

Comprehensive Annual Financial Report

City of
St. Joseph
Missouri



For the fiscal year ended June 30, 2015

CITY OF ST. JOSEPH, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by the Administrative Services Department

Gia Scruggs
Director of Administrative Services

CITY OF ST. JOSEPH, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2015

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Introductory Section

CITY OF ST. JOSEPH, MISSOURI

PRINCIPAL OFFICIALS

Bill Falkner
Mayor

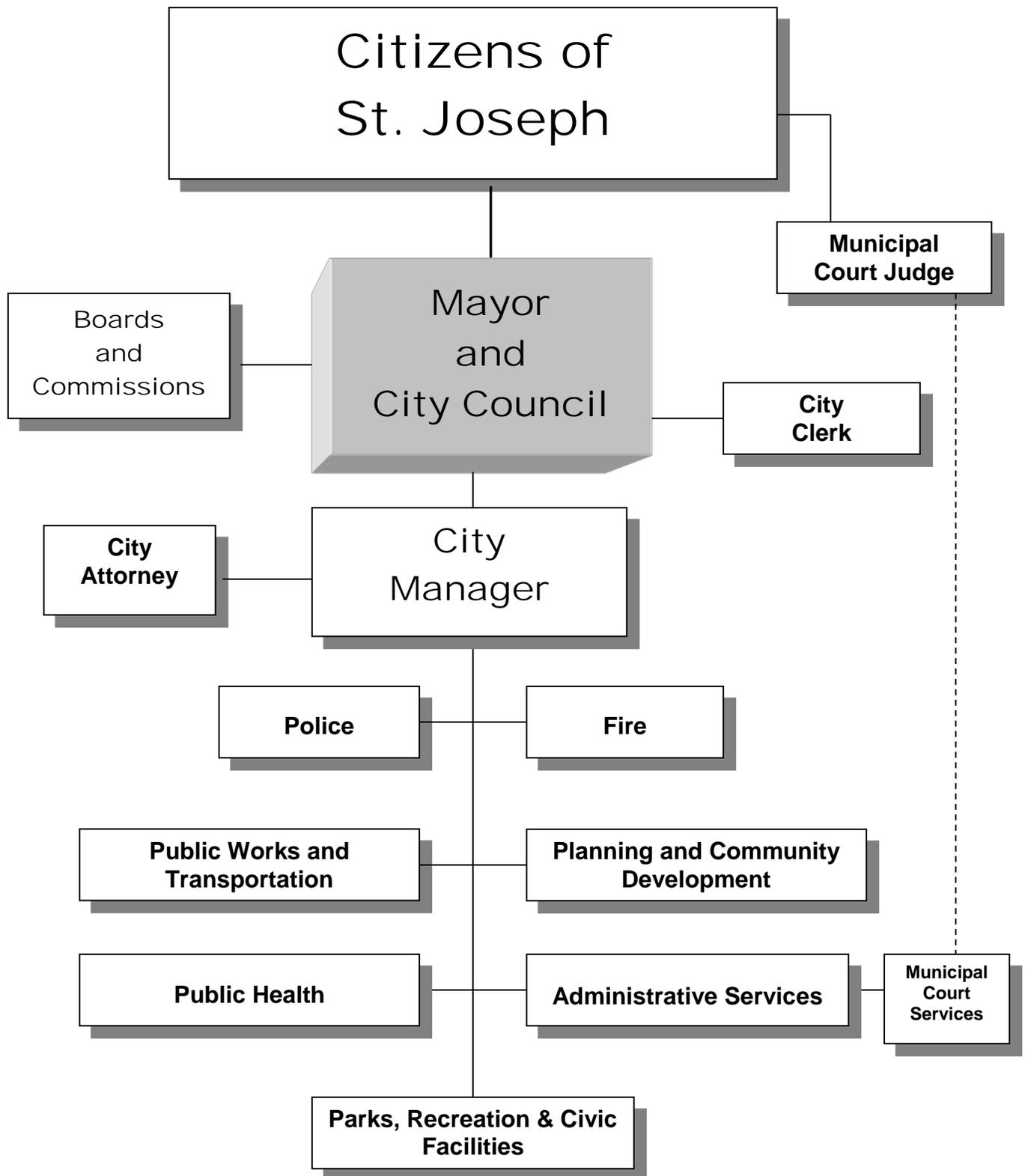
CITY COUNCIL

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	Gia Scruggs
City Attorney	Bryan Carter
City Clerk	Paula Heyde
Fire Chief	Michael Dalsing
Parks, Recreation & Civic Facilities	Chuck Kempf
Planning & Community Development	Clint Thompson
Police Chief	Chris Connally
Public Health	Debra Bradley
Public Works & Transportation - Interim	Andrew Clements

ORGANIZATION CHART



December 23, 2015

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, 2015, 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, 2015, 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 127,431. The City's population of 77,176 represents 61% of the total service area. Located in the heart of the country, St. Joseph's prime location provides for access to customers and suppliers. From Canada to Mexico, Interstate 29, a major north-south interstate runs through the city. St. Joseph has two airports available. South of St. Joseph is Kansas City International (KCI) airport and just west over the Missouri River is Rosecrans Memorial Airport serving St. Joseph's civilian and military needs by providing capacity for any size aircraft. The Missouri River borders St. Joseph allowing the public river port facility the ability to give area businesses the option of transporting via river. In addition, rail service provides direct access to all parts of North America.

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

Labor Force

St. Joseph's Metropolitan Statistical Area (MSA) consists of Andrew, Buchanan, and DeKalb Counties in Missouri and Doniphan County in Kansas. The St. Joseph MSA maintains a civilian labor force of 65,365 with 61,853 employed for the period ending June 30, 2015, producing an unemployment rate of 5.4%. At this time last year the unemployment rate was 5.5%. The unemployment rate is lower than Missouri's rate of 5.8%.

Major Employers

St. Joseph's economy is highly diversified, with major industrial, manufacturing, financial services, healthcare, and educational institutions. The City's largest employer, Mosaic Life Care, a partner with Mayo Clinic Care Network, provides 3,732 jobs, or 6% of the total employed work force. Mosaic Life Care, a physician led life care company, combines traditional health care while focusing on key life elements affecting a person's overall wellbeing. The ten largest employers provide a total of 14,914 jobs, representing 24% of the total employed work force. These employers are listed as follows:

TEN LARGEST EMPLOYERS			
Employer	Industry	Number	% of Work Force
Mosaic Life Care	Health Services	3,732	6.0%
Triumph Foods	Pork Processing	2,781	4.5%
St. Joseph School District	Public Education	2,289	3.7%
139 th Airlift Wing-MO Air Nat Guard	Government	1,427	2.3%
System & Services Technologies	Financial Services	983	1.6%
Boehringer Ingelheim Vetmedica	Animal Pharmaceuticals	946	1.5%
Missouri Western State University	Higher Education	745	1.2%
American Family	Insurance	732	1.2%
City of St. Joseph	Local Government	645	1.0%
Johnson Controls	Battery Manufacturer	634	1.0%
Total		14,914	24.0%

Economic Development Efforts

The St. Joseph economy in FY2015 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, led by the St. Joseph School District and its foundation, held its groundbreaking ceremony to construct the 8,000 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 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. MODOT Cost Share/Economic Development Committee awarded up to \$4.9 million to design and construct a diamond interchange bridge that will be a direct route to the new Expo Center.

Albaugh, headquartered in Ankeny, IA, with the premier manufacturing and formulation facility in St. Joseph, not only expanded its current location in the Stockyards Industrial Park but had a significant impact in the redevelopment and aesthetic appeal of the area. Albaugh enhanced the Stockyards area by demolition of a blighted building and surrounding acreage and invested over \$8 million in new capital and added 11 new jobs to their workforce.

Daily's Premium Meats announced it will build a new 100,000 square foot facility in St. Joseph. The company's initial capital investment between \$41.5 and \$46.5 million for the Stockyards Expressway campus will create 212 new jobs within the first five years of operation. Daily's Premium Meats specializing in "sliced to order" naturally smoked bacon sells a variety of processed pork items from signature honey cured bacon to Applewood smoked bacon to naturally smoked hams to breakfast sausages. The company aims to start production, May, 2016.

Missouri Western State University, the Board of Governors approved issuance of \$5.5 million in bonds for a \$7.8 million renovation of Spratt Stadium. The enhancements will include installing a state of the art video board to involve and energize the crowd, adding 14 luxury private suites and new press box, upgrading general seating for better fan safety and experience to the 35 year old athletic facility.

Mosaic Life Care, acquired the historic six story German-American Bank Building, 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, Mosaic anticipates investing approximately \$20 million for renovations while embracing and protecting the architectural and historic features and as a result of the move enriching the community and downtown area.

Nor-Am Ice and Cold Storage, LLC, a leading public refrigerated warehouse continues growth in St. Joseph. The family operated business will put \$8.5 million investment into the current Stockyards Expressway location and add an additional 72,000 square feet and 10 new full time jobs.

Protein LLC, revealed plans to 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 employees to a total of 70 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.

Shutz Container Systems, Inc., a German based packaging company, established footing in Eastowne Business Park. This is the 10th facility in the United States for Shutz and will make packages for agriculture chemical and food related industries. The packaging company anticipates \$20 million local investment for the 13.25 acres, building, improvements and equipment.

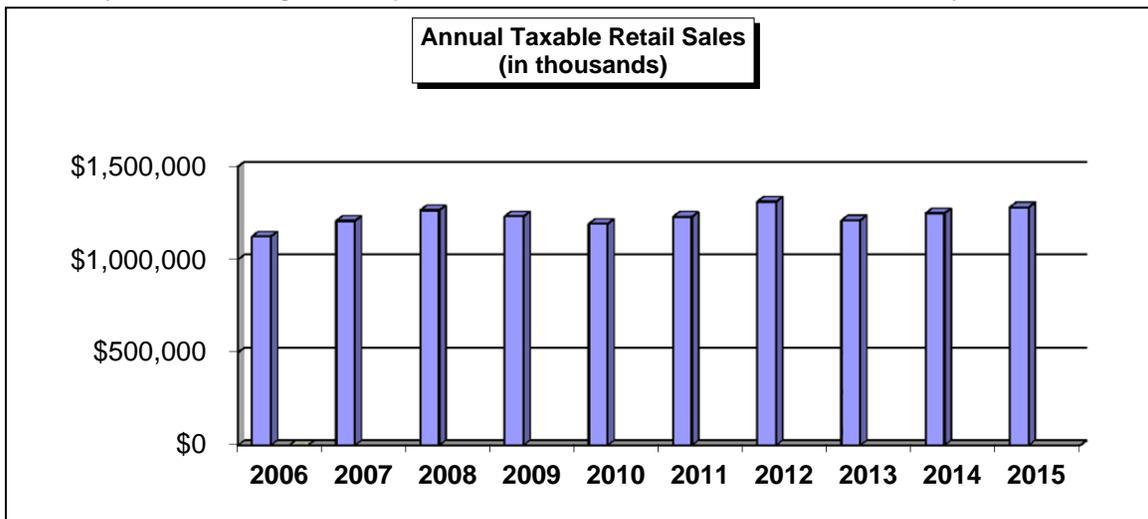
Summit Truck Group, purchased land adjacent to the current property located at Mitchell Woods Business Park for future expansion and growth in the St. Joseph market. January, 2014, Diamond Companies and Roberts Truck Center dealerships merged into Summit Holdings and offers comprehensive transportation solutions that includes new and used trucks and buses, parts and service, leasing and rental, financing and much more. The company operates 33 commercial truck and bus dealerships in Arkansas, Kansas, Mississippi, Missouri, New Mexico, Oklahoma, Tennessee and Texas.

YMCA opened its second location at the new St. Joseph Community Campus, a 26 acre development that includes a city park, walking trail and all accessible universal playground in the St. Joseph's northeast side with a campaign close to \$7 million.

Tuscany Village, submitted plans for the 67 acre development at the northwest corner of Interstate 29 and North 169 Highway with tax increments financing approved for \$21 million. Phase one consists of 27 acres of mixed use commercial development with confirmed sites for Speedy's Convenience Stores headquarters and location of a new hotel. Anticipated openings are set for late spring 2016.

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 2015 as well as the revenues received from the City's fifty percent (50%) of the general sales taxes generated in the economic development districts. Combined the sales tax revenues available for general purposes increased almost two and half percent (2.5%). Total retail sales in St. Joseph increased as reflected in the total sales tax remitted to the City. The following chart depicts 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 4,955 business licenses for fiscal year ended June 30, 2015.

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 12,034 students.

Missouri Western State University (MWSU), Hillyard Technical Center, Vatterott College, and American Business and Technology University 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, conducts graduate classes from its downtown St. Joseph location. Hillyard Technical Center, serving adults and high school students from 19 high schools in seven counties, provides classes with hands on experience up to 30 credit hours. MWSU, NWMSU, 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 and NWMSU. In less than two years, students can earn a Diploma or Associate Degree from Vatterott College in a variety of careers. American Business and Technology University campus is located in the historic Wyeth Mansion offers online/distance education based degree programs in varying fields.

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

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

Western State University, St. Joseph School District, 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. Combining history and architecture, the mid-1800s Westward expansion is depicted by murals painted on six buildings in the downtown area. Other available cultural activities include the Albrecht-Kemper Museum of Art, the Sculpture Walk, featuring annual exhibits displayed throughout the historic downtown district, Robidoux Resident Theatre and St. Joseph Symphony. Missouri Western State University as well as the municipally owned Civic Arena, Missouri Theater, Krug Park and Felix Street Square, 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. Fairview now offers golfers the ability to play golf year-round in a climate controlled environment through the modern technology of a golf simulator.

The Joyce Raye Patterson Senior Citizens Center features a multi-purpose room, stage area, cafeteria, and a renovated and expanded fitness center. Many craft and recreation options are offered, including a cooperative use of the indoor walking track at the St. Joseph REC 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. Figure skating, hockey, and curling are some of the ice recreation offered in the ice arena.

Phil Welch, a 5,000 seat stadium, is home to the St. Joseph Mustangs competing in the MINK League. Through the first seven seasons, the Mustangs have had six (6) top ten attendance rankings, four MINK Championships including 2015, four trips to the National Baseball Congress World Series (two top 5 finishes), and seven 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 20th 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 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 St. Joe Fit, adult volleyball and pickle ball leagues, youth basketball and volleyball leagues, a variety of youth basketball tournaments, and the summer youth camp.

Heritage Park Softball Complex, located near the Remington Nature Center, features a five field complex where numerous invitational, an ASA Girl's Fast Pitch 10U and 12U National Championships and Air National Guard National Softball Tournament were held this season. The complex has been host to several other state, national, and regional tournaments in its 13 year existence. This year, the St. Joseph City Council took action to rename the complex, "Bill McKinney Softball Complex at Heritage Park."

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, 2014, the Allied Arts Council of St. Joseph produced the twentieth first annual Trails West! ® Festival, with 40,000 in attendance. Other festivals and parades include the Apple Blossom Parade and BBQ in May, Northside 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 "Imagine Eleven" on Sunday nights, "Sounds of Summer" held Friday nights, the Coleman Hawkins Festivals - Jazz in June/Blues in September, and Joestock Music Festival the first weekend of September. Live music under the stars can be enjoyed on a warm summer night.

Missouri Western State University offers three attractions to the community and visitors alike. The Bushman Planetarium, within Agenstein Hall, explores the universe from starry skies to microscopic life forms. The Walter Cronkite Memorial, located inside Spratt Hall, honors "the most trusted man in America" with major moments in Cronkite's history and his legendary broadcast career. Each year 60,000 guests enjoy professional football training when St. Joseph and MWSU become home to the Kansas City Chiefs Summer Training Camp.

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 18 bond issuances and 12 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) TIF projects at June 30, 2015.
- 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 two (2) Developer Agreements at June 30, 2015.
- 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, 2015.
- 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, 2015.

- 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, 2015.
- 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.

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 will be looking to implement use of local lodging tax revenue as approved by voters to allocate towards riverfront redevelopment near the existing casino. It is anticipated funds will be used for riverfront recreation complex, river walk, campgrounds, and nature center among other amenities.

The City has been working with Affinity Gaming on 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 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 multipurpose center, creation of a convention hotel, and establishment of an Entertainment District in conjunction with a downtown casino to help spur private investment and downtown revitalization.

The use of 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 streetscape and surface parking improvements. The City's public assistance has spurred private investment to Downtown as well such as Mosaic Life Care.

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, construction of the remaining loop on the west portion of the development has connected two streets that have now led to the completion of the Final Plat to allow lots to be sold in the second phase.

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, 2015, 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, 2014. 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,

A handwritten signature in blue ink, reading "Gia Scruggs", written over a horizontal line.

Gia Scruggs
Director of Administrative Services

A handwritten signature in blue ink, reading "J. Bruce Woody", written over a horizontal line.

J. Bruce Woody
City Manager



Government Finance Officers Association

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

Presented to

**City of Joseph
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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, 2015, 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, 2015, 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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Change in Accounting Principle

As described in Notes 10 and 13 to the financial statements, in 2015, the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

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, schedules of changes in pension of net pension liability, schedules of employer contributions, and schedule 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 23, 2015, 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 23, 2015

Coburn Head Vick & Co., P.C.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015. 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 \$250,261,436 (*net position*).
- The City's total net position decreased \$313,670 - \$2,262,835 is attributable to a decrease in "Governmental activities" while "Business-type activities" contributed an increase of \$1,949,165.
- As of the close of the current fiscal year, the City's funds reported combined ending governmental fund balances of \$56,582,978 an increase of \$7,904,962 in comparison with the prior year. \$9,384,702 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 \$9,384,702 or 20% of total general fund expenditures.
- The City's net investment in capital assets for its governmental and business-type activities decreased \$6,644,186. More information is provided beginning on page MD-12.
- The City's total long-term debt as detailed beginning on page MD-13 increased \$54,060,992 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, 2015

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, 2015

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 \$250,261,436 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 citizens; consequently, these assets are *not* available for future spending. Although the City's

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

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	
	2015 **	2014	2015 **	2014	2015 **	2014
Current, other assets and deferred outflows	\$ 81,378,728	\$ 65,346,982	\$ 65,815,016	\$ 41,158,230	\$ 147,193,744	\$ 106,505,212
Capital assets	159,767,021	165,260,160	183,446,192	145,831,158	343,213,213	311,091,318
Total assets and deferred outflows	<u>241,145,749</u>	<u>230,607,142</u>	<u>249,261,208</u>	<u>186,989,388</u>	<u>490,406,957</u>	<u>417,596,530</u>
Long-term liabilities	99,038,321	82,672,800	123,931,164	74,172,620	222,969,485	156,845,420
Other liabilities	6,000,757	5,368,255	11,175,279	4,521,729	17,176,036	9,889,984
Total liabilities	<u>105,039,078</u>	<u>88,041,055</u>	<u>135,106,443</u>	<u>78,694,349</u>	<u>240,145,521</u>	<u>166,735,404</u>
Net position:						
Net Investment in capital assets	158,218,098	164,614,446	77,437,020	77,684,858	235,655,118	242,299,304
Restricted	41,840,617	36,196,036	11,877,345	9,571,719	53,717,962	45,767,755
Unrestricted (deficit)	(63,952,044)	(58,244,395)	24,840,400	21,038,462	(39,111,644)	(37,205,933)
Total net position	<u>\$ 136,106,671</u>	<u>\$ 142,566,087</u>	<u>\$ 114,154,765</u>	<u>\$ 108,295,039</u>	<u>\$ 250,261,436</u>	<u>\$ 250,861,126</u>

** The City implemented GASB Statement No. 68 in 2015

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, 2015**

Unlike the governmental activities, the business-type activities show positive unrestricted net position for FY15 of \$24,840,400.

An additional portion of the City's net position, 22% or \$53,717,962 represents resources that are subject to external restrictions on how they may be used. Governmental activities claim 17% or \$41,840,617 while the business-type activities have the other 5% or \$11,877,345.

As previously stated, the City's net position decreased \$313,670 during the current fiscal year. Governmental activities represent a \$2,262,835 decrease in the City's net position and a \$1,949,165 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	
	2015 **	2014	2015 **	2014	2015 **	2014
Revenues:						
General Revenues:						
Property taxes	\$ 13,541,862	\$ 13,221,988	\$ -	\$ -	\$ 13,541,862	\$ 13,221,988
Sales taxes	32,282,910	28,100,006	4,456,303	4,373,653	36,739,213	32,473,659
Other taxes	16,481,357	16,041,819	1,217,843	1,272,415	17,699,200	17,314,234
Other revenue	663,951	717,606	307,316	212,997	971,267	930,603
Program Revenues:						
Charges for services	8,548,235	8,422,439	27,487,822	24,632,000	36,036,057	33,054,439
Operating grants & contributions	4,583,812	4,468,942	1,778,662	2,097,547	6,362,474	6,566,489
Capital grants & contributions	911,812	560,794	573,383	502,346	1,485,195	1,063,140
Total revenues	77,013,939	71,533,594	35,821,329	33,090,958	112,835,268	104,624,552
Expenses:						
Functions/Programs:						
General government	19,182,884	9,679,288	-	-	19,182,884	9,679,288
Public safety	28,023,361	26,855,874	-	-	28,023,361	26,855,874
Highway and streets	18,789,099	17,057,575	-	-	18,789,099	17,057,575
Public works	290,349	235,620	-	-	290,349	235,620
Health and welfare	5,430,715	4,850,675	-	-	5,430,715	4,850,675
Parks and recreation	7,330,358	7,363,194	-	-	7,330,358	7,363,194
Interest	2,888,824	3,192,158	-	-	2,888,824	3,192,158
Sewer	-	-	20,162,018	16,896,135	20,162,018	16,896,135
Mass transit	-	-	5,387,901	5,584,803	5,387,901	5,584,803
Other proprietary functions	-	-	5,663,429	5,123,445	5,663,429	5,123,445
Total expenses	81,935,590	69,234,384	31,213,348	27,604,383	113,148,938	96,838,767
Excess (deficiency) of revenues over (under) expenses	(4,921,651)	2,299,210	4,607,981	5,486,575	(313,670)	7,785,785
Transfers	2,658,816	2,189,564	(2,658,816)	(2,189,564)	-	-
Change in net position	(2,262,835)	4,488,774	1,949,165	3,297,011	(313,670)	7,785,785
Net position - beginning **	138,369,506	138,077,313	112,205,600	104,998,028	250,575,106	243,075,341
Net position - ending	\$136,106,671	\$142,566,087	\$114,154,765	\$108,295,039	\$250,261,436	\$250,861,126

** The City implemented GASB Statement No. 68 in 2015

CITY OF ST. JOSEPH, MISSOURI

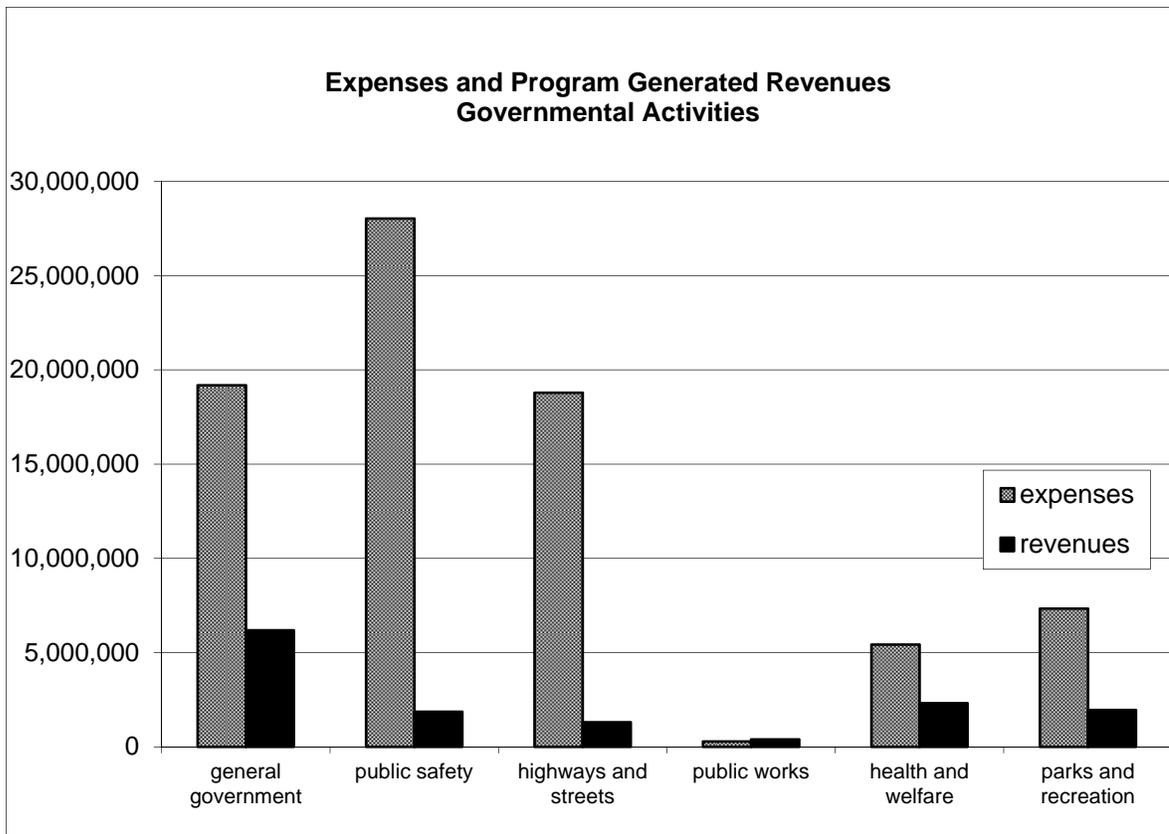
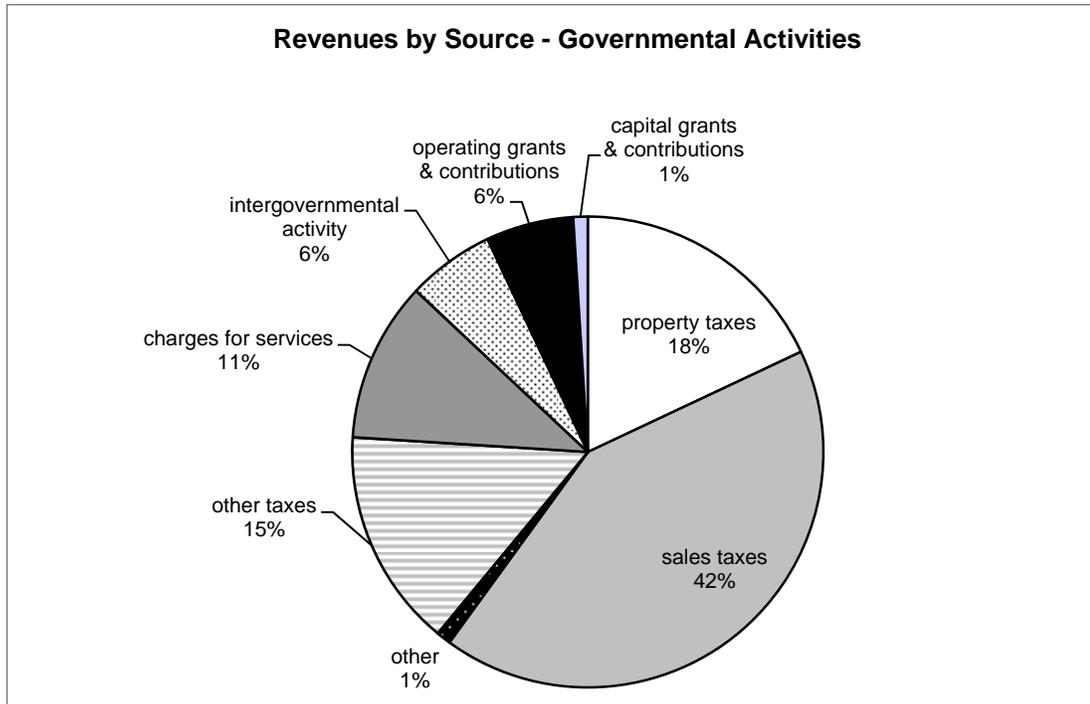
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

Governmental Activities. Governmental activities decreased the City's net position by \$2,262,835. The key elements to this decrease are as follows:

- Sales tax revenue, a major funding source for the city, increased \$4,182,904 over last year's amount due to a full year collections for the Public Safety sales tax voters approved in August, 2013. Revenues from this tax went into effect January 1, 2014, to help fund additional police employees, public safety employee salaries and benefits, and public safety equipment and facilities.
- Property taxes, 18% of total revenue, showed an increase this fiscal year. Total receipts for this revenue source were \$13,541,862 in FY15 up from \$13,221,988 in FY14 as a direct result of increase in valuations for FY15.
- Other taxes reported an increase of \$439,538 over FY14. Franchise taxes dipped \$276,745 due to annual fluctuations in the seasonal climates and Cigarette taxes were down \$9,178 from people choosing healthier lifestyles, insurance requirements, or more nonsmoking establishments. Motor fuel taxes, \$112,632, and Hotel taxes, \$231,920, bumped up due to tourism bringing tax dollars into the local area. For the second year in a row, Intergovernmental activity taxes went up over the previous year. FY13 - \$4,117,506, FY14 - \$4,325,026, and FY15 - \$4,705,935. The continued increases were provided from the new Public Safety taxes collected in the Tax Incremental Financing approved areas.
- During fiscal year 2015, operating and capital grants and contributions increased to a total amount of \$5,495,624 from \$5,029,736. Public Safety activities reflect the deferred revenue associated with the agreement between City of St. Joseph/Buchanan County/Mosaic Life Care 911 upgrade of equipment, software, and services of the infrastructure public safety radio system over a three year period. Highway and streets received additional funding of \$762,049 due to the STP/FHWA grant for the Northside Livability and Urban Trail projects and the final 2011 flood Federal Emergency Management payment. The HOME Investment Partnership Program reimbursed federal funds to the Health and welfare programs, \$510,341, in FY15 due to the completion of Applewood Estates, an affordable senior housing solution for the community.
- Total expenses for the governmental activities increased \$12,701,206 from \$69,234,384 in FY14 to \$81,935,590 in FY15. Additional developer obligation certified costs resulted in General government increasing from \$9,679,288 to \$19,182,884, Highway and streets went up \$1,731,524 from various improvement projects including Northside Livability and Eastowne Business Park, Public safety increased \$1,167,487 from newly hired officers' salary and benefits and capital purchases attributed from the Public safety tax, reimbursed by the HOME program, Health and welfare reported \$580,040 for finalized construction associated with Applewood Estates, and Public Works filled a vacant position and utilized additional temporary employment services for \$54,729 more. Keeping a close watch on expenses helped Parks and recreation show the only decrease of \$32,836.

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**



CITY OF ST. JOSEPH, MISSOURI

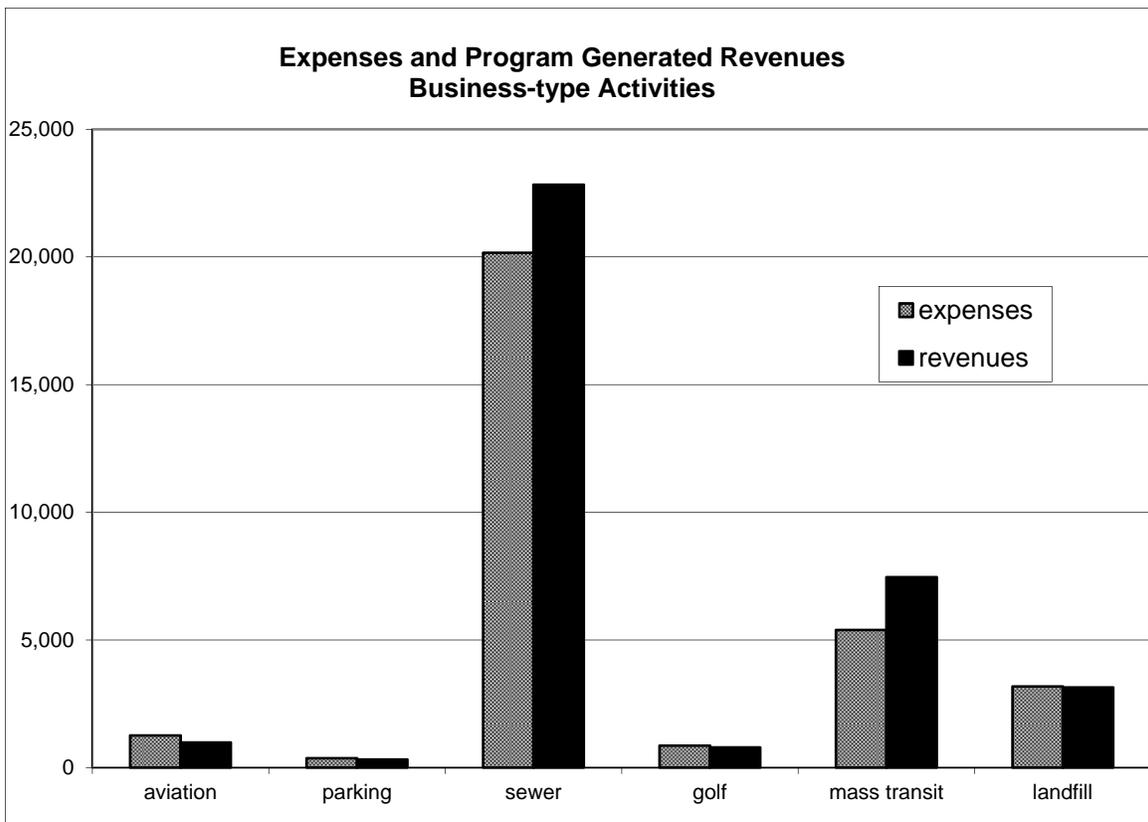
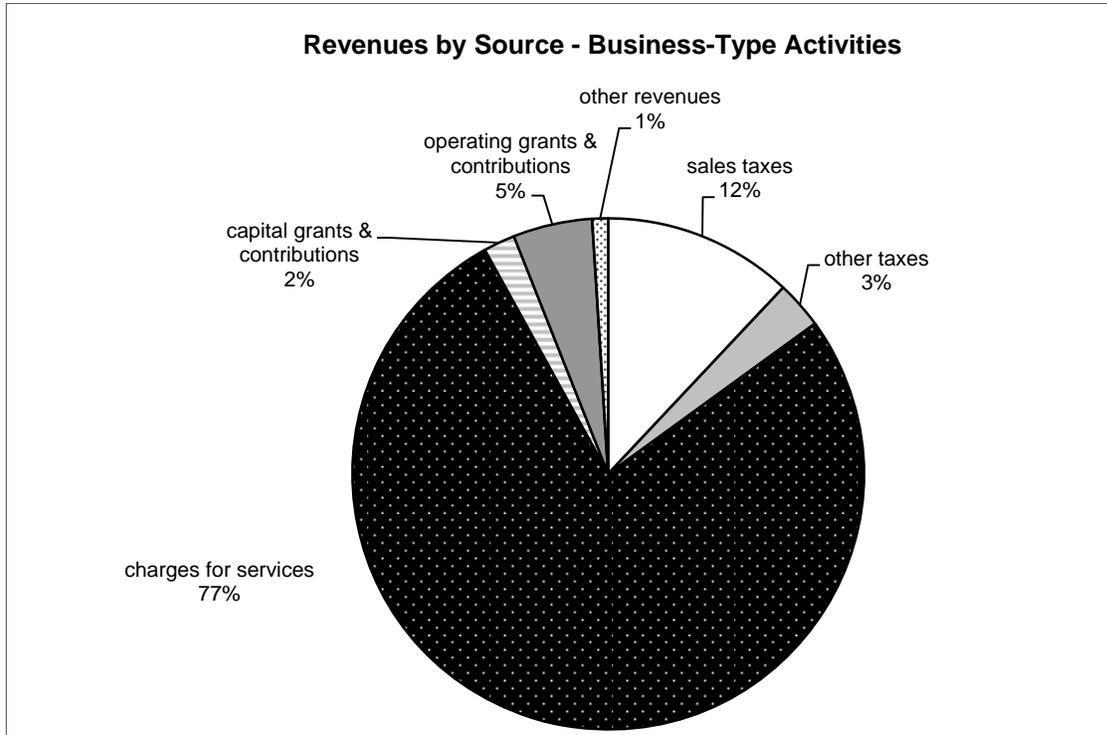
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

Business-type activities. The net position of the City's business-type activities increased \$1,949,165. Key elements of the increase within the business-type activities were:

- Transit operations are the only business-type service receiving sales tax and utility franchise fees revenues. As demonstrated in the governmental activities, an increase in sales tax, \$82,650 and decrease in franchise taxes, \$54,572 amounted to a slight overall increase of \$28,078.
- The largest boost in revenue for business-type activities came from Sewer services in the Water Protection Fund. Charges for Services for the sewer system increased over last year by \$2,585,004. Along with a 8% rate increase at the beginning of July, 2014, the City, after taking responsibility for sewer billings from Missouri American Water, has taken an active role in collections of past due accounts. Landfill services produced a \$227,269 increase in revenue as a direct result of an increase in tonnage from 98,383 in FY14 to 110,838 in FY15.
- Business-type activities reported a decrease in operation and capital contributions and grants. Transit operations went down \$292,460 because the Federal Transit Operating Grant awarded less funding while the lobbying efforts helped support more State Transit Operating Grant funds, Sewer services recognized \$391,918 less from contributed capital/donated sewers, while Aviation services received \$436,216 more from FAA and Missouri Air National Guard funding for runway pavement replacement and improvements.
- Overall expenses in the business-type activities increased \$3,608,965 over the prior year. Aviation services saw an increase of \$68,277 from the Master Plan Update professional design services and utilities while savings in salary and benefits from a vacant position. Parking services had the smallest increase in expenses, \$12,094, from daily operations including salary and wages, benefits, and utilities. Landfill services showed \$2,677,926 in FY14 compared to \$3,176,737. A majority of the increase is related to changes in closure and post-closure care cost expense. The largest increase, \$3,265,883, belonged to Sewer services. The Sewer fund incurred additional depreciation and interest and fiscal charges related the various projects resulting from the federally mandated EPA capital improvement requirements. Golf and Transit services were the only two business-type activities that experienced savings. Golf services controlled their expenses in FY15 cutting their materials and utilities costs by \$39,198. Transit services revenues and expenses mimicked each other. While the Federal Transit Operating Grant awarded less, the City's contracted services expenses followed suit.

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**



CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

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 \$9,384,702 while total general fund balance reached \$16,259,363. 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 FY15, unassigned fund balance represented 20% of total general fund expenditures, while total fund balance represented 35% of that same amount.

Total fund balance of the City's general fund increased \$2,816,755 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 \$46,447,836, an increase of \$476,563 over FY14 reported \$45,971,273. Expenditures increased by \$1,239,383, from \$45,455,846 to \$46,695,229.
- General government function went down \$153,821 from divisions watching expenditures, lower utility costs, vacant positions, and recognized savings from new contracts. Highway and streets saved \$37,747 from the decrease in motor fuel cost per gallon. With the voter approved Public Safety tax, Public safety spending resulted in an additional \$930,112 from newly hired officers' salary and benefits. By monitoring material purchases, outside services, new contracts, utilities, and fuel costs, Health and welfare, \$130,012, and Parks and recreation, \$56,564, offset their salary and benefit increases to a minimum. Capital outlay spending was \$355,195 more in FY15 from the purchase of a new Voice over Internet Protocol phone system to enhance customer service while lowering future costs across departments.

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 \$13,074,975 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 \$2,079,647 from FY14. 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 \$17,150,282. 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.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

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 \$1,909,214 over last year. Net investment in capital assets, the largest component of net position, had a decrease of \$247,838 from last year. A portion of the City's proprietary fund net position, 9% or \$11,877,345, represents resources subject to external restrictions on how they may be used. In FY15, the City issued 2014A State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program), 2014B Sewerage System Revenue Bonds, and 2015A Special Obligation Revenue Bonds for future sewer improvements and mandates from the EPA and refunded the 2007 Industrial Development Authority Sewer Improvement Revenue Bonds with the 2015B Special Obligation Revenue Bonds.

Unrestricted net position at the end of the fiscal year was positive in all Proprietary funds. The Sewer fund reported \$5,602,846, Aviation fund showed \$737,874, Parking fund presented \$182,592 Municipal Golf Course fund stated \$113,951, Mass Transit fund claimed \$16,246,747, while Landfill fund reported an unrestricted net position balance of \$2,060,297.

General Fund Budgetary Highlights

Total General Fund expenditures for the 2015 fiscal year were under budget by \$2,690,645. 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, benefit savings, and continued cost containment measures where possible. The functions which experienced the greatest amount of savings were: Public Safety, \$1,027,799; Highway and streets, \$503,486; General government, \$480,516; Health and Welfare, \$390,578; and Parks and recreation, \$288,266.

Over the course of the fiscal year, the Council revised the City budget. Appropriations including transfers out increased the General Fund by \$1,022,204. The appropriations can be directly related to Health and welfare, \$251,332, for rollforward of prior year unspent Health grants; Public Safety, \$124,172, for new grants awarded in this fiscal year; and Parks and recreation \$104,950, for the Parks Summer Youth Rec Camp and concession settlements with local distributor for improvements to Park facilities; and transfers out to fund capital outlay purchases of \$524,318 for Corby Dog Park and Northeast Park parking lot improvements.

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, 2015 totaled \$343,213,213 (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.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

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

Governmental Activities

- Completed Northside Livability improvements (\$806,657)
- Renovated Patee Market to enhance customer service (\$698,402)
- Finalized Wyatt Tootle Mansion, Phase 1A, exterior woodwork restoration (\$430,364)
- Purchased twelve (12) police vehicles (\$242,846)
- Upgraded Avaya IP Phone system (\$233,522)
- Opened Corby Dog Park to the public (\$177,064)
- Replaced Streets rolling stock (\$159,595)

Business-Type Activities

- Finalized construction on Whitehead Stormwater Separation Project (\$16,285,515)
- Constructed Waste Water Treatment Plant Maintenance Building (\$2,328,532)
- Built the Waste Water Treatment Plant Laboratory Building (\$873,110)
- Started design work for the Green Solutions Demonstration Project (\$325,288)
- Acquired 2014 JD 850 Crawler Dozer for Landfill (\$335,900)
- Installed LED lighting at Waste Water Treatment Plant (\$305,577)
- Enhanced LED lighting at Mass Transit facilities (\$81,062)
- Purchased mowers for Rosecrans Memorial Airport (\$22,300) and Fairview Golf Course (\$15,000)

City of St. Joseph's Capital Assets

(net of depreciation)

	Governmental		Business-type		Total	
	activities		activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 6,038,844	\$ 6,016,344	\$ 7,965,729	\$ 7,965,730	\$ 14,004,573	\$ 13,982,074
Buildings	21,278,397	22,397,578	42,064,719	41,893,940	63,343,116	64,291,518
Improvements other than buildings	25,159,406	25,030,699	37,244,613	20,492,069	62,404,019	45,522,768
Machinery and equipment	6,681,964	7,691,180	3,240,571	4,528,431	9,922,535	12,219,611
Infrastructure	97,144,490	103,057,642	43,370,721	44,668,811	140,515,211	147,726,453
Construction in progress	3,463,920	1,066,717	49,559,839	26,282,177	53,023,759	27,348,894
Total capital assets	\$ 159,767,021	\$ 165,260,160	\$ 183,446,192	\$ 145,831,158	\$ 343,213,213	\$ 311,091,318

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

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$201,576,486, an increase of \$54,060,992 despite the normal annual retirement of debt service, the City continued draws on the 2013 and 2014 State Revolving Loan Bonds and issued the 2014A State Revolving Loan Bond, 2014B Sewerage System Revenue Bonds, and 2015A Special Obligation Revenue Bonds for future sewer improvements and mandates from the EPA and refunded the 2007 Industrial Development Authority Sewer Improvement Revenue Bonds with the 2015B Special Obligation Revenue Bonds.

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

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 & Poor's 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	
	2015	2014	2015	2014	2015	2014
Revenue Bonds	-	-	\$ 57,393,074	\$ 19,385,290	\$ 57,393,074	\$ 19,385,290
Industrial Development Authority	\$ 36,770,000	\$ 38,190,000	29,470,000	20,410,000	66,240,000	58,600,000
Infrastructure Facility Bonds	11,945,000	13,045,000	20,180,000	20,760,000	32,125,000	33,805,000
MO Development Finance Board	1,246,256	1,515,000	10,668,193	7,700,000	11,914,449	9,215,000
Developer Obligation	33,477,507	26,152,384	-	-	33,477,507	26,152,384
Capital Lease Obligations	222,752	109,006	203,704	248,814	426,456	357,820
Total long-term debt	\$ 83,661,515	\$ 79,011,390	\$ 117,914,971	\$ 68,504,104	\$ 201,576,486	\$ 147,515,494

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, 2015

Economic Factors and Next Year's Budgets and Rates

Economic Development Efforts

The St. Joseph economy in FY2015 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.

Operating Budget Overview FY 2016

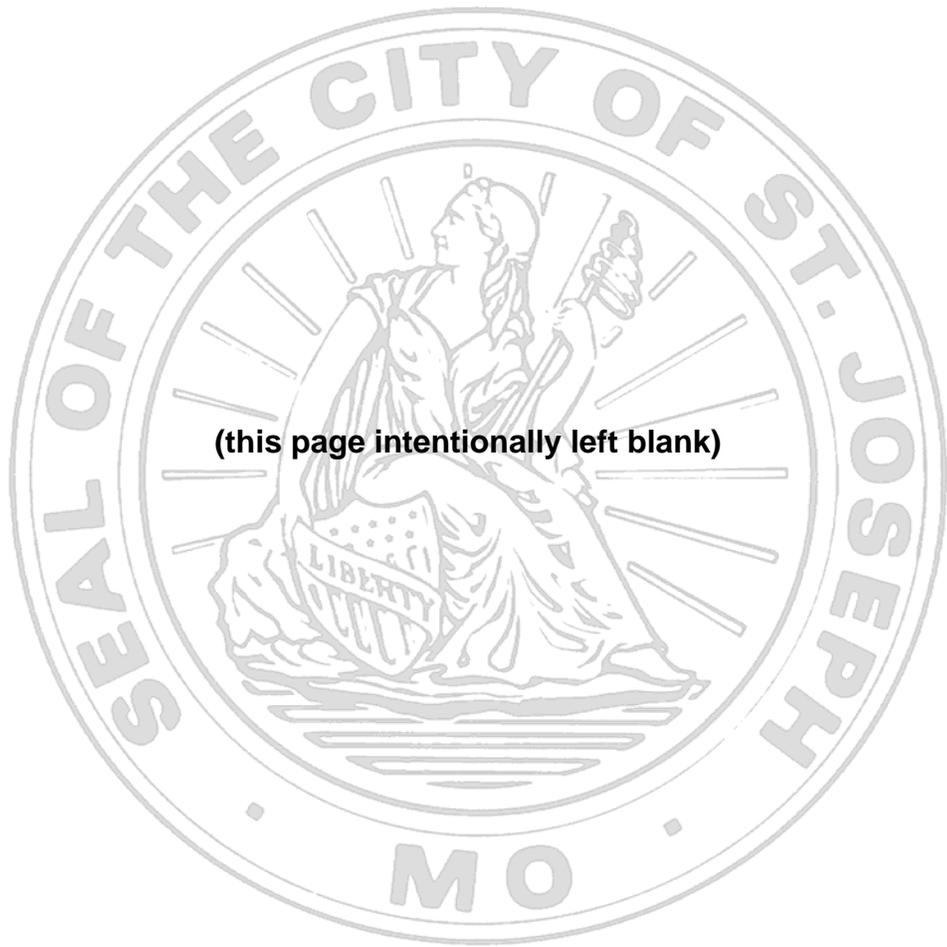
Operating Revenues - The operating revenue component of the City's FY2016 annual budget, net of capital project receipts, transfers, bonds, special allocation fund revenues and capital grants, are projected to increase by 3.3%, or \$324,000. Sales tax revenues continue to improve, leading to an increase in current year projections and a four percent (4%) increase in FY2016 receipts. The largest contribution to the increase is the influx of revenues from the second full year of the Public Safety Sales Tax, projected to generate \$6.31 million next year. Passage of the Use Tax initiative will begin to generate revenues starting July 1, 2015. Property tax revenues are expected to remain basically flat compared to the current year's receipts, as are franchise taxes and most other major sources of revenue.

Operating Expenditures - The net operating expenditure component of the City's FY2016 annual budget (excluding special allocation fund, CIP programs, discretionary cell phone funded expenditures) increased by 8.5% or \$8.046 million above that adopted by the City Council for FY2015.

Some of the changes resulted from operational mandates or elements beyond City control. One of these was the advent of a 27th payroll in the upcoming fiscal year, estimated to cost \$1,764,000. This occurs every eleven to twelve years. However, the City has been designating a portion of revenue from each fund every year since FY2005, building a reserve in order to absorb this cost without major impacts to operating fund balances. Beginning in FY17 we will again begin setting aside reserves for the next occurrence of a 27th payroll in FY2028.

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, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 40,602,298	\$ 31,336,329	\$ 71,938,627
Receivables, net where applicable of allowances for uncollectibles	16,747,111	5,837,474	22,584,585
Loan receivables	2,887,222	-	2,887,222
Property held for resale	192,522	-	192,522
Internal balances	103,907	(103,907)	-
Due from other governments	841,286	437,564	1,278,850
Prepaid items and deferred charges	393,670	456,432	850,102
Restricted assets:			
Cash and investments	9,963,978	22,040,967	32,004,945
Net pension asset	-	3,328,834	3,328,834
Capital assets:			
Capital assets, not being depreciated	9,502,764	57,525,569	67,028,333
Capital assets net of accumulated depreciation	150,264,257	125,920,623	276,184,880
Total assets	<u>231,499,015</u>	<u>246,779,885</u>	<u>478,278,900</u>
Deferred Outflows of Resources			
Deferred amount on refunding	741,823	1,742,177	2,484,000
Deferred outflows due to pension assets	5,319,561	709,039	6,028,600
Deferred outflows due to pension liabilities	3,585,350	30,107	3,615,457
Total deferred outflows of resources	<u>9,646,734</u>	<u>2,481,323</u>	<u>12,128,057</u>
Liabilities			
Accounts payable and other current liabilities	5,457,071	10,945,938	16,403,009
Unearned revenue	81,268	-	81,268
Accrued interest payable	462,418	229,341	691,759
Noncurrent liabilities:			
Due within one year	6,992,524	3,212,158	10,204,682
Due in more than one year	80,667,794	115,104,416	195,772,210
Net pension liability	11,378,003	-	11,378,003
Landfill closure and postclosure costs:			
Due within one year	-	73,500	73,500
Due in more than one year	-	5,541,090	5,541,090
Total liabilities	<u>105,039,078</u>	<u>135,106,443</u>	<u>240,145,521</u>
Net Position			
Net Investment in capital assets	158,218,098	77,437,020	235,655,118
Restricted for:			
Debt service	12,808,452	11,877,345	24,685,797
Capital projects	17,150,282	-	17,150,282
Loan programs	4,149,309	-	4,149,309
Economic development	2,219,588	-	2,219,588
Museum	208,914	-	208,914
Other purposes	5,304,072	-	5,304,072
Unrestricted (deficit)	(63,952,044)	24,840,400	(39,111,644)
Total net position	<u>\$ 136,106,671</u>	<u>\$ 114,154,765</u>	<u>\$ 250,261,436</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, 2015

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
Primary government							
Governmental activities:							
General government	\$ 19,182,884	\$ 4,745,255	\$ 1,444,735	\$ -	\$ (12,992,894)	\$ -	\$ (12,992,894)
Public safety	28,023,361	737,997	1,126,557	-	(26,158,807)	-	(26,158,807)
Highways and streets	18,789,099	215,358	186,976	908,557	(17,478,208)	-	(17,478,208)
Public works	290,349	399,760	9	-	109,420	-	109,420
Health and welfare	5,430,715	572,768	1,748,404	-	(3,109,543)	-	(3,109,543)
Parks and recreation	7,330,358	1,877,097	77,131	3,255	(5,372,875)	-	(5,372,875)
Interest on long-term debt	2,888,824	-	-	-	(2,888,824)	-	(2,888,824)
Total governmental activities	<u>81,935,590</u>	<u>8,548,235</u>	<u>4,583,812</u>	<u>911,812</u>	<u>(67,891,731)</u>	<u>-</u>	<u>(67,891,731)</u>
Business-type activities:							
Aviation services	1,259,261	412,124	-	573,383	-	(273,754)	(273,754)
Parking services	365,141	314,408	314	-	-	(50,419)	(50,419)
Sewer services	20,162,018	22,446,892	378,901	-	-	2,663,775	2,663,775
Golf services	862,290	789,054	-	-	-	(73,236)	(73,236)
Transit services	5,387,901	385,106	1,399,447	-	-	(3,603,348)	(3,603,348)
Landfill services	3,176,737	3,140,238	-	-	-	(36,499)	(36,499)
Total business-type activities	<u>31,213,348</u>	<u>27,487,822</u>	<u>1,778,662</u>	<u>573,383</u>	<u>-</u>	<u>(1,373,481)</u>	<u>(1,373,481)</u>
Total primary government	<u>\$ 113,148,938</u>	<u>\$ 36,036,057</u>	<u>\$ 6,362,474</u>	<u>\$ 1,485,195</u>	<u>(67,891,731)</u>	<u>(1,373,481)</u>	<u>(69,265,212)</u>
General revenues:							
Property taxes					13,541,862	-	13,541,862
Sales taxes					32,282,910	4,456,303	36,739,213
Franchise taxes					6,646,361	1,217,843	7,864,204
Motor fuel taxes					3,655,049	-	3,655,049
Cigarette taxes					386,003	-	386,003
Hotel taxes					1,088,009	-	1,088,009
Intergovernmental activity taxes					4,705,935	-	4,705,935
Unrestricted investment revenues					658,515	197,631	856,146
Gain on sale of capital assets					5,436	109,685	115,121
Transfers in (out)					2,658,816	(2,658,816)	-
Total general revenues and transfers					<u>65,628,896</u>	<u>3,322,646</u>	<u>68,951,542</u>
Change in net position					<u>(2,262,835)</u>	<u>1,949,165</u>	<u>(313,670)</u>
Net position - beginning, as restated					138,369,506	112,205,600	250,575,106
Net position - ending					<u>\$ 136,106,671</u>	<u>\$ 114,154,765</u>	<u>\$ 250,261,436</u>

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

CITY OF ST. JOSEPH, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 12,935,480	\$ 2,496,246	\$ 17,639,553	\$ 6,070,629	\$ 39,141,908
Receivables	5,897,615	7,925,705	1,390,018	1,533,773	16,747,111
Loan receivables	-	-	-	2,887,222	2,887,222
Property held for resale	-	-	-	192,522	192,522
Due from other governments	160,984	-	340,456	339,846	841,286
Prepaid items	329,141	-	-	64,529	393,670
Restricted cash and investments	195,895	9,768,083	-	-	9,963,978
Total assets	\$ 19,519,115	\$ 20,190,034	\$ 19,370,027	\$ 11,088,521	\$ 70,167,697
Liabilities And Fund Balances					
Liabilities:					
Accounts payable	\$ 1,287,814	\$ 172,242	\$ 1,636,595	\$ 904,294	\$ 4,000,945
Accrued payroll	1,422,829	-	-	33,297	1,456,126
Unearned revenue	81,268	-	-	-	81,268
Total liabilities	2,791,911	172,242	1,636,595	937,591	5,538,339
Deferred Inflows of Resources:					
Unavailable revenues-property taxes	455,856	-	-	52,572	508,428
Unavailable revenues-special assessments	11,985	-	-	-	11,985
Unavailable revenues-other	-	6,942,817	583,150	-	7,525,967
Total deferred inflows of resources	467,841	6,942,817	583,150	52,572	8,046,380
Fund balances:					
Nonspendable	329,141	-	-	64,529	393,670
Restricted	2,043,949	13,074,975	17,150,282	10,033,829	42,303,035
Committed	1,480,367	-	-	-	1,480,367
Assigned	3,021,204	-	-	-	3,021,204
Unassigned	9,384,702	-	-	-	9,384,702
Total fund balances	16,259,363	13,074,975	17,150,282	10,098,358	56,582,978
Total liabilities, deferred inflows of resources and fund balances	\$ 19,519,115	\$ 20,190,034	\$ 19,370,027	\$ 11,088,521	\$ 70,167,697

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, 2015

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

Fund balances – total governmental funds	\$ 56,582,978
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	159,767,021
Deferred charges on refunding are not due and payable in the current period, and therefore, are not reported in the funds.	741,823
Deferred outflows related to pension activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position	8,904,911
Long-term assets are not available to pay for current period expenditures and are therefore reported as unavailable revenues in the fund statements.	8,046,380
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when due.	(462,418)
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.	100,260
Net pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	(11,378,003)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(86,196,281)</u>
Net position of governmental activities	<u>\$ 136,106,671</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, 2015

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property	\$ 11,681,538	\$ 629,585	\$ -	\$ 1,222,165	\$ 13,533,288
Sales	17,323,949	3,288,729	5,748,910	5,921,322	32,282,910
Franchise	6,646,361	-	-	-	6,646,361
Motor Fuel and other	952,729	-	-	2,702,320	3,655,049
Cigarette	386,003	-	-	-	386,003
Hotel	1,088,009	-	-	-	1,088,009
Intergovernmental activity	-	4,705,935	-	-	4,705,935
Licenses and permits	1,435,050	-	-	95,981	1,531,031
Intergovernmental	2,267,075	-	825,415	2,484,076	5,576,566
Charges for services	3,231,029	-	-	1,242,416	4,473,445
Fines	1,106,527	-	-	-	1,106,527
Special assessments	-	-	-	29,182	29,182
Investment earnings	15,802	557,836	18,042	65,475	657,155
Contributions and donations	47,941	-	15,000	-	62,941
Other	265,823	993,159	363,016	245,362	1,867,360
Total revenues	46,447,836	10,175,244	6,970,383	14,008,299	77,601,762
Expenditures					
Current:					
General government	6,634,752	770,934	-	1,376,598	8,782,284
Public safety	25,396,704	-	-	520,565	25,917,269
Highways and streets	5,742,988	-	-	3,107,833	8,850,821
Public works	-	-	-	293,853	293,853
Health and welfare	3,404,319	-	-	1,878,394	5,282,713
Parks and recreation	4,808,731	-	-	900,527	5,709,258
Debt Service:					
Principal	244,777	4,588,037	-	-	4,832,814
Interest and fiscal charges	79,970	2,736,626	-	-	2,816,596
Capital outlay	382,988	-	6,820,803	2,899,739	10,103,530
Total expenditures	46,695,229	8,095,597	6,820,803	10,977,509	72,589,138
Excess (deficiency) of revenues over expenditures	(247,393)	2,079,647	149,580	3,030,790	5,012,624
Other financing sources (uses)					
Transfers in	5,638,042	-	574,318	2,648,269	8,860,629
Transfers out	(2,807,416)	-	(26,912)	(3,367,485)	(6,201,813)
Capital lease	233,522	-	-	-	233,522
Total other financing sources (uses), net	3,064,148	-	547,406	(719,216)	2,892,338
Net change in fund balances	2,816,755	2,079,647	696,986	2,311,574	7,904,962
Fund balances - beginning	13,442,608	10,995,328	16,453,296	7,786,784	48,678,016
Fund balances - ending	\$ 16,259,363	\$ 13,074,975	\$ 17,150,282	\$ 10,098,358	\$ 56,582,978

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, 2015

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

Net changes in fund balances – total governmental funds	\$	7,904,962
<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	5,546,085
	Depreciation	<u>(11,034,584)</u>
		(5,488,499)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations)</p>		
	Disposals	(4,640)
		(4,640)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(584,543)
<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>		
		4,832,814
		(92,725)
		(233,522)
		(9,393,159)
<p>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:</p>		
		20,498
		(167,600)
		1,118,423
		(401,922)
<p>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.</p>		
		<u>227,078</u>
Change in net position of governmental activities	<u>\$</u>	<u>(2,262,835)</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, 2015

	Sewer	Mass Transit	Other Enterprise Funds	Total	Internal Service Fund
Assets					
Current assets:					
Cash and investments	\$ 8,620,590	\$ 15,378,583	\$ 7,337,156	\$ 31,336,329	\$ 1,460,390
Restricted cash and cash equivalents	250,000	-	-	250,000	-
Interest receivable	5,013	4,205	1,992	11,210	-
Accounts receivable (net of allowance for uncollectibles)	4,318,387	969,266	538,611	5,826,264	-
Due from other governments	437,564	-	-	437,564	-
Prepaid items	417,149	6,721	32,562	456,432	-
Total current assets	<u>14,048,703</u>	<u>16,358,775</u>	<u>7,910,321</u>	<u>38,317,799</u>	<u>1,460,390</u>
Noncurrent assets:					
Restricted cash and investments	21,790,967	-	-	21,790,967	-
Net pension asset	2,245,311	-	1,083,523	3,328,834	-
Capital assets:					
Capital assets, not being depreciated:	51,300,688	189,134	6,035,747	57,525,569	-
Capital assets net of accumulated depreciation:	106,568,479	2,803,124	16,549,020	125,920,623	-
Total capital assets (net of accumulated depreciation)	<u>157,869,167</u>	<u>2,992,258</u>	<u>22,584,767</u>	<u>183,446,192</u>	<u>-</u>
Total noncurrent assets	<u>181,905,445</u>	<u>2,992,258</u>	<u>23,668,290</u>	<u>208,565,993</u>	<u>-</u>
Total assets	<u>195,954,148</u>	<u>19,351,033</u>	<u>31,578,611</u>	<u>246,883,792</u>	<u>1,460,390</u>
Deferred Outflows of Resources					
Deferred amount on refunding	1,742,177	-	-	1,742,177	-
Deferred outflows due to pension assets	478,250	-	230,789	709,039	-
Deferred outflows due to pension liabilities	20,307	-	9,800	30,107	-
Total Deferred Outflows of Resources	<u>2,240,734</u>	<u>-</u>	<u>240,589</u>	<u>2,481,323</u>	<u>-</u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 10,313,515	\$ 112,028	\$ 287,034	\$ 10,712,577	-
Claims payable	-	-	-	-	597,392
Accrued payroll	155,730	-	77,631	233,361	-
Accrued interest payable	229,160	-	181	229,341	-
Long-term obligations due in one year	3,078,371	-	133,787	3,212,158	-
Landfill closure and postclosure liability	-	-	73,500	73,500	-
Total current liabilities	<u>13,776,776</u>	<u>112,028</u>	<u>572,133</u>	<u>14,460,937</u>	<u>597,392</u>
Noncurrent liabilities:					
Claims	-	-	-	-	866,645
Long-term obligations due in more than one year (net of unamortized discounts and deferred amount on refunding)	114,878,683	-	225,733	115,104,416	-
Landfill closure and postclosure liability	-	-	5,541,090	5,541,090	-
Total noncurrent liabilities	<u>114,878,683</u>	<u>-</u>	<u>5,766,823</u>	<u>120,645,506</u>	<u>866,645</u>
Total liabilities	<u>128,655,459</u>	<u>112,028</u>	<u>6,338,956</u>	<u>135,106,443</u>	<u>1,464,037</u>
Net Position					
Net Investment in capital assets	52,059,232	2,992,258	22,385,530	77,437,020	-
Restricted for debt service	11,877,345	-	-	11,877,345	-
Unrestricted (deficit)	5,602,846	16,246,747	3,094,714	24,944,307	(3,647)
Total net position	<u>\$ 69,539,423</u>	<u>\$ 19,239,005</u>	<u>\$ 25,480,244</u>	<u>114,258,672</u>	<u>\$ (3,647)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(103,907)	
Net position of business-type activities				<u>\$ 114,154,765</u>	

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

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Sewer	Mass Transit	Other Enterprise Funds	Total	Total Internal Service Fund
Operating revenues:					
Charges for services	\$ 22,029,038	\$ 301,021	\$ 4,592,515	\$ 26,922,574	\$ 1,308,009
Other	417,854	84,085	63,309	565,248	-
Total operating revenues	<u>22,446,892</u>	<u>385,106</u>	<u>4,655,824</u>	<u>27,487,822</u>	<u>1,308,009</u>
Operating expenses:					
Personal services	4,104,807	1,369	2,051,983	6,158,159	-
Contractual services	6,262,181	4,308,200	1,299,689	11,870,070	1,042,339
Commodities	789,450	430,356	524,665	1,744,471	-
Heat, light and power	1,639,689	41,481	147,877	1,829,047	-
Depreciation	4,454,545	606,495	1,249,983	6,311,023	-
Closure and postclosure care costs	-	-	345,389	345,389	-
Total operating expenses	<u>17,250,672</u>	<u>5,387,901</u>	<u>5,619,586</u>	<u>28,258,159</u>	<u>1,042,339</u>
Operating income (loss)	<u>5,196,220</u>	<u>(5,002,795)</u>	<u>(963,762)</u>	<u>(770,337)</u>	<u>265,670</u>
Nonoperating revenues (expenses):					
Intergovernmental and other	378,901	1,399,447	314	1,778,662	-
Sales taxes	-	4,456,303	-	4,456,303	-
Franchise taxes	-	1,217,843	-	1,217,843	-
Investment income	170,342	17,115	10,174	197,631	1,360
Interest and fiscal charges	(2,894,418)	-	(57,005)	(2,951,423)	-
Gain (loss) on disposal of capital assets	(43,717)	305	109,380	65,968	-
Total nonoperating revenues (expenses), net	<u>(2,388,892)</u>	<u>7,091,013</u>	<u>62,863</u>	<u>4,764,984</u>	<u>1,360</u>
Income (loss) before capital contributions and transfers	2,807,328	2,088,218	(900,899)	3,994,647	267,030
Capital contributions and grants	-	-	573,383	573,383	-
Transfers in	3,250	-	253,427	256,677	-
Transfers out	(1,606,666)	(192,902)	(1,115,925)	(2,915,493)	-
Change in net position	<u>1,203,912</u>	<u>1,895,316</u>	<u>(1,190,014)</u>	<u>1,909,214</u>	<u>267,030</u>
Total net position - beginning, as restated	<u>68,335,511</u>	<u>17,343,689</u>	<u>26,670,258</u>		<u>(270,677)</u>
Total net position - ending	<u>\$ 69,539,423</u>	<u>\$ 19,239,005</u>	<u>\$ 25,480,244</u>		<u>\$ (3,647)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>39,951</u>	
Change in net position of business-type activities				<u>\$ 1,949,165</u>	

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

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 21,980,040	\$ 304,496	\$ 4,304,732	\$ 26,589,268	\$ 1,308,009
Payments to suppliers	(8,464,304)	(4,794,610)	(2,148,439)	(15,407,353)	(1,030,394)
Payments to employees	(4,152,099)	(1,369)	(2,083,311)	(6,236,779)	-
Other operating revenues	417,854	84,085	63,309	565,248	-
Net cash provided (used) by operating activities	9,781,491	(4,407,398)	136,291	5,510,384	277,615
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund advances	-	-	(8,446)	(8,446)	-
Intergovernmental grants	378,901	1,401,958	-	1,780,859	-
Taxes received	-	5,674,146	-	5,674,146	-
Transfers in	3,250	-	253,427	256,677	-
Transfers out	(1,606,666)	(192,902)	(1,115,925)	(2,915,493)	-
Net cash provided (used) by noncapital financing activities	(1,224,515)	6,883,202	(870,944)	4,787,743	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond Proceeds	72,838,116	-	-	72,838,116	-
Payments of debt principal	(23,397,062)	-	(41,616)	(23,438,678)	-
Payments of debt interest and charges	(4,541,865)	-	(56,932)	(4,598,797)	-
Capital grants received	-	-	573,697	573,697	-
Purchase of capital assets	(36,321,013)	(80,758)	(985,674)	(37,387,445)	-
Net cash provided (used) by capital and related financing activities	8,578,176	(80,758)	(510,525)	7,986,893	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	2,484,610	-	1,341,802	3,826,412	-
Purchase of investments	(18,334,410)	(1,827,456)	(120,043)	(20,281,909)	(217,512)
Interest and dividends received	166,903	15,113	9,638	191,654	1,360
Net cash provided (used) by investing activities	(15,682,897)	(1,812,343)	1,231,397	(16,263,843)	(216,152)
Net increase (decrease) in cash and cash equivalents	1,452,255	582,703	(13,781)	2,021,177	61,463
Cash and cash equivalents - beginning	1,133,311	1,586,324	1,048,630	3,768,265	144,513
Cash and cash equivalents - ending	2,585,566	2,169,027	1,034,849	5,789,442	205,976
Investments	28,075,991	13,209,556	6,302,307	47,587,854	1,254,414
Total cash and investments	\$ 30,661,557	\$ 15,378,583	\$ 7,337,156	\$ 53,377,296	\$ 1,460,390
Cash and investments reported on the Statement of Net Position:					
Unrestricted cash and investments	\$ 8,620,590	\$ 15,378,583	\$ 7,337,156	\$ 31,336,329	\$ 1,460,390
Restricted cash and investments	22,040,967	-	-	22,040,967	-
Total cash and investments	\$ 30,661,557	\$ 15,378,583	\$ 7,337,156	\$ 53,377,296	\$ 1,460,390

(continued)

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 5,196,220	\$ (5,002,795)	\$ (963,762)	\$ (770,337)	\$ 265,670
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	4,454,545	606,495	1,249,983	6,311,023	-
Net pension asset	392,378		189,349	581,727	-
Deferred outflows of resources	(498,557)		(240,589)	(739,146)	-
Landfill closure and postclosure	-	-	292,647	292,647	-
Changes in operating assets and liabilities:					
Accounts and other receivables	(48,998)	3,475	(287,783)	(333,306)	-
Prepaid expenses	(329,908)	(470)	(4,635)	(335,013)	-
Accounts payable and contracts/claims payable	556,924	(14,103)	(118,831)	423,990	11,945
Accrued payroll and compensated absences	58,887	-	19,912	78,799	-
Net cash provided (used) by operating activities	<u>\$ 9,781,491</u>	<u>\$ (4,407,398)</u>	<u>\$ 136,291</u>	<u>\$ 5,510,384</u>	<u>\$ 277,615</u>

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, 2015

	Pension Trust Fund	Total Agency Funds
	Police Pension	
Assets:		
Cash and cash equivalents	\$ -	\$ 45,028
Investments:		
Other debt securities	15,801,321	-
Corporate stock	21,340,402	-
Receivables:		
Taxes	-	260,095
Contributions	70,305	-
Accrued interest	182,803	-
Total assets	<u>37,394,831</u>	<u>305,123</u>
Liabilities:		
Accounts payable	13,974	-
Due to others	-	305,123
Total liabilities	<u>13,974</u>	<u>\$ 305,123</u>
Net Position Restricted for Pension benefits	<u>\$ 37,380,857</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, 2015

	<u>Pension Trust Fund Police Pension</u>
Additions:	
Member contributions	\$ 243,701
Employer contributions	1,625,738
Interest and dividends	1,075,521
Net appreciation in fair value of investments	(116,718)
Less investment expenses	(78,095)
Total additions	<u>2,750,147</u>
Deductions:	
Benefit payments	2,249,010
Refunds of contributions	20,902
Administrative expenses	71,613
Total deductions	<u>2,341,525</u>
Net change in net position	408,622
Net position restricted for pension benefits	
Beginning of year	<u>36,972,235</u>
End of year	<u>\$ 37,380,857</u>

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015

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 organizations were 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. Eliminations have been made to minimize the doubling effects of internal activities however; interfund services provided and used are not eliminated in the process of consolidation. 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, 2015

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, 2015**

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 Tuscany Village CID, 2317 Belt CID, Gateway TDD, Cooks Crossing CID, East Hills 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, 2015

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, 2015, include the payment for the 911 radio system maintenance agreement effective July 1, 2015 and the premiums paid to various companies for general liability insurance, auto liability, boiler and machinery, crime, and other insurance for coverage effective July 1, 2015. 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

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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.

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 net 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 has three items that qualify for reporting in this category. The first two relate to change in actual and projected experience in calculating the pension liability and the change in actual and projected earnings in calculating the pension asset. The last is a 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 net 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 government granting agencies. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and Police Pension Fund additions to/deductions from LAGERS and Police Pension Fund's fiduciary net position have been determined on the same basis as they are reported by each plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 \$3,397,458. Of this amount, \$503,040 was included as part of the cost of capital assets under construction in connection with Sewer fund construction projects.

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

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

- 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.

CITY OF ST. JOSEPH, MISSOURI
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JUNE 30, 2015

Vacation leave is earned at the following rates:

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

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

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

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”.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
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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.

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.

CITY OF ST. JOSEPH, MISSOURI

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

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

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

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

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 Fund had a deficit net position at June 30, 2015 that will be eliminated by future revenues or transfers:

Internal Service Fund
Worker's Compensation \$3,647

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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

R. Stewardship, Compliance and Accountability

RSMo section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 30% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines and forfeitures, which includes traffic violations and other additional items, in the amount of \$1,106,527. This amount is approximately 2.4% of total general fund revenues of \$46,447,836 and, accordingly, the City believes that they are in compliance with the requirements of the Statute.

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.

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 OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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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:

	Balance June 30, 2015
Cash on hand	\$ 23,135
Cash Deposit in Bank	10,615,771
Investments held by Trustee (Bond Reserves)	22,293,656
US Agency Securities	66,976,038
Certificate of Deposits	4,080,000
Police Pension Trust:	
Investments	37,141,723
	<u>37,141,723</u>
	<u>\$ 141,130,323</u>

	Government- wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Unrestricted – cash and investments	\$ 71,938,627	\$ 45,028	\$ 71,983,655
Restricted – cash and investments	32,004,945	—	32,004,945
Police Pension – cash and investments	—	37,141,723	37,141,723
Total	<u>\$ 103,943,572</u>	<u>\$ 37,186,751</u>	<u>\$ 141,130,323</u>

Investments for the City of St. Joseph, Missouri are as follows for the year ended June 30, 2015

Investment type:	Investment Maturities (in years)		
	Cost	Fair Value	Less Than 1
Debt Securities			
US Agency Securities	\$ 66,976,038	\$ 66,976,038	\$ 66,976,038
Total	<u>\$ 66,976,038</u>	<u>\$ 66,976,038</u>	<u>\$ 66,976,038</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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Investments for the Police Pension fund are as follows for the year ended June 30, 2015:

	Fair Value	Investment Maturities (in years)		
		Less Than 1	1 - 5	6 - 10
Investment type:				
Debt Securities				
US Agencies	\$ 2,012,237	\$ -	\$ 2,012,237	\$ -
US Treasuries	3,413,721	100,055	3,168,447	145,219
Muni Obligations	102,065	102,065	-	-
Foreign debt	99,602	-	99,602	-
Corporate debt	10,173,696	1,349,006	6,996,687	1,828,003
	<u>15,801,321</u>	<u>\$ 1,551,126</u>	<u>\$ 12,276,973</u>	<u>\$ 1,973,222</u>
Other Investments:				
Corporate stock	21,340,402			
Total	<u>\$ 37,141,723</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, 2015, 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.

CITY OF ST. JOSEPH, MISSOURI

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

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

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

Investment type:	Quality Ratings		
	Cost	Fair Value	AA
Debt Securities			
US Agency Securities	\$ 66,976,038	\$ 66,976,038	\$ 66,976,038
Total	\$ 66,976,038	\$ 66,976,038	\$ 66,976,038

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	\$ 2,012,237	\$ 721,722	\$ —	\$ 1,290,515	\$ —
US Treasuries	3,413,721	3,413,721	—	—	—
Muni Obligations	102,065	—	102,065	—	—
Foreign Debt	99,602	—	99,602	—	—
Corporate debt	10,173,696	539,163	1,059,207	4,334,275	4,241,051
	15,801,321	\$ 4,674,606	\$ 1,260,874	\$ 5,624,790	\$ 4,241,051
Other Investments:					
Corporate stock	21,340,402				
Total	\$ 37,141,723				

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**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:

	<u>Carrying Value</u>	<u>Concentration</u>
Federal Home Loan Bank	\$ 23,992,145	36%
Federal National Mortgage Association	21,991,580	33%
Federal Farm Credit	20,992,313	31%
	<u>\$ 66,976,038</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.

NOTE 3: RECEIVABLES

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

Assessed values for real and personal property are established annually by Buchanan County and used by the City.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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The following calendar provides important dates for property tax assessment, billing and collection activities:

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

The City's 2014 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	2014/2015	2013/2014
City:		
General Fund	\$.60	\$.60
Public Safety	.07	.07
Parks & Recreation	.20	.20
Public Health	.22	.22
Library	.41	.41
Museum	.05	.05
Special Park	.50	.50

As required by RSMo 137.073, the State Auditor examined and approved the property tax rates for 2014 which comply with Article X, Section 22 of the Missouri Constitution.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

The assessed valuation of all tangible taxable property for the 2014 and 2013 levies were as follows:

Tax Year/ Fiscal Year	<u>2014 / 2015</u>	<u>2013 / 2014</u>	<u>Change</u>	Percent of <u>Change</u>
Real Property	\$ 697,859,770	\$ 690,096,070	\$ 7,763,700	1.13%
Personal Property	244,646,783	238,273,971	6,372,812	2.67%
Railroad Utilities	40,675,185	39,726,869	948,316	2.39%
Total	\$ 983,181,738	\$ 968,096,910	\$ 15,084,828	1.56%

Receivables as of June 30, 2015, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts and Other	Accrued Interest	Taxes	Total Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental activities:						
General	\$ 794,074	\$ 32,429	\$ 5,071,112	\$ 5,897,615	\$ -	\$ 5,897,615
Special Allocation	7,391,057	147	534,501	7,925,705	-	7,925,705
CIP Sales Tax	497,939	1,040	891,039	1,390,018	-	1,390,018
Nonmajor governmental funds	229,610	1,607	1,302,556	1,533,773	-	1,533,773
Total governmental activities	8,912,680	35,223	7,799,208	16,747,111	-	16,747,111
Business-type activities:						
Sewer	6,385,052	5,013	-	6,390,065	(2,066,665)	4,323,400
Mass Transit	78,702	4,205	890,564	973,471	-	973,471
Nonmajor enterprise funds	538,611	1,992	-	540,603	-	540,603
Total business-type activities	7,002,365	11,210	890,564	7,904,139	(2,066,665)	5,837,474
Total Net Receivables	\$ 15,915,045	\$ 46,433	\$ 8,689,772	\$ 24,651,250	\$ (2,066,665)	\$ 22,584,585

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,016,344	\$ 22,500	\$ —	\$ 6,038,844
Construction in progress	1,066,717	4,509,690	2,112,487	3,463,920
Total capital assets, not being depreciated	7,083,061	4,532,190	2,112,487	9,502,764
Capital assets, being depreciated:				
Buildings	46,530,553	—	—	46,530,553
Improvements other than buildings	36,701,729	1,305,830	—	38,007,559
Machinery and equipment	24,009,854	688,474	193,970	24,504,358
Office Equipment and Furniture	6,041,721	325,421	243,089	6,124,053
Infrastructure	268,707,032	806,657	—	269,513,689
Total capital assets being depreciated	381,990,889	3,126,382	437,059	384,680,212
Less accumulated depreciation for:				
Buildings	24,132,975	1,119,181	—	25,252,156
Improvements other than buildings	11,671,030	1,177,123	—	12,848,153
Machinery and equipment	19,286,798	1,418,873	189,330	20,516,341
Office Equipment and Furniture	3,073,597	599,598	243,089	3,430,106
Infrastructure	165,649,390	6,719,809	—	172,369,199
Total accumulated depreciation	223,813,790	11,034,584	432,419	234,415,955
Total capital assets, being depreciated, net	158,177,099	(7,908,202)	4,640	150,264,257
Total Governmental activities capital assets, net	\$ 165,260,160	\$ (3,376,012)	\$ 2,117,127	\$ 159,767,021

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Sewer fund:				
Capital assets, not being depreciated:				
Land	\$ 2,457,799	\$ —	\$ —	\$ 2,457,799
Construction in progress	26,226,921	42,428,413	19,812,445	48,842,889
Total capital assets, not being depreciated	28,684,720	42,428,413	19,812,445	51,300,688
Capital assets, being depreciated:				
Buildings	57,097,239	2,328,532	—	59,425,771
Improvements other than buildings	23,713,159	17,789,490	—	41,502,649
Machinery and equipment	12,577,992	—	—	12,577,992
Office Equipment and Furniture	853,668	15,949	—	869,617
Infrastructure	66,734,510	—	—	66,734,510
Total capital assets being depreciated	160,976,568	20,133,971	—	181,110,539
Less accumulated depreciation for:				
Buildings	20,552,068	1,818,707	—	22,370,775
Improvements other than buildings	6,013,201	959,684	—	6,972,885
Machinery and equipment	11,022,297	549,730	—	11,572,027
Office Equipment and Furniture	148,644	243,619	—	392,263
Infrastructure	32,351,306	882,804	—	33,234,110
Total accumulated depreciation	70,087,516	4,454,544	—	74,542,060
Total capital assets, being depreciated, net	90,889,052	15,679,427	—	106,568,479
Total sewer fund capital assets, net	\$ 119,573,772	\$ 58,107,840	19,812,445	\$ 157,869,167
Mass Transit fund:				
Capital assets, not being depreciated:				
Land	\$ 189,134	\$ —	\$ —	\$ 189,134
Construction in Progress	—	—	—	—
Total capital assets, not being depreciated	189,134	—	—	189,134
Capital assets, being depreciated:				
Buildings	4,504,512	—	—	4,504,512
Improvements other than buildings	103,532	81,063	—	184,595
Machinery and equipment	970,607	—	—	970,607
Office Equipment and Furniture	5,540,236	—	—	5,540,236
Total capital assets being depreciated	11,118,887	81,063	—	11,199,950
Less accumulated depreciation for:				
Buildings	2,219,976	147,585	—	2,367,561
Improvements other than buildings	50,974	6,114	—	57,088
Machinery and equipment	537,896	163,410	—	701,306
Office Equipment and Furniture	4,981,485	289,386	—	5,270,871
Total accumulated depreciation	7,790,331	606,495	—	8,396,826
Total capital assets, being depreciated, net	3,328,556	(525,432)	—	2,803,124
Total mass transit fund capital assets, net	\$ 3,517,690	\$ (525,432)	\$ —	\$ 2,992,258

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nonmajor enterprise funds:				
Capital assets, not being depreciated:				
Land	\$ 5,318,796	\$ —	\$ —	\$ 5,318,796
Construction in Progress	55,257	661,694	—	716,951
Total capital assets, not being depreciated	5,374,053	661,694	—	6,035,747
Capital assets, being depreciated:				
Buildings	10,023,385	—	—	10,023,385
Improvements other than buildings	12,230,077	—	—	12,230,077
Machinery and equipment	8,508,815	433,360	650,821	8,291,354
Office Equipment and Furniture	41,996	—	—	41,996
Infrastructure	11,869,953	—	—	11,869,953
Total capital assets being depreciated	42,674,226	433,360	650,821	42,456,765
Less accumulated depreciation for:				
Buildings	6,959,153	191,460	—	7,150,613
Improvements other than buildings	9,490,524	152,211	—	9,642,735
Machinery and equipment	7,235,558	489,031	650,821	7,073,768
Office Equipment and Furniture	39,002	1,996	—	40,998
Infrastructure	1,584,346	415,285	—	1,999,631
Total accumulated depreciation	25,308,583	1,249,983	650,821	25,907,745
Total capital assets, being depreciated, net	17,365,643	(816,623)	—	16,549,020
Total nonmajor enterprise fund capital assets, net	22,739,696	(154,929)	—	22,584,767
Total business-type activities capital assets, net	\$ <u>145,831,158</u>	\$ <u>57,427,479</u>	\$ <u>19,812,445</u>	\$ <u>183,446,192</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 262,861
Public safety	1,679,173
Highways and streets	7,369,472
Health and welfare	170,493
Parks and recreation	1,552,585
Total depreciation expense – governmental activities	\$ <u>11,034,584</u>
Business-type activities:	
Sewer	\$ 4,454,545
Mass Transit	606,495
Non-major enterprise funds	1,249,983
Total depreciation expense – business-type activities	\$ <u>6,311,023</u>

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5: INTERFUND ACTIVITIES

Interfund transfers consisted of the following amounts:

		General Fund	Special Allocation	CIP Sales Tax	Nonmajor Governmental	Sewer Fund	Nonmajor Business-type	Total
Transfers From	Governmental Funds:							
	General Fund	\$ -	\$ -	\$ 524,318	\$ 2,186,373	\$ -	\$ 96,725	\$ 2,807,416
	Nonmajor governmental	3,099,089	-	50,000	136,896	-	81,500	3,367,485
	CIP Sales Tax	-	-	-	-	-	26,912	26,912
	Enterprise Funds:							
	Sewer	1,558,376	-	-	-	-	48,290	1,606,666
	Mass transit	192,902	-	-	-	-	-	192,902
Nonmajor enterprise	787,675	-	-	325,000	3,250	-	1,115,925	
Total	<u>\$ 5,638,042</u>	<u>\$ -</u>	<u>\$ 574,318</u>	<u>\$ 2,648,269</u>	<u>\$ 3,250</u>	<u>\$ 253,427</u>	<u>\$ 9,117,306</u>	

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

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6: LONG-TERM LIABILITIES

Governmental Activities	Balance 07/01/14	Increases	Decreases	Balance 06/30/15	Current Portion
Industrial Development					
Authority Bonds	\$ 38,190,000	\$ -	\$ (1,420,000)	\$ 36,770,000	\$ 1,525,000
Infrastructure Facility					
Revenue Bonds	13,045,000	-	(1,100,000)	11,945,000	1,125,000
MO Development Finance					
Board Bonds	1,515,000	-	(125,000)	1,390,000	130,000
Discount on Issuance	(157,849)	-	14,105	(143,744)	-
Developer Obligations	26,152,385	9,393,159	(2,068,037)	33,477,507	2,000,000
Capital Lease Obligations	109,006	233,523	(119,777)	222,752	89,856
Compensated Absences *	1,591,253	1,787,208	(1,828,364)	1,550,097	1,525,276
OPEB Obligation*	775,913	208,756	-	984,669	-
Claims	1,452,092	732,835	(720,890)	1,464,037	597,392
Total Governmental activities					
Long-term liabilities	\$ 82,672,800	\$ 12,355,481	\$ (7,367,963)	\$ 87,660,318	\$ 6,992,524

* 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, 2015**

Business-type Activities	Balance 7/1/14	Increases	Decreases	Balance 6/30/15	Current Portion
Water Protection Fund					
Revenue Bonds	\$ 19,385,290	\$ 39,737,784	\$ (1,730,000)	\$ 57,393,074	\$ 1,350,000
Industrial Development Authority Bonds	20,410,000	29,470,000	(20,410,000)	29,470,000	380,000
Infrastructure Facility Revenue Bonds	20,760,000	-	(580,000)	20,180,000	600,000
MO Development Finance Board Bonds	7,700,000	-	(600,000)	7,100,000	615,000
Discount on Issuance	(98,456)	-	4,360	(94,096)	-
Premium on Issuance	90,879	3,630,332	(58,922)	3,662,289	-
Capital Leases	7,961	-	(3,494)	4,467	3,564
Compensated Absences	126,332	176,671	(173,195)	129,808	129,807
OPEB Obligation	85,157	26,355	-	111,512	-
Total water protection fund					
Long-term liabilities	68,467,163	73,041,142	(23,551,251)	117,957,054	3,078,371
Nonmajor enterprise funds:					
Capital Leases	240,853	-	(41,616)	199,237	43,049
Closure/Post Closure	5,321,943	345,389	(52,742)	5,614,590	73,500
Compensated absences	96,865	109,744	(105,385)	101,225	90,738
OPEB Obligation	45,796	13,262	-	59,058	-
Total nonmajor enterprise funds					
Long-term liabilities	5,705,457	468,395	(199,743)	5,974,110	207,287
Total Business-type activities					
Long-term liabilities	\$ 74,172,620	\$ 73,509,537	\$ (23,750,994)	\$ 123,931,164	\$ 3,285,658

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Year ending 30-Jun	Governmental Activities					
	Industrial Development			Infrastructure Facility		
	Authority Bonds			Revenue Bonds		
	Principal	Interest		Principal	Interest	
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	2,110,000	1,569,726		1,255,000	295,749	
2021-2025	13,315,000	5,888,066		6,030,000	692,766	
2026-2030	14,360,000	1,473,038		-	-	
	<u>\$ 36,770,000</u>	<u>\$ 16,200,067</u>	\$	<u>11,945,000</u>	<u>\$ 2,516,787</u>	\$

Year ending 30-Jun	Total					
	MO Development			Governmental Activities		
	Finance Board Bonds			Debt Service Requirements		
	Principal	Interest		Principal	Interest	
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	155,000	37,800		3,520,000	1,903,275	
2021-2025	685,000	78,975		20,030,000	6,659,807	
2026-2030	-	-		14,360,000	1,473,038	
	<u>\$ 1,390,000</u>	<u>\$ 330,325</u>	\$	<u>50,105,000</u>	<u>\$ 19,047,179</u>	\$

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Year ending 30-Jun	Business-type Activities					
	Revenue Bonds		Industrial Development Authority Bonds		Infrastructure Facility Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,350,000	\$ 1,029,797	\$ 380,000	\$ 1,157,211	\$ 600,000	\$ 991,863
2017	4,772,000	988,912	955,000	1,298,344	620,000	973,863
2018	4,357,000	960,681	1,545,000	1,269,694	645,000	949,063
2019	4,468,000	945,895	1,610,000	1,386,491	670,000	923,263
2020	4,589,000	930,782	1,670,000	1,150,044	695,000	896,463
2021-2025	23,590,437	4,404,872	9,800,000	4,650,439	3,955,000	4,006,200
2026-2030	9,647,336	1,805,336	10,015,000	1,474,595	5,010,000	2,949,488
2031-2035	4,619,301	332,037	3,495,000	340,788	6,475,000	1,484,732
2036-2039	-	-	-	-	1,510,000	81,163
	<u>\$ 57,393,074</u>	<u>\$ 11,398,312</u>	<u>\$ 29,470,000</u>	<u>\$ 12,727,606</u>	<u>\$ 20,180,000</u>	<u>\$ 13,256,095</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
	2016	\$ 615,000	\$ 220,775	\$ 2,945,000	\$ 3,399,646	\$ 5,725,000
2017	635,000	202,325	6,982,000	3,463,444	9,952,000	5,785,040
2018	655,000	183,275	7,202,000	3,362,713	10,317,000	5,556,897
2019	675,000	163,625	7,423,000	3,419,274	10,753,000	5,474,631
2020	695,000	143,375	7,649,000	3,120,664	11,169,000	5,023,939
2021-2025	3,825,000	366,356	41,170,437	13,427,867	61,200,437	20,087,674
2026-2030	-	-	24,672,336	6,229,419	39,032,336	7,702,457
2031-2035	-	-	14,589,301	2,157,557	14,589,301	2,157,557
2036-2039	-	-	1,510,000	81,163	1,510,000	81,163
	<u>\$ 7,100,000</u>	<u>\$ 1,279,731</u>	<u>\$ 114,143,074</u>	<u>\$ 38,661,744</u>	<u>\$ 164,248,074</u>	<u>\$ 57,708,923</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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. On May 12, 2015, the Authority issued \$10,255,000 2015A Special Obligation Revenue Bonds and \$19,215,000 2015B Special Obligation Refunding Revenue Bonds. The Series 2015A financed Sewerage System improvement projects and the Series 2015B refinanced the 2007 bonds payable from surplus revenues of the Sewer fund and debt service reserve funds held by the Trustee.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

The total principal balance outstanding for the Industrial Development Authority Bonds as of June 30, 2015 is \$66,240,000.

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%	\$ 19,585,000
Series 2005B – Industrial Development Authority Bonds (Special Allocation); due in annual installments through November 1, 2027; interest at 4.00% to 5.50%	13,725,000
Series 2008 – Industrial Development Authority Bonds (Special Allocation); due in annual installments through March 1, 2029; interest at 5.50%	<u>3,460,000</u>
Total Industrial Development Authority Bonds for Governmental Activities	<u>\$ 36,770,000</u>

Business-type Activities

Series 2015A – Industrial Development Authority Bonds (Sewer); due in annual installments through April 1, 2034; interest at 2.00% to 5.00%	\$ 10,255,000
Series 2015B – Industrial Development Authority Bonds (Sewer); due in annual installments through April 1, 2027; interest at 3.00% to 5.00%	<u>19,215,000</u>
Total Industrial Development Authority Bonds for Business-type Activities	<u>\$ 29,470,000</u>

Refunding:

The Industrial Development Authority of the City of St. Joseph issued \$19,215,000 Special Obligation Refunding Revenue Bonds, Series 2015B to advance refund the City’s 2007 Industrial Development Authority Special Obligation Revenue Bonds. The net proceeds of the bonds together with the other available funds totaling \$24,258,451 were deposited in trust with an escrow agent to provide for all future debt service payments on the refunded Series 2007 Industrial Development Authority Bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds have been removed from the long-term debt. The City completed the advance refunding to reduce its debt service payments by \$1,522,549 and to obtain an economic gain of \$1,283,073.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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.

The total principal balance outstanding for the Taxable Infrastructure Facilities Revenue Bonds as of June 30, 2015 is \$32,125,000.

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%	\$ 4,890,000
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>7,055,000</u>
Total Infrastructure Facility Revenue Bonds Governmental Activities	<u>\$ 11,945,000</u>

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%	\$ 20,180,000
Total Infrastructure Facility Revenue Bonds Business-type Activities	<u>\$ 20,180,000</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015 is \$8,490,000.

Governmental Activities

Series 2004D – Infrastructure Facilities Revenue Bonds (General); due in annual installments through March 1, 2024; interest at 3.00% to 5.00% \$ 1,390,000

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% \$ 7,100,000

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015 is \$57,393,074.

Business-type Activities

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%	\$1,025,000
Series 2003 – Sewer System Revenue Bonds: due in annual installments through April 1, 2023; interest at 1.3% to 5.125%	390,000
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	13,505,301
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	26,506,336
Series 2014A – 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 1.36%. 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	10,326,437

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Series 2014B – Sewer System Revenue Bonds: due in annual installments through July 1, 2034; interest at 2.00% to 4.00%.

Total Revenue Bonds for Business-type Activities	<u>5,640,000</u>
	<u>\$57,393,074</u>

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, 2015, the outstanding balance of the bonds was \$13,505,301.

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, 2015, the outstanding balance of the bonds was \$26,506,336.

In 2015, the City issued its not to exceed \$28,585,000 Missouri Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2014A. 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 2014A revenue bonds mature through 2035 with interest of 1.36%. 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, 2015, the outstanding balance of the bonds was \$10,326,437.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

On December 18, 2014, the City of St. Joseph issued \$5,755,000 Sewerage System Revenue Bonds, Series 2014B, to fund design costs for the Blacksnake Creek Storm Water Project and the right-of-way acquisition costs incurred to date for the Blacksnake and Whitehead Creek Storm Water Separation Projects and the Eastside Wastewater Improvements Project. All \$105 million voter approved revenue bonds have been authorized and issued for the sewer system improvements.

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, 2015, the total annual sewer reserve charges due to the City through the agreement are payable as follows:

Year Ending June 30:	Total
2016	\$ 972,996
2017	972,996
2018	972,996
2019	972,996
2020	972,996
2021-2025	<u>4,423,262</u>
	9,288,242
Less interest	<u>(2,345,425)</u>
Net present value	<u>\$ 6,942,817</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.

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

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, 2015 is \$496,411,331.

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 \$7,055,000 and Series 2011A \$4,890,000 Infrastructure Facility Revenue Bonds) to make such bond payments from any other sources of its revenues. Management does not anticipate that any of the City's funds will be required to make up any deficiency in bond payments during the next fiscal year.

Developer obligations represent developer project costs that have been certified by the City as eligible for reimbursement from tax increment financing revenues attributable to each respective project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from certain incremental taxes during a period not to exceed 23 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the City. The City has estimated that \$2,000,000 of these obligations will be paid in 2016. 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, 2015, total principal and interest remaining on the bonds was \$67,431,854 and outstanding developer obligations were \$33,477,507. 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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

For the current year, principal and interest paid on TIF bonds and developer obligations totaled \$7,324,663. Incremental revenues from the City included \$3,288,729 in sales taxes, \$629,585 in property taxes and \$214,142 in other economic activity revenues. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues from other taxing districts and governmental entities, developer contributions, and debt trust funds.

NOTE 7: CAPITAL LEASE AGREEMENTS

Capital Lease Obligations:

The City has entered into a number of capital leases for the purchase of 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, 2015:

	Governmental Activities	Business-type Activities
Year ending June 30:		
2016	\$ 67,951	\$ 52,901
2017	61,896	50,181
2018	61,896	114,165
2019	61,896	-
2020	36,106	
Total minimum lease payments	289,745	217,247
Less amount representing interest	(66,993)	(13,543)
Present value of net minimum lease payments	<u>\$ 222,752</u>	<u>\$ 203,704</u>

The following schedule shows the amount and asset classifications for capital lease items as of June 30, 2015:

	Governmental Activities	Business-type Activities
Office equipment	\$ 389,702	\$ -
Machinery & equipment	24,993	291,769
less: Accumulated depreciation	(93,327)	(104,084)
	<u>\$ 321,368</u>	<u>\$ 187,685</u>

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8: RISK MANAGEMENT

The City contracts with various insurance companies for general, property, health 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, 2015 was \$3,647.

As of June 30, 2015 incurred but not reported (IBNR) workers' compensation claims and claims payable of \$1,464,037 have been accrued as a liability in the Insurance Internal Service Fund.

Workers' Compensation Claims Payable

	Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	End of Year
Fiscal Year 2014	\$1,556,404	\$553,711	(\$ 658,023)	\$1,452,092
Fiscal Year 2015	1,452,092	732,835	(720,890)	1,464,037

NOTE 9: COMMITMENTS

A. Construction Commitments

At June 30, 2015 the City had the following commitments of approximately \$58,464,920 to complete construction contracts.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

	<u>Amounts</u>
Governmental Activities	
Major Governmental Funds:	
CIP Sales Tax Improvement	\$ 9,406,870
Non Major Governmental Funds:	
Streets	200
Cell Phone	<u>50,000</u>
Total Governmental Activities	<u>9,457,070</u>
 Business-type Activities	
Major business-type Funds:	
Sewer	48,522,818
Non Business-type Funds:	
Aviation	450,973
Golf	129
Landfill	<u>33,930</u>
Total Business-type Activities	<u>49,007,850</u>
 Total	<u>\$ 58,464,920</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.

**LANDFILL CLOSURE
AND POSTCLOSURE CARE LIABILITIES
June 30, 2015**

<u>Description</u>	<u>Amount</u>	<u>Anticipated Close Years</u>	<u>Capacity Used</u>
City's Operating Landfill			
Area I	\$ 700,740	2016-2018	98.0 %
Area II	828,277	2015-2016	99.9 %
Area III	<u>2,458,152</u>	2070-2075	32.0 %
	<u>\$ 3,987,169</u>		
 McArthur Drive Landfill	<u>\$ 1,627,421</u>	Closed	100 %
 Total	<u>\$5,614,590</u>		

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

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, 2015, total closure and postclosure care liabilities incurred a net increase of \$292,647 from \$5,321,943 to \$5,614,590.

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 \$3,987,169 is reported as landfill closure and postclosure care liability at June 30, 2015, 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 \$5,318,577 as the remaining estimated capacity is consumed by the year 2075. 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 \$1,627,421 is recorded in the Landfill Enterprise Fund and costs are expected to be expended by the year 2033.

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, 2015, these cash designations totaled \$4,647,315 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, 2015, the City's Contract of Obligation was \$13,702,355 including \$13,240,735 for the current operating landfill and \$461,620 for the "Free Property" landfill area that won't be accessed until after the year 2017.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 multiple-employer statewide public employee retirement plan for units of local government established and operated under provisions of the Revised Statutes of Missouri (RSMo) Section 70. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. The *Police Pension Plan* covers all commissioned police officers and is a single-employer defined benefit pension plan established and operated under provisions of Revised Statutes of Missouri (RSMo) Section 86. All Plans are qualified as tax exempt under the Internal Revenue Code.

A. Plan Descriptions

Local Government Employees Retirement System (LAGERS)

Plan Description

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS 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 is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS' issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	<u>2015 Valuation</u>
Benefit Multiplier:	1.25%
Final Average Salary:	3 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms

At June 30, 2015, the following employees were covered by the benefit terms:

	General	Fire	Total
Inactive employees or beneficiaries currently receiving benefits	231	126	357
Inactive employees entitled to but no yet receiving benefits	109	10	119
Active employees	386	124	510
	726	260	986

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 3.1% (General) and 35.1% (Fire) of annual covered payroll.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Net Pension Liability/(Asset)

The City's net pension liability/(asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2015.

Actuarial Assumptions

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% (General) including wage inflation 3.5% to 8.6% (Fire) including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses

Mortality rates were based on 105% of the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances at beginning of year	\$ 103,657,222	\$ 110,039,862	\$ (6,382,640)
Changes for the year:			
Service Cost	2,078,186	-	2,078,186
Interest	7,430,849	-	7,430,849
Difference between expected and actual experience	2,236,768	-	2,236,768
Contributions - employer	-	3,702,055	(3,702,055)
Net investment income	-	2,147,370	(2,147,370)
Benefit payments, including refunds	(4,445,097)	(4,445,097)	-
Administrative expense	-	(89,754)	89,754
Other changes (net transfer)	-	773,382	(773,382)
Net changes	7,300,706	2,087,956	5,212,750
Balances at end of year	<u>\$ 110,957,928</u>	<u>\$ 112,127,818</u>	<u>\$ (1,169,890)</u>

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability/(Asset) would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	Current Single Discount Rate		
	1% Decrease 6.25%	Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$ 125,094,178	\$ 110,957,928	\$ 99,045,510
Plan Fiduciary Net Position	(112,127,818)	(112,127,818)	(112,127,818)
Net Pension Liability/(Asset)	<u>\$ 12,966,360</u>	<u>\$ (1,169,890)</u>	<u>\$ (13,082,308)</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized LAGERS pension expense of \$2,426,213 (\$359,159 (General) and \$2,067,054 (Fire)). The City reported deferred outflows related to LAGERS pension from the following sources:

	<u>General</u>	<u>Fire</u>	<u>Total</u>
	Deferred	Deferred	Deferred
	Outflows of	Outflows of	Outflows of
	Resources	Resources	Resources
Differences in experience	\$ 118,951	\$1,706,919	\$1,825,870
Excess (Deficit) Investment Returns	2,801,378	1,861,344	4,662,722
Total	<u>\$ 2,920,329</u>	<u>\$3,568,263</u>	<u>\$6,488,592</u>

Net amounts reported as deferred outflows resources related to LAGERS pension will be recognized in pension expense as follows:

Year ending June 30:	<u>General</u>	<u>Fire</u>	<u>Total</u>
2015-2016	\$ 726,628	\$ 849,951	\$ 1,576,579
2016-2017	726,628	849,951	1,576,579
2017-2018	726,628	849,951	1,576,579
2018-2019	726,626	849,951	1,576,577
2019-2020	13,819	168,459	182,278
Total	<u>\$ 2,920,329</u>	<u>\$ 3,568,263</u>	<u>\$ 6,488,592</u>

Payable to the Pension Plan

At June 30, 2015, the City reported a payable of \$290,928 for the outstanding amount of contributions to the LAGERS pension plan required for the year ended June 30, 2015.

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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Benefits Provided

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%.

Employees Covered by Benefit Terms

At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	102
Active employees	114
	<hr/>
	216
	<hr/>

Contributions

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, 2015, the participant's contribution rate was 4%. The City is required to contribute at an actuarially determined rate; the current rate is 26.4% of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Actuarial Assumptions

The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increase	4.0% including 2.0% assumed future COLA
Investment rate of return	7.5%, net of investment and administrative expenses

Mortality rates for healthy lives were based on the RP 2000 Mortality Table and mortality rates for disabled lives were based on the RP 2000 Mortality Table set forward 10 years.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	8.00%
Fixed Income	3.50%
Cash	1.50%

Discount Rate

The discount rate used to measure the total pension liability is 7.5%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at beginning of year	\$ 42,633,907	\$ 36,972,235	\$ 5,661,672
Changes for the year:			
Service Cost	884,293	-	884,293
Interest	3,180,140	-	3,180,140
Difference between expected and actual experience	2,171,488	-	2,171,488
Contributions - employer	-	1,625,738	(1,625,738)
Contributions - employee	-	243,701	(243,701)
Net investment income	-	880,708	(880,708)
Benefit payments, including refunds	(2,269,912)	(2,269,912)	-
Administrative expense	-	(71,613)	71,613
Net changes	3,966,009	408,622	3,557,387
Balances at end of year	\$ 46,599,916	\$ 37,380,857	\$ 9,219,059

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.5%, as well as what the employer's Net Pension Liability/(Asset) would be using a discount rate that is 1 percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

	Current Single Discount Rate		
	1% Decrease 6.5%	Assumption 7.5%	1% Increase 8.5%
Total Pension Liability (TPL)	\$ 52,198,615	\$ 46,599,916	\$ 41,948,223
Plan Fiduciary Net Position	(37,380,857)	(37,380,857)	(37,380,857)
Net Pension Liability/(Asset) (NPL)	\$ 14,817,758	\$ 9,219,059	\$ 4,567,366

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$2,027,659. The City reported deferred outflows of resources related to the police pension from the following sources:

	<u>Police</u> <u>Deferred</u> <u>Outflows of</u> <u>Resources</u>
Differences in experience	\$ 1,789,587
Excess (Deficit) Investment Returns	1,365,878
Total	<u>\$ 3,155,465</u>

Net amounts reported as deferred outflows of resources related to the police pension will be recognized in pension expense as follows:

Year ending June 30:	
2015-2016	\$ 738,878
2016-2017	738,878
2017-2018	738,878
2018-2019	738,877
2019-2020	199,954
Total	<u>\$ 3,155,465</u>

Payable to the Pension Plan

At June 30, 2015, the City reported a payable of \$61,054 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Summary of financial reporting of the City's pension plans:

	LAGERS			Police	Total
	General	Fire	Total		
Governmental activities:					
Net Pension Liability/(Asset)	\$ (9,823,211)	\$ 11,982,155	\$ 2,158,944	\$ 9,219,059	\$ 11,378,003
Business-type activities:					
Net Pension Liability/(Asset)	(3,328,834)	-	(3,328,834)	-	(3,328,834)
Net Pension Liability/(Asset)	\$ (13,152,045)	\$ 11,982,155	\$ (1,169,890)	\$ 9,219,059	\$ 8,049,169

	LAGERS			Police	Total
	General	Fire	Total		
Governmental activities:					
Deferred outflows due to:					
- Pension assets	\$ 2,092,339	\$ 1,861,344	\$ 3,953,683	\$ 1,365,878	\$ 5,319,561
- Pension liabilities	88,844	1,706,919	1,795,763	1,789,587	3,585,350
	2,181,183	3,568,263	5,749,446	3,155,465	8,904,911
Business-type activities:					
Deferred outflows					
- Pension assets	709,039	-	709,039	-	709,039
- Pension liabilities	30,107	-	30,107	-	30,107
	739,146	-	739,146	-	739,146
Total	\$ 2,920,329	\$ 3,568,263	\$ 6,488,592	\$ 3,155,465	\$ 9,644,057

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits the City provides the post-employment healthcare benefits described below. 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.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Plan Description

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

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

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	\$	365,329
Interest on net OPEB obligation		36,274
Adjustment to annual required contribution		(52,420)
Annual OPEB cost (expense)		349,183
Less: Net employer contribution		100,810
Change in net OPEB obligation		248,373
Net OPEB obligation - July 1, 2014		906,866
Net OPEB obligation - June 30, 2015		\$ 1,155,239

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

	<u>Net OPEB Obligation</u>
Governmental Activities	<u>\$ 984,669</u>
Business-Type Activities	
Sewer	111,512
Other Business-Type Funds	<u>59,058</u>
Total Business-Type Activities	<u>170,570</u>
Total Government	<u><u>\$ 1,155,239</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2015 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>
6/30/2013	\$ 239,115	37%	\$ 750,262
6/30/2014	248,368	37%	906,866
6/30/2015	349,183	29%	1,155,239

Funded Status and Funding Progress

As of July 1, 2014, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$2,956,177. 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 \$28,800,443, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 10 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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12: FUND BALANCE

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

Fund Balance	Governmental activities				Total
	General	Special Allocation	Capital Projects	Nonmajor	
Nonspendable:					
Prepaids	\$ 329,141	\$ -	\$ -	\$ 64,529	\$ 393,670
Total Nonspendable	329,141	-	-	64,529	393,670
Restricted for:					
Econ. Development	1,718,936	-	-	500,652	2,219,588
Public Safety - personnel and capital	21,916	-	-	2,577,892	2,599,808
Highways	-	-	-	1,981,942	1,981,942
Health & Welfare	86,267	-	-	451,632	537,899
Parks & Recreation	20,935	-	-	163,488	184,423
Museum	-	-	-	208,914	208,914
Debt Service	195,895	13,074,975	-	-	13,270,870
Capital Projects	-	-	17,150,282	-	17,150,282
Loan Program	-	-	-	4,149,309	4,149,309
Total Restricted	2,043,949	13,074,975	17,150,282	10,033,829	42,303,035
Committed for:					
Econ Development	1,221,402	-	-	-	1,221,402
Public Safety	183,830	-	-	-	183,830
Highways	30,525	-	-	-	30,525
Health & Welfare	3,000	-	-	-	3,000
Parks & Recreation	41,610	-	-	-	41,610
Total Committed	1,480,367	-	-	-	1,480,367
Assigned to:					
Econ. Development	55,002	-	-	-	55,002
Public Safety	87,261	-	-	-	87,261
Highways	41,411	-	-	-	41,411
Health & Welfare	46,923	-	-	-	46,923
Parks & Recreation	70,782	-	-	-	70,782
Capital Projects	1,429,013	-	-	-	1,429,013
Salaries	1,290,812	-	-	-	1,290,812
Total Assigned	3,021,204	-	-	-	3,021,204
Unassigned	9,384,702	-	-	-	9,384,702
Total Unassigned	9,384,702	-	-	-	9,384,702
Total Fund Balance	\$ 16,259,363	\$ 13,074,975	\$ 17,150,282	\$ 10,098,358	\$ 56,582,978

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	\$ 599,836	\$ 9,352,241	\$ 2,475,021	\$ 12,427,098

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13: CHANGE IN ACCOUNTING PRINCIPLE
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The beginning net position of the City’s governmental and business-type activities was restated due to the implementation of the GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

	Governmental Activities	Bussiness-Type Activities	Total
Net Position, beginning of year as previously reported	\$ 142,566,087	\$ 108,295,039	\$ 250,861,126
Changes in accounting and reporting related to the City's pension plans	(4,196,581)	3,910,561	(286,020)
Net Position, beginning of year as restated	\$ 138,369,506	\$ 112,205,600	\$ 250,575,106

NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS

In February, 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The objective of this statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. The City is currently evaluating the impact of adopting Statement No. 72. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

In June, 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to GASB Statements 67 and 68*. The objective of this statement is to improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployers contributing entities. The City is currently evaluating the impact of adopting Statement No. 73. The requirements of this Statement are effective for financial statement for periods beginning after June 15, 2016 and the requirements that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

In June, 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pension (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The City is currently evaluating the impact of adopting Statement No. 74. The requirements of this Statement are effective for financial statement for periods beginning after June 15, 2016.

In June, 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this statement is to improve the accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The City is currently evaluating the impact of adopting Statement No. 75. The requirements of this Statement are effective for financial statement for periods beginning after June 15, 2017.

In June, 2015, GASB issued Statement No. 76, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to identify the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The City is currently evaluating the impact of adopting Statement No. 76. The requirements of this Statement are effective for financial statement for periods beginning after June 15, 2015.

In August, 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. The City is currently evaluating the impact of adopting Statement No. 77. The requirements of this Statement are effective for financial statement for periods beginning after December 15, 2015.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The City is currently evaluating the impact of adopting Statement No. 78. The requirements of this Statement are effective for financial statement for periods beginning after December 15, 2015.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15: SUBSEQUENT EVENTS

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

On April 7, 2015, the citizens of St. Joseph, Missouri approved the city, effective July 1, 2015, to impose a local use tax on out-of-state purchases for a period of 10 years at the same rate as the local sales tax rate, currently two and eight hundred seventy-five one hundredths of one percent (2.875%) in order to preserve existing general fund revenues and provide revenues for street maintenance activities and to eliminate an inequity between instate and out-of-state businesses due to a recent Missouri Supreme Court decision, provided that if any local sales tax is reduced or raised by voter approval, the respective local use tax rate shall also be reduced or raised by the same action.

City Council adopted Special Ordinance 8971 on August 31, 2015, approving, amending, and restating Tuscan Village Tax Increment Financing Plan and Redevelopment projects, designating developers, St. Joe 47 for Redevelopment Project 1 and J.S.C. Development, LLC, for Redevelopment Projects 2 and 3.

Special Ordinance 8975, approved on August 31, 2015, a petition for and establishing the Tuscan Village Project 1 Community Improvement District (CID) and proposes the imposition of a one cent CID sales tax on the property to fund financing, design, construction, and maintenance of certain buildings and structures, site, utility, and infrastructure improvements and the provision of CID Series within the District to remove blighted conditions.

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, 2015

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 11,422,352	\$ 11,422,352	\$ 11,681,538	\$ 259,186
Sales	16,900,256	16,900,256	17,323,949	423,693
Franchise	6,783,405	6,783,405	6,646,361	(137,044)
Motor Fuel	842,350	842,350	952,729	110,379
Cigarette	416,300	416,300	386,003	(30,297)
Hotel	933,100	933,100	1,088,009	154,909
Licenses and permits	1,400,045	1,400,045	1,435,050	35,005
Intergovernmental	2,266,970	2,623,862	2,267,075	(356,787)
Charges for services	3,478,532	3,502,331	3,231,029	(271,302)
Fines	1,109,500	1,109,500	1,106,527	(2,973)
Investment earnings	11,455	11,455	15,802	4,347
Contributions and donations	-	-	47,941	47,941
Other	182,878	254,601	265,823	11,222
Total revenues	45,747,143	46,199,557	46,447,836	248,279
Expenditures				
Current:				
General government				
City council				
Salaries	45,655	46,526	46,525	1
Benefits	144,961	144,961	117,359	27,602
Materials and supplies	2,100	2,761	2,462	299
Outside services	35,590	34,058	24,847	9,211
Total City council	228,306	228,306	191,193	37,113
City clerk				
Salaries	106,077	106,077	105,007	1,070
Benefits	35,401	35,401	34,660	741
Materials and supplies	1,700	1,890	1,889	1
Outside services	78,840	78,650	63,175	15,475
Total City clerk	222,018	222,018	204,731	17,287
Municipal court				
Salaries	271,086	284,737	272,975	11,762
Benefits	95,549	97,469	93,994	3,475
Materials and supplies	3,225	3,425	3,406	19
Outside services	110,750	110,550	102,498	8,052
Total Municipal court	480,610	496,181	472,873	23,308
City manager				
Salaries	306,423	306,423	254,142	52,281
Benefits	124,300	124,300	101,353	22,947
Materials and supplies	4,550	4,550	1,443	3,107
Outside services	70,556	70,556	57,165	13,391
Total City manager	505,829	505,829	414,103	91,726
Legal				
Salaries	378,732	378,732	378,362	370
Benefits	124,710	124,710	113,031	11,679
Materials and supplies	4,500	5,215	5,022	193
Outside services	48,654	49,800	49,259	541
Total Legal	556,596	558,457	545,674	12,783

(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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Planning				
Salaries	1,028,498	1,023,498	960,763	62,735
Benefits	384,817	384,817	368,253	16,564
Materials and supplies	52,550	44,350	44,348	2
Outside services	263,915	276,615	291,220	(14,605)
Capital outlay	-	500	500	-
Total Planning	1,729,780	1,729,780	1,665,084	64,696
Finance				
Salaries	1,393,529	1,393,529	1,363,066	30,463
Benefits	511,232	511,232	399,311	111,921
Materials and supplies	180,140	180,140	169,398	10,742
Outside services	563,560	563,560	596,206	(32,646)
Total Finance	2,648,461	2,648,461	2,527,981	120,480
Other - unclassified				
Benefits	17,000	17,000	398	16,602
Outside services	992,694	970,194	873,673	96,521
Capital outlay	-	22,500	22,500	-
Total Other - unclassified	1,009,694	1,009,694	896,571	113,123
Total general government	7,381,294	7,398,726	6,918,210	480,516
Public safety:				
Police				
Salaries	8,101,618	8,137,607	7,829,941	307,666
Benefits	3,855,325	3,865,792	3,594,313	271,479
Materials and supplies	413,155	452,109	415,024	37,085
Outside services	1,905,643	1,932,583	1,930,170	2,413
Capital outlay	13,711	14,411	14,411	-
Total Police	14,289,452	14,402,502	13,783,859	618,643
Fire				
Salaries	7,252,710	7,229,710	7,059,969	169,741
Benefits	4,472,168	4,456,518	4,214,576	241,942
Materials and supplies	131,635	133,657	133,167	490
Outside services	290,740	314,240	319,029	(4,789)
Capital outlay	-	24,250	22,478	1,772
Total Fire	12,147,253	12,158,375	11,749,219	409,156
Total public safety	26,436,705	26,560,877	25,533,078	1,027,799
Highway and streets				
Salaries	3,679,973	3,679,973	3,437,576	242,397
Benefits	1,422,298	1,422,298	1,200,590	221,708
Materials and supplies	382,580	308,010	285,451	22,559
Outside services	831,615	906,185	889,363	16,822
Total Highway and streets	6,316,466	6,316,466	5,812,980	503,486
Parks and recreation				
Salaries	2,905,969	2,925,795	2,834,138	91,657
Benefits	888,439	890,413	792,543	97,870
Materials and supplies	457,485	498,635	447,997	50,638
Outside services	877,807	879,807	869,607	10,200
Capital outlay	8,750	48,750	10,849	37,901
Total Parks and recreation	5,138,450	5,243,400	4,955,134	288,266

(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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Health and welfare				
Salaries	1,849,736	1,849,736	1,777,290	72,446
Benefits	698,526	718,777	602,876	115,901
Materials and supplies	122,429	172,654	129,490	43,164
Outside services	925,277	1,058,374	899,307	159,067
Capital outlay	-	47,759	47,759	-
Total Health and welfare	3,595,968	3,847,300	3,456,722	390,578
Total expenditures	48,868,883	49,366,769	46,676,124	2,690,645
Revenues over (under) expenditures	(3,121,740)	(3,167,212)	(228,288)	2,938,924
Other financing sources (uses)				
Transfers in	5,835,296	5,835,296	5,638,042	(197,254)
Transfers out	(2,273,840)	(2,798,158)	(2,807,416)	(9,258)
Capital lease	-	-	233,522	233,522
Total other financing sources	3,561,456	3,037,138	3,064,148	27,010
Net change in fund balances, net	439,716	(130,074)	2,835,860	2,965,934
Fund balances, beginning of year	13,442,608	13,442,608	13,442,608	-
Fund balances - ending	<u>\$ 13,882,324</u>	<u>\$ 13,312,534</u>	<u>\$ 16,278,468</u>	<u>\$ 2,965,934</u>

(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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
Revenues				
Taxes:				
Property	\$ 3,401,099	\$ 3,401,099	\$ 629,585	\$ (2,771,514)
Sales	4,130,087	4,130,087	3,288,729	(841,358)
Intergovernmental activity	-	-	4,705,935	4,705,935
Charges for services	500	500	-	(500)
Investment earnings	1,045	1,045	557,836	556,791
Other	1,783,831	1,783,831	993,159	(790,672)
Total revenues	<u>9,316,562</u>	<u>9,316,562</u>	<u>10,175,244</u>	<u>858,682</u>
Expenditures				
General government				
Outside services	8,195,440	8,195,440	8,095,597	99,843
Total General government	<u>8,195,440</u>	<u>8,195,440</u>	<u>8,095,597</u>	<u>99,843</u>
Revenues over (under) expenditures	<u>1,121,122</u>	<u>1,121,122</u>	<u>2,079,647</u>	<u>958,525</u>
Other financing sources (uses)				
Transfers in	6,000	6,000	-	(6,000)
Total other financing sources	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Net change in fund balances	1,127,122	1,127,122	2,079,647	952,525
Fund balances - beginning	10,995,328	10,995,328	10,995,328	-
Fund balances - ending	<u>\$ 12,122,450</u>	<u>\$ 12,122,450</u>	<u>\$ 13,074,975</u>	<u>\$ 952,525</u>

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

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2015

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, 2015

expenditures or liabilities because the commitments will be re-appropriated 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, constructing the North Village City Park parking lot, funding the Corby Dog Park project, state directed salary increases for the Municipal judges, enhancing park concession operations, maintaining ball fields and improving fan safety, creating REC CONNECT, a new summer youth recreation camp, promoting USSSA sanctioned boys baseball league, and the rollforward of WIC, MCH and various health grants. The Special Revenue budget increase is from supporting various community improvement projects in the Community Development Fund, receiving the TRIM grant and financing the additional Save Our Heritage Grant in the Riverboat Fund, and tinting windows at the Wyeth-Tootle Mansion in the Museum Fund. The Capital Projects increase to the budget is due to accepting the FTA/MPO Enhancement Grant for the Northside Livability Project, constructing the North Village City Park parking lot, funding the Corby Dog Park project, scheduling the Spring 2015 street overlay project, and continuing construction of the Garfield Avenue Bridge. The increase in the Enterprise Funds is for acquiring a new mower for Rosecrans Memorial Airport, installation of the mechanical bar screen at the Whitehead Outlet Structure, recognizing bond proceeds for the ammonia removal project, continuing work on the Candy Creek and Faraon Street pump projects, and finalizing construction of the Maintenance Building and Lab renovation at the Water Protection Plant, and purchasing/installing Light Emitting Diode (LED) bulbs and fixtures for the Water Protection and Mass Transit locations.

CITY OF ST. JOSEPH, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2015**

2015 Budget			
Fund Type	Original Appropriation	Amended Appropriation	Increase
General	\$ 51,142,723	\$ 52,164,927	\$ 1,022,204
Special Revenue	22,511,475	23,366,550	855,075
Capital	13,040,837	16,290,917	3,250,080
Enterprise	71,627,389	76,457,598	4,830,209
Total	\$ 158,322,424	\$ 168,279,992	\$ 9,957,568

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, 2015:

	General Fund	Special Allocation Fund
Ending Fund Balance on budgetary basis	\$ 16,278,468	\$ 13,074,975
Encumbrances outstanding June 30, 2015	413,043	-
Prior Year Encumbrances Expended in FY 2015	(137,239)	-
Accrued payroll	(294,909)	-
Ending Fund Balance on GAAP basis	\$ 16,259,363	\$ 13,074,975

CITY OF ST. JOSEPH, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
Schedule of Changes in Net Pension Liability
and Related Ratios

	Lagers
	2015
Total Pension Liability	
Service costs	\$ 2,078,186
Interest on total pension liability	7,430,849
Difference between expected and actual experience of the total pension liability	2,236,768
Benefit payments and refunds	(4,445,097)
Net change in total pension liability	<u>7,300,706</u>
Total pension liability - beginning of year	103,657,222
Total pension liability - end of year (a)	<u><u>\$ 110,957,928</u></u>
 Plan Fiduciary Net Position	
Contributions - employer	\$ 3,702,055
Contributions - employee	-
Net investment income	2,147,370
Benefit payments and refunds	(4,445,097)
Administrative expenses	(89,754)
Other (net transfer)	773,382
Net change in plan fiduciary net position	<u>2,087,956</u>
 Plan fiduciary net position - beginning of year	<u>110,039,862</u>
Plan fiduciary net position - end of year (b)	<u><u>\$ 112,127,818</u></u>
 Net pension liability/(asset) (a) - (b)	<u><u>\$ (1,169,890)</u></u>
 Plan net position as a percentage of the total pension liability	101.05%
 Covered employee payroll	\$ 23,303,716
 Net pension liability/(asset) as a percentage of covered payroll	-5.02%

CITY OF ST. JOSEPH, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
Schedule of Changes in Net Pension Liability
and Related Ratios

	Police
	2015
Total Pension Liability	
Service costs	\$ 884,293
Interest on total pension liability	3,180,140
Difference between expected and actual experience of the total pension liability	2,171,488
Benefit payments and refunds	<u>(2,269,912)</u>
Net change in total pension liability	3,966,009
Total pension liability - beginning of year	42,633,907
Total pension liability - end of year (a)	<u><u>\$ 46,599,916</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 1,625,738
Contributions - employee	243,701
Net investment income	880,708
Benefit payments and refunds	(2,269,912)
Administrative expenses	<u>(71,613)</u>
Net change in plan fiduciary net position	408,622
Plan fiduciary net position - beginning of year	<u>36,972,235</u>
Plan fiduciary net position - end of year (b)	<u><u>\$ 37,380,857</u></u>
Net pension liability/(asset) (a) - (b)	<u><u>\$ 9,219,059</u></u>
Plan net position as a percentage of the total pension liability	80.22%
Covered employee payroll	\$ 5,954,250
Net pension liability/(asset) as a percentage of covered payroll	154.83%

CITY OF ST. JOSEPH, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
Schedule of Employer Contributions

LAGERS (General and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2006	\$ 2,827,674	\$ 2,823,421	\$ 4,253	\$ 20,836,923	13.55%
2007	3,034,693	2,990,627	44,066	20,736,675	14.42%
2008	2,957,789	2,957,789	-	21,289,747	13.89%
2009	2,864,232	2,864,232	-	22,317,255	12.83%
2010	2,690,467	2,690,467	-	22,271,166	12.08%
2011	3,428,399	2,874,705	553,694	21,556,058	13.34%
2012	3,441,890	3,070,747	371,143	21,267,875	14.44%
2013	3,493,132	3,305,656	187,476	21,464,280	15.40%
2014	3,559,730	3,514,073	45,657	22,415,700	15.68%
2015	3,701,512	3,701,512	-	23,473,498	15.77%

Police Pension

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2006	\$ 1,671,950	\$ 1,671,950	\$ -	\$ 5,136,368	32.55%
2007	1,675,386	1,675,386	-	5,104,658	32.82%
2008	1,536,575	1,536,575	-	5,043,081	30.47%
2009	1,550,095	1,550,095	-	5,137,480	30.17%
2010	1,980,812	1,980,812	-	5,276,973	37.54%
2011	1,786,550	1,786,550	-	5,234,079	34.13%
2012	1,715,703	1,715,703	-	5,200,069	32.99%
2013	1,771,904	2,271,904	(500,000)	4,869,414	46.66%
2014	1,752,686	1,752,686	-	4,997,961	35.07%
2015	1,625,738	1,625,738	-	5,954,250	27.30%

CITY OF ST. JOSEPH, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Notes to Schedule of Contributions

Lagers

Valuation Date February 28, 2015

Notes: The roll-forward of total pension liability from February 28, 2015 to June 30, 2015 reflects expected service cost and interest reduced by actual benefit payments and administrative costs

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 14 to 15 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation assumption	3.5% wage inflation; 3% price inflation
Salary increases	3.5% to 6.8% including wage inflation (General) 3.5% to 8.6% including wage inflation (Fire)
Investment rate of return	7.25%, net of investment and administrative expenses
Retirement age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

CITY OF ST. JOSEPH, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Notes to Schedule of Contributions

Police Pension

Valuation Date January 1, 2015

Notes: Actuarially determined contributions rates are calculated as of January 1, eighteen months prior to the end of the fiscal year in which contributions are reported

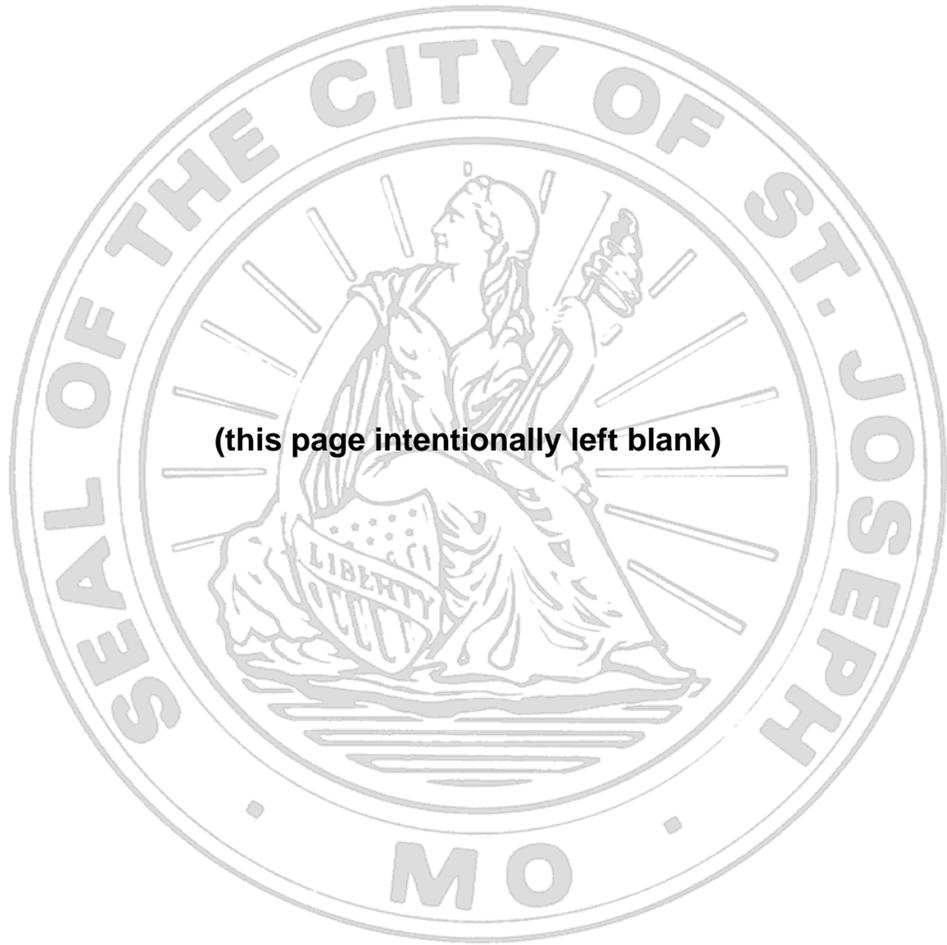
Methods and assumptions used to determine contributions rates:

Actuarial cost method	Individual Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	Market Value
Inflation assumption	4%
Salary increases	4%
Investment rate of return	7.5%, net of investment and administrative expenses
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

CITY OF ST. JOSEPH, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
Schedule of Funding Progress

Other Post Employment Benefits

Fiscal year ended	Actuarial valuation date	(a) Actuarial value of assets	(b) actuarial accrued liability	(b) - (a) Unfunded accrued liability (UAL)	(a)/(b) Funded ratio	(c) Annual covered payroll	(b)-(a)/(c) UAL as a percentage of covered payroll
6/30/2013	7/1/2012	\$ -	\$ 2,193,911	\$ 2,193,911	0%	\$ 25,579,486	9%
6/30/2014	7/1/2013	-	2,315,116	2,315,116	0%	26,330,043	9%
6/30/2015	7/1/2014	-	2,956,177	2,956,177	0%	28,800,443	10%



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CITY OF ST. JOSEPH, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue								Total Nonmajor Governmental Funds
	Streets	Parks & Recreation	Public Safety Tax	Community Development	Riverboat Gaming	Museum	C.D Rehab Loan	Home Revolving Loan	
Assets									
Cash and investments	\$ 1,953,021	\$ 212,738	\$ 1,821,146	\$ 174,092	\$ 424,552	\$ 201,841	\$ 1,087,267	\$ 195,972	\$ 6,070,629
Receivables	354,628	43,322	912,345	-	194,471	29,007	-	-	1,533,773
Loan receivables	-	-	-	-	-	-	1,129,317	1,757,905	2,887,222
Property held for resale	-	-	-	192,522	-	-	-	-	192,522
Due from other governments	-	-	-	339,846	-	-	-	-	339,846
Prepaid items	-	57,362	-	3,371	-	3,796	-	-	64,529
Total assets	<u>\$ 2,307,649</u>	<u>\$ 313,422</u>	<u>\$ 2,733,491</u>	<u>\$ 709,831</u>	<u>\$ 619,023</u>	<u>\$ 234,644</u>	<u>\$ 2,216,584</u>	<u>\$ 1,953,877</u>	<u>\$ 11,088,521</u>
Liabilities, Deferred Inflows and Fund Balances									
Liabilities:									
Accounts payable	\$ 325,707	\$ 60,920	\$ 140,078	\$ 237,052	\$ 118,371	\$ 1,014	\$ 11,214	\$ 9,938	\$ 904,294
Accrued payroll	-	-	15,521	17,776	-	-	-	-	33,297
Total liabilities	<u>325,707</u>	<u>60,920</u>	<u>155,599</u>	<u>254,828</u>	<u>118,371</u>	<u>1,014</u>	<u>11,214</u>	<u>9,938</u>	<u>937,591</u>
Deferred Inflows of Resources:									
Unavailable revenues-property taxes	-	31,652	-	-	-	20,920	-	-	52,572
Total deferred inflows of resources	<u>-</u>	<u>31,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,920</u>	<u>-</u>	<u>-</u>	<u>52,572</u>
Fund balances:									
Nonspendable:									
Restricted	1,981,942	163,488	2,577,892	451,632	500,652	208,914	2,205,370	1,943,939	10,033,829
Total fund balances	<u>1,981,942</u>	<u>220,850</u>	<u>2,577,892</u>	<u>455,003</u>	<u>500,652</u>	<u>212,710</u>	<u>2,205,370</u>	<u>1,943,939</u>	<u>10,098,358</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,307,649</u>	<u>\$ 313,422</u>	<u>\$ 2,733,491</u>	<u>\$ 709,831</u>	<u>\$ 619,023</u>	<u>\$ 234,644</u>	<u>\$ 2,216,584</u>	<u>\$ 1,953,877</u>	<u>\$ 11,088,521</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, 2015

	Special Revenue								Total Nonmajor Governmental Funds
	Streets	Parks & Recreation	Public Safety Tax	Community Development	Riverboat Gaming	Museum	Rehab Loan	Revolving Loan	
Revenues									
Taxes:									
Property	\$ -	\$ 689,925	\$ -	\$ -	\$ -	\$ 532,240	\$ -	\$ -	\$ 1,222,165
Sales	-	-	5,921,322	-	-	-	-	-	5,921,322
Motor Fuel	2,702,320	-	-	-	-	-	-	-	2,702,320
Licenses and permits	-	95,981	-	-	-	-	-	-	95,981
Intergovernmental	182,251	80,386	-	2,213,453	7,986	-	-	-	2,484,076
Charges for services	169,400	31,066	-	-	1,041,950	-	-	-	1,242,416
Special assessments	7,095	-	-	22,087	-	-	-	-	29,182
Investment earnings	2,233	87	1,427	7,201	381	220	28,355	25,571	65,475
Other	10,280	3,487	1,000	113,463	6,509	-	37,143	73,480	245,362
Total revenues	3,073,579	900,932	5,923,749	2,356,204	1,056,826	532,460	65,498	99,051	14,008,299
Expenditures									
Current:									
General government	-	-	-	161,205	720,763	374,993	54,947	64,690	1,376,598
Public safety	-	-	520,565	-	-	-	-	-	520,565
Highway and streets	3,107,833	-	-	-	-	-	-	-	3,107,833
Public works	-	-	-	293,853	-	-	-	-	293,853
Health and welfare	-	-	-	1,878,394	-	-	-	-	1,878,394
Parks and recreation	-	900,527	-	-	-	-	-	-	900,527
Capital outlay	1,771,657	31,418	650,549	-	72,400	373,715	-	-	2,899,739
Total expenditures	4,879,490	931,945	1,171,114	2,333,452	793,163	748,708	54,947	64,690	10,977,509
Excess (deficiency) of revenues over (under) expenditures	(1,805,911)	(31,013)	4,752,635	22,752	263,663	(216,248)	10,551	34,361	3,030,790
Other financing sources (uses)									
Transfers in	2,321,496	189,877	-	136,896	-	-	-	-	2,648,269
Transfers out	-	(64,425)	(2,716,665)	(197,494)	(191,500)	(60,505)	(29,003)	(107,893)	(3,367,485)
Total other financing sources (uses), net	2,321,496	125,452	(2,716,665)	(60,598)	(191,500)	(60,505)	(29,003)	(107,893)	(719,216)
Net change in fund balances	515,585	94,439	2,035,970	(37,846)	72,163	(276,753)	(18,452)	(73,532)	2,311,574
Fund balances - beginning	1,466,357	126,411	541,922	492,849	428,489	489,463	2,223,822	2,017,471	\$ 7,786,784
Fund balances - ending	\$ 1,981,942	\$ 220,850	\$ 2,577,892	\$ 455,003	\$ 500,652	\$ 212,710	\$ 2,205,370	\$ 1,943,939	\$ 10,098,358

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, 2015

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Motor Fuel	\$ 2,617,914	\$ 2,617,914	\$ 2,702,320	\$ 84,406
Intergovernmental	-	-	182,251	182,251
Charges for services	200,000	200,000	169,400	(30,600)
Special assessments	6,500	6,500	7,095	595
Investment earnings	200	200	2,233	2,033
Other	-	-	10,280	10,280
Total revenues	<u>2,824,614</u>	<u>2,824,614</u>	<u>3,073,579</u>	<u>248,965</u>
Expenditures				
Highways and streets				
Materials and supplies	1,286,150	1,286,150	1,136,761	149,389
Outside services	1,980,000	1,980,000	2,137,859	(157,859)
Capital outlay	1,874,000	1,874,000	1,871,553	2,447
Total Highways and streets	<u>5,140,150</u>	<u>5,140,150</u>	<u>5,146,173</u>	<u>(6,023)</u>
Revenues over (under) expenditures	<u>(2,315,536)</u>	<u>(2,315,536)</u>	<u>(2,072,594)</u>	<u>242,942</u>
Other financing sources (uses)				
Transfers in	<u>2,323,840</u>	<u>2,323,840</u>	<u>2,321,496</u>	<u>(2,344)</u>
Total other financing sources	<u>2,323,840</u>	<u>2,323,840</u>	<u>2,321,496</u>	<u>(2,344)</u>
Net change in fund balances	8,304	8,304	248,902	240,598
Fund balances, beginning of year	<u>1,466,357</u>	<u>1,466,357</u>	<u>1,466,357</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,474,661</u>	<u>\$ 1,474,661</u>	<u>\$ 1,715,259</u>	<u>\$ 240,598</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, 2015

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 683,900	\$ 683,900	\$ 689,925	\$ 6,025
Licenses and permits	96,000	96,000	95,981	(19)
Intergovernmental	70,000	70,000	80,386	10,386
Charges for services	25,000	25,000	31,066	6,066
Investment earnings	-	-	87	87
Other	-	-	3,487	3,487
Total revenues	<u>874,900</u>	<u>874,900</u>	<u>900,932</u>	<u>26,032</u>
Expenditures				
Parks and recreation				
Materials and supplies	201,650	201,650	169,980	31,670
Outside services	886,810	886,810	750,270	136,540
Capital outlay	91,000	66,000	64,676	1,324
Total Parks and recreation	<u>1,179,460</u>	<u>1,154,460</u>	<u>984,926</u>	<u>169,534</u>
Revenues over (under) expenditures	<u>(304,560)</u>	<u>(279,560)</u>	<u>(83,994)</u>	<u>195,566</u>
Other financing sources (uses)				
Transfers in	255,000	230,000	189,877	(40,123)
Transfers out	(64,425)	(64,425)	(64,425)	-
Total other financing sources	<u>190,575</u>	<u>165,575</u>	<u>125,452</u>	<u>(40,123)</u>
Net change in fund balances	<u>(113,985)</u>	<u>(113,985)</u>	<u>41,458</u>	<u>155,443</u>
Fund balances, beginning of year	126,411	126,411	126,411	-
Fund balances - ending	<u>\$ 12,426</u>	<u>\$ 12,426</u>	<u>\$ 167,869</u>	<u>\$ 155,443</u>

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Revenues				
Taxes:				
Sales	\$ 5,652,295	\$ 5,652,295	\$ 5,921,322	269,027
Investment earnings	-	-	1,427	1,427
Other	-	-	1,000	1,000
Total revenues	<u>5,652,295</u>	<u>5,652,295</u>	<u>5,923,749</u>	<u>271,454</u>
Expenditures				
Public Safety				
Police				
Salaries	262,514	262,514	173,782	88,732
Benefits	141,245	141,245	89,719	51,526
Materials and supplies	234,070	224,537	212,517	12,020
Outside services	36,300	46,300	15,587	30,713
Capital outlay	686,628	686,161	680,004	6,157
Total Police	<u>1,360,757</u>	<u>1,360,757</u>	<u>1,171,609</u>	<u>189,148</u>
Fire				
Materials and supplies	60,155	60,155	44,563	15,592
Capital outlay	46,343	46,343	12,829	33,514
Total Fire	<u>106,498</u>	<u>106,498</u>	<u>57,392</u>	<u>49,106</u>
Total public safety	<u>1,467,255</u>	<u>1,467,255</u>	<u>1,229,001</u>	<u>238,254</u>
Revenues over (under) expenditures	<u>4,185,040</u>	<u>4,185,040</u>	<u>4,694,748</u>	<u>509,708</u>
Other financing sources (uses)				
Transfers out	(2,716,665)	(2,716,665)	(2,716,665)	-
Total other financing sources	<u>(2,716,665)</u>	<u>(2,716,665)</u>	<u>(2,716,665)</u>	<u>-</u>
Net change in fund balances	1,468,375	1,468,375	1,978,083	509,708
Fund balances - beginning	541,922	541,922	541,922	-
Fund balances - ending	<u>\$ 2,010,297</u>	<u>\$ 2,010,297</u>	<u>\$ 2,520,005</u>	<u>\$ 509,708</u>

CITY OF ST. JOSEPH, MISSOURI
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,194,155	\$ 2,448,805	\$ 2,213,453	\$ (235,352)
Special assessments	15,000	15,000	22,087	7,087
Investment earnings	1,000	1,000	7,201	6,201
Other	-	-	113,463	113,463
Total revenues	<u>2,210,155</u>	<u>2,464,805</u>	<u>2,356,204</u>	<u>(108,601)</u>
Expenditures				
General government				
Salaries	101,490	101,490	101,447	43
Benefits	42,283	42,283	35,778	6,505
Materials and supplies	2,800	2,800	104	2,696
Outside services	21,786	746,786	22,078	724,708
Total General government	<u>168,359</u>	<u>893,359</u>	<u>159,407</u>	<u>733,952</u>
Health and welfare				
Salaries	157,604	157,809	160,727	(2,918)
Benefits	70,159	70,159	62,551	7,608
Materials and supplies	4,917	4,712	2,313	2,399
Outside services	1,281,038	1,408,688	1,043,854	364,834
Total Health and welfare	<u>1,513,718</u>	<u>1,641,368</u>	<u>1,269,445</u>	<u>371,923</u>
Public works				
Salaries	102,066	102,066	99,189	2,877
Benefits	46,703	46,703	39,047	7,656
Materials and supplies	3,555	3,555	3,426	129
Outside services	177,760	177,760	134,552	43,208
Total Public works	<u>330,084</u>	<u>330,084</u>	<u>276,214</u>	<u>53,870</u>
Total expenditures	<u>2,012,161</u>	<u>2,864,811</u>	<u>1,705,066</u>	<u>1,159,745</u>
Revenues over (under) expenditures	<u>197,994</u>	<u>(400,006)</u>	<u>651,138</u>	<u>1,051,144</u>
Other financing sources (uses)				
Transfers in	-	-	136,896	136,896
Transfers out	(197,994)	(197,994)	(197,494)	500
Total other financing sources	<u>(197,994)</u>	<u>(197,994)</u>	<u>(60,598)</u>	<u>137,396</u>
Net change in fund balances	-	(598,000)	590,540	1,188,540
Fund balances - beginning	492,849	492,849	492,849	-
Fund balances - ending	<u>\$ 492,849</u>	<u>\$ (105,151)</u>	<u>\$ 1,083,389</u>	<u>\$ 1,188,540</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, 2015

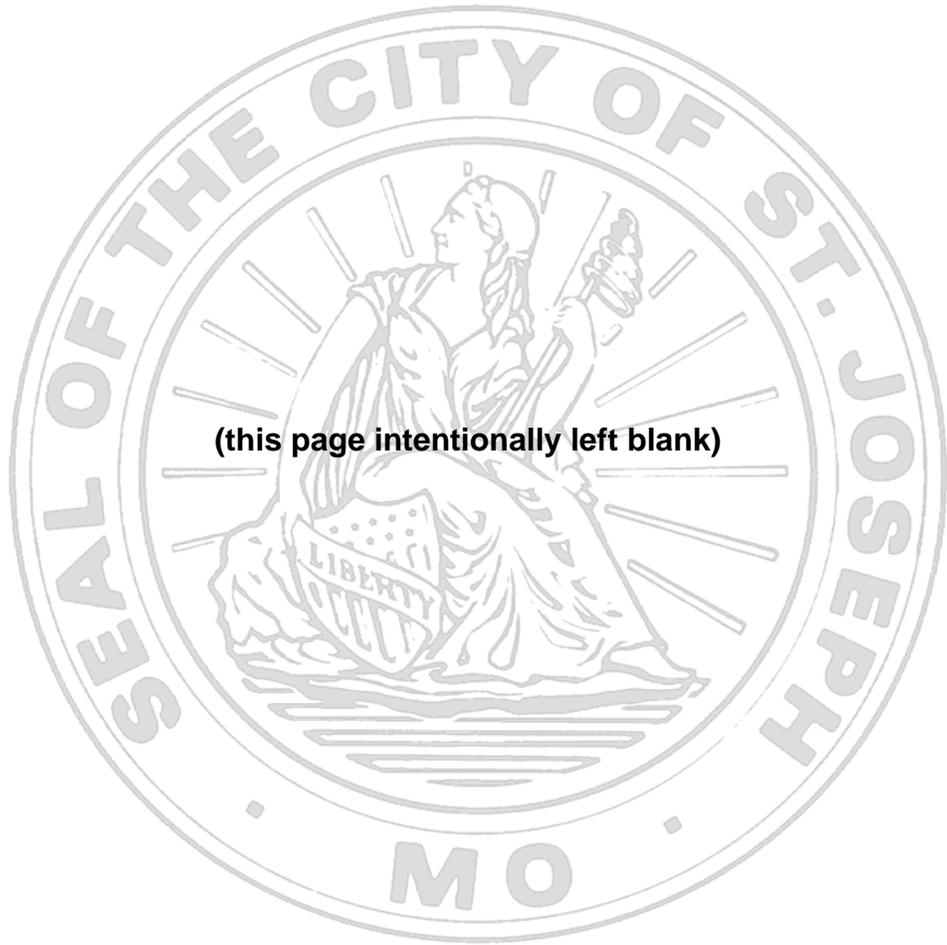
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
Revenues				
Intergovernmental	\$ -	\$ 10,000	\$ 7,986	\$ (2,014)
Charges for services	974,300	974,300	1,041,950	67,650
Investment earnings	200	200	381	181
Other	-	-	6,509	6,509
Total revenues	974,500	984,500	1,056,826	72,326
Expenditures				
General government				
Materials and supplies	20,000	20,000	18,192	1,808
Outside services	779,660	804,160	762,782	41,378
Capital outlay	24,000	24,000	34,498	(10,498)
Total General government	823,660	848,160	815,472	32,688
Revenues over (under) expenditures	150,840	136,340	241,354	105,014
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(197,500)	(197,500)	(191,500)	6,000
Total other financing sources	(197,500)	(197,500)	(191,500)	6,000
Net change in fund balances	(46,660)	(61,160)	49,854	111,014
Fund balances - beginning	428,489	428,489	428,489	-
Fund balances - ending	\$ 381,829	\$ 367,329	\$ 478,343	\$ 111,014

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 516,648	\$ 516,648	\$ 532,240	\$ 15,592
Investment earnings	670	670	220	(450)
Total revenues	<u>517,318</u>	<u>517,318</u>	<u>532,460</u>	<u>15,142</u>
Expenditures				
General government				
Outside services	381,260	384,185	374,993	9,192
Capital outlay	75,000	75,000	15,891	59,109
Total General government	<u>456,260</u>	<u>459,185</u>	<u>390,884</u>	<u>68,301</u>
Revenues over (under) expenditures	<u>61,058</u>	<u>58,133</u>	<u>141,576</u>	<u>83,443</u>
Other financing sources (uses)				
Transfers out	(60,505)	(60,505)	(60,505)	-
Total other financing sources	<u>(60,505)</u>	<u>(60,505)</u>	<u>(60,505)</u>	<u>-</u>
Net change in fund balances	553	(2,372)	81,071	83,443
Fund balances - beginning	489,463	489,463	489,463	-
Fund balances - ending	<u>\$ 490,016</u>	<u>\$ 487,091</u>	<u>\$ 570,534</u>	<u>\$ 83,443</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, 2015

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Sales	\$ 5,652,295	\$ 5,652,295	\$ 5,748,910	\$ 96,615
Intergovernmental	1,640,290	2,137,149	825,415	(1,311,734)
Investment earnings	20,000	20,000	18,042	(1,958)
Other	-	-	378,016	378,016
Total revenues	<u>7,312,585</u>	<u>7,809,444</u>	<u>6,970,383</u>	<u>(839,061)</u>
Expenditures				
Capital outlay				
Outside services	1,425,000	1,409,803	198,646	1,211,157
Capital outlay	<u>11,580,837</u>	<u>14,846,114</u>	<u>12,141,097</u>	<u>2,705,017</u>
Total Capital outlay	<u>13,005,837</u>	<u>16,255,917</u>	<u>12,339,743</u>	<u>3,916,174</u>
Revenues over (under) expenditures	<u>(5,693,252)</u>	<u>(8,446,473)</u>	<u>(5,369,360)</u>	<u>3,077,113</u>
Other financing sources (uses)				
Transfers in	50,000	574,318	574,318	-
Transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(26,912)</u>	<u>8,088</u>
Total other financing sources	<u>15,000</u>	<u>539,318</u>	<u>547,406</u>	<u>8,088</u>
Net change in fund balances	<u>(5,678,252)</u>	<u>(7,907,155)</u>	<u>(4,821,954)</u>	<u>3,085,201</u>
Fund balances, beginning of year	<u>16,453,296</u>	<u>16,453,296</u>	<u>16,453,296</u>	<u>-</u>
Fund balances - ending	<u>\$ 10,775,044</u>	<u>\$ 8,546,141</u>	<u>\$ 11,631,342</u>	<u>\$ 3,085,201</u>



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CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2015

Business-type Activities - Enterprise Funds

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
Assets					
Current assets:					
Cash and investments	\$ 583,342	\$ 74,628	\$ 4,990	\$ 6,674,196	\$ 7,337,156
Interest receivable	160	20	(13)	1,825	1,992
Accounts receivable (net of allowance for uncollectibles)	134,884	1,319	9,773	392,635	538,611
Prepaid items	9,527	7,870	1,998	13,167	32,562
Total current assets	<u>727,913</u>	<u>83,837</u>	<u>16,748</u>	<u>7,081,823</u>	<u>7,910,321</u>
Noncurrent assets:					
Restricted cash and investments	-	-	-	-	-
Deferred charges	-	-	-	-	-
Net Pension Asset	174,344	106,241	149,263	653,675	1,083,523
Capital assets:					
Capital assets, not being depreciated:	2,126,094	1,550,998	110,000	2,248,655	6,035,747
Capital assets net of accumulated depreciation:	<u>12,694,678</u>	<u>1,064,318</u>	<u>1,395,428</u>	<u>1,394,596</u>	<u>16,549,020</u>
Total capital assets (net of accumulated depreciation)	<u>14,820,772</u>	<u>2,615,316</u>	<u>1,505,428</u>	<u>3,643,251</u>	<u>22,584,767</u>
Total noncurrent assets	<u>14,995,116</u>	<u>2,721,557</u>	<u>1,654,691</u>	<u>4,296,926</u>	<u>23,668,290</u>
Total assets	<u>15,723,029</u>	<u>2,805,394</u>	<u>1,671,439</u>	<u>11,378,749</u>	<u>31,578,611</u>
Deferred Outflows of Resources					
Deferred amount on refunding	-	-	-	-	-
Deferred outflow due to pension assets	37,135	22,629	31,793	139,232	230,789
Deferred outflow due to pension liabilities	1,577	961	1,350	5,912	9,800
Total Deferred Outflows of Resources	<u>38,712</u>	<u>23,590</u>	<u>33,143</u>	<u>145,144</u>	<u>240,589</u>
Liabilities and Net Position					
Current liabilities:					
Accounts payable	169,992	8,407	37,159	71,476	287,034
Accrued payroll	10,530	7,841	19,932	39,328	77,631
Accrued interest payable	-	-	181	-	181
Long-term obligations due in one year	12,182	7,674	50,317	63,614	133,787
Landfill closure and postclosure liability	-	-	-	73,500	73,500
Total current liabilities	<u>192,704</u>	<u>23,922</u>	<u>107,589</u>	<u>247,918</u>	<u>572,133</u>
Noncurrent liabilities:					
Long-term obligations due in more than one year (net of unamortized discounts and premiums)	10,391	7,154	176,851	31,337	225,733
Landfill closure and postclosure liability	-	-	-	5,541,090	5,541,090
Total noncurrent liabilities	<u>10,391</u>	<u>7,154</u>	<u>176,851</u>	<u>5,572,427</u>	<u>5,766,823</u>
Total liabilities	<u>203,095</u>	<u>31,076</u>	<u>284,440</u>	<u>5,820,345</u>	<u>6,338,956</u>
Net Position					
Net Investment in capital assets	14,820,772	2,615,316	1,306,191	3,643,251	22,385,530
Restricted for debt service	-	-	-	-	-
Unrestricted (deficit)	737,874	182,592	113,951	2,060,297	3,094,714
Total net position	<u>\$ 15,558,646</u>	<u>\$ 2,797,908</u>	<u>\$ 1,420,142</u>	<u>\$ 5,703,548</u>	<u>\$ 25,480,244</u>

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for services	\$ 387,432	\$ 314,390	\$ 780,040	\$ 3,110,653	\$ 4,592,515
Other	24,692	18	9,014	29,585	63,309
Total operating revenues	412,124	314,408	789,054	3,140,238	4,655,824
Operating expenses:					
Personal services	316,620	220,353	400,385	1,114,625	2,051,983
Contractual services	250,674	40,803	23,545	984,667	1,299,689
Commodities	22,957	7,389	209,215	285,104	524,665
Heat, light and power	45,554	32,627	52,401	17,295	147,877
Depreciation	625,712	65,270	122,431	436,570	1,249,983
Closure and postclosure care costs	-	-	-	345,389	345,389
Total operating expenses	1,261,517	366,442	807,977	3,183,650	5,619,586
Operating income (loss)	(849,393)	(52,034)	(18,923)	(43,412)	(963,762)
Nonoperating revenues (expenses):					
Intergovernmental and other	-	314	-	-	314
Franchise taxes	-	-	-	-	-
Investment income	506	86	(96)	9,678	10,174
Interest and fiscal charges	-	-	(57,005)	-	(57,005)
Gain (loss) on sale of capital assets	-	-	-	109,380	109,380
Total nonoperating revenues (expenses), net	506	400	(57,101)	119,058	62,863
Income (loss) before capital contributions and transfers	(848,887)	(51,634)	(76,024)	75,646	(900,899)
Capital contributions and grants	573,383	-	-	-	573,383
Transfers in	195,202	6,500	51,725	-	253,427
Transfers out	(7,455)	(42,055)	(33,500)	(1,032,915)	(1,115,925)
Change in net position	(87,757)	(87,189)	(57,799)	(957,269)	(1,190,014)
Total net position - beginning, as restated	15,646,403	2,885,097	1,477,941	6,660,817	26,670,258
Total net position - ending	\$ 15,558,646	\$ 2,797,908	\$ 1,420,142	\$ 5,703,548	\$ 25,480,244

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 304,880	\$ 313,591	\$ 784,942	\$ 2,901,319	\$ 4,304,732
Payments to suppliers	(269,628)	(81,872)	(282,177)	(1,514,762)	(2,148,439)
Payments to employees	(329,061)	(223,296)	(405,687)	(1,125,267)	(2,083,311)
Other operating revenues	24,692	18	9,014	29,585	63,309
Net cash provided (used) by operating activities	(269,117)	8,441	106,092	290,875	136,291
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund advances	-	-	(8,446)	-	(8,446)
Transfers in	195,202	6,500	51,725	-	253,427
Transfers out	(7,455)	(42,055)	(33,500)	(1,032,915)	(1,115,925)
Net cash provided (used) by noncapital financing activities	187,747	(35,555)	9,779	(1,032,915)	(870,944)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payments of debt principal	-	-	(41,616)	-	(41,616)
Payments of debt interest and charges	-	-	(56,932)	-	(56,932)
Capital grants received	573,383	314	-	-	573,697
Purchase of capital assets	(345,350)	-	(15,000)	(625,324)	(985,674)
Net cash provided (used) by capital and related financing activities	228,033	314	(113,548)	(625,324)	(510,525)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	-	24,846	-	1,316,956	1,341,802
Purchase of investments	(118,171)	-	(1,872)	-	(120,043)
Interest and dividends received	420	83	(83)	9,218	9,638
Net cash provided (used) by investing activities	(117,751)	24,929	(1,955)	1,326,174	1,231,397
Net increase (decrease) in cash and cash equivalents	28,912	(1,871)	368	(41,190)	(13,781)
Cash and cash equivalents - beginning	53,364	12,397	336	982,533	1,048,630
Cash and cash equivalents - ending	82,276	10,526	704	941,343	1,034,849
Investments	501,066	64,102	4,286	5,732,853	6,302,307
Total cash and investments	\$ 583,342	\$ 74,628	\$ 4,990	\$ 6,674,196	\$ 7,337,156
Cash and investments reported on the Statement of Net Position:					
Unrestricted cash and investments	\$ 583,342	\$ 74,628	\$ 4,990	\$ 6,674,196	\$ 7,337,156
Total cash and investments	\$ 583,342	\$ 74,628	\$ 4,990	\$ 6,674,196	\$ 7,337,156

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (849,393)	\$ (52,034)	\$ (18,923)	\$ (43,412)	\$ (963,762)
Adjustments to reconciliation operating income (loss) to net cash provided by operating activities:					
Depreciation	625,712	65,270	122,431	436,570	1,249,983
Landfill closure and postclosure	-	-	-	292,647	292,647
Net pension asset	30,467	18,566	26,084	114,232	189,349
Deferred outflows of resources	(38,712)	(23,590)	(33,143)	(145,144)	(240,589)
Changes in operating assets and liabilities:					
Accounts receivable	(82,552)	(799)	4,902	(209,334)	(287,783)
Prepaid expenses	(994)	(831)	(353)	(2,457)	(4,635)
Accounts payable and contracts/claims payable	50,551	(222)	3,337	(172,497)	(118,831)
Accrued payroll and compensated absences	(4,196)	2,081	1,757	20,270	19,912
Net cash provided (used) by operating activities	\$ (269,117)	\$ 8,441	\$ 106,092	\$ 290,875	\$ 136,291

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Tuscany Village CID Tax Fund				
Assets:				
Cash and investments:	\$ -	\$ 3,000	\$ -	\$ 3,000
Receivables - taxes	-	3,000	3,000	-
	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
Liabilities:				
Due to others	\$ -	\$ 6,000	\$ 3,000	\$ 3,000
2317 Belt CID Tax Fund				
Assets:				
Cash and investments:	\$ -	\$ 3,001	\$ 2,007	\$ 994
Receivables - taxes	-	3,001	3,001	-
	<u>\$ -</u>	<u>\$ 6,002</u>	<u>\$ 5,008</u>	<u>\$ 994</u>
Liabilities:				
Due to others	\$ -	\$ 6,002	\$ 5,008	\$ 994
Gateway TDD Tax Fund				
Assets:				
Cash and investments:	\$ 50,342	\$ 13,240	\$ 36,652	\$ 26,930
Receivables - taxes	2,213	13,647	13,240	2,620
	<u>\$ 52,555</u>	<u>\$ 26,887</u>	<u>\$ 49,892</u>	<u>\$ 29,550</u>
Liabilities:				
Due to others	\$ 52,555	\$ 26,887	\$ 49,892	\$ 29,550
Cooks Crossing CID Tax Fund				
Assets:				
Cash and investments:	\$ 1,786	\$ 364,621	\$ 362,825	\$ 3,582
Receivables - taxes	28,433	374,588	364,621	38,400
	<u>\$ 30,219</u>	<u>\$ 739,209</u>	<u>\$ 727,446</u>	<u>\$ 41,982</u>
Liabilities:				
Due to others	\$ 30,219	\$ 739,209	\$ 727,446	\$ 41,982
East Hills CID Tax Fund				
Assets:				
Cash and investments:	\$ 924	\$ 717,503	\$ 712,741	\$ 5,686
Receivables - taxes	57,959	710,633	717,503	51,089
	<u>\$ 58,883</u>	<u>\$ 1,428,136</u>	<u>\$ 1,430,244</u>	<u>\$ 56,775</u>
Liabilities:				
Due to others	\$ 58,883	\$ 1,428,136	\$ 1,430,244	\$ 56,775
Beck Road CID Tax Fund				
Assets:				
Cash and investments:	\$ 5,000	\$ 5	\$ 169	\$ 4,836
Receivables - taxes	-	5	5	-
	<u>\$ 5,000</u>	<u>\$ 10</u>	<u>\$ 174</u>	<u>\$ 4,836</u>
Liabilities:				
Due to others	\$ 5,000	\$ 10	\$ 174	\$ 4,836
Library Tax Fund				
Assets:				
Cash and investments:	\$ 5	\$ 275,491	\$ 275,496	\$ -
Receivables - taxes	169,438	274,039	275,491	167,986
	<u>\$ 169,443</u>	<u>\$ 549,530</u>	<u>\$ 550,987</u>	<u>\$ 167,986</u>
Liabilities:				
Due to others	\$ 169,443	\$ 549,530	\$ 550,987	\$ 167,986
All Agency Funds				
Assets:				
Cash and investments:	\$ 58,057	\$ 1,376,861	\$ 1,389,890	\$ 45,028
Receivables - taxes	258,043	1,378,913	1,376,861	260,095
	<u>\$ 316,100</u>	<u>\$ 2,755,774</u>	<u>\$ 2,766,751</u>	<u>\$ 305,123</u>
Liabilities:				
Due to others	\$ 316,100	\$ 2,755,774	\$ 2,766,751	\$ 305,123

Statistical Section

STATISTICAL SECTION

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

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

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

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

	Fiscal Year									
	<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>	<u>2015</u>
Governmental activities										
Net Investment in capital assets	\$ 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	158,218,098
Restricted	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	41,840,617
Unrestricted	(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)	(63,952,044)
Total governmental activities net position	\$ <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>	<u>136,106,671</u>
	\$									
Business-type activities										
Net Investment in capital assets	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	77,437,020
Restricted	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	11,877,345
Unrestricted	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	24,840,400
Total business-type activities net position	\$ <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>	<u>114,154,765</u>
Primary government										
Net Investment in capital assets	\$ 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	235,655,118
Restricted	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	53,717,962
Unrestricted	(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)	(39,111,644)
Total primary government net position	\$ <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>	<u>250,261,436</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 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	19,182,884
Public safety	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	28,023,361
Highways and streets	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	18,789,099
Public works	370,810	385,983	212,776	247,807	293,125	398,643	416,183	354,893	235,620	290,349
Health and welfare	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	5,430,715
Parks and Recreation	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	7,330,358
Interest on long-term debt	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	2,888,824
Total governmental activities expenses	<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>	<u>81,935,590</u>
Business-type activities:										
Aviation	863,917	976,138	989,152	1,117,337	1,234,602	1,127,663	1,087,908	1,059,518	1,190,984	1,259,261
Parking	510,026	445,675	358,222	397,508	384,058	328,919	348,149	339,368	353,047	365,141
Sewer	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	20,162,018
Golf	403,045	374,989	427,656	403,153	505,136	770,572	835,932	837,476	901,488	862,290
Transit	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	5,387,901
Landfill	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	3,176,737
Total business-type activities expenses	<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>	<u>31,213,348</u>
Total primary government expenses	<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>	<u>113,148,938</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	4,745,255
Public safety	709,962	496,759	543,241	583,425	642,911	665,299	680,798	821,264	936,478	737,997
Highways and streets	150,512	158,804	172,658	103,004	151,461	269,131	260,965	204,937	246,169	215,358
Public works	36,730	45,627	23,327	24,080	93,802	21,516	85,748	32,380	206,290	399,760
Health and welfare	674,058	749,166	684,720	746,525	572,275	655,605	559,092	626,570	539,526	572,768
Parks and Recreation	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	1,877,097
Operating grants and contributions	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	4,583,812
Capital grants and contributions	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	911,812
Total governmental activities program revenues	<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>	<u>14,043,859</u>
Business-type activities:										
Charges for services:										
Aviation	441,058	469,727	479,350	465,191	517,945	500,349	381,111	463,197	384,248	412,124
Parking	356,273	343,396	447,428	446,538	425,611	383,003	354,578	360,734	327,267	314,408
Sewer	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	22,446,892
Golf	405,379	379,891	369,883	394,779	532,429	705,864	783,605	820,578	802,264	789,054
Transit	124,959	158,916	284,077	327,506	298,583	357,891	394,945	350,978	343,364	385,106
Landfill	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	3,140,238
Operating grants and contributions	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	1,778,662
Capital grants and contributions	839,014	1,324,937	688,019	768,444	1,471,591	3,287,255	6,928,194	106,268	502,346	573,383
Total business-type activities program revenues	<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>	<u>29,839,867</u>
Total primary government program revenues	<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>	<u>43,883,726</u>
Net (expense)/revenue										
Governmental activities	(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)	(67,891,731)
Business-type activities	(4,428,351)	(147,167)	(1,964,221)	(1,818,559)	(583,458)	2,108,112	8,114,088	2,743,177	(372,490)	(1,373,481)
Total primary government net expense	<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>	<u>(69,265,212)</u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes

Property taxes	\$ 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	13,541,862
Sales and use taxes	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	32,282,910
Franchise taxes	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	6,646,361
Motor fuel taxes	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	3,655,049
Cigarette taxes	459,855	453,013	451,815	441,029	418,473	439,289	438,673	422,366	395,181	386,003
Hotel taxes	400,792	430,551	448,717	412,623	425,537	443,127	815,756	913,963	856,089	1,088,009
Intergovernmental activity taxes	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	4,705,935
Unrestricted investment earnings	2,028,405	2,220,429	1,913,204	1,113,290	776,579	743,281	697,834	640,068	651,729	658,515
Gain (loss) on sale of capital assets	-	-	9,914	75,546	90,476	535	-	-	65,877	5,436
Transfers	376,478	835,608	1,405,495	1,428,110	1,158,838	414,691	1,899,067	2,454,852	2,189,564	2,658,816
Total governmental activities	44,145,684	47,446,909	54,298,213	52,842,074	53,087,709	51,855,449	56,362,194	56,243,274	60,270,983	65,628,896

Business-type activities:

Sales and use taxes	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	4,456,303
Franchise taxes	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	1,217,843
Unrestricted investment earnings	987,584	1,146,274	1,099,122	619,634	365,302	330,070	295,082	233,696	212,997	197,631
Gain (loss) on sale of capital assets	-	-	177,256	-	7,754	-	6,582	43,342	-	109,685
Special item	-	-	-	-	-	5,380,449	-	-	-	-
Transfers	(376,478)	(835,608)	(1,405,495)	(1,428,110)	(1,158,838)	(414,691)	(1,899,067)	(2,454,852)	(2,189,564)	(2,658,816)
Total business-type activities	3,111,154	2,896,799	2,655,472	4,257,254	4,243,819	10,491,556	3,824,270	3,226,376	3,669,501	3,322,646

Total primary government \$ **47,256,838** **50,343,708** **56,953,685** **57,099,328** **57,331,528** **62,347,005** **60,186,464** **59,469,650** **63,940,484** **68,951,542**

Changes in Net Position

Governmental activities	\$ (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	(2,262,835)
Business-type activities	(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	1,949,165
Total primary government	\$ (10,848,193)	4,044,006	(2,448,947)	(12,177,933)	(7,413,150)	7,844,573	15,887,055	7,718,729	7,785,785	(313,670)

T-3

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>
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
2015	13,541,862	32,282,910	6,646,361	3,655,049	386,003	1,088,009	4,705,935	62,306,129

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,061,421	635,136	2,075,505	1,715,494	860,005					
Unreserved	2,081,515	2,551,817	5,592,876	5,449,331	3,132,137					
Total General Fund	<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	329,141
Restricted						409,628	715,017	1,141,146	1,503,232	2,043,949
Committed						2,492,882	1,406,328	1,292,606	1,262,220	1,480,367
Assigned						1,206,978	3,259,079	3,135,856	3,712,053	3,021,204
Unassigned						<u>3,176,846</u>	<u>4,160,485</u>	<u>5,807,342</u>	<u>6,837,653</u>	<u>9,384,702</u>
Total General Fund						<u>\$ 7,694,842</u>	<u>\$ 10,010,022</u>	<u>11,876,612</u>	<u>13,442,608</u>	<u>16,259,363</u>
All other governmental funds										
Reserved	\$ 20,908,204	23,647,498	16,742,801	21,830,413	24,371,401					
Unreserved, reported in:										
Special revenue funds	5,142,593	8,458,323	11,941,619	5,477,728	3,245,197					
Capital project funds	<u>6,469,342</u>	<u>2,859,544</u>	<u>6,517,615</u>	<u>5,110,764</u>	<u>4,493,117</u>					
Total all other governmental funds	<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	64,529
Restricted						30,860,074	29,170,639	32,890,892	35,175,720	40,259,086
Assigned						<u>(121,516)</u>	<u>(285,298)</u>	-	-	-
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>	<u>40,323,615</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 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	62,297,555
Licenses, fees and permits	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	1,531,031
Intergovernmental	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	5,576,566
Charges for services	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	4,473,445
Fines, forfeitures, and court costs	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	1,106,527
Special Assessments	39,688	47,522	28,648	24,474	22,040	26,002	30,610	35,220	68,741	29,182
Investment earnings	1,980,288	2,143,643	1,847,313	1,097,544	774,001	340,348	696,623	638,735	650,588	657,155
Other	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	1,930,301
Total revenues	<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>	<u>77,601,762</u>
Expenditures										
General government	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	8,782,284
Public safety	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	25,917,269
Highways and streets	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	8,850,821
Public works	344,143	274,688	212,776	245,910	294,018	252,137	272,492	212,831	235,200	293,853
Health and welfare	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	5,282,713
Parks and Recreation	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	5,709,258
Capital outlay	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	10,103,530
Debt Service										
Principal	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	4,832,814
Interest and bond costs	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	2,816,596
Total expenditures	<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>	<u>72,589,138</u>
Excess of revenues over (under) expenditures	(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	5,012,624
Other Financing Sources (Uses)										
Transfers in	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	8,860,629
Transfers out	(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)	(6,201,813)
Issuance of debt	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	-	233,522
Sale of capital assets	111,408	-	56,378	88,710	101,867	535	310,115	16,180	121,065	-
Total other financing sources (uses)	<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>	<u>2,892,338</u>
Net change in fund balances	\$ <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>	<u>7,904,962</u>
Debt service as a percentage of non capital expenditures	8.47%	11.75%	11.53%	10.96%	11.25%	11.71%	16.85%	12.15%	12.88%	11.41%

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
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
2015	13,533	32,283	386	3,655	6,646	1,088	4,706	62,297

(1) Includes interest and penalties.

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

Sales by Retail Category:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Apparel stores	\$ 22,622	24,739	22,163	28,381	21,991	24,995	34,625	43,434	45,680	48,277
General merchandise	279,648	292,646	319,569	326,102	318,626	311,804	311,672	313,507	312,147	311,553
Food stores	112,337	114,235	121,311	127,635	127,175	124,988	132,028	134,628	137,249	145,043
Eating and drinking establishments	116,550	124,297	129,267	135,897	134,125	135,082	137,208	143,499	147,355	149,938
Home furnishings and appliances	75,994	79,286	66,385	62,775	30,768	31,395	31,081	31,121	33,360	38,032
Building materials and farm tools	34,068	32,685	31,288	27,178	51,514	50,134	49,274	42,416	52,590	59,726
Construction/Remodeling	5,335	4,765	4,351	10,999	4,299	4,824	4,484	4,392	6,778	6,804
Auto dealers and supplies	41,152	48,235	75,045	81,079	82,324	89,594	95,806	100,357	97,295	173,595
Wholesale Trade	23,732	27,285	32,332	21,793	21,787	19,789	20,349	30,000	42,462	50,661
Hotels, Motels	12,951	14,698	15,614	13,317	11,458	10,986	10,926	11,896	11,985	14,901
Communication	35,224	39,503	40,951	44,011	45,268	44,607	38,198	23,359	21,950	23,169
Other retail stores	91,268	86,650	97,343	84,559	79,669	76,782	77,622	76,761	78,351	82,641
All other outlets	51,367	58,000	50,974	50,330	49,766	51,062	45,405	53,414	87,852	87,488
Total	\$ <u>902,249</u>	<u>947,023</u>	<u>1,006,593</u>	<u>1,014,056</u>	<u>978,770</u>	<u>976,042</u>	<u>988,678</u>	<u>1,008,782</u>	<u>1,075,053</u>	<u>1,191,828</u>

Note: Amounts for 2015 are not provided due to only receiving partial year figures.

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

Table 8

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

Direct Sales Tax Rate City of St. Joseph	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	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	0.375	0.375	0.375	0.375	0.375	0.375	0.375
Total Direct Sales Tax Rate	2.150	2.150	2.150	2.375	2.375	2.375	2.375	2.375	2.875	2.875
Total Local Option Sales Tax Rate										
State of Missouri										
General Sales Tax	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Education	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total State of Missouri	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
Buchanan County										
General Sales Tax	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Law Enforcement	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Capital Improvements	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
County Tourism	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Ambulance									0.250	0.250
Total Buchanan County	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.350	1.350
City of St. Joseph	2.150	2.150	2.150	2.375	2.375	2.375	2.375	2.375	2.875	2.875
Total Direct and Overlapping Sales Tax Rate	7.475	7.475	7.475	7.700	7.700	7.700	7.700	7.700	8.450	8.450

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

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	
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%
2015	697,860	3,084,821	244,647	741,354	40,675	123,258	983,182	1.55	3,949,433	24.9%

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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
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
2015	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	2015			2006		
		ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION(1)	2005 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
Boehringer Ingelheim Animal Health	Animal Health Manufacturer	\$ 18,076,250	1	1.84%	\$ 7,646,280	4	0.99%
Belt Highway Investment	Shopping Mall	15,171,090	2	1.54%	6,478,080	6	0.84%
Ag Processing Inc	Soybean Processing	14,949,210	3	1.52%	6,301,670	7	0.82%
Mosaic Lifecare	Water Utility	13,056,680	4	1.33%	9,568,900	3	1.24%
Triumph Foods LLC	Pork Processing	11,955,170	5	1.22%	12,122,560	1	1.57%
Nestle USA Inc	Pet Food Manufacturing	11,848,450	6	1.21%			
Missouri American Water	Water Utility	11,593,470	7	1.18%	7,360,000	5	0.95%
American Family Mutual Insurance	Insurance	9,496,800	8	0.97%			
Cole PC St Joseph MO LLC	Shopping Center	9,247,820	9	0.94%			
Johnson Controls Battery Grp	Battery Manufacturer	9,116,950	10	0.93%	6,090,580	9	0.79%
St. Joseph Foods	Meat Manufacturer				10,791,750	2	1.40%
Albaugh Incorporated	Ag Chemical Manufacturer				6,204,650	8	0.80%
HGI St Jo	Casino				5,575,480	10	0.72%
		<u>\$ 124,511,890</u>		<u>12.66%</u>	<u>\$ 78,139,950</u>		<u>10.12%</u>

(1) The total assessed valuation for 2015 = 983,181,738

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
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%	708,236	14,241,103	99.86%
2012	14,600,231	14,283,412	97.83%	311,070	14,594,482	99.96%
2013	13,803,855	13,737,726	99.52%	63,951	13,801,677	99.98%
2014	14,382,659	14,021,700	97.49%	274,884	14,296,584	99.40%
2015	14,399,375	12,853,103	89.26%	-	12,853,103	89.26%

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
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	-
2015	-	1,246,256	48,715,000	33,477,507	222,752	-

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			
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
2015	-	7,100,000	110,611,267	-	203,704	-	201,576,486	7.24%	36,259

(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		
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%	-
2015	-	-	-	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, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Joseph School District	\$ 54,650,000	95.75%	\$ <u>52,327,375</u>
Subtotal, overlapping debt			52,327,375
City of St. Joseph direct debt			83,661,515
Total direct and overlapping debt			\$ <u><u>135,988,890</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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit (1)	\$ 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	196,636,348
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	196,636,348
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 2015

Assessed Value	\$ 983,181,738
Debt Limit (20% of assessed value)	196,636,348
General obligation:	-
Total Bonded Debt	-
Less:	-
Total net debt applicable to limit	-
Legal debt margin	\$ 196,636,348

Notes:

(1) Total tangible property assessed value as of January 1, 2014 as certified by the County Clerk on June 30, 2014

(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.

Table 17

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>						
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
2015	24,447	13,617	10,830	2,945	4,129	1.53

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)
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%
2015	76,780	2,783,966	36,259	35.70	12,034	5.37%

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

Table 19

CITY OF ST. JOSEPH, MISSOURI
Principal Employers
2015 and 2006

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mosaic Life Care	3,732	1	6.03%	2,900	1	4.53%
Triumph Foods	2,781	2	4.50%	1,000	3	1.56%
St. Joseph School District	2,289	3	3.70%	1,650	2	2.57%
139th Airlift Wing-MO Air National Guard	1,427	4	2.31%	-		
System & Services Technologies	983	5	1.59%	584	9	0.91%
Boehringer Ingelheim Vetmedica	946	6	1.53%	607	7	0.95%
Missouri Western State University	745	7	1.20%	840	5	1.31%
American Family	732	8	1.18%	-		
City of St. Joseph, Missouri	645	9	1.04%	841	4	1.31%
Johnson Controls	634	10	1.03%	655	6	1.02%
Western Reception Diagnostic & Correction Center				590	8	0.92%
Johnson Controls				554	10	0.86%
Total	14,914		24.11%	10,221		15.95%

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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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Mayor/Council	1	1	1	1	1	1	1	1	1	1
City Clerk	3	3	3	3	3	2	2	2	2	2
City Manager	4	4	6	6	6	5	4	4	4	4
Technology & Communications	5	5	5	5	5	5	4	4	4	4
Municipal Court	5	6	6	6	6	5	5	5	5	5
Legal	7	7	7	7	7	6	6	6	6	5
Administrative Services	15	15	15	15	15	15	16	17	18	17
Human Resources	5	5	6	6	6	5	5	5	5	5
Customer Assistance	26	25	16	16	16	15	3	3	3	3
Public Safety										
Police - Arrest Powers	117	118	117	119	117	116	115	113	116	125
Police - Civilian	41	41	44	44	45	44	42	43	42	41
Fire Protection	131	131	131	131	131	127	124	128	127	125
Fire - Civilian	3	3	3	3	3	3	3	3	3	3
Public Works										
Engineering	10	10	10	10	10	9	9	8	9	9
Public Works Administration	4	5	5	5	5	5	5	6	6	5
Streets	61	62	64	64	64	63	58	62	56	58
Traffic	8	8	8	8	8	8	7	8	8	8
Airport	6	6	6	6	6	6	5	6	6	6
Parking Services	6	6	6	6	6	6	5	4	5	5
Landfill	16	17	18	18	18	18	18	17	17	16
Recycling Center	2	2	2	2	2	2	2	2	2	2
Sewer Maintenance	14	19	19	19	19	20	24	21	22	23
Water Pollution Control	42	45	46	46	50	51	50	53	53	55
Health Department	41	42	42	42	42	41	40	40	41	41
Parks and Recreation	48	48	53	51	52	51	52	53	53	48
Community Development										
Planning	4	4	4	4	4	3	5	5	5	5
Housing & Community Dev	8	9	7	7	7	7	15	15	14	14
Property Maintenance			11	10	11	9	10	9	10	10
Total	633	647	661	660	665	648	635	643	643	645

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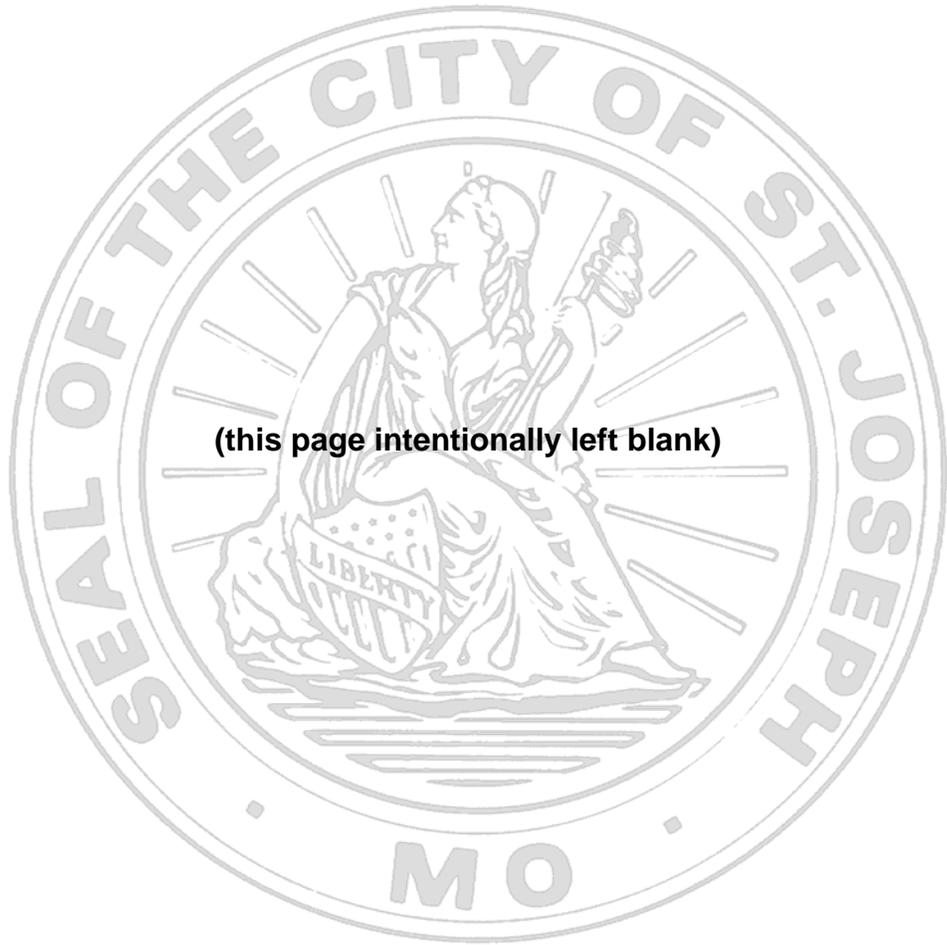
Source: City of St. Joseph Annual Report

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

Function/Program		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety											
	Police										
	Physical Arrests	5,610	6,183	7,178	6,368	5,170	5,275	4,870	6,958	7,262	6,612
	Traffic Violations	15,688	11,541	18,065	18,453	14,544	11,084	14,080	12,235	11,312	12,542
	Parking Violations	11,620	10,182	10,524	11,861	12,071	8,719	8,532	9,196	7,130	7,285
	Fire										
	Total Alarms	6,895	7,322	8,573	8,074	7,920	9,049	9,651	8,461	8,836	9,111
	Inspections	500	398	390	1,058	590	419	442	565	754	628
T-2	Water										
	Number of customers	31,751	32,480	33,333	32,548	32,002	32,014	32,004	32,004	31,993	32,192
	Daily Average Water Consumption	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	17,817,000
	Sewer										
	Number of customers	31,751	26,768	26,876	26,859	26,910	26,875	26,836	25,723	24,625	25,318
	Daily Average Wastewater Treated	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	150,000,000

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Vehicles	91	108	106	104	106	119	122	107	118	122
Fire										
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works										
Total area (square miles)	44.443	44.443	45.443	44.680	46.500	46.500	46.500	46.500	46.500	46.500
Paved miles	425.0	426.3	426.4	432.8	432.8	432.3	432.3	434.8	433.1	433.1
Culture and Recreation										
Park acreage	1,500	1,500	1,500	1,500	1,500	2,000	2,000	2,000	2,000	2,000
Parks	46	46	46	46	46	46	46	46	46	46
Ball Fields	23	23	22	23	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
Power and Light										
Power stations	12	17	12	12	12	12	12	12	12	12
Transmission/Distribution Circuits (miles)	793.00	799.25	813.04	816.45	816.45	593.32	595.45	598.04	601.01	601.01
Street Lights	6,097	6,652	6,884	6,903	6,923	6,943	6,952	6,952	6,952	6,952
Water										
Water mains (miles)	605	620	613	616	619	619	619	620	620	620
Fire hydrants	2,985	3,141	3,075	3,063	3,096	3,031	3,030	3,032	3,043	3,043
Maximum daily pumpage (millions of gallons)	30	30	30	30	21	24	24	26	26	26
Sewer										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	377	388	390	380	397	397	402	403	406	406
Maximum daily capacity of treatment (MGD)	27	27	27	27	27	27	27	27	27	27



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