

# Comprehensive Annual Financial Report

City of  
*St. Joseph*  
Missouri



**For the fiscal year ended June 30, 2016**



**CITY OF ST. JOSEPH, MISSOURI**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
 FOR THE YEAR ENDED JUNE 30, 2016

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# Introductory Section



# CITY OF ST. JOSEPH, MISSOURI

## PRINCIPAL OFFICIALS

Bill Falkner  
Mayor

### CITY COUNCIL

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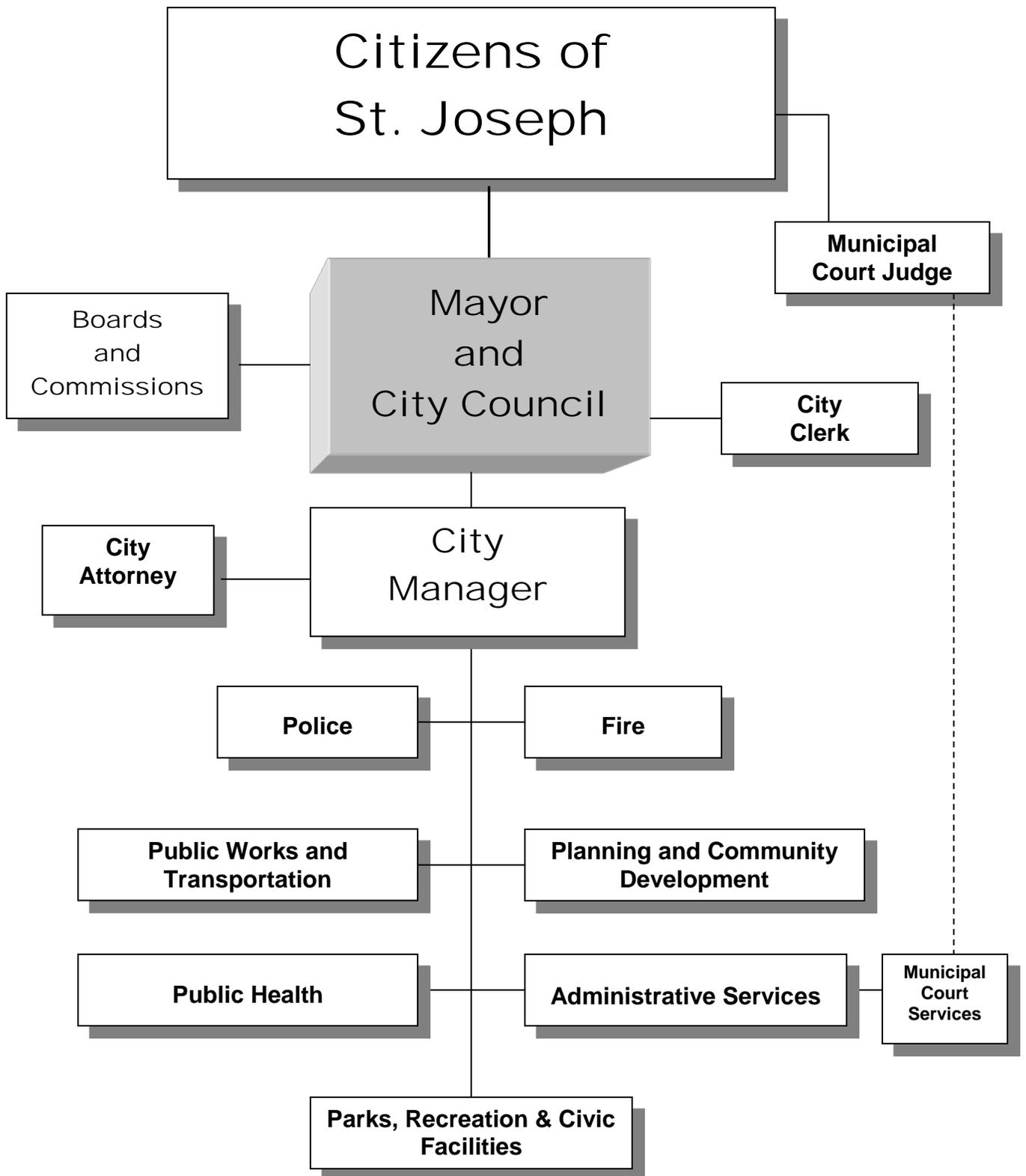
Ken Beck	Donna Jean Boyer
Pat Jones	P J Kovac
Barbara LaBass	Kent O'Dell
Gary Roach	Joyce Starr

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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	Bill Heatherman

# ORGANIZATION CHART



December 16, 2016

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, 2016, 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 CliftonLarsonAllen has audited the City's financial statements. The purpose of the audit conducted by CliftonLarsonAllen was to review and provide reasonable assurance that the City's financial statements for fiscal year ended June 30, 2016, 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 *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. *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 126,880. The City's population of 76,596 represents 60% of the total service area. Located in the heart of the country, St. Joseph's prime location provides for access to customers and suppliers. From Canada to Mexico, Interstate 29, a major north-south interstate runs through the city. St. Joseph has two airports available. South of St. Joseph is Kansas City International (KCI) airport and just west over the Missouri River is Rosecrans Memorial Airport serving St. Joseph's civilian and military needs by providing capacity for any size aircraft. The Missouri River borders St. Joseph allowing the public river port facility the ability to give area businesses the option of transporting via river. In addition, rail service provides direct access to all parts of North America.

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

### Labor Force

St. Joseph's Metropolitan Statistical Area (MSA) consists of Andrew, Buchanan, and DeKalb Counties in Missouri and Doniphan County in Kansas. The St. Joseph MSA maintains a civilian labor force of 62,160 with 59,356 employed for the period ending June 30, 2016, producing an unemployment rate of 4.5. Compared to last year at this time the unemployment rate was 5.4%. The unemployment rate is the same as Missouri's rate of 4.5%.

### Major Employers

St. Joseph's economy is highly diversified, with major industrial, manufacturing, financial services, healthcare, and educational institutions. The City's largest employer, Mosaic Life Care, a partner with Mayo Clinic Care Network, provides 3,471 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 14,507 jobs, representing 24.3% of the total employed work force. These employers are listed as follows:

<b>TEN LARGEST EMPLOYERS</b>			
<b>Employer</b>	<b>Industry</b>	<b>Number</b>	<b>% of Work Force</b>
Mosaic Life Care	Health Services	3,471	6.0%
Triumph Foods	Pork Processing	2,767	4.7%
St. Joseph School District	Public Education	2,047	3.4%
139 <sup>th</sup> Airlift Wing-MO Air Nat Guard	Government	1,494	2.5%
Boehringer Ingelheim Vetmedica	Animal Pharmaceuticals	1,191	2.0%
Missouri Western State University	Higher Education	820	1.4%
American Family	Insurance	767	1.3%
City of St. Joseph	Local Government	658	1.0%
Johnson Controls	Battery Manufacturer	658	1.0%
SST	Financial Services	634	1.0%
<b>Total</b>		<b>14,507</b>	<b>24.30%</b>

### **Economic Development Efforts**

The St. Joseph economy in FY2016 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.

**Altec Industries**, revealed plans for a \$1.9 million expansion at its 100 acre Riverside Road campus. The expansion involves a two story 19,400 square foot office addition and enhanced amenities for the employees. A leading equipment and service provider for the electric utility, telecommunications, contractor, lights and signs, and tree care market, Altec, services over 100 countries worldwide and has been a valuable asset and outstanding contributor to this community.

**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. Construction has started this year for the diamond interchange on U.S. Highway 36 that will allow a direct route to the new Expo Center and connecting it to Interstate 29, U.S. Highway 169, and U.S. Highway 71 corridors.

**Cryovac**, issued \$67 million in bonds for equipment and \$10 million in real property improvements adding a blown film extrusion line and a cast film line at their facility on Lower Lake Road. This expansion allows the plastic fabrication company to acquire the former Smurfit-Stone building and install a film lamination machine, packaging equipment and printing press. Cryovac, a division of Sealed Air Corporation, ranked 1<sup>st</sup> among 12 packaging and container companies and offers products for food, diversey, product care and medical applications.

**Daily's Premium Meats**, held a ribbon cutting ceremony at the new 100,000 square foot facility in St. Joseph. The company's \$51 million capital investment 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.

**Family Center Farm and Home Store**, will open a location in Mitchell Woods Business Park at the corner of Mitchell Avenue and Riverside Road. Headquartered in Harrisonville, Missouri, Family Center Farm and Home, family owned and operated since 1965, invested \$3.6 million at their new location near the future Expo Center. St. Joseph is one of four locations in Missouri offering farm and home supplies, boots and clothing apparel, lawn and pet care, hardware and houseware.

**Hillyard Industries**, announced plans for expansion and purchase of the former Wire Co property. Founded in 1903 by Newton S. Hillyard, Hillyard Industries is a privately owned manufacturer and distributor of cleaning and hygiene solutions for home, school, and office. Located in the downtown area since the 1930's, Hillyard's demonstrates their continued commitment to St. Joseph by reinvesting and revitalizing downtown with a new manufacturing and distribution center on 25 acres directly north of their current facilities. Demolition and construction will begin 2019 and fully operational is planned in 2022.

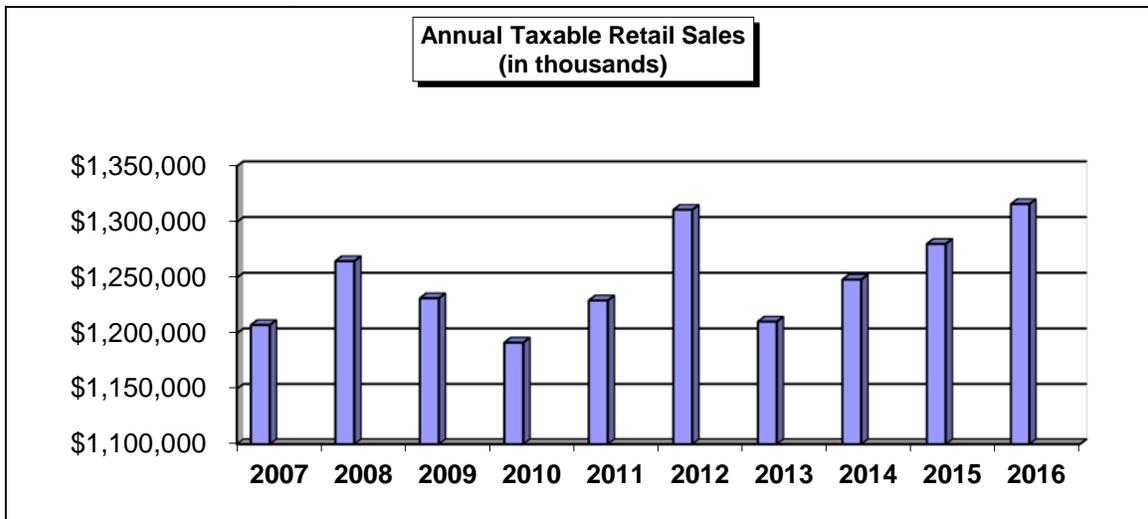
**McDonalds**, embraced integrated technology, a modern look, and a three story play place with a newly constructed 6,500 square foot restaurant at the North Belt location. With a \$1.59 million investment, it is one of the largest McDonald's in a four-state area.

**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. In May, 2016, Mosaic Life Care helped design, fund and construct a concession building next to Felix Street Square and Coleman Hawkins Park to be utilized for special events. This is an example of the communities' involvement in redevelopment of downtown.

**St Joseph Regional Port Authority**, installed loading equipment at the St Joseph Regional Port Authority intermodal transportation facility. Kaw Valley Construction, operator for the Port, added a conveyor system, a winch system, paving along a rail spur and a second truck scale to handle bulk goods by barge, rail and truck making it a more viable Port facility. Through MoDot grants and local matching funds, the Port's future goal is to construct a 20,000 square foot hoop barn for dry bulk storage aiding the local agriculture industry.

**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 2016 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 over two and half percent (2.7%). 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.

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

The City has a well-regarded public school system as well as private and parochial elementary, middle, and high schools. The St. Joseph Public School District includes three high schools, four middle schools, and 16 elementary schools with enrollment of 11,634 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 5,700 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 providing, both adults and high school students, 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, 21<sup>st</sup> Century Jobs, designed to enhance and equip St. Joseph with a workforce prepared to compete in the technologically advanced and global economy. A competitive workforce is a critical feature to the community's ability to promote economic vitality and attract business investment.

From a heritage rich in agriculture, St. Joseph has a strong life sciences-based economy with over 6,500 jobs directly employed in such businesses as animal pharmaceuticals, agriculture chemicals, food processing, health care, animal research and development and seed production. These companies are located in St. Joseph, as Northwest Missouri boasts the highest crop yields for soybeans and corn in the state of Missouri and provides easy access to raw materials for manufacturing. Locally, a life science network has been formed to provide direction and input to the initiative of creating an applied Life Science Institute in St. Joseph in order to attract more life sciences jobs to the area. The group includes representatives from the City, County, Missouri Western State University, St. Joseph 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, 36 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 eight seasons, the Mustangs have had seven (7) top ten attendance rankings, four MINK Championships including 2015, four trips to the National Baseball Congress World Series (two top 5 finishes), and eight straight years of leading the MINK League in attendance.

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

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

The 15,000 square foot Remington Nature Center (RNC) sits next to the mighty Missouri River. Visitors are greeted by a life-sized mammoth and calf along with the only mammoth bones excavated in Missouri, which happen to have been found in Buchanan County. As the journey begins, guests see a 7,000 gallon aquarium home to Missouri River fishes. To educate, entertain, and enlighten guests throughout the Center are interactive displays, artifacts, and animal exhibits native to the St. Joseph area including a beaver dam and beehive. Visitors can stroll through time and witness how civilization from 10,000 B.C. to the turn of the 20<sup>th</sup> Century impacted nature. The RNC showcases the Missouri River and the River’s force in the

development of Northwest Missouri, as it relates to travel, transportation, and trade. Exhibits emphasize the significance of Native American civilization in Northwest Missouri, by demonstrating artifacts used by the tribes of this area. This City museum also conveys the prominent role Northwest Missouri played in western migration, especially in exploration, trapping, trading and mercantile.

The St. Joseph REC Center 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.

Bill McKinney Softball Complex at Heritage Park, located near the Remington Nature Center, features a five field complex where numerous invitational tournaments and ASA Men's and Coed Slow Pitch Softball National Championships were held this season. The complex has been host to several other state, national, and regional tournaments in its 14 year existence.

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, twobantam football/soccer fields, a ball field, and a running track.

In August, 2015, the Allied Arts Council of St. Joseph produced the twenty second 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 at the end of the fiscal year.

- Chapter 353 Tax Abatement – The City, per RSMo 353.110.1, can utilize an incentive for redevelopment of blighted areas by providing real property tax abatement for a period up to 25 years. For the first 10 years, the statute provides for a 100% abatement on the increased assessed value of the improvements (excluding land). For the next 15 years, Chapter 353 allows for a 50% abatement on the actual assessed value of the property (land and improvements). Payments in lieu of taxes may be required by the City to reduce the amount of the abatement authorized by statute and to ensure no loss of existing property tax revenues by taxing jurisdictions such as the City and school district. Tax abatement is not available for personal property taxes on equipment or machinery. As of June 30, 2016, there are eight (8) Chapter 353 Tax Abatement projects.

- 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 is working with thirteen (13) TIF developments at June 30, 2016.

- 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 has four (4) Developer Agreements at June 30, 2016.

- 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. There are seven (7) Community Improvement Districts established at June 30, 2016.

- Neighborhood Improvement Districts (NID) – Special assessments levied on benefiting properties to make improvements within designated boundaries. The City has four (4) Neighborhood Sewer Improvement Districts and five (5) Neighborhood Lighting Improvement Districts, as of June 30, 2016.

- 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 seven 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. There is one (1) TDD within the City as of June 30, 2016.

- 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 and social media. 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 Division together with Habitat for Humanity and 12 to 15 local churches have joined together to form St. Joe Serve. Each fall, St. Joe Serve, with the help from 1,200 to 1,500 volunteers, organizes a neighborhood cleanup event. The Community Development Division surveys neighborhoods and individual projects, finances dumpsters, offers licensed LBP Risk Assessor lead based paint testing, as well as provides technical assistance and training for volunteers.

**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 is working with Inner Circle Investment LLC, the owners of the Downtown Radisson Hotel on the feasibility of constructing a new Downtown Event Center and the possible relocation of the existing casino. If this relocation happens, the City will have the opportunity to utilize the hotel lodging tax funds for riverfront activities where the existing casino is located, associated with potential additions to the existing Bill McKinney Softball Complex at Heritage Park and entertainment venues.

**Downtown Redevelopment and DREAM Initiative** - City officials are working to accomplish one of Council's long term goals, downtown redevelopment. 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 Event Center 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.

**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, 2016, 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, 2015. This was the twenty-fifth 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, Assistant Director, Administrative Services, and his staff for their efforts and to the Members of the City Council for their continued support.

Respectfully submitted,



Gia Scruggs  
Director of Administrative Services



J. Bruce Woody  
City Manager



Government Finance Officers Association

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

Presented to

**City of St. Joseph  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# Financial Section





## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

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, 2016, 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.

### ***Auditors' 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 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 auditors' 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 City'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 City'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.

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

### ***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 of St. Joseph, Missouri as of June 30, 2016, 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.

### ***Emphasis of Matter***

As described in Note 13 to the financial statements, the beginning net position of governmental activities and beginning fund balance of the special allocation fund have been restated to correct a misstatement. 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 liability, schedules of employer contributions, and the schedule of funding progress for postemployment benefit plan as listed on 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 of St. Joseph, Missouri's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

***Other Matters (Continued)***

*Other Information (Continued)*

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 it.

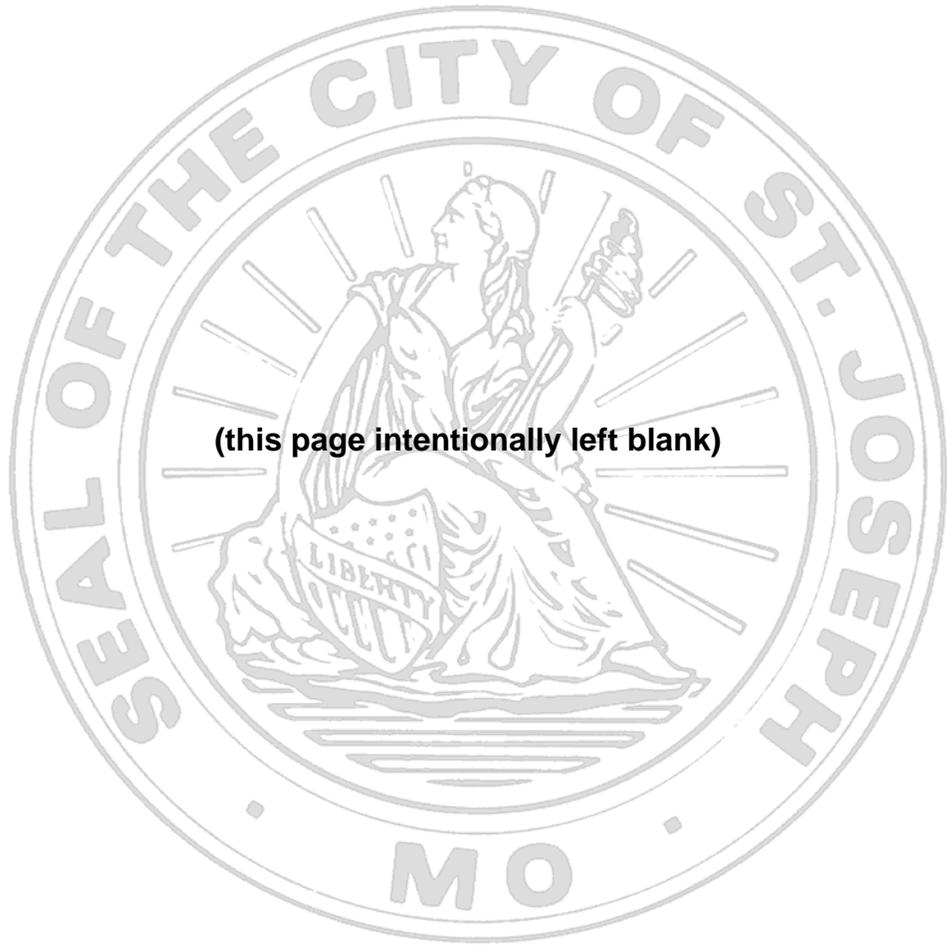
**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016, on our consideration of the City of St. Joseph, Missouri's internal control over financial reporting and on 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 result of that testing, and not to provide an opinion on 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 City of St. Joseph, Missouri's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

St. Joseph, Missouri  
December 16, 2016



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## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

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, 2016. 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 and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$258,490,248 (*net position*).
- The City's total net position increased \$8,402,816 - \$3,374,377 is attributable to a decrease in "Governmental activities" while "Business-type activities" contributed an increase of \$11,777,193.
- As of the close of the current fiscal year, the City's funds reported combined ending governmental fund balances of \$58,294,053 an increase of \$1,885,079 in comparison with the prior year. \$13,218,788 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 \$13,218,788 or 27% of total general fund expenditures.
- The City's net investment in capital assets for its governmental and business-type activities decreased \$6,580,065.
- The City's total long-term debt as detailed beginning on page MD-14 increased \$34,795,362 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, 2016

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, 2016

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.

**Required Supplementary Information.** Additional information required by the Governmental Accounting Standards Board to supplement the basic statements. The required supplementary information other than the Management's Discussion and Analysis can be found beginning on page RS-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.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

**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 and deferred inflows by \$258,490,248 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 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 80,052,015	\$ 71,557,990	\$ 65,555,955	\$ 63,333,693	\$ 145,607,970	\$ 134,891,683
Capital assets	157,075,185	159,767,021	230,178,002	183,446,192	387,253,187	343,213,213
<b>Total assets</b>	<b>237,127,200</b>	<b>231,325,011</b>	<b>295,733,957</b>	<b>246,779,885</b>	<b>532,861,157</b>	<b>478,104,896</b>
Deferred outflows	19,861,307	9,646,734	4,122,232	2,481,323	23,983,539	12,128,057
Total deferred outflows	19,861,307	9,646,734	4,122,232	2,481,323	23,983,539	12,128,057
Long-term liabilities	76,452,018	99,038,321	155,593,446	123,931,164	232,045,464	222,969,485
Other liabilities	45,018,573	6,000,757	18,152,621	11,175,279	63,171,194	17,176,036
<b>Total liabilities</b>	<b>121,470,591</b>	<b>105,039,078</b>	<b>173,746,067</b>	<b>135,106,443</b>	<b>295,216,658</b>	<b>240,145,521</b>
Deferred inflows	2,959,626	-	178,164	-	3,137,790	-
Total deferred inflows	2,959,626	-	178,164	-	3,137,790	-
Net position:						
Net Investment in capital assets	154,553,070	158,218,098	74,521,983	77,437,020	229,075,053	235,655,118
Restricted	47,224,229	41,840,617	19,902,679	11,877,345	67,126,908	53,717,962
Unrestricted (deficit)	(69,219,009)	(64,126,048)	31,507,296	24,840,400	(37,711,713)	(39,285,648)
<b>Total net position</b>	<b>\$ 132,558,290</b>	<b>\$ 135,932,667</b>	<b>\$ 125,931,958</b>	<b>\$ 114,154,765</b>	<b>\$ 258,490,248</b>	<b>\$ 250,087,432</b>

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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.

Unlike the governmental activities, the business-type activities show positive unrestricted net position for FY16 of \$24,840,400.

An additional portion of the City's net position, 26% or \$67,126,908 represents resources that are subject to external restrictions on how they may be used. Governmental activities claim 18% or \$47,224,229 while the business-type activities have the other 8% or \$19,902,679.

As previously stated, the City's net position increased \$8,402,816 during the current fiscal year. Governmental activities represent a \$3,374,377 decrease in the City's net position and an \$11,777,193 increase in net position is reported in connection with the City's business-type activities.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

	Governmental		Business-type		Total	
	activities	activities	activities	activities	activities	activities
	2016	2015	2016	2015	2016	2015
Revenues:						
General Revenues:						
Property taxes	\$ 13,874,251	\$ 13,541,862	\$ -	\$ -	\$ 13,874,251	\$ 13,541,862
Sales taxes	36,622,113	32,282,910	4,583,310	4,456,303	41,205,423	36,739,213
Other taxes	15,242,163	16,307,353	1,150,648	1,217,843	16,392,811	17,525,196
Other revenue	636,148	663,951	195,615	307,316	831,763	971,267
Program Revenues:						
Charges for services	8,963,252	8,548,235	31,626,669	27,487,822	40,589,921	36,036,057
Operating grants & contributions	4,387,229	4,583,812	1,295,544	1,778,662	5,682,773	6,362,474
Capital grants & contributions	1,334,795	911,812	5,321,138	573,383	6,655,933	1,485,195
Gain on sale of capital assets	-	-	17,558	-	17,558	-
<b>Total revenues</b>	<b>81,059,951</b>	<b>76,839,935</b>	<b>44,190,482</b>	<b>35,821,329</b>	<b>125,250,433</b>	<b>112,661,264</b>
Expenses:						
Functions\Programs:						
General government	9,991,777	19,182,884	-	-	9,991,777	19,182,884
Public safety	35,484,112	28,023,361	-	-	35,484,112	28,023,361
Highway and streets	25,647,652	18,789,099	-	-	25,647,652	18,789,099
Public works	288,766	290,349	-	-	288,766	290,349
Health and welfare	4,697,365	5,430,715	-	-	4,697,365	5,430,715
Parks and recreation	8,173,780	7,330,358	-	-	8,173,780	7,330,358
Interest	2,782,947	2,888,824	-	-	2,782,947	2,888,824
Sewer	-	-	19,778,320	20,162,018	19,778,320	20,162,018
Mass transit	-	-	5,248,301	5,387,901	5,248,301	5,387,901
Other proprietary functions	-	-	4,754,597	5,663,429	4,754,597	5,663,429
<b>Total expenses</b>	<b>87,066,399</b>	<b>81,935,590</b>	<b>29,781,218</b>	<b>31,213,348</b>	<b>116,847,617</b>	<b>113,148,938</b>
Excess (deficiency) of revenues over (under) expenses	(6,006,448)	(5,095,655)	14,409,264	4,607,981	8,402,816	(487,674)
Transfers	2,632,071	2,658,816	(2,632,071)	(2,658,816)	-	-
Change in net position	(3,374,377)	(2,436,839)	11,777,193	1,949,165	8,402,816	(487,674)
Net position - beginning **	135,932,667	138,369,506	114,154,765	112,205,600	250,087,432	250,575,106
<b>Net position - ending</b>	<b>\$132,558,290</b>	<b>\$135,932,667</b>	<b>\$125,931,958</b>	<b>\$114,154,765</b>	<b>\$258,490,248</b>	<b>\$250,087,432</b>

## CITY OF ST. JOSEPH, MISSOURI

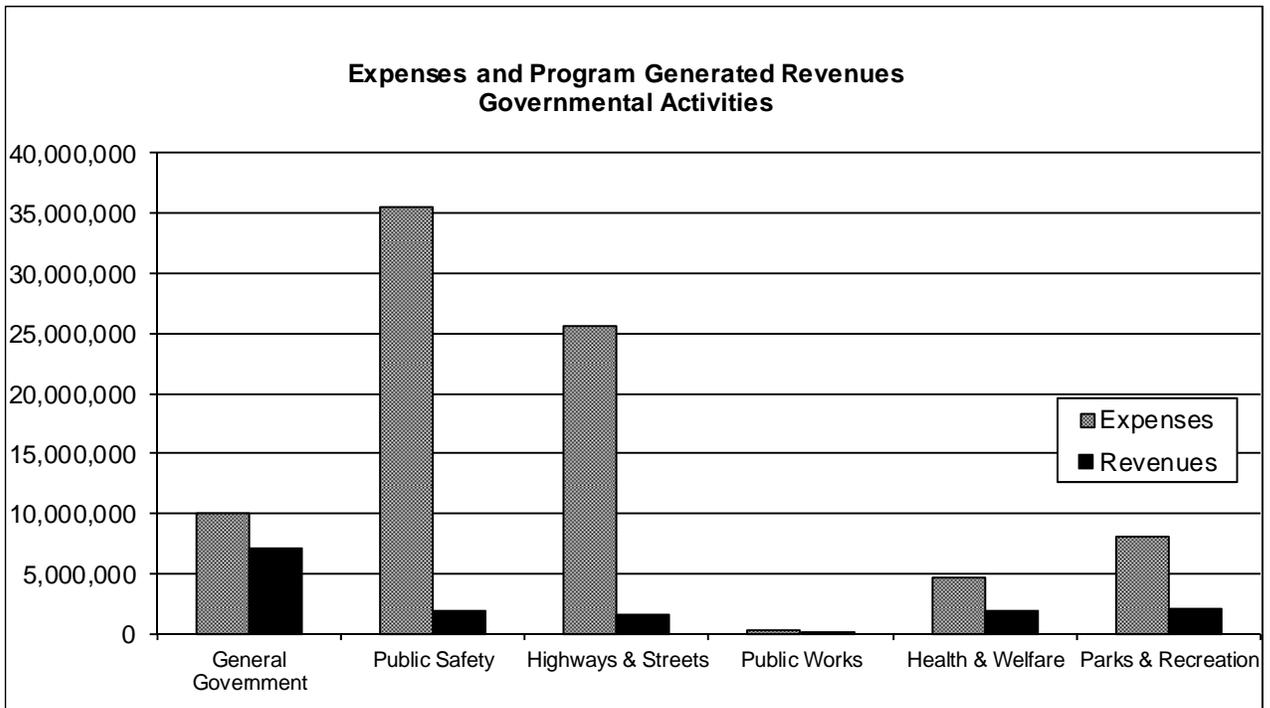
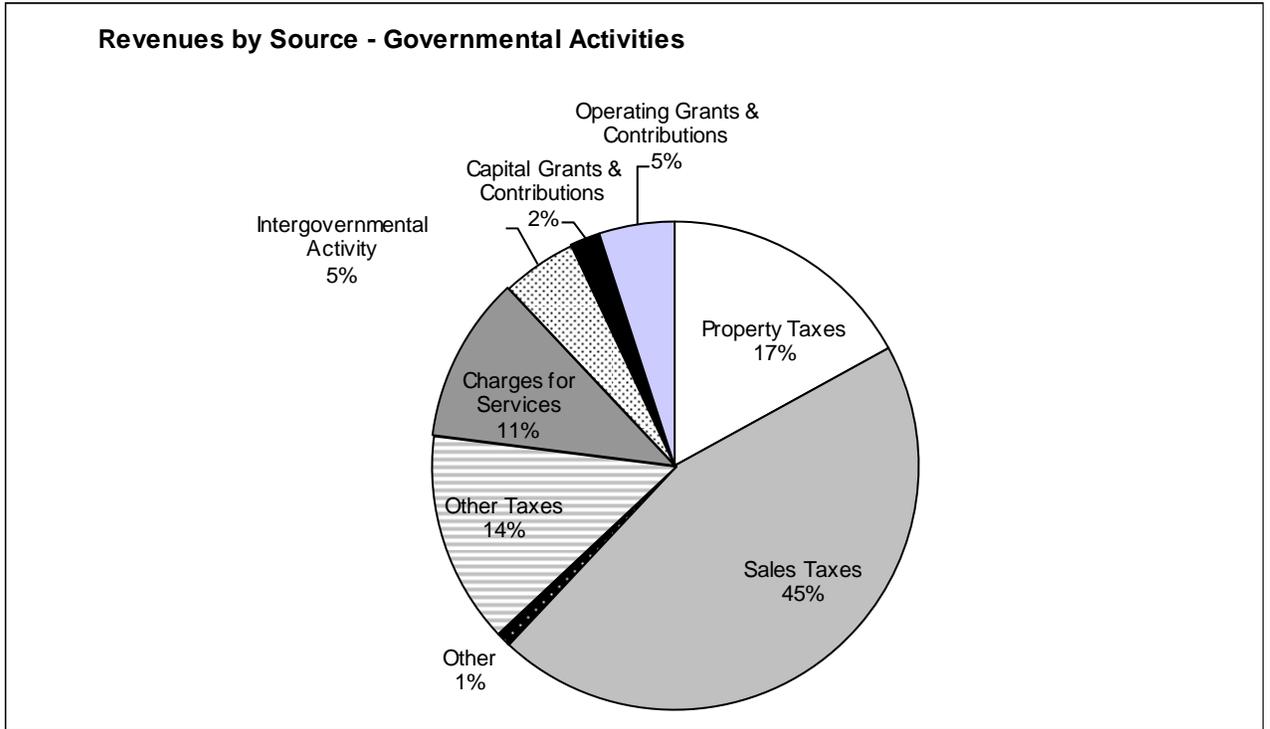
### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

**Governmental Activities.** Governmental activities decreased the City's net position by \$3,374,377. The key elements to this increase are as follows:

- Sales tax revenue, a major funding source for the city, increased \$4,339,203 over last year's amount due to the passage of the April 7, 2015 vote for a 2.875% local use tax on out of state purchases over a ten year period. Revenues from this tax went into effect July 1, 2015, to fund additional street maintenance projects and activities and to annually increase the number of miles of asphalt overlay.
- Property taxes, 17% of total revenue, showed an increase this fiscal year. Total receipts for this revenue source were \$13,874,251 in FY16 up from \$13,541,862 in FY15 as a direct result of increase in valuations for FY16.
- Other taxes reported a decrease of \$1,065,190 from FY15. Franchise taxes dipped \$460,124 due to annual fluctuations in the seasonal climates and Cigarette taxes were down \$10,313 from people choosing healthier lifestyles, insurance requirements, or more nonsmoking establishments. Intergovernmental activity taxes went down for the first time this fiscal year. Last year, \$4,531,931 was recognized compared to \$3,696,630 in FY16. East Hills TIF District issued bonds reallocating their revenue to the East Hills CID, the .63 cent St Joseph School District school levy expired and not received in the TIF Pilots revenue, and the Third Street Hotel TIF District dissolved as the certified costs were finalized. Motor fuel taxes, \$93,934, and Hotel taxes, \$146,614, bumped up due to tourism bringing tax dollars into the local area.
- Charges for services claimed \$415,017 of the Governmental Activities revenue increase. The City issued an additional \$58,036 in building permits and plan review fees, health services increased \$27,868 over the previous fiscal year, and the increase in recreation opportunities contributed \$119,266 of additional revenue.
- During fiscal year 2016, Governmental Activities operating and capital grants and contributions increased to a total amount of \$5,722,024 from \$5,495,624. Public Safety activities reflected \$500,000 in 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 \$542,737 due to the STP/FHWA grant for Urban Trail Phases 16 - 21 and the initial 2015 flood Federal Emergency Management payment.
- Total expenses for the governmental activities increased \$5,130,809 from \$81,935,590 in FY15 to \$87,066,399 in FY16. In fiscal year 2016, developers submitted less certified costs compared to FY15 in the General government activities, Public safety received the expense for the GASB Statement #68 recognition of net pension activity, Highway and streets finalized various improvement projects including Southwest Parkway Bridge and Uptown Streetscape, Parks and recreation reconstructed Krug Park Lagoon and Waterfall and extended the Urban Trail while keeping a close watch on expenses helped Public Works show only a slight increase and Health and Welfare reported the only decrease in expenses.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**



## CITY OF ST. JOSEPH, MISSOURI

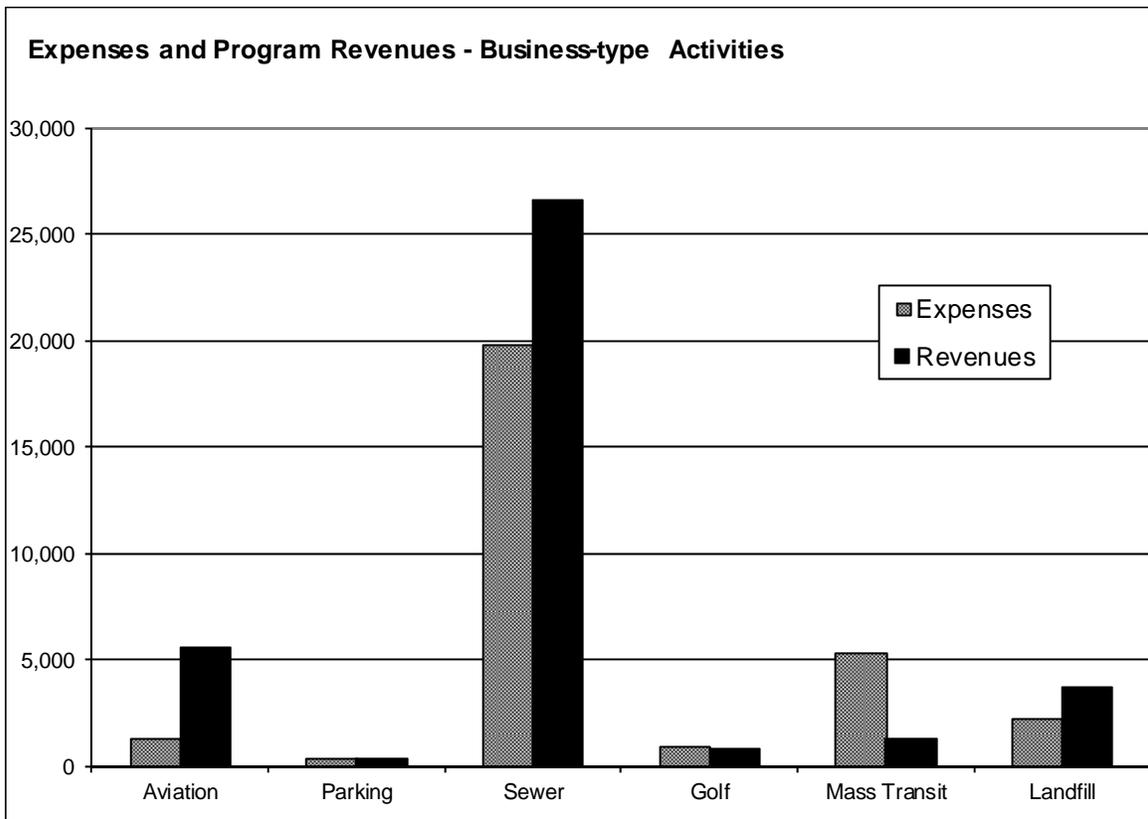
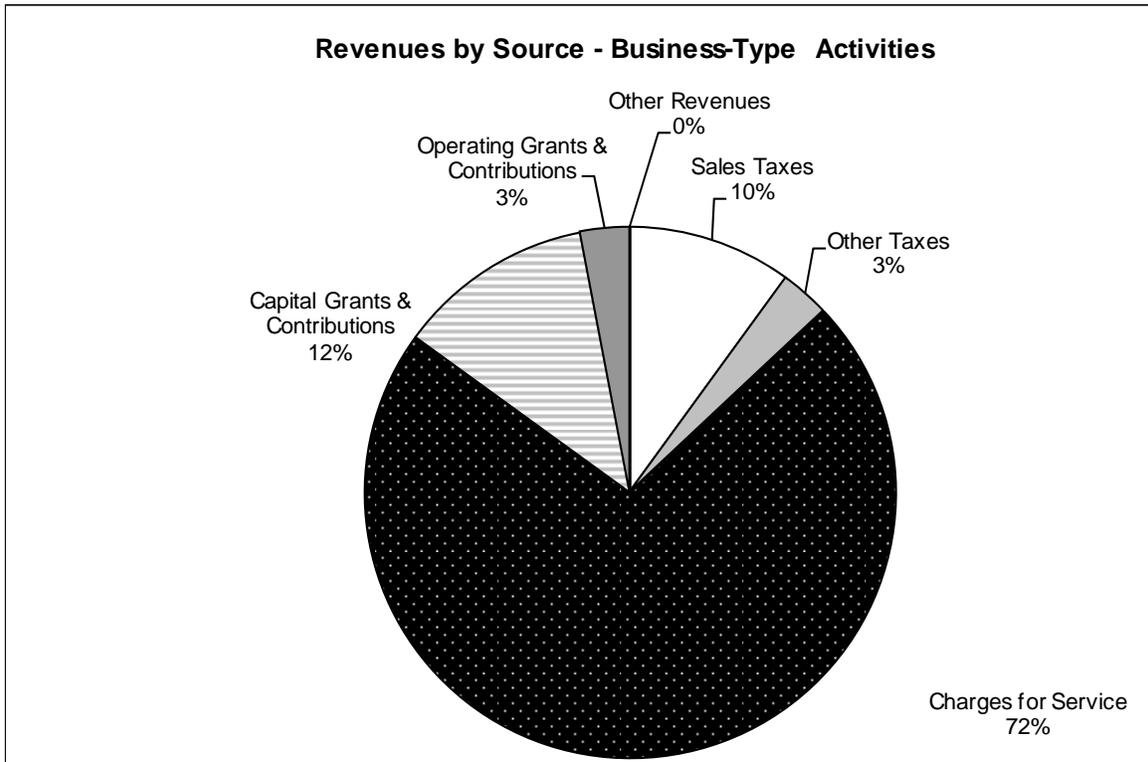
### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

**Business-type activities.** The net position of the City's business-type activities increased \$11,777,193. 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, \$127,007 and decrease in franchise taxes, \$67,195 amounted to an overall increase of \$59,812.
- The large boost in revenue for business-type activities came from Sewer services in the Sewer Fund. Charges for Services for the sewer system increased over last year by \$3,590,603. Along with a 12% rate increase at the beginning of July, 2015, the City, after taking responsibility for sewer billings from Missouri American Water, has taken an active role in collections of past due accounts. The changes in policy began during the beginning of the fiscal year that included all customers that were 60 days or greater past due would receive a termination notice. Those customers would then have the options to pay the past due amount within 30 days, or enter into a payment plan, or risk termination of water services. In addition, staff has increased the volume of termination notices sent to customers. Landfill services produced a \$573,849 increase in revenue as a direct result of an increase in tonnage from 110,838 in FY15 to 124,831 in FY16.
- Business-type activities reported the most significant increase in operation and capital contributions and grants. A large majority was contributed to Aviation services that received \$4,566,046 more from Federal Aviation Agency and Missouri Air National Guard funding for runway pavement replacement and improvements. Transit operating grants went down \$481,393 because the Federal Transit Operating Grant awarded less funding. The State Transit Operating Grant funds also showed a decrease from FY15. Sewer services recognized \$167,281 more from contributed capital/donated sewers. In total, operating and capital contributions and grants showed an increase of \$4,264,637 for business-type activities.
- Overall expenses in the business-type activities decreased by \$1,432,130 over the prior year. Aviation services saw a rise of \$36,916 from the contributions made to the 2016 Airshow and an increase in salary, wage, and benefit expenses. Parking services had a decrease in expenses, \$27,292, from savings in utilities and maintenance and repair. Landfill services showed \$3,176,737 in FY15 compared to \$2,211,857 in FY16 with very little expense in the capital outlay compared to the previous year. A decrease of \$383,698 belonged to Sewer services. The Sewer fund incurred less expense for contractual services related to the various projects resulting from the federally mandated EPA capital improvement requirements. Golf services upped their expenses in FY16 with increases in salary, wage, and benefits and utilities (specifically water services). Transit services cut their expenses by \$139,600. As 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, 2016**



## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

#### **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 \$13,218,788 while total general fund balance reached \$20,384,895. 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 FY16, unassigned fund balance represented 27% of total general fund expenditures, while total fund balance represented 42% of that same amount.

Total fund balance of the City's general fund increased \$4,125,532 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 \$51,011,744, an increase of \$4,563,908 over FY15 reported \$46,447,836. Expenditures increased by \$2,204,368, from \$46,695,229 to \$48,899,597.
- General government function went down \$44,601 from divisions watching expenditures, lower utility costs, vacant positions, and recognized savings from new contracts. Highway and streets saved \$173,235 from the decrease in motor fuel cost per gallon. With the voter approved Public Safety tax, Public safety spending resulted in an additional \$848,876 from newly hired officers' salary and benefits. The Missouri Department of Health and Senior Services awarded a reimbursable Ebola Preparedness and Response Activities grant. With the increase in the grant award, the expenditures increased as well providing additional services to the community for a total of \$287,439. Temporary and Part time wages was the main cause for the Parks \$166,487 increase in expenditures. These positions are utilized by all the Parks activities and facilities.

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 \$14,113,804 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 \$1,212,833 from FY15. 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 \$13,248,371. 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, 2016

**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 \$11,676,545 over last year. Net investment in capital assets, the largest component of net position, had a decrease of \$2,915,037 from last year. A portion of the City's proprietary fund net position, 16% or \$19,902,679, represents resources subject to external restrictions on how they may be used. In FY16, the City continued draws on the 2014 and 2014A State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program).

Unrestricted net position at the end of the fiscal year was positive in all Proprietary funds. The Sewer fund reported \$8,434,367, Aviation fund showed \$1,572,744, Parking fund presented \$121,632, Municipal Golf Course fund stated \$166,596, Mass Transit fund claimed \$18,384,660, while Landfill fund reported an unrestricted net position balance of \$2,830,556.

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

Total General Fund expenditures for the 2016 fiscal year were under budget by \$3,232,267. 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, \$1,169,317; Highway and streets, \$842,150; General government, \$561,577; Health and Welfare, \$332,828; and Parks and recreation, \$326,395.

Over the course of the fiscal year, the Council revised the City budget. Appropriations including transfers out increased the General Fund by \$3,858,830. The appropriations can be directly related to Highway and streets, \$1,576,211, 2016 Use Tax Resurfacing program contract, Health and welfare, \$348,297, for rollforward of prior year unspent Health grants; Public Safety, \$138,475, for new grants awarded in this fiscal year, insurance and auction proceeds, and Parks and recreation \$51,671, for concession settlements with local distributor and improvements to Park facilities; and transfers out to fund capital improvements, the largest being \$261,000 for Illinois Avenue reconstruction project and 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, 2016 totaled \$387,253,187 (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, 2016**

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

**Governmental Activities**

- Completed Southwest Parkway Bridge - Garfield (\$3,513,439)
- Improved Gene Field & Riverside Road Intersection (\$1,385,164)
- Finalized Uptown Streetscape (\$1,160,776)
- Reconstructed Krug Park Lagoon & Waterfall (\$956,496)
- Developed Northeast Park & YMCA Site (\$790,170)
- Finished Easttown Business Park (\$723,667)
- Installed Urban Trail #16 & #17 (\$660,588)
- Acquired New Fire Truck (\$632,347)
- Purchased fifteen (15) police vehicles (\$290,958)

**Business-Type Activities**

- Continued work on the Ammonia Removal Facility (\$17,866,715)
- Progress advanced on the Eastside Wastewater Improvement (\$15,341,570)
- Construction continued on the Grit Improvement & Biosolids Projects (\$6,614,270)
- Purchased a Combination Sewer Cleaner for Water Protection (\$366,549)
- Acquired a 2016 Mack Truck for Water Protection (\$163,750)
- Replaced vehicles for Public Parking (\$32,443)
- Installed Golf Simulator at Fairview Golf Course (\$15,146)

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

(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 6,038,844	\$ 6,038,844	\$ 8,569,970	\$ 7,965,730	\$ 14,608,814	\$ 14,004,574
Buildings	20,160,059	21,278,397	39,835,500	42,064,719	59,995,559	63,343,116
Improvements other than building	28,945,915	25,159,406	35,839,762	37,244,613	64,785,677	62,404,019
Machinery and equipment	6,328,200	6,681,964	2,712,840	3,240,571	9,041,040	9,922,535
Infrastructure	93,737,599	97,144,490	42,490,272	43,370,721	136,227,871	140,515,211
Construction in progress	1,864,568	3,463,920	100,729,658	49,559,839	102,594,226	53,023,759
<b>Total capital assets</b>	<b>\$ 157,075,185</b>	<b>\$ 159,767,021</b>	<b>\$ 230,178,002</b>	<b>\$ 183,446,193</b>	<b>\$ 387,253,187</b>	<b>\$ 343,213,214</b>

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

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Debt Administration.** At the end of the current fiscal year, the City had total debt outstanding of \$236,371,848, an increase of \$34,795,362 despite the normal annual retirement of debt service, the City finalized the 2013 State Revolving Loan Bonds and continued draws on the 2014 and 2014A State Revolving Loan 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 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	
	2016	2015	2016	2015	2016	2015
Revenue Bonds	-	-	\$ 98,288,292	\$ 57,393,074	\$ 98,288,292	\$ 57,393,074
Industrial Development Authority	\$ 35,245,000	\$ 36,770,000	29,090,000	29,470,000	64,335,000	66,240,000
Infrastructure Facility Bonds	10,820,000	11,945,000	19,580,000	20,180,000	30,400,000	32,125,000
MO Development Finance Board*	1,130,361	1,246,256	9,766,038	10,668,193	10,896,399	11,914,449
Developer Obligation	32,034,429	33,477,507	-	-	32,034,429	33,477,507
Capital Lease Obligations	260,637	222,752	157,091	203,704	417,728	426,456
<b>Total long-term debt</b>	<b>\$ 79,490,427</b>	<b>\$ 83,661,515</b>	<b>\$ 156,881,421</b>	<b>\$ 117,914,971</b>	<b>\$ 236,371,848</b>	<b>\$ 201,576,486</b>

\*Net of issuance premiums and discounts

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, 2016

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

##### Economic Development Efforts

The St. Joseph economy in FY2016 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.

##### Operating Budget Overview FY 2017

Operating Revenues – The operating revenue component of the City's FY2017 Proposed Annual Budget, net of Capital Project receipts, transfers, bonds, Special Allocation Fund revenues and capital grants, are projected to increase. Sales tax revenues continue to improve. The Use tax originally estimated at \$290,000 saw a significant increase over the expected amount and as a result, the city expects to end FY16 with receipts of \$2.9 million. FY17 projected revenue is \$3.1M.

The largest contribution to the increase is the influx of revenues from the third full year of the Public Safety Sales Tax, projected to generate \$6.03 million next year. Property tax revenues are expected to remain level 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 FY2017 Proposed Annual Budget (excluding Special Allocation Funds, CIP programs, cell phone expenditures) decreased by 1.5% or \$1.7 million above that adopted by the City Council for FY2016. Another increase affecting operating expenditures is the proposed 3.0% cost of living increase for all employees. This cost is projected at \$1,264,250.

Beginning in FY17 the City will again begin setting aside cash reserves for the next occurrence of a 27th payroll in FY2028. 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 of the 27<sup>th</sup> payroll that occurred in FY16 without major impacts to operating fund balances. This occurs every eleven to twelve years.

##### *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.

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF NET POSITION**  
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 42,021,232	\$ 28,030,527	\$ 70,051,759
Receivables, net where applicable of allowances for uncollectibles	15,639,664	7,614,940	23,254,604
Loan receivables	2,618,388	-	2,618,388
Property held for resale	192,522	-	192,522
Internal balances	1,059,451	(1,059,451)	-
Due from other governments	908,777	1,106,343	2,015,120
Prepaid items and deferred charges	296,084	125,886	421,970
Restricted assets:			
Cash and investments	11,070,222	27,415,258	38,485,480
Net pension asset	6,245,675	2,322,452	8,568,127
Capital assets:			
Capital assets, not being depreciated	7,903,412	109,299,628	117,203,040
Capital assets net of accumulated depreciation	149,171,773	120,878,374	270,050,147
Total assets	<u>237,127,200</u>	<u>295,733,957</u>	<u>532,861,157</u>
<b>Deferred Outflows of Resources</b>			
Deferred amount on refunding	663,203	1,881,499	2,544,702
Deferred outflows due to pension	19,198,104	2,240,733	21,438,837
Total deferred outflows of resources	<u>19,861,307</u>	<u>4,122,232</u>	<u>23,983,539</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	5,983,200	9,669,887	15,653,087
Unearned revenue	34,707	-	34,707
Accrued interest payable	440,296	1,160,599	1,600,895
Noncurrent liabilities:			
Due within one year	7,278,560	7,248,635	14,527,195
Due in more than one year	76,452,018	150,083,953	226,535,971
Net pension liability	31,281,810	-	31,281,810
Landfill closure and postclosure costs:			
Due within one year	-	73,500	73,500
Due in more than one year	-	5,509,493	5,509,493
Total liabilities	<u>121,470,591</u>	<u>173,746,067</u>	<u>295,216,658</u>
<b>Deferred inflows of resources</b>			
Deferred inflows due to pension liabilities	2,959,626	178,164	3,137,790
Total deferred inflows of resources	<u>2,959,626</u>	<u>178,164</u>	<u>3,137,790</u>
<b>Net Position</b>			
Net Investment in capital assets	154,553,070	74,521,983	229,075,053
Restricted for:			
Debt service	20,266,398	19,902,679	40,169,077
Capital projects	13,248,371	-	13,248,371
Loan programs	4,123,712	-	4,123,712
Economic development	3,177,353	-	3,177,353
Museum	325,669	-	325,669
Other purposes	6,082,726	-	6,082,726
Unrestricted (deficit)	(69,219,009)	31,507,296	(37,711,713)
Total net position	<u>\$ 132,558,290</u>	<u>\$ 125,931,958</u>	<u>\$ 258,490,248</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, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities:							
General government	\$ 9,991,777	\$ 5,469,103	\$ 1,666,700	\$ -	\$ (2,855,974)	\$ -	\$ (2,855,974)
Public safety	35,484,112	715,576	1,167,542	-	(33,600,994)	-	(33,600,994)
Highways and streets	25,647,652	177,120	129,683	1,334,795	(24,006,054)	-	(24,006,054)
Public works	288,766	16,636	33,348	-	(238,782)	-	(238,782)
Health and welfare	4,697,365	604,724	1,292,933	-	(2,799,708)	-	(2,799,708)
Parks and recreation	8,173,780	1,980,093	97,023	-	(6,096,664)	-	(6,096,664)
Interest on long-term debt	2,782,947	-	-	-	(2,782,947)	-	(2,782,947)
Total governmental activities	<u>87,066,399</u>	<u>8,963,252</u>	<u>4,387,229</u>	<u>1,334,795</u>	<u>(72,381,123)</u>	<u>-</u>	<u>(72,381,123)</u>
Business-type activities:							
Aviation services	1,296,177	454,755	-	5,139,429	-	4,298,007	4,298,007
Parking services	337,849	295,355	-	-	-	(42,494)	(42,494)
Sewer services	19,778,320	26,037,495	377,490	181,709	-	6,818,374	6,818,374
Golf services	908,714	805,081	-	-	-	(103,633)	(103,633)
Transit services	5,248,301	319,896	918,054	-	-	(4,010,351)	(4,010,351)
Landfill services	2,211,857	3,714,087	-	-	-	1,502,230	1,502,230
Total business-type activities	<u>29,781,218</u>	<u>31,626,669</u>	<u>1,295,544</u>	<u>5,321,138</u>	<u>-</u>	<u>8,462,133</u>	<u>8,462,133</u>
Total primary government	<u>\$ 116,847,617</u>	<u>\$ 40,589,921</u>	<u>\$ 5,682,773</u>	<u>\$ 6,655,933</u>	<u>(72,381,123)</u>	<u>8,462,133</u>	<u>(63,918,990)</u>
General revenues:							
Property taxes					13,874,251	-	13,874,251
Sales taxes					36,622,113	4,583,310	41,205,423
Franchise taxes					6,186,237	1,150,648	7,336,885
Motor fuel taxes					3,748,983	-	3,748,983
Cigarette taxes					375,690	-	375,690
Hotel taxes					1,234,623	-	1,234,623
Intergovernmental activity taxes					3,696,630	-	3,696,630
Unrestricted investment revenues					636,148	195,615	831,763
Gain on sale of capital assets					-	17,558	17,558
Transfers in (out)					2,632,071	(2,632,071)	-
Total general revenues and transfers					<u>69,006,746</u>	<u>3,315,060</u>	<u>72,321,806</u>
Change in net position					<u>(3,374,377)</u>	<u>11,777,193</u>	<u>8,402,816</u>
Net position - beginning, as restated					<u>135,932,667</u>	<u>114,154,765</u>	<u>250,087,432</u>
Net position - ending					<u>\$ 132,558,290</u>	<u>\$ 125,931,958</u>	<u>\$ 258,490,248</u>

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

**CITY OF ST. JOSEPH, MISSOURI**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 17,498,203	\$ 2,629,391	\$ 12,336,547	\$ 7,473,599	\$ 39,937,740
Receivables	6,112,502	7,114,484	888,135	1,524,543	15,639,664
Loan receivables	-	-	-	2,618,388	2,618,388
Property held for resale	-	-	-	192,522	192,522
Due from other funds	-	-	1,229,474	-	1,229,474
Due from other governments	244,422	-	6,073	658,282	908,777
Prepaid items	237,066	-	-	59,018	296,084
Restricted cash and investments	195,895	10,874,327	-	-	11,070,222
<b>Total assets</b>	<b>\$ 24,288,088</b>	<b>\$ 20,618,202</b>	<b>\$ 14,460,229</b>	<b>\$ 12,526,352</b>	<b>\$ 71,892,871</b>
<b>Liabilities And Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 2,958,189	\$ 107,402	\$ 1,205,785	\$ 1,332,858	\$ 5,604,234
Due to other funds	-	-	-	173,282	173,282
Accrued payroll	365,251	-	-	13,715	378,966
Unearned revenue	34,707	-	-	-	34,707
<b>Total liabilities</b>	<b>3,358,147</b>	<b>107,402</b>	<b>1,205,785</b>	<b>1,519,855</b>	<b>6,191,189</b>
Deferred Inflows of Resources:					
Unavailable revenues-property taxes	498,889	-	-	53,956	552,845
Unavailable revenues-other	46,157	6,396,996	6,073	405,558	6,854,784
<b>Total deferred inflows of resources</b>	<b>545,046</b>	<b>6,396,996</b>	<b>6,073</b>	<b>459,514</b>	<b>7,407,629</b>
Fund balances:					
Nonspendable	237,066	-	-	59,018	296,084
Restricted	2,681,140	14,113,804	13,248,371	10,487,965	40,531,280
Committed	2,393,462	-	-	-	2,393,462
Assigned	1,854,439	-	-	-	1,854,439
Unassigned	13,218,788	-	-	-	13,218,788
<b>Total fund balances</b>	<b>20,384,895</b>	<b>14,113,804</b>	<b>13,248,371</b>	<b>10,546,983</b>	<b>58,294,053</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 24,288,088</b>	<b>\$ 20,618,202</b>	<b>\$ 14,460,229</b>	<b>\$ 12,526,352</b>	<b>\$ 71,892,871</b>

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

**CITY OF ST. JOSEPH, MISSOURI**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

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

Fund balances – total governmental funds	\$ 58,294,053
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	157,075,185
Deferred charges on refunding are not due and payable in the current period, and therefore, are not reported in the funds.	663,203
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	19,198,104
Long-term assets are not available to pay for current period expenditures and are therefore reported as unavailable revenues in the fund statements.	7,407,629
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when due.	(440,296)
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.	659,970
Net pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	(25,036,135)
Deferred inflows 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	(2,959,626)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(82,303,797)</u>
Net position of governmental activities	<u>\$ 132,558,290</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, 2016

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes:					
Property	\$ 11,945,983	\$ 614,478	\$ -	\$ 1,269,372	\$ 13,829,833
Sales	21,244,461	3,381,206	5,906,522	6,089,924	36,622,113
Franchise	6,186,237	-	-	-	6,186,237
Motor Fuel and other	990,598	-	-	2,758,385	3,748,983
Cigarette	375,690	-	-	-	375,690
Hotel	1,234,623	-	-	-	1,234,623
Intergovernmental activity	-	3,696,630	-	-	3,696,630
Licenses and permits	1,462,388	-	-	97,376	1,559,764
Intergovernmental	2,381,488	-	1,868,143	1,609,740	5,859,371
Charges for services	3,340,399	-	-	1,165,449	4,505,848
Fines	1,028,255	-	-	-	1,028,255
Special assessments	87	-	-	22,578	22,665
Investment earnings	35,226	505,343	30,433	61,411	632,413
Contributions and donations	82,535	-	-	-	82,535
Other	703,774	961,531	428,368	216,334	2,310,007
Total revenues	51,011,744	9,159,188	8,233,466	13,290,569	81,694,967
<b>Expenditures</b>					
Current:					
General government	6,679,353	752,590	-	1,393,485	8,825,428
Public safety	26,245,580	-	-	1,071,312	27,316,892
Highways and streets	5,569,753	-	-	3,232,021	8,801,774
Public works	-	-	-	307,912	307,912
Health and welfare	3,691,758	-	-	1,246,495	4,938,253
Parks and recreation	4,975,218	-	-	954,616	5,929,834
Debt Service:					
Principal	210,419	4,581,762	-	-	4,792,181
Interest and fiscal charges	99,133	2,613,211	-	-	2,712,344
Capital outlay	1,428,383	-	13,104,000	4,481,170	19,013,553
Total expenditures	48,899,597	7,947,563	13,104,000	12,687,011	82,638,171
Excess (deficiency) of revenues over expenditures	2,112,147	1,211,625	(4,870,534)	603,558	(943,204)
<b>Other financing sources (uses)</b>					
Transfers in	5,548,733	1,208	1,002,018	2,988,703	9,540,662
Transfers out	(3,694,707)	-	(33,395)	(3,180,489)	(6,908,591)
Capital lease proceeds	118,304	-	-	-	118,304
Sale of capital assets	41,055	-	-	36,853	77,908
Total other financing sources (uses), net	2,013,385	1,208	968,623	(154,933)	2,828,283
Net change in fund balances	4,125,532	1,212,833	(3,901,911)	448,625	1,885,079
Fund balances - beginning, as restated	16,259,363	12,900,971	17,150,282	10,098,358	56,408,974
Fund balances - ending	\$ 20,384,895	\$ 14,113,804	\$ 13,248,371	\$ 10,546,983	\$ 58,294,053

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, 2016**

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

Net changes in fund balances – total governmental funds \$ 1,885,079

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

Capital outlay	9,307,802	
Depreciation	<u>(11,977,160)</u>	(2,669,358)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) Disposals (22,478) (22,478)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (638,751)

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.

Principal payments	4,792,181
Amortization of deferred amount on refunding	(92,725)
Capital lease proceeds	(118,304)
Developer obligation	(488,684)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued interest	22,122
Compensated absences and OPEB obligations	(278,604)
Change in pension net liability/asset	(13,658,132)
Changes in net pension deferred outflows and inflows	7,333,567

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. 559,710

Change in net position of governmental activities \$ (3,374,377)

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2016**

	Sewer	Mass Transit	Other Enterprise Funds	Total	Internal Service Fund
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 2,808,125	\$ 17,621,954	\$ 7,600,448	\$ 28,030,527	\$ 2,083,492
Restricted cash and cash equivalents	216,453	-	-	216,453	-
Interest receivable	23,450	24,990	10,779	59,219	-
Accounts receivable (net of allowance for uncollectibles)	5,080,969	911,905	1,562,847	7,555,721	-
Due from other governments	-	-	1,106,343	1,106,343	-
Prepaid items	93,847	4,902	27,137	125,886	-
Total current assets	<u>8,222,844</u>	<u>18,563,751</u>	<u>10,307,554</u>	<u>37,094,149</u>	<u>2,083,492</u>
Noncurrent assets:					
Restricted cash and investments	27,198,805	-	-	27,198,805	-
Net pension asset	1,592,621	-	729,831	2,322,452	-
Capital assets:					
Capital assets, not being depreciated:	97,209,907	189,134	11,900,587	109,299,628	-
Capital assets net of accumulated depreciation:	103,014,308	2,352,065	15,512,001	120,878,374	-
Total capital assets (net of accumulated depreciation)	<u>200,224,215</u>	<u>2,541,199</u>	<u>27,412,588</u>	<u>230,178,002</u>	<u>-</u>
Total noncurrent assets	<u>229,015,641</u>	<u>2,541,199</u>	<u>28,142,419</u>	<u>259,699,259</u>	<u>-</u>
Total assets	<u>237,238,485</u>	<u>21,104,950</u>	<u>38,449,973</u>	<u>296,793,408</u>	<u>2,083,492</u>
<b>Deferred Outflows of Resources</b>					
Deferred amount on refunding	1,881,499	-	-	1,881,499	-
Deferred outflows due to pension	1,536,582	-	704,151	2,240,733	-
Total Deferred Outflows of Resources	<u>3,418,081</u>	<u>-</u>	<u>704,151</u>	<u>4,122,232</u>	<u>-</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 7,645,218	\$ 179,091	\$ 1,786,406	\$ 9,610,715	-
Due to other funds	-	-	1,056,192	1,056,192	-
Claims payable	-	-	-	-	596,516
Accrued payroll	38,934	-	20,238	59,172	-
Accrued interest payable	1,160,562	-	37	1,160,599	-
Long-term obligations due in one year	7,109,898	-	138,737	7,248,635	-
Landfill closure and postclosure liability	-	-	73,500	73,500	-
Total current liabilities	<u>15,954,612</u>	<u>179,091</u>	<u>3,075,110</u>	<u>19,208,813</u>	<u>596,516</u>
Noncurrent liabilities:					
Claims	-	-	-	-	830,265
Long-term obligations due in more than one year (net of unamortized discounts and deferred amount on refunding)	149,888,883	-	195,070	150,083,953	-
Landfill closure and postclosure liability	-	-	5,509,493	5,509,493	-
Total noncurrent liabilities	<u>149,888,883</u>	<u>-</u>	<u>5,704,563</u>	<u>155,593,446</u>	<u>830,265</u>
Total liabilities	<u>165,843,495</u>	<u>179,091</u>	<u>8,779,673</u>	<u>174,802,259</u>	<u>1,426,781</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows due to pension liabilities	122,176	-	55,988	178,164	-
Total deferred inflows of resources	<u>122,176</u>	<u>-</u>	<u>55,988</u>	<u>178,164</u>	<u>-</u>
<b>Net Position</b>					
Net Investment in capital assets	46,353,849	2,541,199	25,626,935	74,521,983	-
Restricted for debt service	19,902,679	-	-	19,902,679	-
Unrestricted (deficit)	8,434,367	18,384,660	4,691,528	31,510,555	656,711
Total net position	<u>\$ 74,690,895</u>	<u>\$ 20,925,859</u>	<u>\$ 30,318,463</u>	<u>125,935,217</u>	<u>\$ 656,711</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(3,259)	
Net position of business-type activities				<u>\$ 125,931,958</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, 2016**

	Sewer	Mass Transit	Other Enterprise Funds	Total	Total Internal Service Fund
Operating revenues:					
Charges for services	\$ 25,700,009	\$ 287,727	\$ 5,177,753	\$ 31,165,489	\$ 1,329,776
Other	337,486	32,169	91,525	461,180	-
Total operating revenues	<u>26,037,495</u>	<u>319,896</u>	<u>5,269,278</u>	<u>31,626,669</u>	<u>1,329,776</u>
Operating expenses:					
Personal services	4,332,549	3,701	2,100,747	6,436,997	-
Contractual services	5,840,233	4,453,883	701,906	10,996,022	673,153
Commodities	693,146	309,058	528,445	1,530,649	-
Heat, light and power	1,663,413	30,600	163,879	1,857,892	-
Depreciation	4,728,009	451,059	1,213,067	6,392,135	-
Closure and postclosure care costs	-	-	23,276	23,276	-
Total operating expenses	<u>17,257,350</u>	<u>5,248,301</u>	<u>4,731,320</u>	<u>27,236,971</u>	<u>673,153</u>
Operating income (loss)	<u>8,780,145</u>	<u>(4,928,405)</u>	<u>537,958</u>	<u>4,389,698</u>	<u>656,623</u>
Nonoperating revenues (expenses):					
Intergovernmental and other	377,490	918,054	-	1,295,544	-
Sales taxes	-	4,583,310	-	4,583,310	-
Franchise taxes	-	1,150,648	-	1,150,648	-
Investment income	110,975	55,037	29,603	195,615	3,735
Interest and fiscal charges	(2,589,539)	-	(55,356)	(2,644,895)	-
Gain (loss) on disposal of capital assets	-	7,558	10,000	17,558	-
Total nonoperating revenues (expenses), net	<u>(2,101,074)</u>	<u>6,714,607</u>	<u>(15,753)</u>	<u>4,597,780</u>	<u>3,735</u>
Income (loss) before capital contributions and transfers	6,679,071	1,786,202	522,205	8,987,478	660,358
Capital contributions and grants	181,709	-	5,139,429	5,321,138	-
Transfers in	7,250	-	287,845	295,095	-
Transfers out	(1,716,558)	(99,348)	(1,111,260)	(2,927,166)	-
Change in net position	<u>5,151,472</u>	<u>1,686,854</u>	<u>4,838,219</u>	<u>11,676,545</u>	<u>660,358</u>
Total net position - beginning	<u>69,539,423</u>	<u>19,239,005</u>	<u>25,480,244</u>		<u>(3,647)</u>
Total net position - ending	<u>\$ 74,690,895</u>	<u>\$ 20,925,859</u>	<u>\$ 30,318,463</u>		<u>\$ 656,711</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>100,648</u>	
Change in net position of business-type activities				<u>\$ 11,777,193</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, 2016**

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 24,937,427	\$ 345,088	\$ 5,223,600	\$ 30,506,115	\$ 1,329,776
Payments to suppliers	(13,001,169)	(4,724,659)	(1,573,772)	(19,299,600)	(710,409)
Payments to employees	(4,631,441)	(3,701)	(2,194,687)	(6,829,829)	-
Other operating revenues	337,486	32,169	91,525	461,180	-
Net cash provided (used) by operating activities	7,642,303	(4,351,103)	1,546,666	4,837,866	619,367
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund advances	-	-	1,056,192	1,056,192	-
Intergovernmental grants	815,054	918,054	-	1,733,108	-
Taxes received	-	5,733,958	-	5,733,958	-
Transfers in	7,250	-	287,845	295,095	-
Transfers out	(1,716,558)	(99,348)	(1,111,260)	(2,927,166)	-
Net cash provided (used) by noncapital financing activities	(894,254)	6,552,664	232,777	5,891,187	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Bond Proceeds	72,838,116	-	-	72,838,116	-
Payments of debt principal	(33,877,452)	-	(43,048)	(33,920,500)	-
Payments of debt interest and charges	(1,797,459)	-	(55,500)	(1,852,959)	-
Capital grants received	-	-	2,963,003	2,963,003	-
Purchase of capital assets	(44,441,966)	7,558	(4,401,422)	(48,835,830)	-
Net cash provided (used) by capital and related financing activities	(7,278,761)	7,558	(1,536,967)	(8,808,170)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	22,002,358	(1,047,618)	619,868	21,574,608	-
Purchase of investments	(22,707,242)	(1,827,456)	(1,254,953)	(25,789,651)	(647,316)
Interest and dividends received	92,538	34,252	20,816	147,606	3,735
Net cash provided (used) by investing activities	(612,346)	(2,840,822)	(614,269)	(4,067,437)	(643,581)
Net increase (decrease) in cash and cash equivalents	(1,143,058)	(631,703)	(371,793)	(2,146,554)	(24,214)
Cash and cash equivalents - beginning	2,585,566	2,169,027	1,034,849	5,789,442	205,976
Cash and cash equivalents - ending	1,442,508	1,537,324	663,056	3,642,888	181,762
Investments	28,780,875	16,084,630	6,937,392	51,802,897	1,901,730
Total cash and investments	\$ 30,223,383	\$ 17,621,954	\$ 7,600,448	\$ 55,445,785	\$ 2,083,492
Cash and investments reported on the Statement of Net Position:					
Unrestricted cash and investments	\$ 2,808,125	\$ 17,621,954	\$ 7,600,448	\$ 28,030,527	\$ 2,083,492
Restricted cash and investments	27,415,258	-	-	27,415,258	-
Total cash and investments	\$ 30,223,383	\$ 17,621,954	\$ 7,600,448	\$ 55,445,785	\$ 2,083,492

(continued)

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 8,780,145	\$ (4,928,405)	\$ 537,958	\$ 4,389,698	\$ 656,623
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	4,728,009	451,059	1,213,067	6,392,135	-
Effect of changes in operating assets and liabilities:					
Accounts and other receivables	(762,582)	57,361	45,847	(659,374)	-
Prepaid expenses	323,302	1,819	5,425	330,546	-
Net pension asset	652,690	-	353,692	1,006,382	-
Deferred outflows of resources	(1,038,025)	-	(463,562)	(1,501,587)	-
Accounts payable and contracts/claims payable	(5,127,679)	67,063	(130,094)	(5,190,710)	(37,256)
Accrued payroll and compensated absences	86,443	-	15,930	102,373	-
Landfill closure and postclosure	-	-	(31,597)	(31,597)	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 7,642,303</b>	<b>\$ (4,351,103)</b>	<b>\$ 1,546,666</b>	<b>\$ 4,837,866</b>	<b>\$ 619,367</b>

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, 2016

	Pension Trust Fund	
	<u>Police Pension</u>	<u>Total Agency Funds</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ -	\$ 161,128
Investments:		
Other debt securities	14,643,525	-
Corporate stock	20,355,957	-
Receivables:		
Taxes	-	253,177
Contributions	69,417	-
Accrued interest	138,314	-
Total assets	<u>35,207,213</u>	<u>\$ 414,305</u>
<b>Liabilities:</b>		
Accounts payable	19,689	\$ -
Due to others	-	414,305
Total liabilities	<u>19,689</u>	<u>\$ 414,305</u>
<b>Net Position Restricted for Pension benefits</b>	<u>\$ 35,187,524</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, 2016

	<u>Pension Trust Fund Police Pension</u>
<b>Additions:</b>	
Member contributions	\$ 255,516
Employer contributions	1,688,681
Interest and dividends	785,931
Net depreciation in fair value of investments	(2,353,622)
Less investment expenses	(57,210)
Total additions	<u>319,296</u>
<b>Deductions:</b>	
Benefit payments	2,412,639
Refunds of contributions	25,274
Administrative expenses	74,716
Total deductions	<u>2,512,629</u>
Net change in net position	(2,193,333)
<b>Net position restricted for pension benefits</b>	
Beginning of year	<u>37,380,857</u>
End of year	<u>\$ 35,187,524</u>

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, 2016

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

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

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

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

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. 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, 2016

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 and the economic resources measurement focus. 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, 2016

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 six 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 2317 Belt CID, Gateway TDD, Cooks Crossing CID, East Hills CID, Beck Road CID, Tuscan Village 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 non-operating 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 non-operating.

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

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

It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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, 2016, include the payment for the annual July 4<sup>th</sup> celebration, annual computer software maintenance and support renewal, 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, 2016. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

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

# CITY OF ST. JOSEPH, MISSOURI

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

### **H. Restricted Assets**

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

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

In addition to assets, the statement of financial position reports 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 of refunding reported in the government-wide and proprietary fund statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and balance sheet reports 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. The governmental activities report deferred inflows of resources from pension plans.

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, 2016**

**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 \$5,220,497. Of this amount, \$1,781,211 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**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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 1<sup>st</sup> will be paid to the employee on the final payroll of the fiscal year.

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

**L. Property Tax Revenue Recognition**

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

**M. Interfund Activity**

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

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

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 established through 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 through Resolution of the City Council approving the City’s Fund Balance policy.

# CITY OF ST. JOSEPH, MISSOURI

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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 governmental 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 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. 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.

### **Q. 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 the total general revenues are required to be transferred to the Director of 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 \$1,028,255. This amount is approximately 2% of total general fund revenues of \$56,719,836 and, accordingly, the City believes that they are in compliance with the requirements of the Statute.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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:

	<b>Balance June 30, 2016</b>
Cash on hand	\$ 23,835
Cash Deposit in Bank	7,385,872
Investments held by Trustee (Bond Reserves)	24,758,501
US Agency Securities	73,875,159
Certificate of Deposits	2,655,000
Police Pension Trust:	
Investments	34,999,482
	<u>34,999,482</u>
	<u>\$ 143,697,849</u>

	<b>Government- wide Statement of Net Position</b>	<b>Fiduciary Funds Statement of Net Position</b>	<b>Total</b>
Unrestricted – cash and investments	\$ 70,051,759	\$ 161,128	\$ 70,212,887
Restricted – cash and investments	38,485,480	—	38,485,480
Police Pension – cash and investments	—	34,999,482	34,999,482
Total	<u>\$ 108,537,239</u>	<u>\$ 35,160,610</u>	<u>\$ 143,697,849</u>

Investments for the City of St. Joseph, Missouri are as follows for the year ended June 30, 2016

Investment type:	Investment Maturities (in years)	
	Cost	Less Than 1
US Agency Securities		
Federal Home Loan Bank	\$ 25,952,581	\$ 25,952,581
Federal National Mortgage Association	23,963,421	23,963,421
Federal Farm Credit	23,959,157	23,959,157
Total	<u>\$ 73,875,159</u>	<u>\$ 73,875,159</u>

Investments in US Agency Securities are carried at cost as maturities are less than 180 days

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

Investments for the Police Pension fund by segmented maturity are as follows for the year ended June 30, 2016:

	Fair Value	Less Than 1	1 - 5	6 - 10	>10
<b>Investment type:</b>					
<b>Debt Securities</b>					
Fed Natl Mort Assoc	\$ 1,334,937	-	-	\$ 107,590	\$ 1,227,347
Fed Farm Credit	1,166,903	-	-	-	1,166,903
Fed Home Loan Bk	375,019	\$ 125,011	-	-	250,008
Gov Natl Mort Assoc	349,158	-	-	-	349,158
Money Market	457,200	457,200	-	-	-
US Treasuries	1,982,281	216,259	794,858	422,804	548,360
Muni Obligations	103,507	-	103,507	-	-
Foreign debt	101,355	-	101,355	-	-
Corporate debt	8,773,166	929,992	6,288,945	1,113,864	440,365
	<u>\$ 14,643,526</u>	<u>\$ 1,728,462</u>	<u>\$ 7,288,665</u>	<u>\$ 1,644,258</u>	<u>\$ 3,982,141</u>
<b>Other Investments:</b>					
Corporate stock	<u>20,355,956</u>				
Total	<u><u>\$ 34,999,482</u></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, 2016, the bank balance of \$6,982,247 was 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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
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statutes, the City Charter, the City Administrative Code, and the City's Code of Ordinances governing the investment of public funds. The City's investment policy limits investment maturities to less than one year as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment theory and historical capital market return data suggests that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. Given this relationship between risk and return, the investment objective of the Police Pension Fund is to 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, according to Standard & Poor's:

Investment type:	Quality Ratings	
	Cost	AA
US Agency Securities		
Federal Home Loan Bank	\$ 25,952,581	\$ 25,952,581
Federal National Mortgage Association	23,963,421	23,963,421
Federal Farm Credit	23,959,157	23,959,157
Total	<u>\$ 73,875,159</u>	<u>\$ 73,875,159</u>

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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, according to Standard & Poor’s:

Investment type:	Quality Ratings				
	Fair <u>Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BAA</u>
Debt Securities					
Fed Natl Mort Assoc	\$ 1,334,937	\$1,334,937	-	-	-
Fed Farm Credit	1,166,903	1,166,903	-	-	-
Fed Home Loan Bk	375,019	375,019	-	-	-
Gov Natl Mort Assoc	349,158	349,158	-	-	-
Money Market	457,200	457,200	-	-	-
US Treasuries	1,982,281	1,982,281	-	-	-
Muni Obligations	103,507	-	\$ 103,507	-	-
Foreign Debt	101,355	-	101,355	-	-
Corporate debt	8,773,166	521,003	797,074	\$4,453,344	\$3,001,745
	<u>\$ 14,643,526</u>	<u>\$6,186,501</u>	<u>\$1,001,936</u>	<u>\$4,453,344</u>	<u>\$3,001,745</u>

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

	Carrying Value	Concentration
Federal Home Loan Bank	\$ 25,952,581	35%
Federal National Mortgage Association	23,959,158	32%
Federal Farm Credit	23,963,420	33%
	<u>\$ 73,875,159</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

# CITY OF ST. JOSEPH, MISSOURI

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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.

### **Fair Value of Financial Measurements**

In determining fair value, the Pension Fund uses various valuation approaches within GASBS 72 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

GASBS 72 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, by requiring that the most observable inputs be used when available. GASBS 72 defines levels within the hierarchy based on the reliability of inputs as follows:

*Level 1* — Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets; and

*Level 2* — Valuations based on quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data; and

*Level 3* — Valuations derived from valuation techniques in which one or more significant inputs, or significant value drivers, are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classifications in the valuation hierarchy.

*Debt Securities:* Valued at last sales price, if listed on a national market or exchange, or if there is no sale and the market is still considered active, at the last transaction price before year-end. In less active markets, the valuation is based on the most recent price of the equivalent quoted yield for such securities. These are classified as Level 2 within the valuation hierarchy.

*Equity Securities:* Securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 or Level 2 of the valuation hierarchy, as appropriate.

**CITY OF ST. JOSEPH, MISSOURI**

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Fair values of assets and liabilities of the City measured on a recurring basis, as of June 30, 2016 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment Types:				
Debt Securities:				
US Agencies	\$ 633,901	\$ -	\$ 633,901	\$ -
US Treasuries	1,982,281	-	1,982,281	-
Money Market Mutual Funds	457,200		457,200	
Muni Obligations	103,507	-	103,507	-
Foreign Debt	101,355	-	101,355	-
Mortgage Debt	2,592,116	-	2,592,116	-
Corporate Debt	8,773,166	-	8,773,166	-
Equity Securities:				
Corporate Stock	15,450,306	15,450,306	-	-
Real Estate Investment Trust	38,141	38,141	-	-
Foreign Equities	4,216,004	4,216,004	-	-
Exchange Traded Fund - Equity	410,809	410,809	-	-
Exchange Traded Fund - International	240,696	240,696	-	-
Total	<u>\$ 34,999,482</u>	<u>\$ 20,355,956</u>	<u>\$ 14,643,526</u>	<u>\$ -</u>

**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.

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The following calendar provides important dates for property tax assessment, billing and collection activities:

	<b>Real Property</b>	<b>Personal Property</b>
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 2015 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	2015/2016	2014/2015
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 calendar year 2015 which comply with Article X, Section 22 of the Missouri Constitution.

**CITY OF ST. JOSEPH, MISSOURI**

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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 2015 and 2014 levies were as follows:

<b>Tax Year/ Fiscal</b>	<b><u>2015 / 2016</u></b>	<b><u>2014 / 2015</u></b>	<b><u>Change</u></b>	<b>Percent of <u>Change</u></b>
Real Property	\$ 707,450,430	\$ 697,859,770	\$ 9,590,660	1.37%
Personal Property	248,116,912	244,646,783	3,470,129	1.42%
Railroad Utilities	<u>44,775,651</u>	<u>40,675,185</u>	<u>4,100,466</u>	<u>10.08%</u>
Total	<u>\$ 1,000,342,993</u>	<u>\$ 983,181,738</u>	<u>\$ 17,161,255</u>	<u>12.87%</u>

Receivables as of June 30, 2016, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Accounts and Other</b>	<b>Accrued Interest</b>	<b>Taxes</b>	<b>Total Receivables</b>	<b>Allowance for Doubtful Accounts</b>	<b>Receivables, Net</b>
Governmental activities:						
General	\$ 654,188	\$ 35,373	\$ 5,422,941	\$ 6,112,502	\$ -	\$ 6,112,502
Special Allocation	6,673,901	581	440,002	7,114,484	-	7,114,484
CIP Sales Tax	(2,061)	2,723	887,473	888,135	-	888,135
Nonmajor governmental funds	203,576	2,619	1,318,348	1,524,543	-	1,524,543
Total governmental activities	<u>7,529,604</u>	<u>41,296</u>	<u>8,068,764</u>	<u>15,639,664</u>	<u>-</u>	<u>15,639,664</u>
Business-type activities:						
Sewer	\$ 6,350,734	\$ 23,450	\$ -	\$ 6,374,184	\$(1,269,765)	\$ 5,104,419
Mass Transit	14,314	24,990	897,591	936,895	-	936,895
Nonmajor enterprise funds	1,562,847	10,779	-	1,573,626	-	1,573,626
Total business-type activities	<u>7,927,895</u>	<u>59,219</u>	<u>897,591</u>	<u>8,884,705</u>	<u>(1,269,765)</u>	<u>7,614,940</u>
Total Net Receivables	<u>\$ 15,457,499</u>	<u>\$ 100,515</u>	<u>\$ 8,966,355</u>	<u>\$ 24,524,369</u>	<u>\$(1,269,765)</u>	<u>\$ 23,254,604</u>

**CITY OF ST. JOSEPH, MISSOURI**  
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<b>NOTE 4: CAPITAL ASSETS</b>
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Capital asset activity for the year ended June 30, 2016 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,038,844	\$ —	\$ —	\$ 6,038,844
Construction in progress	3,463,920	7,640,412	9,239,764	1,864,568
Total capital assets, not being depreciated	9,502,764	7,640,412	9,239,764	7,903,412
Capital assets, being depreciated:				
Buildings	46,530,553	—	1,500	46,529,053
Improvements other than buildings	38,007,559	5,087,786	—	43,095,345
Machinery and equipment	24,504,358	1,466,510	1,033,797	24,937,071
Office Equipment and Furniture	6,124,053	178,831	24,774	6,278,110
Infrastructure	269,513,689	4,174,027	—	273,687,716
Total capital assets being depreciated	384,680,212	10,907,154	1,060,071	394,527,295
Less accumulated depreciation for:				
Buildings	25,252,156	1,118,338	1,500	26,368,994
Improvements other than buildings	12,848,153	1,301,277	—	14,149,430
Machinery and equipment	20,516,341	1,453,598	1,011,319	20,958,620
Office Equipment and Furniture	3,430,106	523,029	24,774	3,928,361
Infrastructure	172,369,199	7,580,918	—	179,950,117
Total accumulated depreciation	234,415,955	11,977,160	1,037,593	245,355,522
Total capital assets, being depreciated, net	150,264,257	(1,070,006)	22,478	149,171,773
<b>Total Governmental activities capital assets, net</b>	<b>\$ 159,767,021</b>	<b>\$ 6,570,406</b>	<b>\$ 9,262,242</b>	<b>\$ 157,075,185</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
<b>Sewer fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,457,799	\$ 604,241	\$ —	\$ 3,062,040
Construction in progress	48,842,889	45,304,978	—	94,147,867
Total capital assets, not being depreciated	51,300,688	45,909,219	—	97,209,907
Capital assets, being depreciated:				
Buildings	59,425,771	—	163,862	59,261,909
Improvements other than buildings	41,502,649	—	—	41,502,649
Machinery and equipment	12,577,992	746,285	1,580,665	11,743,612
Office Equipment and Furniture	869,617	11,256	3,775	877,098
Infrastructure	66,734,510	416,296	—	67,150,806
Total capital assets being depreciated	181,110,539	1,173,837	1,748,302	180,536,074
Less accumulated depreciation for:				
Buildings	22,370,775	1,890,174	163,862	24,097,087
Improvements other than buildings	6,972,885	1,242,662	—	8,215,547
Machinery and equipment	11,572,027	467,241	1,580,665	10,458,603
Office Equipment and Furniture	392,263	246,472	3,775	634,960
Infrastructure	33,234,110	881,460	—	34,115,570
Total accumulated depreciation	74,542,060	4,728,009	1,748,302	77,521,767
Total capital assets, being depreciated, net	106,568,479	(3,554,172)	—	103,014,307
<b>Total sewer fund capital assets, net</b>	\$ 157,869,167	\$ 42,355,047	\$ —	\$ 200,224,214
<b>Mass Transit fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 189,134	\$ —	\$ —	\$ 189,134
Construction in Progress	—	—	—	—
Total capital assets, not being depreciated	189,134	—	—	189,134
Capital assets, being depreciated:				
Buildings	4,504,512	—	—	4,504,512
Improvements other than buildings	184,595	—	—	184,595
Machinery and equipment	5,540,236	—	—	5,540,236
Office Equipment and Furniture	970,607	—	—	970,607
Total capital assets being depreciated	11,199,950	—	—	11,199,950
Less accumulated depreciation for:				
Buildings	2,367,561	147,585	—	2,515,146
Improvements other than buildings	57,088	10,167	—	67,255
Machinery and equipment	5,270,871	149,982	—	5,420,853
Office Equipment and Furniture	701,306	143,325	—	844,631
Total accumulated depreciation	8,396,826	451,059	—	8,847,885
Total capital assets, being depreciated, net	2,803,124	(451,059)	—	2,352,065
<b>Total mass transit fund capital assets, net</b>	\$ 2,992,258	\$ (451,059)	\$ —	\$ 2,541,199

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
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**Nonmajor enterprise funds:**

Capital assets, not being depreciated:				
Land	\$ 5,318,796	\$ —	\$ —	\$ 5,318,796
Construction in Progress	716,951	5,864,840	—	6,581,791
Total capital assets, not being depreciated	6,035,747	5,864,840	—	11,900,587
Capital assets, being depreciated:				
Buildings	10,023,385	—	—	10,023,385
Improvements other than buildings	12,230,077	—	—	12,230,077
Machinery and equipment	8,291,354	176,048	1,017,003	7,450,399
Office Equipment and Furniture	41,996	—	16,550	25,446
Infrastructure	11,869,953	—	—	11,869,953
Total capital assets being depreciated	42,456,765	176,048	1,033,553	41,599,260
Less accumulated depreciation for:				
Buildings	7,150,613	191,461	—	7,342,074
Improvements other than buildings	9,642,735	152,023	—	9,794,758
Machinery and equipment	7,073,768	453,299	1,017,003	6,510,064
Office Equipment and Furniture	40,998	998	16,550	25,446
Infrastructure	1,999,631	415,286	—	2,414,917
Total accumulated depreciation	25,907,745	1,213,067	1,033,553	26,087,259
Total capital assets, being depreciated, net	16,549,020	(1,037,019)	—	15,512,001
<b>Total nonmajor enterprise fund capital assets, net</b>	<u>22,584,767</u>	<u>4,827,821</u>	<u>—</u>	<u>27,412,588</u>
<b>Total business-type activities capital assets, net</b>	<u>\$ 183,446,192</u>	<u>\$ 46,731,810</u>	<u>\$ —</u>	<u>\$ 230,178,002</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 301,134
Public safety	1,487,956
Highways and streets	8,104,686
Health and welfare	183,891
Parks and recreation	1,899,493
	<u>11,977,160</u>
Total depreciation expense – governmental activities	\$ <u>11,977,160</u>
Business-type activities:	
Sewer	\$ 4,728,009
Mass Transit	451,059
Non-major enterprise funds	1,213,067
	<u>6,392,135</u>
Total depreciation expense – business-type activities	\$ <u>6,392,135</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 5: INTERFUND ACTIVITIES**

Interfund transfers consisted of the following amounts:

	Transfers To						Total
	General Fund	Special Allocation	CIP Sales Tax	Nonmajor Governmental	Sewer Fund	Nonmajor Business-type	
<b>Governmental Funds:</b>							
General Fund	\$ -	\$ -	\$ 1,002,018	\$ 2,564,029	\$ 4,000	\$ 124,660	\$ 3,694,707
Nonmajor governmental	2,998,107	1,208	-	99,674	-	81,500	3,180,489
CIP Sales Tax	-	-	-	-	-	33,395	33,395
<b>Enterprise Funds:</b>							
Sewer	1,668,268	-	-	-	-	48,290	1,716,558
Mass transit	99,348	-	-	-	-	-	99,348
Nonmajor enterprise	783,010	-	-	325,000	3,250	-	1,111,260
<b>Total</b>	<b>\$ 5,548,733</b>	<b>\$ 1,208</b>	<b>\$ 1,002,018</b>	<b>\$ 2,988,703</b>	<b>\$ 7,250</b>	<b>\$ 287,845</b>	<b>\$ 9,835,757</b>

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.

**NOTE 6: LONG-TERM LIABILITIES**

Governmental Activities	Balance 07/01/15	Increases	Decreases	Balance 06/30/16	Current Portion
Industrial Development Authority Bonds	\$ 36,770,000	\$ -	\$ (1,525,000)	\$ 35,245,000	\$ 1,685,000
Infrastructure Facility Revenue Bonds	11,945,000	-	(1,125,000)	10,820,000	1,150,000
MO Development Finance Board Bonds	1,390,000	-	(130,000)	1,260,000	135,000
Discount on Issuance	(143,744)	-	14,105	(129,639)	-
Developer Obligations	33,477,507	488,684	(1,931,762)	32,034,429	2,000,000
Capital Lease Obligations	222,752	118,304	(80,419)	260,637	81,743
Compensated Absences *	1,550,097	2,112,312	(2,032,108)	1,630,301	1,630,301
OPEB Obligation*	984,669	198,400	-	1,183,069	-
Claims	1,464,037	376,657	(413,913)	1,426,781	596,516
<b>Total Governmental activities</b>					
<b>Long-term liabilities</b>	<b>\$ 87,660,318</b>	<b>\$ 3,294,357</b>	<b>\$ (7,224,097)</b>	<b>\$ 83,730,578</b>	<b>\$ 7,278,560</b>

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

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<b>Business-type Activities</b>	<b>Balance 7/1/15</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 6/30/16</b>	<b>Current Portion</b>
<b>Water Protection Fund</b>					
Revenue Bonds	\$ 57,393,074	\$ 42,245,218	\$ (1,350,000)	\$ 98,288,292	\$ 4,761,622
Industrial Development Authority Bonds	29,470,000	-	(380,000)	29,090,000	955,000
Infrastructure Facility Revenue Bonds	20,180,000	-	(600,000)	19,580,000	620,000
MO Development Finance Board Bonds	7,100,000	-	(615,000)	6,485,000	635,000
Discount on Issuance	(94,096)	-	4,360	(89,736)	-
Premium on Issuance	3,662,289	-	(291,515)	3,370,774	-
Capital Leases	4,467	-	(3,564)	903	903
Compensated Absences	129,808	225,305	(217,741)	137,372	137,372
OPEB Obligation	111,512	24,662	-	136,174	-
<b>Total water protection fund</b>					
<b>Long-term liabilities</b>	117,957,054	42,495,185	(3,453,460)	156,998,779	7,109,897
<b>Nonmajor enterprise funds:</b>					
Capital Leases	199,237	-	(43,049)	156,188	44,530
Closure/Post Closure	5,614,590	23,276	(54,873)	5,582,993	73,500
Compensated absences	101,225	112,119	(90,448)	122,897	94,209
OPEB Obligation	59,058	11,312	-	70,370	-
<b>Total nonmajor enterprise funds</b>					
<b>Long-term liabilities</b>	5,974,110	146,707	(188,370)	5,932,448	212,239
<b>Total Business-type activities</b>					
<b>Long-term liabilities</b>	<b>\$ 123,931,164</b>	<b>\$ 42,641,892</b>	<b>\$ (3,641,830)</b>	<b>\$ 162,931,227</b>	<b>\$ 7,322,136</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

Year ending 30-Jun	Governmental Activities					
	Industrial Development			Infrastructure Facility		
	Authority Bonds			Revenue Bonds		
	Principal	Interest		Principal	Interest	
2017	\$ 1,685,000	\$ 1,866,152	\$	\$ 1,150,000	\$ 398,744	\$
2018	1,800,000	1,775,066		1,175,000	368,494	
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	2,290,000	1,452,875		1,305,000	251,724	
2022-2026	14,300,000	5,142,904		4,725,000	441,041	
2027-2031	11,085,000	765,326		-	-	
	<u>\$ 35,245,000</u>	<u>\$ 14,248,437</u>	\$	<u>\$ 10,820,000</u>	<u>\$ 2,090,396</u>	\$

Year ending 30-Jun	Total					
	MO Development			Governmental Activities		
	Finance Board Bonds			Debt Service Requirements		
	Principal	Interest		Principal	Interest	
2017	\$ 135,000	\$ 56,700	\$	\$ 2,970,000	\$ 2,321,596	\$
2018	140,000	50,625		3,115,000	2,194,185	
2019	145,000	44,325		3,330,000	2,055,357	
2020	155,000	37,800		3,520,000	1,903,275	
2021	160,000	30,825		3,755,000	1,735,424	
2022-2026	525,000	48,150		19,550,000	5,632,095	
2027-2031	-	-		11,085,000	765,326	
	<u>\$ 1,260,000</u>	<u>\$ 268,425</u>	\$	<u>\$ 47,325,000</u>	<u>\$ 16,607,258</u>	\$

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

Year ending 30-Jun	Business-type Activities					
	Revenue Bonds		Industrial Development Authority Bonds		Infrastructure Facility Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 4,761,622	\$ 1,150,396	\$ 955,000	\$ 1,298,344	\$ 620,000	\$ 973,863
2018	4,335,900	1,122,239	1,545,000	1,269,694	645,000	949,063
2019	4,446,500	1,107,733	1,610,000	1,386,491	670,000	923,263
2020	4,566,900	1,092,906	1,670,000	1,150,044	695,000	896,463
2021	4,682,500	1,077,422	1,755,000	1,066,544	725,000	868,663
2022-2026	25,186,500	5,134,968	11,235,000	4,164,589	4,135,000	3,823,776
2027-2031	28,595,900	4,655,255	7,425,000	1,014,701	5,270,000	2,690,988
2032-2036	21,712,470	3,275,859	2,895,000	219,988	6,820,000	1,138,157
2037-2040	-	-	-	-	-	-
	<u>\$ 98,288,292</u>	<u>\$ 18,616,778</u>	<u>\$ 29,090,000</u>	<u>\$ 11,570,395</u>	<u>\$ 19,580,000</u>	<u>\$ 12,264,234</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
	2017	\$ 635,000	\$ 202,325	\$ 6,971,622	\$ 3,624,928	\$ 9,941,622
2018	655,000	183,275	7,180,900	3,524,271	10,295,900	5,718,456
2019	675,000	163,625	7,401,500	3,581,112	10,731,500	5,636,469
2020	695,000	143,375	7,626,900	3,282,788	11,146,900	5,186,063
2021	715,000	122,525	7,877,500	3,135,154	11,632,500	4,870,578
2022-2026	3,110,000	243,831	43,666,500	13,367,164	59,941,500	18,291,546
2027-2031	-	-	41,290,900	8,360,944	55,650,900	9,833,982
2032-2036	-	-	31,427,469	4,634,004	31,427,469	4,634,004
2037-2040	-	-	-	-	-	-
	<u>\$ 6,485,000</u>	<u>\$ 1,058,956</u>	<u>\$ 153,443,291</u>	<u>\$ 43,510,363</u>	<u>\$ 200,768,291</u>	<u>\$ 60,117,620</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, 2016**

The total principal balance outstanding for the Industrial Development Authority Bonds as of June 30, 2016 is \$64,335,000.

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%	\$ 18,800,000
Series 2005B – Industrial Development Authority Bonds (Special Allocation); due in annual installments through November 1, 2027; interest at 4.00% to 5.50%	13,155,000
Series 2008 – Industrial Development Authority Bonds (Special Allocation); due in annual installments through March 1, 2029; interest at 5.50%	<u>3,290,000</u>
Total Industrial Development Authority Bonds for Governmental Activities	<u>\$ 35,245,000</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%	\$ 9,875,000
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>\$ 29,090,000</u>

**Refunding:**

In prior years, the City defeased the 2007 Industrial Development Authority Special Obligation Revenue Bonds by placing the proceeds of the 2015B Industrial Development Authority Special Obligation Revenue Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for refunded Series 2007 Industrial Development Authority Bonds are not included in the City's financial statements. On June 30, 2016, \$21,151,000 of bonds outstanding are considered defeased and the liability for those bonds have been removed from the long-term debt.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, on December 1, 2011, the City of St. Joseph 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, 2016 is \$30,400,000.

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%	\$ 4,415,000
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>6,405,000</u>
Total Infrastructure Facility Revenue Bonds Governmental Activities	<u>\$ 10,820,000</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%	<u>\$ 19,580,000</u>
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**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, 2016 is \$7,745,000.

Governmental Activities

Series 2004D – Infrastructure Facilities Revenue Bonds (General); due in annual installments through March 1, 2024; interest at 3.00% to 5.00% \$ 1,260,000

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% \$ 6,485,000

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, 2016 is \$98,288,292.

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%	\$ 525,000
Series 2003 – Sewer System Revenue Bonds: due in annual installments through April 1, 2023; interest at 1.3% to 5.125%	350,000
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%.	13,307,922
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	51,589,117
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	27,076,253
Series 2014B – Sewer System Revenue Bonds: due in annual installments through July 1, 2034; interest at 2.00% to 4.00%.	<u>5,440,000</u>
Total Revenue Bonds for Business-type Activities	<u>\$98,288,292</u>

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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%. On May 27, 2016, the project was determined to be completed for a total amount of \$14,217,922. As of June 30, 2016, the outstanding balance of the bonds was \$13,307,922.

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, 2016, the outstanding balance of the bonds was \$51,589,117.

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, 2016, the outstanding balance of the bonds was \$27,076,253.

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. As of June 30, 2016, the outstanding balance of the bonds was \$5,440,000.

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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, 2016, 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	3,450,266
	<u>8,315,246</u>
Less interest	(1,918,250)
Net present value	<u>\$ 6,396,996</u>

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

**Industrial Development Revenue Bonds:**

The City of St. Joseph issued Industrial Development Revenue Bonds to provide economic financial assistance to private entities. The bonds are secured by the improvements that are to be made. The debt service on these issues are paid solely from the private entities through lease agreements; therefore, the issues do not constitute a debt of the City and accordingly, are not included nor reported in the City's statement of net position. The total principal balance outstanding for the Industrial Development Revenue Bonds as of June 30, 2016 is \$519,771,836.

**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.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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 \$6,405,000 and Series 2011A \$4,415,000 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 2017. 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, 2016, total principal and interest remaining on the bonds was \$62,403,833 and outstanding developer obligations were \$32,034,429. The bonds are scheduled to mature at varying amounts through 2030 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.

For the current year, principal and interest paid on TIF bonds and developer obligations totaled \$7,180,721. Incremental revenues from the City included \$3,381,206 in sales taxes, \$614,478 in property taxes and \$138,145 in other economic activity revenues. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues from other taxing districts and governmental entities, developer contributions, and debt trust funds.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

The following is a schedule of the present value of net minimum lease payments for all of the City's capitalized leases as of June 30, 2016:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Year ending June 30:		
2017	\$ 105,789	\$ 50,181
2018	105,789	114,165
2019	61,896	-
2020	36,106	-
Total minimum lease payments	<u>309,580</u>	<u>164,346</u>
Less amount representing interest	<u>(48,943)</u>	<u>(7,255)</u>
Present value of net minimum lease payments	<u>\$ 260,637</u>	<u>\$ 157,091</u>

The following schedule shows the amount and asset classifications for capital lease items as of June 30, 2016:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Office equipment	\$ 351,827	\$ -
Machinery & equipment		291,769
less: Accumulated depreciation	<u>(89,774)</u>	<u>(162,438)</u>
	<u>\$ 262,053</u>	<u>\$ 129,331</u>

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 8: RISK MANAGEMENT**

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

All funds of the City participate in the program and make payments to the Insurance Fund. An actuarial report is prepared to evaluate loss and allocated loss adjustment expense reserves for the self-funded workers compensation program and to determine the funding level of the program. The net position of the Insurance Internal Service Fund at June 30, 2016 is \$655,745 656,711.

As of June 30, 2016 incurred but not reported (IBNR) workers' compensation claims and claims payable of \$1,426,781 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 2015	\$1,452,092	\$732,835	(\$ 720,890)	\$1,464,037
Fiscal Year 2016	1,464,037	376,657	(413,913)	1,426,781

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

At June 30, 2016 the City had the following commitments of approximately \$15,825,894 to complete construction contracts.

	<b>Amounts</b>
<b>Governmental Activities</b>	
Major Governmental Funds:	
CIP Sales Tax Improvement	\$ 4,646,272
Non Major Governmental Funds:	
Streets	360,968
Cell Phone	85,000
Total Governmental Activities	5,092,240
<b>Business-type Activities</b>	
Major business-type Funds:	
Sewer	10,279,917
Non Business-type Funds:	
Aviation	353,737
Golf	100,000
Total Business-type Activities	10,733,654
Total	\$ 15,825,894

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, 2016

Description	Amount	Anticipated Close Years	Capacity Used
City's Operating Landfill			
Area I	\$ 700,740	2016-2018	98.0 %
Area II	828,277	2015-2016	99.9 %
Area III	<u>2,481,428</u>	2070-2075	33.0 %
	<u>\$ 4,010,445</u>		
McArthur Drive Landfill	<u>\$ 1,572,548</u>	Closed	100 %
Total	<u>\$ 5,582,993</u>		

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

During the year ended June 30, 2016, total closure and postclosure care liabilities incurred a net decrease of \$31,597 from \$5,614,590 to \$5,582,993.

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 \$4,010,444 is reported as landfill closure and postclosure care liability at June 30, 2016, 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 \$5,295,302 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.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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 \$1,572,548 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, 2016, these cash designations totaled \$4,726,215 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, 2016, the City's Contract of Obligation was \$13,676,255.

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

**C. Litigation**

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

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**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](http://www.molagers.org).

*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>2016 Valuation</u>		<u>2016 Valuation</u>
Benefit Multiplier:	1.25%	Benefit Multiplier:	1.25%
Final Average Salary:	3 Years	Final Average Salary:	3 Years
Member Contributions:	0%	Member Contributions:	0%

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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, 2016, the following employees were covered by the benefit terms:

	General	Fire	Total
Inactive employees or beneficiaries currently receiving benefits	252	124	376
Inactive employees entitled to but no yet receiving benefits	109	11	120
Active employees	385	122	507
	<u>746</u>	<u>257</u>	<u>1,003</u>

***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 2.9% (General) and 36.1% (Fire) of annual covered payroll.

***Net Pension Liability/(Asset)***

The City's net pension liability/(asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 29, 2016.

***Actuarial Assumptions***

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% (General) including wage inflation 3.5% to 7.15% (Fire) including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-

**CITY OF ST. JOSEPH, MISSOURI**

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retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

***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. 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.

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*Changes in the Net Pension Liability/(Asset)*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at beginning of year	\$ 110,957,928	\$ 112,127,818	\$ (1,169,890)
Changes for the year:			
Service Cost	2,170,373	-	2,170,373
Interest	7,933,932	-	7,933,932
Difference between expected and actual experience	1,630,408	-	1,630,408
Contributions - employer	-	3,271,854	(3,271,854)
Net investment income	-	(244,948)	244,948
Benefit payments, including refunds	(5,273,443)	(5,273,443)	-
Administrative expense	-	(82,937)	82,937
Other changes (net transfer)	-	1,033,621	(1,033,621)
Net changes	<u>6,461,270</u>	<u>(1,295,853)</u>	<u>7,757,123</u>
Balances at end of year	<u>\$ 117,419,198</u>	<u>\$ 110,831,965</u>	<u>\$ 6,587,233</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)	\$ 133,292,399	\$ 117,419,198	\$ 104,221,106
Plan Fiduciary Net Position	(110,831,965)	(110,831,965)	(110,831,965)
Net Pension Liability/(Asset)	<u>\$ 22,460,434</u>	<u>\$ 6,587,233</u>	<u>\$ (6,610,859)</u>

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**NOTES TO FINANCIAL STATEMENTS  
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***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2016, the City recognized LAGERS pension expense of \$4,613,139 \$563,591 (General) and \$4,049,548 (Fire). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Fire	Total
	Deferred	Deferred	Deferred
	Outflows of	Outflows	Outflows of
	Resources	of Resources	Resources
Differences in experience	\$ 92,668	\$ 1,322,304	\$ 1,414,972
Excess (Deficit) Investment Returns	2,050,273	1,287,237	3,337,510
Net Difference between projected and actual earnings on pension plan investments	6,123,711	4,042,766	10,166,477
Total	\$ 8,266,652	\$ 6,652,307	\$ 14,918,959
	General	Fire	Total
	Deferred	Deferred	Deferred
	Inflows of	Inflows of	Inflows of
	Resources	Resources	Resources
Differences in experience	\$ (657,293)	\$ (1,357,228)	\$ (2,014,521)
Total	\$ (657,293)	\$ (1,357,228)	\$ (2,014,521)

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

Year ending June 30:	General	Fire	Total
2017	\$ 2,055,733	\$ 1,495,623	\$ 3,551,356
2018	2,055,733	1,495,623	3,551,356
2019	2,055,733	1,495,623	3,551,356
2020	1,342,922	814,129	2,157,051
2021	99,238	(5,919)	93,319
Total	<u>\$ 7,609,359</u>	<u>\$ 5,295,079</u>	<u>\$ 12,904,438</u>

***Payable to the Pension Plan***

At June 30, 2016, the City reported a payable of \$375,300 for the outstanding amount of contributions to the LAGERS pension plan required for the year ended June 30, 2016.

**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.

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%.

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***Employees Covered by Benefit Terms***

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	109
Active employees	117
	226

***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, 2015/2016, the participant's contribution rate was 4%. The City is required to contribute at an actuarially determined rate; the current rate is 33.1% of annual covered payroll.

***Net Pension Liability***

The employer's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

***Actuarial Assumptions***

The total pension liability in the January 1, 2016 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 2015 Blue Collar 2000 Mortality Table with generational improvements and mortality rates for disabled lives were based on the RP 2015 Disabled 2000 Mortality Table with generational improvements 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:

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Asset Class	Long-Term Expected	
	Real Rate of Return	Target Allocation
Equity	8.00%	60%
Fixed Income	3.50%	25%
Cash	1.50%	15%

***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.

***Changes in the Net Pension Liability***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances at beginning of year	\$ 46,599,916	\$ 37,380,857	\$ 9,219,059
Changes for the year:			
Service Cost	1,541,534	-	1,541,534
Interest	5,619,009	-	5,619,009
Difference between expected and actual experience	(2,356,440)	-	(2,356,440)
Contributions - member		255,516	(255,516)
Contributions - employer	-	1,688,681	(1,688,681)
Changes of assumptions	2,347,868	-	2,347,868
Net investment income	-	(1,624,901)	1,624,901
Benefit payments, including refunds	(2,437,913)	(2,437,913)	-
Administrative expense	-	(74,716)	74,716
Other changes (net transfer)	-		-
Net changes	4,714,058	(2,193,333)	6,907,391
Balances at end of year	\$ 51,313,974	\$ 35,187,524	\$ 16,126,450

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***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.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$ 58,844,741	\$ 51,313,974	\$ 46,254,059
Plan Fiduciary Net Position	(35,187,524)	(35,187,524)	(35,187,524)
Net Pension Liability/(Asset)	\$ 23,657,217	\$ 16,126,450	\$ 11,066,535

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

For the year ended June 30, 2016, the City recognized pension expense of \$4,666,247. The City reported deferred outflows of resources related to the police pension from the following sources:

	Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 1,216,735	\$ (1,052,821)
Assumption changes	1,728,487	-
Excess (Deficit) Investment Returns	2,737,670	(70,448)
Contributions after the measurement date	836,986	-
Total	\$ 6,519,878	\$ (1,123,269)

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
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The \$836,986 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources related to the police pension will be recognized in pension expense as follows:

Year ending June 30:	
2017	\$ 648,661
2018	1,297,323
2019	1,297,325
2020	1,205,587
2021	110,727
Total	<u>\$ 4,559,623</u>

***Payable to the Pension Plan***

At June 30, 2016, the City reported a payable of \$60,284 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**CITY OF ST. JOSEPH, MISSOURI**  
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**JUNE 30, 2016**

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

	LAGERS			Police	Total
	General	Fire	Total		
<b>Governmental activities:</b>					
Net Pension Liability	\$ -	\$ 15,155,360	\$ 15,155,360	\$ 16,126,450	\$ 31,281,810
Net Pension (Asset)	(6,245,675)	-	(6,245,675)	-	(6,245,675)
<b>Business-type activities:</b>					
Net Pension (Asset)	(2,322,452)	-	(2,322,452)	-	(2,322,452)
Net Pension Liability/(Asset)	\$ (8,568,127)	\$ 15,155,360	\$ 6,587,233	\$ 16,126,450	\$ 22,713,683
<b>LAGERS</b>					
	General	Fire	Total	Police	Total
<b>Governmental activities:</b>					
Deferred outflows due to:					
Difference between expected and actual experience	\$ 67,550	\$ 1,322,304	\$ 1,389,854	\$ 1,216,735	\$ 2,606,589
Assumption Changes	1,494,534	1,287,237	2,781,771	1,728,487	4,510,258
Net Difference between projected and actual earnings on pension plan investment	4,463,835	4,042,766	8,506,601	2,737,670	11,244,271
Contribution Subsequent to measurement date	-	-	-	836,986	836,986
	\$ 6,025,919	\$ 6,652,307	\$ 12,678,226	\$ 6,519,878	\$ 19,198,104
Deferred inflows due to:					
Difference between expected and actual experience	\$ (479,129)	\$ (1,357,228)	\$ (1,836,357)	\$ (1,052,821)	\$ (2,889,178)
Net Difference between projected and actual earnings on pension plan investment	-	-	-	(70,448)	(70,448)
	\$ (479,129)	\$ (1,357,228)	\$ (1,836,357)	\$ (1,123,269)	\$ (2,959,626)
<b>Business-type activities:</b>					
Deferred outflows due to:					
Difference between expected and actual experience	\$ 25,118	\$ -	\$ 25,118	\$ -	\$ 25,118
Assumption Changes	555,739	-	555,739	-	555,739
Net Difference between projected and actual earnings on pension plan investment	1,659,876	-	1,659,876	-	1,659,876
	2,240,733	-	2,240,733	-	2,240,733
Deferred inflows due to:					
Difference between expected and actual experience	\$ (178,164)	\$ -	\$ (178,164)	\$ -	\$ (178,164)
	\$ (178,164)	\$ -	\$ (178,164)	\$ -	\$ (178,164)
Total	\$ 7,609,359	\$ 5,295,079	\$ 12,904,438	\$ 5,396,609	\$ 18,301,047

**CITY OF ST. JOSEPH, MISSOURI**

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**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.

***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.

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Annual required contribution	\$ 371,607
Interest on net OPEB obligation	46,240
Adjustment to annual required contribution	<u>(66,808)</u>
Annual OPEB cost (expense)	351,039
Less: Net employer contribution	<u>116,665</u>
Change in net OPEB obligation	234,374
Net OPEB obligation - July 1, 2015	1,155,239
Net OPEB obligation - June 30, 2016	<u><u>\$ 1,389,613</u></u>

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

	<u>Net OPEB Obligation</u>
Governmental Activities	<u>\$ 1,183,069</u>
Business-Type Activities	
Sewer	136,174
Other Business-Type Funds	<u>70,370</u>
Total Business-Type Activities	<u>206,544</u>
Total Government	<u><u>\$ 1,389,613</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, 2016 is as follows:

<u>Ended</u>	<u>OPEB Cost</u>	<u>Cost Contributed</u>	<u>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
6/30/2016	351,009	33%	1,389,613

***Funded Status and Funding Progress***

As of July 1, 2015, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$3,150,634. 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 \$29,952,461, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 11 percent.

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

***Actuarial Methods and Assumptions***

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

The 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, 2016**

<b>NOTE 12: FUND BALANCE</b>
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Fund Balance	Governmental activities				Total
	General	Special Allocation	Capital Projects	Nonmajor	
<b>Non spendable:</b>					
P repaids	\$ 237,066	\$ -	\$ -	\$ 59,018	\$ 296,084
<b>Total Non spendable</b>	<b>237,066</b>	<b>-</b>	<b>-</b>	<b>59,018</b>	<b>296,084</b>
<b>Restricted for:</b>					
Econ Development	2,332,747	-	-	439,047	2,771,794
Public Safety -	-	-	-	-	-
personnel and capital	36,944	-	-	3,437,846	3,474,790
Highways	-	-	-	1,428,136	1,428,136
Health & Welfare	85,963	-	-	265,017	350,980
Parks & Recreation	29,591	-	-	491,436	521,027
Museum	-	-	-	302,775	302,775
Debt Service	195,895	14,113,804	-	-	14,309,699
Capital Projects	-	-	13,248,371	-	13,248,371
Loan Program	-	-	-	4,123,708	4,123,708
<b>Total Restricted</b>	<b>2,681,140</b>	<b>14,113,804</b>	<b>13,248,371</b>	<b>10,487,965</b>	<b>40,531,280</b>
<b>Committed for:</b>					
Econ Development	1,207,548	-	-	-	1,207,548
Public Safety	243,560	-	-	-	243,560
Highways	888,541	-	-	-	888,541
Health & Welfare	2,300	-	-	-	2,300
Parks & Recreation	51,513	-	-	-	51,513
<b>Total Committed</b>	<b>2,393,462</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,393,462</b>
<b>Assigned to:</b>					
Econ Development	108,998	-	-	-	108,998
Public Safety	104,488	-	-	-	104,488
Highways	67,913	-	-	-	67,913
Health & Welfare	48,641	-	-	-	48,641
Parks & Recreation	93,359	-	-	-	93,359
Capital Projects	1,283,740	-	-	-	1,283,740
Salaries	147,300	-	-	-	147,300
<b>Total Assigned</b>	<b>1,854,439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,854,439</b>
Unassigned	13,218,788	-	-	-	13,218,788
<b>Total Unassigned</b>	<b>13,218,788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,218,788</b>
<b>Total Fund Balance</b>	<b>\$ 20,384,895</b>	<b>\$ 14,113,804</b>	<b>\$ 13,248,371</b>	<b>\$ 10,546,983</b>	<b>\$ 58,294,053</b>

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

	Governmental activities				Total
	General	Special Allocation	Capital Sales Tax	Nonmajor	
Encumbrances	\$ 1,651,856	\$ -	\$ 3,761,331	\$ 2,651,910	\$ 8,065,097

**NOTE 13: PRIOR PERIOD ADJUSTMENTS**

The beginning net position of the City’s governmental activities was restated due to the duplication of the August, 2014 revenue in the Special Allocation fund for fiscal year 2015.

	Governmental Activities	Special Allocation
Net Position, beginning of year as previously reported	\$ 136,106,671	\$ 13,074,975
Prior Period Adjustment	(174,004)	(174,004)
Net Position, beginning of year as restated	\$ 135,932,667	\$ 12,900,971

**NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS**

.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.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 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 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, 2016, 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.

In December, 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The objective of this Statement is to address for certain external investment pools and their participants the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards. The City is currently evaluating the impact of adopting Statement No. 79. The requirements of this Statement are effective for financial statement for periods beginning after December 15, 2015.

In January, 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The City is currently evaluating the impact of adopting Statement 80. The requirements of this Statement are effective for financial statement for periods beginning after June 15, 2016.

In March, 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting by establishing recognition and measurement requirements for irrevocable split-interest agreements. The City is currently evaluating the impact of adopting Statement No. 81. The requirements of this Statement are effective for financial statement for periods beginning after December 15, 2016.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2016**

**NOTE 15: SUBSEQUENT EVENTS**

On August 2, 2016, the citizens of Buchanan County approved a four year, quarter cent, sales tax levy to pay a portion of the Missouri River levee repairs. The federal government will pay 65 percent of the total \$71 million to upgrade the levees which have been deferred since the Flood of 1993. The community is responsible for the remaining 35 percent, including Missouri committing \$5 million, Elwood-Gladden Drainage District in Kansas providing \$3.1 million in cash and in-kind contributions, the city of St. Joseph funding \$3.2 million, Buchanan County pledging \$1.5 million, and South St. Joseph and Rosecrans levee districts contributing \$960,000.

On September 26, 2016, the City authorized the issuance of not to exceed \$10,000,000 principal amount of Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2016 for the purpose of financing design phase engineering and services for improvements to the City’s sewerage system. Blacksnake Creek Stormwater Separation Project is one of nine (9) projects that will be required in order for the City to meet the Federal requirements for the Clean Water Act of no more than four (4) overflows per year. This project will meet regulatory requirements and improve system reliability. It will redirect stormwater from the Blacksnake creek watershed to the Missouri River, reducing stormwater into the combined sewer system and reducing sewer overflows. It is less expensive to transport the creek water directly to the Missouri River than building other facilities to capture and treat the water at the Water Protection Facility. The Blacksnake Creek Stormwater Separation Project will also eliminate the daily cost of treating up to 2 million gallons of dry weather creek water at the treatment facility, benefitting all rate payers. The maturity date of this bond is shorter in duration to keep Missouri Department of Natural Resource (MDNR) in compliance with the useful life requirements of the federal Clean Water Act. The City intends to refund the bonds associated with the engineering design loan at such time that financing is secured, for the construction of the Blacksnake Creek Stormwater Separation Project, in order to extend the maturity dates of the bonds to be 30 years. The City has requested a variance from MDNR for a 30 year maturity date on these bonds, which was approved at the July Clean Water Commission meeting.

**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, 2016

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Property	\$ 11,483,301	\$ 11,483,301	\$ 11,945,983	\$ 462,682
Sales	18,782,610	20,282,610	21,244,461	961,851
Franchise	6,703,405	6,703,405	6,186,237	(517,168)
Motor Fuel	842,350	842,350	990,598	148,248
Cigarette	416,300	416,300	375,690	(40,610)
Hotel	933,100	933,100	1,234,623	301,523
Licenses and permits	1,399,745	1,399,745	1,462,388	62,643
Intergovernmental	2,262,959	2,685,265	2,381,489	(303,776)
Charges for services	3,414,190	3,414,190	3,340,399	(73,791)
Fines	1,127,300	1,127,300	1,028,255	(99,045)
Special assessments	-	-	87	87
Investment earnings	10,955	10,955	35,226	24,271
Other	190,074	269,052	786,309	517,257
Total revenues	47,566,289	49,567,573	51,011,745	1,444,172
<b>Expenditures</b>				
Current:				
General government				
City council				
Salaries	49,063	49,063	45,685	3,378
Benefits	143,594	143,594	121,724	21,870
Materials and supplies	2,100	2,100	1,375	725
Outside services	33,590	33,590	23,762	9,828
Total City council	228,347	228,347	192,546	35,801
City clerk				
Salaries	115,529	115,529	113,223	2,306
Benefits	34,252	34,912	34,912	-
Materials and supplies	1,700	1,700	1,393	307
Outside services	60,240	59,580	11,770	47,810
Total City clerk	211,721	211,721	161,298	50,423
Municipal court				
Salaries	289,101	289,101	284,704	4,397
Benefits	95,198	93,098	92,287	811
Materials and supplies	3,225	5,325	4,982	343
Outside services	104,989	104,989	104,700	289
Total Municipal court	492,513	492,513	486,673	5,840
City manager				
Salaries	332,656	332,656	273,673	58,983
Benefits	112,113	112,113	98,904	13,209
Materials and supplies	4,550	5,650	5,606	44
Outside services	73,540	72,440	62,100	10,340
Capital outlay	-	31,862	31,861	1
Total City manager	522,859	554,721	472,144	82,577
Legal				
Salaries	406,435	406,435	368,052	38,383
Benefits	112,448	112,448	106,316	6,132
Materials and supplies	4,500	4,500	4,489	11
Outside services	55,119	55,119	53,394	1,725
Total Legal	578,502	578,502	532,251	46,251

(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, 2016

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Planning</b>				
Salaries	1,065,037	1,065,037	955,317	109,720
Benefits	368,774	355,311	329,222	26,089
Materials and supplies	52,950	61,281	61,280	1
Outside services	264,770	1,324,862	1,324,402	460
Capital outlay	8,500	8,540	8,538	2
<b>Total Planning</b>	<b>1,760,031</b>	<b>2,815,031</b>	<b>2,678,759</b>	<b>136,272</b>
<b>Finance</b>				
Salaries	1,486,255	1,438,405	1,384,318	54,087
Benefits	486,760	486,760	495,339	(8,579)
Materials and supplies	180,140	180,140	175,538	4,602
Outside services	593,470	628,570	628,548	22
Capital outlay	-	12,750	12,740	10
<b>Total Finance</b>	<b>2,746,625</b>	<b>2,746,625</b>	<b>2,696,483</b>	<b>50,142</b>
<b>Other - unclassified</b>				
Benefits	500	500	421	79
Materials and supplies	-	-	-	-
Outside services	1,002,203	1,038,291	888,004	150,287
Capital outlay	151,600	160,600	156,695	3,905
<b>Total Other - unclassified</b>	<b>1,154,303</b>	<b>1,199,391</b>	<b>1,045,120</b>	<b>154,271</b>
<b>Total general government</b>	<b>7,694,901</b>	<b>8,826,851</b>	<b>8,265,274</b>	<b>561,577</b>
<b>Public safety:</b>				
<b>Police</b>				
Salaries	8,578,576	8,609,057	8,060,961	548,096
Benefits	3,868,251	3,868,853	3,773,957	94,896
Materials and supplies	383,918	416,582	350,195	66,387
Outside services	1,966,821	1,988,368	1,954,697	33,671
Capital outlay	-	27,795	27,795	-
<b>Total Police</b>	<b>14,797,566</b>	<b>14,910,655</b>	<b>14,167,605</b>	<b>743,050</b>
<b>Fire</b>				
Salaries	7,867,921	7,857,721	7,452,433	405,288
Benefits	4,274,874	4,276,375	4,326,020	(49,645)
Materials and supplies	131,635	163,635	114,288	49,347
Outside services	330,740	332,825	311,548	21,277
<b>Total Fire</b>	<b>12,605,170</b>	<b>12,630,556</b>	<b>12,204,289</b>	<b>426,267</b>
<b>Total public safety</b>	<b>27,402,736</b>	<b>27,541,211</b>	<b>26,371,894</b>	<b>1,169,317</b>
<b>Highway and streets</b>				
Salaries	3,939,229	3,939,229	3,472,692	466,537
Benefits	1,321,411	1,321,411	1,229,975	91,436
Materials and supplies	364,580	364,580	191,836	172,744
Outside services	806,699	806,699	711,477	95,222
Capital outlay	290,000	1,866,211	1,850,000	16,211
<b>Total Highway and streets</b>	<b>6,721,919</b>	<b>8,298,130</b>	<b>7,455,980</b>	<b>842,150</b>
<b>Parks and recreation</b>				
Salaries	3,135,580	3,110,920	2,909,400	201,520
Benefits	861,400	861,400	831,053	30,347
Materials and supplies	474,385	474,585	435,179	39,406
Outside services	874,869	874,869	838,555	36,314
Capital outlay	83,750	159,881	141,073	18,808
<b>Total Parks and recreation</b>	<b>5,429,984</b>	<b>5,481,655</b>	<b>5,155,260</b>	<b>326,395</b>

(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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Health and welfare				
Salaries	1,952,818	1,959,355	1,861,714	97,641
Benefits	641,233	668,011	675,233	(7,222)
Materials and supplies	115,929	265,387	183,796	81,591
Outside services	980,902	1,146,426	985,608	160,818
Total Health and welfare	3,690,882	4,039,179	3,706,351	332,828
Total expenditures	50,940,422	54,187,026	50,954,759	3,232,267
Revenues over (under) expenditures	(3,374,133)	(4,619,453)	56,986	4,676,439
<b>Other financing sources (uses)</b>				
Transfers in	5,771,141	5,711,585	5,548,733	(162,852)
Transfers out	(3,146,390)	(3,758,616)	(3,694,707)	63,909
Capital lease	-	-	118,304	118,304
Sale of capital assets	-	-	41,055	41,055
Total other financing sources	2,624,751	1,952,969	2,013,385	60,416
Net change in fund balances, net	(749,382)	(2,666,484)	2,070,371	4,736,855
Fund balances, beginning of year	16,259,363	16,259,363	16,259,363	-
Fund balances - ending	\$ 15,509,981	\$ 13,592,879	\$ 18,329,734	\$ 4,736,855

(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, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
<b>Revenues</b>				
Taxes:				
Property	\$ 3,364,953	\$ 3,364,953	\$ 3,004,128	\$ (360,825)
Sales	5,198,346	5,198,346	4,688,185	(510,161)
Charges for services	500	500	-	(500)
Investment earnings	1,045	1,045	505,343	504,298
Other	1,783,831	1,783,831	961,531	(822,300)
Total revenues	<u>10,348,675</u>	<u>10,348,675</u>	<u>9,159,187</u>	<u>(1,189,488)</u>
<b>Expenditures</b>				
General government				
Benefits	-	-	260	(260)
Outside services	8,061,633	8,061,633	7,947,302	114,331
Total General government	<u>8,061,633</u>	<u>8,061,633</u>	<u>7,947,562</u>	<u>114,071</u>
Revenues over (under) expenditures	<u>2,287,042</u>	<u>2,287,042</u>	<u>1,211,625</u>	<u>(1,075,417)</u>
<b>Other financing sources (uses)</b>				
Transfers in	6,000	6,000	1,208	(4,792)
Sale of capital assets	-	-	-	-
Total other financing sources	<u>6,000</u>	<u>6,000</u>	<u>1,208</u>	<u>(4,792)</u>
Net change in fund balances	2,293,042	2,293,042	1,212,833	(1,080,209)
Fund balances - beginning	12,900,971	12,900,971	12,900,971	-
Fund balances - ending	<u>\$ 15,194,013</u>	<u>\$ 15,194,013</u>	<u>\$ 14,113,804</u>	<u>\$ (1,080,209)</u>

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

## CITY OF ST. JOSEPH, MISSOURI

### REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2016

#### 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, 2016**

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 the 2016 Use Tax Resurfacing program contract with Herzog, the Civic Arena HVAC replacement project, the Illinois Avenue Reconstruction project, a barge positioning winch system for the local port, a driving simulator and graphics for the trailer, the roof replacement of the Patee Market Health Center, the rollforward of various health grants and several new grants received by the Health Department, upgrades to the city government access channel, renovations of the bathroom at the Senior Center, repairing basketball goals at Bode Sports Complex, a donation from Friends of the Park to the Remington Nature Center, sales of surplus vehicles, Youth Alliance compliance programs and concrete replacement on Wayne Drive. The Special Revenue budget increase is from a grant from Habitat for Humanity for the Affordable Housing Project and the Downtown Commercial Façade improvements in the Community Development Fund, additional work on a project not reimbursed by FEMA and storm damage repair in the Street Maintenance Fund, sale of a surplus vehicle in the Public Safety Fund, and renovations to Phil Welch Stadium in the Parks Maintenance Fund. The Capital Projects increase to the budget is due to levee construction and improvements to 9<sup>th</sup> and Felix streets parking garage. The increase in the Enterprise Funds is for the Blacksnake Creek Stormwater Separation project in the Sewer Fund and the runway, taxi lane, apron and parking lot at Rosecrans in the Aviation Fund.

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2016**

<b>2016 Budget</b>			
<b>Fund Type</b>	<b>Original Appropriation</b>	<b>Amended Appropriation</b>	<b>Increase</b>
General	\$ 54,086,812	\$ 57,945,642	\$ 3,858,830
Special Revenue	24,009,586	25,354,947	1,345,361
Capital	6,536,532	8,384,657	1,848,125
Enterprise	55,654,312	62,156,615	6,502,303
<b>Total</b>	<b>\$ 140,287,242</b>	<b>\$ 153,841,861</b>	<b>\$ 13,554,619</b>

**B. Budget/GAAP Reconciliation**

The following schedule reconciles the amounts on the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual to the amounts on the Statement of Revenues, Expenses and Changes in Fund Balances for the year ended June 30, 2016:

	<b>General Fund</b>	<b>Special Allocation Fund</b>
Ending Fund Balance on budgetary basis	\$ 18,329,734	\$ 14,113,804
Encumbrances outstanding June 30,2016	1,353,802	-
Prior Year Encumbrances Expended in FY 2016	(237,914)	-
Accrued payroll	1,057,577	-
Capital Lease Proceeds	(118,304)	-
Ending Fund Balance on GAAP basis	\$ 20,384,895	\$ 14,113,804

The following expense categories exceeded their amended budgets:

<b>Fund</b>	<b>Department</b>	<b>Description</b>	<b>Amount</b>
Special Allocation	General	Benefits	\$ 260
General	Finance	Benefits	8,579
General	Fire	Benefits	49,645
General	Health & Welfare	Benefits	7,222
			<u>\$ 65,706</u>

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

	<b>Lagers 2016</b>	<b>Lagers 2015</b>
<b>Total Pension Liability</b>		
Service costs	\$ 2,170,373	\$ 2,078,186
Interest on total pension liability	7,933,932	7,430,849
Difference between expected and actual experience of the total pension liability	(2,477,760)	2,236,768
Changes of assumptions	4,108,168	-
Benefit payments and refunds	(5,273,443)	(4,445,097)
Net change in total pension liability	6,461,270	7,300,706
Total pension liability - beginning of year	110,957,928	103,657,222
Total pension liability - end of year (a)	<u>\$ 117,419,198</u>	<u>\$ 110,957,928</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 3,271,854	\$ 3,702,055
Contributions - employee	-	-
Net investment income	(244,948)	2,147,370
Benefit payments and refunds	(5,273,443)	(4,445,097)
Administrative expenses	(82,937)	(89,754)
Other (net transfer)	1,033,621	773,382
Net change in plan fiduciary net position	(1,295,853)	2,087,956
Plan fiduciary net position - beginning of year	112,127,818	110,039,862
Plan fiduciary net position - end of year (b)	<u>\$ 110,831,965</u>	<u>\$ 112,127,818</u>
Net pension liability/(asset) (a) - (b)	<u>\$ 6,587,233</u>	<u>\$ (1,169,890)</u>
Plan net position as a percentage of the total pension liability	94.39%	101.05%
Covered employee payroll	\$ 23,293,962	\$ 23,303,716
Net pension liability/(asset) as a percentage of covered payroll	28.28%	-5.02%

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

	<b>Police 2016</b>	<b>Police 2015</b>
<b>Total Pension Liability</b>		
Service costs	\$ 1,541,534	\$ 884,293
Interest on total pension liability	5,619,009	3,180,140
Difference between expected and actual experience of the total pension liability	(2,356,440)	2,171,488
Changes of assumptions	2,347,868	
Benefit payments and refunds	(2,437,913)	(2,269,912)
Net change in total pension liability	4,714,058	3,966,009
Total pension liability - beginning of year	46,599,916	42,633,907
Total pension liability - end of year (a)	<u>\$ 51,313,974</u>	<u>\$ 46,599,916</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 1,688,681	\$ 1,625,738
Contributions - employee	255,516	243,701
Net investment income	(1,624,901)	880,708
Benefit payments and refunds	(2,437,913)	(2,269,912)
Administrative expenses	(74,716)	(71,613)
Net change in plan fiduciary net position	(2,193,333)	408,622
Plan fiduciary net position - beginning of year	37,380,857	36,972,235
Plan fiduciary net position - end of year (b)	<u>\$ 35,187,524</u>	<u>\$ 37,380,857</u>
Net pension liability/(asset) (a) - (b)	<u>\$ 16,126,450</u>	<u>\$ 9,219,059</u>
Plan net position as a percentage of the total pension liability	68.57%	80.22%
Covered employee payroll	\$ 6,588,958	\$ 6,087,055
Net pension liability/(asset) as a percentage of covered payroll	244.75%	151.45%

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

**LAGERS (General and Fire)**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contribution in Relation</b>	<b>Contribution Deficiency</b>	<b>Covered Employee Payroll</b>	<b>Contribution as Percentage</b>
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%
2016	3,269,826	3,269,826	-	24,292,810	13.46%

**Police Pension**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contribution in Relation</b>	<b>Contribution Deficiency</b>	<b>Covered Employee Payroll</b>	<b>Contribution as Percentage</b>
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%
2016	1,688,681	1,688,681	-	6,588,958	25.63%

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

Notes to Schedule of Contributions

**Lagers**

**Valuation Date** February 29, 2016

**Notes:** The roll-forward of total pension liability from February 29, 2016 to June 30, 2016 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 and Modified Terminal Funding

**Amortization method** Level percentage of payroll, closed

**Remaining amortization period** Multiple bases from 13 to 15 years

**Asset valuation method** 5-year smoothed market; 20% corridor

**Inflation assumption** 3.25% wage inflation; 2.50% price inflation

**Salary increases** 3.25% to 6.55% including wage inflation (General)  
3.25% to 7.15% 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**

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

**Other Information**

New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015

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

Notes to Schedule of Contributions

**Police Pension**

**Valuation Date** January 1, 2016

**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:**

<b>Actuarial cost method</b>	Individual Entry Age
<b>Amortization method</b>	Level percentage of payroll, open
<b>Remaining amortization period</b>	20 years
<b>Asset valuation method</b>	Market Value
<b>Inflation assumption</b>	2.5%
<b>Salary increases</b>	4%
<b>Investment rate of return</b>	7.5%, net of investment and administrative expenses
<b>Mortality – healthy lives</b>	RP-2015 Blue Collar with generational improvements (formerly RP-2000)
<b>Mortality – disabled lives</b>	RP-2015 Disabled with generational improvements (formerly RP-2000 set forward 10 years)
<b>Termination of employment</b>	Rate of turnover from 0.75% to 5.00% based on age
<b>Disablement</b>	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**

<b>Fiscal year ended</b>	<b>Actuarial valuation date</b>	<b>(a) Actuarial value of assets</b>	<b>(b) actuarial accrued liability</b>	<b>(b) - (a) Unfunded accrued liability (UAL)</b>	<b>(a)/(b) Funded ratio</b>	<b>(c) Annual covered payroll</b>	<b>(b)-(a)/(c) UAL as a percentage of covered payroll</b>
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%
6/30/2016	7/1/2015	-	3,150,634	3,150,634	0%	29,952,461	11%

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 JUNE 30, 2016

	Special Revenue								Total Nonmajor Governmental Funds
	Streets Maintenance	Parks Maintenance	Public Safety Tax	Community Development	Riverboat Gaming	Municipal Museum	C.D.Rehab Loan	Home Revolving Loan	
<b>Assets</b>									
Cash and investments	\$ 1,741,468	\$ 636,771	\$ 2,650,315	\$ 182,566	\$ 439,503	\$ 295,275	\$ 1,320,344	\$ 207,357	\$ 7,473,599
Receivables	377,535	44,049	898,365	-	173,991	30,603	-	-	1,524,543
Loan receivables	-	-	-	-	-	-	929,810	1,688,578	2,618,388
Property held for resale	-	-	-	192,522	-	-	-	-	192,522
Due from other governments	-	-	-	658,282	-	-	-	-	658,282
Prepaid items	-	52,333	-	2,757	1,202	2,726	-	-	59,018
Total assets	<u>\$ 2,119,003</u>	<u>\$ 733,153</u>	<u>\$ 3,548,680</u>	<u>\$ 1,036,127</u>	<u>\$ 614,696</u>	<u>\$ 328,604</u>	<u>\$ 2,250,154</u>	<u>\$ 1,895,935</u>	<u>\$ 12,526,352</u>
<b>Liabilities, Deferred Inflows and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 690,867	\$ 158,323	\$ 101,709	\$ 184,923	\$ 174,447	\$ 208	\$ 7,438	\$ 14,943	\$ 1,332,858
Due to other funds	-	-	-	173,282	-	-	-	-	173,282
Accrued payroll	-	-	9,125	4,590	-	-	-	-	13,715
Total liabilities	<u>690,867</u>	<u>158,323</u>	<u>110,834</u>	<u>362,795</u>	<u>174,447</u>	<u>208</u>	<u>7,438</u>	<u>14,943</u>	<u>1,519,855</u>
<b>Deferred Inflows of Resources:</b>									
Unavailable revenues-property taxes	-	31,061	-	-	-	22,895	-	-	53,956
Unavailable revenues-other	-	-	-	405,558	-	-	-	-	405,558
Total deferred inflows of resources	<u>-</u>	<u>31,061</u>	<u>-</u>	<u>405,558</u>	<u>-</u>	<u>22,895</u>	<u>-</u>	<u>-</u>	<u>459,514</u>
<b>Fund balances:</b>									
Nonspendable:									
Restricted	-	52,333	-	2,757	1,202	2,726	-	-	59,018
Total fund balances	<u>1,428,136</u>	<u>491,436</u>	<u>3,437,846</u>	<u>265,017</u>	<u>439,047</u>	<u>302,775</u>	<u>2,242,716</u>	<u>1,880,992</u>	<u>10,487,965</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,119,003</u>	<u>\$ 733,153</u>	<u>\$ 3,548,680</u>	<u>\$ 1,036,127</u>	<u>\$ 614,696</u>	<u>\$ 328,604</u>	<u>\$ 2,250,154</u>	<u>\$ 1,895,935</u>	<u>\$ 12,526,352</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, 2016

	Special Revenue							Total Nonmajor Governmental Funds	
	Streets Maintenance	Parks Maintenance	Public Safety Tax	Community Development	Riverboat Gaming	Municipal Museum	C.D.Rehab Loan		Home Revolving Loan
<b>Revenues</b>									
Taxes:									
Property	\$ -	\$ 728,577	\$ -	\$ -	\$ -	\$ 540,795	\$ -	\$ -	1,269,372
Sales	-	-	6,089,924	-	-	-	-	-	6,089,924
Motor Fuel	2,758,385	-	-	-	-	-	-	-	2,758,385
Licenses and permits	-	97,376	-	-	-	-	-	-	97,376
Intergovernmental	138,786	85,249	-	1,385,705	-	-	-	-	1,609,740
Charges for services	137,512	34,923	-	-	993,014	-	-	-	1,165,449
Special assessments	5,942	-	-	16,636	-	-	-	-	22,578
Investment earnings	3,215	1,076	6,498	117	942	527	26,063	22,973	61,411
Other	7,230	3,591	16,980	163,496	-	-	11,283	13,754	216,334
Total revenues	3,051,070	950,792	6,113,402	1,565,954	993,956	541,322	37,346	36,727	13,290,569
<b>Expenditures</b>									
Current:									
General government	-	-	-	152,325	850,785	390,375	-	-	1,393,485
Public safety	-	-	1,071,312	-	-	-	-	-	1,071,312
Highway and streets	3,232,021	-	-	-	-	-	-	-	3,232,021
Public works	-	-	-	307,912	-	-	-	-	307,912
Health and welfare	-	-	-	1,246,495	-	-	-	-	1,246,495
Parks and recreation	-	954,616	-	-	-	-	-	-	954,616
Capital outlay	2,828,547	143,447	1,448,310	-	60,866	-	-	-	4,481,170
Total expenditures	6,060,568	1,098,063	2,519,622	1,706,732	911,651	390,375	-	-	12,687,011
Excess (deficiency) of revenues over (under) expenditures	(3,009,498)	(147,271)	3,593,780	(140,778)	82,305	150,947	37,346	36,727	603,558
<b>Other financing sources (uses)</b>									
Transfers in	2,426,039	462,990	-	99,674	-	-	-	-	2,988,703
Transfers out	-	-	(2,733,826)	(146,125)	(142,708)	(58,156)	-	(99,674)	(3,180,489)
Sale of capital assets	29,653	7,200	-	-	-	-	-	-	36,853
Total other financing sources (uses),net	2,455,692	470,190	(2,733,826)	(46,451)	(142,708)	(58,156)	-	(99,674)	(154,933)
Net change in fund balances	(553,806)	322,919	859,954	(187,229)	(60,403)	92,791	37,346	(62,947)	448,625
Fund balances - beginning	1,981,942	220,850	2,577,892	455,003	500,652	212,710	2,205,370	1,943,939	10,098,358
Fund balances - ending	\$ 1,428,136	\$ 543,769	\$ 3,437,846	\$ 267,774	\$ 440,249	\$ 305,501	\$ 2,242,716	\$ 1,880,992	\$ 10,546,983

**CITY OF ST. JOSEPH, MISSOURI**  
**STREETS MAINTENANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Motor Fuel	\$ 2,650,893	\$ 2,758,393	\$ 2,758,385	\$ (8)
Intergovernmental	-	138,800	138,786	(14)
Charges for services	200,000	200,000	137,512	(62,488)
Special assessments	6,500	6,500	5,942	(558)
Investment earnings	450	450	3,215	2,765
Other	-	29,700	36,883	7,183
Total revenues	<u>2,857,843</u>	<u>3,133,843</u>	<u>3,080,723</u>	<u>(53,120)</u>
<b>Expenditures</b>				
Highways and streets				
Materials and supplies	1,269,750	1,308,850	1,308,819	31
Outside services	1,906,500	2,057,000	2,056,981	19
Capital outlay	2,135,900	2,287,900	2,287,774	126
Total Highways and streets	<u>5,312,150</u>	<u>5,653,750</u>	<u>5,653,574</u>	<u>176</u>
Revenues over (under) expenditures	<u>(2,454,307)</u>	<u>(2,519,907)</u>	<u>(2,572,851)</u>	<u>(52,944)</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,454,400	2,454,400	2,426,039	(28,361)
Total other financing sources	<u>2,454,400</u>	<u>2,454,400</u>	<u>2,426,039</u>	<u>(28,361)</u>
Net change in fund balances	93	(65,507)	(146,812)	(81,305)
Fund balances, beginning of year	1,981,942	1,981,942	1,981,942	-
Fund balances - ending	<u>\$ 1,982,035</u>	<u>\$ 1,916,435</u>	<u>\$ 1,835,130</u>	<u>\$ (81,305)</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**PARKS MAINTENANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Property	\$ 683,900	\$ 683,900	\$ 728,577	\$ 44,677
Licenses and permits	96,000	96,000	97,376	1,376
Intergovernmental	70,000	70,000	85,249	15,249
Charges for services	25,000	25,000	34,923	9,923
Investment earnings	-	-	1,076	1,076
Other	-	-	10,791	10,791
Total revenues	<u>874,900</u>	<u>874,900</u>	<u>957,992</u>	<u>83,092</u>
<b>Expenditures</b>				
Parks and recreation				
Materials and supplies	206,650	206,650	153,573	53,077
Outside services	946,240	946,240	822,242	123,998
Capital outlay	240,000	246,392	200,341	46,051
Total Parks and recreation	<u>1,392,890</u>	<u>1,399,282</u>	<u>1,176,156</u>	<u>223,126</u>
Revenues over (under) expenditures	<u>(517,990)</u>	<u>(524,382)</u>	<u>(218,164)</u>	<u>306,218</u>
<b>Other financing sources (uses)</b>				
Transfers in	462,990	462,990	462,990	-
Total other financing sources	<u>462,990</u>	<u>462,990</u>	<u>462,990</u>	<u>-</u>
Net change in fund balances	(55,000)	(61,392)	244,826	306,218
Fund balances, beginning of year	220,850	220,850	220,850	-
Fund balances - ending	<u>\$ 165,850</u>	<u>\$ 159,458</u>	<u>\$ 465,676</u>	<u>\$ 306,218</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**PUBLIC SAFETY TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Sales	\$ 6,314,000	\$ 6,314,000	\$ 6,089,924	(224,076)
Investment earnings	-	-	6,498	6,498
Contributions and donations	-	24,055	16,980	(7,075)
Total revenues	6,314,000	6,338,055	6,113,402	(224,653)
<b>Expenditures</b>				
Public Safety				
Police				
Salaries	597,216	597,216	539,594	57,622
Benefits	318,325	318,325	291,579	26,746
Materials and supplies	154,152	151,562	149,577	1,985
Outside services	81,533	83,293	76,958	6,335
Capital outlay	719,319	737,129	737,103	26
Total Police	1,870,545	1,887,525	1,794,811	92,714
Fire				
Materials and supplies	67,100	72,019	49,475	22,544
Outside services	-	430	429	1
Capital outlay	804,181	805,907	782,994	22,913
Total Fire	871,281	878,356	832,898	45,458
Total public safety	2,741,826	2,765,881	2,627,709	138,172
Health and welfare				
Total Health and welfare	-	-	-	-
Total expenditures	2,741,826	2,765,881	2,627,709	138,172
Revenues over (under) expenditures	3,572,174	3,572,174	3,485,693	(86,481)
<b>Other financing sources (uses)</b>				
Transfers out	(2,733,826)	(2,733,826)	(2,733,826)	-
Total other financing sources	(2,733,826)	(2,733,826)	(2,733,826)	-
Net change in fund balances	838,348	838,348	751,867	(86,481)
Fund balances - beginning	2,577,892	2,577,892	2,577,892	-
Fund balances - ending	\$ 3,416,240	\$ 3,416,240	\$ 3,329,759	\$ (86,481)

**CITY OF ST. JOSEPH, MISSOURI**  
**COMMUNITY DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Intergovernmental	\$ 2,215,516	\$ 2,547,449	\$ 1,385,705	\$ (1,161,744)
Special assessments	15,000	15,000	16,636	1,636
Investment earnings	1,000	1,000	117	(883)
Other	-	-	163,496	163,496
Total revenues	<u>2,231,516</u>	<u>2,563,449</u>	<u>1,565,954</u>	<u>(997,495)</u>
<b>Expenditures</b>				
General government				
Salaries	126,800	126,800	106,904	19,896
Benefits	41,121	41,121	34,860	6,261
Materials and supplies	2,800	2,800	23	2,777
Outside services	17,536	735,264	731,062	4,202
Total General government	<u>188,257</u>	<u>905,985</u>	<u>872,849</u>	<u>33,136</u>
Health and welfare				
Salaries	157,603	157,603	169,539	(11,936)
Benefits	67,856	67,856	59,625	8,231
Materials and supplies	3,917	3,917	1,160	2,757
Outside services	1,277,582	1,508,772	1,160,071	348,701
Total Health and welfare	<u>1,506,958</u>	<u>1,738,148</u>	<u>1,390,395</u>	<u>347,753</u>
Public works				
Salaries	105,521	105,521	107,532	(2,011)
Benefits	45,788	45,788	37,221	8,567
Materials and supplies	3,555	3,555	1,525	2,030
Outside services	177,374	216,326	135,103	81,223
Total Public works	<u>332,238</u>	<u>371,190</u>	<u>281,381</u>	<u>89,809</u>
Total expenditures	<u>2,027,453</u>	<u>3,015,323</u>	<u>2,544,625</u>	<u>470,698</u>
Revenues over (under) expenditures	<u>204,063</u>	<u>(451,874)</u>	<u>(978,671)</u>	<u>(526,797)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	99,674	99,674
Transfers out	(205,681)	(146,125)	(146,125)	-
Total other financing sources	<u>(205,681)</u>	<u>(146,125)</u>	<u>(46,451)</u>	<u>99,674</u>
Net change in fund balances	(1,618)	(597,999)	(1,025,122)	(427,123)
Fund balances - beginning	455,003	455,003	455,003	-
Fund balances - ending	<u>\$ 453,385</u>	<u>\$ (142,996)</u>	<u>\$ (570,119)</u>	<u>\$ (427,123)</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**RIVERBOAT GAMING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

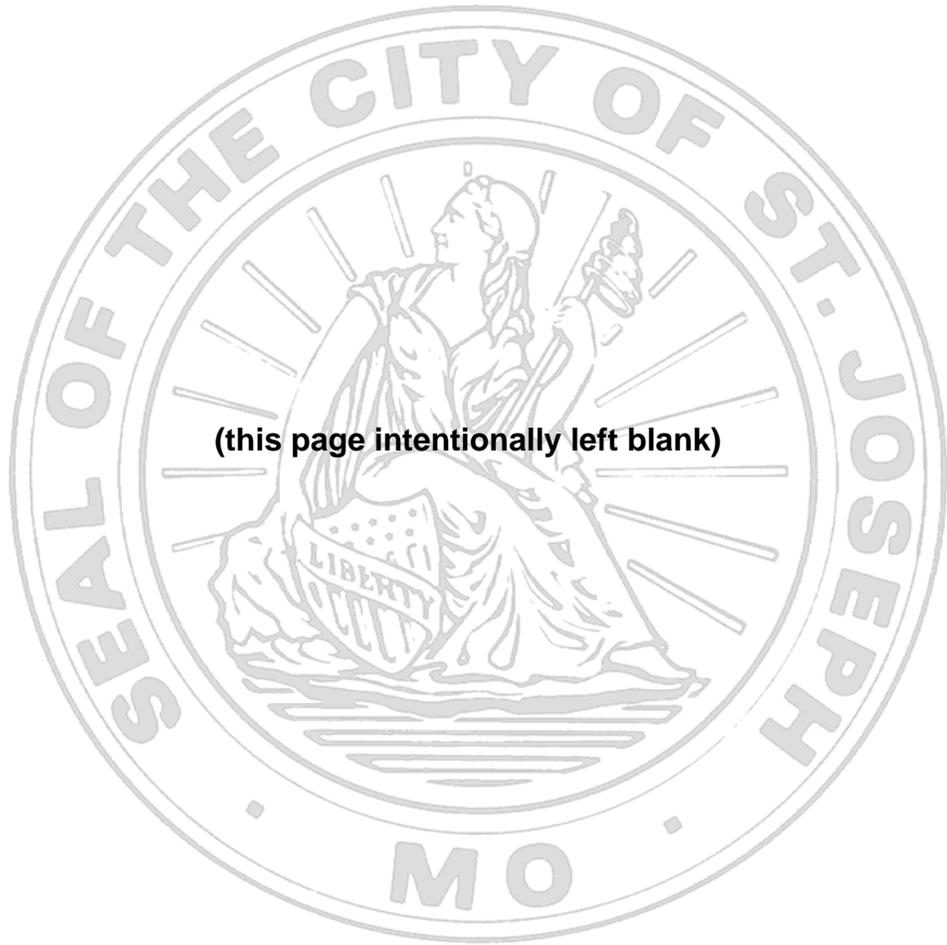
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
<b>Revenues</b>				
Charges for services	1,009,695	1,009,695	993,014	(16,681)
Investment earnings	200	200	942	742
Total revenues	1,009,895	1,009,895	993,956	(15,939)
<b>Expenditures</b>				
General government				
Materials and supplies	9,300	14,100	18,817	(4,717)
Outside services	824,660	827,160	752,638	74,522
Capital outlay	62,000	54,700	44,387	10,313
Total General government	895,960	895,960	815,842	80,118
Revenues over (under) expenditures	113,935	113,935	178,114	64,179
<b>Other financing sources (uses)</b>				
Transfers out	(147,500)	(147,500)	(142,708)	4,792
Total other financing sources	(147,500)	(147,500)	(142,708)	4,792
Net change in fund balances	(33,565)	(33,565)	35,406	68,971
Fund balances - beginning	500,652	500,652	500,652	-
Fund balances - ending	\$ 467,087	\$ 467,087	\$ 536,058	\$ 68,971

**CITY OF ST. JOSEPH, MISSOURI**  
**MUNICIPAL MUSEUM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Property	\$ 544,220	\$ 544,220	\$ 540,795	\$ (3,425)
Investment earnings	670	670	527	(143)
Total revenues	<u>544,890</u>	<u>544,890</u>	<u>541,322</u>	<u>(3,568)</u>
<b>Expenditures</b>				
General government				
Outside services	357,510	402,510	390,375	12,135
Capital outlay	75,000	75,000	-	75,000
Total General government	<u>432,510</u>	<u>477,510</u>	<u>390,375</u>	<u>87,135</u>
Revenues over (under) expenditures	<u>112,380</u>	<u>67,380</u>	<u>150,947</u>	<u>83,567</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(58,156)	(58,156)	(58,156)	-
Capital lease	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources	<u>(58,156)</u>	<u>(58,156)</u>	<u>(58,156)</u>	<u>-</u>
Net change in fund balances	54,224	9,224	92,791	83,567
Fund balances - beginning	212,710	212,710	212,710	-
Fund balances - ending	<u>\$ 266,934</u>	<u>\$ 221,934</u>	<u>\$ 305,501</u>	<u>\$ 83,567</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Sales	\$ 6,314,000	\$ 6,314,000	\$ 5,906,522	\$ (407,478)
Intergovernmental	549,500	549,500	1,868,143	1,318,643
Investment earnings	20,000	20,000	30,433	10,433
Other	-	-	428,368	428,368
Total revenues	6,883,500	6,883,500	8,233,466	1,349,966
<b>Expenditures</b>				
Capital outlay				
Outside services	967,500	472,500	259,287	213,213
Capital outlay	5,534,032	7,877,157	7,877,109	48
Total Capital outlay	6,501,532	8,349,657	8,136,396	213,261
Revenues over (under) expenditures	381,968	(1,466,157)	97,070	1,563,227
<b>Other financing sources (uses)</b>				
Transfers in	350,000	1,037,566	1,002,018	(35,548)
Transfers out	(35,000)	(35,000)	(33,395)	1,605
Total other financing sources	315,000	1,002,566	968,623	(33,943)
Net change in fund balances	696,968	(463,591)	1,065,693	1,529,284
Fund balances, beginning of year	17,150,282	17,150,282	17,150,282	-
Fund balances - ending	\$ 17,847,250	\$ 16,686,691	\$ 18,215,975	\$ 1,529,284



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**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2016**

Business-type Activities - Enterprise Funds

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 10,062	\$ 5,804	\$ 60,418	\$ 7,524,164	\$ 7,600,448
Interest receivable	14	8	86	10,671	10,779
Accounts receivable (net of allowance for uncollectibles)	1,294,521	1,481	2,987	263,858	1,562,847
Due from other governments	1,106,343.00	-	-	-	1,106,343.00
Prepaid items	8,538	5,891	2,316	10,392	27,137
Total current assets	2,419,478	13,184	65,807	7,809,085	10,307,554
Noncurrent assets:					
Net Pension Asset	130,181	79,377	99,722	420,551	729,831
Capital assets:					
Capital assets, not being depreciated:	7,990,934	1,550,998	110,000	2,248,655	11,900,587
Capital assets net of accumulated depreciation:	12,066,925	1,028,246	1,288,695	1,128,135	15,512,001
Total capital assets (net of accumulated depreciation)	20,057,859	2,579,244	1,398,695	3,376,790	27,412,588
Total noncurrent assets	20,188,040	2,658,621	1,498,417	3,797,341	28,142,419
Total assets	22,607,518	2,671,805	1,564,224	11,606,426	38,449,973
<b>Deferred Outflows of Resources</b>					
Deferred outflow due to pension	125,601	76,584	96,213	405,753	704,151
Total Deferred Outflows of Resources	125,601	76,584	96,213	405,753	704,151
<b>Liabilities and Net Position</b>					
Current liabilities:					
Accounts payable	1,649,011	10,557	46,259	80,579	1,786,406
Due to other funds	1,044,013	12,179	-	-	1,056,192
Accrued payroll	3,486	2,187	4,515	10,050	20,238
Accrued interest payable	-	-	37	-	37
Long-term obligations due in one year	12,932	9,388	54,695	61,722	138,737
Landfill closure and postclosure liability	-	-	-	73,500	73,500
Total current liabilities	2,709,442	34,311	105,506	225,851	3,075,110
Noncurrent liabilities:					
Long-term obligations due in more than one year (net of unamortized discounts and premiums)	12,552	7,113	138,178	37,227	195,070
Landfill closure and postclosure liability	-	-	-	5,509,493	5,509,493
Total noncurrent liabilities	12,552	7,113	138,178	5,546,720	5,704,563
Total liabilities	2,721,994	41,424	243,684	5,772,571	8,779,673
<b>Deferred Inflows of Resources</b>					
Deferred inflow due to pension liabilities	9,987	6,089	7,650	32,262	55,988
Total Deferred Inflows of Resources	9,987	6,089	7,650	32,262	55,988
<b>Net Position</b>					
Net Investment in capital assets	18,428,394	2,579,244	1,242,507	3,376,790	25,626,935
Restricted for debt service	-	-	-	-	-
Unrestricted (deficit)	1,572,744	121,632	166,596	2,830,556	4,691,528
Total net position	\$ 20,001,138	\$ 2,700,876	\$ 1,409,103	\$ 6,207,346	\$ 30,318,463

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for services	\$ 406,945	\$ 295,303	\$ 784,033	\$ 3,691,472	\$ 5,177,753
Other	47,810	52	21,048	22,615	91,525
Total operating revenues	454,755	295,355	805,081	3,714,087	5,269,278
Operating expenses:					
Personal services	350,611	213,348	414,576	1,122,212	2,100,747
Contractual services	260,610	20,301	38,137	382,858	701,906
Commodities	26,041	8,010	199,764	294,630	528,445
Heat, light and power	36,697	31,023	85,437	10,722	163,879
Depreciation	627,754	68,515	121,879	394,919	1,213,067
Closure and postclosure care costs	-	-	-	23,276	23,276
Total operating expenses	1,301,713	341,197	859,793	2,228,617	4,731,320
Operating income (loss)	(846,958)	(45,842)	(54,712)	1,485,470	537,958
Nonoperating revenues (expenses):					
Investment income	(299)	-	(36)	29,938	29,603
Interest and fiscal charges	-	-	(55,356)	-	(55,356)
Gain (loss) on sale of capital assets	-	-	-	10,000	10,000
Total nonoperating revenues (expenses), net	(299)	-	(55,392)	39,938	(15,753)
Income (loss) before capital contributions and transfers	(847,257)	(45,842)	(110,104)	1,525,408	522,205
Capital contributions and grants	5,139,429	-	-	-	5,139,429
Transfers in	156,685	6,500	124,660	-	287,845
Transfers out	(6,365)	(57,690)	(25,595)	(1,021,610)	(1,111,260)
Change in net position	4,442,492	(97,032)	(11,039)	503,798	4,838,219
Total net position - beginning	15,558,646	2,797,908	1,420,142	5,703,548	25,480,244
Total net position - ending	\$ 20,001,138	\$ 2,700,876	\$ 1,409,103	\$ 6,207,346	\$ 30,318,463

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 317,391	\$ 295,141	\$ 790,819	\$ 3,820,249	\$ 5,223,600
Payments to suppliers	(472,806)	(55,205)	(314,556)	(731,205)	(1,573,772)
Payments to employees	(387,483)	(237,370)	(427,119)	(1,142,715)	(2,194,687)
Other operating revenues	47,810	52	21,048	22,615	91,525
Net cash provided (used) by operating activities	(495,088)	2,618	70,192	1,968,944	1,546,666
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund advances	1,044,013	12,179	-	-	1,056,192
Transfers in	156,685	6,500	124,660	-	287,845
Transfers out	(6,365)	(57,690)	(25,595)	(1,021,610)	(1,111,260)
Net cash provided (used) by noncapital financing activities	1,194,333	(39,011)	99,065	(1,021,610)	232,777
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Payments of debt principal	-	-	(43,048)	-	(43,048)
Payments of debt interest and charges	-	-	(55,500)	-	(55,500)
Capital grants received	2,963,003	-	-	-	2,963,003
Purchase of capital assets	(4,235,375)	(32,443)	(15,146)	(118,458)	(4,401,422)
Net cash provided (used) by capital and related financing activities	(1,272,372)	(32,443)	(113,694)	(118,458)	(1,536,967)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	610,053	58,804	(48,989)	-	619,868
Purchase of investments	(118,171)	-	(1,872)	(1,134,910)	(1,254,953)
Interest and dividends received	(153)	12	(135)	21,092	20,816
Net cash provided (used) by investing activities	491,729	58,816	(50,996)	(1,113,818)	(614,269)
Net increase (decrease) in cash and cash equivalents	(81,398)	(10,020)	4,567	(284,942)	(371,793)
Cash and cash equivalents - beginning	82,276	10,526	704	941,343	1,034,849
Cash and cash equivalents - ending	878	506	5,271	656,401	663,056
Investments	9,184	5,298	55,147	6,867,763	6,937,392
Total cash and investments	\$ 10,062	\$ 5,804	\$ 60,418	\$ 7,524,164	\$ 7,600,448

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (846,958)	\$ (45,842)	\$ (54,712)	\$ 1,485,470	\$ 537,958
Adjustments to reconciliation operating income (loss) to net cash provided by operating activities:					
Depreciation	627,754	68,515	121,879	394,919	1,213,067
Effect of changes in operating assets and liabilities:					-
Accounts receivable	(89,554)	(162)	6,786	128,777	45,847
Prepaid expenses	989	1,979	(318)	2,775	5,425
Net pension asset	44,163	26,864	49,541	233,124	353,692
Deferred outflows of resources	(86,889)	(52,994)	(63,070)	(260,609)	(463,562)
Accounts payable and contracts/claims payable	(150,447)	2,150	9,100	9,103	(130,094)
Accrued payroll and compensated absences	5,854	2,108	986	6,982	15,930
Landfill closure and postclosure	-	-	-	(31,597)	(31,597)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (495,088)</b>	<b>\$ 2,618</b>	<b>\$ 70,192</b>	<b>\$ 1,968,944</b>	<b>\$ 1,546,666</b>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Balance				Balance	
	June 30, 2015	Additions	Deductions		June 30, 2016	
<b>Tuscany Village CID Tax Fund</b>						
Assets:						
Cash and investments:	\$ 3,000	\$ 1	\$ 3,416		\$ (415)	
Receivables - taxes	-	1	1		-	
	<u>\$ 3,000</u>	<u>\$ 2</u>	<u>\$ 3,417</u>		<u>\$ (415)</u>	
Liabilities:						
Due to others	\$ 3,000	\$ 2	\$ 3,417		\$ (415)	
<b>2317 Belt CID Tax Fund</b>						
Assets:						
Cash and investments:	\$ 994	\$ -	\$ 905		\$ 89	
	<u>\$ 994</u>	<u>\$ -</u>	<u>\$ 905</u>		<u>\$ 89</u>	
Liabilities:						
Due to others	\$ 994	\$ -	\$ 905		\$ 89	
<b>Gateway TDD Tax Fund</b>						
Assets:						
Cash and investments:	\$ 26,930	\$ 35,260	\$ 16,016		\$ 46,174	
Receivables - taxes	2,620	38,145	35,260		5,505	
	<u>\$ 29,550</u>	<u>\$ 73,405</u>	<u>\$ 51,276</u>		<u>\$ 51,679</u>	
Liabilities:						
Due to others	\$ 29,550	\$ 73,405	\$ 51,276		\$ 51,679	
<b>Cooks Crossing CID Tax Fund</b>						
Assets:						
Cash and investments:	\$ 3,582	\$ 372,855	\$ 376,230		\$ 207	
Receivables - taxes	38,400	365,580	372,855		31,125	
	<u>\$ 41,982</u>	<u>\$ 738,435</u>	<u>\$ 749,085</u>		<u>\$ 31,332</u>	
Liabilities:						
Due to others	\$ 41,982	\$ 738,435	\$ 749,085		\$ 31,332	
<b>East Hills CID Tax Fund</b>						
Assets:						
Cash and investments:	\$ 5,686	\$ 713,907	\$ 606,943		\$ 112,650	
Receivables - taxes	51,089	705,531	713,907		42,713	
	<u>\$ 56,775</u>	<u>\$ 1,419,438</u>	<u>\$ 1,320,850</u>		<u>\$ 155,363</u>	
Liabilities:						
Due to others	\$ 56,775	\$ 1,419,438	\$ 1,320,850		\$ 155,363	
<b>Beck Road CID Tax Fund</b>						
Assets:						
Cash and investments:	\$ 4,836	\$ 5	\$ 2,472		\$ 2,369	
Receivables - taxes	-	5	5		-	
	<u>\$ 4,836</u>	<u>\$ 10</u>	<u>\$ 2,477</u>		<u>\$ 2,369</u>	
Liabilities:						
Due to others	\$ 4,836	\$ 10	\$ 2,477		\$ 2,369	
<b>Library Tax Fund</b>						
Assets:						
Cash and investments:	\$ -	\$ 268,224	\$ 268,170		\$ 54	
Receivables - taxes	167,986	274,072	268,224		173,834	
	<u>\$ 167,986</u>	<u>\$ 542,296</u>	<u>\$ 536,394</u>		<u>\$ 173,888</u>	
Liabilities:						
Due to others	\$ 167,986	\$ 542,296	\$ 536,394		\$ 173,888	
<b>All Agency Funds</b>						
Assets:						
Cash and investments	\$ 45,028	\$ 1,390,252	\$ 1,274,152		\$ 161,128	
Receivables - taxes	260,095	1,383,334	1,390,252		253,177	
	<u>\$ 305,123</u>	<u>\$ 2,773,586</u>	<u>\$ 2,664,404</u>		<u>\$ 414,305</u>	
Liabilities:						
Due to others	\$ 305,123	\$ 2,773,586	\$ 2,664,404		\$ 414,305	

# 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.

## Contents

## Tables

### **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**

These schedules contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.

**6-12**

### **Debt Capacity**

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

**13-17**

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

**18-20**

### **Operating Information**

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.

**21-22**

**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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net Investment in capital assets	\$ 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	154,553,070
Restricted	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	47,224,229
Unrestricted	(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)	(69,219,009)
Total governmental activities net position	\$ <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>	<u>132,558,290</u>
	\$									
Business-type activities										
Net Investment in capital assets	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	74,521,983
Restricted	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	19,902,679
Unrestricted	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	31,507,296
Total business-type activities net position	\$ <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>	<u>125,931,958</u>
Primary government										
Net Investment in capital assets	\$ 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	229,075,053
Restricted	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	67,126,908
Unrestricted	(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)	(37,711,713)
Total primary government net position	\$ <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>	<u>258,490,248</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	9,991,777
Public safety	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	35,484,112
Highways and streets	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	25,647,652
Public works	385,983	212,776	247,807	293,125	398,643	416,183	354,893	235,620	290,349	288,766
Health and welfare	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	4,697,365
Parks and Recreation	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	8,173,780
Interest on long-term debt	3,802,505	3,752,522	3,754,782	3,825,683	3,612,293	3,438,179	3,438,526	3,192,158	2,888,824	2,782,947
Total governmental activities expenses	<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>	<u>87,066,399</u>
Business-type activities:										
Aviation	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	1,296,177
Parking	445,675	358,222	397,508	384,058	328,919	348,149	339,368	353,047	365,141	337,849
Sewer	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	19,778,320
Golf	374,989	427,656	403,153	505,136	770,572	835,932	837,476	901,488	862,290	908,714
Transit	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	5,248,301
Landfill	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	2,211,857
Total business-type activities expenses	<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>	<u>29,781,218</u>
Total primary government expenses	<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>	<u>116,847,617</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 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	5,469,103
Public safety	496,759	543,241	583,425	642,911	665,299	680,798	821,264	936,478	737,997	715,576
Highways and streets	158,804	172,658	103,004	151,461	269,131	260,965	204,937	246,169	215,358	177,120
Public works	45,627	23,327	24,080	93,802	21,516	85,748	32,380	206,290	399,760	16,636
Health and welfare	749,166	684,720	746,525	572,275	655,605	559,092	626,570	539,526	572,768	604,724
Parks and Recreation	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	1,980,093
Operating grants and contributions	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	4,387,229
Capital grants and contributions	2,427,643	2,255,309	1,455,757	3,999,694	1,306,274	2,239,178	935,202	560,794	911,812	1,334,795
Total governmental activities program revenues	<u>16,773,643</u>	<u>17,475,217</u>	<u>15,710,544</u>	<u>18,733,222</u>	<u>16,182,065</u>	<u>17,302,716</u>	<u>14,171,911</u>	<u>13,452,175</u>	<u>14,043,859</u>	<u>14,685,276</u>
Business-type activities:										
Charges for services:										
Aviation	469,727	479,350	465,191	517,945	500,349	381,111	463,197	384,248	412,124	454,755
Parking	343,396	447,428	446,538	425,611	383,003	354,578	360,734	327,267	314,408	295,355
Sewer	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	26,037,495
Golf	379,891	369,883	394,779	532,429	705,864	783,605	820,578	802,264	789,054	805,081
Transit	158,916	284,077	327,506	298,583	357,891	394,945	350,978	343,364	385,106	319,896
Landfill	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	3,714,087
Operating grants and contributions	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	1,295,544
Capital grants and contributions	1,324,937	688,019	768,444	1,471,591	3,287,255	6,928,194	106,268	502,346	573,383	5,321,138
Total business-type activities program revenues	<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>	<u>38,243,351</u>
Total primary government program revenues	<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>	<u>52,928,627</u>
Net (expense)/revenue										
Governmental activities	(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)	(72,381,123)
Business-type activities	(147,167)	(1,964,221)	(1,818,559)	(583,458)	2,108,112	8,114,088	2,743,177	(372,490)	(1,373,481)	8,462,133
Total primary government net expense	<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>	<u>(63,918,990)</u>

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

Governmental activities:

Taxes

Property taxes	\$ 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	13,874,251
Sales and use taxes	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	36,622,113
Franchise taxes	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	6,186,237
Motor fuel taxes	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	3,748,983
Cigarette taxes	453,013	451,815	441,029	418,473	439,289	438,673	422,366	395,181	386,003	375,690
Hotel taxes	430,551	448,717	412,623	425,537	443,127	815,756	913,963	856,089	1,088,009	1,234,623
Intergovernmental activity taxes	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	3,696,630
Unrestricted investment earnings	2,220,429	1,913,204	1,113,290	776,579	743,281	697,834	640,068	651,729	658,515	636,148
Gain (loss) on sale of capital assets	-	9,914	75,546	90,476	535	-	-	65,877	5,436	-
Transfers	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	2,632,071
<b>Total governmental activities</b>	<b>47,446,909</b>	<b>54,298,213</b>	<b>52,842,074</b>	<b>53,087,709</b>	<b>51,855,449</b>	<b>56,362,194</b>	<b>56,243,274</b>	<b>60,270,983</b>	<b>65,628,896</b>	<b>69,006,746</b>

Business-type activities:

Sales and use taxes	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	4,583,310
Franchise taxes	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	1,150,648
Unrestricted investment earnings	1,146,274	1,099,122	619,634	365,302	330,070	295,082	233,696	212,997	197,631	195,615
Gain (loss) on sale of capital assets	-	177,256	-	7,754	-	6,582	43,342	-	-	-
Special item	-	-	-	-	5,380,449	-	-	-	-	-
Transfers	(835,608)	(1,405,495)	(1,428,110)	(1,158,838)	(414,691)	(1,899,067)	(2,454,852)	(2,189,564)	(2,549,131)	(2,614,513)
<b>Total business-type activities</b>	<b>2,896,799</b>	<b>2,655,472</b>	<b>4,257,254</b>	<b>4,243,819</b>	<b>10,491,556</b>	<b>3,824,270</b>	<b>3,226,376</b>	<b>3,669,501</b>	<b>3,322,646</b>	<b>3,315,060</b>

<b>Total primary government</b>	<b>\$ 50,343,708</b>	<b>56,953,685</b>	<b>57,099,328</b>	<b>57,331,528</b>	<b>62,347,005</b>	<b>60,186,464</b>	<b>59,469,650</b>	<b>63,940,484</b>	<b>68,951,542</b>	<b>72,321,806</b>
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**Changes in Net Position**

Governmental activities	\$ 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)	(3,374,377)
Business-type activities	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	11,777,193
<b>Total primary government</b>	<b>\$ 4,044,006</b>	<b>(2,448,947)</b>	<b>(12,177,933)</b>	<b>(7,413,150)</b>	<b>7,844,573</b>	<b>15,887,055</b>	<b>7,718,729</b>	<b>7,785,785</b>	<b>(313,670)</b>	<b>8,402,816</b>

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

Table 3

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Cigarette Tax</b>	<b>Hotel Tax</b>	<b>Intergovernmental Activity Tax</b>	<b>Total</b>
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
2016	13,874,251	36,622,113	6,186,237	3,748,983	375,690	1,234,623	3,696,630	65,738,527

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 635,136	2,075,505	1,715,494	860,005						
Unreserved	2,551,817	5,592,876	5,449,331	3,132,137						
Total General Fund	<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	237,066
Restricted					409,628	715,017	1,141,146	1,503,232	2,043,949	2,681,140
Committed					2,492,882	1,406,328	1,292,606	1,262,220	1,480,367	2,393,462
Assigned					1,206,978	3,259,079	3,135,856	3,712,053	3,021,204	1,854,439
Unassigned					3,176,846	4,160,485	5,807,342	6,837,653	9,384,702	13,218,788
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>	<u>20,384,895</u>
All other governmental funds										
Reserved	\$ 23,647,498	16,742,801	21,830,413	24,371,401						
Unreserved, reported in:										
Special revenue funds	8,458,323	11,941,619	5,477,728	3,245,197						
Capital project funds	2,859,544	6,517,615	5,110,764	4,493,117						
Total all other governmental funds	<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	59,018
Restricted					30,860,074	29,170,639	32,890,892	35,175,720	40,259,086	37,850,140
Assigned					(121,516)	(285,298)	-	-	-	-
Total all other governmental funds					<u>\$ 30,738,558</u>	<u>\$ 29,032,889</u>	<u>33,015,894</u>	<u>35,235,408</u>	<u>40,323,615</u>	<u>37,909,158</u>

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

Table 5

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Taxes	\$ 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	65,694,109
Licenses, fees and permits	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	1,559,764
Intergovernmental	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	5,859,371
Charges for services	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	4,505,848
Fines, forfeitures, and court costs	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	1,028,255
Special Assessments	47,522	28,648	24,474	22,040	26,002	30,610	35,220	68,741	29,182	22,665
Investment earnings	2,143,643	1,847,313	1,097,544	774,001	340,348	696,623	638,735	650,588	657,155	632,413
Other	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	2,392,542
Total revenues	<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>	<u>81,694,967</u>
<b>Expenditures</b>										
General government	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	8,825,428
Public safety	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	27,316,892
Highways and streets	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	8,801,774
Public works	274,688	212,776	245,910	294,018	252,137	272,492	212,831	235,200	293,853	307,912
Health and welfare	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	4,938,253
Parks and Recreation	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	5,929,834
Capital outlay	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	19,013,553
Debt Service										
Principal	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	4,792,181
Interest and bond costs	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	2,712,344
Total expenditures	<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>	<u>82,638,171</u>
Excess of revenues over (under) expenditures	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	(943,204)
<b>Other Financing Sources (Uses)</b>										
Transfers in	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	9,540,662
Transfers out	(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)	(6,908,591)
Issuance of debt	-	5,110,000	-	-	-	6,685,000	8,685,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(6,420,443)	(9,647,589)	-	-	-
Capital lease proceeds	-	56,201	-	-	198,694	163,180	20,003	-	233,522	118,304
Sale of capital assets	-	56,378	88,710	101,867	535	310,115	16,180	121,065	-	77,908
Total other financing sources (uses)	<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>	<u>2,828,283</u>
Net change in fund balances	\$ <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>	<u>1,885,079</u>
Debt service as a percentage of non capital expenditures	11.75%	11.53%	10.96%	11.25%	11.71%	16.85%	12.15%	12.88%	11.41%	10.23%

**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
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
2016	13,830	36,622	376	3,749	6,186	1,235	3,697	65,694

(1) Includes interest and penalties.

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

<b>Sales by Retail Category:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Apparel stores	\$ 24,739	22,163	28,381	21,991	24,995	34,625	43,434	45,680	48,277	50,121
General merchandise	292,646	319,569	326,102	318,626	311,804	311,672	313,507	312,147	311,553	315,705
Food stores	114,235	121,311	127,635	127,175	124,988	132,028	134,628	137,249	145,043	151,506
Eating and drinking establishments	124,297	129,267	135,897	134,125	135,082	137,208	143,499	147,355	149,938	155,787
Home furnishings and appliances	79,286	66,385	62,775	30,768	31,395	31,081	31,121	33,360	38,032	39,430
Building materials and farm tools	32,685	31,288	27,178	51,514	50,134	49,274	42,416	52,590	59,726	65,058
Construction/Remodeling	4,765	4,351	10,999	4,299	4,824	4,484	4,392	6,778	6,804	16,999
Auto dealers and supplies	48,235	75,045	81,079	82,324	89,594	95,806	100,357	97,295	173,595	111,131
Wholesale Trade	27,285	32,332	21,793	21,787	19,789	20,349	30,000	42,462	50,661	56,500
Hotels, Motels	14,698	15,614	13,317	11,458	10,986	10,926	11,896	11,985	14,901	17,862
Communication	39,503	40,951	44,011	45,268	44,607	38,198	23,359	21,950	23,169	21,191
Other retail stores	86,650	97,343	84,559	79,669	76,782	77,622	76,761	78,351	82,641	92,079
All other outlets	58,000	50,974	50,330	49,766	51,062	45,405	53,414	87,852	87,488	110,178
<b>Total</b>	<b>\$ 947,023</b>	<b>1,006,593</b>	<b>1,014,056</b>	<b>978,770</b>	<b>976,042</b>	<b>988,678</b>	<b>1,008,782</b>	<b>1,075,053</b>	<b>1,191,828</b>	<b>1,203,546</b>

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)

<u>Direct Sales Tax Rate City of St. Joseph</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>	<u>2016</u>
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	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	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375
Total Direct Sales Tax Rate	<u>2.150</u>	<u>2.150</u>	<u>2.375</u>	<u>2.375</u>	<u>2.375</u>	<u>2.375</u>	<u>2.375</u>	<u>2.875</u>	<u>2.875</u>	<u>2.875</u>
<b><u>Total Local Option Sales Tax Rate</u></b>										
State of Missouri										
General Sales Tax	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Education	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total State of Missouri	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
Buchanan County										
General Sales Tax	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Law Enforcement	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Capital Improvements	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
County Tourism	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Ambulance								0.250	0.250	0.250
Total Buchanan County	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.350	1.350	1.350
City of St. Joseph	2.150	2.150	2.375	2.375	2.375	2.375	2.375	2.875	2.875	2.875
Total Direct and Overlapping Sales Tax Rate	<u>7.475</u>	<u>7.475</u>	<u>7.700</u>	<u>7.700</u>	<u>7.700</u>	<u>7.700</u>	<u>7.700</u>	<u>8.450</u>	<u>8.450</u>	<u>8.450</u>

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	
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%
2016	707,450	3,116,802	248,117	751,869	44,776	135,684	1,000,343	1.55	4,004,356	25.0%

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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
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
2016	0.60	0.07	-	0.22	0.20	0.05	0.41	1.55	0.03	3.43	0.46	5.48

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Notes: (1) County Tax Breakdown for Current Year:

General Fund	0.07
Road & Bridge Fund	0.29
Handicap	<u>0.10</u>
Total County	<u>0.46</u>

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

TAXPAYER	TYPE OF BUSINESS	2016			2007		
		ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION(1)	2006 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 2016 = 983,181,738

Table 12

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

Fiscal Year Ended June 30,	Taxes Levied for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	709,307	14,242,174	99.87%
2012	14,600,231	14,283,412	97.83%	314,279	14,597,691	99.98%
2013	13,803,855	13,737,726	99.52%	58,567	13,796,293	99.95%
2014	14,382,659	14,021,700	97.49%	354,639	14,376,339	99.96%
2015	14,399,375	12,853,103	89.26%	342,738	13,195,841	91.64%
2016	14,830,223	14,529,043	97.97%	-		

**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
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	-
2016	-	1,130,361	46,065,000	32,034,429	260,637	-

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			
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
2016	-	6,485,000	150,239,330	-	157,091	-	236,371,848	8.00%	38,562

(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		
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%	-
2016	-	-	-	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, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Joseph School District	\$ 51,900,000	95.75%	\$ <u>49,694,250</u>
Subtotal, overlapping debt			49,694,250
City of St. Joseph direct debt			79,490,427
Total direct and overlapping debt			\$ <u><u>129,184,677</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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit (1)	\$ 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	200,068,599
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	200,068,599
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	\$ 1,000,342,993
Debt Limit (20% of assessed value)	200,068,599
General obligation:	-
Total Bonded Debt	-
Less:	
Total net debt applicable to limit	-
Legal debt margin	\$ 200,068,599

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.

**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>						
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
2016	27,509	13,308	14,201	6,972	4,115	1.28

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
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	4.51%
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	5.80%
2015	76,780	2,783,966	36,259	35.70	12,034	5.50%
2016	76,596	2,953,695	38,562	35.70	11,534	4.50%

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

**CITY OF ST. JOSEPH, MISSOURI**

Principal Employers  
2016 and 2007

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mosaic Life Care	3,471	1	5.85%	2,800	1	4.20%
Triumph Foods	2,767	2	4.66%	2,329	2	3.50%
St. Joseph School District	2,047	3	3.45%	2,200	3	3.30%
139th Airlift Wing-MO Air National Guard	1,494	4	2.52%	-		
System & Services Technologies	1,191	5	2.01%	744	7	1.10%
Boehringer Ingelheim Vetmedica	820	6	1.38%	748	6	1.10%
Missouri Western State University	767	7	1.29%	-		
American Family	658	8	1.11%	820	5	1.20%
City of St. Joseph, Missouri	658	9	1.11%	665	9	1.00%
Johnson Controls	634	10	1.07%	-		
Altec Industries				959	4	1.40%
Sara Lee				700	8	1.10%
Western Reception Diagnostic				576	10	0.90%
<b>Total</b>	<b>14,507</b>		<b>24.44%</b>	<b>12,541</b>		<b>18.80%</b>

Source: St. Joseph Area Chamber of Commerce

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function/Program</b>										
General Government										
Mayor/Council	1	1	1	1	1	1	1	1	1	1
City Clerk	3	3	3	3	2	2	2	2	2	2
City Manager	4	6	6	6	5	4	4	4	4	5
Technology & Communications	5	5	5	5	5	4	4	4	4	4
Municipal Court	6	6	6	6	5	5	5	5	5	5
Legal	7	7	7	7	6	6	6	6	5	9
Administrative Services	15	15	15	15	15	16	17	18	17	17
Human Resources	5	6	6	6	5	5	5	5	5	5
Customer Assistance	25	16	16	16	15	3	3	3	3	3
Public Safety										
Police - Arrest Powers	118	117	119	117	116	115	113	116	125	126
Police - Civilian	41	44	44	45	44	42	43	42	41	44
Fire Protection	131	131	131	131	127	124	128	127	125	127
Fire - Civilian	3	3	3	3	3	3	3	3	3	3
Public Works										
Engineering	10	10	10	10	9	9	8	9	9	9
Public Works Administration	5	5	5	5	5	5	6	6	5	6
Streets	62	64	64	64	63	58	62	56	58	58
Traffic	8	8	8	8	8	7	8	8	8	7
Airport	6	6	6	6	6	5	6	6	6	6
Parking Services	6	6	6	6	6	5	4	5	5	5
Landfill	17	18	18	18	18	18	17	17	16	16
Recycling Center	2	2	2	2	2	2	2	2	2	2
Sewer Maintenance	19	19	19	19	20	24	21	22	23	24
Water Pollution Control	45	46	46	50	51	50	53	53	55	52
Health Department	42	42	42	42	41	40	40	41	41	40
Parks and Recreation	48	53	51	52	51	52	53	53	48	54
Community Development										
Planning	4	4	4	4	3	5	5	5	5	6
Housing & Community Dev	9	7	7	7	7	15	15	14	14	12
Property Maintenance		11	10	11	9	10	9	10	10	10
<b>Total</b>	<b>647</b>	<b>661</b>	<b>660</b>	<b>665</b>	<b>648</b>	<b>635</b>	<b>643</b>	<b>643</b>	<b>645</b>	<b>658</b>

Source: City of St. Joseph Annual Report

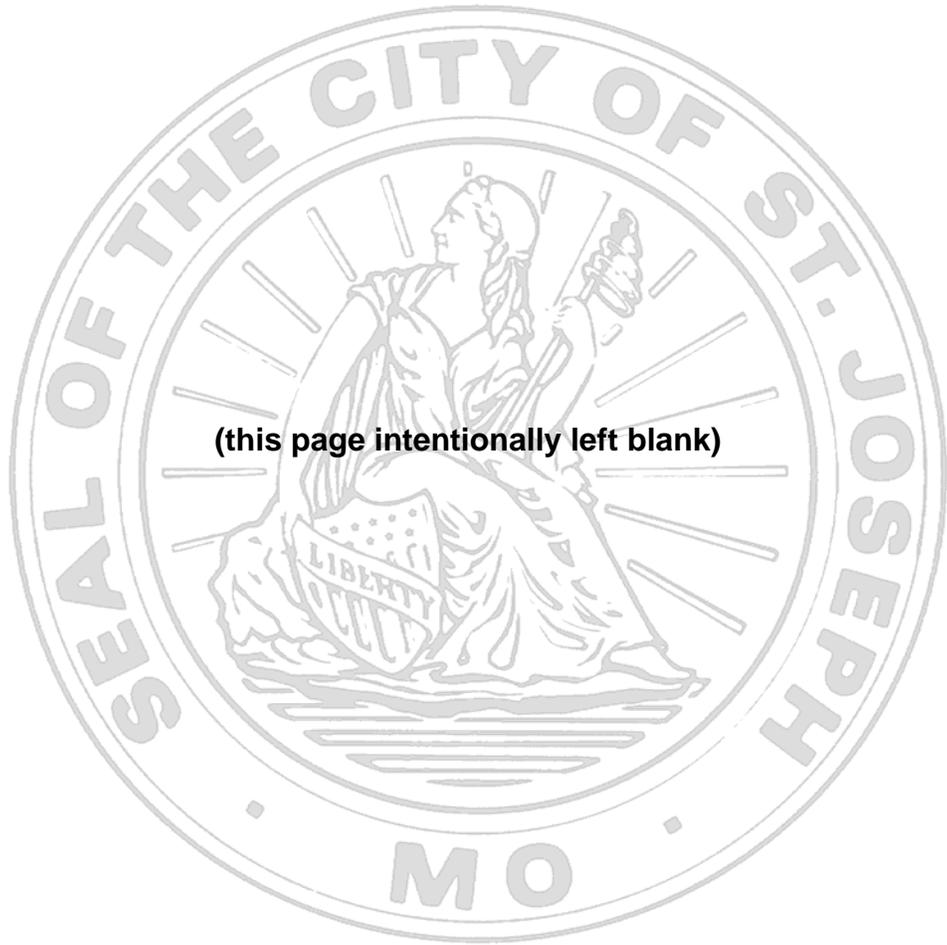
**CITY OF ST. JOSEPH, MISSOURI**  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

Function/Program		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety											
Police											
	Physical Arrests	6,183	7,178	6,368	5,170	5,275	4,870	6,958	7,262	6,612	6,614
	Traffic Violations	11,541	18,065	18,453	14,544	11,084	14,080	12,235	11,312	12,542	15,567
	Parking Violations	10,182	10,524	11,861	12,071	8,719	8,532	9,196	7,130	7,285	6,758
Fire											
	Total Alarms	7,322	8,573	8,074	7,920	9,049	9,651	8,461	8,836	9,111	9,604
	Inspections	398	390	1,058	590	419	442	565	754	628	698
T-22	Water										
	Number of customers	32,480	33,333	32,548	32,002	32,014	32,004	32,004	31,993	31,993	31,892
	Daily Average Water Consumption	17,083,000	18,000,000	17,209,000	17,161,000	17,589,000	17,584,000	17,866,000	17,729,000	17,729,000	1,721,000
	Sewer										
	Number of customers	26,768	26,876	26,859	26,910	26,875	26,836	25,723	24,625	24,625	26,357
	Daily Average Wastewater Treated	15,000,000	17,000,000	17,000,000	17,000,000	17,000,000	15,000,000	15,000,000	17,000,000	17,000,000	15,000,000

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

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function/Program</b>											
Public Safety											
	Police										
	Police stations	1	1	1	1	1	1	1	1	1	1
	Vehicles	108	106	104	106	119	122	107	118	122	122
	Fire										
	Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works											
	Total area (square miles)	44.443	45.443	44.680	46.500	46.500	46.500	46.500	46.500	46.500	44.770
	Paved miles	426.3	426.4	432.8	432.8	432.3	432.3	434.8	433.1	433.1	433.1
Culture and Recreation											
	Park acreage	1,500	1,500	1,500	1,500	2,000	2,000	2,000	2,000	2,000	1,500
	Parks	46	46	46	46	46	46	46	46	46	36
	Ball Fields	23	22	23	23	23	23	23	23	23	23
	Community Centers	1	1	1	1	1	1	1	1	1	3
	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	2
	Tennis Courts	21	21	21	21	21	21	21	21	21	21
Power and Light											
	Power stations	17	12	12	12	12	12	12	12	12	12
	Transmission/Distribution Circuits (miles)	799.25	813.04	816.45	816.45	593.32	595.45	598.04	601.01	601.01	601.01
	Street Lights	6,652	6,884	6,903	6,923	6,943	6,952	6,952	6,952	6,952	6,952
Water											
	Water mains (miles)	620	613	616	619	619	619	620	620	620	621
	Fire hydrants	3,141	3,075	3,063	3,096	3,031	3,030	3,032	3,043	3,043	3,086
	Maximum daily pumpage (millions of gallons)	30	30	30	21	24	24	26	26	26	23
Sewer											
	Number of treatment plants	1	1	1	1	1	1	1	1	1	1
	Sewers mains (miles)	388	390	380	397	397	402	403	406	406	406
	Maximum daily capacity of treatment (MGD)	27	27	27	27	27	27	27	27	27	54

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