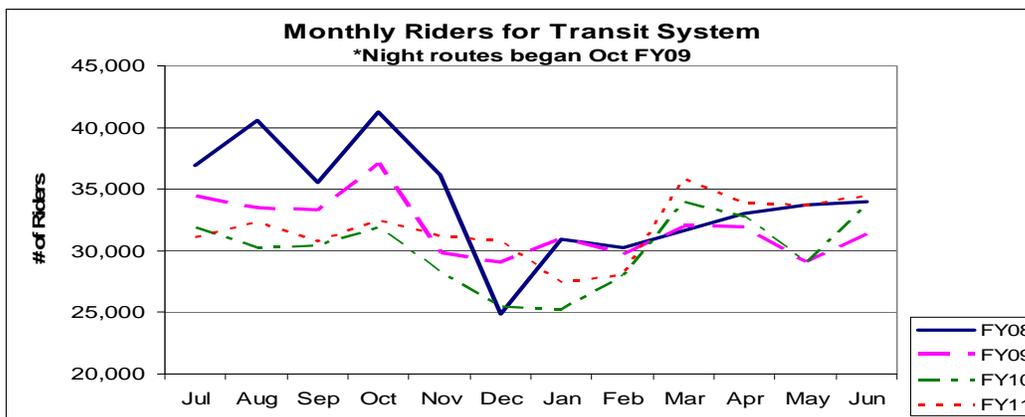
Revenues

Much like the sales tax revenues in the General Fund, Mass Transit Transportation Sales Tax showed signs of decline in the third quarter, but overall picked it up the final three months and finished above both the adopted budget and projections. The graph below shows that historically the revenue collected is very up-and-down from month to month. This fiscal year was no exception. The first half started out on a similar path. The second half of the year began rocky as all three months were average at best and resulted in the lowest period of the year. Numbers bounced back in the final quarter and produced the highest collection period of the year. This was a 1.6% increase when compared to FY10. (The first quarter of FY09 is not applicable when using for comparisons. The voter approved tax rate increase effective July 1, 2009 didn't appear in the City's distribution from the Missouri Department of Revenue until September, 2009 – FY10.)



The Mass Transit fund utility tax revenues met budget for the year and displayed similar trends as the General fund. Gas was under projections at 94%, but electric water each finished above trend by a total of \$17,000. In total, franchise tax revenues came within \$4,600 of the adopted budget.

Higher fuel prices and a lower unemployment rate in the City led to a higher volume of riders in FY11 and had rider fares \$11,000 more than anticipated. This represented an increase of nearly \$19,000 compared to FY10. Adult ticket sales had been in decline since the second quarter, decreasing by 20% when compared to the prior fiscal year. Senior/Handicap tickets were above trend by 6%. Once fuel prices began to approach historical levels in the final quarter of the year, ridership saw a steady increase.



Advertising revenue was steady with approximately \$2,000 being received from Houck Advertising each month. In the fall, Transit staff began selling Jefferson tickets for a 15% commission. This line item

FY2011 YEAR END FINANCIAL REPORT

replaces the transit station lease that was vacated by Jefferson at the end of September. While it has added to Transit staff workload, it generates approximately \$11,000 a year which far exceeds the monthly rental revenue previously received.

The FTA Operating revenues exceeded budget and managed to offset the shortfall in the budgeted state operating grant account. Overall, grant revenues came in \$37,500 more than budget. Overall, Transit operating revenues were \$370,000 over original budget and 158,000 over the prior year.

Amount of Transit operating revenue budget collected at year-end: 106%

Expenditures

Professional Services category was \$25,000 above budget due to contract management fees for First Transit. However expenses had decreased by 10% when compared to FY10 since there were no labor counsel costs during the year. M&R of Communications Support had an overage of \$21,000 directly related to maintenance fees for the new Trapeze software. M&R of Building & Facility completed the year 11% over budget with various expenses including: emergency repair to the cooling unit at the transit office, replacement of valve to the fire sprinkler system, and replacement of glass for a shelter.

Electric Service was on the high end with a variance of \$6K which was an increase of 5% when compared to the prior fiscal year. Despite the climbing fuel prices, they were not an issue for the fund as they were very close to target. Savings in other M&R categories allowed the deficit to be canceled out.

Amount of Transit operating budget expended at year-end: 95.1%

FY2011 YEAR END FINANCIAL REPORT

TRANSIT FUND

	2010-2011		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Proj Beginning Op Fund Balance:			\$4,858,025		
Designated Reserve for Bus Rplcmnt:			\$200,000		
			<u>\$5,058,025</u>		
Proj Beginning CIP Fund Balance:			\$140,465		
SOURCES					
Utility Taxes	1,097,200	1,146,309	1,101,825	0.00	(0.04)
Sales Taxes	3,817,385	3,991,090	4,069,955	0.07	0.02
Rents	3,900	760	758	(0.81)	(0.00)
User Charges	275,000	284,000	310,019	0.13	0.09
Other Revenue	7,834	44,524	47,114	5.01	0.06
Investment Earnings	9,500	8,500	10,420	0.10	0.23
Intergovernmental/Other Grants	1,364,846	1,364,846	1,402,390	0.03	0.03
Transit CIP Revenues	1,126,980	722,290	664,565	(0.41)	(0.08)
TOTAL SOURCES	<u>7,702,645</u>	<u>7,562,319</u>	<u>7,607,046</u>	(0.01)	0.01
USES BY PROGRAM					
Transit Operations	5,239,214	5,245,238	4,999,977	(0.05)	(0.05)
Transit CIP Improvements	1,313,560	664,690	746,947	(0.43)	0.12
TOTAL USES	<u>6,552,774</u>	<u>5,909,928</u>	<u>5,746,924</u>	(0.12)	(0.03)
Net Surplus (Deficit)	1,149,871	1,652,391	1,860,122		
Operating Fund Balance:			\$7,000,529		
Designated Reserve for Bus Rplcmnt:			(276,040)		
Ending Available Op Fund Bal:	Target: \$480,767		<u>\$6,724,489</u>		
Ending CIP Fund Balance:			58,083		

Mass Transit Fund (Revenue : Expenditure - \$6,492,500 : \$5,000,000)

The revenue & expenditure anticipated in FY2009 with the ARRA stimulus funds continued to appear in the FY2011 financials. The stimulus monies boosted both the operations and the capital improvement budgets. The difference between the CIP expenditures and revenues is the lag between grant expenditures and receiving the grant revenues

Fund balances will continue to increase until the system is scheduled to start replacing its bus fleet in FY2014 at which time fund balance will start declining to the target level.

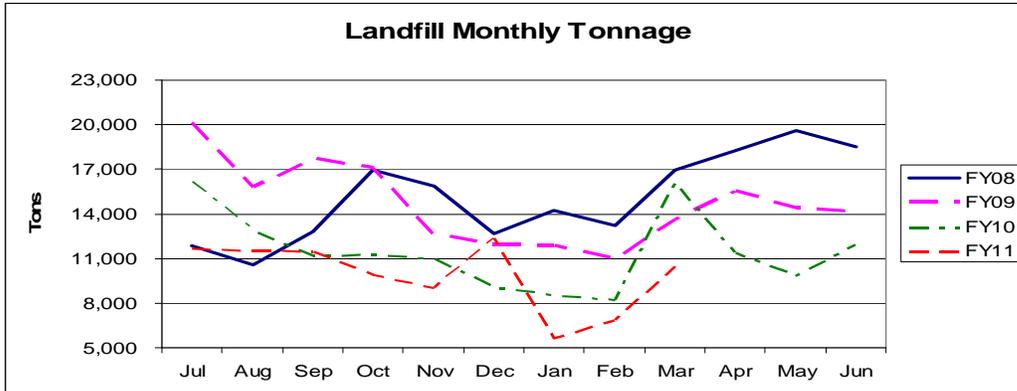
FY2011 YEAR END FINANCIAL REPORT

Landfill Fund

Revenues

FY2011 marked another year of declining revenues for the Landfill fund as only 83% of original projection were collected. Daily fees fell farther behind as the year progressed and finished at \$666,000 under budget. Revenues have been in an overall decline with the economic conditions and after Deffenbaugh withdrew from their dumping agreement in FY09. Monthly average charges for Deffenbaugh have dropped from \$75,000 during FY10 to \$50,000 for FY11. Overall revenues from Daily tipping fees decreased by 18% in comparison to FY10. Tonnage was 15% lower than in the prior fiscal year.

Recycling revenue in landfill operations surpassed the total budget by more than twice of what was projected (\$12,000 over trend). The main recycling site saw a spike in the final quarter and was able to top budget by 16% with the more conveniently located recycling center that opened in late March.



Amount of Landfill operating revenue budget collected at year-end: 80.0%

Expenditures

There were a few areas of expense that will likely be on-going problems.

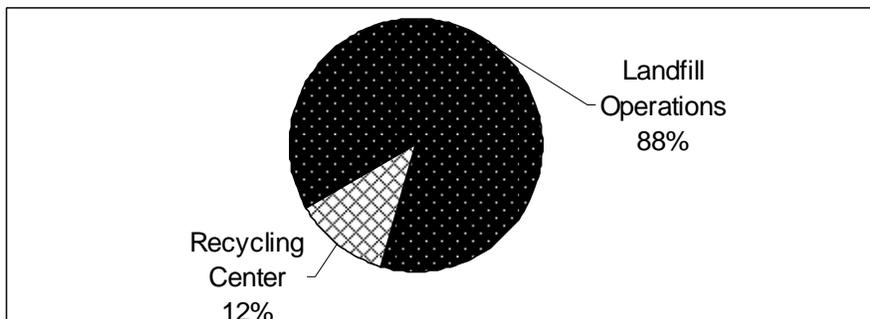
- Water and Electric Services combined for a deficit of \$3,000.
- Motor fuel showed a 36% increase when compared to FY10. The increase resulted in an overage of \$40,000.

There were other operating deficits of a more temporary nature:

- Major Repair and Replacement for the Landfill surpassed budget by \$7K with the majority of the expense for parts for an undercarriage.
- M&R of Motor Vehicle finished over budget by 28%.
- Advertising was high this year (\$8,00 over budget).

Savings in other budgeted line items were more than enough to cover existing deficits.

Amount of Landfill operating budget expended at year-end: 96.0%



FY2011 YEAR END FINANCIAL REPORT

LANDFILL FUND

	2010-2011		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Fund Balance:			\$5,472,703		
Designated Reserve 27th PY (2016):			12,160		
Designated Closure/Post Closure:			<u>3,937,115</u>		
			<u>\$9,421,978</u>		
SOURCES					
Permits	3,500	3,100	3,875	0.11	0.25
Rents	2,300	3,100	3,085	0.34	(0.00)
Landfill Charges	3,900,000	3,900,000	3,233,741	(0.17)	(0.17)
Other Revenue	500	500	420	-	(0.16)
Recycling Revenue	17,750	27,750	31,147	0.75	0.12
Investment Earnings	199,000	28,000	22,018	(0.89)	(0.21)
TOTAL SOURCES	<u>4,123,050</u>	<u>3,962,450</u>	<u>3,294,286</u>	(0.20)	(0.17)
USES BY DEPARTMENT					
Landfill Operations	3,154,753	3,085,982	3,013,026	(0.04)	(0.02)
Recycling Center	428,067	425,237	424,254	(0.01)	(0.00)
Landfill CIP Improvements	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL USES	<u>3,582,820</u>	<u>3,511,219</u>	<u>3,437,280</u>	(0.04)	(0.02)
Net Surplus (Deficit)	540,230	451,231	(142,994)		
Total Ending Available FB:			\$9,278,984		
Designated Reserve 27th PY (2016):			(18,240)		
Designated Closure/Post Closure:			<u>(4,291,080)</u>		
Ending Available Fund Balance: Target:	\$531,313		<u>\$4,969,664</u>		

Landfill Fund Revenue : Expenditure - \$3,294,000 : \$3,437,000

With the decrease in revenue, with the designated 27th payroll reserve, and with the annual cost of adding to the Closure/Post Closure account, available reserves in this fund decreased by \$500,000.

However, even excluding the designated post-closure and the 27th payroll reserves, fund balance is almost ten times its target. The availability of these funds will enable staff to do major improvements in-house and replace major pieces of equipment without leasing which saves money in the long run.

CAPITAL PROJECT FUND

FY2011 YEAR END FINANCIAL REPORT

CAPITAL PROJECTS FUND

Revenues & Expenditures

The Capital Projects Fund, mainly financed through the CIP Sales Tax, was still feeling the crunch of the economy. CIP Sales Tax fell just below the target at 99%. This was a much better outcome compared to last year when revenues were \$113,000 less.

Interest Earnings also continued their decline coming at \$21,000 (90% below budget) and a mere \$1,600 more than prior year. There were significant insurance proceeds from the fire at the Missouri Theater complex.

The shortfalls in fund transfers are not significant since those unrealized revenue were tied to deferred projects.

Several projects originally slated for FY11 were deferred until next year and mid year projections were within 1% of the actual year-end expenditures.

The most important issue facing this fund is that projects are not decreasing in cost. In fact, most see significant cost increases. Obviously, if CIP sales tax revenues do not keep pace with the increase in the cost of individual projects, then there will be one or more projects approved by the taxpayers not completed with this five-year life-cycle of the tax.

CAPITAL PROJECTS FUND

	2010-2011		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Fund Balance:			4,386,699		
SOURCES					
Sales Tax	5,374,880	5,283,500	5,305,218	(0.01)	0.00
Interest Earnings & Other	150,000	411,363	846,520	4.64	1.06
Grants	22,858	940,390	1,276,814	54.86	0.36
Transfers In	2,034,854	2,034,854	1,286,730	(0.37)	(0.37)
TOTAL SOURCES	<u>7,582,592</u>	<u>8,670,107</u>	<u>8,715,282</u>	0.15	0.01
USES BY PROGRAM					
Capital Imprvmt Projects (non-Enterprise Fnd)	11,013,304	7,960,103	7,859,982	(0.29)	(0.01)
TOTAL USES	<u>11,013,304</u>	<u>7,960,103</u>	<u>7,859,982</u>	(0.29)	(0.01)
Net Surplus (Deficit)	(3,430,712)	710,004	855,300		
Total Ending Fund Balance:			\$5,241,999		

SUPPLEMENTAL REPORTS

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FY2011 YEAR END FINANCIAL REPORT

INVESTMENT REPORT

COMMENTARY

The Investment Report is for the twelve month period ended June 30, 2011. The purpose of the report is to keep the reader informed of the diversification and status of the City's investment portfolio. The City's Investment Policy, adopted by the City Council on July 19, 1994 and revised on October 18, 2010, guides investment activities and ensures that City funds are invested in a manner which provides the highest investment return with maximum security while meeting the daily cash flow demands in accordance with all state and local laws.

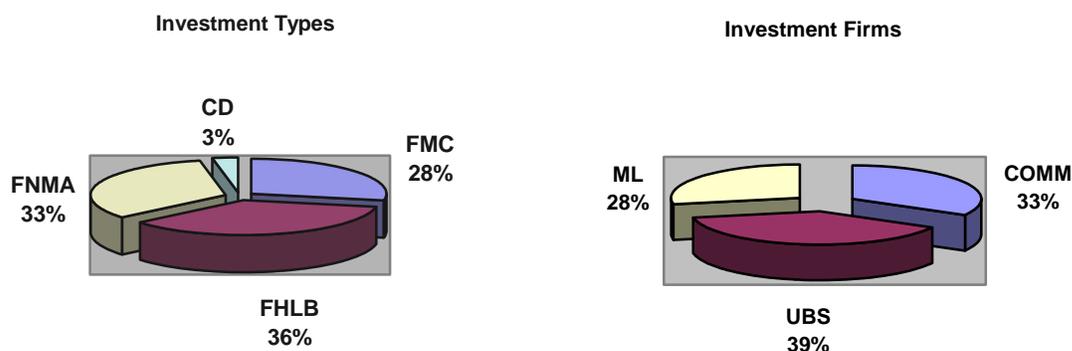
CASH INVESTMENTS

As of June 30, 2011, \$38,986,091 of the City's idle cash was invested in U.S. Treasury Bills, Agency Securities, and cash. The majority of the investments purchased were Agency Discount Notes with maturities of 180 days or less. Individual yields on the securities range from 0.03% to 0.51% with a maturity expected weekly. Most City investments are made in instruments of 180 days or less because: 1) the return on longer instruments is not significantly greater to offset the loss in liquidity; and 2) current low fund balances in most funds require that investments be very liquid.

According to City policy, the City may only invest in U.S. Treasury Obligations, U.S. Treasury Agency Obligations, Repurchase Agreements, Collateralized Public Deposits, Bankers' Acceptances, Commercial Paper, and Local Government Investment Pools. U.S. Treasury Obligations (T-Bills) are short-term obligations considered risk free and very liquid. They are backed by the full faith and credit of the U.S. Government. While considered the safest of all types of securities, Treasury Bills provide the lowest yield. Due to the low yield, the City prefers to invest in other, high-yielding, relatively risk-free U.S. Government Obligations.

Some Agency Discount Notes are guaranteed by the full faith and credit of the U.S. Government, but most carry only a "moral obligation" of Congress to protect investors. These notes usually have higher yields than Treasury Obligations, and include federal agencies such as the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Bank (FHLB) and Federal Farm Credit Bank (FMC).

Safety of principal is the foremost objective of the City's investment program. To achieve this objective, diversification is a necessity for securities and vendors. Investments are competitively bid and purchased from Merrill Lynch, UBS, and Commerce Bank of Kansas City, maturing weekly for cash flow purposes. The City's guidelines for diversification provide for a goal of no more than 50% of the City's total investment portfolio be invested in a single security type or with a single financial institution.



INTEREST INCOME

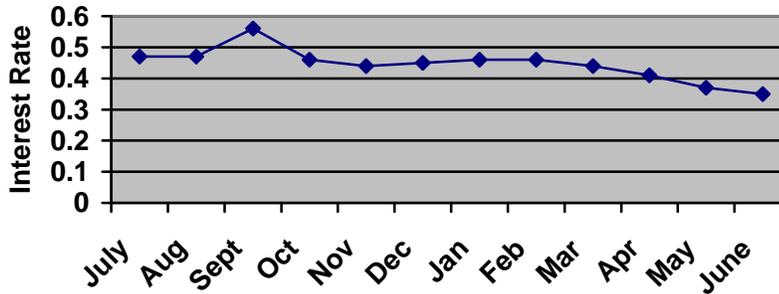
The City also receives interest income on cash balances in its checking account. Interest is distributed to each fund at the end of each month. The interest rate is equal to the average 91 day Treasury Bills plus .31 points on the City's average collected balance. The rate the City received for the month of June,

FY2011 YEAR END FINANCIAL REPORT

2011 was 0.35% compared to 0.47% in June, 2010. Interest rates hit the highest in September, 2010 and gradually fell below 0.40% in May and June, 2011. Because of collateral agreements with the banking institution insuring cash balances, this is as safe as investments in U.S. Treasury Bills.

July 1, 2010 - June 30, 2011

Interest Rates



Fiscal Year 2010/2011

Interest earned that has been distributed to the individual funds based upon the cash balance monthly average:

July, 2010	\$ 6,981.13
August, 2010	\$ 6,933.62
September, 2010	\$ 8,134.18
October, 2010	\$ 8,287.87
November, 2010	\$ 8,333.92
December, 2010	\$ 10,837.96
January, 2011	\$ 5,485.57
February, 2011	\$ 6,908.47
March, 2011	\$ 7,857.17
April, 2011	\$ 6,915.47
May, 2011	\$ 7,771.75
June, 2011	\$ 9,291.92
YTD 2011 Total	\$ 93,739.03

As of June, 2011, interest earned was \$93,739.03 compared to \$101,399.71 in June, 2010, \$545,668 in June, 2009 and \$1,465,254 in June, 2008.

Unrestricted cash deposits and investments of the City are pooled and include cash held in commercial bank checking accounts and investments held in United States Government Treasury and Agency securities. 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 individual funds "Equity in Pooled Cash" equals the \$48,595,123 the City records as unrestricted.

Restricted cash deposits and investments are restricted for legal purposes or purposes designated by City Administration. In accordance with bond transcripts, the Trustees of the bonds are legally required to hold reserves at their financial institution. Currently, the City has \$16,152,798 held at various locations as instructed by the bond transcripts.

The charts beginning on the next page show the June 30, 2011 status of city cash by type of investment, type of restriction and unrestricted cash balances.

FY2011 YEAR END FINANCIAL REPORT

CASH By Type of Investment June 30, 2011

Checking Account Balance:		\$9,376,999.00
U.S. Government and Agency Securities:		
Federal Natl Mortgage Association	\$12,994,423.00	
Federal Farm Credit Bank	10,995,403.00	
Federal Home Loan Bank	13,996,264.00	
Certificates of Deposit	1,000,000.00	
		38,986,091.00
Cash and Investments		48,363,090.00
Bond Reserves (held at various institutions)		16,152,798.00
		\$64,515,888.00

CASH By Type of Restriction June 30, 2011

Unrestricted Cash Balance:		
Cash	\$9,376,999.00	
Investments	38,986,091.00	
		\$48,363,090.00
Restricted Cash Balances:		
Bond Reserves (various institutions)	16,152,798.00	
		16,152,798.00
		\$64,515,888.00

The label “unrestricted cash” is deceiving. The cash is unrestricted only in the accounting sense of not being legally restricted to a certain use, like bond reserves. The cash is restricted in the sense of what fund it belongs to and what that fund can use it for.

The chart on the following page breaks down the \$48.6 million “unrestricted” cash figure above by fund and designated uses (if any).

FY2011 YEAR END FINANCIAL REPORT

CASH UNRESTRICTED CASH BY FUND

June 30, 2011

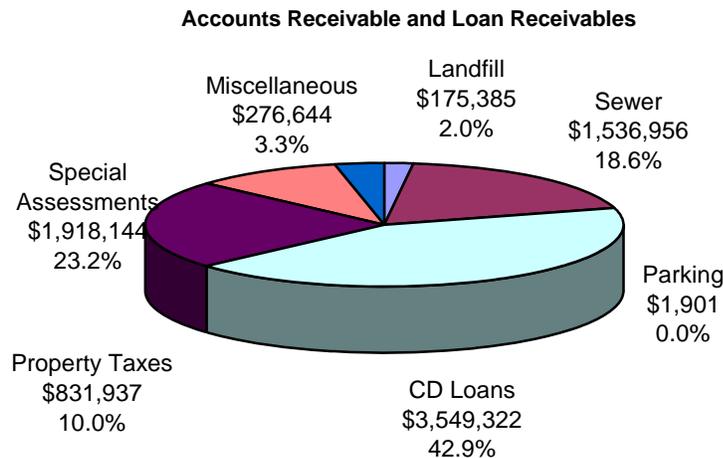
General - Cash	\$2,361,165.13	
Emergency	100,000.00	
Escrows/Grants	144,858.41	
Public Nursing/Richardson Trust	85,140.50	
Senior Center Foundation/WVMorgan Trust	7,049.57	
Cell Phone	667,895.62	
Computer Reserve	118,048.07	\$3,484,157.30
<hr/>		
Street Maintenance- Cash		2,463,735.47
Parks, Recreation & Civic Facilities-Cash		344,687.64
CDBG- Cash		100,056.73
Special Allocation - Cash		2,215,638.90
Riverboat - Cash		425,409.08
Museum		436,227.08
Downtown Business Distict - Cash		52,524.12
Capital Projects - Cash		10,495,263.36
Aviation- Cash	626,978.70	
Escrows/Grants	9,514.33	636,493.03
<hr/>		
Parking - Cash	232,268.16	
Escrows	6,200.00	238,468.16
<hr/>		
Water Protection - Cash	5,278,015.55	
In House Bond Reserve	4,181,578.26	9,459,593.81
<hr/>		
Gdf - Cash		18,577.33
Mass Transit - Cash		6,176,378.82
Landfill - Cash	5,294,106.18	
PostClosure	4,331,714.92	9,625,821.10
<hr/>		
Worker Compensation - Cash		1,040,936.91
Payroll - Cash		314,534.89
Library- Cash		0.00
St. Joseph Gateway TDD- Cash		63,459.78
East Hills CID - Cash		4,648.79
CDBG Loan Funds - Cash		998,510.33
		<hr/>
		\$48,595,122.63
		<hr/> <hr/>

FY2011 YEAR END FINANCIAL REPORT

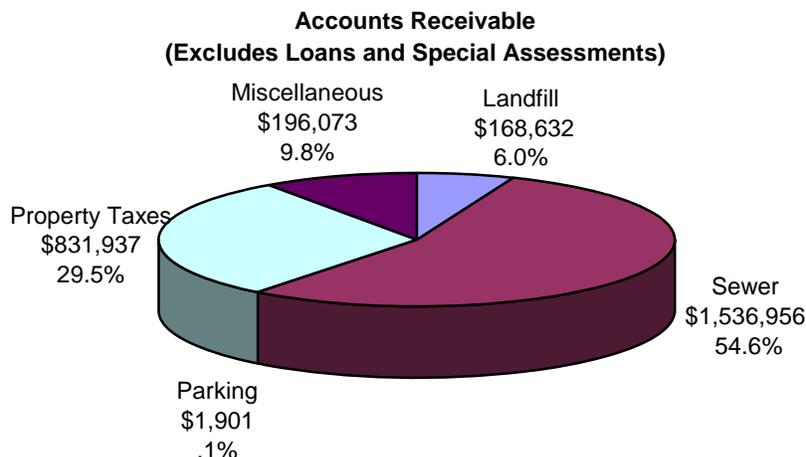
Accounts and Loans Receivable Report

COMMENTARY

The Accounts and Loan Receivable Report is for the fourth quarter ended June 30, 2011. These receivables have been billed to each customer and already appear as revenue on the general ledger. The purpose of this report is to identify the various types and amounts of receivables, discuss the City's various collection efforts and provide an estimate of receivable collectability. Total Accounts and Loans Receivable at June 30, 2011 are broken out as follows:



The greatest change in receivables from March 31, 2011 to June 30, 2011 is the property taxes due the City. The total due has been reduced by \$200,000 from last quarter's receivable listing. Routine receivables (taxes, licenses and fees) are depicted in the chart below. Loans and Lien Receivables have been extracted due to: 1) uncertain collectability with special assessments; and 2) CDBG loans are payable over 30-40 years, leaving most of the receivable due into the future, not past due. Details of each type will now be discussed by category type.

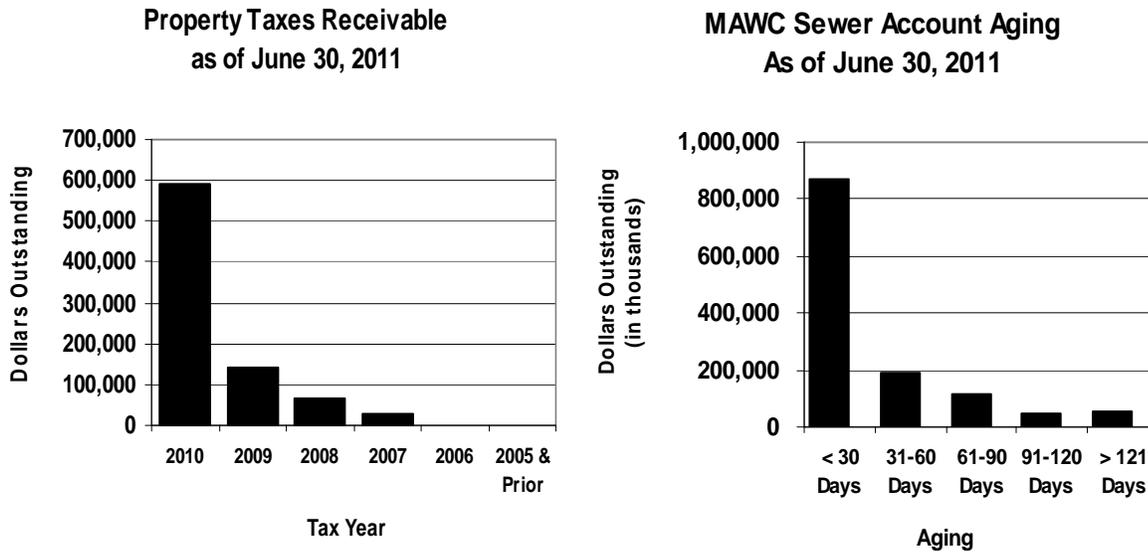


City Sewer Fund receivables (54.6%), as in past years, were the greatest receivable due in the third quarter. Total sewer amounts due equaled \$1,536,956 as of June 30, 2011. MAWC receivables make up the greatest portion at \$1,278,819, or 83.2%. These are sewer user charges billed and collected by Missouri American Water Company per the 1996 Billing and Collection Agreement. The aging of these receivables are shown above. These receivables are reported monthly to the Financial Services Department for recording of user charges, penalties for late payment, allowance for uncollectible accounts, and collection fees. Accounts over 90 days are reviewed by MAWC and may be turned over to their third party collection agency. The new City Manager and Financial Services staff will be

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examining our options in the coming fiscal year to see if other collection methods may be more practical.

The City billing balances include secondary sewer treatment user fees to South St. Joseph Industrial District (\$154,066), Oak Mill lawsuit (\$97,600), MAWC (\$2,302), Eastside Baptist Church (3,651) and septic load processing charges (\$517.50). The SSJSD balance is current.



Property Tax delinquent reports were provided by the County Collector as of June 30, 2011 as required in the Billing and Collection contract. A comparison of the 2010 delinquent lists shows \$831,937 (excluding St. Joseph Library) remaining due compared to \$776,919 in fiscal year 2010. Total **Current Year** adjusted property valuations of \$942,423,028 for tax year 2010 (FY11) increased less than 1% from tax year 2009 (FY10) at \$936,350,114. This variance is primarily due valuation changes for State and Locally Assessed Railroad & Utilities and new construction. County collections through June 30, 2011 show a decrease in current collections of \$194,735 or one and eight-tenths (1.8%) percent. Real property collections were flat at \$20,385 less than fiscal year 2010, (-0.27%). Personal Property tax collections lagged behind the 2009 tax collections by \$229,551 (-7.6%) as residents on tight budgets postponed payment of their personal property taxes until licensing vehicles. Railroad & Utility taxes **increased** \$55,016 (30%). As of June 30, 2011, total current year City tax receipts were \$10,508,875, compared to FY2010 receipts of \$10,654,213, a decrease of \$145,337 (-1.4%). The General tax levy continues to suffer due to passage of SB711.

Prior Property Tax receivables (34 % of all taxes due) include the receivables for tax years 2009 & prior. As of June 30, 2011, prior property taxed remaining due total \$327,790 compared to \$302,003 for all funds in fiscal year 2010. Total prior year collections are flat with \$466,646 compared to \$456,662 for FY2010. The Buchanan County Collector's 2011 tax sale will be on Monday, August 22, 2011. The tax sale procedures have changed for 2011 as the State of Missouri has mandated that all 2011 tax sale collections be full payment for past year taxes and fees. This is a great deterrent for buyers and may cause there to be an increase in the number of properties transferred to the Buchanan County Trustee as abandoned lots.

Landfill Fund receivables (6%) include landfill charge accounts and land leases. Receivables are billed by the Financial Services Department based upon charge accounts posted to the Waste Works software. Total FY2011 landfill fund billings to date are \$2,128,758, a decrease of twenty-five (25%) percent for the same period in fiscal year 2010. Total fiscal year tipping fee revenues of \$3,233,941 represent a decrease of eighteen (18%) percent from fiscal year 2010. Outstanding receivables total \$168,632, with less than three-fourths of one percent (0.75%) or \$1,271 greater than 60 days delinquent. Legal has

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notified this vendor and we expect payment in July or August, 2011. Deffenbaugh Disposal Service is no longer the largest account due. Keep It Clean is now the largest receivable account, with \$42,649 (25.3%) of the total balance due.

Miscellaneous Receivables (9.8%), shown above, are billed by Financial Services and Customer Assistance. These receivables are for various services and/or fees. Amounts due greater than 45 days are sent a second courtesy delinquent notice. After the second notice, the originating departments are notified to consider revoking their ability to charge future services/fees until their account is brought current. Miscellaneous billings include:

General Fund –

- LEC charges, fire district contracts, and Administrative fees for Chapter 100 bonds, Heartland Health and Buchanan County shared expenses for maintenance of the communication system; and PILOT taxes due per Chapter 100 agreements;
- Public Health Department – Birth/Death certificate monthly billings, monthly pound fees for area cities, and Buchanan County Health Contract;
- Parks Department - Hockey Club and Figure Skating Club ice rentals;

Streets Mnt Fund – Street/utility cuts, culvert pipe purchased for installation, Road & Bridge taxes;

Parks Mnt Fund – Horace Mann monthly leases;

Special Allocation Fund – Buchanan County certified EATS;

Aviation Fund – Monthly hangar leases, land leases, monthly Airport Café lease;

Mass Transit Fund –State of Missouri bus passes purchased;

Payroll Fund – Retiree and Cobra insurance billings.

Annual licenses, permits and inspections for business activity are billed and collected by the Customer Assistance Department and recorded in Permit's Plus Software when received.

Business Licenses and Permits By Type Fiscal Year 2011

Type	FY2011		YTD Revenue	
	New	Temporary	FY11	FY10
Alarm permits	321	23	\$53,744	\$43,556
Alcohol server licenses	1,726	718	\$36,050	\$10,910
Business licenses	840	32	\$813,900	\$953,985
Contractor licenses	13	0	\$4,625	\$3,250
Fire inspection permits	47	12	\$34,238	\$27,005
Health permits/inspections	83	149	\$95,740	\$90,213
Liquor licenses	39	57	\$99,379	\$90,324
Trade licenses	162	0	\$71,504	\$69,673
Totals	3,231	991	\$1,209,179	\$1,288,916

Collection efforts continue for the expired business licenses due on June 30, 2011. To date, these efforts include the original renewal application. Delinquent letters will go out in mid-July, 2011. The final step will be a summons to Municipal Court. A total of 4,222 new and temporary business licenses and permits were issued during May 1, 2010. As of June 30, 2011, there are 4,752 active business licenses. The distribution of new business permits and licenses issued are broken down by type above.

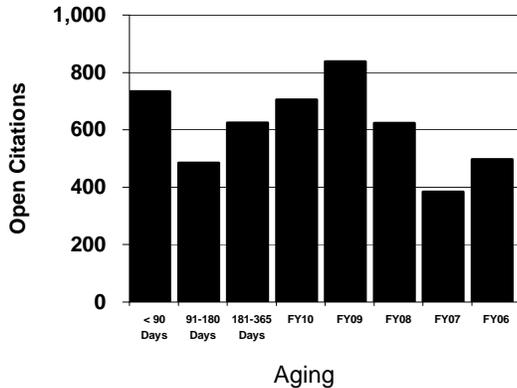
Municipal Court receivables (shown below) are recorded in the INCODE Court software. As of June 30, 2011, open citations total 10,574, a decrease of (4.4%) from the previous quarter. Out of 16,630 cases filed since July 1, 2011, twenty-seven percent (4,513 of the cases) remain open. Cases typically require 45-60 days before the court case is taken up. Court staff issue warrants for failure to appear for any case

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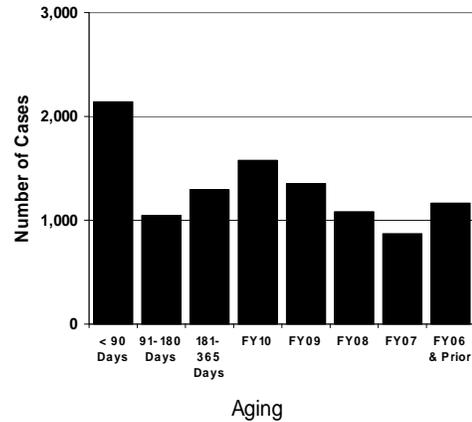
greater than five (5) days past the assigned court date. They also suspend licenses for those failing to appear for traffic violations. A review is also performed on all prior citations with regard to collections and cases are closed in the proper, timely manner.

As of June 30, 2011, court fines and fees collected totaled \$1,177,402, compared to \$1,280,358 for the same period in fiscal year 2010, an eight (8%) percent decrease. City retained Court revenues were \$964,427 compared to \$1,090,565 in fiscal year 2010, an eleven and six-tenths (11.6%) decrease. The citations filed continue to decline totaling 16,630 in FY2011, compared to 19,182 for FY2010.

Aging Open Parking Citations

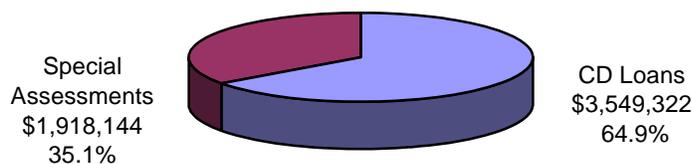


Municipal Court Open Cases



Business Licenses/Permits and Municipal Court and Parking Citations are also miscellaneous receivables, but not included in the total amount due. Most of these billings are unknown at the time of issuance or billing – business licenses because many are based upon gross receipts which fluctuate from year to year and Court citations because defendants must have their due process in Court.

Loan & Special Assessment Accounts Receivable



Community Development (C.D.) Loan receivables (64.9%) are low-interest loans made to low and moderate income residents under regulations promulgated by the Federal Department of Housing and Urban Development (HUD). These loans vary in length from 15 to 40 years. Although total loans outstanding are \$3,549,322, less than one percent (0.6%) or \$19,840 are principal and interest due.

The Accounting Division of the Financial Services Department bills and monitors these accounts. The C.D. Loan Committee, comprised of Financial Services, Community Development and Legal staff, meet monthly to discuss accounts with balance portions greater than 30 days delinquent and decide upon the collection measures to be used from general collection letters to foreclosure if necessary.

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CDBG Loan Aging	
Aging	Dollars
0-59 Days	\$5,048
60-89 Days	\$2,604
> 90 Days	\$12,188
Future	\$3,529,482
Total Due	\$3,549,322

Lien & Special Assessment receivables (35.1%) totaled \$1,918,144 as of June 30, 2011. These include demolition liens (\$1,023,010), general code violations for weed and trash liens (\$810,060), and street and sewer improvement and use liens (\$85,074). Demolition and weed and trash liens

Aging of Special Assessments - Amount Due			
Period	Dollars	Dollars (%)	#
Current	102,106	5.3%	382
Jan-Mar11	37,789	2.0%	48
Jul-Dec10	203,851	10.6%	668
FY10	447,072	23.3%	770
FY09	139,663	7.3%	469
FY08	99,188	5.2%	423
FY07	116,338	6.1%	463
FY06 & Prior	772,137	40.3%	1,691
Total Outstanding	1,918,144	100.0%	4,914

are billed and collected by the Customer Assistance Department, with demolitions having a ten (10) year period in which to pay back the City. Sewer Improvements and Street Special Assessments are billed by the Financial Services Department.

Fiscal Year 2011 year-to-date revenues collected for weed and trash liens totaled \$120,025, compared to \$106,804, an increase of \$13,221 (12%) for the same period in fiscal year 2010. A large portion of the increase can be attributed to restitution collected for cleanup costs in the Municipal Court summons process. The City requests restitution added to the Court fines and fees for City costs incurred in cleanup of the property.

Accounts are reviewed periodically by Customer Assistance, Property Maintenance and Legal staff to consider additional collection measures if deemed collectable. These measures include a series of collection letters and, if necessary, a lawsuit filed in Buchanan County Circuit Court as a personal debt of property owners.

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PURCHASE ORDERS (CONTRACTS) BETWEEN \$5,000 AND \$25,000

COMMENTARY

The City's purchasing policy allows the City Manager to approve contracts between the amounts of \$5,000 and \$25,000. The following lists those contracts issued in the fourth quarter of Fiscal Year 2011 between those limits.

2/14/2011	Shanley Pump	\$ 604133	Impeller and Parts	WPF
3/2/2011	FFF Enterprises Inc	\$ 6,186.00	Flu Vaccine	Health
4/29/2011	Trekk Design Group	\$24,000.00	Locate Manholes within City Limit	Swr Mtnce
5/3/2011	Mo-Kan Regional Council	\$10,000.00	Maintenance of Geographic Information	Prop
5/19/2011	St Joseph Museum	\$ 13,939.22	Compressors and Guttering	Mtnce
5/23/2011	IHP Industrial	\$ 5,892.00	Install New Pratt Valve	St Joe
5/31/2011	National Military Heritage	\$ 8,000.00	Save Our Heritage Grant	Mum
6/2/2011	Miller Construction	\$ 7,950.00	Demolition of 2711 Patee	WPF
6/8/2011	World Wide Technologies Brown Traffic Products	\$ 14,714.18	Server, Disk Enclosure & Accessories	Hist Pres
6/13/2011	Ind	\$ 17,725.00	Traffic Control Cabinet & Accessories	Prop
6/20/2011	Hausman Metal Works	\$ 15,674.00	Roof at Noyes Tennis Center	Mtnce
6/20/2011	St Joseph Museum	\$ 24,294.64	Rplc Air Cond, Heat Pump & Minor Reprs	Tech Svcs
6/22/2011	HDR Engineering Fitness Resource Group	\$ 16,814.00	Review FEMA DFirm Calculations	Traffic
6/23/2011	Inc	\$ 8,000.00	Treadmill	Parks
6/27/2011	Lan Resources	\$ 5,950.00	St Joe Social Behavior Study	St Joe Mus
6/29/2011	New World Systems Corp	\$ 5,000.00	BOLO Interface to CAD/Police/Mobile	PW
6/30/2011	Kustom Signals, Inc	\$ 20,060.00	Cameras for Police Vehicles	Fire
6/30/2011	Sprague Excavating, Inc	\$ 11,500.00	Dig up Cave in	Health
6/30/2011	Alexander Open Systems	\$ 10,850.30	Upgrade for Voice Mail System	Police

**** Does not include purchase orders issued for the following:**

Community Development Rehab Loan Projects

Gasoline Purchases

Price Agreements

Work Orders for Professional Services approved by a Master Agreement

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ROUTINE BUDGET TRANSFERS

COMMENTARY

Routine Budget Transfers are allowed under “Administrative Code Sec. 2-1052. Budget Transfers. (abridged & supplemented)” The following statement appears on the Routine Budget Transfer Form.

1. There will be no budget transfers without council authorization from/to salary & wage line items from/to other budget line items....Transfers shall be allowed within these line items.

[If the request is transferring from/to salary line items from/to non salary line items....a budget amendment ordinance is required.]

2. There will be no budget transfers without council authorization from/to employee benefits line items from/to other budget line items ...with the exception of uniform allowance, car/mileage allowance and conference/training/travel.

[If this request is transferring from/to benefit line items from/to non benefit line items...a budget amendment ordinance is required.]

3. There will be no transfers without council authorization from capital outlay line items with the exception that once budget approved capital items are purchased and there are funds remaining, these funds can be transferred. Capital items which have not been approved by the council in the budget and which exceed \$5,000, must receive council approval before they are purchased.

[If this request is transferring from a capital line item to any other line item and all budgeted capital items have not been purchased....a budget amendment ordinance is required. (Please indicate if all items have been purchased.)

[If this request is for the purchase of an unbudgeted capital item exceeding \$1,000, even though there are sufficient budgeted funds....you'll need to prepare a budget amendment ordinance.]

The following list does not include all of the year-end clean-up transfers that were done. Inclusion of these transactions would have increased the section to 35 pages. These are the normal transfers made for specific reasons during the quarter. A complete report is available in Financial Services for anyone wishing to review it.

Transfer		Expenditures		Expenditures	
Number	Object	Decrease	Object	Increase	Comments
GENERAL FUND					
Mayor & Council					
BT114	1410	(13,300.00)	1475	13,300.00	REFURBISH WALLS IN MAYOR'S OFFICE
City Clerk					
BT152	1518	(5,425.00)	1453	5,425.00	MEET INCREASED COST OF ADVERTISING
City Manager					
BT148	1365	(113.00)	1498	113.00	CITY MANAGER YEAR END CLEAN UP
Legal					
BT139	1305	(1,120.00)	1265	1,155.00	CONFERENCE & TRAVEL COSTS
BT147	1473	(35.00)			
Tech Services					
BT113	1365	(1,300.00)	1473	1,300.00	IFAS SERVER MAINTENANCE
BT120	1365	(5,000.00)	1473	5,000.00	DOUBLE-TAKE REPLICATION LICENSE
BT137	1365	(8,550.00)	1445	7,000.00	CABLEVISION FEES/SUNGARD
			1448	100.00	ADVERTISING FEES
			1453	700.00	
			1498	750.00	
Customer Assistance - Building Services					
BT136	1265	(5,300.00)	1355	1,860.00	CODE BOOKS & INCREASED FUEL PRICES
	1265	(1,041.00)	1440	4,481.00	
Police					
BT101	1265	(3,265.00)	1365	3,265.00	OFFICER TRAINING

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Transfer		Expenditures		Expenditures	
<u>Number</u>	<u>Object</u>	<u>Decrease</u>	<u>Object</u>	<u>Increase</u>	<u>Comments</u>
BT128	1365	(1,000.00)	1445	1,000.00	OFFICE SUPPLIES/PHONE BILLS/BOOKING
	1390	(335.00)	1513	335.00	DESK INSURANCE CLAIM
	1390	(500.00)	1470	500.00	
	1365	(1,000.00)	1305	2,500.00	
	1440	(1,500.00)	1365	300.00	
	1320	(300.00)	1390	1,400.00	
	1324	(1,400.00)			
BT138	1390	(860.00)	1365	1,443.00	RECRUITING SUPPLIES/PRINTING FEES/ MEMBERSHIP DUES/ SPECIAL EVENT
	1478	(1,443.00)	1365	860.00	
	1265	(7,000.00)	1365	7,000.00	UNIFORM SHIRTS/RADARS & EQUIPMENT
	1460	(1,200.00)	1390	1,200.00	
	1265	(4,686.00)	1390	4,686.00	
	1440	(250.00)	1390	250.00	
	1478	(400.00)	1365	400.00	
	1410	(1,400.00)	1390	1,400.00	
	1415	(2,900.00)	1390	2,900.00	
	1473	(500.00)	1435	500.00	
Fire - Suppression					
BT152	1365	(2,500.00)	1515	2,100.00	CLAIMS EXPENSE
			1445	400.00	COMMUNICATIONS SERVICES
Public Works - Equipment Support					
BT152	1410	(53,670.00)	1513	170.00	INSURANCE EXPENSES
			1355	53,500.00	ADDITIONAL FUEL EXPENSE
Non-Departmental					
BT152	1498	(500.00)	1265	350.00	TRAVEL FOR RECRUITER
			1508	150.00	OTHER DEBT EXPENSES
CDBG FUND					
BT119	5999	(2,226,730.00)	5618	2,226,730.00	RECOGNIZING ARRA STIMULUS REVENUE
BT144	1365	(75.00)	1513	75.00	INSURANCE
BT152	1495	(2,000.00)	1265	2,000.00	TRAINING EXPENSES
MUSEUM TAX FUND					
BT151	1587	(1,975.00)	1513	1,975.00	ADDITIONAL PROPERTY INS EXPENSE
AIRPORT FUND					
BT155	1498	(1,520.00)	1515	740.00	INSURANCE EXPENSES
			1730	780.00	
PARKING FUND					
BT156	1375	(5,300.00)	1480	5,300.00	M&R VEHICLES
WATER PROTECTION FUND					
BT122	1465	(10,087.00)	1410	10,087.00	LABORATORY EXPENSES
BT157	1350	(75,100.00)	1501	71,100.00	BAD DEBT EXPENSE
			1405	4,000.00	EMPLOYMENT SERVICES
MUNICIPAL GOLF FUND					
BT150	1513	(2,800.00)	1410	3,200.00	CREDIT CARD FEES
	1515	(1,000.00)	1460	760.00	PRINTING
	1630	(11,160.00)	1465	2,300.00	ELECTRIC SERVICE
			1470	8,100.00	EQUIPMENT RENTALS
			1490	600.00	LAUNDRY SERVICES
MASS TRANSIT FUND					
BT154	1498	(5.00)	1520	5.00	TRANSFER TO GENERAL FUND
LANDFILL FUND					
BT130	1465	(1,525.00)	1325	200.00	RECYCLING SPPLS & EQUIP-NEW FACILITY
			1365	1,000.00	

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Transfer		Expenditures		Expenditures	
Number	Object	Decrease	Object	Increase	Comments
			1720	325.00	
BT153	1478	(500.00)	1355	500.00	FUEL EXPENSES
		\$ (2,454,270)		\$ 2,454,270	

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VENDOR SERVICE CONTRACTS BY DEPARTMENT

COMMENTARY

The report below lists all of the existing vendor contracts with the City. They are listed in order of current year expiration date.

Service	Service Provider	Orig Cntrct Periods	Orig Ext Periods	# of Ext. Left	Final Ext Expires	Ad Date Apprx	RFP Due Apprx	Dept
Transportation Planning Services	URS Corporation Minneapolis, MN	3	0	0	Apr-2011	Feb-2011	Mar-2011	PW
City-wide Trash Service	Keep It Clean, Inc.	1	2	0	Jun-2011	Mar-2011	Apr-2011	FS
Inspection of Sanitary Sewer Collection System	Trekk Design Group Westwood, KS	1	4	0	Apr-2011	Oct-2010	Nov-2010	PW
On Call - Professional	Burns & McDonnell Engineering Co Kansas City, MO	1	3	1	May-2012	Feb-2012	Mar-2012	PW
Copier Rental	ProServ	1	3	3	Apr-2015	Nov-2015	Dec-2015	FS
Towing Services	R & W Tow Service	1	2	2	Oct-2013	Aug-2013	Sep-2013	FS
Towing Services	R & W Tow Service	1	2	2	Oct-2013	Aug-2013	Sep-2013	MT
Lawn Mowing for WPC	Mark's Lawn Mowing	1	2	2	Apr-2014	Jan-2014	Feb-2014	PW
City Cemetery Mowing	J & P Services	1	2	2	Apr-2014	Feb-2014	Mar-2014	PH
On Call- Architectural	Riverbluff Architects	1	4	3	Apr-2015	Dec-2015	Jan-2015	PW
On Call- Architectural	Ellison Auxier Architects	1	4	3	Apr-2015	Dec-2015	Jan-2015	PW
On Call- Architectural	Goldberg Architects	1	4	3	Apr-2015	Dec-2015	Jan-2015	PW
On Call- Architectural	Creal Clark & Siefert	1	4	3	Apr-2015	Dec-2015	Jan-2015	PW
Backfill & Repair of Street Cuts	JD Bishop Construction	1	1	0	Apr-2012	Feb-2012	Mar-2012	PW
Transit Pension Trustee Service	US Bank Merriam, KS	1	3	3	May-2014	Mar-2014	Apr-2014	MT
Vending Machine Service	Smith Vending/Acme	1	3	3	May-2014	Mar-2014	Apr-2014	MT
Professional Asbestos Verification & Analysis	Asbestos Consulting & Testing Lenexa, KS	1	2	0	May-2012	Mar-2012	Apr-2012	PM
Employee Health	Blue Cross Blue Shield of KC	1	1	0	Jun-2012	Feb-2012	Mar-2012	HR
Land Lease Agreement Rosecrans Airport	Life Net Air Medical Service	1	4	2	Jun-2014	Feb-2014	Mar-2014	AV
Police Pension Investment Custodian	Citizens Bank and Trust Maryville, MO	1	4	0	Jun-2012	Mar-2012	Apr-2012	FS
Police Pension Administrative Svcs	Citizens Bank and Trust Maryville, MO	1	4	1	Jun-2012	Mar-2012	Apr-2012	FS
Police Pension Investment Management Services	Meritage	5	0	0	Jul-2015	May-2015	Jun-2015	
Police Pension Actuarial Services	McCloud & Nichols	1	4	0	Dec-2011	Oct-2011	Nov-2011	FS
Banking	Citizen's Bank and Trust	1	4	1	Jun-2013	Feb-2013	Mar-2013	FS
Procurement Cards	Commerce Bank Kansas City, MO	1	4	1	Jun-2013	Feb-2013	Mar-2013	FS
Auditing	Cochran, Head & Co.	1	4	4	Jun-2015	Feb-2015	Mar-2015	FS

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Bond Counsel	Gilmore and Bell Kansas City, MO	1	4	4	Jun-2015	Feb-2015	Mar-2015	FS
Long Term Disability	CIGNA Overland Park, KS	3	0	0	Jun-2013	Mar-2013	Mar-2013	HR
Financial Advisor	Piper Jaffray Leawood, KS	1	4	0	Jun-2012	Mar-2012	Mar-2012	FS
Workers' Compensation Third Party Administrator	Thomas McGee, L.C. Kansas City, MO	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2012	None	None	HR
Workers' Compensation Excess Insurance Greater than \$350,000 per claim	Safety National Casualty Co. Brokered by Thomas McGee, L.C.	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2012	None	None	HR
Workers' Compensation Bond	Safety National Casualty Co. Brokered by Thomas McGee	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2012	None	None	HR
Property Insurance	MOPERM CBIZ BCK&W	1	Subject to Annual Renewal	Subject to Annual Renewal	0	None	None	HR
Boiler & Machinery Insurance	Chubb CBIZ BCK&W	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2012	None	None	HR
Airport Liability Insurance	ACE Property & Casualty CBIZ BCK&W	1	Annual Renewal	Annual Renewal	Jun-2012	None	None	HR
GASB 45 Actuarial Services	Hause Actuarial Solutions Overland Park, KS	1	4	1	Jun-2013	Feb-2013	Mar-2013	FS
Merchant Card Services	U. S. Bank	1	4	1	Jun-2013	Feb-2013	Mar-2013	FS
Surveying Services	Midland Surveying	1	4	0	Jul-2012	Mar-2012	Apr-2012	PW
Flood Insurance	Travelers Cretcher-Lynch & Co. Kansas City, KS	1	Annual Renewal	Annual Renewal	Jul-2012	None	None	HR
Soft Drink Concession - Heritage Softball Complex	Cadbury Schweppes Bottling	1	4	0	Jul-2012	May- 2012	May- 2012	PR
Mapping -GIS	Midland GIS Maryville, MO	5	4	0	Jul-2012	May- 2012	May- 2012	PW
Temporary Labor	The Staffing Center	1	2	1	Aug-2013	May- 2013	Jun-2013	PR
Transit Long Term Disability	Todd M Joe Broker for Met Life	2	0	0	Sep-2012	Jul-2012	Aug- 2012	MT
Transit Life & AD&D Insurance	CBIZ/BCK&W Agent for EMC Insurance	2	0	0	Sep-2011	Jul-2011	Aug- 2011	MT
Transit Transfer Center Lease	Jefferson Partners Minneapolis, MN	5	0	0	Sep-2011	Jul-2011	Aug- 2011	MT
MO. ANG	Mtce/Ops Lease (Joint Use Agmt) Land Lease	5	0	0	Sep-2011	None	None	AV
Airport Café	Don Leupold	3	2	0	Sep-2011	May- 2011	May- 2011	AV
Transit Advertising Signs	Houck Transit Advertising St. Paul, MN	5	0	0	Sep-2011	Jun-2011	Jul-2011	MT
Transit vehicle and General Liability Ins.	CBIZ/BCK&W	1	0	0	Sep-2011	Jul-2011	Aug- 2011	MT
Lawn and Lot Care Services for Transit	Mark's Lawn Mowing	1	2	2	Apr-2012	Feb-2013	Mar-2013	MT
Asphalt Milling & Overlay	Keller Construction	1	5	4	Oct-2016	Jul-2016	Aug- 2016	PW
Removal of Roots in Sewer Lines	Duke's Root Control, Inc. Syracuse, NY	1	2	0	Nov-2011	Aug- 2011	Sep- 2011	PW

FY2011 YEAR END FINANCIAL REPORT

Elevator Maintenance and Repair Services	Express Elevator Agency, Missouri	1	2	1	Nov-2012	Aug-2012	Sep-2012	PW
Professional Engineering Services - WPC	Black & Veatch Corporation Kansas City, MO	1	4	2	Dec-2013	Aug-2013	Aug-2013	PW
Realty Services	Reece & Nichols Ide Capital Realty	1	3	1	Dec-2012	Aug-2012	Sep-2012	CW
Liability Insurance	MOPERM; CBIZ BCKW	1	Annual Renewal	Annual Renewal	0	None	None	HR
Legal Services	BW Law Group, LLC Kansas City, MO	4	0	0	Jun-2016	Apr-2016	May-2016	L
Environmental Issues	Ameritas Group Lincoln, NE	3	2	2	Jul-2013	Jan-2013	Feb-2013	HR
Employee Dental								
Transit Drug Screen	OHS - COMPCARE	3	0	0	Dec-2012	Oct-2012	Nov-2012	MT
Primary Care for Workers Comp Injuries	OHS - COMPCARE	3	0	0	Dec-2012	Oct-2012	Nov-2012	MT
Transit Dental Insurance	CBIZ/BCK&W Agent for Delta Dental Insurance	2	0	0	Dec-2012	Oct-2012	Nov-2012	MT
Uniforms	Walker Towel & Uniform Kansas City, MO	1	1	1	Jan-2013	Jul-2012	Aug-2012	FS
Uniforms	Walker Towel & Uniform Kansas City, MO	1	3	3	Jul-2015	May-2015	Jun-2015	MT
Janitorial Services	Jani-King of Kansas City	1	2	2	Jul-2014	May-2014	Jun-2014	MT
Softball Officiating Services	St. Joseph Umpires and Scorekeepers Association	1	4	1	Jan 1, 2013	Nov-2012	Dec-2012	PR
Legal Services	The Lowenbaum Partnership, LLC St. Louis, MO	5	0	0	Jun-2012	Feb-2012	Mar-2012	L
Labor and Employment Law								
Golf Professional	Mike Habermehl	3	2	2	Jan-2015	Sep-2015	Oct-2015	PR
Soft Drink Concessions - Civic Arena	Cadbury Schweppes Bottling	5	0	0	Jan-2013	Sep-2012	Oct-2012	PR
FAA	ATC & Airway Facilities Sector Office FAA Logistics Branch KCMO	5	0	0	Sep-2013	Jun-2013	Jul-2013	AV
Employee Assistance Program	Catholic Charities	3	1 (3 year period)	0	Feb-2013	Oct-2012	Nov-2012	HR
TIF Advisory & Bond Counsel (Ec Dvlpmnt)	Williams & Campo, P.C. Lee's Summit, MO King Hershey, P.C. Kansas City, MO	5	0	0	Jun-2013	Feb-13	Mar-13	L
Transit Management Services	First Transit Cincinnati, OH	5	0	0	Jun-2013	Jan-2013	Mar-2013	MT
Legal Services	Williams & Campo, P.C. Lee's Summit, MO	6	0	0	Jun-2013	Feb-2013	Mar-2013	L
Plannng and Zoning Issues								
Legal Services	Cunningham, Vogel I& Rost, P.C. St. Louis, MO	6	0	0	Jun-2013	Feb-2013	Mar-2013	L
Plannng and Zoning Issues								
Employee Life	EMC National Life Des Moines, IA	3	0	0	Jun-2013	Feb-2013	Mar-2013	HR
Patee Market Snow Removal	A C Lawn Services	3	0	0	Oct-2013	Aug-2013	Aug-2013	PH
Transit Pension Actuarial Services	CBIZ Benefits & Insurance Cumberland, MD	3	0	0	Dec-2013	Oct-2013	Nov-2013	MT

FY2011 YEAR END FINANCIAL REPORT

Fixed Base Operator	Express Flight, Inc. Gary Patterson Sr	10	0	0	Jan-2014	None	None	AV
MO. ANG	Drop Zone Land Lease	5	1 (5 Years)	0	Jan-2014	None	None	AV
Consultant	CBIZ/BCK&W	3	Optional Annual Renewal	Optional Annual Renewal	Jan-2014	Oct-2013	Nov- 2013	HR
Legal Services Regulatory Issues	William D. Steinmeier, P.C. Jefferson City, MO	7	0	0	Jun-2014	Feb-2014	Mar-2014	L
Utility Related Issued	Cunningham, Vogel & Rost St. Louis, MO	5	0	0	Jun-2014	Feb-2014	Mar-2014	L
Farmland Lease	Bryan Paden Wathena, KS	5	0	0	Oct-2014	Jul-2014	Aug- 2014	AV
Self-Service Fueling Station at Rosecran	Express Flight, Inc	5	0	0	Jan-2015	Oct-2014	Oct-2014	AV
Exclusive, Non-Alcoholic Beverage Sponsorship for Fairview Golf Course	Pepsi Beverages Co	5	0	0	May-2015	Feb-2015	Feb-2015	PR
Construction and Design Related Issued	Seigfreid, Bingham, Levy, Selzer & Gee, P.C. Kansas City, MO	5	0	0	Jun-2015	Feb-2015	Mar-2015	L
Exclusive Beverage Sponsorship - Bode Ice Arena/Sports Complex	7UP/Snapple Group	5	0	0	Aug-2015	Apr-2015	Apr-2015	PR
Herzog Contracting Company Land Lease	Flight Department	50	0	0	Jul-2043	None	None	AV
BMS Land Lease	Dan Bayer 100 N. Airport Rd	99	0	0	Oct-2067	None	None	AV
C-1 Aircraft Hangar	Bill Brown	Month to Month Lease	0	0	Month to Month Lease	None	None	AV
MiHo Property Lease	Reddick Farms, Inc. DeKalb, MO	1	3	1	Apr-2013	Dec- 2012	Dec- 2012	PL
Recycling Services	RSP, Inc.	1	On-going 30 days notice	0	None	Not bidding until Recyclin g Center is relocated	None	PW
Drug & Alcohol Testing	Heartland Occupational Medicine St. Joseph, MO	1	Annual Renewal	Annual Renewal	0	None	None	HR
Work Comp Initial Treatment Services	Heartland Occupational Medicine St. Joseph, MO	1	Annual Renewal	Annual Renewal	0	None	None	HR
Workers' Compensation Actuary	Towers Perrin - Tillinghast Minneapolis MN	1	Annual Renewal	Annual Renewal	0	None	None	HR
City Health Officer	Dr Robert Stuber	1	4	4	Dec-2016	Sep- 2016	Oct-2016	PH
Lease Golf Carts, Beverage Carts & Range Cart	M & M Golf	4	0	0	Jan-2014	Nov- 2011	Dec- 2014	PR

TIF PROJECT UPDATES
for Quarter Ended
June 30, 2011

TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		ORIGINAL	ACTUAL	ORIGINAL	ACTUAL	
North Shoppes - Phases 1 & 2 of North County TIF district. Approved August 2003. Developers-Bob Johnson, RED Development, Buchanan County	IDA Issued Bonds - Paid off in 2028	646,000 square foot shopping center. Except for one pad site, center is complete and fully operational. Buchanan County still has several projects to complete - sidewalks, Green Acres cul-de-sac, etc. Reimbursable costs included Northridge Sewer extension, four lane parkway through the development, sidewalks and landscaping throughout the project, façade enhancements, extraordinary grading to prepare the site, stormwater lagoon, Green Acres repaving and cul-de-sac, pedestrian sidewalks on & off-site.	\$24,285,415	\$25,522,391	\$35,884,772	\$38,217,335	\$34,086,629	\$1,114,981	\$1,108,076	\$2,567,000	\$2,437,760	(\$136,145) Sales tax to date 4.4% over FY2010.
Stockyards Redevelopment (Triumph Foods,LLC). Approved October 2003.	MDFB Issued Bonds - Paid off in 2025	550,000 square foot pork processing facility. Total investment approximately \$130 million. Fully operational. Current employment - 2,722.	\$7,000,000				\$6,766,097	\$660,795	\$660,761	\$50,000	\$104,538	\$54,504 Triumph donates \$100,000 to SJSJ for five years; \$25,000 to SJPD for three years; \$50,000 annually to United Way. Keep their headquarters in SJ or pay City \$1 million.
3rd Street Hotel Development (Holiday Inn) Approved January 2004. Developer: HISJ Holdings LLC	Pay-as-you-go 10-12 years to pay out Developer created TDD to help generate revenues.	Renovation of 170-room hotel to regain Holiday Inn franchise; restaurant conversion for nationally franchised restaurant; landscaping improvements; parking & exterior lighting improvements. Completed except for exterior façade improvements.	\$2,700,000				\$1,233,443	\$130,394	\$117,082	\$114,600	\$96,206	(\$31,706) Currently delinquent on Hotel/Motel taxes and Property taxes.
Tuscany Towers - Phase 1 TIF Plan only Approved September, 2005. Project yet to be approved. Developer: JSC Development	Pay-as-you-go 23 years after revenue generation begins	Phase 1 - development of 175,000 sq feet of restaurant, hotel, bank/office, and lifestyle retail use. Reimbursement for new lift station and extension of force mains along east side of I-29 to Cook, extended to Corinth subdivision; extending water service and other utilities; stormwater system; and US169 road/intersection improvements. Much of the infrastructure work complete. No buildings constructed or tenants announced as yet.	\$5,549,042				\$0	\$0	\$0	\$0	\$0	N/A No PILOTS anticipated

TIF PROJECT UPDATES
for Quarter Ended
June 30, 2011

TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		ORIGINAL	ACTUAL	ORIGINAL	ACTUAL	
EBR/HHS Development Approved October 2005 Developers: EBR Enterprises & HHS Properties	Pay-as-you-go	13.2 acres at intersection of Blackwell Rd & Belt Highway. A mixture of retail and office space. Reimbursable expenses for retaining walls, storm water detention, street lighting, sidewalks, Cronkite Road improvements, landscaping, etc. Three restaurants and office/medical bldg now open. HHS Properties now leasing.	\$3,297,232	\$5,529,620			\$632,870	\$118,405	\$117,771	\$117,750	\$119,437	\$1,053
				Add'l phases plus overages on site work. Approved SO 7045-3/26/07			Costs certified to date - \$4,484,898.42 EBR - \$2,757,896.24 HHS - \$ 1,727,002.18				Total EATS \$170,624 - EBR (70%) - \$119,437; City infrastructure (30%) - \$51,187	
Uptown Redevelopment District - Project A Approved March 2005 Developer: St. Joseph Redevelopment Corp.	Pay-as-you-go 23 years	Demolition of old Heartland Hospital west in order to provide a developable area. Discussions with developer - demolition costs as well as costs related to developing the plan would be reimbursed, however no formal written agreement exists as yet to this effect. Amount would be approx. \$3,072,071 minus any federal grants received for this phase.	See cell under project status description				\$0	\$0	\$0	\$0	\$0	\$0
									No PILOTS anticipated			No construction on project as yet
Mitchell Avenue Corridor Approved June 2006 Developer: American Family Insurance Company	Pay-as-you-go 23 years	In order to serve an expanded AFI building and to improve access to the entire TIF district, a new gravity flow sewer was installed and improvements to Mitchell Avenue are being completed. Improvements benefit AFI, Mo Western University, and any future development along Mitchell Avenue Corridor.	\$3,974,270	\$5,272,673			\$1,411,207	\$383,140	\$382,028	\$10,007	\$14,329	\$3,209
				Approved by SO 7224 on 12/3/07/bond issuance per SO7361 on 5/19/08.			Bonds - \$4,103,755.39		Will be received Jan-Mar, 2011.		Franchise Tax and EATS Sales tax from cafeteria within American Family facility.	
Uptown Redevelopment - Ryan Block Project Approved December 2006 Developer: Olin Cox	Pay-as-you-go 23 years	The first project within the Frederick Avenue TIF District established under the Uptown Redevelopment umbrella. The developer intends to rehab two buildings, 1137-1141 Frederick into 3300 sq ft of commercial space below and 6,600 sq ft of apartments on top two floors. The bldg at 1125 Frederick will be demolished to provide a parking lot. Reimbursable costs include lot paving, upgrades to renovations, & facade improv.	\$317,767				\$0	\$0	\$48	\$0	\$10	\$58
							No reimbursement request has been submitted.		No activity.		Franchise taxes only on utility usage by upstairs tenants.	No reimbursement request has been submitted.
								No anticipated PILOTS for FY2011.				

TIF PROJECT UPDATES
for Quarter Ended
June 30, 2011

TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		ORIGINAL	ACTUAL	ORIGINAL	ACTUAL	
East Hills Redevelopment Project TIF Approved Dec, 2007 - Redevelopment Agreement Approved 1/3/08	Currently Pay As You Go - Proposed Bond Issuance.	Project to include remodel exterior of JC Penney's, Sears and Dillards. Also includes remodel of three mall entrances, lifestyle center, a new big box store, renovation of existing tenant spaces. Public infrastructure improvements includes traffic signals at Belt & Frederick, Frederick & Sherman. crosswalk signals, upgrade existing right-of-way, public bus stop. The project also will address underground storm water concerns.	Total Reimbursable Costs - \$45,113,678 Per SO7242 passed 1/3/08.	Total Reimbursable Costs - \$46,539,416 TIF - \$30,897,042 CID - \$15,642,374 Per SO7279 passed 2/11/08.			Total CID Revenue - \$1,658,153 Disbursed to date: \$2,593,364 East Hills TIF - \$1,780,869 East Hills CID - \$812,495 TIF Costs Certified to Date: \$22,118,296 CID Costs Certified to Date: \$14,796,999	\$536,270	\$534,881	\$279,000	\$320,566	\$40,177 To date, only CID revenues included as East Hills has not generated EATS above the \$1.4M base.
Cook Road Corridor Redevelopment Project Approved March 24, 2008 Developer: Greystone Partners Land Development, LLC	Sewer Revenue Bonds/ Sewer Connection Fees	Project to include: (1) residential subdivision on approximately 185 acres of land into over 350 single family and townhouse housing units; (2) construction improvements to Cood Road resulting in three-lane section, concrete curb and gutter, stormwater drainage and raised grass medians; (3) construction of sanitary sewer system improvements sewer lines, a new pump station and gravity sewer main and (4) construction of 12 inch water line from Cook Road to Woodbine Road.	\$4,781,786				Sewer Improvements - \$2,378,839.65 Pay As You Go - \$42,900 \$2,463,930.29- Certified to Date	\$0	\$35,210	\$0	\$172	\$35,382 Other revenue source - \$500 sewer connection fee assessed per property.
Center Building Redevelopment Project Approved January 25, 2010 Developer: Mid-City Partnership, Inc.	Pay As You Go	Project includes development listed at 613 Edmond St. and 119-123 S. 6th St. Renovation includes removal of the 1961 sheet metal façade and the restoration of the remaining exterior building elements. Building encompasses 19,060 sq. ft and will be divided into one 15,250 sq. ft unit for restaurant/banquet facilities with three planned retail/office units at 609, 611 and 613 Edmond St. for a total of 3,810 sq. ft, office/retail space. The Brazilian Steakhouse is currently under construction. To date - Aqua Vital Salon and 2 Trendy LLC have	\$1,355,097				\$13,060 \$1,036,461.87- Certified to Date \$318,636.00 in requests pending approval	\$0	\$0	\$36,500	\$12,920	(\$23,580) PILOTS not expected until February, 2012. Sales tax began in the 4th quarter FY2010. Em Chamas only open evenings, so minimal sales taxes coming in.
Developer Agreement - The Commons Approved July, 2007 Developer: Earthworks Excavation Company	CID Bonds	Project to include development of 612,780 square feet of retail and office space upon 73 acres of land at intersection of Interstate 29 and South 169 Highway. Under construction. Commons Community Improvement District (CID) Cooperation Agreement approved per SO7256 (1/14/08). Yet to establish CID tax rate. Approval of bond issuance approved per SO 7257 (1/14/08). Special Ordinance No. 8124 (12/13/10) amended Developer Agreement to forego calculated base effective July 1, 2011	\$6,503,977 City reimburseable \$5,754,977.36 CID tax to pay \$749,000.00 per SO7255 (1/14/08).				\$1,226,509 All approved reimbursable costs have been submitted and approved. As of this date, CID Bonds have not been issued. CID remains inactive.	\$6,112	\$0	\$380,000	\$380,663	(\$5,449) Sonic opened Aug, 2008. Waffle House opened Nov, 2007. Mr. Goodcents open spring, 2010. King Kong is reportedly going into development soon.

TIF PROJECT UPDATES
for Quarter Ended
June 30, 2011

TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		ORIGINAL	ACTUAL	ORIGINAL	ACTUAL	
Developer Agreement - Fountain Creek Approved Developer: SDG Developments, LLC & Partners	Pay As You Go	Mixed Use Project including approximately 68 acres of both commercial and residential development with a projected market value of \$45,000,000 upon development at the intersection of Mason Road and South 22nd Street.	City reimbursable \$1,815,454 per Special Ordinance No. 7420, passed 7/28/08.				\$0	\$0	\$0	\$0	\$0	

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Table 1

Fourth Quarter Report - June 30, 2011

REVENUES - ALL FUNDS (NO EXCLUSIONS)

Type	Actual Versus Adopted & Amended 6/30/2011				Actual Versus Projected 6/30/2011			
	FY11 Adopted*	FY11 Actual	Revenue over (less) than Actual	% Over (Under)	FY11 Projected	FY11 Actual	Revenue over (less) than Proj.	% Over (Under)
	Budget	Revenue			Budget	Revenue		
Property Taxes	\$14,892,164	\$14,495,538	(\$396,626)	(0.027)	\$14,728,924	\$14,495,538	(\$233,386)	(0.016)
Utility Franchise Fees	8,770,551	8,889,236	118,685	0.014	9,179,252	8,889,236	(290,016)	(0.032)
Sales Taxes	33,712,626	33,154,453	(558,173)	(0.017)	32,862,782	33,154,453	291,671	0.009
Licenses & Permits	1,585,890	1,536,706	(49,184)	(0.031)	1,613,825	1,536,706	(77,119)	(0.048)
Fines	1,493,285	1,112,943	(380,342)	(0.255)	1,255,720	1,112,943	(142,777)	(0.114)
Rents & Gaming Revenues	1,558,209	1,685,155	126,946	0.081	1,689,486	1,685,155	(4,331)	(0.003)
Parking Fees	138,300	120,184	(18,116)	(0.131)	118,600	120,184	1,584	0.013
Inspections Fees	434,160	433,435	(725)	(0.002)	428,200	433,435	5,235	0.012
Health Fees	442,400	401,671	(40,729)	(0.092)	444,600	401,671	(42,929)	(0.097)
Recreation Fees	1,450,755	1,203,748	(247,007)	(0.170)	1,262,337	1,203,748	(58,589)	(0.046)
Golf Charges	633,100	692,656	59,556	0.094	617,650	692,656	75,006	0.121
Transit Charges	283,300	319,244	35,944	0.127	293,525	319,244	25,719	0.088
Sewer Charges	15,337,510	15,445,946	108,436	0.007	15,626,500	15,445,946	(180,554)	(0.012)
Landfill Charges	3,900,000	3,233,741	(666,259)	(0.171)	3,900,000	3,233,741	(666,259)	(0.171)
Other Charges for Service	1,774,511	1,506,173	(268,338)	(0.151)	1,744,617	1,506,173	(238,444)	(0.137)
Anticipated Sewer Bond Issu	50,000,000	0	(50,000,000)	(1.000)	0	0	0	0.000
Bond Proceeds/Other Rev	2,562,842	10,144,298	7,581,456	2.958	9,408,377	10,144,298	735,921	0.078
Special Asmnts & Interest	1,156,650	435,849	(720,801)	(0.623)	472,987	435,849	(37,138)	(0.079)
Grants & Entitlements	6,815,514	10,607,558	3,792,044	0.556	17,593,109	10,607,558	(6,985,551)	(0.397)
Interfund Transfers - In	9,114,957	9,747,030	632,073	0.069	10,596,922	9,747,030	(849,892)	(0.080)
	\$ 156,056,724	\$ 115,165,564	\$ (40,891,160)	(0.262)	\$123,837,413	\$115,165,564	\$ (8,671,849)	(0.070)

*"Adopted" refers to the adopted budget plus adjustments made through the year

Table 2

Fourth Quarter Report - June 30, 2011

EXPENDITURES - ALL FUNDS (NO EXCLUSIONS)

<u>Type</u>	Actual Versus Adopted & Amended				Actual Versus Projected			
	6/30/2011				6/30/2011			
	FY11	FY11	Expenditures	% (Under)	FY11	FY11	Expenditures	% (Under)
	Adopted*	Actual	over (less)	Over	Projected	Actual	over (less)	Over
	<u>Budget</u>	<u>Expense</u>	<u>than Budget</u>		<u>Budget</u>	<u>Expense</u>	<u>than Proj.</u>	
Salary & Wages	\$29,299,103	\$28,414,520	(\$884,583)	(0.03)	\$28,464,591	\$28,414,520	(\$50,071)	(0.00)
Payroll & Health Ins Costs	12,006,854	11,737,634	(269,220)	(0.02)	11,717,008	11,737,634	20,626	0.00
Materials & Supplies	4,979,828	4,797,294	(182,534)	(0.04)	4,926,236	4,797,294	(128,942)	(0.03)
Services	29,011,258	27,749,521	(1,261,737)	(0.04)	30,173,438	27,749,521	(2,423,917)	(0.08)
Debt Service	11,381,198	11,293,266	(87,932)	(0.01)	11,302,361	11,293,266	(9,095)	(0.00)
Insurance & Other Charges	770,583	744,936	(25,647)	(0.03)	750,939	744,936	(6,003)	(0.01)
Capital Outlay	3,235,940	3,406,025	170,085	0.05	3,282,269	3,406,025	123,756	0.04
Public Improvements	48,167,855	19,575,870	(28,591,985)	(0.59)	20,082,027	19,575,870	(506,157)	(0.03)
Interfund Transfers - Out	9,105,142	9,624,721	519,579	0.06	10,507,972	9,624,721	(883,251)	(0.08)
	\$ 147,957,761	\$ 117,343,787	\$ (30,613,974)	(0.21)	\$121,206,841	\$117,343,787	\$ (3,863,054)	(0.03)

*"Adopted" refers to the adopted budget plus adjustments made through the year

Table 3

Fourth Quarter Report - June 30, 2011
Operating Revenues by Fund

<u>Fund/Department*</u>	<u>Actual Versus Adopted</u>				<u>Actual Versus Projected</u>			
	<u>6/30/2011</u>				<u>6/30/2011</u>			
	<u>FY11</u> <u>Adopted</u> <u>Budget</u>	<u>FY11</u> <u>Actual</u> <u>Revenue</u>	<u>Revenue</u> <u>over (less)</u> <u>than Actual</u>	<u>% Over</u> <u>(Under)</u>	<u>FY11</u> <u>Projected</u> <u>Budget</u>	<u>FY11</u> <u>Actual</u> <u>Revenue</u>	<u>Revenue</u> <u>over (less)</u> <u>than Proj.</u>	<u>% Over</u> <u>(Under)</u>
Municipal Court	\$ 1,031,385	\$ 767,383	(264,002)	(0.26)	\$ 857,500	767,383	(90,117)	(0.11)
Planning/Zoning	134,000	88,046	(45,954)	(0.34)	134,000	88,046	(45,954)	(0.34)
Financial Services	16,000	12,486	(3,514)	(0.22)	13,000	12,486	(514)	(0.04)
Technology Services	41,795	41,795	0	0.00	41,795	41,795	0	0.00
Customer Assistance	653,225	606,527	(46,698)	(0.07)	623,100	606,527	(16,573)	(0.03)
Property Maintenance	768,635	609,981	(158,654)	(0.21)	770,410	609,981	(160,429)	(0.21)
Police	1,717,918	1,417,473	(300,445)	(0.17)	1,945,920	1,417,473	(528,447)	(0.27)
Fire	434,552	452,935	18,383	0.04	466,261	452,935	(13,326)	(0.03)
Parks & Recreation	4,277,073	3,893,542	(383,531)	(0.09)	3,882,142	3,893,542	11,400	0.00
Health	3,991,045	3,543,578	(447,467)	(0.11)	3,886,699	3,543,578	(343,121)	(0.09)
Public Works-GF	6,396,744	6,251,899	(144,845)	(0.02)	6,323,614	6,251,899	(71,715)	(0.01)
Non-Departmental	26,145,724	25,594,227	(551,497)	(0.02)	25,881,295	25,594,227	(287,068)	(0.01)
General Fund**	45,608,096	43,279,872	(2,328,224)	(0.05)	44,825,736	43,279,872	(1,545,864)	(0.03)
Streets Maintenance Fund	7,594,526	7,488,018	(106,508)	(0.01)	7,412,238	7,488,018	75,780	0.01
Parks Maintenance Fund	1,966,455	2,110,683	144,228	0.07	2,095,166	2,110,683	15,517	0.01
CDBG Fund	7,483,221	4,475,520	(3,007,701)	(0.40)	4,406,860	4,475,520	68,660	0.02
Gaming Fund	974,000	1,193,112	219,112	0.22	1,218,725	1,193,112	(25,613)	(0.02)
Museum Tax Fund	488,685	479,002	(9,683)	(0.02)	484,143	479,002	(5,141)	(0.01)
Aviation Fund*	614,291	612,764	(1,527)	(0.00)	594,033	612,764	18,731	0.03
Parking Fund	440,700	395,771	(44,929)	(0.10)	422,970	395,771	(27,199)	(0.06)
Sewer Fund*	16,118,537	15,918,460	(200,077)	(0.01)	16,562,690	15,918,460	(644,230)	(0.04)
Golf Fund*	690,300	683,783	(6,517)	(0.01)	603,583	683,783	80,200	0.13
Transit Fund*	6,575,665	6,942,481	366,816	0.06	6,840,029	6,942,481	102,452	0.01
Landfill Fund	3,833,053	3,294,286	(538,767)	(0.14)	3,962,450	3,294,286	(668,164)	(0.17)
Total Op Revenues	<u>\$ 92,387,529</u>	<u>\$ 86,873,752</u>	<u>\$ (5,513,777)</u>	<u>(0.06)</u>	<u>\$ 89,428,623</u>	<u>\$ 86,873,752</u>	<u>\$ (2,554,871)</u>	<u>(0.03)</u>

* Excluding Fund Specific CIP Programs and TIF Programs

**General Fund Revenues exclude cell phone revenues

Table 4

Fourth Quarter Report - June 30, 2011
Operating Expenditures by Fund

Department/Fund*	Actual Versus Adopted 6/30/2011				Actual Versus Projected 6/30/2011				
	FY11 Adopted*	FY11 Preliminary	Expenditures over (less)	% (Under)	FY11 Projected	FY11 Preliminary	Expenditures over (less)	% (Under)	
	Op. Budget	Actual	than Budget	Over	Op. Budget	Actual	than Proj.	Over	
Mayor & Council	\$ 216,379	\$ 195,780	(20,599)	(0.095)	\$ 216,379	\$ 195,780	(20,599)	(0.095)	
City Clerk	184,730	270,534	85,804	0.464	218,744	270,534	51,790	0.237	
Municipal Court	444,392	405,721	(38,671)	(0.087)	427,852	405,721	(22,131)	(0.052)	
City Manager	505,894	413,098	(92,796)	(0.183)	457,476	413,098	(44,378)	(0.097)	
Human Resources	373,176	360,165	(13,011)	(0.035)	372,126	360,165	(11,961)	(0.032)	
Legal	641,607	615,337	(26,270)	(0.041)	641,607	615,337	(26,270)	(0.041)	
Planning/Zoning	367,891	354,393	(13,498)	(0.037)	358,891	354,393	(4,498)	(0.013)	
Financial Services	1,292,470	1,273,062	(19,408)	(0.015)	1,287,320	1,273,062	(14,258)	(0.011)	
TCS	554,182	538,805	(15,377)	(0.028)	531,244	538,805	7,561	0.014	
Customer Assistance	937,540	890,939	(46,601)	(0.050)	907,350	890,939	(16,411)	(0.018)	
Property Maintenance	814,101	701,364	(112,737)	(0.138)	827,856	701,364	(126,492)	(0.153)	
Police	13,768,970	13,100,072	(668,898)	(0.049)	13,456,939	13,100,072	(356,867)	(0.027)	
Fire	10,398,242	10,303,928	(94,314)	(0.009)	10,186,070	10,303,928	117,858	0.012	
Parks & Recreation	4,081,145	3,986,947	(94,198)	(0.023)	4,007,683	3,986,947	(20,736)	(0.005)	
Health	3,469,034	3,077,232	(391,802)	(0.113)	3,383,202	3,077,232	(305,970)	(0.090)	
Public Works-GF***	7,072,324	7,040,930	(31,394)	(0.004)	7,100,372	7,040,930	(59,442)	(0.008)	
Non-Departmental	654,193	627,026	(27,167)	(0.042)	604,859	627,026	22,167	0.037	
Op budget savings, target % :	Op budget savings, actual %:								
General Fund**	(0.01)	45,776,270	44,155,333	(1,620,937)	(0.035)	44,985,970	44,155,333	(830,637)	(0.018)
Streets Maintenance Fnd	(0.04)	7,594,526	7,488,018	(106,508)	(0.014)	7,567,438	7,488,018	(79,420)	(0.010)
Parks Maintenance Fund	(0.01)	2,015,156	2,110,683	95,527	0.047	2,095,166	2,110,683	15,517	0.007
CDBG Fund	N/A	7,483,221	5,699,480	(1,783,741)	(0.238)	6,364,866	5,699,480	(665,386)	(0.105)
Gaming Fund	N/A	1,158,156	943,173	(214,983)	(0.186)	1,085,671	943,173	(142,498)	(0.131)
Museum Fund	N/A	691,860	424,576	(267,284)	(0.386)	669,188	424,576	(244,612)	(0.366)
Aviation Fund*	(0.05)	626,217	579,901	(46,316)	(0.074)	621,601	579,901	(41,700)	(0.067)
Parking Fund	(0.05)	466,460	400,865	(65,595)	(0.141)	393,999	400,865	6,866	0.017
Sewer Fund*	(0.01)	13,070,367	12,889,556	(180,811)	(0.014)	13,006,505	12,889,556	(116,949)	(0.009)
Golf Fund*	(0.01)	616,266	715,476	99,210	0.161	647,058	715,476	68,418	0.106
Transit Fund*	(0.01)	5,239,214	4,999,977	(239,237)	(0.046)	5,245,238	4,999,977	(245,261)	(0.047)
Landfill Fund*	(0.10)	3,582,820	3,437,280	(145,540)	(0.041)	3,511,219	3,437,280	(73,939)	(0.021)
Total City Expenditures		\$ 88,320,533	\$ 83,844,318	\$ (4,476,215)	(0.051)	\$ 86,193,919	\$ 83,844,318	\$ (2,349,601)	(0.027)

* Excluding Fund Specific CIP Programs and TIF programs

**General Fund expenditures excludes cell phone expenditures

***PW-GF and Parks & Rec-GF exp inc add'l trf to Spcl Rev funds to balance them

Table 5

Fourth Quarter Report - June 30, 2011
REVENUES - CIP PROGRAMS, SPECIAL ALLOCATION FUND & CELL PHONE

CAPITAL PROJECTS & CELL PHONE PROGRAM

Fund**	Actual Versus Adopted & Amended				Actual Versus Projected			
	6/30/2011				6/30/2011			
	FY11 Adopted* Budget	FY11 Actual Revenue	Revenue over (less) than Actual	% Over (Under)	FY11 Projected Budget	FY11 Actual Revenue	Revenue over (less) than Proj.	% Over (Under)
Cell Phone (General)	2,606,620	2,808,981	202,361	0.08	2,958,550	2,808,981	(149,569)	(0.05)
Capital Projects	7,647,592	8,715,283	1,067,691	0.14	8,670,107	8,715,283	45,176	0.01
Aviation CIP***	7,658,051	8,271,676	613,625	0.08	7,658,051	8,271,676	613,625	0.08
Sewer CIP	50,472,873	7,418,358	(43,054,515)	(0.85)	6,073,985	7,418,358	1,344,373	0.22
Golf CIP	26,500	22,069	(4,431)	(0.17)	26,500	22,069	(4,431)	(0.17)
Transit CIP	1,069,020	664,565	(404,455)	(0.38)	722,290	664,565	(57,725)	(0.08)
Total CIP Revenues	\$ 66,874,036	\$ 25,091,951	\$ (41,782,085)	(0.62)	\$ 23,150,933	\$ 25,091,951	\$ 1,941,018	0.08

*Adopted & Amended

**Reported separately from Operating budgets if grants or other specified funding sources exist for CIP projects

***Aviation CIP revenue includes recognized but not earned grant receipts

SPECIAL ALLOCATION FUND

TIF Development	Actual Versus Adopted & Amended				Actual Versus Projected			
	6/30/2011				6/30/2011			
	FY11 Adopted Budget	FY11 Actual Revenue	Revenue over (less) than Actual	% Over (Under)	FY11 Projected Budget	FY11 Actual Revenue	Revenue over (less) than Proj.	% Over (Under)
Center Building TIF	\$36,500	\$12,686	(23,814)	(0.65)	\$17,949	\$12,686	(5,263)	(0.29)
Uptown Redevelopment	\$2,050	\$1,246	(804)	(0.39)	50	\$1,246	1,196	0.00
Ryan Block	4,500	58	(4,442)	(0.99)	58	58	0	0.00
<i>Crooks Crossing Rdlpmnt</i>	20,000	20,000	0	0.00	20,000	20,000	0	0.00
Downtown Redvlpmnt	50	1,230	1,180	23.60	1,900	1,230	(670)	0.00
Mitchell Avenue Corridor	393,447	395,751	2,304	0.01	396,025	395,751	(274)	(0.00)
The Commons	701,112	382,511	(318,601)	(0.45)	388,724	382,511	(6,213)	(0.02)
North East Cook Road	20,000	38,920	18,920	0.95	36,922	38,920	1,998	0.05
East Hills	815,370	856,481	41,111	0.05	842,118	856,481	14,363	0.02
North County - Shoppes	3,702,981	3,474,047	(228,934)	(0.06)	3,641,128	3,474,047	(167,081)	(0.05)
EBR Development TIF	236,155	230,989	(5,166)	(0.02)	220,029	230,989	10,960	0.05
Triumph Foods	2,522,891	1,954,833	(568,058)	(0.23)	2,532,421	1,954,833	(577,588)	(0.23)
Fountain Creek	5,250	751	(4,499)	(0.86)	751	751	0	0.00
Third Street Hotel	339,584	93,300	(246,284)	(0.73)	199,732	93,300	(106,432)	(0.53)
Tuscany Towers	205	1,496	1,291	6.30	1,500	1,496	(4)	0.00
Total TIF Revenues	\$8,800,095	\$7,464,299	(\$1,335,796)	(0.15)	\$8,299,307	\$7,464,299	(\$835,008)	(0.10)

Italicized = Developments New In FY2011

Table 6

Fourth Quarter Report - June 30, 2011

EXPENDITURES - CIP PROGRAMS, SPECIAL ALLOCATION FUND, & CELL PHONE

CAPITAL PROJECTS & CELL PHONE PROGRAM

Fund*	Actual Versus Adopted & Amended				Actual Versus Projected			
	6/30/2011				6/30/2011			
	FY11 Adopted Budget	FY11 Actual Expenditure	Expenditures over (less) than Actual	% (Over) Under	FY11 Projected Budget	FY11 Actual Expenditure	Expenditures over (less) than Proj.	% (Over) Under
Cell Phone (General)	3,789,211	1,764,532	(2,024,679)	(0.53)	2,958,550	1,764,532	(1,194,018)	(0.40)
Capital Projects	11,013,304	7,859,982	(3,153,322)	(0.29)	7,960,103	7,859,982	(100,121)	(0.01)
Aviation CIP	7,928,718	7,928,719	1	0.00	8,294,357	7,928,719	(365,638)	(0.04)
Sewer CIP	46,364,782	7,524,332	(38,840,450)	(0.84)	6,981,078	7,524,332	543,254	0.08
Golf CIP	23,000	20,785	(2,215)	(0.10)	23,000	20,785	(2,215)	(0.10)
Transit CIP	1,313,560	746,947	(566,613)	(0.43)	664,690	746,947	82,257	0.12
Total CIP Expenditures	\$ 66,643,364	\$ 24,080,765	\$ (42,562,599)	(0.64)	\$ 23,923,228	\$ 24,080,765	\$ 157,537	0.01

*Reported separately from Operating budgets if grants or other specified funding sources exist for CIP projects

SPECIAL ALLOCATION FUND

TIF Development	Actual Versus Adopted & Amended				Actual Versus Projected			
	6/30/2011				6/30/2011			
	FY11 Adopted Budget	FY11 Actual Expenditure	Expenditure over (less) than Actual	% Over (Under)	FY11 Projected Budget	FY11 Actual Expenditure	Expenditure over (less) than Proj.	% Over (Under)
Center Building TIF	\$36,220	\$12,636	(\$23,584)	(0.65)	\$17,220	\$12,636	\$ (4,584)	(0.27)
Uptown Redevelopment	2,050	1,246	(804)	(0.39)	1,144	1,246	102	0.09
Ryan Block	100	3	(97)	(0.97)	4	3	(1)	(0.25)
<i>Crooks Crossing Rdlpmnt</i>	12,645	12,645	0	0.00	15,008	12,645	(2,363)	(0.16)
Downtown Redvlpmnt	1,280	1,230	(50)	(0.04)	1,900	1,230	(670)	(0.35)
Mitchell Avenue Corridor	433,614	434,570	956	0.00	433,755	434,570	815	0.00
The Commons	384,940	382,560	(2,380)	(0.01)	384,630	382,560	(2,070)	(0.01)
North East Cook Road	32,519	34,368	1,849	0.06	34,240	34,368	128	0.00
East Hills	840,956	848,334	7,378	0.01	842,425	848,334	5,909	0.01
North County - Shoppes	3,356,930	3,332,997	(23,933)	(0.01)	3,357,050	3,332,997	(24,053)	(0.01)
EBR Development TIF	286,085	231,155	(54,930)	(0.19)	224,284	231,155	6,871	0.03
Triumph Foods	2,232,772	2,238,915	6,143	0.00	2,242,912	2,238,915	(3,997)	(0.00)
Fountain Creek	250	41	(209)	(0.84)	41	41	0	0.00
Third Street Hotel	273,615	170,155	(103,460)	(0.38)	200,705	170,155	(30,550)	(0.15)
Tuscany Towers	1,497	1,496	(1)	(0.00)	1,500	1,496	(4)	(0.00)
Total TIF Expenditures	\$7,895,473	\$7,702,351	(\$193,122)	(0.02)	\$7,756,818	\$7,702,351	\$ (54,467)	(0.01)

Table 7

Fourth Quarter Report - June 30, 2011

COMPARISONS - FY2010 TO FY2011 BY FUND TYPE

Fund	OPERATING FUNDS							
	FY10 Actual				FY11 Actual			
	Revenues	Revenues	Over/(Under)		Expenditures	Expenditures	Over/(Under)	
General	\$42,903,504	\$43,279,872	\$376,368	0.88%	\$43,840,167	\$44,155,333	\$315,166	0.72%
Streets Maintenance*	2,612,288	2,961,532	349,244	13.37%	6,764,510	7,488,018	723,508	10.70%
Parks Maintenance*	920,450	877,057	(43,393)	-4.71%	2,099,542	2,110,683	11,141	0.53%
CDBG	3,782,741	4,475,520	692,779	18.31%	3,993,799	5,699,480	1,705,681	42.71%
Aviation	640,194	612,764	(27,430)	-4.28%	624,073	579,901	(44,172)	-7.08%
Public Parking	439,063	395,771	(43,292)	-9.86%	452,355	400,865	(51,490)	-11.38%
Water Protection	14,328,096	15,918,460	1,590,364	11.10%	12,875,147	12,889,556	14,409	0.11%
Municipal Golf	509,005	683,783	174,778	34.34%	487,701	715,476	227,775	46.70%
Mass Transit	6,784,602	6,942,481	157,879	2.33%	4,613,047	4,999,977	386,930	8.39%
Landfill	4,071,496	3,294,286	(777,210)	-19.09%	2,710,199	3,437,280	727,081	26.83%
Total Operating Funds	\$76,991,439	\$79,441,526	\$2,450,087	3.18%	\$78,460,540	\$82,476,569	\$4,016,029	5.12%

*Streets Mnt and Parks Mnt revenues do not reflect the transfers from the General Fund which occur to keep the two funds balanced.

Excluding most CIP programs' revenues & expenditures, cell phone transactions

	OTHER FUNDS OR PROGRAMS							
	FY10 Actual				FY11 Actual			
	Revenues	Revenues	Over/(Under)		Expenditures	Expenditures	Over/(Under)	
Cell Phone Program	2,572,811	2,808,981	\$236,170	9.18%	3,422,285	1,764,532	(\$1,657,753)	-48.44%
Gaming Funded Initiatives	1,075,433	1,193,112	\$117,679	10.94%	922,390	943,173	\$20,783	2.25%
Museum Tax	486,257	479,002	(\$7,255)	-1.49%	479,424	424,576	(\$54,848)	-11.44%
Capital Projects (all funds)	14,025,654	25,091,951	\$11,066,297	78.90%	21,198,137	24,080,765	\$2,882,628	13.60%
Special Allocation	7,049,088	7,464,299	\$415,211	5.89%	6,363,722	7,702,351	\$1,338,629	21.04%
Total Other Funds	\$22,636,432	\$34,228,364	\$11,591,932	94.24%	\$28,963,673	\$33,150,865	\$4,187,192	25.45%

