

# Comprehensive Annual Financial Report

City of  
*St. Joseph*  
Missouri



**For the fiscal year ended June 30, 2014**



# CITY OF ST. JOSEPH, MISSOURI

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prepared by the Administrative Services Department

Carolyn Harrison  
Director of Administrative Services



**CITY OF ST. JOSEPH, MISSOURI**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
 FOR THE YEAR ENDED JUNE 30, 2014

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# Introductory Section



# CITY OF ST. JOSEPH, MISSOURI

## PRINCIPAL OFFICIALS

Bill Falkner  
Mayor

### CITY COUNCIL

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Ken Beck

Donna Jean Boyer

Pat Jones

P J Kovac

Barbara LaBass

Kent O'Dell

Gary Roach

Joyce Starr

---

J. Bruce Woody  
City Manager

Administrative Services

Carolyn Harrison

City Attorney

Lisa Robertson

City Clerk

Paula Heyde

Fire Chief

Michael Dalsing

Parks, Recreation & Civic Facilities

Bill McKinney

Planning & Community Development

Clint Thompson

Police Chief

Chris Connally

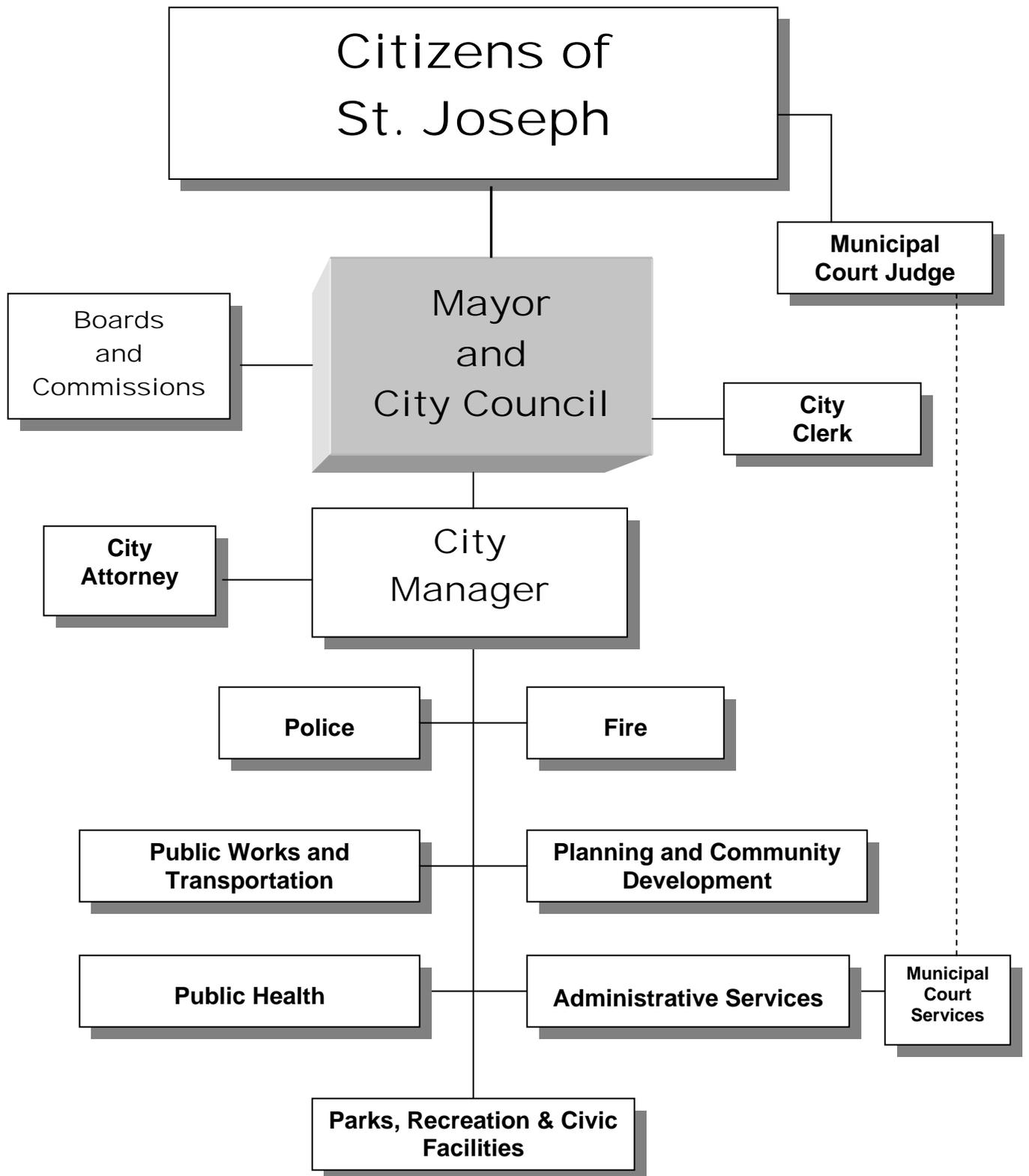
Public Health

Debra Bradley

Public Works & Transportation

Jody Carlson

# ORGANIZATION CHART



# *City of St. Joseph*

1100 Frederick Avenue St. Joseph, Missouri 64501

December 18 2014

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

The comprehensive annual financial report of the City of St. Joseph, Missouri (the City) for the Fiscal Year Ended June 30, 2014, is hereby submitted in compliance with Article IV, Section 4.4 (f) of the City Charter. The Charter requires that the City of St. Joseph issues annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of its data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

The independent accounting firm of Cochran Head Vick & Co., P.C. has audited the City's financial statements. The purpose of the audit conducted by Cochran Head Vick & Co., P.C. was to review and provide reasonable assurance that the City's financial statements for fiscal year ended June 30, 2014, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

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

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

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

## **PROFILE OF THE CITY**

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

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

The City provides the full range of services normally associated with a municipality, including police and fire protection, public works services, parks and other recreational facilities, public health, street maintenance and general administrative services. The City also operates Rosecrans Memorial Airport, public parking garages, wastewater treatment plant, municipal golf course, mass transit system, and city landfill, all of which are accounted for in the financial statements as business-type funds.

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

The City Manager annually prepares a plan of services, or budget, for the upcoming fiscal year. The budget is the most significant annual policy document, operations guide, financial plan and communications device prepared by the City. It establishes the expectations of City Council and provides the fiscal resources and policy direction needed to achieve Council's goals. This plan is submitted to Council no later than 60 days prior to June 30, the end of the fiscal year. It is reviewed by the City Council and is formally adopted by the passage of a budget ordinance on or before the third Monday of the month prior to June 30. The appropriated budget is prepared by fund, department, and program or function. Strict budgetary compliance is maintained by the Administrative Services Department using the automated accounting system to ensure effective fiscal management and accountability. As purchase orders are issued, corresponding appropriations are encumbered for later payment to ensure that appropriations are not overspent. Open encumbrances are reported as a reservation of fund balances at year-end and all unencumbered appropriations lapse at year-end. Departments can transfer between accounts as long as unapproved positions or capital expenditures are not created. These require Council approval.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local economy**

The City is the central services provider for a four county area of northwest Missouri and northeast Kansas with a combined population of 127,767. The City's population of 76,780 represents 60% of the total service area. Located in the heart of the country, St. Joseph's prime location provides for access to customers and suppliers. From Canada to Mexico, Interstate 29, a major north-south interstate runs through the city. St. Joseph has two airports available. South of St. Joseph is Kansas City International (KCI) airport and just west over the Missouri River is Rosecrans Memorial Airport serving St. Joseph's civilian and military needs by providing capacity for any size aircraft. The Missouri River borders St. Joseph allowing the public river port facility the ability to give area businesses the option of transporting via river. In addition, rail service provides direct access to all parts of North America.

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

### **Labor Force**

St. Joseph's Metropolitan Statistical Area (MSA) consists of Andrew, Buchanan, and DeKalb Counties in Missouri and Doniphan County in Kansas. The St. Joseph MSA maintains a civilian labor force of 72,845 with 68,849 employed for the period ending June 30, 2014, producing an unemployment rate of 5.5%. At this time last year the unemployment rate was 5.9%. The unemployment rate is lower than Missouri's rate of 6.5%.

### **Major Employers**

St. Joseph's economy is highly diversified, with major industrial, manufacturing, financial services, healthcare, and educational institutions. The City's largest employer, Heartland Health, provides 3,866 jobs, or 5.7% of the total employed work force. Heartland Health is an integrated health system, including a comprehensive acute care medical center, physician practices, and a health plan. This consolidation has provided stability and expansion in the regional health services industry. The ten largest employers provide a total of 13,923 jobs, representing 20.2% of the total employed work force. These employers are listed as follows:

<b>TEN LARGEST EMPLOYERS</b>			
<b>Employer</b>	<b>Industry</b>	<b>Number</b>	<b>% of Work Force</b>
Heartland Health	Health Services	3,866	5.7%
Triumph Foods	Pork Processing	2,838	4.1%
St. Joseph School District	Public Education	1,882	2.7%
Boehringer Ingelheim Vetmedica	Animal Pharmaceuticals	880	1.3%
American Family	Insurance	820	1.2%
Altec Industries	Utility Equipment	800	1.2%
APAC	Financial Services	720	1.0%
Missouri Western State University	Higher Education	720	1.0%
The Hillshire Brands Co	Food Processing	700	1.0%
Johnson Controls Manufacturing	Battery Manufacture	697	1.0%
<b>Total</b>		<b>13,923</b>	<b>20.2%</b>

### **Economic Development Efforts**

The St. Joseph economy in FY2014 continued to experience moderate growth and expansion. The level of ongoing cooperation among the City, County, Chamber of Commerce and the business community was reflected in the level of economic development success demonstrated throughout the year.

### **New and Existing Businesses**

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

**Advanced Science Research Center**, lead by the St. Joseph School District and its foundation, to construct the 10,000 square foot addition at Hillyard Technical Center. The center will help bolster the city's workforce in order to meet the needs of the animal health industry. The center will enhance the teaching of science, technology, engineering and math; provide a laboratory experience dedicated to academic rigor; and provide a better prepared workforce for an industry that is critical to the future of St. Joseph.

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

**Bayer HealthCare**, will invest \$6.5 million in real property/equipment improvements for its St. Joseph manufacturing operations. Bayer, formerly Teva Pharmaceuticals Industries, performs research, development, and manufacturing of veterinary pharmaceutical products and will centralize locations to the 48<sup>th</sup> Street facility.

**Boehringer Ingelheim Vetmedica, Inc.**, completed another expansion of its operations in St. Joseph. BIVI, the U.S. subsidiary of one of the leading animal health companies in the world, occupies a 261,000 square foot building in Eastowne Business Park for its Consolidated Packing and Distribution Center. The new facility will streamline the process of packaging, material handling, and distribution of biological vaccines and pharmaceuticals to more than 50 countries worldwide.

**International Paper**, a Fortune 500 company and global leader in paper and packaging products, revealed plans for a \$12 million local expansion. The Easton Road location produces corrugated cardboard boxes for a variety of industries. The five year project will increase efficiency and capacity for the St. Joseph site.

**Missouri Western State University**, opened the Walter Cronkite Memorial exhibit located in the Spratt Hall Atrium. The permanent memorial is dedicated to the memory of the legendary CBS News Anchor who was known as “the most trusted man in America”. Cronkite is remembered for his sign off “*and that’s the way it is*”.

**Mosaic Life Care and Heartland Health**, purchased the historic six story German-American Bank Building Downtown, as well as two nearby properties and parking lots for business operations and moving at least 200 of its employees to the new location. Over the next two years, Heartland anticipates investing approximately \$20 million in renovations.

**Protein LLC**, will construct a new facility at the corner of Stockyards Expressway and Illinois Avenue in the Stockyards Industrial Park area. The total capital investment is anticipated to be \$11.6 million and add about 20 new full time to their 50 employees. Protein LLC, is a subsidiary of BHJ USA Inc, which is an Omaha, NE headquartered company that supplies value added fresh or frozen raw materials to the pet food, pharmaceutical and fur industries in North American and Europe.

**Saint Joseph School District**, will welcome students to new elementary schools, Carden Park at 16<sup>th</sup> and Duncan streets and Oak Grove at Bishop and Cook roads. In 2012, St. Joseph voters passed a \$42 million bond issue to construct two 75,000 square foot elementary schools and provide updates and air-conditioning to the other schools in the district.

**Trail Theater**, once again offers entertainment to the citizens of St. Joseph. The 60 year old building was purchased to save it from demolition and it has become a fine arts venue to bring stand up comedians, musicians, and other performances to the theater by the fall, 2014.

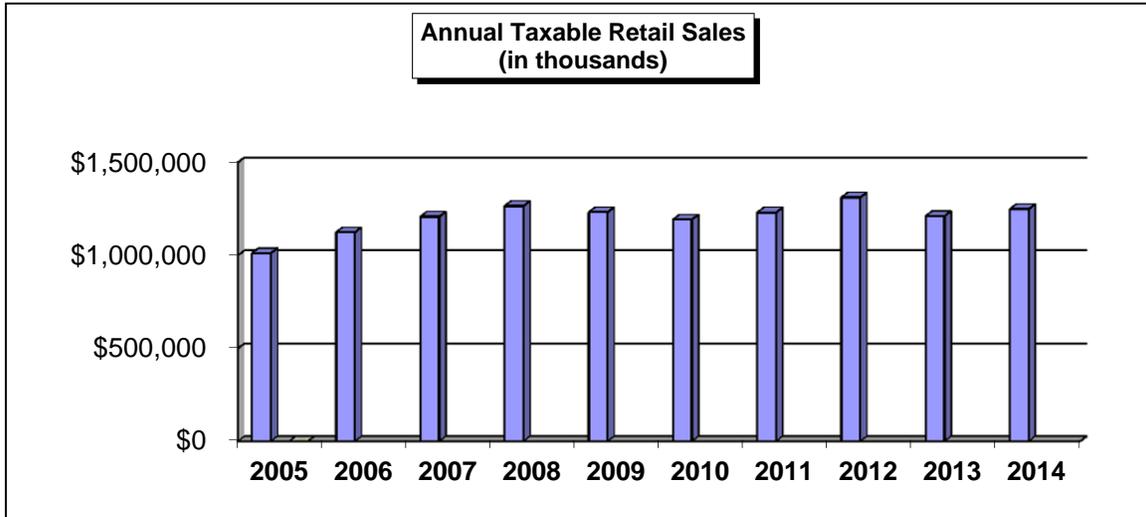
**Triumph Foods, LLC**, one of the leading pork processors in the United States, continues growth in St. Joseph. This most recent expansion comes on the heels of a \$10 million 30,000 square foot capital expansion announced in October, 2012. Triumph commenced activities on various capital projects to increase its processing capabilities which include an 11,000 square foot expansion on its St. Joseph facility and equipment investments in production, packaging, and storage. This addition will add 105 new jobs to the already dedicated workforce of 2,800 employees for a total investment of \$7.5 million.

**YMCA**, the second in St. Joseph, aims for an October opening. The new St. Joseph Community Campus, a 26 acre development includes the new YMCA location plus a city park, walking trail and all accessible universal playground in the St. Joseph's northeast side with a campaign close to \$7 million.

**Wiechman Pig Company**, finalized the property purchase at the Stockyards Industrial Park area for a new 7,200 square foot structure with an estimated 300 to 400 pigs sold daily through the facility. Wiechman, a long standing established company, is headquartered in Fremont, NE and markets swine of various sizes and weights throughout the United States and Mexico.

### Taxable Annual Retail Sales and City Sales Tax

Receipts from one of the City's largest general revenue sources, the one and one-half cent local sales tax increased slightly in fiscal year 2014. The revenues received from the City's fifty percent (50%) of the general sales taxes generated in the economic development districts increased significantly. Combined the sales tax revenues available for general purposes increased almost three percent (3%). Total retail sales in St. Joseph increased as reflected in the total sales tax remitted to the City. The following chart depicts an annual taxable retail sales over the last ten years.



### ECONOMIC CONDITIONS

City of St. Joseph voters have approved a five year half cent CIP Sales Tax five times – 1993, 1997, 2003, 2008, and the latest in August, 2012. This tax generates \$5.5 million annually in City revenues and provides infrastructure, enhancements to City facilities, and investment in the community.

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

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

In August, 2013, voters approved a half cent Public Safety Sales Tax under a 20 year sunset clause. Revenue generated from this tax will help fund additional police employees, public safety employee salaries and benefits, and public safety equipment and facilities.

## **Business Licenses**

The City issued 4,601 business licenses for fiscal year ended June 30, 2014.

## **Work Force Education and Training**

The City has a well-regarded public school system as well as private and parochial elementary, middle, and high schools. The St. Joseph Public School District includes three high schools, four middle schools, and 16 elementary schools with enrollment of 11,244 students.

Missouri Western State University (MWSU), Hillyard Area Vocational Technical School, and Vatterott Community College are located in St. Joseph. MWSU has certificates, associate degrees, four-year baccalaureate programs and a number of master's degree programs. With enrollment of more than 5,800 students, MWSU serves both the needs of traditional as well as non traditional students. The Western Institute at MWSU is home to many community outreach programs and services. Northwest Missouri State University (NWMSU), located 45 miles north of St. Joseph in Maryville, is a four-year university. NWMSU conducts graduate classes from its downtown St. Joseph location. Hillyard Technical School provides classes with hands on experience up to 30 credit hours. MWSU and Hillyard have joined efforts to enhance technical educational programs. Students can transfer from a certificate program at Hillyard to associate, bachelor and/or master degree programs at MWSU. In less than two years, students can earn a Diploma or Associate Degree from Vatterott College in a variety of careers.

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

From a heritage rich in agriculture, St. Joseph has a strong life sciences-based economy with over 6,500 jobs directly employed in such businesses as animal pharmaceuticals, agriculture chemicals, food processing, health care, animal research and development and seed production. These companies are located in St. Joseph, as Northwest Missouri boasts the highest crop yields for soybeans and corn in the state of Missouri and provides easy access to raw materials for manufacturing. Locally, a life science network has been formed to provide direction and input to the initiative of creating an applied Life Science Institute in St. Joseph in order to attract more life sciences jobs to the area. The group includes representatives from the City, County, Missouri Western State University, St. Joseph Area Chamber of Commerce, and life science businesses.

## **Culture and Recreation**

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

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

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

The Public Works and Transportation and the Parks, Recreation and Civic Facilities Departments joined forces to create the Urban Trail System in St. Joseph. The Public Works and Transportation Department closely coordinates the development of the Urban Trail to provide non-motorized access to St. Joseph's citizens and the region. The initial phase of development focused upon developing a North/South spine along the Historic Parkway System, while current and future efforts will be to expand access to under-served areas of the community, for access to schools, shopping, work, recreation and other transportation needs.

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

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

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

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

Phil Welch, a 5,000 seat stadium, is home to the St. Joseph Mustangs competing in the MINK League. Through the first six seasons, the Mustangs have had five (5) top ten attendance rankings, three MINK Championships including 2014, three trips to the National Baseball Congress World Series (two top 5 finishes), and six straight years of leading the MINK League in attendance.

The St. Joseph Civic Arena is a multi-use facility hosting a range of events from Roller Derby to corporate annual meetings and everything in between. Events include Moila Shrine Circus, Chili Challenge, Mixed Martial Arts, youth wrestling tournaments, farm and agriculture shows, antique shows, gun and sport shows, concerts, and various other trade and family shows.

Missouri Theater, a 1927 former movie theater listed on the National Register of Historic Landmarks, is an architectural asset to downtown St. Joseph sponsoring many St. Joseph arts organizations and touring theatrical groups.

The 15,000 square foot Remington Nature Center (RNC) sits next to the mighty Missouri River. Visitors are greeted by a life-sized mammoth and calf along with the only mammoth bones excavated in Missouri, which happen to have been found in Buchanan County. As the journey begins, guests see a 7,000 gallon aquarium home to Missouri River fishes. To educate, entertain, and enlighten guests throughout the Center are interactive displays, artifacts, and animal exhibits native to the St. Joseph area including a beaver dam and beehive. Visitors can stroll through time and witness how civilization from 10,000 B.C. to the turn of the 20<sup>th</sup> Century impacted nature. The RNC showcases the Missouri River and the River's force in the development of Northwest Missouri, as it relates to travel, transportation, and trade. Exhibits emphasize the significance of Native American civilization in Northwest Missouri, by demonstrating artifacts used by the tribes of this area. This City museum also conveys the prominent role Northwest Missouri played in western migration, especially in exploration, trapping, trading and mercantile.

The St. Joseph REC Center, opened in 2012, features a full service fitness center, community room, three (3) gymnasiums, and elevated walking track. Along with traditional fitness activities, a variety of fitness classes are offered for people of all ages and abilities. The REC Center is also the home to adult volleyball and pickle ball leagues, youth basketball and volleyball leagues, a variety of youth basketball tournaments, and the summer youth lifetime sports program, Youth Enrichment Summer (YES). The outdoor fitness program, St. Joe Fit, is also administered by REC Center staff.

Heritage Park Softball Complex, located near the Remington Nature Center, features a five field complex where numerous invitational, an ASA Girl's Fast Pitch 16U National Qualifier, ASA Boy's Fast Pitch 16U National Championship, and ASA Coed Slow Pitch National Championship were held this season.

The City boasts an aquatic park complete with two water slides, floating river, and children play area. Adjacent to the Aquatic Center, the 23 acre facility has 12 lighted tennis courts, 16 horseshoe courts, two bantam football/soccer fields, a ball field, and a running track.

In August, 2013, the Allied Arts Council of St. Joseph produced the twentieth annual Trails West! ® Festival, with 40,000 in attendance. Other festivals and parades include the Apple Blossom Parade and BBQ in May, Northside Festival and Coleman Hawkins Jazz Festival each June, St. Patrick's Mexican Fiesta the first weekend in August, Southside Fall Festival and Parade the middle of September, and Pumpkinfest every October.

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

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

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

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

- Enterprise Zone Benefits – The City, per RSMo 135.215, participates in the “Enterprise Zones” program designed to ease the financial burden on growing businesses. Eligible facilities can receive a minimum of 50% abatement of property taxes for improvements made to real property for a period of 10 years from assessment of improvements.
- Missouri Chapter 100 bonds – The City, per RSMo 100.090, is granted the authority to issue Industrial Development Revenue Bonds in the amount not to exceed ten percent of the assessed valuation of the taxable tangible property in the City for special industrial development projects for private corporations, partnerships, or individuals. The City shall bear no pecuniary liability. The bond is payable solely from the revenue pledged to the payment and does not constitute a debt of the City. Currently, there are 15 bond issuances and 14 companies benefiting from these Missouri Chapter 100 bonds.
- Tax Increment Financing (TIF) – Redirects incremental increases in economic activity taxes, property taxes and/or user fees within qualifying jurisdictions for the exclusive use of paying off bonds issued or developer obligations that were used to finance infrastructure and related business developments within the jurisdiction. The City had twelve (12) approved and ten (10) active TIF projects at June 30, 2014.
- Developer Agreements – Special assessments, tax abatements, loans and other financing assistance negotiated directly between the City and the business requesting such assistance in order to achieve a common objective generally held to be in the best interest of the community. The City had three (3) Developer Agreements at June 30, 2014.
- Community Improvement Districts (CID) – Special assessments, taxes and/or fees can be established in order to make improvements and support business activity and economic development within designated boundaries of the district. The City had three (3) Community Improvement Districts established at June 30, 2014.
- Neighborhood Improvement Districts (NID) – Special assessments levied on benefiting properties to make improvements within designated boundaries. The City had three (3) Neighborhood Sewer Improvement

Districts and five (5) Neighborhood Lighting Improvement Districts, as of June 30, 2014.

- Special Business District – Real property and businesses may be taxed within designated boundaries in order to make improvements. The City had one (1) Special Business District, the Downtown Business District (DBD) established February, 1990 that expired in fiscal year 2012. The DBD was replaced by a Downtown CID, one of the three mentioned above.
- Transportation Development District (TDD) – Transportation related infrastructure improvements can be financed through special assessments, property taxes or sales taxes levied within designated boundaries. The City had one (1) TDD as of June 30, 2014.
- Low interest loan programs offered through Community Development Block Grant (CDBG) programs.
- Direct Loans from City Operating Accounts – The City has, on occasion, entered into temporary loans with companies as inducements for further development. A \$100,000 short-term loan from the City's emergency reserves to a developer of speculative shell buildings at Mitchell Woods Business Park and a \$420,000 short-term loan from CDBG and the cell phone programs to a developer for rehabilitation of the Corby Building are just two examples.
- Infrastructure (in-kind) Improvements – In order to entice new and existing business to relocate to or expand in St. Joseph, the City frequently takes it upon itself to make the necessary sewerage, street, lighting and similar infrastructure improvements.
- Participation in Mo-Kan Regional Council (Mo-Kan). The City contributes annually for representation on the Board of Directors and membership in Mo-Kan. In addition to its many other responsibilities, Mo-Kan works in Northwest Missouri and Northeast Kansas in areas of financing and economic development, on-the-job customized training programs and worker reentry program under the Workforce Improvement Act, loan packaging and grant applications.

**The Community Alliance of St. Joseph** is comprised of representatives from the City, County, Chamber, University, School District, and major private enterprises. The Alliance promotes a shared vision for the community through collective input from citizens to provide a strategic plan and implementation process to help St. Joseph optimize its potential. Its goal is to work together to advance improved informational opportunities and attainment, as well as improved livability and quality jobs to promote growth and a solid future for St. Joseph and its residents. Some of the initiatives the city has developed and implemented to address these issues include:

**Improved Citizen Communications** – The city continues to improve and expand its methods of communicating with residents. In addition to regularly scheduled City Council meetings, work sessions, committee meetings and public hearings, the city continues to reach out to its citizens through the City Council bi-monthly town hall **City Talk** public forums, Student in Government Day, resident surveys, government access channel, interactive website, and informational campaigns. The City Weekly publication is produced to provide information to residents on a regular basis. The city also uses social networking as a means to communicate with residents via Facebook and Twitter. City Council and Planning Commission meetings are televised live and rebroadcast on the city’s government access channel (Channel 19).

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

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

**Long-term financial planning** - A Five Year Capital Improvement Program is adopted by City Resolution. The Five Year Plan provides a summary of proposed improvements, estimate of project costs, and plan for financing. The City’s capital improvement initiatives are funded primarily by the half-cent Capital Projects sales taxes, government grants, revenue bond proceeds and operating reserves. The current half-cent sales tax is a six year tax that was extended for the fifth time by the voters in August, 2012.

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

**Riverfront / Downtown** – The City, in concert with several different governments and agencies, is working to redevelop the Downtown and Riverfront areas. For several years, the City and other organizations have worked to develop the Riverfront environment into an attractive and

accessible area providing residents and visitors with a variety of amenities including sports, recreation, education, and entertainment but still reflecting the historic significance of St. Joseph. The major focus is on the following two areas:

- **Riverfront/Riverwalk Redevelopment** – City officials, downtown representatives and business owners are pursuing redevelopment strategies for the Riverfront along the Missouri River. Private development has already occurred in this area to include St Joe Frontier Casino facility and shops and cabin rental facilities. In early 2001, the City entered into an engineering and design component services contract with a consultant to assist in preparation of the Riverfront Development Master Plan. The Plan calls for a riverfront recreation complex, riverwalk, county fairgrounds, and nature center among other amenities. In April 2003, Heritage Softball Complex was built and available for play.

The City will be working with the potential relocation of the existing riverfront casino to downtown. If this relocation happens, the City will have the opportunity to utilize the waterfront along the existing casino property for riverfront activities, associated with potential additions the to the existing Heritage Sporting Complex and entertainment venues.

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

The use of Hotel/Motel tax, TIF, and CID were identified as the main source of funding for the above mentioned improvements. Implementation of the Master Plan began with the construction of the Third and Edmond Street "West Gateway" project which completed in the fall of 2004 and continued in 2005 with the multi-phased Felix Streetscape project. The DREAM Plan lays the design guidelines for the remaining Downtown projects which are identified in the City's Capital Improvement Program through 2013.

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

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

**New Eastowne Business Park** - With the success of the Mitchell Woods Business Park, an additional business park was needed to continue to attract new or existing business expansion. The City provided \$5.4 million in funding from the voter approved 2003 one-half cent Capital Project Sales Tax with an additional \$2.3 million from the 2008 Capital Project tax for infrastructure improvements at the new Eastowne Business Park located at Riverside and Pickett Roads. This project moved forward in conjunction with the Missouri Department of Transportation's extension of Route AC (Riverside Road) south to Highway 169. With a contribution of cell phone revenues the main road through the development was completed, opening up all areas for development. Private investors and developers are providing the remaining funding.

Under Missouri State Law, the City has the authority to issue general obligation bonds payable from ad valorem taxes to finance capital improvements upon two-thirds majority vote and, on general election dates, a four-sevenths majority vote, of the qualified voters. The Missouri Constitution provides that the amount of bonds payable from tax receipts (including bonds payable from special assessments) shall not exceed twenty percent of the total assessed valuation of the taxable property in the City. At June 30, 2014, the City had no general obligation debt.

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

## Awards and Acknowledgements

### Certificate of Achievement for Excellence in Financial Reporting

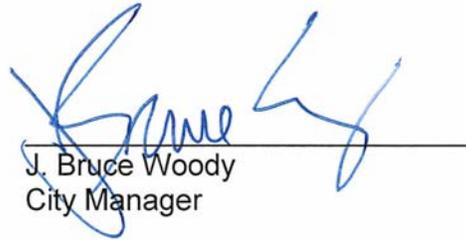
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Joseph, Missouri, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the twenty-fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The preparation of this CAFR was made possible by the efforts of many City staff. Special thanks are extended to Tom Mahoney, Associate Director, Accounting and Procurement, and his staff for their efforts and to the Members of the City Council for their continued support.

Respectfully submitted,



Carolyn Harrison  
Director of Administrative Services



J. Bruce Woody  
City Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

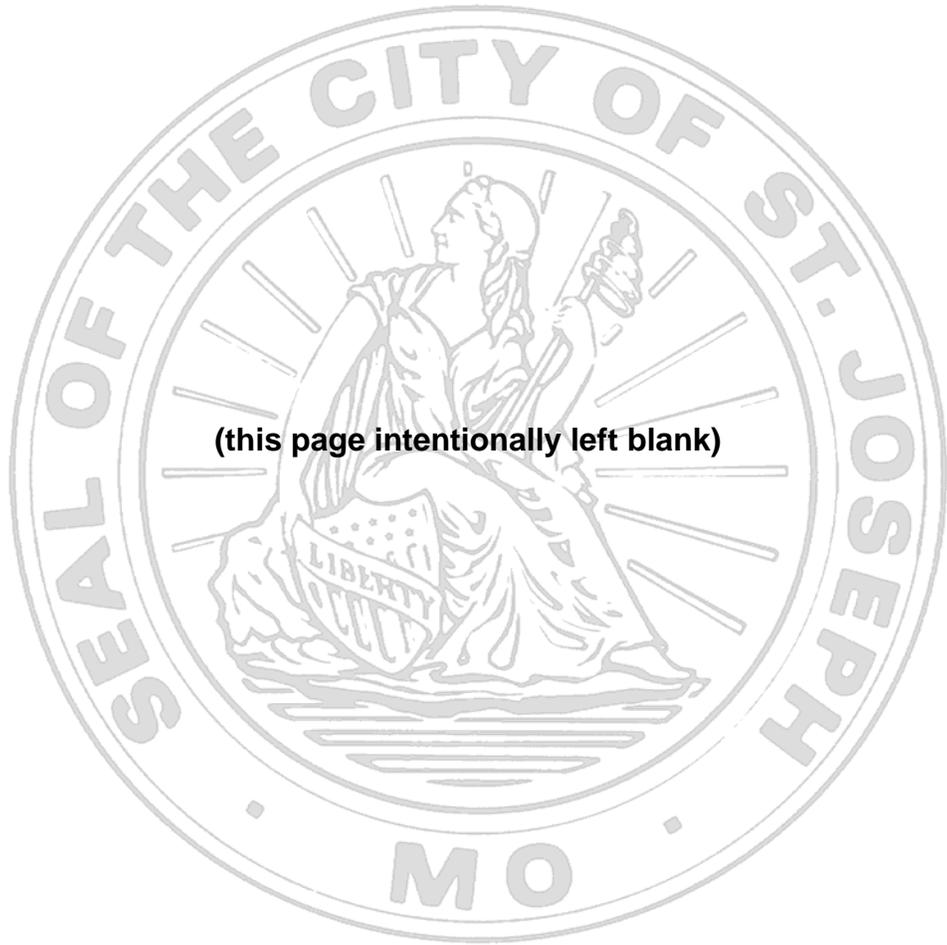
Presented to

**City of St. Joseph  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



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# Financial Section





INDEPENDENT AUDITOR'S REPORT

400 Jules Street
Suite 415
St. Joseph, MO 64501
(816) 364-1118
Fax (816) 364-6144

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Joseph, Missouri (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Offices
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(913) 378-1177 FAX
1251 NW Briarcliff Prkwy
Suite 125
Kansas City, MO 64116
(816) 584-9955
(816) 584-9958 FAX

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

St Joseph, Missouri  
December 18, 2014



## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

As management of the City of St. Joseph (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report.

#### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$250,861,126 (*net position*).
- The City's total net position increased \$7,785,785 - \$4,488,774 is attributable to an increase in "Governmental activities" while "Business-type activities" contributed an increase of \$3,297,011.
- As of the close of the current fiscal year, the City's funds reported combined ending governmental fund balances of \$48,678,016 an increase of \$3,785,510 in comparison with the prior year. \$6,837,653 is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the fiscal year, unassigned fund balance for the general fund was \$6,837,653 or 15% of total general fund expenditures.
- The City's net investment in capital assets for its governmental and business-type activities decreased \$6,679,048. More information is provided beginning on page MD-12.
- The City's total long-term debt as detailed beginning on page MD-13 increased \$6,692,949 during the current fiscal year.

#### **Overview of the Financial Statements**

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

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

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

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

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

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

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

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

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

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *General Fund*, *Special Allocation Fund* and *Capital Projects Fund*. These funds are considered to be major funds. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

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

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

**Proprietary Funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its municipal landfill, golf course, sewer treatment & maintenance facilities, airport, parking lots & garages, and mass transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally across the City's various functions. The City uses an internal service fund to account for its workers' compensation management and claims activities. This service benefits both governmental and business-type functions; therefore certain amounts are allocated based on its percentage of use by the functions.

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

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

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

The fiduciary fund financial statements can be found beginning on page FF-9 of this report.

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

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$250,861,126 at the close of the most recent fiscal year.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any depreciation and related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Current, other assets and deferred outflows	\$ 65,346,982	\$ 60,769,466	\$ 41,158,230	\$ 41,793,598	\$ 106,505,212	\$ 102,563,064
Capital assets	165,260,160	169,200,756	145,831,158	133,078,277	311,091,318	302,279,033
Total assets and deferred outflows	230,607,142	229,970,222	186,989,388	174,871,875	417,596,530	404,842,097
Long-term liabilities	82,672,800	87,527,558	74,172,620	62,595,559	156,845,420	150,123,117
Other liabilities	5,368,255	4,365,351	4,521,729	7,278,288	9,889,984	11,643,639
Total liabilities	88,041,055	91,892,909	78,694,349	69,873,847	166,735,404	161,766,756
Net position						
Net Investment in capital assets	164,614,446	167,294,820	77,684,858	81,683,532	242,299,304	248,978,352
Restricted	36,196,036	38,726,116	9,571,719	6,872,034	45,767,755	45,598,150
Unrestricted (deficit)	(58,244,395)	(67,943,623)	21,038,462	16,442,462	(37,205,933)	(51,501,161)
Total net position	\$ 142,566,087	\$ 138,077,313	\$ 108,295,039	\$ 104,998,028	\$ 250,861,126	\$ 243,075,341

At the end of the current fiscal year, the City is able to report positive balances in the “net investment in capital assets” and “restricted net position” categories, for the government as a whole, as well as for its separate governmental and business-type activities.

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

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

Unlike the governmental activities, the business-type activities show positive unrestricted net position for FY14 of \$21,038,462.

An additional portion of the City's net position, 18% or \$45,767,755 represents resources that are subject to external restrictions on how they may be used. Governmental activities claim 14% or \$36,196,036 while the business-type activities have the other 4% or \$9,571,719.

As previously stated, the City's net position increased \$7,785,785 during the current fiscal year. Governmental activities represent a \$4,488,774 increase in the City's net position and a \$3,297,011 increase in net position is reported in connection with the City's business-type activities.

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

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
General Revenues:						
Property taxes	\$ 13,221,988	\$ 13,013,990	\$ -	\$ -	\$ 13,221,988	\$ 13,013,990
Sales taxes	28,100,006	24,434,378	4,373,653	4,249,381	32,473,659	28,683,759
Other taxes	16,041,819	15,699,986	1,272,415	1,154,809	17,314,234	16,854,795
Other revenue	717,606	640,068	212,997	277,038	930,603	917,106
Program Revenues:						
Charges for services	8,422,439	8,387,404	24,632,000	24,594,120	33,054,439	32,981,524
Operating grants & contributions	4,468,942	4,849,305	2,097,547	3,214,908	6,566,489	8,064,213
Capital grants & contributions	560,794	935,202	502,346	106,268	1,063,140	1,041,470
Total revenues	71,533,594	67,960,333	33,090,958	33,596,524	104,624,552	101,556,857
Expenses:						
Functions\Programs:						
General government	9,679,288	10,231,933	-	-	9,679,288	10,231,933
Public safety	26,855,874	24,144,704	-	-	26,855,874	24,144,704
Highway and streets	17,057,575	17,399,263	-	-	17,057,575	17,399,263
Public works	235,620	354,893	-	-	235,620	354,893
Health and welfare	4,850,675	4,995,710	-	-	4,850,675	4,995,710
Parks and recreation	7,363,194	8,100,980	-	-	7,363,194	8,100,980
Interest	3,192,158	3,438,526	-	-	3,192,158	3,438,526
Sewer	-	-	16,896,135	14,634,267	16,896,135	14,634,267
Mass transit	-	-	5,584,803	5,438,634	5,584,803	5,438,634
Other proprietary functions	-	-	5,123,445	5,099,218	5,123,445	5,099,218
Total expenses	69,234,384	68,666,009	27,604,383	25,172,119	96,838,767	93,838,128
Excess (deficiency) of revenues over (under) expenses	2,299,210	(705,676)	5,486,575	8,424,405	7,785,785	7,718,729
Transfers	2,189,564	2,454,852	(2,189,564)	(2,454,852)	-	-
Change in net position	4,488,774	1,749,176	3,297,011	5,969,553	7,785,785	7,718,729
Net position - beginning	138,077,313	136,328,137	104,998,028	99,028,475	243,075,341	235,356,612
Net position - ending	\$142,566,087	\$138,077,313	\$108,295,039	\$104,998,028	\$250,861,126	\$243,075,341

## CITY OF ST. JOSEPH, MISSOURI

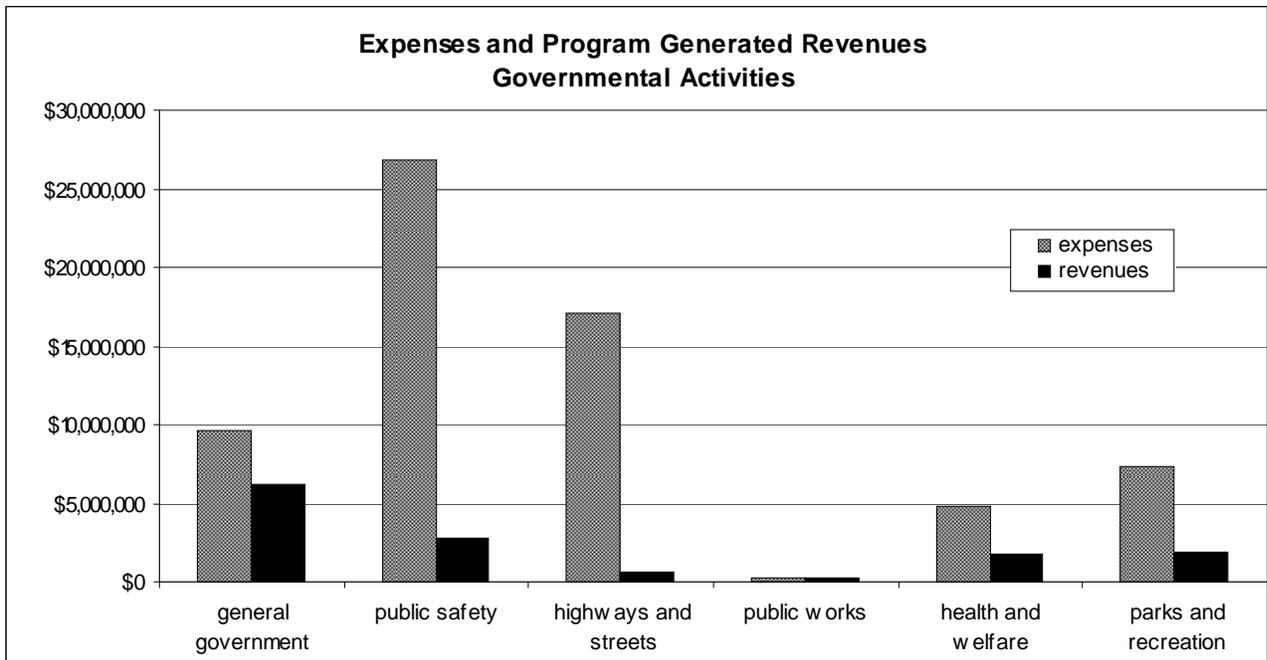
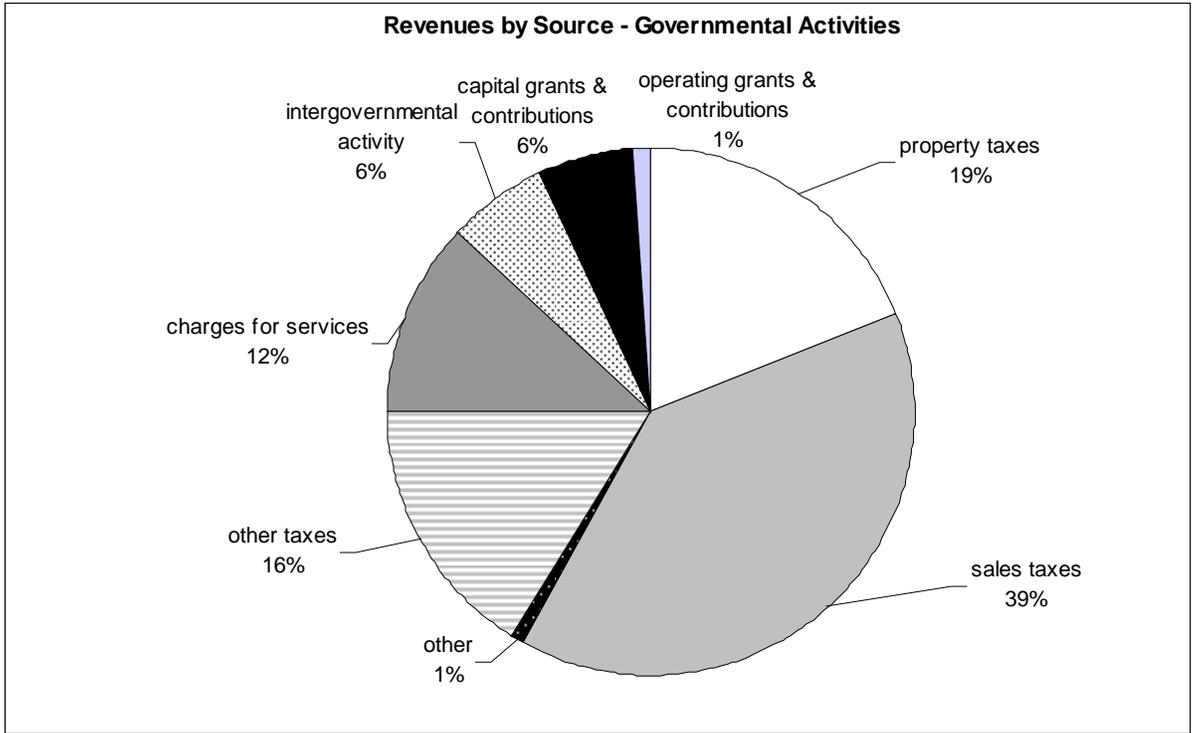
### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

**Governmental Activities.** Governmental activities increased the City's net position by \$4,488,774. The key elements to this increase are as follows:

- Sales tax revenue reflected the new Public Safety Sales Tax collections in FY 14. In August, 2013, voters approved a half cent Public Safety Sales Tax under a 20 year sunset clause. Total sales tax revenue went up by \$3,665,628. Revenues generated from this tax will help fund additional police employees, public safety employee salaries and benefits, and public safety equipment and facilities.
- Property taxes showed an increase this fiscal year after a decrease last year. Total receipts for this revenue source were \$13,221,988 in FY14 up from \$13,013,990 in FY13 as a direct result of increase in valuations for FY14.
- Utility franchise fees, assessed on the gross receipts of utility companies who deliver or provide services to local residents and businesses (electric, water, natural gas, cable, communications), had an overall rise in revenue. Significant year to year fluctuations in the gas, electric, and water franchise fee revenues frequently occur in response to unusual seasonal climates. During most years these climactic conditions average out producing no noticeable or significant volatility in revenues overall. In FY14, utility franchise taxes reported an increase from \$6,825,512 to \$6,923,106 mostly as the result of increased electric service rates leading to higher than anticipated gross revenues for that utility.
- During fiscal year 2014, operating and capital grants and contributions decreased to a total amount of \$5,029,736 from \$5,784,507. General government received \$1,358,563 less in grants from the Community Development, ARRA, and HOME grant programs.
- Total expenses for the governmental activities increased by \$568,375 from \$68,666,009 in FY13 to \$69,234,384 in FY14. General government, highway, streets, parks and recreation, public works, health and welfare all decreased from the previous year. Public Safety increased over FY13 primarily as a result of the mid-year implementation of the compensation/classification plan for public safety salaries and benefits.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**



**CITY OF ST. JOSEPH, MISSOURI**

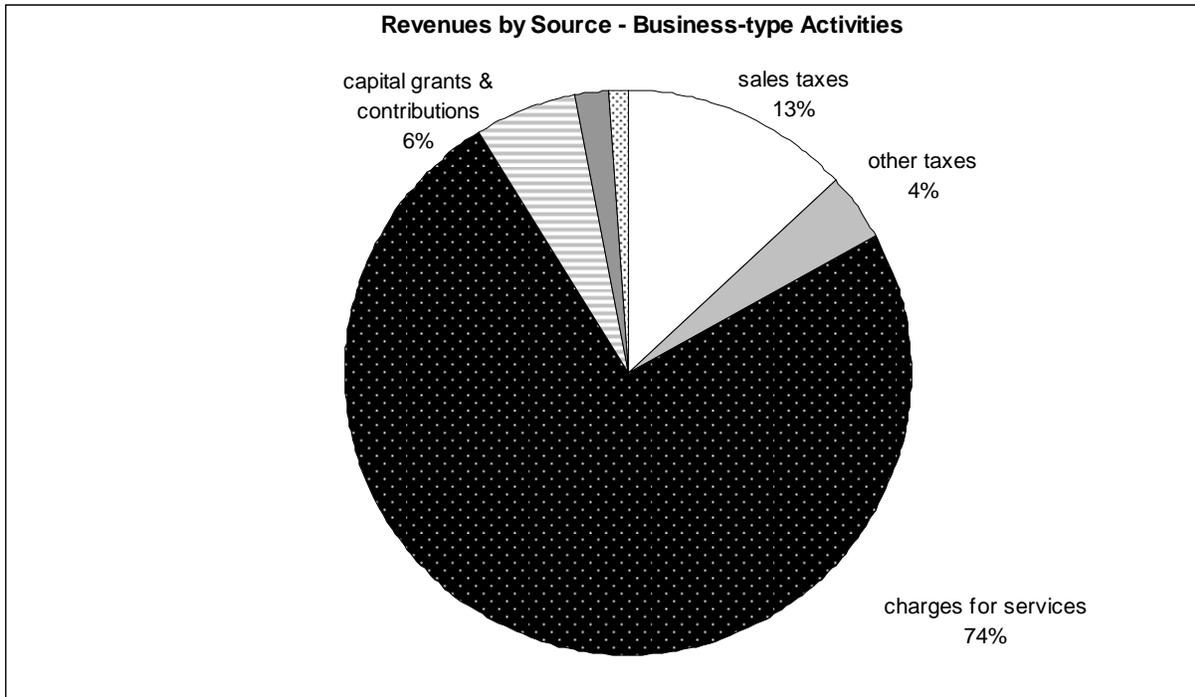
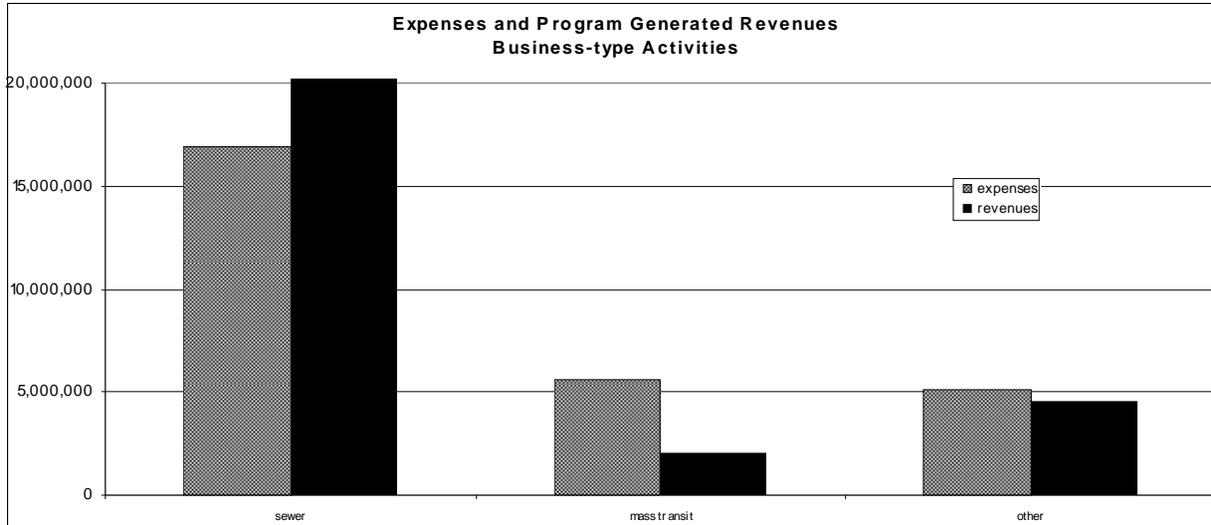
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Business-type activities.** The net position of the City's business-type activities increased \$3,297,011. Key elements of the increase within the business-type activities were:

- Transit operations is the only business-type service receiving sales tax and utility franchise fees revenues. As demonstrated in the governmental activities, slight increases in both revenue sources amounted to \$241,878.
- Charges for Services for the sewer system increased over last year by \$230,926. Along with a 12% rate increase at the beginning of July, 2013, the City, after taking responsibility for sewer billings from Missouri American Water, has taken an active role in collections.
- Business-type activities reported a \$721,283 decrease in operating and capital contributions and grants. In FY13, the City accepted one-time funding of \$500,000 STAG grant in sewer services and the transit services completed the ARRA and FLEX funding in FY13.
- Overall expenses in the business-type activities increased \$2,432,264 over the prior year. The City incurred additional depreciation and professional design services for the numerous projects scheduled at the water protection facilities due to the federally mandated EPA requirements.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**



## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

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

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

The *General Fund* is the main operating fund of the City. It records all assets, liabilities, deferred inflow of resources, revenues, and expenditures that are not assigned to a special purpose fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,837,653 while total general fund balance reached \$13,442,608. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. City Council has adopted a fund balance policy which includes a target for unassigned general fund balance of 10% of expenditures. At the end of FY14, unassigned fund balance represented 15% of total general fund expenditures, while total fund balance represented 30% of that same amount.

Total fund balance of the City's general fund increased \$1,565,996 during the current fiscal year. The increase in fund balance was impacted by several of the financial highlights pointed out earlier, as well as the following:

- Revenue for the General fund totaled \$45,971,273, an increase of \$813,712 from FY13 revenue of \$45,157,561. Expenditures increased by \$766,321, from \$44,689,525 to \$45,455,846.
- General government function decreased by \$549,772. The City also spent \$335,208 less on capital outlay.
- With the mid-year implementation of a new compensation and classification plan, financed partially with the passage of the public safety sales tax which covered increases for public safety employees, salary and wage expenditures increased in FY14. Employee benefits represent 15% of operating expenditures and cover payroll related taxes, contributions to employee pension plans, contributions to health and dental coverage, life insurance, uniform allowance, long-term disability coverage, workers compensation, mileage reimbursement and training/travel expenditures. Employee benefits increased as there was a 7.9% hike in the cost of health insurance along with the increase to the city's contribution rates to all of the employee pension plans as a result of the new compensation and classification plan.
- Operating expenditures including utilities, insurances, fuel, and maintenance and repair across the fund, caused highways, streets, public works, health and welfare, and parks and recreation to increase slightly in total and in the future will be an ongoing challenge.

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

The *Special Allocation Fund* was established in FY04 to record transactions for the City's TIF districts, special economic development districts, and any related bond issues. The ending fund balance of \$10,995,328 is restricted for debt service payments or pay-as-you go distributions as the case may be. There was an increase in fund balance of \$459,210 from FY13. The three districts for which TIF bonds had been issued – Triumph, North Shoppes, and Mitchell Road Corridor – all generated sufficient revenues to meet bond payments. Disbursements to the other pay-as-you-go districts were roughly equal to revenues received minus collection fees and slight differences in timing between receipt and distribution of monies.

The *Capital Projects Fund* had a total fund balance of \$16,453,296. All of the budgeted monies within this fund are attached to projects approved by the voters with the six-year, half-cent CIP sales tax issue renewed for the fifth time in August 2012. Fund balance fluctuations are tied directly to the status of projects and/or to the timing of grant monies anticipated as reimbursements for up-front expenditures on the projects.

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

The Proprietary funds net position activity resulted in an increase of \$3,276,297 over last year. Net investment in capital assets, the largest component of net position, had a decrease of \$3,998,674 from last year. A portion of the City's proprietary fund net position, 9% or \$9,571,719, represents resources subject to external restrictions on how they may be used. In both FY13 and FY14, the City issued 2013 and 2014 State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program) for future sewer improvements and mandates from the EPA.

Unrestricted net position at the end of the fiscal year was positive in all Proprietary funds except Municipal Golf fund. A negative unrestricted net position balance of \$69,412 resulted from poor weather conditions on the course throughout the year. Daily green fees, tournament fees, and concessions fell short but the Pro Shop proved to be a success.

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

The General Fund ended the 2014 fiscal year under budget by \$3,039,246. Monies were designated and set aside in the budget for possible wage adjustments pending the outcome of the public safety tax election. Additionally actual expenditures were less than the amount appropriated largely as the result of an intentional under-spending of the budget through delays in filling of vacant positions and continued cost containment measures where possible. The functions which experienced the greatest amount of savings were: General government, \$1,129,525; Public Safety, \$1,410,973; Highway and streets, \$225,533; and Health and Welfare, \$349,828.

Over the course of the fiscal year, the Council revised the City budget. Appropriations including transfers out increased the General Fund by \$2,631,594. The majority of the increase relates to the new voter approved half cent Public Safety Sales Tax in the amount of \$1,468,725 and capital outlay purchases.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Capital Asset and Debt Administration**

*Capital Assets.* The City's investment in capital assets for its governmental and business-type activities as of June 30, 2014 totaled \$311,091,318 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, office furniture and fixtures, roads, bridges, park improvements, major fire apparatus, sewer lines and wastewater treatment facility improvements.

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

**Governmental Activities**

- Finalized 5<sup>th</sup> Street Parking Lot (\$406,794)
- Upgraded the Radio Safety Communication System (\$2,205,445)
- Installed new lighting and fly system at Missouri Theater (\$462,679)
- Completed Fire Station 4 improvements (\$642,166)
- Purchased the Lenoco Bearcat, Police department's armored vehicle (\$307,414)
- Put in service two fire pumper trucks (\$780,343)
- Renovated Patee Market to enhance customer service (\$419,782)
- Received Slurry Seal machine and Street Sweeper for Street crews (\$363,507)

**Business-Type Activities**

- Continued construction on Whitehead Stormwater Separation Project (\$9,865,890)
- In construction phase of Ammonia Removal Project (\$898,757)
- Nearing construction on the Disinfection/Effluent Pump Station (\$2,658,114)
- Began construction on Bio Solids equipment (\$389,626)
- Started design work on Blacksnake Creek Stormwater Separation (\$1,071,034)
- Acquired a Zamboni Ice Making Machine at Bode (\$116,315)

(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,016,344	\$ 5,857,523	\$ 7,965,730	\$ 7,235,170	\$ 13,982,074	\$ 13,092,693
Buildings	22,397,578	22,464,524	41,893,940	16,537,132	64,291,518	39,001,656
Improvements other than buildings	25,030,699	25,707,697	20,492,069	20,827,859	45,522,768	46,535,556
Machinery and equipment	7,691,180	4,054,331	4,528,431	4,838,571	12,219,611	8,892,902
Infrastructure	103,057,642	109,321,774	44,668,811	45,932,221	147,726,453	155,253,995
Construction in progress	1,066,717	1,794,907	26,282,177	37,707,324	27,348,894	39,502,231
<b>Total capital assets</b>	<b>\$ 165,260,160</b>	<b>\$ 169,200,756</b>	<b>\$ 145,831,158</b>	<b>\$ 133,078,277</b>	<b>\$ 311,091,318</b>	<b>\$ 302,279,033</b>

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

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Debt Administration.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$147,515,494, an increase of \$6,692,949. Despite the normal annual retirement of debt service, the City continued draws on the 2013 State Revolving Loan Bond and issued the 2014 State Revolving Loan Bond.

The Missouri State Constitution permits a City, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for “City purposes” not to exceed specified percentages of the assessed value of taxable tangible property. Currently, the City has no outstanding general obligation debt. Standard & Poors has given the City an issuer rating of A+ and the City’s current bonds ratings of A+. The ratings were re-affirmed in November 2014. The City’s financial position is strong overall and St. Joseph’s financial management practices are considered good under the Standard and Poor’s Financial Management Assessment (FMA).

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

Revenue Bonds and Other Bonded Debt

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue Bonds	\$ -	\$ -	\$ 19,385,290	\$ 6,648,828	\$ 19,385,290	\$ 6,648,828
Public Building Authority Bonds	-	52,591	-	57,409	-	110,000
Industrial Development Authority	38,190,000	40,035,000	20,410,000	20,410,000	58,600,000	60,445,000
Infrastructure Facility Bonds	13,045,000	14,115,000	20,760,000	21,325,000	33,805,000	35,440,000
MO Development Finance Board	1,515,000	1,635,000	7,700,000	8,290,000	9,215,000	9,925,000
Developer Obligation	26,152,384	27,946,881	-	-	26,152,384	27,946,881
Capital Lease Obligations	109,006	220,719	248,814	86,117	357,820	306,836
Total long-term debt	\$ 79,011,390	\$ 84,005,191	\$ 68,504,104	\$ 56,817,354	\$ 147,515,494	\$ 140,822,545

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

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

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

**Economic Factors** – A major cornerstone of the City's FY14 issuer credit rating (ICR) of AA from S&P came from their analysis of the City's very strong management conditions and financial practices. Their report described the City's overall economy as weak, but having a gradually diversifying economy, an increasing property tax base, a growing sales tax revenue stream, and a lower than national or state average unemployment rate.

#### **Economic Development Efforts**

The St. Joseph economy in FY2014 continued to experience some growth and expansion. The level of ongoing cooperation among the City, County, Chamber of Commerce and the business community was reflected in the level of economic development success demonstrated throughout the year.

The City contracts with the Chamber of Commerce for economic development services. During the year, the City, County, and the Chamber of Commerce were involved in numerous attraction and expansion projects, resulting in new investment in the community. Details of these projects can be found in the Transmittal Letter at the front of this document.

#### **Revenue Forecast**

FY2015 Budget decisions on major revenue categories were made almost five months prior to the end of the FY2014 fiscal year and were based on the following assumptions.

**Sales Tax** - At three-quarters of the way through the fiscal year, retail sales tax revenues were running approximately 1% behind the same period last year. On the other hand, that was still slightly higher (four tenths of one percent) than the conservatively projected budget. As a result, FY2015 budgets were set at ¾% above FY14 projections.

FY2014 receipts appeared to be meeting budget and FY2015 revenues were estimated to increase by 1%. The two newer sales tax types – hotel/motel for development and public safety – result in an overall increase in sales tax revenues. Base revenues are expected to remain stable.

Fuel tax revenues were projected to meet budgeted levels. FY2015 budgeted revenue represents an average of receipts over the last three years.

**Real and Personal Tax Revenues** - real and personal property tax revenues have been essentially flat for the past five years, fluctuating between 1% and 2% depending on whether the prior year was a reassessment year. There was an uptick in revenues in FY2012 as the result of the 2011 reassessment year and from the resolution of several high-dollar protested tax cases. For FY2015 revenues were projected to increase approximately 2%.

**Franchise Fees** - Annual growth in Franchise Fees for the past few years has ranged from a negative 10% to a 25% increase. Fluctuations in franchise fee revenues correspond to changes in annual weather

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

conditions and rate increases (or decreases) by individual utilities, as well as restrictions imposed by State Statutes.

A steady migration of the telecommunications business to wireless and data transmission had meant an 18% decrease in communications' franchise revenue until settlement of a class-action suit with the businesses resulted in their compliance. Since then, although cell phone usage continues to climb, cell phone revenues have been slowly decreasing coming in closer to \$1.5 million annually than the \$1.8 million anticipated.

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

Historical revenue patterns are only marginally useful because they cannot predict future weather conditions or legislative impacts on utility revenues. For FY14, budgeted franchise revenue is estimated as follows: Gas, Electric, and Water revenues were based on the average of prior year actual and current year projections. Telephone estimates, excluding cell phone revenues, were based on the current year projections, a significant decrease from the prior year. The cell phone revenues budgeted at \$1.561 million. Recent legislation has the potential of affecting cable revenue. That, along with the recent sale of the local cable company, has led to an uneven history. FY2014 was revised to reflect a minor decrease from the prior year and FY2015 left at the current year's projection.

User Fees Gaming revenues, from the City's one casino, have declined from their highpoint in FY08. FY2014 budgeted revenues were running up to 7% behind FY2013 receipts and projections lowered accordingly. FY2015 was budgeted at the FY2014 level.

Sewer fees are determined by cost of service studies prepared by specialists. Increases in sewer discharge fees will take effect this coming year on July 1. The FY12 Cost of Service sewer rate study projected a 12% increase in fees as a result of expenses related to several state and federal mandates. That amount of increased was used for FY2014 revenues since a full study wasn't completed in 2013. At the time the budget was prepared, the FY14 study was still being finalized. Very preliminary indications were that increases of up to 25% might be needed in FY15 and that is the amount included in the Proposed Budget. However, further work on the numbers later indicated the needed increase was only 12%.

The FY2012 tipping fee study recommended a \$4.00 per ton increase at the Landfill. Although the current rate had not been increased for several years, City Council decided not to increase the fee until FY2014. That, combined with a continued loss of tonnage being processed at the landfill, resulted in projected revenues that are the lowest in 7-8 years. Revenue for FY2014 was projected at the current year estimate. As stated last year, that was being optimistic and projections were lowered. FY2015 is being left at the FY2014 projected budget amount.

Sale of Bonds - Bonds sales most often occur in response to individual capital project and capital outlay funding initiatives with little or no relationship to prior year bond sales. The amount of bond proceeds

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2014

budgeted in FY2015, \$28.7 million, reflects the amount of capital improvement projects slated for the major Water Protection Fund projects resulting from state & federal mandates.

#### **Expenditure Controls**

City-wide, FY2014 operating expenses came in \$2.47 million more than the original budget (2.8%) and a half of a percent more than mid-year projections. The main driver in this budget overage wasn't the implementation of a new compensation plan as might be expected (see discussion in the next paragraph), but from professional services (engineering & architectural) tied to the accelerated projects in the Water Protection Fund. Expenses in this category were 7% (\$2,185,000) over original budget. 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.

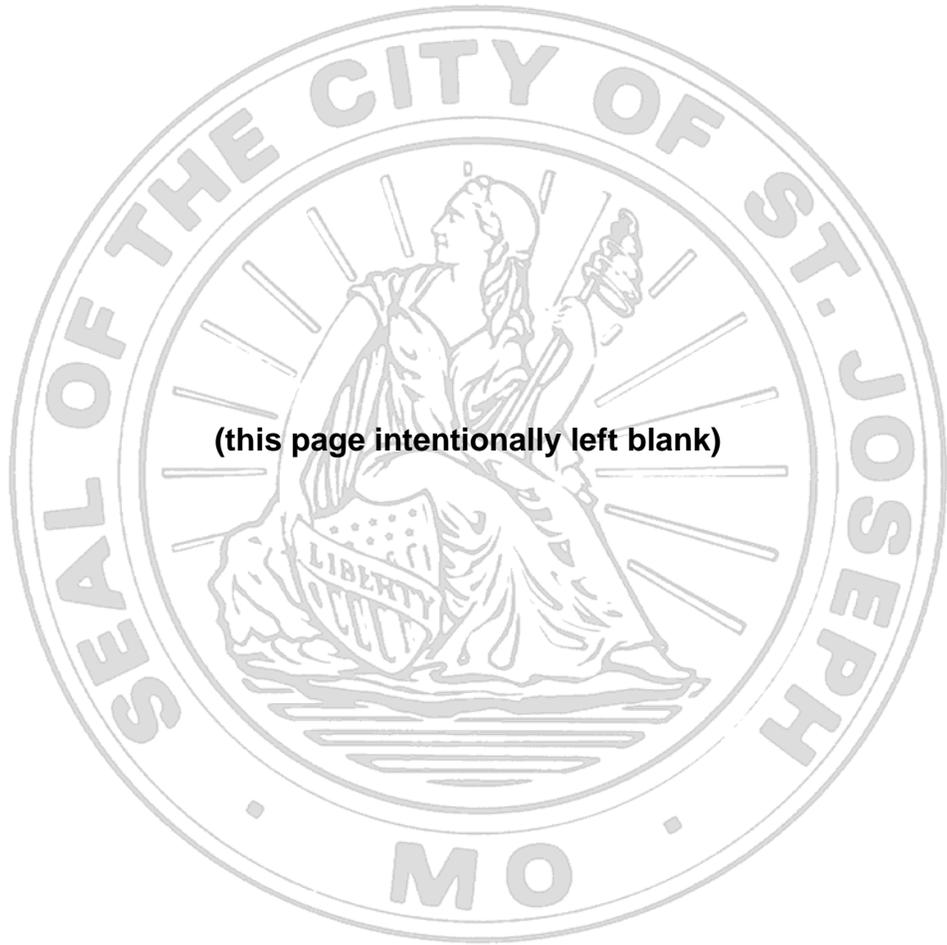
With the mid-year implementation of a new compensation & classification plan, financed partially with the passage of the public safety sales tax which covered increases for public safety employees, salary and wage expenditures increased \$1,183,000 in FY14. However, since money was set aside for possible wage adjustments (pending outcome of the public safety tax election), actual FY14 expenditures in the salary & benefits categories reflected a 2% savings from the original budget and finished the year 0.003% less than mid-year projections.

The net operating expenditure component of the City's FY2015 Annual Budget increased by 8% or \$7.166 million above that adopted by the City Council for FY2014. Over 58% of this increase (\$4,184,000) is the result of the passage of the Public Safety Tax. The monies are budgeted to cover the impact of salary and benefit increases for the public safety employees in the General Fund, for additional police personnel, and for major capital equipment and vehicle purchase in the police & fire departments. Debt service for anticipated SRF bond issues added \$1.5 million and the additional increase is from accelerated street projects in the Capital Projects Fund. .

The total FY2015 Annual Budget at \$158,322,000 was a 23.4% percent decrease from the FY2014 budget primarily due to the significant decrease in the magnitude of projected capital project expenses in the Water Protection fund. The FY2014 capital budget was adopted at \$107,900,000 with a total of \$52,318,000 adopted for FY15.

#### *Requests for Information*

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



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**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF NET POSITION**  
 JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 33,003,779	\$ 25,328,903	\$ 58,332,682
Receivables, net where applicable of allowances for uncollectibles	17,362,891	5,498,191	22,861,082
Loan receivables	3,073,419	-	3,073,419
Property held for resale	324,320	-	324,320
Internal balances	152,304	(152,304)	-
Due from other governments	630,962	440,075	1,071,037
Prepaid items and deferred charges	187,138	121,419	308,557
Restricted assets:			
Cash and investments	8,784,738	9,571,719	18,356,457
Net pension asset	1,006,988	-	1,006,988
Capital assets:			
Capital assets, not being depreciated	7,083,061	34,247,907	41,330,968
Capital assets net of accumulated depreciation	158,177,099	111,583,251	269,760,350
Total assets	<u>229,786,699</u>	<u>186,639,161</u>	<u>416,425,860</u>
<b>Deferred Outflows of Resources</b>			
Deferred amount on refunding	820,443	350,227	1,170,670
Total Deferred Outflows of Resources	<u>820,443</u>	<u>350,227</u>	<u>1,170,670</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	4,756,041	4,036,964	8,793,005
Unearned revenue	129,298	-	129,298
Accrued interest payable	482,916	484,765	967,681
Noncurrent liabilities:			
Due within one year	6,262,359	2,752,820	9,015,179
Due in more than one year	76,410,441	66,097,857	142,508,298
Landfill closure and postclosure costs:			
Due within one year	-	73,500	73,500
Due in more than one year	-	5,248,443	5,248,443
Total liabilities	<u>88,041,055</u>	<u>78,694,349</u>	<u>166,735,404</u>
<b>Net Position</b>			
Net Investment in capital assets	164,614,446	77,684,858	242,299,304
Restricted for:			
Debt service	10,708,307	9,571,719	20,280,026
Capital projects	16,453,296	-	16,453,296
Loan programs	4,241,293	-	4,241,293
Economic development	1,603,420	-	1,603,420
Museum	485,925	-	485,925
Other purposes	2,703,795	-	2,703,795
Unrestricted (deficit)	(58,244,395)	21,038,462	(37,205,933)
Total net position	<u>\$ 142,566,087</u>	<u>\$ 108,295,039</u>	<u>\$ 250,861,126</u>

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities:							
General government	\$ 9,679,288	\$ 4,712,935	\$ 1,489,584	\$ -	\$ (3,476,769)	\$ -	\$ (3,476,769)
Public safety	26,855,874	936,478	1,525,104	357,945	(24,036,347)	-	(24,036,347)
Highways and streets	17,057,575	246,169	216,191	117,293	(16,477,922)	-	(16,477,922)
Public works	235,620	206,290	-	-	(29,330)	-	(29,330)
Health and welfare	4,850,675	539,526	1,238,063	-	(3,073,086)	-	(3,073,086)
Parks and recreation	7,363,194	1,781,041	-	85,556	(5,496,597)	-	(5,496,597)
Interest on long-term debt	3,192,158	-	-	-	(3,192,158)	-	(3,192,158)
Total governmental activities	<u>69,234,384</u>	<u>8,422,439</u>	<u>4,468,942</u>	<u>560,794</u>	<u>(55,782,209)</u>	<u>-</u>	<u>(55,782,209)</u>
Business-type activities:							
Aviation services	1,190,984	384,248	-	137,167	-	(669,569)	(669,569)
Parking services	353,047	327,267	-	-	-	(25,780)	(25,780)
Sewer services	16,896,135	19,861,888	405,640	365,179	-	3,736,572	3,736,572
Golf services	901,488	802,264	-	-	-	(99,224)	(99,224)
Transit services	5,584,803	343,364	1,691,907	-	-	(3,549,532)	(3,549,532)
Landfill services	2,677,926	2,912,969	-	-	-	235,043	235,043
Total business-type activities	<u>27,604,383</u>	<u>24,632,000</u>	<u>2,097,547</u>	<u>502,346</u>	<u>-</u>	<u>(372,490)</u>	<u>(372,490)</u>
Total primary government	<u>\$ 96,838,767</u>	<u>\$ 33,054,439</u>	<u>\$ 6,566,489</u>	<u>\$ 1,063,140</u>	<u>(55,782,209)</u>	<u>(372,490)</u>	<u>(56,154,699)</u>
General revenues:							
Property taxes					13,221,988	-	13,221,988
Sales taxes					28,100,006	4,373,653	32,473,659
Franchise taxes					6,923,106	1,272,415	8,195,521
Motor fuel taxes					3,542,417	-	3,542,417
Cigarette taxes					395,181	-	395,181
Hotel taxes					856,089	-	856,089
Intergovernmental activity taxes					4,325,026	-	4,325,026
Unrestricted investment revenues					651,729	212,997	864,726
Gain on sale of capital assets					65,877	-	65,877
Transfers in (out)					2,189,564	(2,189,564)	-
Total general revenues and transfers					<u>60,270,983</u>	<u>3,669,501</u>	<u>63,940,484</u>
Change in net position					4,488,774	3,297,011	7,785,785
Net position - beginning					138,077,313	104,998,028	243,075,341
Net position - ending					<u>\$ 142,566,087</u>	<u>\$ 108,295,039</u>	<u>\$ 250,861,126</u>

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

**CITY OF ST. JOSEPH, MISSOURI**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 10,115,561	\$ 1,766,711	\$ 16,173,243	\$ 3,766,849	\$ 31,822,364
Receivables	5,841,951	8,336,173	1,567,017	1,617,750	17,362,891
Loan receivables	-	-	-	3,073,419	3,073,419
Property held for resale	-	-	-	324,320	324,320
Due from other funds	-	-	518,664	-	518,664
Due from other governments	170,148	-	6,510	454,304	630,962
Prepaid items	127,450	-	-	59,688	187,138
Restricted cash and investments	195,895	8,588,843	-	-	8,784,738
<b>Total assets</b>	<b>\$ 16,451,005</b>	<b>\$ 18,691,727</b>	<b>\$ 18,265,434</b>	<b>\$ 9,296,330</b>	<b>\$ 62,704,496</b>
<b>Liabilities And Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,067,341	\$ 241,409	\$ 1,312,138	\$ 757,731	\$ 3,378,619
Due to other funds	-	-	-	510,218	510,218
Accrued payroll	1,361,443	-	-	15,979	1,377,422
Unearned revenue	129,298	-	-	-	129,298
<b>Total liabilities</b>	<b>2,558,082</b>	<b>241,409</b>	<b>1,312,138</b>	<b>1,283,928</b>	<b>5,395,557</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues-property taxes	444,946	-	-	54,909	499,855
Unavailable revenues-special assessments	5,369	-	-	-	5,369
Unavailable revenues-other	-	7,454,990	500,000	170,709	8,125,699
<b>Total deferred inflows of resources</b>	<b>450,315</b>	<b>7,454,990</b>	<b>500,000</b>	<b>225,618</b>	<b>8,630,923</b>
<b>Fund balances:</b>					
Nonspendable	127,450	-	-	59,688	187,138
Restricted	1,503,232	10,995,328	16,453,296	7,727,096	36,678,952
Committed	1,262,220	-	-	-	1,262,220
Assigned	3,712,053	-	-	-	3,712,053
Unassigned	6,837,653	-	-	-	6,837,653
<b>Total fund balances</b>	<b>13,442,608</b>	<b>10,995,328</b>	<b>16,453,296</b>	<b>7,786,784</b>	<b>48,678,016</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 16,451,005</b>	<b>\$ 18,691,727</b>	<b>\$ 18,265,434</b>	<b>\$ 9,296,330</b>	<b>\$ 62,704,496</b>

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

**CITY OF ST. JOSEPH, MISSOURI**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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

Fund balances – total governmental funds	\$ 48,678,016
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	165,260,160
Deferred charges on refunding are not due and payable in the current period, and therefore, are not reported in the funds.	820,443
The net pension asset is not an available resource and, therefore, is not reported in the funds.	1,006,988
Long-term assets are not available to pay for current period expenditures and are therefore reported as unavailable revenues in the fund statements.	8,630,923
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when due.	(482,916)
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Fund is included in the governmental activities in the statement of net position.	(126,819)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(81,220,708)</u>
Net position of governmental activities	<u><u>\$ 142,566,087</u></u>

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

**CITY OF ST. JOSEPH, MISSOURI**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2014

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes:					
Property	\$ 11,477,085	\$ 603,777	\$ -	\$ 1,206,225	\$ 13,287,087
Sales	17,028,640	2,728,706	5,646,088	2,696,572	28,100,006
Franchise	6,923,106	-	-	-	6,923,106
Motor Fuel and other	900,794	-	-	2,641,623	3,542,417
Cigarette	395,181	-	-	-	395,181
Hotel	856,089	-	-	-	856,089
Intergovernmental activity	-	4,325,026	-	-	4,325,026
Licenses and permits	1,397,060	-	-	95,086	1,492,146
Intergovernmental	2,354,062	-	475,238	1,775,259	4,604,559
Charges for services	3,029,204	800	-	1,138,516	4,168,520
Fines	1,251,520	-	-	-	1,251,520
Special assessments	-	-	-	68,741	68,741
Investment earnings	21,305	552,030	17,461	59,792	650,588
Contributions and donations	49,033	-	99,305	-	148,338
Other	288,194	831,731	45,011	608,835	1,773,771
Total revenues	45,971,273	9,042,070	6,283,103	10,290,649	71,587,095
<b>Expenditures</b>					
Current:					
General government	6,788,573	743,518	-	1,560,734	9,092,825
Public safety	24,466,592	-	-	-	24,466,592
Highways and streets	5,780,735	-	-	3,172,929	8,953,664
Public works	-	-	-	235,200	235,200
Health and welfare	3,274,307	-	-	1,402,742	4,677,049
Parks and recreation	4,752,167	-	-	903,952	5,656,119
Debt Service:					
Principal	284,304	4,953,522	-	-	5,237,826
Interest and fiscal charges	81,375	2,891,818	-	-	2,973,193
Capital outlay	27,793	-	6,002,235	3,310,618	9,340,646
Total expenditures	45,455,846	8,588,858	6,002,235	10,586,175	70,633,114
Excess (deficiency) of revenues over expenditures	515,427	453,212	280,868	(295,526)	953,981
<b>Other financing sources (uses)</b>					
Transfers in	4,404,792	5,998	673,599	3,186,076	8,270,465
Transfers out	(3,356,932)	-	-	(2,203,069)	(5,560,001)
Sale of capital assets	2,709	-	-	118,356	121,065
Total other financing sources (uses), net	1,050,569	5,998	673,599	1,101,363	2,831,529
Net change in fund balances	1,565,996	459,210	954,467	805,837	3,785,510
Fund balances - beginning	11,876,612	10,536,118	15,498,829	6,980,947	44,892,506
Fund balances - ending	\$ 13,442,608	\$ 10,995,328	\$ 16,453,296	\$ 7,786,784	\$ 48,678,016

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

**CITY OF ST. JOSEPH, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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

Net changes in fund balances – total governmental funds	\$ 3,785,510
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	
Capital outlay	6,891,214
Depreciation	<u>(10,776,622)</u>
	(3,885,408)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations)	(55,188)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(120,519)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Principal payments	5,237,826
Debt issuance costs and related amortization	(95,097)
Developer obligation	(244,026)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Accrued interest	(123,868)
Compensated absences and OPEB obligations	(229,249)
Change in pension net asset	6,988
Internal Service Funds are used by management to charge the costs of self-insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with the governmental activities.	<u>211,805</u>
Change in net position of governmental activities	<u>\$ 4,488,774</u>

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	Sewer	Mass Transit	Other Enterprise Funds	Total	Internal Service Fund
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 3,787,783	\$ 12,968,424	\$ 8,572,696	\$ 25,328,903	\$ 1,181,415
Restricted cash and cash equivalents	2,300,154	-	-	2,300,154	-
Interest receivable	1,574	2,203	1,456	5,233	-
Accounts receivable (net of allowance for uncollectibles)	4,269,389	972,741	250,828	5,492,958	-
Due from other governments	437,564	2,511	-	440,075	-
Prepaid items	87,241	6,251	27,927	121,419	-
Total current assets	10,883,705	13,952,130	8,852,907	33,688,742	1,181,415
Noncurrent assets:					
Restricted cash and investments	7,271,565	-	-	7,271,565	-
Capital assets:					
Capital assets, not being depreciated:	28,684,720	189,134	5,374,053	34,247,907	-
Capital assets net of accumulated depreciation:	90,889,052	3,328,556	17,365,643	111,583,251	-
Total capital assets (net of accumulated depreciation)	119,573,772	3,517,690	22,739,696	145,831,158	-
Total noncurrent assets	126,845,337	3,517,690	22,739,696	153,102,723	-
Total assets	\$ 137,729,042	\$ 17,469,820	\$ 31,592,603	\$ 186,791,465	\$ 1,181,415
<b>Deferred Outflows of Resources</b>					
Deferred amount on refunding	350,227	-	-	350,227	-
Total Deferred Outflows of Resources	350,227	-	-	350,227	-
<b>Liabilities and Net Position</b>					
Current liabilities:					
Accounts payable	\$ 3,283,947	\$ 126,131	\$ 405,865	\$ 3,815,943	-
Due to other funds	-	-	8,446	8,446	-
Claims payable	-	-	-	-	\$ 647,878
Accrued payroll	145,680	-	75,341	221,021	-
Accrued interest payable	484,657	-	108	484,765	-
Long-term obligations due in one year	2,624,826	-	127,994	2,752,820	-
Landfill closure and postclosure liability	-	-	73,500	73,500	-
Total current liabilities	6,539,110	126,131	691,254	7,356,495	647,878
Noncurrent liabilities:					
Claims	-	-	-	-	804,214
Long-term obligations due in more than one year (net of unamortized discounts and deferred amount on refunding)	65,842,337	-	255,520	66,097,857	-
Landfill closure and postclosure liability	-	-	5,248,443	5,248,443	-
Total noncurrent liabilities	65,842,337	-	5,503,963	71,346,300	804,214
Total liabilities	72,381,447	126,131	6,195,217	78,702,795	1,452,092
<b>Net Position</b>					
Net Investment in capital assets	51,668,325	3,517,690	22,498,843	77,684,858	-
Restricted for debt service	9,571,719	-	-	9,571,719	-
Unrestricted (deficit)	4,457,778	13,825,999	2,898,543	21,182,320	(270,677)
Total net position	\$ 65,697,822	\$ 17,343,689	\$ 25,397,386	108,438,897	\$ (270,677)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(143,858)	
Net position of business-type activities				\$ 108,295,039	

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Sewer	Mass Transit	Other Enterprise Funds	Total	Total Internal Service Fund
Operating revenues:					
Charges for services	\$ 19,715,364	\$ 313,031	\$ 4,353,554	\$ 24,381,949	\$ 1,041,219
Other	146,524	30,333	73,194	250,051	-
Total operating revenues	19,861,888	343,364	4,426,748	24,632,000	1,041,219
Operating expenses:					
Personal services	3,947,901	5,656	2,030,939	5,984,496	-
Contractual services	5,684,890	4,371,928	811,270	10,868,088	809,841
Commodities	716,711	542,633	655,769	1,915,113	-
Heat, light and power	1,507,094	33,094	171,229	1,711,417	-
Depreciation	3,658,093	631,492	1,401,908	5,691,493	-
Closure and postclosure care costs	-	-	34,847	34,847	-
Total operating expenses	15,514,689	5,584,803	5,105,962	26,205,454	809,841
Operating income (loss)	4,347,199	(5,241,439)	(679,214)	(1,573,454)	231,378
Nonoperating revenues (expenses):					
Intergovernmental and other	405,640	1,691,907	-	2,097,547	-
Sales taxes	-	4,373,653	-	4,373,653	-
Franchise taxes	-	1,272,415	-	1,272,415	-
Investment income	190,199	12,126	10,672	212,997	1,141
Interest and fiscal charges	(1,398,836)	-	(9,623)	(1,408,459)	-
Gain (loss) on disposal of capital assets	-	-	(11,184)	(11,184)	-
Total nonoperating revenues (expenses), net	(802,997)	7,350,101	(10,135)	6,536,969	1,141
Income (loss) before capital contributions and transfers	3,544,202	2,108,662	(689,349)	4,963,515	232,519
Capital contributions and grants	365,179	-	658,067	1,023,246	-
Transfers in	3,250	-	288,035	291,285	-
Transfers out	(1,606,676)	(151,378)	(1,243,695)	(3,001,749)	-
Change in net position	2,305,955	1,957,284	(986,942)	3,276,297	232,519
Total net position - beginning	63,391,867	15,386,405	26,384,328		(503,196)
Total net position - ending	\$ 65,697,822	\$ 17,343,689	\$ 25,397,386		\$ (270,677)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				20,714	
Change in net position of business-type activities				\$ 3,297,011	

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 20,031,375	\$ 185,437	\$ 4,382,536	\$ 24,599,348	\$ 1,041,219
Payments to suppliers	(10,826,074)	(5,057,677)	(1,594,402)	(17,478,153)	(920,659)
Payments to employees	(3,901,350)	(5,656)	(2,004,052)	(5,911,058)	-
Other operating revenues	146,524	30,333	73,194	250,051	-
Net cash provided (used) by operating activities	5,450,475	(4,847,563)	857,276	1,460,188	120,560
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund advances	-	-	(19,119)	(19,119)	-
Intergovernmental grants	447,050	1,785,867	-	2,232,917	-
Taxes received	-	5,646,068	-	5,646,068	-
Transfers in	3,250	-	288,035	291,285	-
Transfers out	(1,606,676)	(151,378)	(1,243,695)	(3,001,749)	-
Net cash provided (used) by noncapital financing activities	(1,156,376)	7,280,557	(974,779)	5,149,402	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Bond Proceeds	13,981,462	-	-	13,981,462	-
Payments of debt principal	(2,407,585)	-	(101,226)	(2,508,811)	-
Payments of debt interest and charges	(1,354,363)	-	(6,971)	(1,361,334)	-
Capital grants received	-	-	152,619	152,619	-
Purchase of capital assets	(17,173,492)	-	(186,987)	(17,360,479)	-
Net cash provided (used) by capital and related financing activities	(6,953,978)	-	(142,565)	(7,096,543)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	(5,762,422)	(2,384,285)	(7,496,652)	(15,643,359)	(1,262,265)
Purchase of investments	8,131,667	-	7,524,066	15,655,733	1,036,902
Interest and dividends received	190,718	12,549	11,401	214,668	1,141
Net cash provided (used) by investing activities	2,559,963	(2,371,736)	38,815	227,042	(224,222)
Net increase (decrease) in cash and cash equivalents	(99,916)	61,258	(221,253)	(259,911)	(103,662)
Cash and cash equivalents - beginning	1,233,227	1,525,066	1,269,883	4,028,176	248,175
Cash and cash equivalents - ending	1,133,311	1,586,324	1,048,630	3,768,265	144,513
Investments	12,226,191	11,382,100	7,524,066	31,132,357	1,036,902
Total cash and investments	\$ 13,359,502	\$ 12,968,424	\$ 8,572,696	\$ 34,900,622	\$ 1,181,415
Cash and investments reported on the Statement of Net Position:					
Unrestricted cash and investments	\$ 3,787,783	\$ 12,968,424	\$ 8,572,696	\$ 25,328,903	\$ 1,181,415
Restricted cash and investments	9,571,719	-	-	9,571,719	-
Total cash and investments	\$ 13,359,502	\$ 12,968,424	\$ 8,572,696	\$ 34,900,622	\$ 1,181,415

(continued)

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 4,347,199	\$ (5,241,439)	\$ (679,214)	\$ (1,573,454)	\$ 231,378
Adjustments to reconciliation operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	3,658,093	631,492	1,401,908	5,691,493	-
Landfill closure and postclosure	-	-	(142,815)	(142,815)	-
Changes in operating assets and liabilities:					
Accounts and other receivables	316,011	(127,594)	28,982	217,399	-
Prepaid expenses	(15,383)	(2,092)	15,680	(1,795)	-
Accounts payable and contracts/claims payable	(2,901,996)	(107,930)	205,848	(2,804,078)	(6,506)
Accrued payroll and compensated absences	46,551	-	26,887	73,438	-
Net cash provided (used) by operating activities	<u>\$ 5,450,475</u>	<u>\$ (4,847,563)</u>	<u>\$ 857,276</u>	<u>\$ 1,460,188</u>	<u>\$ 224,872</u>
<b>Non-cash capital and financing activities:</b>					
Capital contributions	\$ 365,179	\$ -	\$ 520,900	\$ 886,079	\$ -
Assets acquired under capital leases	\$ -	\$ -	\$ 209,000	\$ 209,000	\$ -

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
 JUNE 30, 2014

	Pension Trust Fund	Total Agency Funds
	Police Pension	
<b>Assets:</b>		
Cash and cash equivalents	\$ -	\$ 58,057
Investments:		
Other debt securities	12,661,753	-
Corporate stock	24,098,862	-
Receivables:		
Taxes	-	258,043
Contributions	70,036	-
Accrued interest	145,527	-
Total assets	<u>36,976,178</u>	<u>316,100</u>
<b>Liabilities:</b>		
Accounts payable	3,943	-
Due to others	-	316,100
Total liabilities	<u>3,943</u>	<u>\$ 316,100</u>
<b>Net Position Restricted for Pension benefits</b>	<u>\$ 36,972,235</u>	

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2014

	Pension Trust Fund Police Pension
<b>Additions:</b>	
Member contributions	\$ 219,628
Employer contributions	1,752,686
Interest and dividends	1,071,608
Net appreciation in fair value of investments	4,377,415
Less investment expenses	(73,017)
Total additions	<u>7,348,320</u>
<b>Deductions:</b>	
Benefit payments	2,083,418
Refunds of contributions	4,117
Administrative expenses	67,737
Total deductions	<u>2,155,272</u>
Net change in net position	5,193,048
<b>Net position restricted for pension benefits</b>	
Beginning of year	<u>31,779,187</u>
End of year	<u>\$ 36,972,235</u>

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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

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

**A. Reporting Entity**

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

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

In accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement 14, “The Financial Reporting Entity”, GASB Statement 39, “Determining Whether Certain Organizations are Component Units – an amendment to GASB Statement 14” and Statement No. 61 “The Financial Reporting Entity: Omnibus on an amendment of GASB Statements No. 14 and No. 34”, an evaluation is made of organizations to determine whether they are within the scope of the “primary government” or whether they are a component unit of the government. Primary governments are financially accountable for organizations that make up their legal entity, for legally separate organizations (if certain criteria are met) and for organizations that are fiscally dependent upon the government. Generally, component units are presented discretely within the financial statements of the primary government; unless certain criteria are met in which case they are blended.

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

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

The financial statements of the City include all funds and agencies which are controlled by or dependent on the City’s executive and legislative branches, the City Manager and City Council, respectively. Control by, or dependence on the City was determined on the basis of budget adoption,

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

taxing authority, outstanding debt secured by revenues or general obligations of the City, obligations of the City to finance any deficits which may occur, or receipt of significant subsidies from the City. These criteria were used to determine that the following organization was to be included in the City's financial statements:

#### **Blended Component Units:**

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

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

No separately issued financial statements are prepared for the Commission and the Authority.

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

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

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

# CITY OF ST. JOSEPH, MISSOURI

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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

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

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

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

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

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

The City reports the following major governmental funds:

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

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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

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

The City reports the following major proprietary funds:

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

The *Mass Transit Fund* accounts for the operations of the City-wide bus system. The operations are funded by user charges, 1% utility franchise fees, a 3/8th cent (\$.0375) transit sales tax and Federal Transit Administration operating and capital grants.

Additionally, the City reports the following fund types:

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

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

The *Agency Funds* are used to account for assets held by the City as an agent for the Gateway TDD, Cooks Crossing CID, East Hills CID, Commons CID, Beck Road CID, and Library Tax Fund. Agency funds report assets and liabilities and use the accrual basis of accounting to recognize receivables and payables.

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

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

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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

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

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

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

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

#### **E. Receivables**

All trade receivables are shown net of an allowance for uncollectibles as determined by management based on a review of outstanding accounts and prior history of uncollectible accounts.

#### **F. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation. Balances in prepaid items at June 30, 2014, are the premiums paid to various companies for general liability insurance, auto liability, boiler and machinery, crime, and other insurance for coverage effective July 1, 2014. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### **G. Property Held for Resale**

The City has acquired various properties through the federal Neighborhood Stabilization Grant Program, Community Development Block Grant program, and private donation. The purpose of the federal program is to purchase foreclosed or abandoned properties and provide rehabilitation funding for properties to eventually be sold to revitalize older neighborhoods. The properties have been included as property held for resale in the Community Development Block Grant Fund.

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

#### **H. Restricted Assets**

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

#### **I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported in the government-wide and proprietary fund statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items, which arises under the accrual and modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental activities statement of net position and the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, wastewater improvement agreement and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **J. Capital Assets**

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

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense and fiscal charges incurred by the Sewer fund during the current fiscal year was \$2,864,507. Of this amount, \$1,465,671 was included as part of the cost of capital assets under construction in connection with Sewer fund construction projects.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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

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

- Computer equipment	3 years
- Motor vehicles and motorized equipment	5 years
- Furniture, machinery and equipment	10 years
- Buildings and improvements	30 years
- Sewer treatment plant	50 years
- Streets Infrastructure	25 years
- Sewer Infrastructure	40 years
- Bridge Infrastructure	50 years

**K. Compensated Absences**

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

Vacation leave is earned at the following rates:

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

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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

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

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

#### **L. Property Tax Revenue Recognition**

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

#### **M. Interfund Activity**

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

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

#### **N. Net Position/Fund Balance**

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

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

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

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

*Unrestricted* – This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

#### Fund Balances

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

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

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

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

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

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

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

The City strives to develop and maintain a diversified and reliable revenue stream so as to avoid becoming overly dependent on any single source of revenue. Efforts are directed to optimize existing revenue sources while periodically reviewing potential new revenue sources. The City is to utilize the restricted fund balance for a specific purpose prior to unrestricted fund balance when

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

more than one fund balance resource is required. Unrestricted fund balance will be maintained for necessary and unexpected expenditures. The City will consent to committed amounts first followed by assigned funds before allocating unassigned net resources when more than one unrestricted resource is required.

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

***O. Use of Estimates***

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

**P. Deficit Net position**

The following Funds had a deficit fund balance/net position at June 30, 2014 that will be eliminated by future revenues or transfers:

<b>Internal Service Funds</b>	
Worker's Compensation	\$270,677

**Q. Reclassifications**

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

**NOTE 2: CASH DEPOSITS AND INVESTMENTS**

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
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Collateralized time deposits and United States Treasury and Agency securities with maturities of one year or less when purchased are reported on the balance sheet at their cost. All other investments are reported at fair value.

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

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

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

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

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

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

	<b>Balance June 30, 2014</b>
Cash on hand	\$ 23,235
Cash Deposit in Bank	6,876,376
Investments held by Trustee (Bond Reserves)	12,879,261
US Agency Securities	53,988,324
Certificate of Deposits	2,980,000
Police Pension Trust:	
Investments	36,760,615
	<u>36,760,615</u>
	<u>\$ 113,507,811</u>

	<b>Government- wide Statement of Net Position</b>	<b>Fiduciary Funds Statement of Net Position</b>	<b>Total</b>
Unrestricted – cash and investments	\$ 58,332,682	\$ 58,057	\$ 58,390,739
Restricted – cash and investments	18,356,457	—	18,356,457
Police Pension – cash and investments	—	36,760,615	36,760,615
Total	<u>\$ 76,689,139</u>	<u>\$ 36,818,672</u>	<u>\$ 113,507,811</u>

Investments for the City of St. Joseph, Missouri are as follows for the year ended June 30, 2014

	Investment Maturities (in years)		
	Cost	Fair Value	Less Than 1
Investment type:			
Debt Securities			
US Agency Securities	\$ 53,988,324	\$ 53,988,324	\$ 53,988,324
Total	<u>\$ 53,988,324</u>	<u>\$ 53,988,324</u>	<u>\$ 53,988,324</u>

Investments for the Police Pension fund are as follows for the year ended June 30, 2014:

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

	Investment Maturities (in years)			
	Fair Value	Less Than 1	1 - 5	6 - 10
Investment type:				
Debt Securities				
US Agencies	\$ 2,095,853	\$ -	\$ 2,095,853	\$ -
US Treasuries	1,835,073	-	1,835,073	-
Muni Obligations	104,222	-	104,222	-
Foreign debt	225,475	127,024	98,451	-
Corporate debt	8,401,130	1,368,176	6,243,922	789,032
	<u>12,661,753</u>	<u>\$ 1,495,200</u>	<u>\$ 10,377,521</u>	<u>\$ 789,032</u>
Other Investments:				
Corporate stock	<u>24,098,862</u>			
Total	<u>\$ 36,760,615</u>			

**Custodial Credit Risk** – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City has no formal policy relating to custodial credit risk for deposits. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2014, the bank deposits are insured by federal depository insurance and collateral securities held by the City’s agent in the name of the City. All U.S. Agency securities were insured through the broker-dealers’ membership in the Securities Investor Protection Corporation (SIPC) and through surety bonds purchased by them from private insurance companies. Investments are reported at fair value based upon quoted market prices at the valuation date, except for the U.S. Agency securities discussed above which are recorded at cost due to their short-term nature.

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

Investment theory and historical capital market return data suggests that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. Given this relationship between risk and return, the investment

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

objective of the Police Pension Fund is to produce attractive investment returns from income and capital appreciation consistent with the moderate level of risk taken in the portfolio. This is a goal of relatively stable returns over the longer term, with some potential of negative returns in any given year. According to the Police Pension fund investment policy statement, the average maturity of the portfolio’s fixed income component will not exceed 10 years.

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

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

Investment type:	Cost	Fair Value	Quality Ratings
			AA
Debt Securities			
US Agency Securities	\$ 53,988,324	\$ 53,988,324	\$ 53,988,324
Total	\$ 53,988,324	\$ 53,988,324	\$ 53,988,324

The Police Pension fund follows the prudent person rule with certain fixed income securities portfolio constraints. According to the Police Pension fund investment policy statement only “investment grade” debt securities will be held in the portfolio.

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

Investment type:	Fair Value	Quality Ratings			
		AAA	AA	A	BAA
Debt Securities					
US Agencies	\$ 2,095,853	\$ 713,961	\$ —	\$ 1,381,892	\$ —
US Treasuries	1,835,073	1,835,073	—	—	—
Muni Obligations	104,222	—	104,222	—	—
Foreign Debt	225,475	—	225,475	—	—
Corporate debt	8,401,130	558,447	1,211,447	4,416,423	2,214,813
	12,661,753	\$ 3,107,481	\$ 1,541,144	\$ 5,798,315	\$ 2,214,813
Other Investments:					
Corporate stock	24,098,862				
Total	\$ 36,760,615				

**CITY OF ST. JOSEPH, MISSOURI**

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

	Carrying Value	Concentration
Federal Home Loan Bank	\$ 17,996,136	33%
Federal National Mortgage Association	18,995,842	35%
Federal Farm Credit	16,996,346	32%
	<u>\$ 53,988,324</u>	<u>100%</u>

The Police Pension Board established asset allocation guidelines in its investment policy statement to achieve the long term investment objectives. The asset allocation mix should be maintained as follows: 1) Equity investments will range between a maximum of 60%, and a minimum of 40% of the total portfolio within the total equity exposure. 2) Investments in international securities may comprise up to 15% of the total portfolio value. 3) Fixed income investments will range between a maximum of 60% and a minimum of 40% of the total portfolio. 4) Cash investments will range between 0% and 20%, of the total portfolio. 5) Convertible securities may represent attractive investment alternatives and limited to 10% of the portfolio value. To ensure diversification of the fixed income securities, credit exposure to any individual issuer, other than the U.S. Government, shall not exceed 10% of the total fixed income portfolio assets.

<b>NOTE 3: RECEIVABLES</b>
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The City property taxes are levied as of August 21 based on the assessed valuation of real and personal property located in the City as of the preceding January 1, the assessment date. Taxes so levied become an immediate and continuing lien on the property until paid. Real estate taxes remaining unpaid for two years are submitted to the Buchanan County tax sale for collection through foreclosure proceedings.

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

	Real Property	Personal Property
Assessment date	January 1	January 1
Levy date	August 21	August 21

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

Lien date	When levied	When levied
Billing date	November 1	November 1
Due date	December 31	December 31
Delinquent date	January 1	January 1

The City's 2013 property tax rate was \$1.55 per \$100 valuation (\$1.14 per \$100 valuation in areas annexed effective December 30, 1972.) An additional special assessment of \$.50 per \$100 assessed value of land only is levied in the Park District for park maintenance and repair. The tax levy is as follows:

Tax Year/Fiscal Year	2013/2014	2012/2013
City:		
General Fund	\$ .60	\$ .60
Public Safety	.07	.07
Parks & Recreation	.20	.20
Public Health	.22	.22
Library	.41	.41
Museum	.05	.05
Business District	.00	.00
Special Park	.50	.50

As required by RSMo 137.073, the State Auditor examined and approved the property tax rates for 2013 which comply with Article X, Section 22 of the Missouri Constitution.

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

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

The assessed valuation of all tangible taxable property for the 2013 and 2012 levies were as follows:

Tax Year/ Fiscal Year	<u>2013 / 2014</u>	<u>2012 / 2013</u>	<u>Change</u>	<u>Percent of Change</u>
Real Property	\$ 690,096,070	\$ 684,119,900	\$ 5,976,170	1%
Personal Property	238,273,971	238,786,047	(512,076)	(1)%
Railroad Utilities	39,726,869	31,627,175	8,099,694	1.25%
Total	<u>\$ 968,096,910</u>	<u>\$ 954,533,122</u>	<u>\$ 13,563,788</u>	<u>1%</u>

Receivables as of June 30, 2014, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Accounts and Other</u>	<u>Accrued Interest</u>	<u>Taxes</u>	<u>Total Receivables</u>	<u>Allowance for Doubtful Accounts</u>	<u>Receivables, Net</u>
Governmental activities:						
General	\$ 620,262	\$ 32,846	\$ 5,188,843	\$ 5,841,951	\$ -	\$ 5,841,951
Special Allocation	7,744,516	81	591,576	8,336,173	-	8,336,173
CIP Sales Tax	605,884	763	960,370	1,567,017	-	1,567,017
Nonmajor governmental funds	213,911	1,462	1,402,377	1,617,750	-	1,617,750
Total governmental activities	<u>9,184,573</u>	<u>35,152</u>	<u>8,143,166</u>	<u>17,362,891</u>	<u>-</u>	<u>17,362,891</u>
Business-type activities:						
Sewer	5,454,389	1,574	-	5,455,963	(1,185,000)	4,270,963
Mass Transit	26,464	2,203	946,277	974,944	-	974,944
Nonmajor enterprise funds	250,828	1,456	-	252,284	-	252,284
Total business-type activities	<u>5,731,681</u>	<u>5,233</u>	<u>946,277</u>	<u>6,683,191</u>	<u>(1,185,000)</u>	<u>5,498,191</u>
Total Net Receivables	<u>\$ 14,916,254</u>	<u>\$ 40,385</u>	<u>\$ 9,089,443</u>	<u>\$ 24,046,082</u>	<u>\$ (1,185,000)</u>	<u>\$ 22,861,082</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

<b>NOTE 4: CAPITAL ASSETS</b>
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Capital asset activity for the year ended June 30, 2014 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,857,523	\$ 166,821	\$ 8,000	\$ 6,016,344
Construction in progress	1,794,907	1,880,634	2,608,824	1,066,717
Total capital assets, not being depreciated	7,652,430	2,047,455	2,616,824	7,083,061
Capital assets, being depreciated:				
Buildings	45,594,082	1,046,361	109,890	46,530,553
Improvements other than buildings	36,261,362	455,367	15,000	36,701,729
Machinery and equipment	21,846,382	3,108,203	944,731	24,009,854
Office Equipment and Furniture	3,632,293	2,411,726	2,298	6,041,721
Infrastructure	268,276,106	430,926	—	268,707,032
Total capital assets being depreciated	375,610,225	7,452,583	1,071,919	381,990,889
Less accumulated depreciation for:				
Buildings	23,129,558	1,106,492	103,075	24,132,975
Improvements other than buildings	10,553,665	1,132,365	15,000	11,671,030
Machinery and equipment	18,800,705	1,390,451	904,358	19,286,798
Office Equipment and Furniture	2,623,639	452,256	2,298	3,073,597
Infrastructure	158,954,332	6,695,058	—	165,649,390
Total accumulated depreciation	214,061,899	10,776,622	1,024,731	223,813,790
Total capital assets, being depreciated, net	161,548,326	(3,324,039)	47,188	158,177,099
<b>Total Governmental activities capital assets, net</b>	<b>\$ 169,200,756</b>	<b>\$ (1,276,584)</b>	<b>\$ 2,664,012</b>	<b>\$ 165,260,160</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
<b>Sewer fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,727,241	\$ 730,558	\$ —	\$ 2,457,799
Construction in progress	37,671,453	16,168,642	27,613,174	26,226,921
Total capital assets, not being depreciated	39,398,693	16,899,200	27,613,174	28,684,720
Capital assets, being depreciated:				
Buildings	30,165,760	26,931,479	—	57,097,239
Improvements other than buildings	23,713,159	—	—	23,713,159
Machinery and equipment	12,403,401	479,677	305,086	12,577,992
Office Equipment and Furniture	31,666	825,689	3,687	853,668
Infrastructure	66,718,710	15,800	—	66,734,510
Total capital assets being depreciated	133,032,696	28,252,645	308,773	160,976,568
Less accumulated depreciation for:				
Buildings	19,341,363	1,210,705	—	20,552,068
Improvements other than buildings	5,245,085	768,116	—	6,013,201
Machinery and equipment	10,659,434	667,949	305,086	11,022,297
Office Equipment and Furniture	30,164	122,167	3,687	148,644
Infrastructure	31,462,150	889,156	—	32,351,306
Total accumulated depreciation	66,738,196	3,658,093	308,773	70,087,516
Total capital assets, being depreciated, net	66,294,500	24,594,552	—	90,889,052
<b>Total sewer fund capital assets, net</b>	\$ 105,693,193	\$ 41,493,752	27,613,174	\$ 119,573,772
<b>Mass Transit fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 189,134	\$ —	\$ —	\$ 189,134
Construction in Progress	—	—	—	—
Total capital assets, not being depreciated	189,133	—	—	189,134
Capital assets, being depreciated:				
Buildings	4,504,512	—	—	4,504,512
Improvements other than buildings	103,532	—	—	103,532
Machinery and equipment	970,607	—	—	970,607
Office Equipment and Furniture	5,540,236	—	—	5,540,236
Total capital assets being depreciated	11,118,888	—	—	11,118,887
Less accumulated depreciation for:				
Buildings	2,072,391	147,585	—	2,219,976
Improvements other than buildings	48,913	2,061	—	50,974
Machinery and equipment	232,886	305,010	—	537,896
Office Equipment and Furniture	4,804,649	176,836	—	4,981,485
Total accumulated depreciation	7,158,839	631,492	—	7,790,331
Total capital assets, being depreciated, net	3,960,049	(631,492)	—	3,328,556
<b>Total mass transit fund capital assets, net</b>	\$ 4,149,182	\$ (631,492)	\$ —	\$ 3,517,690

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Nonmajor enterprise funds:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,318,796	\$ —	\$ —	\$ 5,318,796
Construction in Progress	35,871	139,640	120,254	55,257
Total capital assets, not being depreciated	<u>5,354,667</u>	<u>139,640</u>	<u>120,254</u>	<u>5,374,053</u>
Capital assets, being depreciated:				
Buildings	10,023,385	—	—	10,023,385
Improvements other than buildings	11,613,661	616,416	—	12,230,077
Machinery and equipment	8,416,684	256,346	164,215	8,508,815
Office Equipment and Furniture	41,996	—	—	41,996
Infrastructure	<u>11,845,215</u>	<u>24,738</u>	<u>—</u>	<u>11,869,953</u>
Total capital assets being depreciated	<u>41,940,941</u>	<u>897,500</u>	<u>164,215</u>	<u>42,674,226</u>
Less accumulated depreciation for:				
Buildings	6,767,694	191,459	—	6,959,153
Improvements other than buildings	9,348,586	141,938	—	9,490,524
Machinery and equipment	6,736,867	651,723	153,032	7,235,558
Office Equipment and Furniture	37,006	1,996	—	39,002
Infrastructure	<u>1,169,554</u>	<u>414,792</u>	<u>—</u>	<u>1,584,346</u>
Total accumulated depreciation	<u>24,059,707</u>	<u>1,401,908</u>	<u>153,032</u>	<u>25,308,583</u>
Total capital assets, being depreciated, net	<u>17,881,234</u>	<u>(504,408)</u>	<u>11,183</u>	<u>17,365,643</u>
<b>Total nonmajor enterprise fund capital assets, net</b>	<u>23,235,901</u>	<u>(364,768)</u>	<u>131,437</u>	<u>22,739,696</u>
<b>Total business-type activities capital assets, net</b>	\$ <u>133,078,277</u>	\$ <u>40,497,492</u>	\$ <u>27,744,611</u>	\$ <u>145,831,158</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental activities:</b>	
General government	\$ 259,551
Public safety	1,770,335
Highways and streets	7,146,606
Health and welfare	163,137
Parks and recreation	<u>1,436,993</u>
Total depreciation expense – governmental activities	\$ <u>10,776,622</u>
<b>Business-type activities:</b>	
Sewer	\$ 3,658,093
Mass Transit	631,492
Non-major enterprise funds	<u>1,401,908</u>
Total depreciation expense – business-type activities	\$ <u>5,691,493</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

<b>NOTE 5: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS</b>
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Interfund receivable and payable balances consisting of fund allocations of pooled cash shortages and the Internal Service Allocation at June 30, 2014 are as follows:

	<b>Interfund receivables</b>	<b>Interfund payables</b>
Major governmental funds:		
CIP Sales Tax Improvement	\$ 518,664	\$ —
Nonmajor governmental funds	—	510,218
Nonmajor enterprise funds		8,446
Total	\$ 518,664	\$ 518,664

Interfund transfers consisted of the following amounts:

		Transfers To						
		General Fund	Special Allocation	CIP Sales Tax	Nonmajor Governmental	Sewer Fund	Nonmajor Business-type	Total
<b>Transfers From</b>	<b>Governmental Funds:</b>							
	General Fund	\$ -	\$ -	\$ 616,092	\$ 2,567,595	\$ -	\$ 173,245	\$ 3,356,932
	Nonmajor governmental	1,786,552	5,998	50,538	293,481		66,500	2,203,069
	<b>Enterprise Funds:</b>							
	Sewer	1,558,386	-	-			48,290	1,606,676
	Mass transit	151,378	-	-			-	151,378
	Nonmajor enterprise	908,476	-	6,969	325,000	3,250	-	1,243,695
Total	\$ 4,404,792	\$ 5,998	\$ 673,599	\$ 3,186,076	\$ 3,250	\$ 288,035	\$ 8,561,750	

Transfers are used to (1) move revenues from the fund that budgets or ordinance requires to collect them to the fund that budgets or ordinance requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the government-wide statement of activities, capital contributions totaling \$520,900 from governmental activities to business-type activities has been reclassified as transfers in and transfers out. Accordingly, transfers between governmental activities and business-type activities totaled \$2,189,564.

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

<b>NOTE 6: LONG-TERM LIABILITIES</b>
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Governmental Activities	Balance 07/01/13	Increases	Decreases	Balance 06/30/14	Current Portion
Public Building Authority Bonds	\$ 52,591	\$ -	\$ (52,591)	\$ -	\$ -
Industrial Development Authority Bonds	40,035,000	-	(1,845,000)	38,190,000	1,420,000
Infrastructure Facility Revenue Bonds	14,115,000	-	(1,070,000)	13,045,000	1,100,000
MO Development Finance Board Bonds	1,635,000	-	(120,000)	1,515,000	125,000
Discount on Issuance	(171,954)	-	14,105	(157,849)	-
Developer Obligations	27,946,881	244,026	(2,038,522)	26,152,385	1,300,000
Capital Lease Obligations	220,719	-	(111,713)	109,006	103,048
Compensated Absences *	1,495,006	2,323,400	(2,227,153)	1,591,253	1,566,433
OPEB Obligation*	642,911	133,002	-	775,913	-
Claims	1,556,404	553,711	(658,023)	1,452,092	647,878
<b>Total Governmental activities</b>					
<b>Long-term liabilities</b>	<b>\$ 87,527,558</b>	<b>\$ 3,254,139</b>	<b>\$ (8,108,897)</b>	<b>\$ 82,672,800</b>	<b>\$ 6,262,359</b>

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

<b>Business-type Activities</b>	<b>Balance 7/1/13</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 6/30/14</b>	<b>Current Portion</b>
<b>Water Protection Fund</b>					
Revenue Bonds	\$ 6,648,828	\$ 13,981,462	\$ (1,245,000)	\$ 19,385,290	\$ 1,315,000
Industrial Development Authority Bonds	20,410,000	-	-	20,410,000	-
Infrastructure Facility Revenue Bonds	21,325,000	-	(565,000)	20,760,000	580,000
MO Development Finance Board Bonds	8,290,000	-	(590,000)	7,700,000	600,000
Discount on Issuance	(102,816)	-	4,360	(98,456)	-
Premium on Issuance	99,399	-	(8,520)	90,879	-
Capital Leases	11,386	-	(3,425)	7,961	3,494
Compensated Absences	122,830	206,573	(203,071)	126,332	126,332
OPEB Obligation	69,652	15,505	-	85,157	-
<b>Total water protection fund</b>					
<b>Long-term liabilities</b>	<b>56,874,279</b>	<b>14,203,540</b>	<b>(2,610,656)</b>	<b>68,467,163</b>	<b>2,624,826</b>
<b>Nonmajor enterprise funds:</b>					
Public Building Authority Bonds	57,409	-	(57,409)	-	-
Capital Leases	74,731	209,000	(42,878)	240,853	41,616
Closure/Post Closure	5,464,758	34,847	(177,662)	5,321,943	73,500
Compensated absences	86,683	119,973	(109,792)	96,865	86,378
OPEB Obligation	37,699	8,097	-	45,796	-
<b>Total nonmajor enterprise funds</b>					
<b>Long-term liabilities</b>	<b>5,721,280</b>	<b>371,917</b>	<b>(387,741)</b>	<b>5,705,457</b>	<b>201,494</b>
<b>Total Business-type activities</b>					
<b>Long-term liabilities</b>	<b>\$ 62,595,559</b>	<b>\$ 14,575,457</b>	<b>\$ (2,998,397)</b>	<b>\$ 74,172,620</b>	<b>\$ 2,826,320</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

Year ending 30-Jun	Governmental Activities					
	Industrial Development			Infrastructure Facility		
	Authority Bonds			Revenue Bonds		
	Principal	Interest		Principal	Interest	
2015	\$ 1,420,000	\$ 2,031,656	\$	\$ 1,100,000	\$ 451,122	\$
2016	1,525,000	1,951,631		1,125,000	426,391	
2017	1,685,000	1,866,152		1,150,000	398,744	
2018	1,800,000	1,775,066		1,175,000	368,493	
2019	1,975,000	1,676,388		1,210,000	334,644	
2020-2024	12,350,000	6,576,879		6,790,000	978,421	
2025-2029	17,435,000	2,353,950		495,000	10,093	
	<u>\$ 38,190,000</u>	<u>\$ 18,231,723</u>	\$	<u>\$ 13,045,000</u>	<u>\$ 2,967,909</u>	\$

Year ending 30-Jun	Total					
	MO Development			Governmental Activities		
	Finance Board Bonds			Debt Service Requirements		
	Principal	Interest		Principal	Interest	
2015	\$ 125,000	\$ 66,900	\$	\$ 2,645,000	\$ 2,549,678	\$
2016	130,000	61,900		2,780,000	2,439,922	
2017	135,000	56,700		2,970,000	2,321,596	
2018	140,000	50,625		3,115,000	2,194,184	
2019	145,000	44,325		3,330,000	2,055,357	
2020-2024	840,000	116,775		19,980,000	7,672,076	
2025-2029	-	-		17,930,000	2,364,043	
	<u>\$ 1,515,000</u>	<u>\$ 397,225</u>	\$	<u>\$ 52,750,000</u>	<u>\$ 21,596,856</u>	\$

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

Year ending 30-Jun	Business-type Activities					
	Revenue Bonds		Industrial Development Authority Bonds		Infrastructure Facility Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,315,000	\$ 324,805	\$ -	\$ 988,581.00	\$ 580,000	\$ 1,009,263
2016	2,869,000	508,969	-	988,581.00	600,000	991,863
2017	3,465,000	472,177	670,000	988,581.00	620,000	973,863
2018	1,232,552	448,045	1,260,000	960,106.00	645,000	949,063
2019	707,000	180,080	1,315,000	904,981.26	670,000	923,263
2020-2024	3,757,000	730,261	7,610,000	3,549,075	3,785,000	4,175,338
2025-2029	3,971,000	461,294	9,555,000	1,114,000	4,770,000	3,191,063
2030-2034	2,068,738	194,423	-	-	6,145,000	1,812,188
2035-2038	-	-	-	-	2,945,000	239,456
	<u>\$ 19,385,290</u>	<u>\$ 3,320,052</u>	<u>\$ 20,410,000</u>	<u>\$ 9,493,905</u>	<u>\$ 20,760,000</u>	<u>\$ 14,265,356</u>

Year ending 30-Jun	MO Development Finance Board Bonds		Total Business-type Activities Debt Service Requirements		Total Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	\$ 600,000	\$ 238,775	\$ 2,495,000	\$ 2,561,423	\$ 5,140,000
2016	615,000	220,775	4,084,000	2,710,187	6,864,000	5,150,109
2017	635,000	202,325	5,390,000	2,636,945	8,360,000	4,958,541
2018	655,000	183,275	3,792,552	2,540,488	6,907,552	4,734,672
2019	675,000	163,625	3,367,000	2,171,948	6,697,000	4,227,305
2020-2024	3,695,000	496,325	18,847,000	8,950,998	38,827,000	8,697,167
2025-2029	825,000	13,406	19,121,000	4,779,763	37,051,000	12,451,839
2030-2034	-	-	8,213,738	2,006,610	8,213,738	4,370,653
2035-2038	-	-	2,945,000	239,456	2,945,000	239,456
	<u>\$ 7,700,000</u>	<u>\$ 1,518,506</u>	<u>\$ 68,255,290</u>	<u>\$ 28,597,820</u>	<u>\$ 121,005,290</u>	<u>\$ 49,940,845</u>

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

#### **General Obligation Bonds:**

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

#### **Industrial Development Authority Bonds:**

The Industrial Development Authority of the City of St. Joseph, Missouri is authorized and empowered under Chapter 349 of the Revised Statutes of Missouri to issue bonds for the purpose of promoting projects within the City of St. Joseph, Missouri. March 1, 2005, the Authority issued \$26,000,000 2005A Series Tax Increment Revenue Bonds in connection with the financing of redevelopment costs for The Shoppes at North Village. Then on August 1, 2005, the Authority issued an additional \$16,985,000 2005B Series Tax Increment Revenue Bonds to provide funding for costs of public and private improvements for The Shoppes at North Village. November 1, 2007, the Authority issued \$20,410,000 2007 Series Bonds for the Sewerage System improvement projects. The 2008 Mitchell Avenue Tax Increment Revenue Bond Series were issued for \$5,110,000 on June 5, 2008 by the Authority for the purpose of promoting public facility projects within a redevelopment area. The Series 2005A, 2005B, and 2008 bonds and interest are limited obligations of the Authority, payable solely from Payments in Lieu of Taxes and Economic Activity Tax Revenues. The 2007 bonds are payable from surplus revenues of the Sewer fund and debt service reserve funds held by the Trustee. According to the Trust Indenture, Section 403(c), the 2008 IDA accumulated excess revenue required the Trustee to call bonds and an additional principal bond payment of \$540,000 was made in FY14.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

The total principal balance outstanding for the Industrial Development Authority Bonds as of June 30, 2014 is \$58,600,000.

Governmental Activities

Series 2005A – Industrial Development Authority Bonds (Special Allocation); due in annual installments through May 1, 2027; interest at 4.00% to 5.50%	\$ 20,315,000
Series 2005B – Industrial Development Authority Bonds (Special Allocation); due in annual installments through November 1, 2027; interest at 4.00% to 5.50%	14,255,000
Series 2008 – Industrial Development Authority Bonds (Special Allocation); due in annual installments through March 1, 2029; interest at 5.50%	<u>3,620,000</u>
Total Industrial Development Authority Bonds for Governmental Activities	<u>\$ 38,190,000</u>

Business-type Activities

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

**Infrastructure Facility Revenue Bonds:**

The City of St. Joseph issued Taxable Infrastructure Facility Revenue Bonds to obtain financial assistance with the Stockyards Redevelopment Agreement for the purpose of Private Property Improvement costs. The bonds are secured by loan payments made by the City pursuant to the financing agreement, TIF Incremental Tax Revenues and Chapter 100 Pilots Revenues. The loan payments to be made shall constitute currently budgeted expenditures of the City, therefore, is included or reported in the City's statement of net position. The annual appropriation covenant of the City constitutes a commitment of all general funds of the City to make loan payments under the financing agreement. Bond Series 2004B was refunded in November, 2012, with the Bond Series 2012B. To meet Missouri Department of Natural Resource mandates the City of St. Joseph on December 1, 2011, issued Missouri Development Finance Board Infrastructure Facilities Revenue Bonds Series 2011E.

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

The total principal balance outstanding for the Taxable Infrastructure Facilities Revenue Bonds as of June 30, 2014 is \$33,805,000.

Governmental Activities

Series 2011A – Infrastructure Facility Revenue Refunding Bonds (Special Allocation); due in annual installments through March 1, 2024; interest at 2.00% to 4.625%	\$ 5,350,000
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Series 2012B – Infrastructure Facility Revenue Refunding Bonds (Special Allocation); due in annual installments through November 1, 2024; interest at 1.195% to 4.078%	<u>7,695,000</u>
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Total Infrastructure Facility Revenue Bonds Governmental Activities	<u>\$ 13,045,000</u>
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Business-type Activities

Series 2011E – Infrastructure Facilities Revenue Bonds (Sewer); due in annual installments through May 1, 2036; interest at 2.00% to 5.375%	<u>\$ 20,760,000</u>
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Total Infrastructure Facility Revenue Bonds Business-type Activities	<u>\$ 20,760,000</u>
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**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**Missouri Development Finance Board Bonds:**

On December 1, 2004, the City of St. Joseph issued Missouri Development Finance Board Bonds Series 2004C and Series 2004D. \$11,720,000 of the proceeds of the Series 2004C was used to fund improvements to the City's sewerage system and pay certain blight remediation costs in connection with the City's Stockyard Redevelopment Project. In association with the 2004C Series, a financing agreement related to the issuance of Missouri Build Bonds was entered into by the Board, City and Triumph Foods. Under the agreement, subject to certain requirements, tax credits earned by Triumph Foods have been assigned to the trustee of the 2004C bonds. Bond Series 2004C was refunded in November, 2012, with the Bond Series 2012C to refinance a portion of the Stockyards Redevelopment Project and improvements to the City's sewerage system. \$6,860,000 of the Series 2004D proceeds financed the cost of acquiring two new fire apparatus, completing the acquisition of new equipment for the Public Safety Communication System and funding improvements to the Law Enforcement Center. The bonds and the interest are special, limited obligations of the Board, payable by the Board solely from the loan payments made by the City. The loan payments to be made shall constitute currently budgeted expenditures of the City, therefore, is included or reported in the City's statement of net position. The annual appropriation covenant of the City constitutes a commitment to make loan payments under the financing agreements. The total principal balance outstanding for the MO Development Board Bonds as of June 30, 2014 is \$9,215,000.

Governmental Activities

Series 2004D – Infrastructure Facilities Revenue Bonds (General); due in  
annual installments through March 1, 2024; interest at 3.00% to 5.00% \$ 1,515,000

Business-type Activities

Series 2012C – Infrastructure Facilities Revenue Bonds (Sewer); due in  
annual installments through November 1, 2024; interest at 2.00% to 3.25% \$ 7,700,000

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**Revenue Bonds:**

The City of St. Joseph, Missouri issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue Bonds payables are recorded in the Sewer Enterprise Fund and total principal outstanding at June 30, 2014 is \$19,385,290.

Business-type Activities

Series 1993A – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through July 1, 2015; interest at 3.70% to 5.4% \$ 800,000

Series 1997D – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through January 1, 2018; interest at 4.3% to 6.00% 1,500,000

Series 2003 – Sewer System Revenue Bonds: due in annual installments through April 1, 2023; interest at 1.3% to 5.125% 430,000

Series 2013 – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through January 1, 2034; interest at 1.32%. The City anticipates utilizing the full amount of the bonds to fund current and future projects. A debt service schedule will be established once the project is completed and the final amount of the bonds has been determined 12,741,738

Series 2014 – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through July 1, 2035; interest at 1.57%. The City anticipates utilizing the full amount of the bonds to fund current and future projects. A debt service schedule will be established once the project is completed and the final amount of the bonds has been determined 3,913,552

Total Revenue Bonds for Business-type Activities \$19,385,290

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

On April 5, 2011, the voters of the City of St. Joseph, Missouri approved the City's issuance of \$105 million revenue bonds for providing for the major repair and replacement of existing facilities, as well as treatment plant expansions, required major environmental upgrades, and collection System extensions to provide service to new customers. Total cost of the improvements is estimated at \$181.3 million through 2016.

In 2013, the City issued its not to exceed \$14,660,000 Missouri Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2013. The City is participating in the State of Missouri's Direct Loan Program of the DNR and the Clean Water Commission of the State of Missouri. The 2013 revenue bonds mature through 2034 with interest of 1.32%. As eligible project costs are incurred, the City requests reimbursements from the project funds held by the bond trustee. As the City receives reimbursements, the outstanding balance of the bonds increases. The City anticipates utilizing the full amount of the bonds to fund current and future projects. A debt service schedule will be established once the project is completed and the final amount of the bonds has been determined. As of June 30, 2014, the outstanding balance of the bonds was \$12,741,738.

In 2014, the City issued its not to exceed \$56,000,000 Missouri Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2014. The City is participating in the State of Missouri's Direct Loan Program of the DNR and the Clean Water Commission of the State of Missouri. The 2014 revenue bonds mature through 2035 with interest of 1.57%. As eligible project costs are incurred, the City requests reimbursements from the project funds held by the bond trustee. As the City receives reimbursements, the outstanding balance of the bonds increases. The City anticipates utilizing the full amount of the bonds to fund current and future projects. A debt service schedule will be established once the project is completed and the final amount of the bonds has been determined. As of June 30, 2014, the outstanding balance of the bonds was \$3,913,552.

The City is in compliance with the provisions of the ordinance relating to the maintenance of special reserves and accounts for the 2003 Sewer Revenue Refunding series. Net revenues of the City's sewerage system are sufficient to pay both the principal and interest on all the Sewerage System Refunding and Improvement Revenue Bonds that have been pledged for payment of the principal and interest on the bonds as they mature.

#### **Wastewater Improvement Agreement:**

In conjunction with the issuance of the 2004B bond issuance, the City entered into a wastewater improvement agreement with Triumph Foods, LLC (Triumph). The agreement requires that Triumph pay the City monthly sewer reserve charges beginning February 2005. As of June 30, 2014, the total annual sewer reserve charges due to the City through the agreement are payable as follows:

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

Year Ending June 30:	Total
2015	\$ 972,996
2016	972,996
2017	972,996
2018	972,996
2019	972,996
2020-2024	4,864,980
2025-2029	<u>531,278</u>
	10,261,238
Less interest	<u>(2,806,248)</u>
Net present value	<u>\$ 7,454,990</u>

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

**Industrial Development Revenue Bonds:**

The City of St. Joseph issued Industrial Development Revenue Bonds to provide economic financial assistance to private entities. The bonds are secured by the improvements that are to be made. The debt service on these issues are paid solely from the private entities through lease agreements; therefore, the issues do not constitute a debt of the City and accordingly, are not included nor reported in the City's statement of net position. The total principal balance outstanding for the Industrial Development Revenue Bonds as of June 30, 2014 is \$389,838,077.

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

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

The City has pledged a portion of future property tax, sales tax, and franchise tax revenue to repay \$63,465,000 in tax increment financing bonds issued at various dates beginning in 2004 to finance redevelopment projects within each of the respective TIF plans. The bonds are payable solely from the incremental increase in the property, sales, and franchise taxes generated within the TIF plans. TIF revenues were projected to produce sufficient funds to meet debt service requirements over the life of the TIF bonds. Should TIF revenues not be sufficient to meet the required debt service obligations, the City is obligated in certain instances (Series 2012B \$7,695,000 and Series 2011A \$5,350,000 Infrastructure Facility Revenue Bonds) to make such bond payments from any other

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

sources of its revenues. Management does not anticipate that any of the City's funds will be required to make up any deficiency in bond payments during the next fiscal year.

Developer obligations represent developer project costs that have been certified by the City as eligible for reimbursement from tax increment financing revenues attributable to each respective project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from certain incremental taxes during a period not to exceed 23 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the City. The City has estimated that \$1,300,000 of these obligations will be paid in 2014. TIF revenues were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligations are limited solely to the amount of incremental taxes received attributable to each respective project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the City.

At June 30, 2014, total principal and interest remaining on the bonds was \$72,908,057 and outstanding developer obligations were \$26,152,385. The bonds are scheduled to mature at varying amounts through 2030 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.

For the current year, principal and interest paid on TIF bonds and developer obligations totaled \$7,845,340. Incremental revenues from the City included \$2,728,706 in sales taxes, \$603,777 in property taxes and \$332,317 in other economic activity revenues. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues from other taxing districts and governmental entities, developer contributions, and debt trust funds.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

<b>NOTE 7: CAPITAL LEASE AGREEMENTS</b>
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**Capital Lease Obligations:**

The City has entered into a number of capital leases for the purchase of various machinery and equipment. The agreements are subject to annual appropriation of funds by the City for their payment and are terminated if the City should fail to do so. In that instance the City would relinquish the financed items to the debt holder in full satisfaction of its responsibilities.

The following is a schedule of the present value of net minimum lease payments for all of the City's capitalized leases as of June 30, 2014:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Year ending June 30:		
2015	\$ 105,532	\$ 52,901
2016	6,055	52,901
2017	-	50,181
2018	-	114,165
	<hr/>	<hr/>
Total minimum lease payments	111,587	270,148
Less amount representing interest	(2,581)	(21,334)
Present value of net minimum lease payments	<hr/> <hr/>	<hr/> <hr/>
	\$ 109,006	\$ 248,814

The following schedule shows the amount and asset classifications for capital lease items as of June 30, 2014:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Office equipment	\$ 354,873	\$ -
Machinery & equipment	24,993	291,769
less: Accumulated depreciation	(248,053)	(45,731)
	<hr/>	<hr/>
	\$ 131,813	\$ 246,038

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 8: RISK MANAGEMENT**

The City contracts with various insurance companies for general, property, and casualty insurance and has qualified as its own self-insurer for workers' compensation benefits. The City retains liability for \$600,000 of each accident with specific excess coverage purchased to provide protection in excess of that amount. The City has an aggregate limit of \$1,000,000. A third party administrator is contracted to provide claims administration and payment services for worker's compensation. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the Insurance Fund. An actuarial report is prepared to evaluate loss and allocated loss adjustment expense reserves for the self-funded workers compensation program and to determine the funding level of the program. The negative net position of the Insurance Internal Service Fund at June 30, 2014 is \$270,677.

As of June 30, 2014 incurred but not reported (IBNR) workers' compensation claims and claims payable of \$1,452,092 have been accrued as a liability in the Insurance Internal Service Fund.

Workers' Compensation Claims Payable

	<u>Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year</u>
Fiscal Year 2013	\$1,773,095	\$680,467	(\$ 897,158)	\$1,556,404
Fiscal Year 2014	1,556,404	553,711	(658,0213)	1,452,092

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 9: COMMITMENTS**

**A. Construction Commitments**

At June 30, 2014 the City had the following commitments of approximately \$65,292,651 to complete construction contracts.

	<u>Amounts</u>
<b>Governmental Activities</b>	
Major Governmental Funds:	
CIP Sales Tax Improvement	\$ 4,200,838
Non Major Governmental Funds:	
Streets	450
Parks	20,472
Total Governmental Activities	<u>4,221,760</u>
<b>Business-type Activities</b>	
Major business-type Funds:	
Sewer	59,978,156
Non Business-type Funds:	
Aviation	500,591
Golf	4,950
Landfill	587,194
Total Business-type Activities	<u>61,070,891</u>
Total	<u>\$ 65,292,651</u>

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

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**LANDFILL CLOSURE  
AND POSTCLOSURE CARE LIABILITIES  
June 30, 2014**

Description	Amount	Anticipated Close Years	Capacity Used
City's Operating Landfill			
Area I	\$ 700,026	2016-2018	97.9 %
Area II	828,277	2015-2016	99.9 %
Area III	2,113,477	2019-2022	91.9 %
	<u>\$ 3,641,780</u>		
McArthur Drive Landfill	<u>\$ 1,680,163</u>	Closed	100 %
Total	<u>\$5,321,943</u>		

In 2011, the City engaged an outside professional engineering firm to update and develop a Landfill Tipping Fee Study (the Study) for the purpose of establishing landfill fees to cover operating cost as well as providing funding for landfill closure and postclosure care cost. With the 2011 Study, the City changed the previously used assumption of having a third party perform most of the closure and postclosure care activities to the assumption of having City personnel perform most of these closure and postclosure activities.

During the year ended June 30, 2014, total closure and postclosure care liabilities incurred a net decrease of \$142,815 from \$5,464,758 to \$5,321,943.

1. City's Operating Landfill - Total estimated future closure and postclosure care costs for the City's operating landfill are \$9,305,746 of which \$3,641,780 is reported as landfill closure and postclosure care liability at June 30, 2014, representing the cumulative amount reported to date based on capacity use measurements. The City will recognize the remaining estimated cost of closure and postclosure care of \$5,663,966 as the remaining estimated capacity is consumed by the year 2022. These amounts are based on estimates; actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in environmental regulations.
2. McArthur Drive Landfill - This landfill was owned and operated by the City until the late 1950's or early 1960's and no longer accepts waste. The Environmental Protection Agency has listed the site on its National Priorities List and is requiring proper closure and remediation. The City entered into an Administrative Order on Consent with the Environmental Protection Agency on October 11, 1996. That order required the remediation of this site including a bank stabilization project and plans for a permanent cap to be placed on the old landfill. A contribution protection action may eventually be filed by the City to recoup some of these costs. Currently the remaining closure and postclosure liability of \$1,680,163 is recorded in the Landfill Enterprise Fund and costs are expected to be expended by the year 2033.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

3. Norris/Pigeon Hill Landfill – The existing landfill personnel perform all the post-closure care activities; thus, no costs are directly attributed to the Norris landfill.

The City engages an outside professional engineering firm to prepare a tipping fee/cost analysis. The analysis quantifies the timing and amount of future closure and postclosure care costs and recommended tipping fee adjustments. Based upon the results of the 2011 tipping fee/cost analysis provides annual cash designations of \$78,900 for future closure and postclosure care expenses. At June 30, 2014, these cash designations totaled \$4,568,415 and will be adjusted annually subject to the availability of funds and the results of future tipping fee/cost analysis.

The City maintains a Contract of Obligation with the Missouri Department of Natural Resources (MDNR) in accordance with the Missouri Solid Waste Management Law. At June 30, 2014, the City's Contract of Obligation was \$13,927,226 including \$13,473,210 for the current operating landfill and \$454,016 for the "Free Property" landfill area that won't be accessed until after the year 2017.

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

**C. Litigation**

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

**NOTE 10: RETIREMENT PLANS**

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

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**A. Plan Descriptions**

Local Government Employees Retirement System (LAGERS)

***Plan Description***

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

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

***Funding Policy***

The City’s full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 5.9% (general) and 39.5% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the City Council. The contribution provisions of the City are established by Missouri state statute.

***Annual Pension Cost and Net Pension Asset***

The City’s annual pension cost and net pension asset to the Plan for the current year were as follows:

Annual required contribution	\$	3,518,657
Interest on net pension asset		(36,250)
Adjustment to annual required contribution		41,462
Annual pension cost		3,523,869
Contributions made		3,518,357
 Change in net pension asset		 5,512
 Net pension asset, beginning of the year		 (500,000)
 Net pension asset, end of the year	 \$	 (494,488)

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

The City's annual required contribution (ARC) was determined as part of the February 28, 2012 annual actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions as of February 28, 2014 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) preretirement mortality based on 75% of the RP-2000 Combined Healthy Table, set back 0 years for men and 0 years for women, and (e) postretirement mortality based on 105% of the 1994 Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The amortization period at February 28, 2012 was 14 years for the general division and 17 years for the fire division.

As of February 28, 2014, the most recent actuarial valuation date, the plan was 83 percent funded. The actuarial accrued liability for benefits was \$58,047,353, and the actuarial value of assets was \$48,152,957, resulting in an unfunded accrued liability (UAAL) of \$9,894,396. The covered payroll (annual payroll of active employees covered by the plan) was \$21,919,064, and the ratio of the UAAL to the covered payroll was 45 percent.

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

#### Police Pension

##### ***Plan Description***

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

These retirement benefits do not vest with the participant until attaining the requisite years for benefit eligibility. Member contributions are 100% refundable, without interest, upon resignation or dismissal prior to obtaining retirement eligibility. The plan also provides death and disability benefits and an annual cost of living adjustment to retirees equal to one-half of the Consumer Price Index not to exceed 4%.

The City Council adopted a new plan document on July 15, 1996, whereas the plan document was modified, but not the plan benefits. The City of St. Joseph issues a separate report and financial statements for the Police Pension Fund with an opinion expressed therein. This report may be

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

obtained by writing to the City of St. Joseph, Missouri, Director of Administrative Services, 1100 Frederick, St. Joseph, MO 64501.

***Funding Policy***

The City is required to withhold participant contributions at a rate established in accordance with applicable state statutes as recommended by the Police Pension Board of Trustees and approved by the City Council. For the year ended June 30, 2014, the participant's contribution rate was 4%. The City is required to contribute at an actuarially determined rate; the current rate is 31.9% of annual covered payroll.

***Annual Pension Cost and Net Pension Asset***

The City's annual pension cost and net pension asset to the Plan for the current year were as follows:

Annual required contribution	\$ 1,752,686
Interest on net pension asset	(37,500)
Adjustment to annual required contribution	25,000
Annual pension cost	<u>1,740,186</u>
Contributions made	<u>1,752,686</u>
Change in net pension asset	(12,500)
Net pension asset, beginning of the year	<u>(500,000)</u>
Net pension asset, end of the year	<u><u>\$ (512,500)</u></u>

The required contribution was determined as part of the January 1, 2014 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions as of January 1, 2014 included:

Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Inflation assumption	4%
Investment rate of return	7.5%
Salary increases	4%

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

Mortality – healthy lives	RP 2000 Mortality Table
Mortality – disabled lives	RP 2000 Mortality Table set forward 10 years
Termination of employment	Rate of turnover from 0.75% to 5.00% based on age
Disablement	Rates from 0.17% to 1.93% based on age

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

As of January 1, 2014, the most recent actuarial valuation date, the plan was 81 percent funded. The actuarial accrued liability for benefits was \$42,717,575, and the actuarial value of assets was \$34,616,253, resulting in an unfunded accrued liability (UAAL) of \$8,101,322. The covered payroll (annual payroll of active employees covered by the plan) was \$4,997,961, and the ratio of the UAL to the covered payroll was 162 percent.

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

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

Number of Participants	LAGERS	Police Pension	Total
Inactive Participants:			
Retirees and beneficiaries currently receiving benefits	360	99	459
Terminated employees entitled to future benefits	-	-	-
Total Inactive Participants	360	99	459
Active Participants:			
Fully vested	N/A	31	31
Partially vested	N/A	76	76
Non-vested	N/A	-	-
Total Active Participants	518	107	625
Total Number of Participants	878	206	1,084

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**Three-Year Trend Information**

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Asset)</u>
LAGERS	06/30/12	\$3,073,660	100%	\$ -0-
	06/30/13	3,310,242	100%	(500,000)
	06/30/14	3,523,869	100%	(494,488)
Police Pension	06/30/12	\$1,715,703	100%	\$ -0-
	06/30/13	1,771,904	128%	(500,000)
	06/30/14	1,752,686	129%	(512,500)

<b>NOTE 11: OTHER POST-EMPLOYMENT BENEFITS</b>
--

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

***Plan Description***

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

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

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

***Funding Policy***

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

***Annual OPEB Cost and Net OPEB Obligation***

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

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

Annual required contribution	\$ 261,726
Interest on net OPEB obligation	30,010
Adjustment to annual required contribution	<u>(43,368)</u>
Annual OPEB cost (expense)	248,368
Less: Net employer contribution	<u>91,764</u>
Change in net OPEB obligation	156,604
Net OPEB obligation - July 1, 2013	<u>750,262</u>
Net OPEB obligation - June 30, 2014	<u><u>\$ 906,866</u></u>

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

	<u>Net OPEB Obligation</u>
Governmental Activities	<u>\$ 775,913</u>
Business-Type Activities	
Sewer	85,157
Other Business-Type Funds	<u>45,796</u>
Total Business-Type Activities	<u>130,953</u>
Total Government	<u><u>\$ 906,866</u></u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

The City’s annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2014 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 280,579	34%	\$ 598,870
6/30/2013	239,115	37%	750,262
6/30/2014	248,368	37%	906,866

*Funded Status and Funding Progress*

As of June 30, 2014, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$2,315,116. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$26,917,025, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 8 percent.

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

*Actuarial Methods and Assumptions*

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

<b>NOTE 12: FUND BALANCE</b>
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Fund Balance	Governmental activities				Total
	General	Special Allocation	Capital Projects	Nonmajor	
<b>Nonspendable:</b>					
Prepays	\$ 127,450	\$ -	\$ -	\$ 59,688	\$ 187,138
Total Nonspendable	127,450	-	-	59,688	187,138
<b>Restricted for:</b>					
Econ Development	1,174,931	-	-	428,489	1,603,420
Public Safety	22,700	-	-	541,922	564,622
Highways	-	-	-	1,466,357	1,466,357
Health & Welfare	87,621	-	-	490,164	577,785
Parks & Recreation	22,085	-	-	72,946	95,031
Museum	-	-	-	485,925	485,925
Debt Service	195,895	10,995,328	-	-	11,191,223
Capital Projects	-	-	16,453,296	-	16,453,296
Loan Program	-	-	-	4,241,293	4,241,293
Total Restricted	1,503,232	10,995,328	16,453,296	7,727,096	36,678,952
<b>Committed for:</b>					
Econ Development	1,150,835	-	-	-	1,150,835
Public Safety	111,385	-	-	-	111,385
Total Committed	1,262,220	-	-	-	1,262,220
<b>Assigned to:</b>					
Econ Development	99,633	-	-	-	99,633
Public Safety	103,857	-	-	-	103,857
Highways	1,944	-	-	-	1,944
Health & Welfare	49,301	-	-	-	49,301
Parks & Recreation	14,296	-	-	-	14,296
Capital Projects	1,521,232	-	-	-	1,521,232
Salaries	1,921,790	-	-	-	1,921,790
Total Assigned	3,712,053	-	-	-	3,712,053
Unassigned	6,837,653	-	-	-	6,837,653
Total Unassigned	6,837,653	-	-	-	6,837,653
Total Fund Balance	\$ 13,442,608	\$ 10,995,328	\$ 16,453,296	\$ 7,786,784	\$ 48,678,016

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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

	Governmental activities			
	General	Capital Sales Tax	Nonmajor	Total
Encumbrances	\$ 327,912	\$ 3,846,075	\$ 3,065,996	\$ 7,239,983

**NOTE 13: NEW ACCOUNTING PRONOUNCEMENTS**

In June, 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of this statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans. The City is currently evaluating the impact of adopting Statement No. 68. The City will implement GASB No. 68 with the year ended June 30, 2015.

In January, 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The object of this statement is to guide accounting and reporting for state and government mergers, acquisitions, and transfers or disposals of operations. The City is currently evaluating the impact of adopting Statement No. 69. The City will implement GASB No. 69 with the year ended June 30, 2015.

In November, 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*. The concern relates to amounts associated with contributions, if any, made by the state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The City is currently evaluating the impact of adopting Statement No. 71. The City will implement GASB No. 71 with the year ended June 30, 2015, simultaneously with the provisions of Statement 68.

**NOTE 14: SUBSEQUENT EVENTS**

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

On September 29, 2014, the City Council authorized Special Ordinance 8853 to issue its Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2014A in the original principal amount of \$28,585,000 for the Eastside new pump station project. The direct loan closed November 5, 2014 with an interest rate of 1.36% and maturity through July 1, 2035.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

On October 13, 2014, the City Council authorized Special Ordinance 8859 the submission of an application for the Clean Water State Revolving Fund Loan Program through the Missouri Department of National Resources (MDNR) to provide a subsidized low interest rate loan for the Blacksnake Creek Stormwater Separation Project. The City is slated in the MDNR FY 2014 Clean Water State Revolving Fund Intended Use Plan and Priority List, Amendment July 9, 2014, Project Number C295699-03 for funding the Blacksnake Creek Stormwater Separation project in the amount of \$53,800,000. MDNR SRF terms are currently 1.6% for a period of 20 years.

On November 10, 2014, Resolution 40756 authorized the offering for sale not to exceed \$5,755,000 principal amount of Sewerage System Revenue Bonds, Series 2014B. A special bond election was held in April, 2011, to issue sewerage system revenue bonds in the principal amount of \$105,000,000 for the purpose of improving and extending the system. \$99,245,000 of the bonds authorized have been issued and the City proposes to issue the remainder of the bonds.

Special Ordinance 8860 authorized a bond election scheduled for February 3, 2015 to issue sewerage system revenue bonds in the principal amount of \$190,000,000 for the purpose of capital maintenance and construction in the collection system and wastewater treatment to meet regulatory requirements and reduce combined sewer overflows.

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Property	\$ 11,229,925	\$ 11,229,925	\$ 11,477,085	\$ 247,160
Sales	16,833,125	16,833,125	17,028,640	195,515
Franchise	6,838,623	6,838,623	6,923,106	84,483
Motor Fuel	818,000	818,000	900,794	82,794
Cigarette	431,840	431,840	395,181	(36,659)
Hotel	878,800	878,800	856,089	(22,711)
Licenses and permits	1,411,270	1,411,270	1,397,060	(14,210)
Intergovernmental	2,280,376	2,594,704	2,354,062	(240,642)
Charges for services	3,419,070	3,419,951	3,029,204	(390,747)
Fines	1,467,000	1,467,000	1,251,520	(215,480)
Investment earnings	13,135	13,135	21,305	8,170
Other	172,188	275,460	337,227	61,767
Total revenues	45,793,352	46,211,833	45,971,273	(240,560)
<b>Expenditures</b>				
Current:				
General government				
City council				
Salaries	46,518	47,739	47,739	-
Benefits	140,972	140,972	119,336	21,636
Materials and supplies	37,090	34,261	25,609	8,652
Outside services	2,100	3,708	3,708	-
Total City council	226,680	226,680	196,392	30,288
City clerk				
Salaries	96,088	99,114	99,113	1
Benefits	36,593	33,567	33,342	225
Materials and supplies	3,000	3,462	3,461	1
Outside services	133,630	133,168	110,934	22,234
Total City clerk	269,311	269,311	246,850	22,461
Municipal court				
Salaries	256,530	247,761	244,723	3,038
Benefits	97,200	97,192	88,583	8,609
Materials and supplies	3,225	108,457	106,831	1,626
Outside services	99,062	2,607	2,604	3
Total Municipal court	456,017	456,017	442,741	13,276
City manager				
Salaries	259,495	262,903	262,902	1
Benefits	108,310	108,310	101,592	6,718
Materials and supplies	5,425	5,699	5,698	1
Outside services	62,991	56,126	54,078	2,048
Total City manager	436,221	433,038	424,270	8,768
Legal				
Salaries	362,482	366,697	366,695	2
Benefits	114,569	110,184	110,105	79
Materials and supplies	3,500	4,795	4,759	36
Outside services	47,727	46,602	46,600	2
Total Legal	528,278	528,278	528,159	119

(continued)

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Planning				
Salaries	975,978	986,978	986,900	78
Benefits	372,483	362,983	356,611	6,372
Materials and supplies	52,200	56,725	56,690	35
Outside services	275,240	270,715	262,003	8,712
Total Planning	1,675,901	1,677,401	1,662,204	15,197
Finance				
Salaries	1,294,122	1,300,894	1,300,893	1
Benefits	496,265	488,163	396,555	91,608
Materials and supplies	181,340	184,185	173,617	10,568
Outside services	559,085	556,070	546,459	9,611
Total Finance	2,530,812	2,529,312	2,417,524	111,788
Other - unclassified				
Salaries	590,000	590,000	-	590,000
Benefits	17,000	2,973	411	2,562
Materials and supplies	-	2,040	2,040	-
Outside services	1,235,125	1,222,780	892,594	330,186
Capital outlay	-	34,472	29,592	4,880
Total Other - unclassified	1,842,125	1,852,265	924,637	927,628
Total general government	7,965,345	7,972,302	6,842,777	1,129,525
Public safety:	9,465,345	7,972,302	8,808,869	
Police				
Salaries	7,139,350	7,707,550	7,220,644	486,906
Benefits	3,785,458	3,790,726	3,638,036	152,690
Materials and supplies	491,190	556,730	555,805	925
Outside services	2,054,547	2,116,453	1,868,643	247,810
Capital outlay	307,885	348,886	42,144	306,742
Total Police	13,778,430	14,520,345	13,325,272	1,195,073
Fire				
Salaries	6,428,342	6,792,399	6,720,930	71,469
Benefits	4,023,933	4,120,674	4,010,673	110,001
Materials and supplies	180,035	184,516	152,411	32,105
Outside services	268,390	315,852	313,527	2,325
Total Fire	10,900,700	11,413,441	11,197,541	215,900
Total public safety	24,679,130	25,933,786	24,522,813	1,410,973
Highway and streets				
Salaries	3,462,158	3,438,880	3,363,542	75,338
Benefits	1,324,663	1,258,600	1,142,185	116,415
Materials and supplies	382,580	392,499	390,998	1,501
Outside services	768,512	912,934	880,655	32,279
Total Highway and streets	5,937,913	6,002,913	5,777,380	225,533
Parks and recreation				
Salaries	2,839,734	2,738,551	2,707,165	31,386
Benefits	836,591	837,301	764,618	72,683
Materials and supplies	436,010	448,134	385,456	62,678
Outside services	828,798	879,506	915,348	(35,842)
Capital outlay	54,091	70,791	16,700	54,091
Total Parks and recreation	4,995,224	4,974,283	4,789,287	184,996

(continued)

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Health and welfare				
Salaries	1,676,407	1,749,107	1,692,975	56,132
Benefits	669,291	681,541	581,853	99,688
Materials and supplies	127,684	224,555	136,069	88,486
Outside services	914,705	1,055,873	950,351	105,522
Total Health and welfare	3,388,087	3,711,076	3,361,248	349,828
Total expenditures	46,965,699	48,594,360	45,293,505	3,300,855
Revenues over (under) expenditures	(1,172,347)	(2,382,527)	677,768	3,060,295
<b>Other financing sources (uses)</b>				
Transfers in	3,109,825	4,578,550	4,404,792	(173,758)
Transfers out	(2,504,000)	(3,506,932)	(3,356,932)	150,000
Sale of capital assets	-	-	2,709	2,709
Total other financing sources	605,825	1,071,618	1,050,569	(21,049)
Net change in fund balances, net	(566,522)	(1,310,909)	1,728,337	3,039,246
Fund balances, beginning of year	11,876,612	11,876,612	11,876,612	-
Fund balances - ending	\$ 11,310,090	\$ 10,565,703	\$ 13,604,949	\$ 3,039,246

(concluded)

See independent auditor's report and notes to required supplementary information.

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
SPECIAL ALLOCATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 3,241,650	\$ 3,241,745	\$ 603,777	\$ (2,637,968)
Sales	4,037,730	4,037,730	2,728,706	(1,309,024)
Intergovernmental activity	-	-	4,325,026	4,325,026
Charges for services	500	500	800	300
Investment earnings	42,477	42,477	552,030	509,553
Other	1,816,876	1,825,071	831,731	(993,340)
Total revenues	<u>9,139,233</u>	<u>9,162,023</u>	<u>9,042,070</u>	<u>(119,953)</u>
<b>Expenditures</b>				
General government				
Benefits	-	66	66	-
Outside services	8,125,494	8,708,718	8,588,792	119,926
Total General government	<u>8,125,494</u>	<u>8,708,784</u>	<u>8,588,858</u>	<u>119,926</u>
Revenues over (under) expenditures	<u>1,013,739</u>	<u>453,239</u>	<u>453,212</u>	<u>(27)</u>
<b>Other financing sources (uses)</b>				
Transfers in	6,000	6,000	5,998	(2)
Total other financing sources	<u>6,000</u>	<u>6,000</u>	<u>5,998</u>	<u>(2)</u>
Net change in fund balances	1,019,739	459,239	459,210	(29)
Fund balances - beginning	10,536,118	10,536,118	10,536,118	-
Fund balances - ending	<u>\$ 11,555,857</u>	<u>\$ 10,995,357</u>	<u>\$ 10,995,328</u>	<u>\$ (29)</u>

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

## CITY OF ST. JOSEPH, MISSOURI

### REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2014

#### A. Budgetary Information

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

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

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

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

The City Council approves a formal budget document for the General, Special Revenue except the CDBG Loan funds, Capital Projects, and Enterprise Funds. Encumbrance accounting is employed in Governmental Fund Types. Encumbrances outstanding at year end do not constitute

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**JUNE 30, 2014**

expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

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

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

The City Council during the fiscal year adopted a number of amendments to the budget to address unforeseen contingencies. The following schedule outlines the appropriation changes for the General, Special Revenue, Capital Projects and Enterprise Funds. The General budget increase is due to recognizing the public safety grants awarded in this fiscal year, replacing the LEC elevator, connecting roads between Providence Hill Drive and Eastowne Drive in the Eastowne Business Park, renovating Patee Market to enhance customer service, funding the North Village City Park, installing new bleachers at Bode Recreation Complex, and the rollforward of WIC, MCH health and MPO planning grants. The Special Revenue budget increase is from purchasing a Motor Grader in the Street Maintenance Fund, a Zamboni Ice Making Machine in the Park Maintenance Fund, and two (2) fire trucks in the new voter approved Public Safety Tax Fund, supporting various community improvement projects in the Community Development Fund, recognizing the additional principal payment to call Mitchell Avenue bonds in the Special Allocation Fund, receiving a donation for snow removal equipment and upgrading the 911 equipment and software in the Riverboat Fund, and restoring woodwork at the Wyeth-Tootle Mansion in the Museum Fund. The Capital Projects increase to the budget is the fitness stations at the St. Joseph Community Campus, professional design services for North Village City Park, renovating Patee Market building and office areas, improving security at Park Maintenance. accepting the Missouri Department of National Resources grant for relighting at Hyde Park Baseball Complex, enhancing the city's backup and replication software, continuing road construction at Eastowne Business Park, repairing the Fire Station No 5 parking lot, replacing the infrastructure of the public safety radio system at all sites, and acquiring new lighting and fly system at Missouri Theater. The increase in the Enterprise Funds is for the new pilot controlled lighting and taxiway rehabilitation project at Rosecrans Memorial Airport, finalizing construction of the Disinfection facilities at the Water Protection location and continuing work for the Whitehead stormwater separation project, receiving a donation from the Men's Club for new set of greens rollers at Fairview Golf Course,

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2014**

and First Transit Health and Disability insurance coverage for the St. Joseph Mass Transit employees.

<b>2014 Budget</b>			
<b>Fund Type</b>	<b>Original Appropriation</b>	<b>Amended Appropriation</b>	<b>Increase</b>
General	\$ 49,469,699	\$ 52,101,292	\$ 2,631,593
Special Revenue	18,327,277	21,850,509	3,523,232
Capital	11,598,496	15,895,821	4,297,325
Enterprise	127,233,509	134,065,597	6,832,088
<b>Total</b>	<b>\$ 206,628,981</b>	<b>\$ 223,913,219</b>	<b>\$ 17,284,238</b>

**B. Budget/GAAP Reconciliation**

The following schedule reconciles the amounts on the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual to the amounts on the Statement of Revenues, Expenses and Changes in Fund Balances for the year ended June 30, 2014:

	<b>General Fund</b>	<b>Special Allocation Fund</b>
Ending Fund Balance on budgetary basis	\$ 13,604,949	\$ 10,995,328
Encumbrances outstanding June 30, 2014	184,317	-
Prior Year Encumbrances Expended in FY 2014	(134,777)	-
Accrued payroll	(211,881)	-
Ending Fund Balance on GAAP basis	<b>\$ 13,442,608</b>	<b>\$ 10,995,328</b>

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**JUNE 30, 2014**

**SCHEDULE OF FUNDING PROGRESS**

**PENSION PLANS**

**LAGERS Pension**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded Actuarial Liability (UAAL) (a)	Funded Ratio (b-a)/a	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
02/29/12	\$37,150,536	\$54,298,061	\$17,147,525	68.0%	\$21,229,768	81.0%
02/28/13	40,947,002	57,700,364	16,753,362	71.0%	22,093,957	76.0%
02/28/14	48,152,957	58,047,353	9,894,396	83.0%	21,919,064	45.0%

**Police Pension**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded Actuarial Liability (UAAL) (a)	Funded Ratio (b-a)/a	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
01/01/09	\$20,158,258	\$36,492,434	\$16,334,176	55.2%	\$5,137,480	317.9%
01/01/10	23,454,239	37,703,762	14,249,523	62.2%	5,276,973	270.0%
01/01/11	26,333,980	38,762,271	12,428,291	67.9%	5,234,079	237.4%
01/01/12	27,093,193	40,267,507	13,174,314	67.3%	5,200,069	253.3%
01/01/13	29,510,328	40,624,252	11,113,924	72.6%	4,869,414	228.2%
01/01/14	34,616,253	42,717,575	8,101,322	81.0%	4,997,961	162.1%

**OTHER POST-EMPLOYMENT BENEFITS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded Actuarial Liability (UAAL) (a)	Funded Ratio (b-a)/a	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
07/01/11	-0-	\$2,764,947	\$2,764,947	0.0%	\$26,429,827	10.5%
07/01/12	-0-	2,193,911	2,193,911	0.0%	26,963,371	8.1%
07/01/13	-0-	2,315,116	2,315,116	0.0%	26,917,025	8.8%

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2014**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**PENSION PLANS**

**LAGERS Pension**

<u>Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
06/30/12	\$ 3,073,660	100%	\$ —
06/30/13	3,310,242	115%	(500,000)
06/30/14	3,523,869	100%	(494,488)

**Police Pension**

06/30/09	\$ 1,550,095	100%	\$ —
06/30/10	1,980,812	100%	—
06/30/11	1,786,550	100%	—
06/30/12	1,715,703	100%	—
06/30/13	1,771,904	128%	(500,000)
06/30/14	1,752,686	129%	(512,500)

**OTHER POST-EMPLOYMENT BENEFITS**

<u>Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
06/30/12	\$ 287,058	34%	\$ 598,870
06/30/13	249,800	35%	750,262
06/30/14	261,726	29%	906,847

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	Special Revenue								Total Nonmajor Governmental Funds
	Streets	Parks & Recreation	Public Safety Tax	Community Development	Riverboat Gaming	Museum	C.D Rehab Loan	Home Revolving Loan	
<b>Assets</b>									
Cash and investments	\$ 1,471,064	\$ 126,291	\$ -	\$ 121,268	\$ 384,342	\$ 478,853	\$ 1,009,667	\$ 175,364	\$ 3,766,849
Receivables	360,957	44,855	992,973	10,021	180,860	28,084	-	-	1,617,750
Loan receivables	-	-	-	-	-	-	1,226,882	1,846,537	3,073,419
Property held for resale	-	-	-	324,320	-	-	-	-	324,320
Due from other governments	170,709	-	-	283,595	-	-	-	-	454,304
Prepaid items	-	53,465	-	2,685	-	3,538	-	-	59,688
Total assets	<u>\$ 2,002,730</u>	<u>\$ 224,611</u>	<u>\$ 992,973</u>	<u>\$ 741,889</u>	<u>\$ 565,202</u>	<u>\$ 510,475</u>	<u>\$ 2,236,549</u>	<u>\$ 2,021,901</u>	<u>\$ 9,296,330</u>
<b>Liabilities, Deferred Inflows and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 365,664	\$ 63,711	\$ 3,457	\$ 170,437	\$ 136,713	\$ 592	\$ 12,727	\$ 4,430	\$ 757,731
Due to other funds	-	-	447,594	62,624	-	-	-	-	510,218
Accrued payroll	-	-	-	15,979	-	-	-	-	15,979
Total liabilities	<u>365,664</u>	<u>63,711</u>	<u>451,051</u>	<u>249,040</u>	<u>136,713</u>	<u>592</u>	<u>12,727</u>	<u>4,430</u>	<u>1,283,928</u>
<b>Deferred Inflows of Resources:</b>									
Unavailable revenues-property taxes	-	34,489	-	-	-	20,420	-	-	54,909
Unavailable revenues-other	170,709	-	-	-	-	-	-	-	170,709
Total deferred inflows of resources	<u>170,709</u>	<u>34,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,420</u>	<u>-</u>	<u>-</u>	<u>225,618</u>
<b>Fund balances:</b>									
Nonspendable:	-	53,465	-	2,685	-	3,538	-	-	59,688
Restricted	1,466,357	72,946	541,922	490,164	428,489	485,925	2,223,822	2,017,471	7,727,096
Total fund balances	<u>1,466,357</u>	<u>126,411</u>	<u>541,922</u>	<u>492,849</u>	<u>428,489</u>	<u>489,463</u>	<u>2,223,822</u>	<u>2,017,471</u>	<u>7,786,784</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 2,002,730</u>	<u>\$ 224,611</u>	<u>\$ 992,973</u>	<u>\$ 741,889</u>	<u>\$ 565,202</u>	<u>\$ 510,475</u>	<u>\$ 2,236,549</u>	<u>\$ 2,021,901</u>	<u>\$ 9,296,330</u>

**CITY OF ST. JOSEPH, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue								Total Nonmajor Governmental Funds	
	Streets	Parks & Recreation	Public Safety Tax	Community Development	Riverboat Gaming	Museum	Rehab Loan	Revolving Loan		
<b>Revenues</b>										
Taxes:										
Property	\$ -	\$ 683,438	\$ -	\$ -	\$ -	\$ 522,787	\$ -	\$ -	\$ -	1,206,225
Sales	-	-	2,696,572	-	-	-	-	-	-	2,696,572
Motor Fuel	2,641,623	-	-	-	-	-	-	-	-	2,641,623
Licenses and permits	-	95,086	-	-	-	-	-	-	-	95,086
Intergovernmental	-	58,158	-	1,707,101	10,000	-	-	-	-	1,775,259
Charges for services	123,768	33,748	-	-	981,000	-	-	-	-	1,138,516
Special assessments	6,409	-	-	62,332	-	-	-	-	-	68,741
Investment earnings	879	168	52	1,305	329	482	32,148	24,429	-	59,792
Other	10,164	12,519	-	88,366	155,310	-	33,123	309,353	-	608,835
Total revenues	2,782,843	883,117	2,696,624	1,859,104	1,146,639	523,269	65,271	333,782	-	10,290,649
<b>Expenditures</b>										
Current:										
General government	-	-	-	226,303	900,071	362,955	71,405	-	-	1,560,734
Highway and streets	3,172,929	-	-	-	-	-	-	-	-	3,172,929
Public works	-	-	-	235,200	-	-	-	-	-	235,200
Health and welfare	-	-	-	1,402,742	-	-	-	-	-	1,402,742
Parks and recreation	-	903,952	-	-	-	-	-	-	-	903,952
Capital outlay	2,094,288	483,930	685,977	-	46,423	-	-	-	-	3,310,618
Total expenditures	5,267,217	1,387,882	685,977	1,864,245	946,494	362,955	71,405	-	-	10,586,175
Excess (deficiency) of revenues over (under) expenditures	(2,484,374)	(504,765)	2,010,647	(5,141)	200,145	160,314	(6,134)	333,782	-	(295,526)
<b>Other financing sources (uses)</b>										
Transfers in	2,418,095	460,000	-	293,481	14,500	-	-	-	\$ -	3,186,076
Transfers out	-	(1,090)	(1,468,725)	(197,057)	(132,498)	(110,218)	(190,548)	(102,933)	-	(2,203,069)
Sale of capital assets	112,381	5,975	-	-	-	-	-	-	-	118,356
Total other financing sources (uses),net	2,530,476	464,885	(1,468,725)	96,424	(117,998)	(110,218)	(190,548)	(102,933)	-	1,101,363
Net change in fund balances	46,102	(39,880)	541,922	91,283	82,147	50,096	(196,682)	230,849	-	805,837
Fund balances - beginning	1,420,255	166,291	-	401,566	346,342	439,367	2,420,504	1,786,622	\$ -	6,980,947
Fund balances - ending	\$ 1,466,357	\$ 126,411	\$ 541,922	\$ 492,849	\$ 428,489	\$ 489,463	\$ 2,223,822	\$ 2,017,471	\$ -	7,786,784

**CITY OF ST. JOSEPH, MISSOURI**  
**STREETS MAINTENANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Motor Fuel	\$ 2,656,705	\$ 2,656,705	\$ 2,641,623	\$ (15,082)
Charges for services	200,000	200,000	123,768	(76,232)
Special assessments	6,500	6,500	6,409	(91)
Investment earnings	200	200	879	679
Other	-	112,466	10,164	(102,302)
Total revenues	<u>2,863,405</u>	<u>2,975,871</u>	<u>2,782,843</u>	<u>(193,028)</u>
<b>Expenditures</b>				
Highways and streets				
Materials and supplies	1,286,150	1,170,574	1,169,539	1,035
Outside services	1,649,500	2,013,456	2,013,430	26
Capital outlay	2,093,000	2,184,131	2,184,130	1
Total Highways and streets	<u>5,028,650</u>	<u>5,368,161</u>	<u>5,367,099</u>	<u>1,062</u>
Revenues over (under) expenditures	<u>(2,165,245)</u>	<u>(2,392,290)</u>	<u>(2,584,256)</u>	<u>(191,966)</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,106,000	2,418,095	2,418,095	-
Sale of capital assets	-	-	112,381	112,381
Total other financing sources	<u>2,106,000</u>	<u>2,418,095</u>	<u>2,530,476</u>	<u>112,381</u>
Net change in fund balances	(59,245)	25,805	(53,780)	(79,585)
Fund balances, beginning of year	1,420,255	1,420,255	1,420,255	-
Fund balances - ending	<u>\$ 1,361,010</u>	<u>\$ 1,446,060</u>	<u>\$ 1,366,475</u>	<u>\$ (79,585)</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**PARKS MAINTENANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Property	\$ 673,500	\$ 673,500	\$ 683,438	\$ 9,938
Licenses and permits	96,000	96,000	95,086	(914)
Intergovernmental	70,000	131,408	58,158	(73,250)
Charges for services	52,785	52,785	33,748	(19,037)
Investment earnings	-	-	168	168
Other	-	500	12,519	12,019
Total revenues	892,285	954,193	883,117	(71,076)
<b>Expenditures</b>				
Parks and recreation				
Materials and supplies	194,650	193,626	193,625	1
Outside services	694,810	717,749	717,744	5
Capital outlay	460,000	510,548	510,547	1
Total Parks and recreation	1,349,460	1,421,923	1,421,916	7
Revenues over (under) expenditures	(457,175)	(467,730)	(538,799)	(71,069)
<b>Other financing sources (uses)</b>				
Transfers in	460,000	460,000	460,000	-
Transfers out	(1,090)	(1,090)	(1,090)	-
Sale of capital assets	-	-	5,975	5,975
Total other financing sources	458,910	458,910	464,885	5,975
Net change in fund balances	1,735	(8,820)	(73,914)	(65,094)
Fund balances, beginning of year	166,291	166,291	166,291	-
Fund balances - ending	\$ 168,026	\$ 157,471	\$ 92,377	\$ (65,094)

**CITY OF ST. JOSEPH, MISSOURI**  
**PUBLIC SAFETY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Sales	\$ -	\$ 2,815,350	\$ 2,696,572	(118,778)
Investment earnings	-	-	52	52
Total revenues	-	2,815,350	2,696,624	(118,726)
<b>Expenditures</b>				
Public Safety				
Police				
Capital outlay	-	-	297,132	(297,132)
Total Police	-	-	297,132	(297,132)
Fire				
Capital outlay	-	388,845	388,845	-
Total Fire	-	388,845	388,845	-
Total public safety	-	388,845	685,977	(297,132)
Total expenditures	-	388,845	685,977	(297,132)
Revenues over (under) expenditures	-	2,426,505	2,010,647	(415,858)
<b>Other financing sources (uses)</b>				
Transfers out	-	(1,468,725)	(1,468,725)	-
Total other financing sources	-	(1,468,725)	(1,468,725)	-
Net change in fund balances	-	957,780	541,922	(415,858)
Fund balances - beginning	-	-	-	-
Fund balances(deficit) - ending	\$ -	\$ 957,780	\$ 541,922	\$ (415,858)

**CITY OF ST. JOSEPH, MISSOURI**  
**COMMUNITY DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Intergovernmental	\$ 2,138,631	\$ 2,184,087	\$ 1,707,101	\$ (476,986)
Special assessments	15,000	15,000	62,332	47,332
Investment earnings	1,000	1,000	1,305	305
Other	-	-	88,366	88,366
Total revenues	<u>2,154,631</u>	<u>2,200,087</u>	<u>1,859,104</u>	<u>(340,983)</u>
<b>Expenditures</b>				
General government				
Salaries	99,212	100,012	99,809	203
Benefits	41,860	35,430	35,550	(120)
Materials and supplies	2,800	1,675	219	1,456
Outside services	29,051	35,806	35,297	509
Total General government	<u>172,923</u>	<u>172,923</u>	<u>170,875</u>	<u>2,048</u>
Health and welfare				
Salaries	146,618	149,118	149,057	61
Benefits	66,415	65,315	59,938	5,377
Materials and supplies	6,717	6,717	1,472	5,245
Outside services	1,248,901	1,525,184	1,368,511	156,673
Total Health and welfare	<u>1,468,651</u>	<u>1,746,334</u>	<u>1,578,978</u>	<u>167,356</u>
Public works				
Salaries	82,164	64,164	62,966	1,198
Benefits	43,056	41,656	25,506	16,150
Materials and supplies	3,555	3,555	3,478	77
Outside services	186,725	204,725	160,867	43,858
Total Public works	<u>315,500</u>	<u>314,100</u>	<u>252,817</u>	<u>61,283</u>
Total expenditures	<u>1,957,074</u>	<u>2,233,357</u>	<u>2,002,670</u>	<u>230,687</u>
Revenues over (under) expenditures	<u>197,557</u>	<u>(33,270)</u>	<u>(143,566)</u>	<u>(110,296)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	230,827	293,481	62,654
Transfers out	(197,557)	(197,557)	(197,057)	500
Total other financing sources	<u>(197,557)</u>	<u>33,270</u>	<u>96,424</u>	<u>63,154</u>
Net change in fund balances	-	-	(47,142)	(47,142)
Fund balances - beginning	401,566	401,566	401,566	-
Fund balances(deficit) - ending	<u>\$ 401,566</u>	<u>\$ 401,566</u>	<u>\$ 354,424</u>	<u>\$ (47,142)</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**RIVERBOAT GAMING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

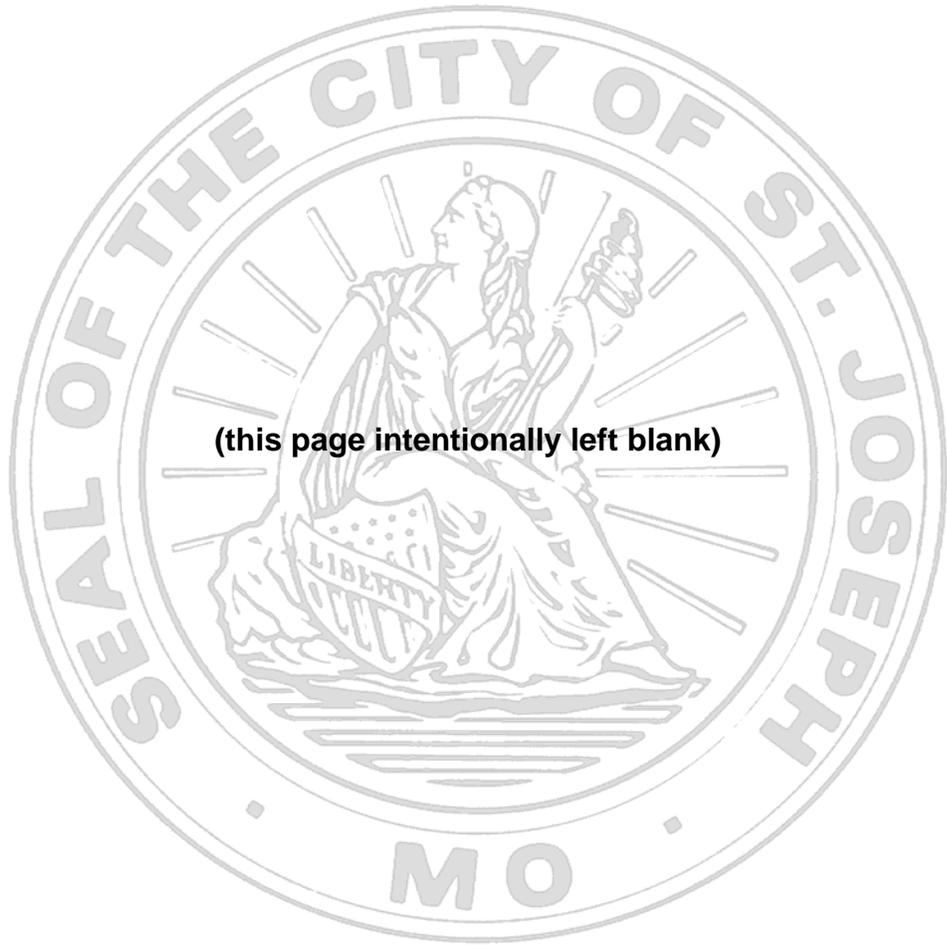
	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 10,000	\$ 10,000	\$ -
Charges for services	1,030,000	1,030,000	981,000	(49,000)
Investment earnings	600	600	329	(271)
Other	-	50,000	155,310	105,310
<b>Total revenues</b>	<b>1,030,600</b>	<b>1,090,600</b>	<b>1,146,639</b>	<b>56,039</b>
<b>Expenditures</b>				
General government				
Materials and supplies	11,755	39,043	38,952	91
Outside services	868,160	905,062	893,123	11,939
Capital outlay	60,868	141,868	127,660	14,208
<b>Total General government</b>	<b>940,783</b>	<b>1,085,973</b>	<b>1,059,735</b>	<b>26,238</b>
Revenues over (under) expenditures	89,817	4,627	86,904	82,277
<b>Other financing sources (uses)</b>				
Transfers in	-	14,500	14,500	-
Transfers out	(182,500)	(132,500)	(132,498)	2
<b>Total other financing sources</b>	<b>(182,500)</b>	<b>(118,000)</b>	<b>(117,998)</b>	<b>2</b>
Net change in fund balances	(92,683)	(113,373)	(31,094)	82,279
Fund balances - beginning	346,342	346,342	346,342	-
<b>Fund balances - ending</b>	<b>\$ 253,659</b>	<b>\$ 232,969</b>	<b>\$ 315,248</b>	<b>\$ 82,279</b>

**CITY OF ST. JOSEPH, MISSOURI**  
**MUNICIPAL MUSEUM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 510,980	\$ 510,980	\$ 522,787	\$ 11,807
Investment earnings	670	670	482	(188)
Total revenues	<u>511,650</u>	<u>511,650</u>	<u>523,269</u>	<u>11,619</u>
<b>Expenditures</b>				
General government				
Outside services	375,163	375,548	362,955	12,593
Capital outlay	-	327,101	357,824	(30,723)
Total General government	<u>375,163</u>	<u>702,649</u>	<u>720,779</u>	<u>(18,130)</u>
Revenues over (under) expenditures	<u>136,487</u>	<u>(190,999)</u>	<u>(197,510)</u>	<u>(6,511)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(169,506)	(140,945)	(110,218)	30,727
Capital lease	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources	<u>(169,506)</u>	<u>(140,945)</u>	<u>(110,218)</u>	<u>30,727</u>
Net change in fund balances	(33,019)	(331,944)	(307,728)	24,216
Fund balances - beginning	439,367	439,367	439,367	-
Fund balances - ending	<u>\$ 406,348</u>	<u>\$ 107,423</u>	<u>\$ 131,639</u>	<u>\$ 24,216</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Sales	\$ 5,529,260	\$ 5,529,260	\$ 5,646,088	\$ 116,828
Intergovernmental	124,000	1,066,375	475,238	(591,137)
Investment earnings	20,000	20,000	17,461	(2,539)
Other	-	363,048	144,316	(218,732)
Total revenues	5,673,260	6,978,683	6,283,103	(695,580)
<b>Expenditures</b>				
Capital outlay				
Materials and supplies	-	7,130	7,078	52
Outside services	880,000	953,400	776,560	176,840
Capital outlay	10,588,496	14,805,291	7,745,829	7,059,462
Total Capital outlay	11,468,496	15,765,821	8,529,467	7,236,354
Revenues over (under) expenditures	(5,795,236)	(8,787,138)	(2,246,364)	6,540,774
<b>Other financing sources (uses)</b>				
Transfers in	309,826	1,144,118	673,599	(470,519)
Transfers out	(130,000)	(130,000)	-	130,000
Total other financing sources	179,826	1,014,118	673,599	(340,519)
Net change in fund balances	(5,615,410)	(7,773,020)	(1,572,765)	6,200,255
Fund balances, beginning of year	15,498,829	15,498,829	15,498,829	-
Fund balances - ending	\$ 9,883,419	\$ 7,725,809	\$ 13,926,064	\$ 6,200,255



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**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2014**

Business-type Activities - Enterprise Funds

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 436,259	\$ 101,345	\$ 2,750	\$ 8,032,342	\$ 8,572,696
Interest receivable	74	17	-	1,365	1,456
Accounts receivable (net of allowance for uncollectibles)	52,332	520	14,675	183,301	250,828
Prepaid items	8,533	7,039	1,645	10,710	27,927
Total current assets	497,198	108,921	19,070	8,227,718	\$ 8,852,907
Noncurrent assets:					
Capital assets:					
Capital assets, not being depreciated:	1,803,044	1,550,998	110,000	1,910,011	5,374,053
Capital assets net of accumulated depreciation:	13,298,090	1,129,588	1,502,859	1,435,106	17,365,643
Total capital assets (net of accumulated depreciation)	15,101,134	2,680,586	1,612,859	3,345,117	22,739,696
Total noncurrent assets	15,101,134	2,680,586	1,612,859	3,345,117	22,739,696
Total assets	\$ 15,598,332	\$ 2,789,507	\$ 1,631,929	\$ 11,572,835	\$ 31,592,603
<b>Liabilities and Net Position</b>					
Current liabilities:					
Accounts payable	\$ 119,441	\$ 8,629	\$ 33,822	\$ 243,973	\$ 405,865
Due to other funds	-	-	8,446	-	8,446
Accrued payroll	12,816	7,125	18,883	36,517	75,341
Accrued interest payable	-	-	108	-	108
Long-term obligations due in one year	15,813	7,415	51,575	53,191	127,994
Landfill closure and postclosure liability	-	-	-	73,500	73,500
Total current liabilities	148,070	23,169	112,834	407,181	691,254
Noncurrent liabilities:					
Long-term obligations due in more than one year (net of unamortized discounts and premiums)	8,670	6,048	216,501	24,301	255,520
Landfill closure and postclosure liability	-	-	-	5,248,443	5,248,443
Total noncurrent liabilities	8,670	6,048	216,501	5,272,744	5,503,963
Total liabilities	156,740	29,217	329,335	5,679,925	6,195,217
<b>Net Position</b>					
Net Investment in capital assets	15,101,134	2,680,586	1,372,006	3,345,117	22,498,843
Unrestricted (deficit)	340,458	79,704	(69,412)	2,547,793	2,898,543
Total net position	\$ 15,441,592	\$ 2,760,290	\$ 1,302,594	\$ 5,892,910	\$ 25,397,386

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>Operating revenues:</b>					
Charges for services	\$ 361,802	\$ 327,255	\$ 795,383	\$ 2,869,114	\$ 4,353,554
Other	22,446	12	6,881	43,855	73,194
Total operating revenues	<u>384,248</u>	<u>327,267</u>	<u>802,264</u>	<u>2,912,969</u>	<u>4,426,748</u>
<b>Operating expenses:</b>					
Personal services	353,583	207,617	385,352	1,084,387	2,030,939
Contractual services	143,955	45,945	76,284	545,086	811,270
Commodities	30,257	7,745	216,670	401,097	655,769
Heat, light and power	36,670	31,093	80,624	22,842	171,229
Depreciation	626,519	56,588	126,496	592,305	1,401,908
Closure and postclosure care costs	-	-	-	34,847	34,847
Total operating expenses	<u>1,190,984</u>	<u>348,988</u>	<u>885,426</u>	<u>2,680,564</u>	<u>5,105,962</u>
Operating income (loss)	<u>(806,736)</u>	<u>(21,721)</u>	<u>(83,162)</u>	<u>232,405</u>	<u>(679,214)</u>
<b>Nonoperating revenues (expenses):</b>					
Investment income	767	100	(60)	9,865	10,672
Interest and fiscal charges	-	(4,059)	(4,878)	(686)	(9,623)
Gain (loss) on sale of capital assets	-	-	(11,184)	-	(11,184)
Total nonoperating revenues (expenses), net	<u>767</u>	<u>(3,959)</u>	<u>(16,122)</u>	<u>9,179</u>	<u>(10,135)</u>
Income (loss) before capital contributions and transfers	(805,969)	(25,680)	(99,284)	241,584	(689,349)
Capital contributions and grants	137,167	520,900	-	-	658,067
Transfers in	221,290	6,500	60,245	-	288,035
Transfers out	(101,984)	(52,195)	(53,068)	(1,036,448)	(1,243,695)
Change in net position	<u>(549,496)</u>	<u>449,525</u>	<u>(92,107)</u>	<u>(794,864)</u>	<u>(986,942)</u>
Total net position - beginning	15,991,088	2,310,765	1,394,701	6,687,774	26,384,328
Total net position - ending	<u>\$ 15,441,592</u>	<u>\$ 2,760,290</u>	<u>\$ 1,302,594</u>	<u>\$ 5,892,910</u>	<u>\$ 25,397,386</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 422,544	\$ 327,065	\$ 788,854	\$ 2,844,073	\$ 4,382,536
Payments to suppliers	(123,471)	(86,697)	(357,775)	(1,026,459)	(1,594,402)
Payments to employees	(347,984)	(205,737)	(378,310)	(1,072,021)	(2,004,052)
Other operating revenues	22,446	12	6,881	43,855	73,194
Net cash provided (used) by operating activities	(26,465)	34,643	59,650	789,448	857,276
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund advances	-	-	(19,119)	-	(19,119)
Transfers in	221,290	6,500	60,245	-	288,035
Transfers out	(101,984)	(52,195)	(53,068)	(1,036,448)	(1,243,695)
Net cash provided (used) by noncapital financing activities	119,306	(45,695)	(11,942)	(1,036,448)	(974,779)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Payments of debt principal	-	(56,334)	(42,878)	(2,014)	(101,226)
Payments of debt interest and charges	-	(2,121)	(4,770)	(80)	(6,971)
Capital grants received	152,619	-	-	-	152,619
Purchase of capital assets	(139,640)	1	-	(47,348)	(186,987)
Net cash provided (used) by capital and related financing activities	12,979	(58,454)	(47,648)	(49,442)	(142,565)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	(483,904)	(23,617)	(2,477)	(6,986,654)	(7,496,652)
Purchase of investments	382,895	88,948	2,414	7,049,809	7,524,066
Interest and dividends received	775	111	(60)	10,575	11,401
Net cash provided (used) by investing activities	(100,234)	65,442	(123)	73,730	38,815
Net increase (decrease) in cash and cash equivalents	5,586	(4,064)	(63)	(222,712)	(221,253)
Cash and cash equivalents - beginning	47,778	16,461	399	1,205,245	1,269,883
Cash and cash equivalents - ending	53,364	12,397	336	982,533	1,048,630
Investments	382,895	88,948	2,414	7,049,809	7,524,066
Total cash and investments	\$ 436,259	\$ 101,345	\$ 2,750	\$ 8,032,342	\$ 8,572,696
Cash and investments reported on the Statement of Net Position:					
Unrestricted cash and investments	\$ 436,259	\$ 101,345	\$ 2,750	\$ 8,032,342	\$ 8,572,696
Total cash and investments	\$ 436,259	\$ 101,345	\$ 2,750	\$ 8,032,342	\$ 8,572,696

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (806,736)	\$ (21,721)	\$ (83,162)	\$ 232,405	\$ (679,214)
Adjustments to reconciliation operating income (loss) to net cash provided by operating activities:					
Depreciation	626,519	56,588	126,496	592,305	1,401,908
Landfill closure and postclosure	-	-	-	(142,815)	(142,815)
Changes in operating assets and liabilities:					
Accounts receivable	60,742	(190)	(6,529)	(25,041)	28,982
Prepaid expenses	1,075	(1,562)	1,110	15,057	15,680
Accounts payable and contracts/claims payable	86,336	(352)	14,693	105,171	205,848
Accrued payroll and compensated absences	5,599	1,880	7,042	12,366	26,887
Net cash provided (used) by operating activities	<u>\$ (26,465)</u>	<u>\$ 34,643</u>	<u>\$ 59,650</u>	<u>\$ 789,448</u>	<u>\$ 857,276</u>
<b>Non-cash capital and financing activities:</b>					
Capital contributions	<u>\$ -</u>	<u>\$ 520,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 520,900</u>
Assets acquired under capital leases	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,000</u>	<u>\$ 209,000</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<b>Gateway TDD Tax Fund</b>				
Assets:				
Cash and investments:	\$ 76,071	\$ 34,097	\$ 59,826	50,342
Receivables - taxes	1,529	34,781	34,097	2,213
	<u>\$ 77,600</u>	<u>\$ 68,878</u>	<u>\$ 93,923</u>	<u>\$ 52,555</u>
Liabilities:				
Due to others	<u>\$ 77,600</u>	<u>\$ 68,878</u>	<u>\$ 93,923</u>	<u>\$ 52,555</u>
<b>Cook's Crossing</b>				
Assets:				
Cash and investments:	\$ 15,910	\$ 353,611	\$ 367,735	1,786
Receivables - taxes	23,642	358,402	353,611	28,433
	<u>\$ 39,552</u>	<u>\$ 712,013</u>	<u>\$ 721,346</u>	<u>\$ 30,219</u>
Liabilities:				
Due to others	<u>\$ 39,552</u>	<u>\$ 712,013</u>	<u>\$ 721,346</u>	<u>\$ 30,219</u>
<b>East Hills CID Tax Fund</b>				
Assets:				
Cash and investments:	\$ 2,632	\$ 711,060	\$ 712,768	924
Receivables - taxes	45,153	723,866	711,060	57,959
	<u>\$ 47,785</u>	<u>\$ 1,434,926</u>	<u>\$ 1,423,828</u>	<u>\$ 58,883</u>
Liabilities:				
Due to others	<u>\$ 47,785</u>	<u>\$ 1,434,926</u>	<u>\$ 1,423,828</u>	<u>\$ 58,883</u>
<b>Beck Road</b>				
Assets:				
Cash and investments:	\$ -	\$ 5,000	\$ -	5,000
Receivables - taxes	-	-	-	-
	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>
<b>Library Tax Fund</b>				
Assets:				
Cash and investments:	\$ -	\$ 354,286	\$ 354,281	5
Receivables - taxes	169,834	253,890	254,286	169,438
	<u>\$ 169,834</u>	<u>\$ 608,176</u>	<u>\$ 608,567</u>	<u>\$ 169,443</u>
Liabilities:				
Due to others	<u>\$ 169,834</u>	<u>\$ 608,176</u>	<u>\$ 608,567</u>	<u>\$ 169,443</u>
<b>All Agency Funds</b>				
Assets:				
Cash and investments	\$ 94,613	\$ 1,458,054	\$ 1,494,610	58,057
Receivables - taxes	240,158	1,370,939	1,353,054	258,043
	<u>\$ 334,771</u>	<u>\$ 2,828,993</u>	<u>\$ 2,847,664</u>	<u>\$ 316,100</u>
Liabilities:				
Due to others	<u>\$ 334,771</u>	<u>\$ 2,828,993</u>	<u>\$ 2,847,664</u>	<u>\$ 316,100</u>

# Statistical Section



# STATISTICAL SECTION

This part of the City of St. Joseph's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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

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



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

	<b>Fiscal Year</b>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities										
Net Investment in capital assets	\$ 42,978,508	51,567,893	181,138,463	190,940,915	182,248,926	182,851,470	177,925,146	176,097,074	167,292,448	164,614,446
Restricted	15,359,724	11,586,030	18,805,437	11,924,749	25,568,379	26,413,521	28,961,044	27,037,787	38,726,116	36,196,036
Unrestricted	(19,476,602)	(33,823,289)	(36,541,990)	(42,603,952)	(62,172,221)	(74,693,418)	(74,506,750)	(66,806,724)	(67,941,251)	(58,244,395)
Total governmental activities net position	\$ <u>38,861,630</u>	<u>29,330,634</u>	<u>163,401,910</u>	<u>160,261,712</u>	<u>145,645,084</u>	<u>134,571,573</u>	<u>132,379,440</u>	<u>136,328,137</u>	<u>138,077,313</u>	<u>142,566,087</u>
	\$									
Business-type activities										
Net Investment in capital assets	61,317,196	58,367,018	59,053,451	58,958,430	59,010,032	59,207,226	61,758,835	71,446,980	81,683,532	77,684,858
Restricted	3,770,260	4,017,572	4,065,619	7,052,076	7,242,299	7,127,675	7,010,353	7,852,141	6,872,034	9,571,719
Unrestricted	(1,197,406)	188,263	3,702,556	1,502,371	4,577,757	8,155,548	18,320,929	19,729,354	16,442,462	21,038,462
Total business-type activities net position	\$ <u>63,890,050</u>	<u>62,572,853</u>	<u>66,821,626</u>	<u>67,512,877</u>	<u>70,830,088</u>	<u>74,490,449</u>	<u>87,090,117</u>	<u>99,028,475</u>	<u>104,998,028</u>	<u>108,295,039</u>
Primary government										
Net Investment in capital assets	\$ 104,295,704	109,934,911	240,191,914	249,899,345	241,258,958	242,058,696	239,683,981	247,544,054	248,975,980	242,299,304
Restricted	19,129,984	15,603,602	22,871,056	18,976,825	32,810,678	33,541,196	35,971,397	34,889,928	45,598,150	45,767,755
Unrestricted	(20,674,008)	(33,635,026)	(32,839,434)	(41,101,581)	(57,594,464)	(66,537,870)	(56,185,821)	(47,077,370)	(51,498,789)	(37,205,933)
Total primary government net position	\$ <u>102,751,680</u>	<u>91,903,487</u>	<u>230,223,536</u>	<u>227,774,589</u>	<u>216,475,172</u>	<u>209,062,022</u>	<u>219,469,557</u>	<u>235,356,612</u>	<u>243,075,341</u>	<u>250,861,126</u>

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

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

Note: FY2013 the City implemented GASB 63 and GASB 65, so the format of the schedule has changed to be Net Position versus Net Assets

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 39,676,618	23,853,935	9,595,821	18,759,334	26,816,581	26,922,302	13,596,637	12,356,372	10,231,933	9,679,288
Public safety	15,552,714	21,133,947	21,956,657	23,318,744	25,047,545	25,875,428	25,728,700	24,624,508	24,144,704	26,855,874
Highways and streets	9,473,469	10,042,359	15,809,603	18,375,904	15,691,228	14,582,255	15,698,362	16,878,702	17,399,263	17,057,575
Public works	274,980	370,810	385,983	212,776	247,807	293,125	398,643	416,183	354,893	235,620
Health and welfare	7,807,850	5,908,864	5,803,456	5,397,561	5,998,130	5,231,832	6,380,731	5,383,486	4,995,710	4,850,675
Parks and Recreation	5,094,993	5,187,029	5,572,153	5,096,787	5,613,173	6,163,817	7,377,233	7,373,783	8,100,980	7,363,194
Interest on long-term debt	983,094	4,669,961	3,802,505	3,752,522	3,754,782	3,825,683	3,612,293	2,683,179	3,438,526	3,192,158
Total governmental activities expenses	<u>78,863,718</u>	<u>71,166,905</u>	<u>62,926,178</u>	<u>74,913,628</u>	<u>83,169,246</u>	<u>82,894,442</u>	<u>72,792,599</u>	<u>69,716,213</u>	<u>68,666,009</u>	<u>69,234,384</u>
Business-type activities:										
Aviation	921,180	863,917	976,138	989,152	1,117,337	1,234,602	1,127,663	1,087,908	1,059,518	1,190,984
Parking	525,677	510,026	445,675	358,222	397,508	384,058	328,919	348,149	339,368	353,047
Sewer	10,233,920	9,614,343	9,867,502	12,065,818	13,047,197	14,046,926	14,535,729	13,905,100	14,634,267	16,896,135
Golf	410,943	403,045	374,989	427,656	403,153	505,136	770,572	835,932	837,476	901,488
Transit	4,550,225	4,874,741	4,929,923	5,047,032	4,711,415	4,925,073	5,111,531	5,286,344	5,438,634	5,584,803
Landfill	2,202,206	2,967,669	2,462,903	4,672,139	3,486,083	3,631,750	2,811,194	3,003,318	2,862,856	2,677,926
Total business-type activities expenses	<u>18,844,151</u>	<u>19,233,741</u>	<u>19,057,130</u>	<u>23,560,019</u>	<u>23,162,693</u>	<u>24,727,545</u>	<u>24,685,608</u>	<u>24,466,751</u>	<u>25,172,119</u>	<u>27,604,383</u>
Total primary government expenses	<u>\$ 97,707,869</u>	<u>90,400,646</u>	<u>81,983,308</u>	<u>98,473,647</u>	<u>106,331,939</u>	<u>107,621,987</u>	<u>97,478,207</u>	<u>94,182,964</u>	<u>93,838,128</u>	<u>96,838,767</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 4,600,425	4,635,231	4,873,363	5,836,677	5,916,735	5,320,274	4,064,973	4,488,893	4,836,836	4,712,935
Public safety	619,251	709,962	496,759	543,241	583,425	642,911	665,299	680,798	821,264	936,478
Highways and streets	281,004	150,512	158,804	172,658	103,004	151,461	269,131	260,965	204,937	246,169
Public works	18,046	36,730	45,627	23,327	24,080	93,802	21,516	85,748	32,380	206,290
Health and welfare	567,388	674,058	749,166	684,720	746,525	572,275	655,605	559,092	626,570	539,526
Parks and Recreation	1,187,399	1,521,336	1,514,198	1,598,356	1,648,685	1,674,287	2,294,994	2,278,372	1,865,417	1,781,041
Operating grants and contributions	5,339,972	5,347,446	6,508,083	6,360,929	5,232,333	6,278,518	6,904,263	6,709,670	4,849,305	4,468,942
Capital grants and contributions	10,899,818	4,414,950	2,427,643	2,255,309	1,455,757	3,999,694	1,306,274	2,239,178	935,202	560,794
Total governmental activities program revenues	<u>23,513,303</u>	<u>17,490,225</u>	<u>16,773,643</u>	<u>17,475,217</u>	<u>15,710,544</u>	<u>18,733,222</u>	<u>16,182,055</u>	<u>17,302,716</u>	<u>14,171,911</u>	<u>13,452,175</u>
Business-type activities:										
Charges for services:										
Aviation	410,800	441,058	469,727	479,350	465,191	517,945	500,349	381,111	463,197	384,248
Parking	359,257	356,273	343,396	447,428	446,538	425,611	383,003	354,578	360,734	327,267
Sewer	7,944,771	8,724,982	10,242,357	11,321,682	12,080,534	13,423,446	15,727,445	17,807,964	19,630,962	19,861,888
Golf	400,615	405,379	379,891	369,883	394,779	532,429	705,864	783,605	820,578	802,264
Transit	105,594	124,959	158,916	284,077	327,506	298,583	357,891	394,945	350,978	343,364
Landfill	3,006,818	2,801,026	3,151,363	5,087,108	5,029,726	4,044,536	3,272,369	3,271,106	2,967,671	2,912,969
Operating grants and contributions	917,764	1,112,699	2,839,376	2,918,251	1,831,416	3,429,946	2,559,544	2,659,336	3,214,908	2,097,547
Capital grants and contributions	3,128,516	839,014	1,324,937	688,019	768,444	1,471,591	3,287,255	6,928,194	106,268	502,346
Total business-type activities program revenues	<u>16,274,135</u>	<u>14,805,390</u>	<u>18,909,963</u>	<u>21,595,798</u>	<u>21,344,134</u>	<u>24,144,087</u>	<u>26,793,720</u>	<u>32,580,839</u>	<u>27,915,296</u>	<u>27,231,893</u>
Total primary government program revenues	<u>\$ 39,787,438</u>	<u>32,295,615</u>	<u>35,683,606</u>	<u>39,071,015</u>	<u>37,054,678</u>	<u>42,877,309</u>	<u>42,975,775</u>	<u>49,883,555</u>	<u>42,087,207</u>	<u>40,684,068</u>
Net (expense)/revenue										
Governmental activities	(55,350,415)	(53,676,680)	(46,152,535)	(57,438,411)	(67,458,702)	(64,161,220)	(56,610,544)	(52,413,497)	(54,494,098)	(55,782,209)
Business-type activities	(2,570,016)	(4,428,351)	(147,167)	(1,964,221)	(1,818,559)	(583,458)	2,108,112	8,114,088	2,743,177	(372,490)
Total primary government net expense	<u>\$ (57,920,431)</u>	<u>(58,105,031)</u>	<u>(46,299,702)</u>	<u>(59,402,632)</u>	<u>(69,277,261)</u>	<u>(64,744,678)</u>	<u>(54,502,432)</u>	<u>(44,299,409)</u>	<u>(51,750,921)</u>	<u>(56,154,699)</u>

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

Governmental activities:

Taxes											
Property taxes	\$ 9,960,360	10,499,547	11,388,612	12,214,235	12,611,491	12,516,447	12,404,637	13,285,118	13,013,990	13,221,988	
Sales and use taxes	21,186,735	21,897,287	21,933,448	24,278,612	23,570,684	22,846,746	23,538,465	24,724,085	24,434,378	28,100,006	
Franchise taxes	3,734,204	3,956,650	4,016,906	7,588,044	6,822,074	8,218,703	6,653,184	6,716,146	6,824,507	6,923,106	
Motor fuel taxes	3,613,104	3,592,068	3,750,470	3,554,512	3,256,266	3,310,259	3,484,128	3,476,388	3,421,644	3,542,417	
Cigarette taxes	437,460	459,855	453,013	451,815	441,029	418,473	439,289	438,673	422,366	395,181	
Hotel taxes	389,986	400,792	430,551	448,717	412,623	425,537	443,127	815,756	913,963	856,089	
Intergovernmental activity taxes	26,922	934,602	2,417,872	2,433,665	3,110,961	3,325,651	3,734,112	4,309,127	4,117,506	4,325,026	
Unrestricted investment earnings	910,325	2,028,405	2,220,429	1,913,204	1,113,290	776,579	743,281	697,834	640,068	651,729	
Gain (loss) on sale of capital assets	73,644	-	-	9,914	75,546	90,476	535	-	-	65,877	
Transfers	455,974	376,478	835,608	1,405,495	1,428,110	1,158,838	414,691	1,899,067	2,454,852	2,189,564	
<b>Total governmental activities</b>	<b>40,788,714</b>	<b>44,145,684</b>	<b>47,446,909</b>	<b>54,298,213</b>	<b>52,842,074</b>	<b>53,087,709</b>	<b>51,855,449</b>	<b>56,362,194</b>	<b>56,243,274</b>	<b>60,270,983</b>	

Business-type activities:

Sales and use taxes	1,501,994	1,560,135	1,643,460	1,726,313	4,016,551	3,975,759	4,085,862	4,291,043	4,249,381	4,373,653	
Franchise taxes	887,532	939,913	942,673	1,058,276	1,049,179	1,053,842	1,109,866	1,130,630	1,154,809	1,272,415	
Unrestricted investment earnings	740,503	987,584	1,146,274	1,099,122	619,634	365,302	330,070	295,082	233,696	212,997	
Gain (loss) on sale of capital assets	5,513	-	-	177,256	-	7,754	-	6,582	43,342	-	
Special item	-	-	-	-	-	-	5,380,449	-	-	-	
Transfers	(455,974)	(376,478)	(835,608)	(1,405,495)	(1,428,110)	(1,158,838)	(414,691)	(1,899,067)	(2,454,852)	(2,189,564)	
<b>Total business-type activities</b>	<b>2,679,568</b>	<b>3,111,154</b>	<b>2,896,799</b>	<b>2,655,472</b>	<b>4,257,254</b>	<b>4,243,819</b>	<b>10,491,556</b>	<b>3,824,270</b>	<b>4,226,376</b>	<b>3,669,501</b>	

<b>Total primary government</b>	<b>\$ 43,468,282</b>	<b>47,256,838</b>	<b>50,343,708</b>	<b>56,953,685</b>	<b>57,099,328</b>	<b>57,331,528</b>	<b>62,347,005</b>	<b>60,186,464</b>	<b>59,469,650</b>	<b>63,940,484</b>	
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**Changes in Net Position**

Governmental activities	\$ (14,561,701)	(9,530,996)	1,294,374	(3,140,198)	(14,616,628)	(11,073,511)	(4,755,095)	3,948,697	1,749,176	4,488,774	
Business-type activities	109,552	(1,317,197)	2,749,632	691,251	2,438,695	3,660,361	12,599,668	11,938,358	5,969,553	3,297,011	
<b>Total primary government</b>	<b>\$ (14,452,149)</b>	<b>(10,848,193)</b>	<b>4,044,006</b>	<b>(2,448,947)</b>	<b>(12,177,933)</b>	<b>(7,413,150)</b>	<b>7,844,573</b>	<b>15,887,055</b>	<b>7,718,729</b>	<b>7,785,785</b>	

Note: FY2013 the City implemented GASB 63 and GASB 65, so the format of the schedule has changed to be Net Position versus Net Assets

Table 3

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Motor Fuel Tax</u>	<u>Cigarette Tax</u>	<u>Hotel Tax</u>	<u>Intergovernmental Activity Tax</u>	<u>Total</u>
2005	\$ 9,960,360	\$ 21,186,735	\$ 3,734,204	\$ 3,613,104	\$ 437,460	\$ 389,986	\$ 26,922	\$ 39,348,771
2006	10,499,547	21,897,287	3,956,650	3,592,068	459,855	400,792	934,602	41,740,801
2007	11,388,612	21,933,448	4,016,906	3,750,470	453,013	430,551	2,417,872	44,390,872
2008	12,214,235	24,278,612	7,588,044	3,554,512	451,815	448,717	2,433,665	50,969,600
2009	12,611,491	23,570,684	6,822,074	3,256,266	441,029	412,623	3,110,961	50,225,128
2010	12,516,447	22,846,746	8,218,703	3,310,259	418,473	425,537	3,325,651	51,061,816
2011	12,404,637	23,538,465	6,653,184	3,484,128	439,289	443,127	3,734,112	50,696,942
2012	13,285,118	24,724,085	6,716,146	3,476,388	438,673	815,756	4,309,127	53,765,293
2013	13,013,990	24,434,378	6,824,507	3,421,644	422,366	913,963	4,117,506	53,148,354
2014	13,221,988	28,100,006	6,923,106	3,542,417	395,181	856,089	4,325,026	57,363,813

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

	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General Fund										
Reserved	\$ 540,938	1,061,421	635,136	2,075,505	1,715,494	860,005				
Unreserved	5,465,123	2,081,515	2,551,817	5,592,876	5,449,331	3,132,137				
Total General Fund	<u>\$ 6,006,061</u>	<u>3,142,936</u>	<u>3,186,953</u>	<u>7,668,381</u>	<u>7,164,825</u>	<u>3,992,142</u>				
General Fund										
Nonspendable							\$ 408,508	\$ 469,113	499,662	127,450
Restricted							409,628	715,017	1,141,146	1,503,232
Committed							2,492,882	1,406,328	1,292,606	1,262,220
Assigned							1,206,978	3,259,079	3,135,856	3,712,053
Unassigned							3,176,846	4,160,485	5,807,342	6,837,653
Total General Fund							<u>\$ 7,694,842</u>	<u>\$ 10,010,022</u>	<u>11,876,612</u>	<u>13,442,608</u>
All other governmental funds										
Reserved	\$ 21,702,717	20,908,204	23,647,498	16,742,801	21,830,413	24,371,401				
Unreserved, reported in:										
Special revenue funds	11,081,617	5,142,593	8,458,323	11,941,619	5,477,728	3,245,197				
Capital project funds	2,117,955	6,469,342	2,859,544	6,517,615	5,110,764	4,493,117				
Total all other governmental funds	<u>\$ 34,902,289</u>	<u>32,520,139</u>	<u>34,965,365</u>	<u>35,202,035</u>	<u>32,418,905</u>	<u>32,109,715</u>				
All other governmental funds										
Nonspendable							\$ -	\$ 147,548	125,002	59,688
Restricted							30,860,074	29,170,639	32,890,892	35,175,720
Assigned							(121,516)	(285,298)	-	-
Total all other governmental funds							<u>\$ 30,738,558</u>	<u>\$ 29,032,889</u>	<u>33,015,894</u>	<u>35,235,408</u>

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 38,532,875	41,528,031	45,654,024	50,983,735	50,132,601	49,880,091	51,796,371	53,824,015	53,177,858	57,428,912
Licenses, fees and permits	1,403,084	1,445,418	1,465,195	1,461,356	1,376,436	1,519,836	1,438,472	1,493,098	1,481,598	1,492,146
Intergovernmental	5,830,759	8,951,096	5,697,209	8,644,884	6,045,431	7,347,329	8,086,513	6,667,413	6,161,673	4,604,559
Charges for services	4,179,090	4,584,989	4,744,541	4,717,410	4,715,722	4,177,716	4,223,558	3,801,507	4,616,555	4,168,520
Fines, forfeitures, and court costs	936,012	1,006,127	1,101,165	1,192,519	1,222,664	1,041,640	929,267	922,214	1,170,983	1,251,520
Special Assessments	21,802	39,688	47,522	28,648	24,474	22,040	26,002	30,610	35,220	68,741
Investment earnings	910,325	1,980,288	2,143,643	1,847,313	1,097,544	774,001	340,348	696,623	638,735	650,588
Other	733,525	789,906	2,544,549	1,711,517	2,011,842	2,059,121	3,206,392	2,457,992	1,626,120	1,922,109
Total revenues	<u>52,547,472</u>	<u>60,325,543</u>	<u>63,397,848</u>	<u>70,587,382</u>	<u>66,626,714</u>	<u>66,821,774</u>	<u>70,046,923</u>	<u>69,893,472</u>	<u>68,908,742</u>	<u>71,587,095</u>
<b>Expenditures</b>										
General government	36,267,743	23,608,397	8,782,348	10,956,124	11,676,893	12,036,926	11,401,238	9,197,296	9,987,736	9,092,825
Public safety	20,533,681	20,665,255	21,252,553	21,779,899	22,495,913	23,288,767	22,913,580	23,042,799	23,401,114	24,466,592
Highways and streets	6,900,810	7,566,077	7,492,151	8,834,917	7,961,665	8,145,602	8,142,562	8,195,698	8,376,243	8,953,664
Public works	274,980	344,143	274,688	212,776	245,910	294,018	252,137	272,492	212,831	235,200
Health and welfare	5,325,299	5,450,574	5,406,459	5,203,704	5,266,266	5,132,934	4,963,446	5,167,350	4,874,842	4,677,049
Parks and Recreation	4,029,293	4,420,506	4,576,833	4,566,717	4,999,838	5,028,218	4,818,778	4,714,047	5,511,231	5,656,119
Capital outlay	13,837,195	15,038,466	7,317,407	13,965,360	11,882,657	10,465,131	9,757,181	11,078,324	4,805,192	9,340,646
Debt Service										
Principal	696,934	1,713,663	2,918,292	3,291,383	3,218,074	3,514,899	3,742,547	6,447,821	4,142,728	5,237,826
Interest and bond costs	2,312,389	4,271,923	3,723,482	3,686,478	3,683,004	3,657,857	3,553,716	3,805,053	3,432,401	2,973,193
Total expenditures	<u>90,178,324</u>	<u>83,079,004</u>	<u>61,744,213</u>	<u>72,497,358</u>	<u>71,430,220</u>	<u>71,564,352</u>	<u>69,545,185</u>	<u>71,920,880</u>	<u>64,744,318</u>	<u>70,633,114</u>
Excess of revenues over (under) expenditures	(37,630,852)	(22,753,461)	1,653,635	(1,909,976)	(4,803,506)	(4,742,578)	501,738	(2,027,408)	4,164,424	953,981
<b>Other Financing Sources (Uses)</b>										
Transfers in	8,433,017	5,218,834	5,766,678	6,676,295	5,754,232	7,158,847	13,505,542	8,965,682	5,899,033	8,270,465
Transfers out	(7,977,043)	(4,842,356)	(4,931,070)	(5,270,800)	(4,326,122)	(6,000,009)	(11,874,966)	(7,066,615)	(3,287,456)	(5,560,001)
Issuance of debt	43,335,000	16,985,000	-	5,110,000	-	-	-	6,685,000	8,685,000	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(6,420,443)	(9,647,589)	-
Capital leases	-	35,300	-	56,201	-	-	198,694	163,180	20,003	-
Sale of capital assets	221,319	111,408	-	56,378	88,710	101,867	535	310,115	16,180	121,065
Total other financing sources (uses)	<u>44,012,293</u>	<u>17,508,186</u>	<u>835,608</u>	<u>6,628,074</u>	<u>1,516,820</u>	<u>1,260,705</u>	<u>1,829,805</u>	<u>2,636,919</u>	<u>1,685,171</u>	<u>2,831,529</u>
Net change in fund balances	\$ <u>6,381,441</u>	<u>(5,245,275)</u>	<u>2,489,243</u>	<u>4,718,098</u>	<u>(3,286,686)</u>	<u>(3,481,873)</u>	<u>2,331,543</u>	<u>609,511</u>	<u>5,849,595</u>	<u>3,785,510</u>
Debt service as a percentage of non capital expenditures	3.97%	8.47%	11.75%	11.53%	10.96%	11.25%	11.71%	16.85%	12.15%	12.88%

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

Fiscal Year	Property Tax (1)	Sales Tax	Cigarette Tax	Motor Vehicle Tax	Utility Franchise Tax	Hotel Motel Tax	Intergovernmental Activity Tax	Total
2005	\$ 10,328	\$ 20,003	\$ 437	\$ 3,613	\$ 3,734	\$ 390	\$ 27	\$ 38,533
2006	10,415	21,769	460	3,592	3,957	400	935	41,528
2007	11,381	23,205	453	3,750	4,017	431	2,417	45,654
2008	12,228	24,278	452	3,555	7,588	449	2,434	50,983
2009	12,519	23,571	441	3,256	6,822	413	3,111	50,133
2010	12,469	22,847	418	3,310	7,084	426	3,326	49,880
2011	12,349	23,538	439	3,484	7,808	443	3,734	51,795
2012	13,344	24,724	439	3,476	6,716	816	4,309	53,824
2013	13,040	24,437	422	3,422	6,826	914	4,118	53,178
2014	13,287	28,100	395	3,543	6,923	856	4,325	57,429

(1) Includes interest and penalties.

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

<b>Sales by Retail Category:</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Apparel stores	\$ 16,252	22,622	24,739	22,163	28,381	21,991	24,995	34,625	43,434	45,680
General merchandise	86,987	279,648	292,646	319,569	326,102	318,626	311,804	311,672	313,507	312,147
Food stores	110,054	112,337	114,235	121,311	127,635	127,175	124,988	132,028	134,628	137,249
Eating and drinking establishments	112,838	116,550	124,297	129,267	135,897	134,125	135,082	137,208	143,499	147,355
Home furnishings and appliances	70,293	75,994	79,286	66,385	62,775	30,768	31,395	31,081	31,121	33,360
Building materials and farm tools	11,248	34,068	32,685	31,288	27,178	51,514	50,134	49,274	42,416	52,590
Construction/Remodeling	6,063	5,335	4,765	4,351	10,999	4,299	4,824	4,484	4,392	6,778
Auto dealers and supplies	45,180	41,152	48,235	75,045	81,079	82,324	89,594	95,806	100,357	97,295
Wholesale Trade	22,792	23,732	27,285	32,332	21,793	21,787	19,789	20,349	30,000	42,462
Hotels, Motels	11,829	12,951	14,698	15,614	13,317	11,458	10,986	10,926	11,896	11,985
Communication	36,256	35,224	39,503	40,951	44,011	45,268	44,607	38,198	23,359	21,950
Other retail stores	106,529	91,268	86,650	97,343	84,559	79,669	76,782	77,622	76,761	78,351
All other outlets	31,793	51,367	58,000	50,974	50,330	49,766	51,062	45,405	53,414	87,852
<b>Total</b>	<b>\$ <u>668,115</u></b>	<b><u>902,249</u></b>	<b><u>947,023</u></b>	<b><u>1,006,593</u></b>	<b><u>1,014,056</u></b>	<b><u>978,770</u></b>	<b><u>976,042</u></b>	<b><u>988,678</u></b>	<b><u>1,008,782</u></b>	<b><u>1,075,053</u></b>

Note: Amounts for 2014 are not provided due to only receiving partial year figures.

Note: Amounts for 2004 are estimates.

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

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

<b>Direct Sales Tax Rate City of St. Joseph</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General Fund	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Public Safety										0.500
Capital Improvements	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Mass Transit	0.150	0.150	0.150	0.150	0.375	0.375	0.375	0.375	0.375	0.375
<b>Total Direct Sales Tax Rate</b>	<b>2.150</b>	<b>2.150</b>	<b>2.150</b>	<b>2.150</b>	<b>2.375</b>	<b>2.375</b>	<b>2.375</b>	<b>2.375</b>	<b>2.375</b>	<b>2.875</b>
<b>Total Local Option Sales Tax Rate</b>										
State of Missouri										
General Sales Tax	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Education	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total State of Missouri	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
Buchanan County										
General Sales Tax	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Law Enforcement	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Capital Improvements	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
County Tourism	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Ambulance										0.250
Total Buchanan County	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.350
City of St. Joseph	2.150	2.150	2.150	2.150	2.375	2.375	2.375	2.375	2.375	2.875
<b>Total Direct and Overlapping Sales Tax Rate</b>	<b>7.475</b>	<b>7.475</b>	<b>7.475</b>	<b>7.475</b>	<b>7.700</b>	<b>7.700</b>	<b>7.700</b>	<b>7.700</b>	<b>7.700</b>	<b>8.450</b>
Sources: Missouri Department of Revenue City of St. Joseph Revenue Manual										

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

Fiscal Year	Real Property (1)		Personal Property		Railroad & Utility		Total			Ratio of Total Assess Value To Total Estimated Actual Value
	Assess Value(2)	Estimated Actual Value	Assess Value	Estimated Actual Value	Assess Value	Estimated Actual Value	Assess Value	Direct Tax Rate	Estimated Actual Value	
2005	\$ 521,034	\$ 2,306,219	\$ 231,804	\$ 702,436	\$ 19,306	\$ 58,503	\$ 772,144	1.60	\$ 3,067,158	25.2%
2006	597,842	2,681,510	224,605	680,623	17,194	52,102	839,641	1.54	3,414,234	24.6%
2007	604,882	2,710,836	244,962	742,310	16,280	49,334	866,124	1.55	3,502,480	24.7%
2008	618,779	2,769,236	255,510	774,272	16,183	49,038	890,471	1.55	3,592,546	24.8%
2009	622,357	2,789,469	271,357	822,293	15,858	48,054	909,571	1.56	3,659,816	24.9%
2010	636,014	2,843,770	284,102	860,915	16,234	49,193	936,350	1.53	3,753,878	24.9%
2011	636,915	2,848,165	284,496	862,110	21,012	63,672	942,423	1.53	3,773,946	25.0%
2012	676,612	3,004,808	270,539	819,814	28,193	85,434	975,343	1.53	3,910,056	24.9%
2013	684,120	3,031,268	238,786	723,594	31,627	95,840	954,533	1.55	3,850,702	24.8%
2014	690,096	3,055,487	238,274	722,042	39,727	120,384	968,097	1.55	3,897,914	24.8%

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

Fiscal Year	City Direct Rates								Overlapping Rates (1)			
	General Fund	Public Safety	Debt Service	Public Health	Parks & Recreation	Museum	Library	Total City of St. Joseph	State of Missouri	St. Joseph School District	Buchanan County	Total
2004	\$ 0.63	\$ 0.07	\$ -	\$ 0.20	\$ 0.20	\$ 0.05	\$ 0.42	\$ 1.57	\$ 0.03	\$ 3.42	\$ 0.44	\$ 5.46
2005	0.65	0.07	-	0.21	0.20	0.05	0.42	1.60	0.03	4.05	0.46	6.14
2006	0.62	0.07	-	0.21	0.19	0.05	0.40	1.54	0.03	4.03	0.46	6.06
2007	0.63	0.07	-	0.21	0.19	0.05	0.40	1.55	0.03	3.98	0.46	6.02
2008	0.63	0.07	-	0.21	0.19	0.05	0.40	1.55	0.03	3.93	0.44	5.95
2009	0.63	0.07	-	0.21	0.20	0.05	0.40	1.56	0.03	3.93	0.45	5.97
2010	0.60	0.07	-	0.21	0.20	0.05	0.40	1.53	0.03	3.39	0.46	5.41
2011	0.60	0.07	-	0.21	0.20	0.05	0.40	1.53	0.03	4.00	0.46	6.02
2012	0.60	0.07	-	0.21	0.20	0.05	0.40	1.53	0.03	4.00	0.46	6.02
2013	0.60	0.07	-	0.22	0.20	0.05	0.41	1.55	0.03	4.14	0.46	6.18
2014	0.60	0.07	-	0.22	0.20	0.05	0.41	1.55	0.03	4.12	0.46	6.17

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Notes: (1) County Tax Breakdown for Current Year:  
 General Fund 0.08  
 Road & Bridge Fund 0.29  
 Handicap 0.10  
 Total County 0.46

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

TAXPAYER	TYPE OF BUSINESS	2014			2005		
		ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION(1)	2004 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
Missouri American Water	Water Utility	\$ 21,610,560	1	2.23%			
Boehringer Ingelheim Animal Health	Animal Health Manufacturer	17,011,940	2	1.76%	\$ 1,909,950	9	0.25%
Belt Highway Investment	Shopping Mall	15,152,100	3	1.57%	4,519,580	5	0.59%
Ag Processing Inc	Soybean Processing	14,556,895	4	1.50%	7,165,560	2	0.93%
HHS Properties, Inc	Healthcare Industry	12,913,920	5	1.33%	3,828,450	7	0.50%
Triumph Foods LLC	Pork Processing	11,658,240	6	1.20%			
Nestle USA Inc	Pet Food Manufacturing	10,608,860	7	1.10%	5,274,810	4	0.68%
Johnson Controls Battery Group	Battery Manufacturer	9,505,770	8	0.98%	4,312,962	6	0.56%
American Family Mutual Insurance	Insurance	9,473,150	9	0.98%			
Cole PC St Joseph MO LLC	Shopping Center	9,247,820	10	0.96%			
Silgan Containers	Canned Food Containers				7,303,040	1	0.95%
Meadwestvaco Corporation	Paper Manufacturer				5,366,480	3	0.70%
WalMart	Retail Variety Store				3,164,330	8	0.41%
Southern Union Gas Co.	Natural Gas Utility				1,288,300	10	0.17%
		<u>\$ 131,739,255</u>		<u>13.61%</u>	<u>\$ 44,133,462</u>		<u>5.72%</u>

(1) The total assessed valuation for 2014 = 968,096,910

Table 12

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

Fiscal Year Ended June 30,	Taxes Levied for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 11,423,095	\$ 10,965,000	95.99%	\$ 451,579	\$ 11,416,579	99.94%
2006	11,939,359	10,893,184	91.24%	451,502	11,344,686	95.02%
2007	13,189,059	12,770,207	96.82%	415,703	13,185,910	99.98%
2008	13,496,762	13,086,927	96.96%	405,618	13,492,545	99.97%
2009	13,713,589	13,237,877	96.53%	471,687	13,709,564	99.97%
2010	13,737,486	13,192,295	96.03%	541,218	13,733,513	99.97%
2011	14,261,209	13,532,867	94.89%	706,869	14,239,735	99.85%
2012	14,600,231	14,283,412	97.83%	303,953	14,587,365	99.91%
2013	13,803,855	13,737,726	99.52%	54,984	13,792,711	99.92%
2014	14,382,659	14,021,700	97.49%	-	14,021,700	97.49%

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

Fiscal Year	Governmental Activities					
	PBA	MDFB	IFB/IDA	Developer Obligations	Capital Leases	Loans
2005	\$ 475,706	\$ 6,860,000	\$ 45,645,000	\$ 2,467,000	\$ 56,280	\$ -
2006	425,506	5,395,000	62,530,000	2,379,177	69,828	-
2007	341,152	3,810,000	61,665,000	2,028,523	-	-
2008	296,647	2,170,000	65,570,000	9,654,552	50,793	-
2009	252,142	2,070,000	63,685,000	20,882,574	35,573	-
2010	202,856	1,965,000	61,745,000	31,689,113	19,012	-
2011	155,961	1,860,000	59,755,000	31,948,993	195,021	-
2012	106,675	1,750,000	55,930,034	29,730,100	305,458	-
2013	52,591	1,463,046	54,150,000	27,946,881	220,719	-
2014	-	1,357,151	51,235,000	26,152,384	109,006	-

Fiscal Year	Business-Type Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	PBA	MDFB	Revenue Bonds	Special Obligations	Capital Leases	Loans			
2005	\$ 519,294	\$ 11,720,000	\$ 13,365,000	\$ 120,000	\$ 229,580	\$ 210,093	\$ 81,667,953	4.40%	\$ 25,541
2006	464,495	11,720,000	12,359,001	90,000	166,191	169,033	95,768,231	5.17%	25,059
2007	366,381	11,515,000	11,216,393	60,000	99,723	-	91,102,172	4.75%	25,909
2008	318,740	11,275,000	30,529,313	-	60,222	-	119,925,267	5.94%	27,306
2009	271,095	10,860,000	29,384,235	-	20,648	-	127,461,267	6.03%	28,552
2010	218,235	10,415,000	28,171,157	-	103,661	-	134,529,034	5.69%	31,946
2011	167,981	9,950,000	26,906,079	-	77,957	-	131,016,992	5.25%	32,533
2012	115,121	9,465,000	47,438,000	-	50,401	-	144,890,789	5.57%	33,732
2013	57,409	8,290,000	48,380,411	-	86,117	-	140,647,174	5.36%	34,189
2014	-	7,700,000	60,547,713	-	248,814	-	147,350,068	5.32%	36,068

(1) Bureau of Economic Analysis

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Est. Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Less Amounts Available in Debt Service	Total		
2005	\$ -	\$ -	\$ -	0.00%	\$ -
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-

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

**CITY OF ST. JOSEPH, MISSOURI**  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Joseph School District	\$ 50,920,000	95.75%	\$ <u>48,755,900</u>
Subtotal, overlapping debt			48,755,900
City of St. Joseph direct debt			78,853,541
Total direct and overlapping debt			\$ <u><u>127,609,441</u></u>

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

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit (1)	\$ 154,428,775	167,928,218	173,224,886	178,094,297	181,914,282	187,270,023	188,484,606	195,068,675	190,906,624	193,619,382
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 154,428,775	167,928,218	173,224,886	178,094,297	181,914,282	187,270,023	188,484,606	195,068,675	190,906,624	193,619,382
Total net debt applicable to the limit as a percentage of debt limit	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed Value	\$ 968,096,910
Debt Limit (20% of assessed value)	193,619,382
General obligation:	-
Total Bonded Debt	-
Less:	-
Total net debt applicable to limit	-
Legal debt margin	\$ 193,619,382

Notes:

- (1) Total tangible property assessed value as of January 1, 2013 as certified by the County Clerk on June 30, 2013
- (2) Section 95.115 of the 1986 Missouri Revised Statutes permits any county or city, by vote of two-thirds of qualified electors voting thereon, to incur an indebtedness for city purposes not to exceed 5 percent of the taxable tangible property therein, as shown by the last assessment.
- Section 95.120 of the 1986 Missouri Revised Statutes permits any county or city, by a vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness of city purposes not to exceed 5 percent of the taxable property therein, as shown by the assessment.
- Section 95.125 and 95.130 of the 1986 Missouri Revised Statutes provides that any city may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring right-of-ways, constructing, extending and improving streets and avenues and/or sanitary sewer system and an additional ten percent for purchasing or construction of waterworks, electric or other light plants provided the total general obligation indebtedness of the city does not exceed twenty percent of the assessed valuation.
- (3) Debt service reserve funds were used to call for redemption and pay all outstanding general obligation bonds prior to their original stated maturity of February, 1998.

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

Fiscal Year	Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
<u>Sewer</u>						
2005	\$ 9,824	\$ 7,814	\$ 2,010	\$ 1,006	\$ 691	1.18
2006	10,108	6,302	3,806	1,058	639	2.24
2007	11,299	5,881	5,418	1,263	1,458	1.99
2008	13,265	7,269	5,996	1,354	1,811	1.89
2009	13,743	8,451	5,292	1,675	1,949	1.46
2010	15,828	10,372	5,456	1,747	1,867	1.51
2011	16,849	10,901	5,948	1,845	1,780	1.64
2012	20,411	9,163	11,247	2,233	2,731	2.27
2013	21,917	12,117	9,800	2,400	2,465	2.01
2014	22,736	13,709	9,027	3,098	3,636	1.34

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

Fiscal Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2005	72,661	\$ 1,855,835	\$ 25,541	37.90	11,690	5.90%
2006	73,990	1,854,115	25,059	37.90	11,466	4.90%
2007	73,990	1,917,007	25,909	35.30	11,718	4.50%
2008	73,990	2,020,371	27,306	35.30	11,630	5.00%
2009	73,990	2,112,562	28,552	36.50	11,744	8.70%
2010	73,990	2,363,685	31,946	37.00	11,935	7.70%
2011	76,780	2,497,884	32,533	37.90	11,737	5.49%
2012	77,185	2,603,604	33,732	38.10	11,039	5.70%
2013	76,780	2,625,031	34,189	35.60	11,387	5.80%
2014	76,780	2,769,301	36,068	35.60	11,244	5.50%

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

**CITY OF ST. JOSEPH, MISSOURI**  
Principal Employers  
2014 and 2005

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Heartland Health	3,866	1	5.62%	2,800	1	4.47%
Triumph Foods	2,838	2	4.12%	-		
St. Joseph School District	1,882	3	2.73%	1,546	2	2.47%
Boehringer Ingelheim Vetmedica	880	4	1.28%	-		
American Family	820	5	1.19%	910	3	1.45%
Altec Industries	800	6	1.16%	720	5	1.15%
APAC	720	7	1.05%	778	4	1.24%
Missouri Western State University	720	8	1.05%	550	10	0.88%
The Hillshire Brands Co	700	9	1.02%	700	6	1.12%
Johnson Controls Manufacturing	697	10	1.01%	592	9	0.95%
Western Reception Diagnostic				642	8	1.03%
City of St. Joseph, Missouri				644	7	1.03%
<b>Total</b>	<b>13,923</b>		<b>20.22%</b>	<b>9,882</b>		<b>15.79%</b>

Source: St. Joseph Area Chamber of Commerce

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Mayor/Council	1	1	1	1	1	1	1	1	1	1
City Clerk	3	3	3	3	3	3	2	2	2	2
City Manager	3	4	4	6	6	6	5	4	4	4
Technology & Communications	5	5	5	5	5	5	5	4	4	4
Municipal Court	5	5	6	6	6	6	5	5	5	5
Legal	7	7	7	7	7	7	6	6	6	6
Administrative Services	14	15	15	15	15	15	15	16	17	18
Human Resources	5	5	5	6	6	6	5	5	5	5
Customer Assistance	25	26	25	16	16	16	15	3	3	3
Public Safety										
Police - Arrest Powers	116	117	118	117	119	117	116	115	113	116
Police - Civilian	41	41	41	44	44	45	44	42	43	42
Fire Protection	131	131	131	131	131	131	127	124	128	127
Fire - Civilian	3	3	3	3	3	3	3	3	3	3
Public Works										
Engineering	11	10	10	10	10	10	9	9	8	9
Public Works Administration	5	4	5	5	5	5	5	5	6	6
Streets	59	61	62	64	64	64	63	58	62	56
Traffic	8	8	8	8	8	8	8	7	8	8
Airport	6	6	6	6	6	6	6	5	6	6
Parking Services	6	6	6	6	6	6	6	5	4	5
Landfill	16	16	17	18	18	18	18	18	17	17
Recycling Center	2	2	2	2	2	2	2	2	2	2
Sewer Maintenance	17	14	19	19	19	19	20	24	21	22
Water Pollution Control	41	42	45	46	46	50	51	50	53	53
Health Department	41	41	42	42	42	42	41	40	40	41
Parks and Recreation	47	48	48	53	51	52	51	52	53	53
Community Development										
Planning	5	4	4	4	4	4	3	5	5	5
Housing & Community Dev	7	8	9	7	7	7	7	15	15	14
Property Maintenance				11	10	11	9	10	9	10
<b>Total</b>	<b>630</b>	<b>633</b>	<b>647</b>	<b>661</b>	<b>660</b>	<b>665</b>	<b>648</b>	<b>635</b>	<b>643</b>	<b>643</b>

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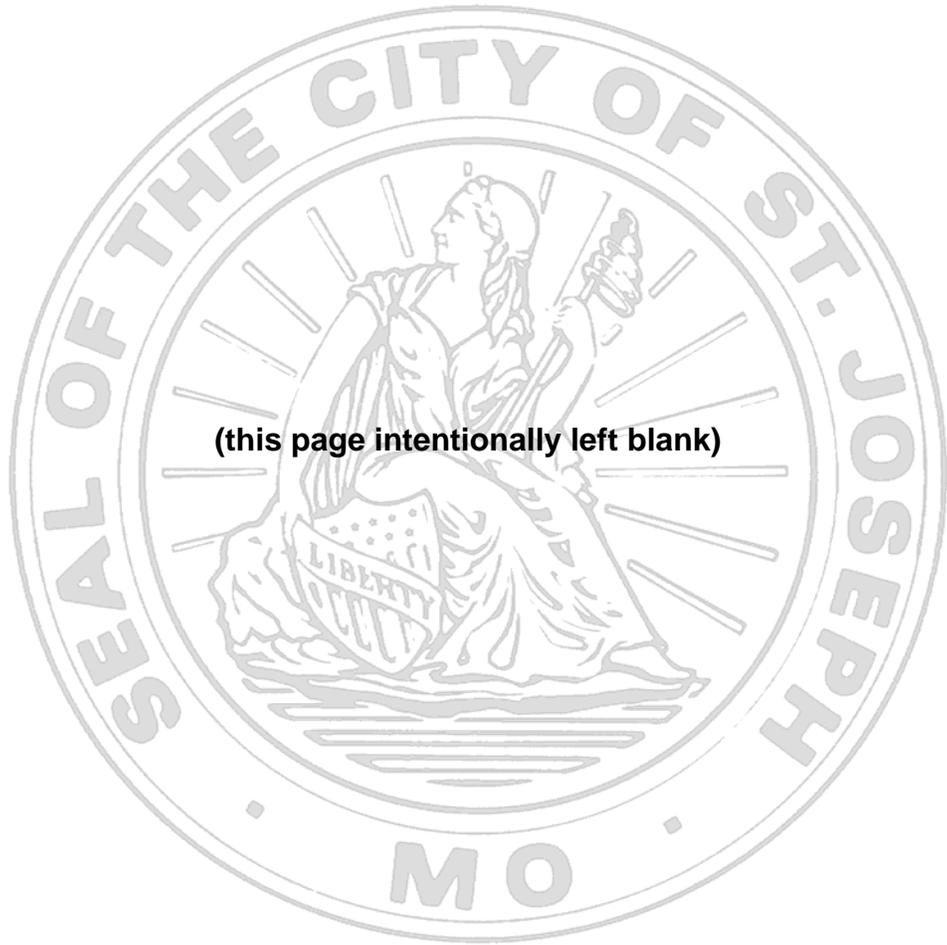
Source: City of St. Joseph Annual Report

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

<b>Function/Program</b>		<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Public Safety</b>											
	<b>Police</b>										
	Physical Arrests	6,679	5,610	6,183	7,178	6,368	5,170	5,275	4,870	6,958	7,262
	Traffic Violations	15,669	15,688	11,541	18,065	18,453	14,544	11,084	14,080	12,235	11,312
	Parking Violations	11,307	11,620	10,182	10,524	11,861	12,071	8,719	8,532	9,196	7,130
	<b>Fire</b>										
	Total Alarms	6,621	6,895	7,322	8,573	8,074	7,920	9,049	9,651	8,461	8,836
	Inspections	250	500	398	390	1,058	590	419	442	565	754
NS-1	<b>Water</b>										
	Number of customers	36,878	31,751	32,480	33,333	32,548	32,002	32,014	32,004	32,004	31,993
	Daily Average Water Consumption	14,933,000	15,000,000	17,083,000	18,000,000	17,209,000	17,161,000	17,589,000	17,584,000	17,866,000	17,729,000
	<b>Sewer</b>										
	Number of customers	30,878	31,751	26,768	26,876	26,859	26,910	26,875	26,836	25,723	24,625
	Daily Average Wastewater Treated	17,000,000	15,000,000	15,000,000	17,000,000	17,000,000	17,000,000	17,000,000	15,000,000	15,000,000	17,000,000

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public Safety</b>										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Vehicles	91	91	108	106	104	106	119	122	107	118
Fire										
Fire Stations	9	9	9	9	9	9	9	9	9	9
<b>Public Works</b>										
Total area (square miles)	45.045	44.443	44.443	45.443	44.680	46.500	46.500	46.500	46.500	46.500
Paved miles	425.0	425.0	426.3	426.4	432.8	432.8	432.3	432.3	434.8	433.1
<b>Culture and Recreation</b>										
Park acreage	1,500	1,500	1,500	1,500	1,500	1,500	2,000	2,000	2,000	2,000
Parks	46	46	46	46	46	46	46	46	46	46
Ball Fields	22	23	23	22	23	23	23	23	23	23
Community Centers	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Ice Arenas	1	1	1	1	1	1	1	1	1	1
Swimming Pools	3	3	3	3	3	3	3	3	3	3
Tennis Courts	21	21	21	21	21	21	21	21	21	21
<b>Power and Light</b>										
Power stations	13	12	17	12	12	12	12	12	12	12
Transmission/Distribution Circuits (miles)	1,000.00	793.00	799.25	813.04	816.45	816.45	593.32	595.45	598.04	601.01
Street Lights	5,933	6,097	6,652	6,884	6,903	6,923	6,943	6,952	6,952	6,952
<b>Water</b>										
Water mains (miles)	619	605	620	613	616	619	619	619	620	620
Fire hydrants	2,986	2,985	3,141	3,075	3,063	3,096	3,031	3,030	3,032	3,043
Maximum daily pumpage (millions of gallons)	30	30	30	30	30	21	24	24	26	26
<b>Sewer</b>										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	386	377	388	390	380	397	397	402	403	406
Maximum daily capacity of treatment (MGD)	27	27	27	27	27	27	27	27	27	27



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