

Comprehensive Annual Financial Report

City of
St. Joseph
Missouri



For the fiscal year ended June 30, 2017

CITY OF ST. JOSEPH, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by the Administrative Services Department

Tom Mahoney
Interim Director of Administrative Services

CITY OF ST. JOSEPH, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2017

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Introductory Section

CITY OF ST. JOSEPH, MISSOURI

PRINCIPAL OFFICIALS

Bill Falkner
Mayor

CITY COUNCIL

Ken Beck

Donna Jean Boyer

Pat Jones

P J Kovac

Barbara LaBass

Kent O'Dell

Gary Roach

Joyce Starr

J. Bruce Woody
City Manager

Administrative Services

Gia Scruggs

Interim

Tom Mahoney

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

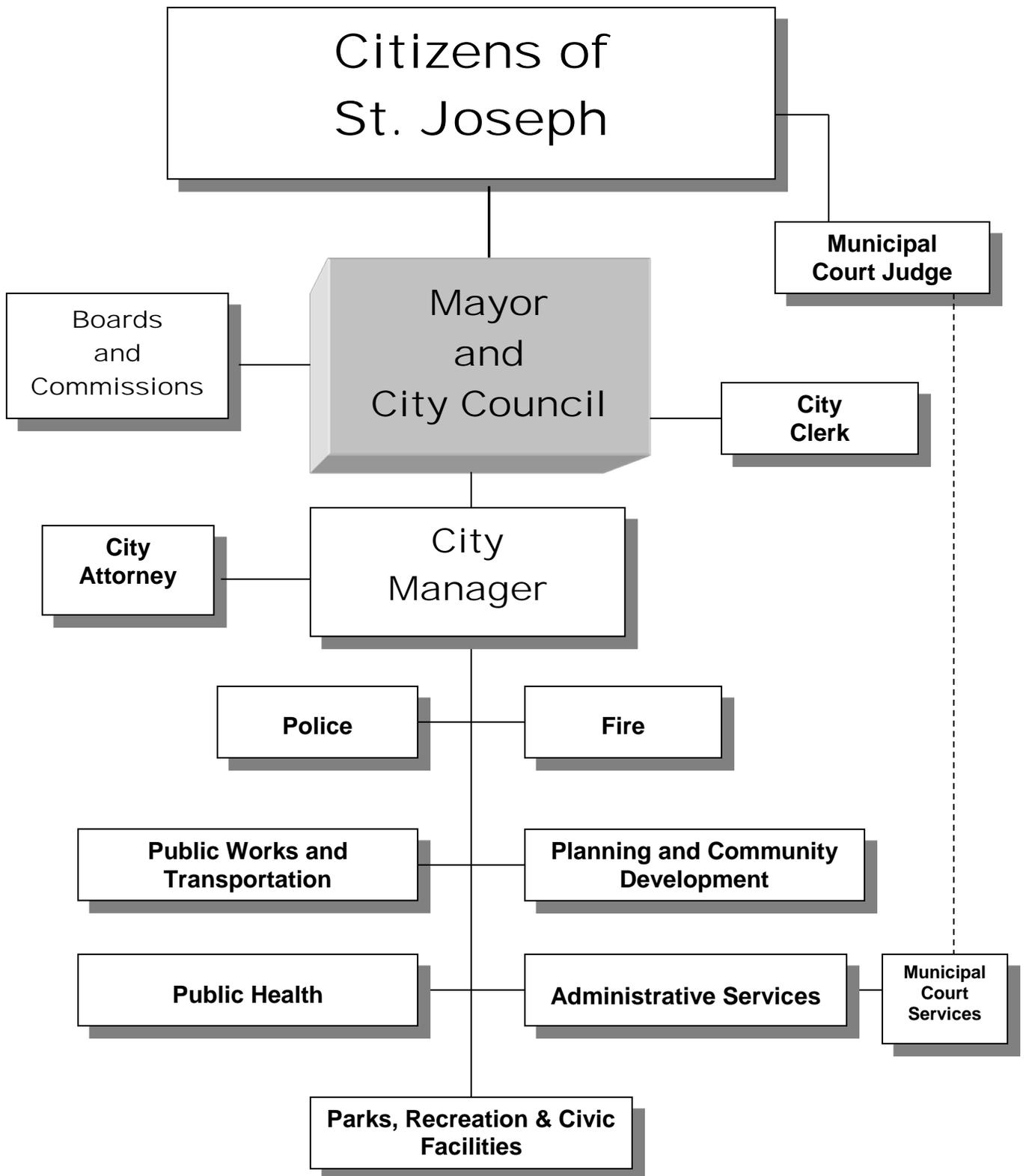
Public Works & Transportation

Bill Heatherman

Interim

Andy Clements

ORGANIZATION CHART



December 15, 2017

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, 2017, 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 issue 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, 2017, 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 126,565. The City's population of 76,780 represents 61% of the total service area. Located in the heart of the country, St. Joseph's prime location provides for access to customers and suppliers. From Canada to Mexico, Interstate 29, a major north-south interstate runs through the city. St. Joseph has two airports available. South of St. Joseph is Kansas City International (KCI) airport and just west over the Missouri River is Rosecrans Memorial Airport serving St. Joseph's civilian and military needs by providing capacity for any size aircraft. The Missouri River borders St. Joseph allowing the public river port facility the ability to give area businesses the option of transporting via river. In addition, rail service provides direct access to all parts of North America.

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

Labor Force

St. Joseph's Metropolitan Statistical Area (MSA) consists of Andrew, Buchanan, and DeKalb Counties in Missouri and Doniphan County in Kansas. The St. Joseph MSA maintains a civilian labor force of 64,348 with 62,700 employed for the period ending June 30, 2017, producing an unemployment rate of 3.7%. Compared to last year at this time the unemployment rate was 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 4,072 jobs, or 6.5% 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 14,844 jobs, representing 23.7% of the total employed work force. These employers are listed as follows:

TEN LARGEST EMPLOYERS			
Employer	Industry	Number	% of Work Force
Mosaic Life Care	Health Services	4,072	6.5%
Triumph Foods	Pork Processing	2,900	4.6%
St. Joseph School District	Public Education	1,853	3.0%
139 th Airlift Wing-MO Air National Guard	Government	1,521	2.5%
Boehringer Ingelheim Vetmedica	Animal Pharmaceuticals	1,070	2.4%
Missouri Western State University	Higher Education	793	1.3%
American Family	Insurance	757	1.2%
Tyson Foods	Food Manufacturer	670	1.1%
City of St. Joseph	Local Government	653	1.0%
Alorica	Financial Services	510	0.1%
Total		14,799	23.7%

Economic Development Efforts

The St. Joseph economy in FY2017 continued to experience moderate growth and expansion. The level of ongoing cooperation among the City, County, Chamber of Commerce and the business community was reflected in the level of economic development success demonstrated throughout the year.

New and Existing Businesses

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

Advanced Science Research Center, led by the St. Joseph School District and its foundation, constructed a two story addition at Hillyard Technical Center. It is designed to enhance teaching in science, technology, engineering and math while preparing students for the workforce and meeting the needs of the animal health industry. The new addition is a result of a team effort by numerous groups and individuals who helped with the planning, funding, and construction for the future of St. Joseph.

Cosentino's Price Chopper, added final touches, stocked inventory, and welcomed the St. Joseph community in October, 2016. With \$11,600,000 in capital investment, the 72,000 square foot store employs 250 people and offers a large wine and spirits section, bakery, floral shop, pharmacy, Starbucks, and one of the biggest delis the Kansas City based grocer has ever built. Cosentino Group has 27 locations in Kansas City and surrounding areas in Missouri and Kansas and is excited to offer a unique look and shopping experience to St. Joseph.

The Fort, launched its first Missouri location with a 28,800 square foot store in February, 2017. The Nebraska based chain has locations in Lincoln, Columbus, and Nebraska City. Carl and Shirley Wohlfarth started The Fort in 1972 and offers western wear, western décor, cowboy hats, work wear, cowboy boots, saddles, and tack.

High Plains Biodiesel-St. Joe Biodiesel (HPB), a subsidiary of Seaboard Food's system, made significant improvements to the efficiency of the former Blue Sun BioDiesel facility as well as cosmetic improvements. HPB, the newest addition to the Stockyards Industrial Area, utilizes both vegetable oils and animal fats in a chemical process called transesterification to create two products methyl esters, the chemical name for biodiesel that works well in diesel engines and is a great fuel additive and glycerin, a valuable byproduct used in food, feed, drugs, cosmetics, and lubricants. Several more projects are planned for 2018 including an increase in tank storage with a \$2 million investment in a new tank farm.

Kindred Biosciences, a biopharmaceutical company, selected a location near St. Joseph for the ability to meet anticipated manufacturing needs of its pipeline, lower its costs of goods and increase its margins. The new campus includes 8 acres, two buildings totaling 180,000 square feet, and equipment for small molecule and biologics manufacturing. Kindred's mission and strategy is to bring the very best science and medicine to our animal companions focusing on savings and improving the lives of pets. The California based company identified drugs, biologics, and targets validated in humans and develop animal versions for pets.

LifeLine Foods LLC, reinforced their investment in St. Joseph, with an installation of a state of the art \$1.8 million Premier Tech Chronos packaging line. This packaging line provides increased efficiency, consistent bag weights, greater stability of pallets for transport and storage, as well as increased product integrity and traceability. LifeLine Foods, headquartered in St. Joseph, is owned by more than 600 progressive farmer/owners spanning Missouri, Kansas, Iowa, and Nebraska and also by ICM, Inc, a leading ethanol engineering firm.

Missouri Army National Guard, announced plans for expansion in Northwest Missouri for a possible new base and training facility. Buchanan County has donated close to 45 acres near the

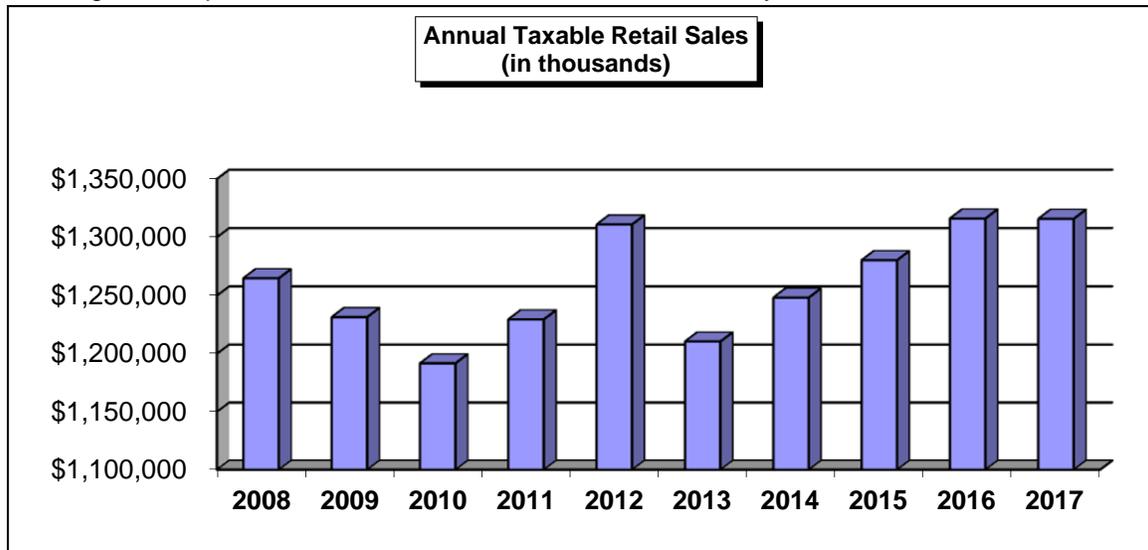
intersection of Interstate 29 and North 169 Highway. It's going to be a big boost for the economy and the community as a result of over 2,000 army units located in northwest Missouri utilizing the site.

Mosaic Life Care, completed renovations on the historic six story German-American Bank Building. The two year project and \$20 million investment brought 200 employees to the downtown area and is an example of Mosaic's involvement in redevelopment of downtown.

Tonistry, an animal health company from Ireland, located their United States headquarters in St. Joseph. Founded in 2015, Tonistry International LTD main goal is to provide novel nutritional supplementary products that are not only beneficial for swine health but also guarantee a return on investment for participating producers. While Tonistry is currently focusing on the global swine market, the company has long term plans to extend product lines to other market categories. Px is a isotonic protein powder drink that improves the hydration and digestion in animals for new born pigs.

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 stayed constant in fiscal year 2017 as well as the revenues received from the City's fifty percent (50%) of the general sales taxes generated in the economic development districts. Total retail sales in St. Joseph held steady 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 11,117 students.

Missouri Western State University (MWSU), Hillyard Technical Center, 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 6,000 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. American Business and Technology University campus is located in the historic Wyeth Mansion offers online/distance education based degree programs in varying fields.

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

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

Culture and Recreation

The City's role as a cultural and tourism center provides further diversification in its economy. St. Joseph is a unique community famous for its historic link to the Pony Express and to Jesse James, for exquisite historic architecture and mansions, and for many fine museums. Combining history and architecture, the mid-1800s Westward expansion is depicted by murals painted on six buildings in the downtown area. Other available cultural activities include the Albrecht-Kemper Museum of Art, the Sculpture Walk, featuring annual exhibits displayed throughout the historic downtown district, Robidoux Resident Theatre and St. Joseph Symphony. Missouri Western State University as well as the municipally owned Civic Arena, Missouri Theater, Krug Park and Felix Street Square, host numerous events including performing artists, theatrical presentations, city-wide festivals and themed attractions.

The St. Joseph Park system, listed on the National Register of Historic Places, is comprised of 1,500+ acres, 26 miles of parkways and boulevards, 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, three pickle ball courts, outdoor skateboard park, indoor ice arena, offers family entertainment all year. Figure skating, hockey, broomball, bubble 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 ten seasons, the Mustangs have earned seven (7) top ten attendance rankings, five MINK Championships including 2017, and four trips to the National Baseball Congress World Series (two top 5 finishes).

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

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

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

prominent role Northwest Missouri played in western migration, especially in exploration, trapping, trading and mercantile.

The St. Joseph REC Center features a full service fitness center, community room, three (3) gymnasiums, and elevated walking track. Along with traditional fitness activities, a variety of fitness classes are offered for people of all ages and abilities. The REC Center is also the home to St. Joe Fit, adult volleyball and pickle ball leagues, youth basketball and volleyball leagues, a variety of youth basketball tournaments, and the summer youth camp.

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 15 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, a ball field, and a running track.

In August, 2016, the Allied Arts Council of St. Joseph produced the twenty third 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:

- Enhanced Enterprise Zone Benefits – The City, per RSMo 135.215, participates in the "Enhanced 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 20 bond issuances and 14 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, 2017, there are nine (9) 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, 2017.
- 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, 2017.
- 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, 2017.
- 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, 2017.
- 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, 2017.
- 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.

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).

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.

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.

Downtown Event Center - 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.

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, 2017, 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

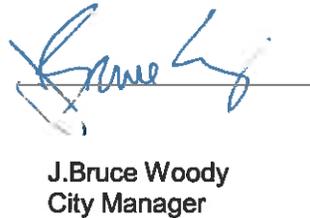
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Joseph, Missouri, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This was the twenty-seventh 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,



Tom Mahoney
Interim Director of Administrative Services



J. Bruce Woody
City Manager



Government Finance Officers Association

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

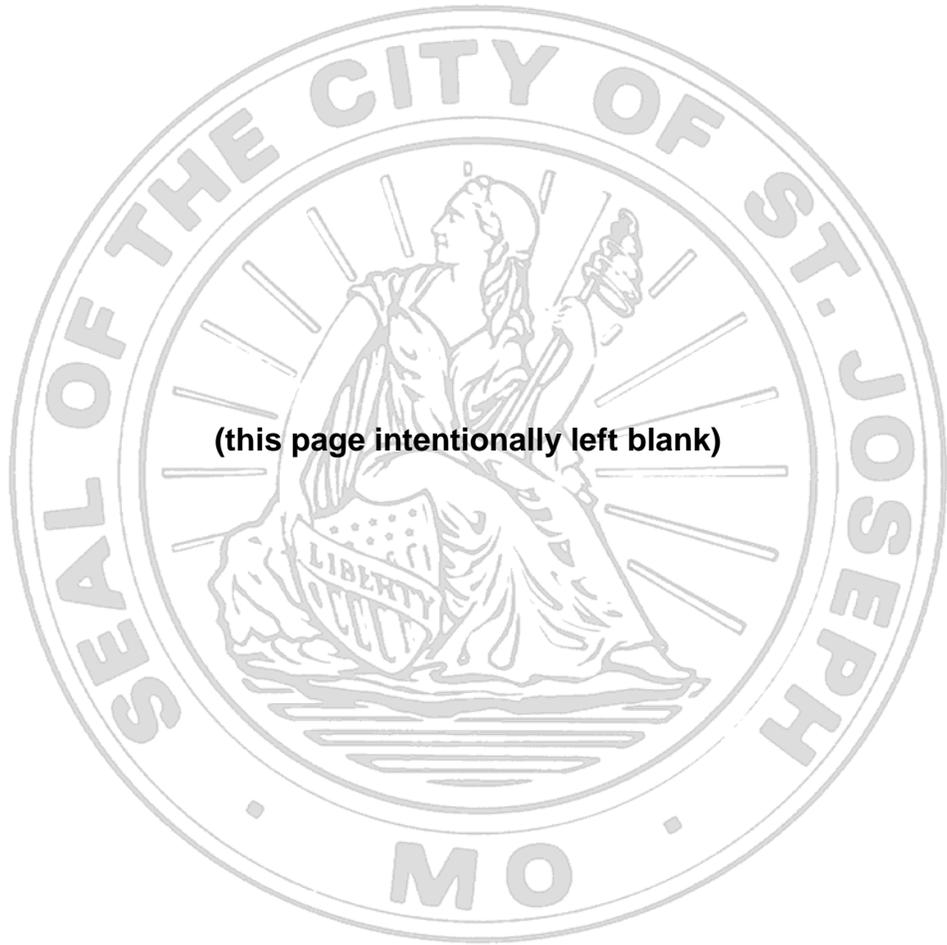
Presented to

**City of St. Joseph
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



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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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other 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 22, 2017, 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 solely 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 the effectiveness of the City of St. Joseph, Missouri's 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 22, 2017

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

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, 2017. 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 \$236,850,840 (*net position*).
- The City's total net position decreased \$21,639,408 - \$24,345,021 is attributable to a decrease in "Governmental activities" while "Business-type activities" contributed an increase of \$2,705,613.
- As of the close of the current fiscal year, the City's funds reported combined ending governmental fund balances of \$61,804,115 an increase of \$3,510,062 in comparison with the prior year. \$7,976,680 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 \$7,976,680 or 16% of total general fund expenditures.
- The City's net investment in capital assets for its governmental and business-type activities decreased \$5,702,406.
- The City's total long-term debt as detailed beginning on page MD-14 increased \$10,395,959 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, 2017

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, 2017

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, 2017**

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 \$236,850,840 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.

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 74,706,262	\$ 80,052,015	\$ 72,090,335	\$ 65,555,956	\$ 146,796,597	\$ 145,607,971
Capital assets	151,824,034	157,075,185	233,822,890	230,178,001	385,646,924	387,253,186
Total assets	226,530,296	237,127,200	305,913,225	295,733,957	532,443,521	532,861,157
Deferred outflows	14,920,497	19,861,307	2,639,138	4,122,232	17,559,635	23,983,539
Total deferred outflows	14,920,497	19,861,307	2,639,138	4,122,232	17,559,635	23,983,539
Long-term liabilities	76,038,586	76,452,018	160,371,993	155,593,446	236,410,579	232,045,464
Other liabilities	54,356,893	45,018,573	19,367,792	18,152,621	73,724,685	63,171,194
Total liabilities	130,395,479	121,470,591	179,739,785	173,746,067	310,135,264	295,216,658
Deferred inflows	2,842,045	2,959,626	175,007	178,164	3,017,052	3,137,790
Total deferred inflows	2,842,045	2,959,626	175,007	178,164	3,017,052	3,137,790
Net position:						
Net Investment in capital assets	149,662,833	154,553,070	73,709,814	74,521,983	223,372,647	229,075,053
Restricted	51,497,184	47,224,229	18,697,704	19,902,679	70,194,888	67,126,908
Unrestricted (deficit)	(92,946,748)	(69,219,009)	36,230,053	31,507,296	(56,716,695)	(37,711,713)
Total net position	\$ 108,213,269	\$ 132,558,290	\$ 128,637,571	\$ 125,931,958	\$ 236,850,840	\$ 258,490,248

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

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 an unrestricted net position for FY17 of \$36,230,053

An additional portion of the City's net position, 29% or \$70,194,888 represents resources that are subject to external restrictions on how they may be used. Governmental activities claim 22% or \$51,497,184 while the business-type activities have the other 7% or \$18,697,704.

As previously stated, the City's net position decreased \$21,639,408 during the current fiscal year. Governmental activities represent a \$24,345,021 decrease in the City's net position and a \$2,705,613 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, 2017**

City of St. Joseph's Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
General Revenues:						
Property taxes	\$ 13,961,024	\$ 13,874,251	\$ -	\$ -	\$ 13,961,024	\$ 13,874,251
Sales taxes	37,087,811	36,622,113	4,607,892	4,583,310	41,695,703	41,205,423
Other taxes	15,896,675	15,242,163	1,159,486	1,150,648	17,056,161	16,392,811
Other revenue	685,947	636,148	400,176	195,615	1,086,123	831,763
Program Revenues:						
Charges for services	8,843,956	8,963,252	34,068,026	31,626,669	42,911,982	40,589,921
Operating grants & contributions	3,954,466	4,387,229	2,149,007	1,295,544	6,103,473	5,682,773
Capital grants & contributions	-	1,334,795	2,461,960	5,321,138	2,461,960	6,655,933
Gain on sale of capital assets	74,095	-	-	17,558	74,095	17,558
Total revenues	80,503,974	81,059,951	44,846,547	44,190,482	125,350,521	125,250,433
Expenses:						
Functions/Programs:						
General government	16,006,227	9,991,777	-	-	16,006,227	9,991,777
Public safety	48,607,386	35,484,112	-	-	48,607,386	35,484,112
Highway and streets	23,368,980	25,647,652	-	-	23,368,980	25,647,652
Public works	274,544	288,766	-	-	274,544	288,766
Health and welfare	5,725,515	4,697,365	-	-	5,725,515	4,697,365
Parks and recreation	9,311,548	8,173,780	-	-	9,311,548	8,173,780
Interest	2,633,268	2,782,947	-	-	2,633,268	2,782,947
Sewer services	-	-	27,302,731	19,778,320	27,302,731	19,778,320
Transit services	-	-	5,109,233	5,248,301	5,109,233	5,248,301
Other proprietary functions	-	-	8,650,497	4,754,597	8,650,497	4,754,597
Total expenses	105,927,468	87,066,399	41,062,461	29,781,218	146,989,929	116,847,617
Excess (deficiency) of revenues over (under) expenses	(25,423,494)	(6,006,448)	3,784,086	14,409,264	(21,639,408)	8,402,816
Transfers	1,078,473	2,632,071	(1,078,473)	(2,632,071)	-	-
Change in net position	(24,345,021)	(3,374,377)	2,705,613	11,777,193	(21,639,408)	8,402,816
Net position - beginning	132,558,290	135,932,667	125,931,958	114,154,765	258,490,248	250,087,432
Net position - ending	\$108,213,269	\$132,558,290	\$128,637,571	\$125,931,958	\$236,850,840	\$258,490,248

CITY OF ST. JOSEPH, MISSOURI

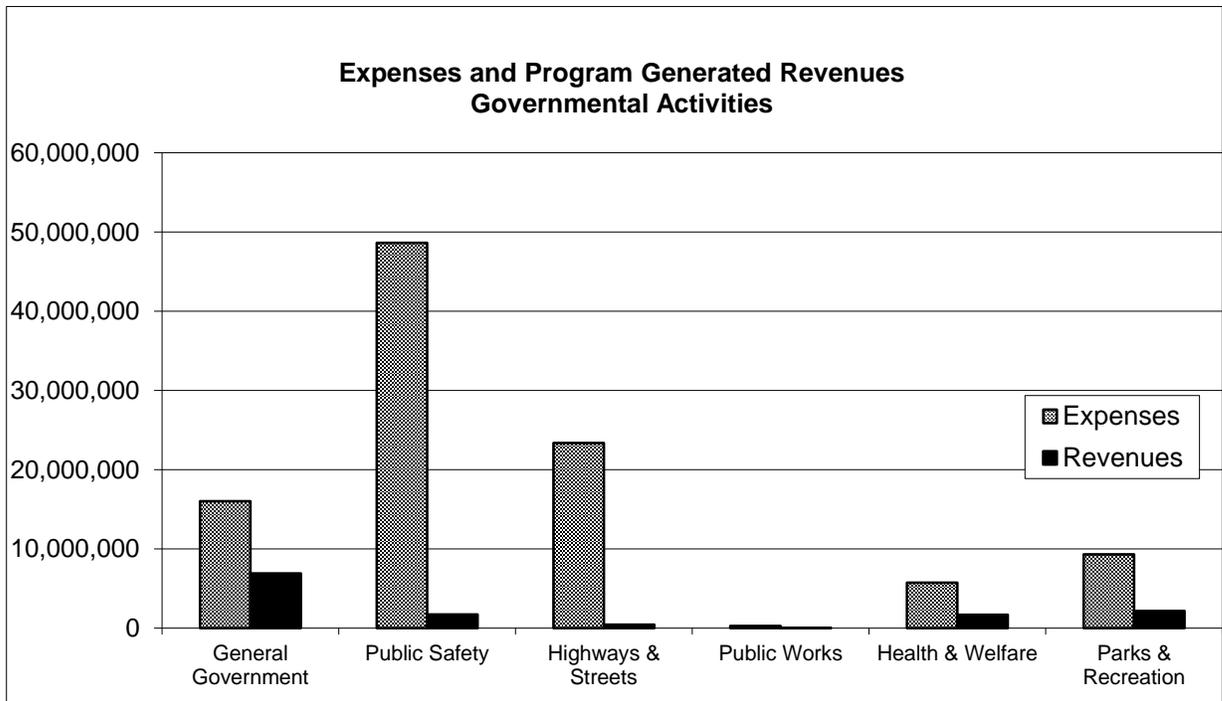
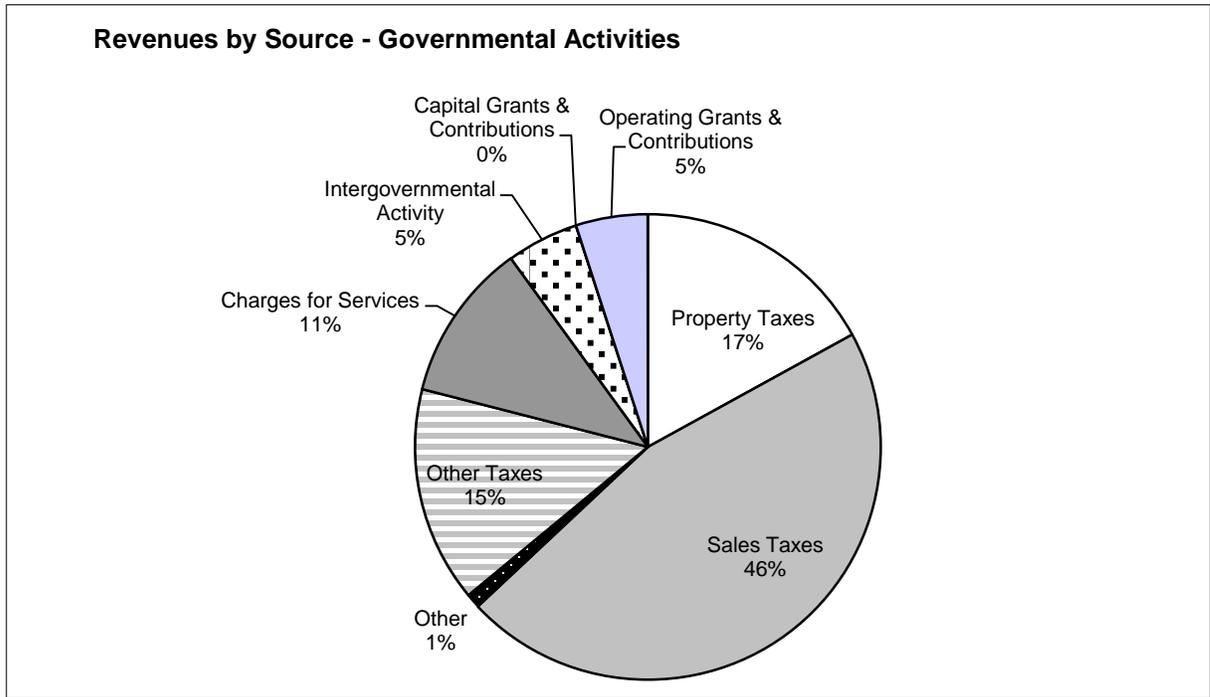
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

Governmental Activities. Governmental activities decreased the City's net position by \$24,345,021. The key elements to this decrease are as follows:

- Sales tax revenue, a major funding source for the city, increased slightly by \$465,698 over last year's amount. The previous year experienced a much larger increase 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.
- Property taxes, 17% of total revenue, didn't show much change this year. Total receipts for this revenue source were \$13,961,024 in FY17 marginally up from \$13,874,251 in FY16 as a direct result of flat valuations for FY17.
- Other taxes reported an increase of \$645,512 from FY16. Franchise taxes climbed \$226,355 due to warmer temperatures during the fall and winter seasons. Intergovernmental activity taxes showed improvement from the previous fiscal year. Last year, \$3,696,630 was recognized compared to \$4,194,178 in FY16. Motor fuel taxes, \$65,077 showed an uptick as fuel prices remained around the \$2.00 mark which promoted more travel. Hotel taxes dropped \$52,712 due to the closure of a major hotel early in the fiscal year.
- Charges for services netted a decrease of \$119,296 of the Governmental Activities revenue. Construction appeared to decrease in FY17 as the City issued \$26,453 less in building permits and \$41,774 in plan review fees. Aquatic Park daily fees were down as well by \$55,703 with unfavorable weather for swimming. Resale concessions dipped by \$20,666 due to the unavailability of the Hyde Park ball fields for much of the year with continued renovations.
- During fiscal year 2016, Governmental Activities operating and capital grants and contributions dropped by a total amount of \$1,767,558. A majority of this decline was attributed to no capital grants or contributions received in FY17 in comparison to \$1,334,795 the prior year. State health contracts decreased by \$244,095 from FY16.
- Total expenses for the governmental activities increased \$18,861,069 from \$87,066,399 in FY16 to \$105,927,468 in FY17. In fiscal year 2017, developers submitted significantly more certified costs compared to FY16 in the General government activities, specifically the Tuscany Village development. Public safety experienced expenses totaling \$18,879,863 for net pension activity. Highway and streets finalized the improvement project involving the reconstruction of Illinois Avenue. Parks and recreation completed the renovations to the Hyde Park ball fields. Health and Welfare reported an increase of \$1,028,150 which was also impacted by net pension activity.

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**



CITY OF ST. JOSEPH, MISSOURI

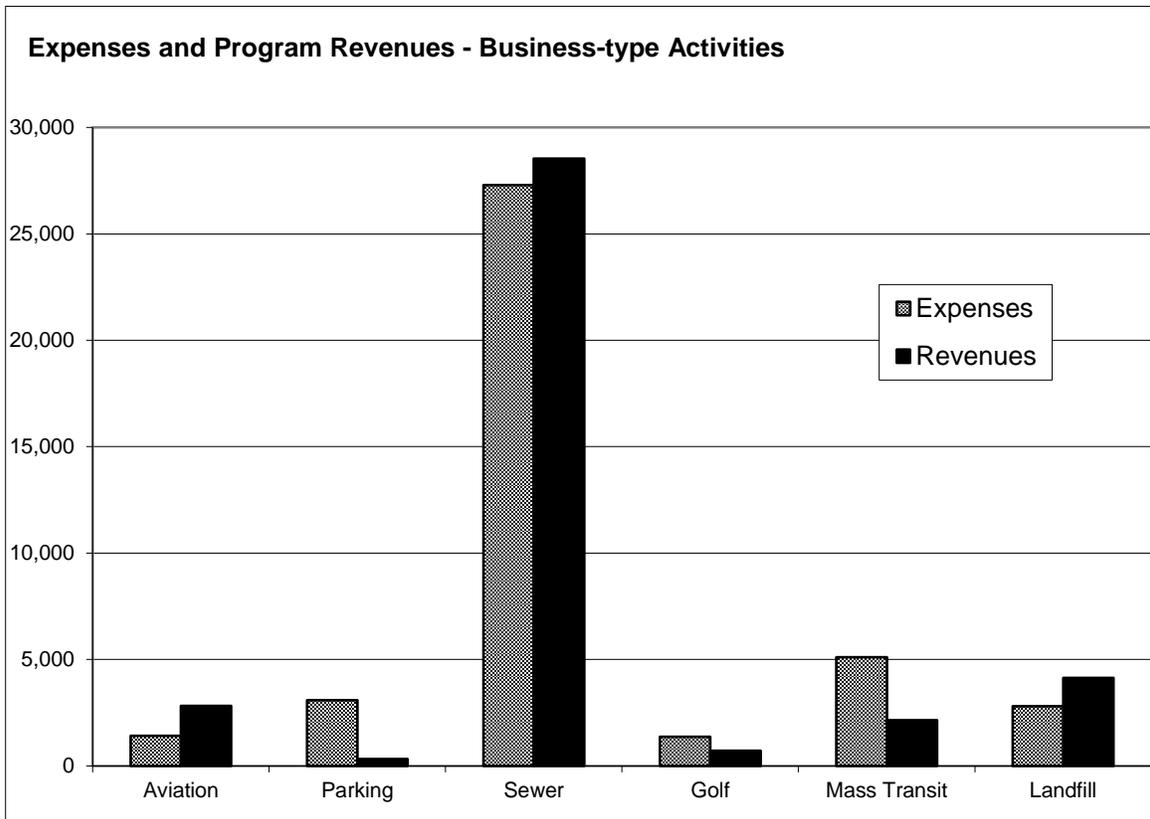
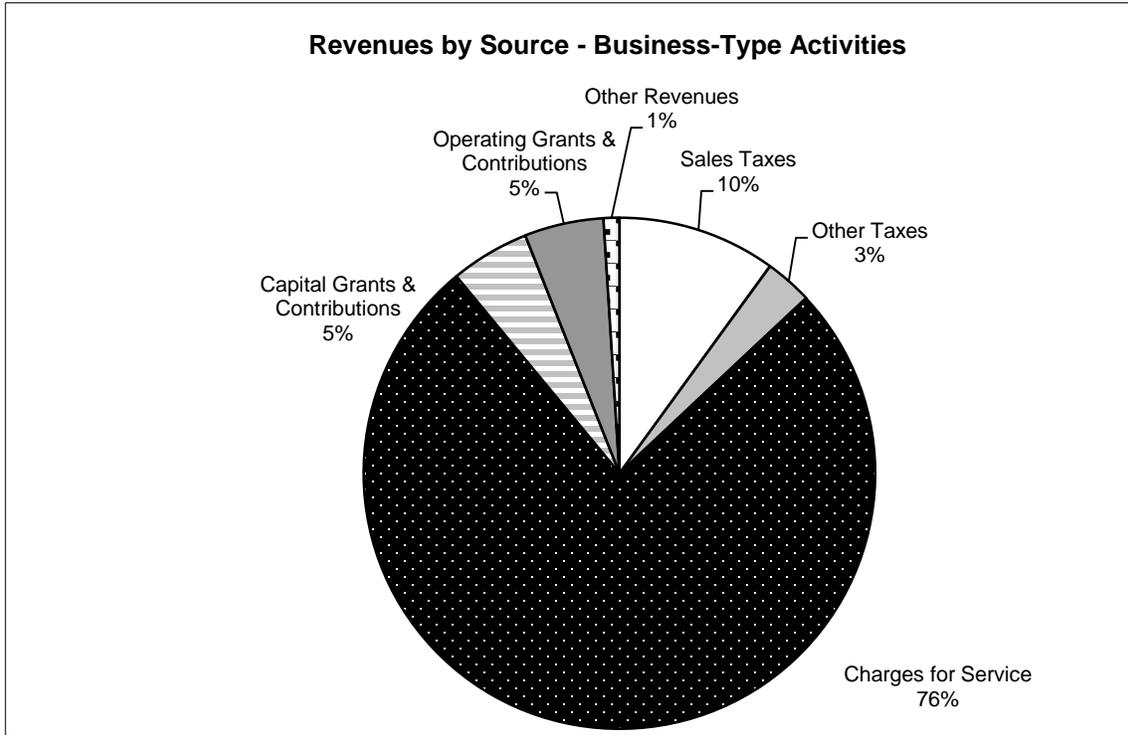
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

Business-type activities. The net position of the City's business-type activities increased \$2,705,613. 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. Increases in both combined for a total of \$68,650 more collected than in FY16.
- 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 \$2,756,674. An 11% rate increase went into effect at the beginning of August, 2016. After taking responsibility for sewer billings from Missouri American Water, the City has implemented a more aggressive approach to collecting on past due accounts. Staff was moved with the Customer Service division to a localized office that could attend to all needs of waste water bill customers and has resulted in a more efficient process. Landfill services produced a \$413,469 increase in revenue as a direct result of an increase in tonnage from 124,831 in FY16 to 126,883 in FY17.
- Business-type activities reported a decrease of \$2,005,715 in operation and capital contributions and grants. A large majority was contributed to Aviation services that received \$2,724,476 less from Federal Aviation Agency and Missouri Air National Guard funding as the runway pavement replacement project was near completion. Federal Transit operations grants were received in the amount of \$1,747,159, up from \$900,622 the previous fiscal year.
- Overall expenses in the business-type activities increased by \$11,344,243 over the prior year. Aviation services saw a significant drop of \$3,932,658 with \$3,842,813 fewer expenses for improvement projects. Parking services had an increase in expenses, \$3,483,744, from costs related to the redevelopment project at 8th & Felix. Landfill services showed \$2,964,623 in FY16 compared to \$2,946,418 in FY17 with \$33,090 less expense in salary & wages than the previous year. The largest increase belonged to Sewer services with a rise in costs of \$7,524,411 in comparison to the previous year. The Sewer fund incurred \$1,478,595 more in expense for contractual services related to the various projects resulting from the federally mandated EPA capital improvement requirements. An increase of \$5,597,787 in debt service was also a major factor in the large hike in expenditures. Golf services upped their expenses in FY17 by \$92,480 with increases in capital improvements for sod replacement. Transit services increased their expenses by \$121,650. As Federal Transit Operating Grant awarded more, the City's contracted services expenses followed suit.

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**



CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

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 \$7,976,680 while total general fund balance reached \$21,908,764. 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 FY17, unassigned fund balance represented 16% of total general fund expenditures, while total fund balance represented 43% of that same amount.

Total fund balance of the City's general fund increased \$1,523,869 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 \$51,166,511, a slight increase of \$154,767 when FY16 reported \$51,011,744. Expenditures increased by \$1,861,599, from \$48,899,597 to \$50,761,196.
- General government function went up \$735,000 from added positions and outside services. Highway and streets saved \$20,491 from a decrease in salary & wages. Less public safety spending in salary & wages and maintenance & repair resulted in an overall decrease of \$89,491. Savings in outside services led health & welfare to record \$51,483 less than FY16. Purchases of new motor vehicles and mower were the main cause for the Parks increase of \$147,781 in expenditures. Capital Outlay increased by \$1,149,087 due to a number of projects in the fund. The most notable projects being the reconstruction of Illinois Avenue and the complete renovation of the Hyde Park ball fields.

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 \$15,599,305 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 \$1,485,501 from FY17. 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 \$12,807,789. 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, 2017

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 \$2,796,624 over last year, excluding the internal service fund. Net investment in capital assets, the largest component of net position, had a decrease of \$812,169 from last year. A portion of the City's proprietary fund net position, 14% or \$18,697,704, represents resources subject to external restrictions on how they may be used. In FY17, 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 except two. The Sewer fund reported \$13,289,516, Aviation fund showed \$899,693, Public Parking fund presented a deficit of \$2,263,745, Municipal Golf Course fund stated a deficit of \$64,405, Mass Transit fund claimed \$21,359,466, while Landfill fund reported an unrestricted net position balance of \$3,103,799.

General Fund Budgetary Highlights

Total General Fund expenditures for the 2017 fiscal year were under budget by \$2,881,797. 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, \$527,984; Highway and streets, \$1,126,764; General government, \$561,988; Health and Welfare, \$362,981; and Parks and recreation, \$302,140.

Over the course of the fiscal year, the Council revised the City budget. Appropriations including transfers out increased the General Fund by \$3,932,370. The appropriations can be directly related to Highway and streets, \$2,547,840 primarily from the 2016 Use Tax Resurfacing program contract, Health and welfare, \$393,293, for rollforward of prior year unspent Health grants; Public Safety, \$109,433.

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, 2017 totaled \$385,646,924 (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, 2017**

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

Governmental Activities

- Renovated Hyde Park Ball Fields (\$1,603,052)
- Completed Illinois Avenue Reconstruction (\$1,212,425)
- Acquired 2 New Pumper Fire Trucks (\$1,122,421)
- Implemented Construction of 2 New Fire Stations (\$807,257)
- Began Mansfield Road Improvements (\$732,389)
- Continued Cook Road Extension (\$601,163)
- Started Karnes/Parkway Realignment (\$389,952)
- Purchased thirteen (13) police vehicles (\$361,119)
- Installed new HVAC System for Civic Arena (\$326,566)
- Obtained new communication recording system (\$125,000)

Business-Type Activities

- Construction advanced on the Blacksnake Storm Water project (\$3,284,054)
- Finished Ammonia Removal Facility (\$2,081,791)
- Concluded Grit Improvement & Bio Solids Projects (\$540,636)
- Progress continued on replacement of Runway 13/31 (\$479,419)
- Procured a Vacuum Sewer Cleaning Truck (\$385,500)
- Completed the Eastside Wastewater Improvement (\$249,496)
- Purchased Route Match Software for the Transit system (\$56,720)
- Added a Catapult Bale Processor for the Landfill (\$47,000)
- Acquired an Automated Oil & Grease Extractor for Water Protection (\$28,364)

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

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 6,038,844	\$ 6,038,844	\$ 8,569,970	\$ 8,569,970	\$ 14,608,814	\$ 14,608,814
Buildings	18,963,352	20,160,059	80,485,440	39,835,500	99,448,792	59,995,559
Improvements other than buildings	28,886,569	28,945,915	79,213,905	35,839,762	108,100,474	64,785,677
Machinery and equipment	8,440,748	6,328,200	2,652,093	2,712,839	11,092,841	9,041,039
Infrastructure	86,717,458	93,737,599	41,194,870	42,490,272	127,912,328	136,227,871
Construction in progress	2,777,063	1,864,568	21,706,612	100,729,658	24,483,675	102,594,226
Total capital assets	\$ 151,824,034	\$ 157,075,185	\$ 233,822,890	\$ 230,178,001	\$ 385,646,924	\$ 387,253,186

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, 2017**

Debt Administration. At the end of the current fiscal year, the City had total debt outstanding of \$246,767,807, an increase of \$10,395,959 despite the normal annual retirement of debt service, the City continues draws on the 2014, 2014A and 2016 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	
	2017	2016	2017	2016	2017	2016
Revenue Bonds	-	-	\$ 109,110,424	\$ 98,288,292	\$ 109,110,424	\$ 98,288,292
Industrial Development Authority	\$ 33,560,000	\$ 35,245,000	28,135,000	29,090,000	61,695,000	64,335,000
Infrastructure Facility Bonds	9,670,000	10,820,000	18,960,000	19,580,000	28,630,000	30,400,000
MO Development Finance Board*	1,009,466	1,130,361	8,843,883	9,766,038	9,853,349	10,896,399
Developer Obligation	34,612,468	32,034,429	-	-	34,612,468	32,034,429
Other Obligations	-	-	2,545,560	-	2,545,560	-
Capital Lease Obligations	197,704	260,637	123,302	157,091	321,006	417,728
Total long-term debt	\$ 79,049,638	\$ 79,490,427	\$ 167,718,169	\$ 156,881,421	\$ 246,767,807	\$ 236,371,848

*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, 2017

Economic Factors and Next Year's Budgets and Rates

Economic Development Efforts

The St. Joseph economy in FY2017 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 2018

Operating Revenues – The operating revenue component of the City's FY2018 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 has seen double digit growth each of the first two years, with revenues 15% over our forecast.

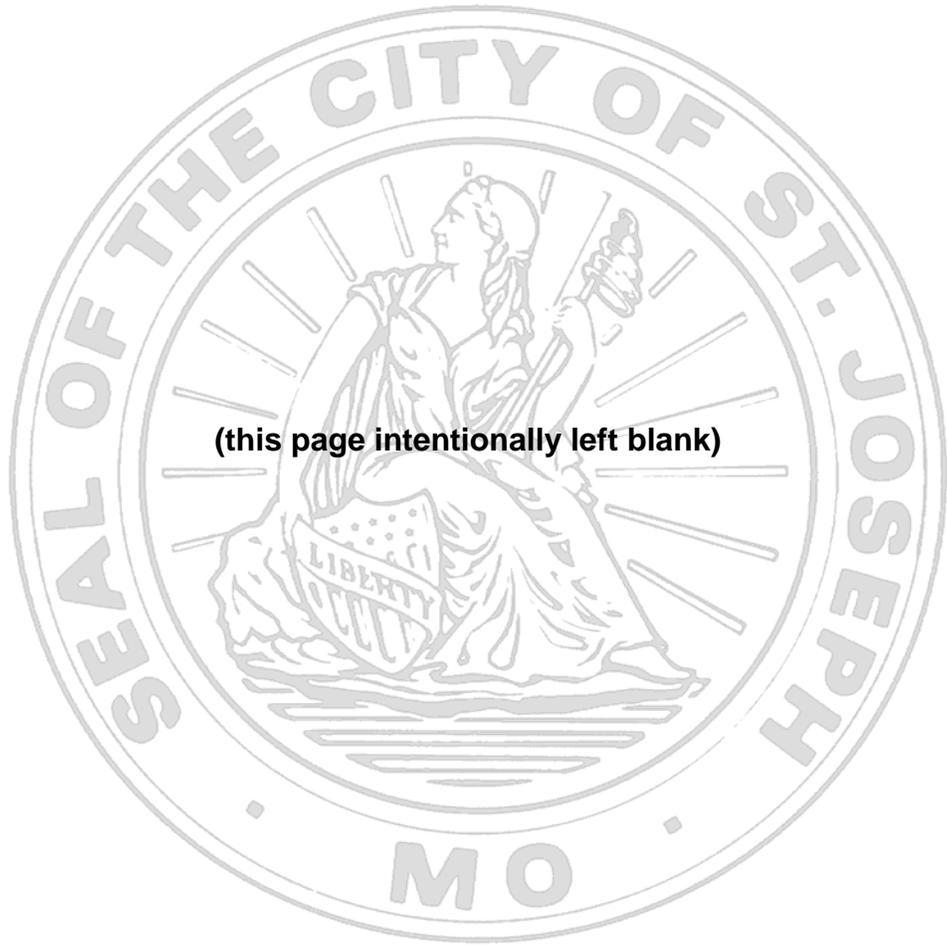
The largest contribution to the increase is the influx of revenues from the fourth full year of the Public Safety Sales Tax, projected to generate \$6.02 million next year. Property tax revenues are expected to remain level compared to the current year's receipts, as are franchise taxes and most other major sources of revenue.

Operating Expenditures – The net operating expenditure component of the City's FY2018 Proposed Annual Budget (excluding Special Allocation Funds, CIP programs, cell phone expenditures) increased by 3.9% or \$4.6 million above that adopted by the City Council for FY2017. Another increase affecting operating expenditures is the proposed 2.0% cost of living increase for all general employees and 3.2% for members of the Fraternal Order of Police. Changes to the LAGERS pension plan will be made as well with general employees going from an L-3 to an L-6 plan. Fire service employees will move from an L-6 to an L-11 plan. This change will require employees to start contributing 4% of their gross salary to their pension plan (under the current plan employees make no contribution).

Health insurance premiums are increasing in FY2018 by 13.3% due to an increase in claims. The total impact to wages and benefits in FY18 is projected at \$2.8 million.

Requests for Information

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



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CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 42,838,646	\$ 39,415,954	\$ 82,254,600
Receivables, net where applicable of allowances for uncollectibles	15,835,053	6,481,213	22,316,266
Loan receivables	2,569,672	-	2,569,672
Property held for resale	192,522	-	192,522
Internal balances	94,270	(94,270)	-
Due from other governments	656,207	593,646	1,249,853
Prepaid items and deferred charges	232,589	134,477	367,066
Restricted assets:			
Cash and investments	12,287,303	25,559,315	37,846,618
Capital assets:			
Capital assets, not being depreciated	8,815,907	30,276,582	39,092,489
Capital assets net of accumulated depreciation	143,008,127	203,546,308	346,554,435
Total assets	<u>226,530,296</u>	<u>305,913,225</u>	<u>532,443,521</u>
Deferred Outflows of Resources			
Deferred amount on refunding	584,583	1,702,434	2,287,017
Deferred outflows due to pension	14,335,914	936,704	15,272,618
Total deferred outflows of resources	<u>14,920,497</u>	<u>2,639,138</u>	<u>17,559,635</u>
Liabilities			
Accounts payable and other current liabilities	4,577,250	3,178,069	7,755,319
Unearned revenue	87,466	-	87,466
Accrued interest payable	416,549	1,250,535	1,667,084
Noncurrent liabilities:			
Due within one year	7,638,349	7,830,660	15,469,009
Due in more than one year	76,038,586	160,371,993	236,410,579
Net pension liability	41,637,279	1,584,387	43,221,666
Landfill closure and postclosure costs:			
Due within one year	-	73,500	73,500
Due in more than one year	-	5,450,641	5,450,641
Total liabilities	<u>130,395,479</u>	<u>179,739,785</u>	<u>310,135,264</u>
Deferred inflows of resources			
Deferred inflows due to pension	2,842,045	175,007	3,017,052
Total deferred inflows of resources	<u>2,842,045</u>	<u>175,007</u>	<u>3,017,052</u>
Net Position			
Net Investment in capital assets	149,662,833	73,709,814	223,372,647
Restricted for:			
Debt service	21,194,019	18,697,704	39,891,723
Capital projects	12,807,789	-	12,807,789
Loan programs	4,171,087	-	4,171,087
Economic development	3,532,761	-	3,532,761
Museum	426,224	-	426,224
Other purposes	9,365,304	-	9,365,304
Unrestricted (deficit)	(92,946,748)	36,230,053	(56,716,695)
Total net position	<u>\$ 108,213,269</u>	<u>\$ 128,637,571</u>	<u>\$ 236,850,840</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, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 16,006,227	\$ 5,407,741	\$ 1,464,573	\$ -	\$ (9,133,913)	\$ -	\$ (9,133,913)
Public safety	48,607,386	638,595	1,063,232	-	(46,905,559)	-	(46,905,559)
Highways and streets	23,368,980	268,589	141,205	-	(22,959,186)	-	(22,959,186)
Public works	274,544	20,401	-	-	(254,143)	-	(254,143)
Health and welfare	5,725,515	587,871	1,061,607	-	(4,076,037)	-	(4,076,037)
Parks and recreation	9,311,548	1,920,759	223,849	-	(7,166,940)	-	(7,166,940)
Interest on long-term debt	2,633,268	-	-	-	(2,633,268)	-	(2,633,268)
Total governmental activities	<u>105,927,468</u>	<u>8,843,956</u>	<u>3,954,466</u>	<u>-</u>	<u>(93,129,046)</u>	<u>-</u>	<u>(93,129,046)</u>
Business-type activities:							
Aviation services	1,409,019	418,018	-	2,405,711	-	1,414,710	1,414,710
Parking services	3,081,451	296,439	-	29,198	-	(2,755,814)	(2,755,814)
Sewer services	27,302,731	28,155,237	376,076	-	-	1,228,582	1,228,582
Golf services	1,362,893	713,740	-	-	-	(649,153)	(649,153)
Transit services	5,109,233	344,438	1,772,931	27,051	-	(2,964,813)	(2,964,813)
Landfill services	2,797,134	4,140,154	-	-	-	1,343,020	1,343,020
Total business-type activities	<u>41,062,461</u>	<u>34,068,026</u>	<u>2,149,007</u>	<u>2,461,960</u>	<u>-</u>	<u>(2,383,468)</u>	<u>(2,383,468)</u>
Total primary government	<u>\$ 146,989,929</u>	<u>\$ 42,911,982</u>	<u>\$ 6,103,473</u>	<u>\$ 2,461,960</u>	<u>(93,129,046)</u>	<u>(2,383,468)</u>	<u>(95,512,514)</u>
General revenues:							
Property taxes					13,961,024	-	13,961,024
Sales taxes					37,087,811	4,607,892	41,695,703
Franchise taxes					6,412,592	1,159,486	7,572,078
Motor fuel taxes					3,814,060	-	3,814,060
Cigarette taxes					373,764	-	373,764
Hotel taxes					1,181,911	-	1,181,911
Intergovernmental activity taxes					4,114,348	-	4,114,348
Unrestricted investment revenues					685,947	400,176	1,086,123
Gain on sale of capital assets					74,095	-	74,095
Transfers in (out)					1,078,473	(1,078,473)	-
Total general revenues and transfers					<u>68,784,025</u>	<u>5,089,081</u>	<u>73,873,106</u>
Change in net position					<u>(24,345,021)</u>	<u>2,705,613</u>	<u>(21,639,408)</u>
Net position - beginning					132,558,290	125,931,958	258,490,248
Net position - ending					<u>\$ 108,213,269</u>	<u>\$ 128,637,571</u>	<u>\$ 236,850,840</u>

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

CITY OF ST. JOSEPH, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 18,218,707	\$ 2,815,034	\$ 12,611,690	\$ 7,611,922	\$ 41,257,353
Receivables	6,596,497	6,643,899	965,096	1,629,561	15,835,053
Loan receivables	-	-	-	2,569,672	2,569,672
Property held for resale	-	-	-	192,522	192,522
Due from other governments	211,700	-	69,500	375,007	656,207
Prepaid items	169,302	-	-	63,287	232,589
Restricted cash and investments	195,949	12,091,354	-	-	12,287,303
Total assets	<u>\$ 25,392,155</u>	<u>\$ 21,550,287</u>	<u>\$ 13,646,286</u>	<u>\$ 12,441,971</u>	<u>\$ 73,030,699</u>
Total assets and deferred outflows of resources					
	<u>\$ 25,392,155</u>	<u>\$ 21,550,287</u>	<u>\$ 13,646,286</u>	<u>\$ 12,441,971</u>	<u>\$ 73,030,699</u>
Liabilities, Deferred Inflows and Fund Balances					
Liabilities:					
Accounts payable	\$ 2,362,585	\$ 135,668	\$ 838,497	\$ 739,108	\$ 4,075,858
Accrued payroll	482,978	-	-	18,414	501,392
Unearned revenue	87,466	-	-	-	87,466
Total liabilities	<u>2,933,029</u>	<u>135,668</u>	<u>838,497</u>	<u>757,522</u>	<u>4,664,716</u>
Deferred Inflows of Resources:					
Unavailable revenues-property taxes	467,326	-	-	61,152	528,478
Unavailable revenues-other	83,036	5,815,314	-	135,040	6,033,390
Total deferred inflows of resources	<u>550,362</u>	<u>5,815,314</u>	<u>-</u>	<u>196,192</u>	<u>6,561,868</u>
Fund balances:					
Nonspendable	169,302	-	-	63,287	232,589
Restricted	5,781,503	15,599,305	12,807,789	11,424,970	45,613,567
Committed	5,568,525	-	-	-	5,568,525
Assigned	2,412,754	-	-	-	2,412,754
Unassigned	7,976,680	-	-	-	7,976,680
Total fund balances	<u>21,908,764</u>	<u>15,599,305</u>	<u>12,807,789</u>	<u>11,488,257</u>	<u>61,804,115</u>
Total liabilities, deferred inflows of resources and fund balances					
	<u>\$ 25,392,155</u>	<u>\$ 21,550,287</u>	<u>\$ 13,646,286</u>	<u>\$ 12,441,971</u>	<u>\$ 73,030,699</u>

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

CITY OF ST. JOSEPH, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
 JUNE 30, 2017

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

Fund balances – total governmental funds	\$ 61,804,115
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	151,824,034
Deferred charges on refunding are not due and payable in the current period, and therefore, are not reported in the funds.	584,583
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	14,335,914
Long-term assets are not available to pay for current period expenditures and are therefore reported as unavailable revenues in the fund statements.	6,561,868
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when due.	(416,549)
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.	163,862
Net pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	(41,637,279)
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	(2,842,045)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(82,165,234)</u>
 Net position of governmental activities	 <u><u>\$ 108,213,269</u></u>

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

CITY OF ST. JOSEPH, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property	\$ 12,088,708	\$ 643,358	\$ -	\$ 1,253,325	\$ 13,985,391
Sales	21,733,416	3,275,769	5,930,307	6,148,319	37,087,811
Franchise	6,412,592	-	-	-	6,412,592
Motor Fuel and other	1,009,116	-	-	2,804,944	3,814,060
Cigarette	373,764	-	-	-	373,764
Hotel	1,181,911	-	-	-	1,181,911
Intergovernmental activity	-	4,114,348	-	-	4,114,348
Licenses and permits	1,463,869	-	-	95,533	1,559,402
Intergovernmental	2,122,663	-	97,573	1,973,942	4,194,178
Charges for services	3,153,097	-	-	1,182,254	4,335,351
Fines	809,507	-	-	-	809,507
Special assessments	-	-	-	20,971	20,971
Investment earnings	82,286	461,621	57,445	77,138	678,490
Contributions and donations	123,244	-	35,000	-	158,244
Other	612,338	950,641	502,794	476,390	2,542,163
Total revenues	51,166,511	9,445,737	6,623,119	14,032,816	81,268,183
Expenditures					
Current:					
General government	7,414,353	816,284	-	1,462,835	9,693,472
Public safety	26,156,089	-	-	1,317,457	27,473,546
Highways and streets	5,549,262	-	-	3,078,167	8,627,429
Public works	-	-	-	247,835	247,835
Health and welfare	3,640,275	-	-	1,381,774	5,022,049
Parks and recreation	5,122,999	-	-	1,049,916	6,172,915
Debt Service:					
Principal	216,171	4,664,239	-	-	4,880,410
Interest and fiscal charges	84,577	2,479,713	-	-	2,564,290
Capital outlay	2,577,470	-	7,688,856	3,984,313	14,250,639
Total expenditures	50,761,196	7,960,236	7,688,856	12,522,297	78,932,585
Excess (deficiency) of revenues over expenditures	405,315	1,485,501	(1,065,737)	1,510,519	2,335,598
Other financing sources (uses)					
Transfers in	6,111,773	-	993,245	2,751,570	9,856,588
Transfers out	(5,029,125)	-	(368,090)	(3,380,900)	(8,778,115)
Capital lease Proceeds	21,896	-	-	-	21,896
Sale of capital assets	14,010	-	-	60,085	74,095
Total other financing sources (uses), net	1,118,554	-	625,155	(569,245)	1,174,464
Net change in fund balances	1,523,869	1,485,501	(440,582)	941,274	3,510,062
Fund balances - beginning	20,384,895	14,113,804	13,248,371	10,546,983	58,294,053
Fund balances - ending	\$ 21,908,764	\$ 15,599,305	\$ 12,807,789	\$ 11,488,257	\$ 61,804,115

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, 2017

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

Net changes in fund balances – total governmental funds		\$ 3,510,062
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	6,913,650
	Depreciation	<u>(11,682,534)</u>
		(4,768,884)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations)		
	Disposals	(482,267)
		(482,267)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(845,761)
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.		
		4,880,410
		Principal payments
		Amortization of deferred amount on refunding
		(92,725)
		Capital lease proceeds
		(21,896)
		Developer obligation
		(4,403,620)
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:		
		23,747
		Accrued interest
		Compensated absences and OPEB obligations
		(302,226)
		Change in pension net liability/asset
		(16,601,144)
		Changes in net pension deferred outflows and inflows
		(4,744,609)
Internal Service Funds are used by management to charge the costs of self-insurance to individual funds.		
		(496,108)
		The net revenue of certain activities of the internal service fund is reported with the governmental activities.
		<u>(496,108)</u>
Change in net position of governmental activities		<u>\$ (24,345,021)</u>

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

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Sewer	Mass Transit	Other Enterprise Funds	Total	Internal Service Fund
Assets					
Current assets:					
Cash and investments	\$ 9,675,539	\$ 20,219,979	\$ 9,520,436	\$ 39,415,954	\$ 1,581,293
Interest receivable	49,869	42,588	19,282	111,739	-
Accounts receivable (net of allowance for uncollectibles)	5,000,866	979,324	389,284	6,369,474	-
Due from other governments	-	188,411	405,235	593,646	-
Prepaid items	100,174	5,256	29,047	134,477	-
Total current assets	14,826,448	21,435,558	10,363,284	46,625,290	1,581,293
Noncurrent assets:					
Restricted cash and investments	25,559,315	-	-	25,559,315	-
Capital assets:					
Capital assets, not being depreciated:	15,067,916	189,134	15,019,532	30,276,582	-
Capital assets net of accumulated depreciation:	186,627,674	2,107,029	14,811,605	203,546,308	-
Total capital assets (net of accumulated depreciation)	201,695,590	2,296,163	29,831,137	233,822,890	-
Total noncurrent assets	227,254,905	2,296,163	29,831,137	259,382,205	-
Total assets	242,081,353	23,731,721	40,194,421	306,007,495	1,581,293
Deferred Outflows of Resources					
Deferred amount on refunding	1,702,434	-	-	1,702,434	-
Deferred outflows due to pension assets	634,812	-	301,892	936,704	-
Total Deferred Outflows of Resources	2,337,246	-	301,892	2,639,138	-
Liabilities					
Current liabilities:					
Accounts payable	\$ 2,269,341	\$ 76,092	\$ 755,296	\$ 3,100,729	\$ -
Claims payable	-	-	-	-	754,756
Accrued payroll	51,489	-	25,851	77,340	-
Accrued interest payable	1,250,535	-	-	1,250,535	-
Long-term obligations due in one year	7,714,683	-	115,977	7,830,660	-
Landfill closure and postclosure liability	-	-	73,500	73,500	-
Total current liabilities	11,286,048	76,092	970,624	12,332,764	754,756
Noncurrent liabilities:					
Claims	-	-	-	-	756,945
Long-term obligations due in more than one year (net of unamortized discounts and deferred amount on refunding)	157,638,967	-	2,733,026	160,371,993	-
Landfill closure and postclosure liability	-	-	5,450,641	5,450,641	-
Net Pension Liability	1,073,751	-	510,636	1,584,387	-
Total noncurrent liabilities	158,712,718	-	8,694,303	167,407,021	756,945
Total liabilities	169,998,766	76,092	9,664,927	179,739,785	1,511,701
Deferred Inflows of Resources					
Deferred inflows due to pension	118,604	-	56,403	175,007	-
Total deferred inflows of resources	118,604	-	56,403	175,007	-
Net Position					
Net Investment in capital assets	42,314,009	2,296,163	29,099,641	73,709,814	-
Restricted for debt service	18,697,704	-	-	18,697,704	-
Unrestricted (deficit)	13,289,516	21,359,466	1,675,342	36,324,323	69,592
Total net position	\$ 74,301,229	\$ 23,655,629	\$ 30,774,983	128,731,841	\$ 69,592
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(94,270)	
Net position of business-type activities				\$ 128,637,571	

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, 2017**

	Sewer	Mass Transit	Other Enterprise Funds	Total	Total Internal Service Fund
Operating revenues:					
Charges for services	\$ 27,898,789	\$ 312,453	\$ 5,488,028	\$ 33,699,270	\$ 1,330,306
Other	256,448	31,985	80,323	368,756	-
Total operating revenues	<u>28,155,237</u>	<u>344,438</u>	<u>5,568,351</u>	<u>34,068,026</u>	<u>1,330,306</u>
Operating expenses:					
Personal services	7,963,315	2,344	3,780,650	11,746,309	-
Contractual services	6,284,021	4,419,660	2,450,589	13,154,270	1,924,882
Commodities	711,422	341,566	538,949	1,591,937	-
Heat, light and power	1,758,544	33,537	167,250	1,959,331	-
Depreciation	6,148,430	312,126	1,507,083	7,967,639	-
Closure and postclosure care costs	-	-	34,913	34,913	-
Total operating expenses	<u>22,865,732</u>	<u>5,109,233</u>	<u>8,479,434</u>	<u>36,454,399</u>	<u>1,924,882</u>
Operating income (loss)	<u>5,289,505</u>	<u>(4,764,795)</u>	<u>(2,911,083)</u>	<u>(2,386,373)</u>	<u>(594,576)</u>
Nonoperating revenues (expenses):					
Intergovernmental and other	376,076	1,772,931	-	2,149,007	-
Sales taxes	-	4,607,892	-	4,607,892	-
Franchise taxes	-	1,159,486	-	1,159,486	-
Investment income	263,429	93,744	43,003	400,176	7,457
Interest and fiscal charges	(4,074,930)	-	(55,771)	(4,130,701)	-
(Loss) on disposal of capital assets	(300,066)	-	(86,284)	(386,350)	-
Total nonoperating revenues (expenses), net	<u>(3,735,491)</u>	<u>7,634,053</u>	<u>(99,052)</u>	<u>3,799,510</u>	<u>7,457</u>
Income (loss) before capital contributions and transfers	1,554,014	2,869,258	(3,010,135)	1,413,137	(587,119)
Capital contributions and grants	-	27,051	2,434,909	2,461,960	-
Transfers in	15,179	-	2,190,260	2,205,439	-
Transfers out	(1,958,859)	(166,539)	(1,158,514)	(3,283,912)	-
Change in net position	<u>(389,666)</u>	<u>2,729,770</u>	<u>456,520</u>	<u>2,796,624</u>	<u>(587,119)</u>
Total net position - beginning	<u>74,690,895</u>	<u>20,925,859</u>	<u>30,318,463</u>		<u>656,711</u>
Total net position - ending	<u>\$ 74,301,229</u>	<u>\$ 23,655,629</u>	<u>\$ 30,774,983</u>		<u>\$ 69,592</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(91,011)	
Change in net position of business-type activities				<u>\$ 2,705,613</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, 2017

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 27,978,892	\$ 245,034	\$ 6,661,591	\$ 34,885,517	\$ 1,330,306
Payments to suppliers	(14,136,191)	(4,898,116)	(1,785,735)	(20,820,042)	(1,839,962)
Payments to employees	(4,230,863)	(2,344)	(2,117,730)	(6,350,937)	-
Other operating revenues	256,448	31,985	80,323	368,756	-
Net cash provided (used) by operating activities	9,868,286	(4,623,441)	2,838,449	8,083,294	(509,656)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund advances	-	-	(1,056,192)	(1,056,192)	-
Intergovernmental grants	376,076	1,584,520	-	1,960,596	-
Taxes received	-	5,767,378	-	5,767,378	-
Transfers in	15,179	-	2,190,260	2,205,439	-
Transfers out	(1,958,859)	(166,539)	(1,158,514)	(3,283,912)	-
Net cash provided (used) by noncapital financing activities	(1,567,604)	7,185,359	(24,446)	5,593,309	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond Proceeds	15,597,308	-	-	15,597,308	-
Payments of debt principal	(6,359,721)	-	(44,530)	(6,404,251)	-
Payments of debt interest and charges	(4,843,937)	-	(54,018)	(4,897,955)	-
Capital grants received	-	27,051	3,136,017	3,163,068	-
Purchase of capital assets	(7,919,871)	(67,090)	(3,964,194)	(11,951,155)	-
Net cash provided (used) by capital and related financing activities	(3,526,221)	(40,039)	(926,725)	(4,492,985)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	54,156,796	37,883,835	17,201,398	109,242,029	3,606,526
Purchase of investments	(46,904,714)	(40,293,532)	(18,972,982)	(106,171,228)	(3,151,135)
Interest and dividends received	237,010	76,146	33,762	346,918	7,457
Net cash provided (used) by investing activities	7,489,092	(2,333,551)	(1,737,822)	3,417,719	462,848
Net increase (decrease) in cash and cash equivalents	12,263,553	188,328	149,456	12,601,337	(46,808)
Cash and cash equivalents - beginning	1,442,508	1,537,324	663,056	3,642,888	181,762
Cash and cash equivalents - ending	13,706,061	1,725,652	812,512	16,244,225	134,954
Investments	21,528,793	18,494,327	8,707,924	48,731,044	1,446,339
Total cash and investments	\$ 35,234,854	\$ 20,219,979	\$ 9,520,436	\$ 64,975,269	\$ 1,581,293
Cash and investments reported on the Statement of Net Position:					
Unrestricted cash and investments	\$ 9,675,539	\$ 20,219,979	\$ 9,520,436	\$ 39,415,954	\$ 1,581,293
Restricted cash and investments	25,559,315	-	-	25,559,315	-
Total cash and investments	\$ 35,234,854	\$ 20,219,979	\$ 9,520,436	\$ 64,975,269	\$ 1,581,293

(continued)

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 5,289,505	\$ (4,764,795)	\$ (2,911,083)	\$ (2,386,373)	\$ (594,576)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	6,148,430	312,126	1,507,083	7,967,639	-
Noncash economic development expense	-	-	2,545,560	2,545,560	-
Effect of changes in operating assets and liabilities:					
Accounts and other receivables	80,103	(67,419)	1,173,563	1,186,247	-
Prepaid expenses	(6,327)	(354)	(1,910)	(8,591)	-
Net pension Asset	2,666,372	-	1,134,823	3,801,195	-
Deferred outflows of resources	901,770	-	519,587	1,421,357	-
Accounts payable and contracts/claims payable	(5,375,877)	(102,999)	(1,078,832)	(6,557,708)	84,920
Accrued payroll and compensated absences	164,310	-	8,510	172,820	-
Landfill closure and postclosure	-	-	(58,852)	(58,852)	-
Net cash provided (used) by operating activities	\$ 9,868,286	\$ (4,623,441)	\$ 2,838,449	\$ 8,083,294	\$ (509,656)

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, 2017

	Pension Trust Fund	
	Police Pension	Total Agency Funds
Assets:		
Cash and cash equivalents	\$ -	\$ 122,536
Investments:		
Other debt securities	15,491,163	-
Corporate stock	22,978,432	-
Receivables:		
Taxes	-	292,302
Accrued interest	132,010	-
Total assets	<u>38,601,605</u>	<u>\$ 414,838</u>
Liabilities:		
Accounts payable	21,254	\$ -
Due to others	-	414,838
Total liabilities	<u>21,254</u>	<u>\$ 414,838</u>
Net Position Restricted for Pension benefits	<u>\$ 38,580,351</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, 2017

	Pension Trust Fund <u>Police Pension</u>
Additions:	
Member contributions	\$ 264,163
Employer contributions	2,186,054
Interest and dividends	937,278
Net depreciation in fair value of investments	2,712,488
Less investment expenses	<u>(65,862)</u>
Total additions	<u>6,034,121</u>
Deductions:	
Benefit payments	2,569,545
Refunds of contributions	7,997
Administrative expenses	<u>63,752</u>
Total deductions	<u>2,641,294</u>
Net change in net position	3,392,827
Net position restricted for pension benefits	
Beginning of year	<u>35,187,524</u>
End of year	<u>\$ 38,580,351</u>

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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”, Statement No. 61 “The Financial Reporting Entity: Omnibus on an amendment of GASB Statements No. 14 and No. 34”, and GASB Statement 80, “Blending Requirements for Certain Component Units – an amendment to GASB Statement 14”, an evaluation is made of organizations to determine whether they are within the scope of the “primary government” or whether they are a component unit of the government. Primary governments are financially accountable for organizations that make up their legal entity, for legally separate organizations (if certain criteria are met) and for organizations that are fiscally dependent upon the government. Generally, component units are presented discretely within the financial statements of the primary government; unless certain criteria are met in which case they are blended.

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

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

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

The financial statements of the City include all funds and agencies which are controlled by or dependent on the City's executive and legislative branches, the City Manager and City Council, respectively. Control by, or dependence on the City was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, obligations of the City to finance any deficits which may occur, or receipt of significant subsidies from the City. 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

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

The financial statements for the Police Pension Fund, a pension trust fund, are prepared using the accrual basis of accounting 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:

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

The *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.

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

D. Cash and Investments

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

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

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

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

E. Receivables

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

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation. Balances in prepaid items at June 30, 2017, include the premiums paid to various companies for general liability insurance, auto liability, boiler and machinery, crime, and other insurance for coverage effective July 1, 2017. 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, 2017

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, 2017**

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 acquisition value.

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 \$4,948,706. Of this amount, \$963,903 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
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Vacation leave is earned at the following rates:

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

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

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

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

L. Property Tax Revenue Recognition

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

M. Interfund Activity

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

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

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017

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 \$911,543. This amount is approximately 2% of total general fund revenues of \$57,314,817 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, 2017**

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

	Balance June 30, 2017
Cash on hand	\$ 24,385
Cash Deposit in Bank	5,326,798
Investments held by Trustee (Bond Reserves)	23,984,574
US Agency Securities	84,727,997
Certificate of Deposits	6,160,000
Police Pension Trust:	
Investments	38,469,595
	<u>38,469,595</u>
	<u>\$ 158,693,349</u>

	Government- wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Unrestricted – cash and investments	\$ 82,254,600	\$ 122,536	\$ 82,377,136
Restricted – cash and investments	37,846,618	—	37,846,618
Police Pension – cash and investments	—	38,469,595	38,469,595
Total	<u>\$ 120,101,218</u>	<u>\$ 38,592,131</u>	<u>\$ 158,693,349</u>

Investments for the City of St. Joseph, Missouri are as follows for the year ended June 30, 2017

Investment type:	Investment Maturities (in years)	
	Cost	Less Than 1
US Agency Securities		
Federal National Mortgage Assoc	\$ 17,949,325	\$ 17,949,325
Federal Home Loan Mort Corp	31,896,504	31,896,504
Federal Home Loan Bank	34,882,168	34,882,168
Total	<u>\$ 84,727,997</u>	<u>\$ 84,727,997</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, 2017**

Investments for the Police Pension fund by segmented maturity are as follows for the year ended June 30, 2017:

	Investment Maturities (in years)				
	Fair Value	Less Than 1	1 - 5	6 - 10	>10
Investment type:					
Debt Securities					
Fed Natl Mort Assoc	\$ 3,003,208	—	\$ 502,247	\$ 102,597	\$ 2,398,364
Fed Hme Loan Mort	1,469,692	—	—	—	1,469,692
Fed Hme Loan Bank	198,876	—	198,876	—	—
Gov Natl Mort Assoc	606,824	—	—	—	606,824
Money Market	982,636	\$ 982,636	—	—	—
US Treasuries	1,731,747	49,900	420,908	474,685	786,254
Credit Bond Fund	—	—	—	—	—
Muni Obligations	99,712	—	99,712	—	—
Foreign debt	99,706	—	99,706	—	—
Corporate debt	7,298,762	1,149,489	3,130,572	1,732,353	1,286,348
	<u>\$ 15,491,163</u>	<u>\$ 2,182,025</u>	<u>\$ 4,452,021</u>	<u>\$ 2,309,635</u>	<u>\$ 6,547,482</u>
Other Investments:					
Corporate stock	<u>22,978,432</u>				
Total	<u>\$ 38,469,595</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, 2017, the bank balance of \$7,426,395 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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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

Investment theory and historical capital market return data suggests that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. Given this relationship between risk and return, the investment 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 National Mortgage Assoc	\$ 17,949,325	\$ 17,949,325
Federal Home Loan Mortgage Corp	31,896,504	31,896,504
Federal Home Loan Bank	34,882,168	34,882,168
Total	<u>\$ 84,727,997</u>	<u>\$ 84,727,997</u>

CITY OF ST. JOSEPH, MISSOURI

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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>	<u>BBB</u>
Debt Securities						
Fed Natl Mort Assoc	\$ 3,003,208	\$ 3,003,208	—	—	—	—
Fed Hme Loan Mort	1,469,692	1,469,692	—	—	—	—
Fed Hme Loan Bank	198,876	198,876	—	—	—	—
Gov Natl Mort Assoc	606,824	606,824	—	—	—	—
Money Market	982,636	982,636	—	—	—	—
US Treasuries	1,731,747	1,731,747	—	—	—	—
Muni Obligations	99,712	—	\$ 99,712	—	—	—
Foreign Debt	99,706	—	99,706	—	—	—
Corporate debt	7,298,762	497,221	464,432	\$ 4,362,123	\$ 1,844,400	\$ 130,586
	<u>\$ 15,491,163</u>	<u>\$ 8,490,204</u>	<u>\$ 663,850</u>	<u>\$ 4,362,123</u>	<u>\$ 1,844,400</u>	<u>\$ 130,586</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 National Mortgage Association	\$ 17,949,325	21%
Federal Home Loan Mortgage Corporation	31,896,504	38%
Federal Home Loan Bank	34,882,168	41%
	<u>\$ 84,727,997</u>	<u>100%</u>

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Fair values of assets and liabilities of the City measured on a recurring basis, as of June 30, 2017 are as follows:

Investment type:	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt Securities				
Fed Natl Mort Assoc	\$ 3,003,208	—	\$ 3,003,208	—
Fed Hme Loan Mort	1,469,692	—	1,469,692	—
Fed Hme Loan Bank	198,876	—	198,876	—
Gov Natl Mort Assoc	606,824	—	606,824	—
Money Market	982,636	—	982,636	—
US Treasuries	1,731,747	—	1,731,747	—
Muni Obligations	99,712	—	99,712	—
Foreign Debt	99,706	—	99,706	—
Corporate debt	7,298,762	—	7,298,762	—
Equity Securities:				
Corporate Stock	16,650,453	16,650,453	—	—
Exchange Traded Fund - Equity	41,272	41,272	—	—
Real Estate Investment Trust	787,691	787,691	—	—
Exchange Traded Fund - REIT	1,454,860	1,454,860	—	—
Foreign Equities	4,044,156	4,044,156	—	—
	<u>\$ 38,469,595</u>	<u>\$ 22,978,432</u>	<u>\$ 15,491,163</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.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

The City's 2016 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	2016/2017	2015/2016
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 2016 which comply with Article X, Section 22 of the Missouri Constitution.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 2016 and 2015 levies were as follows:

Tax Year / Fiscal Year	2016 / 2017	2015 / 2016	Change	Percent of Change
Real Property	\$716,782,330	\$707,450,430	\$9,331,900	1.32%
Personal Property	249,389,648	248,116,912	1,272,736	0.51%
Railroad Utilities	46,823,907	44,775,651	2,048,256	4.57%
Total	<u>\$1,012,995,885</u>	<u>\$1,000,342,993</u>	<u>\$12,652,892</u>	<u>6.40%</u>

Receivables as of June 30, 2017, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts and Other	Accrued Interest	Taxes	Total Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental activities:						
General	\$ 693,021	\$ 40,698	\$ 5,862,778	\$ 6,596,497	\$ -	\$ 6,596,497
Special Allocation	6,152,130	2,027	489,742	6,643,899	-	6,643,899
CIP Sales Tax	-	8,909	956,187	965,096	-	965,096
Nonmajor governmental funds	201,004	5,393	1,423,164	1,629,561	-	1,629,561
Total governmental activities	<u>7,046,155</u>	<u>57,027</u>	<u>8,731,871</u>	<u>15,835,053</u>	<u>-</u>	<u>15,835,053</u>
Business-type activities:						
Sewer	\$ 5,195,488	\$ 49,869	\$ -	\$ 5,245,357	\$ (194,622)	\$ 5,050,735
Mass Transit	13,625	42,588	965,699	1,021,912	-	1,021,912
Nonmajor enterprise funds	389,284	19,282	-	408,566	-	408,566
Total business-type activities	<u>5,598,397</u>	<u>111,739</u>	<u>965,699</u>	<u>6,675,835</u>	<u>(194,622)</u>	<u>6,481,213</u>
Total Net Receivables	<u>\$ 12,644,552</u>	<u>\$ 168,766</u>	<u>\$ 9,697,570</u>	<u>\$ 22,510,888</u>	<u>\$ (194,622)</u>	<u>\$ 22,316,266</u>

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,038,844	\$ —	\$ —	\$ 6,038,844
Construction in progress	1,864,568	4,054,538	3,142,043	2,777,063
Total capital assets, not being depreciated	7,903,412	4,054,538	3,142,043	8,815,907
Capital assets, being depreciated:				
Buildings	46,529,053	—	504,305	46,024,748
Improvements other than buildings	43,095,345	1,654,502	786,914	43,962,933
Machinery and equipment	24,937,071	3,963,840	1,257,268	27,643,643
Office Equipment and Furniture	6,278,110	394,743	239,158	6,433,695
Infrastructure	273,687,716	—	—	273,687,716
Total capital assets being depreciated	394,527,295	6,013,085	2,787,645	397,752,735
Less accumulated depreciation for:				
Buildings	26,368,994	1,098,823	406,421	27,061,396
Improvements other than buildings	14,149,430	1,398,186	471,252	15,076,364
Machinery and equipment	20,958,620	1,645,886	1,189,461	21,415,045
Office Equipment and Furniture	3,928,361	519,498	226,314	4,221,545
Infrastructure	179,950,117	7,020,141	—	186,970,258
Total accumulated depreciation	245,355,522	11,682,534	2,293,448	254,744,608
Total capital assets, being depreciated, net	149,171,773	(5,669,449)	494,197	143,008,127
Total Governmental activities capital assets, net	\$ 157,075,185	\$ (1,614,911)	\$ 3,636,240	\$ 151,824,034

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Sewer fund:				
Capital assets, not being depreciated:				
Land	\$ 3,062,040	\$ —	\$ —	\$ 3,062,040
Construction in progress	94,147,867	7,229,836	89,371,827	12,005,876
Total capital assets, not being depreciated	97,209,907	7,229,836	89,371,827	15,067,916
Capital assets, being depreciated:				
Buildings	59,261,909	43,757,147	637,176	102,381,880
Improvements other than buildings	41,502,649	45,614,679	123,644	86,993,684
Machinery and equipment	11,743,612	722,713	469,183	11,997,142
Office Equipment and Furniture	877,098	—	—	877,098
Infrastructure	67,150,806	—	—	67,150,806
Total capital assets being depreciated	180,536,074	90,094,539	1,230,003	269,400,610
Less accumulated depreciation for:				
Buildings	24,097,087	2,606,592	477,884	26,225,795
Improvements other than buildings	8,215,547	1,998,785	26,790	10,187,542
Machinery and equipment	10,458,603	529,303	392,587	10,595,319
Office Equipment and Furniture	634,960	133,634	—	768,594
Infrastructure	34,115,570	880,116	—	34,995,686
Total accumulated depreciation	77,521,767	6,148,430	897,261	82,772,936
Total capital assets, being depreciated, net	103,014,307	83,946,109	332,742	186,627,674
Total sewer fund capital assets, net	\$ 200,224,214	\$ 91,175,945	\$ 89,704,569	\$ 201,695,590
Mass Transit fund:				
Capital assets, not being depreciated:				
Land	\$ 189,134	\$ —	\$ —	\$ 189,134
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	67,090	16,929	1,020,768
Total capital assets being depreciated	11,199,950	67,090	16,929	11,250,111
Less accumulated depreciation for:				
Buildings	2,515,146	147,585	—	2,662,731
Improvements other than buildings	67,255	10,167	—	77,422
Machinery and equipment	5,420,853	149,982	—	5,570,835
Office Equipment and Furniture	844,631	4,392	16,929	832,094
Total accumulated depreciation	8,847,885	312,126	16,929	9,143,082
Total capital assets, being depreciated, net	2,352,065	(245,036)	—	2,107,029
Total mass transit fund capital assets, net	\$ 2,541,199	\$ (245,036)	\$ —	\$ 2,296,163

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nonmajor enterprise funds:				
Capital assets, not being depreciated:				
Land	\$ 5,318,796	\$ —	\$ —	\$ 5,318,796
Construction in Progress	6,581,791	3,178,571	59,626	9,700,736
Total capital assets, not being depreciated	11,900,587	3,178,571	59,626	15,019,532
Capital assets, being depreciated:				
Buildings	10,023,385	—	894,165	9,129,220
Improvements other than buildings	12,230,077	—	7,487	12,222,590
Machinery and equipment	7,450,399	815,837	74,963	8,191,273
Office Equipment and Furniture	25,446	24,230	—	49,676
Infrastructure	11,869,953	—	—	11,869,953
Total capital assets being depreciated	41,599,260	840,067	976,615	41,462,712
Less accumulated depreciation for:				
Buildings	7,342,074	189,987	890,416	6,641,645
Improvements other than buildings	9,794,758	134,299	7,055	9,922,002
Machinery and equipment	6,510,064	766,300	45,764	7,230,600
Office Equipment and Furniture	25,446	1,211	—	26,657
Infrastructure	2,414,917	415,286	—	2,830,203
Total accumulated depreciation	26,087,259	1,507,083	943,235	26,651,107
Total capital assets, being depreciated, net	15,512,001	(667,016)	33,380	14,811,605
Total nonmajor enterprise fund capital assets, net	<u>27,412,588</u>	<u>2,511,555</u>	<u>93,006</u>	<u>29,831,137</u>
Total business-type activities capital assets, net	\$ <u>230,178,001</u>	\$ <u>93,442,464</u>	\$ <u>89,797,575</u>	\$ <u>233,822,890</u>

Depreciation expense was charged to functions/programs as followed:

Governmental activities:	
General government	\$ 305,384
Public safety	1,331,951
Highways and streets	7,595,348
Health and welfare	185,095
Parks and recreation	2,264,756
Total depreciation expense – governmental activities	\$ <u>11,682,534</u>
Business-type activities:	
Sewer	\$ 6,148,430
Mass Transit	312,126
Non-major enterprise funds	1,507,083
Total depreciation expense – business-type activities	\$ <u>7,967,639</u>

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: INTERFUND ACTIVITIES

Interfund transfers consisted of the following amounts:

	Transfers To							
	General Fund	Special Allocation	CIP Sales Tax	Nonmajor Governmental	Sewer Fund	Nonmajor Business-type	Total	
Governmental Funds:								
Transfers From	General Fund	Nonmajor governmental	CIP Sales Tax					
	\$ -	\$ -	\$ 993,245	\$ 2,316,571	\$ 11,929	\$ 1,707,380	\$ 5,029,125	
	3,204,401	-	-	109,999	-	66,500	3,380,900	
	-	-	-	-	-	368,090	368,090	
Enterprise Funds:								
	1,910,569	-	-	-	-	48,290	1,958,859	
	166,539	-	-	-	-	-	166,539	
	830,264	-	-	325,000	3,250	-	1,158,514	
Total	\$ 6,111,773	\$ -	\$ 993,245	\$ 2,751,570	\$ 15,179	\$ 2,190,260	\$ 12,062,027	

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 07/01/16	Increases	Decreases	Balance 06/30/17	Current Portion
Industrial Development					
Authority Bonds	\$ 35,245,000	\$ -	\$ (1,685,000)	\$ 33,560,000	\$ 1,800,000
Infrastructure Facility					
Revenue Bonds	10,820,000	-	(1,150,000)	9,670,000	1,175,000
MO Development Finance					
Board Bonds	1,260,000	-	(135,000)	1,125,000	140,000
Discount on Issuance	(129,639)	-	14,105	(115,534)	-
Developer Obligations	32,034,429	4,403,620	(1,825,581)	34,612,468	2,000,000
Capital Lease Obligations	260,637	21,896	(84,829)	197,704	95,509
Compensated Absences *	1,630,301	2,089,824	(2,040,258)	1,679,867	1,673,084
OPEB Obligation*	1,183,069	252,660	-	1,435,729	-
Claims	1,426,781	1,611,985	(1,527,065)	1,511,701	754,756
Total Governmental activities					
Long-term liabilities	\$ 83,730,578	\$ 8,379,985	\$ (8,433,628)	\$ 83,676,935	\$ 7,638,349

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Business-type Activities	Balance 7/1/16	Increases	Decreases	Balance 6/30/17	Current Portion
Water Protection Fund					
Revenue Bonds	\$ 98,288,292	\$ 15,583,754	\$ (4,761,622)	\$ 109,110,424	\$ 4,740,824
Industrial Development Authority Bonds	29,090,000	-	(955,000)	28,135,000	1,545,000
Infrastructure Facility Revenue Bonds	19,580,000	-	(620,000)	18,960,000	645,000
MO Development Finance Board Bonds	6,485,000	-	(635,000)	5,850,000	655,000
Discount on Issuance	(89,736)	-	4,360	(85,376)	(1,908)
Premium on Issuance	3,370,774	-	(291,515)	3,079,259	-
Capital Leases	903	13,553	(2,813)	11,643	3,326
Compensated Absences	137,372	197,203	(207,131)	127,444	127,441
OPEB Obligation	136,174	29,082	-	165,256	-
Total water protection fund					
Long-term liabilities	156,998,779	15,823,592	(7,468,721)	165,353,650	7,714,683
Nonmajor enterprise funds:					
Capital Leases	156,188	-	(44,529)	111,659	20,784
Other Obligations	-	3,500,000	(954,440)	2,545,560	-
Closure/Post Closure	5,582,993	34,913	(93,765)	5,524,141	73,500
Compensated absences	122,897	108,917	(125,428)	106,386	95,193
OPEB Obligation	70,370	15,028	-	85,398	-
Total nonmajor enterprise funds					
Long-term liabilities	5,932,448	3,658,858	(1,218,162)	8,373,144	189,477
Total Business-type activities					
Long-term liabilities	\$ 162,931,227	\$ 19,482,450	\$ (8,686,883)	\$ 173,726,794	\$ 7,904,160

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Governmental Activities					
Year ending 30-Jun	Industrial Development Authority Bonds			Infrastructure Facility Revenue Bonds	
	Principal	Interest	Principal	Interest	
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	2,450,000	1,325,616	1,350,000	202,668	
2023-2027	15,395,000	4,338,000	3,375,000	238,373	
2028-2032	7,540,000	244,613	-	-	
	<u>\$ 33,560,000</u>	<u>\$ 12,382,284</u>	<u>\$ 9,670,000</u>	<u>\$ 1,691,652</u>	

Total					
Year ending 30-Jun	MO Development Finance Board Bonds		Governmental Activities Debt Service Requirements		
	Principal	Interest	Principal	Interest	
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	165,000	23,625	3,965,000	1,551,909	
2023-2027	360,000	24,525	19,130,000	4,600,898	
2028-2032	-	-	7,540,000	244,613	
	<u>\$ 1,125,000</u>	<u>\$ 211,725</u>	<u>\$ 44,355,000</u>	<u>\$ 14,285,661</u>	

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Year ending 30-Jun	Business-type Activities					
	Revenue Bonds		Industrial Development Authority Bonds		Infrastructure Facility Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 4,740,824	\$ 1,648,176	\$ 1,545,000	\$ 1,269,694	\$ 645,000	\$ 949,063
2019	4,853,000	1,584,783	1,610,000	1,386,491	670,000	923,263
2020	6,120,800	1,512,185	1,670,000	1,150,044	695,000	896,463
2021	7,419,300	1,420,323	1,755,000	1,066,544	725,000	868,663
2022	9,370,000	1,320,473	1,840,000	978,794	750,000	839,663
2023-2027	25,803,700	5,247,353	14,530,000	3,606,988	4,335,000	3,627,363
2028-2032	29,313,700	3,089,436	2,910,000	694,056	5,545,000	2,414,313
2033-2037	21,489,100	676,078	2,275,000	119,438	5,595,000	771,581
2038-2041	-	-	-	-	-	-
	<u>\$ 109,110,424</u>	<u>\$ 16,498,807</u>	<u>\$ 28,135,000</u>	<u>\$ 10,272,049</u>	<u>\$ 18,960,000</u>	<u>\$ 11,290,372</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
	2018	\$ 655,000	\$ 183,275	\$ 7,585,824	\$ 4,050,208	\$ 10,700,824
2019	675,000	163,625	7,808,000	4,058,162	11,138,000	6,113,519
2020	695,000	143,375	9,180,800	3,702,067	12,700,800	5,605,342
2021	715,000	122,525	10,614,300	3,478,055	14,369,300	5,213,479
2022	740,000	101,075	12,700,000	3,240,005	16,665,000	4,791,914
2023-2027	2,370,000	142,756	47,038,700	12,624,460	66,168,700	17,225,358
2028-2032	-	-	37,768,700	6,197,805	45,308,700	6,442,418
2033-2037	-	-	29,359,100	1,567,097	29,359,100	1,567,097
2038-2041	-	-	-	-	-	-
	<u>\$ 5,850,000</u>	<u>\$ 856,631</u>	<u>\$ 162,055,424</u>	<u>\$ 38,917,859</u>	<u>\$ 206,410,424</u>	<u>\$ 53,203,520</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 Water Protection fund and debt service reserve funds held by the Trustee.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The total principal balance outstanding for the Industrial Development Authority Bonds as of June 30, 2017 is \$61,695,000.

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%	\$ 17,910,000
Series 2005B – Industrial Development Authority Bonds (Special Allocation); due in annual installments through November 1, 2027; interest at 4.00% to 5.50%	12,540,000
Series 2008 – Industrial Development Authority Bonds (Special Allocation); due in annual installments through March 1, 2029; interest at 5.50%	<u>3,110,000</u>
Total Industrial Development Authority Bonds for Governmental Activities	<u>\$ 33,560,000</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%	\$ 9,530,000
Series 2015B – Industrial Development Authority Bonds (Sewer); due in annual installments through April 1, 2027; interest at 3.00% to 5.00%	<u>18,605,000</u>
Total Industrial Development Authority Bonds for Business-type Activities	<u>\$ 28,135,000</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. As of June 30, 2017, the bonds have been paid in full and 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, 2017

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, 2017 is \$28,630,000.

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%	\$ 3,930,000
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>5,740,000</u>
Total Infrastructure Facility Revenue Bonds Governmental Activities	<u>\$ 9,670,000</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>\$ 18,960,000</u>
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CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 funded 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, 2017 is \$6,975,000.

Governmental Activities

Series 2004D – Infrastructure Facilities Revenue Bonds (General); due in annual installments through March 1, 2024; interest at 3.00% to 5.00% \$ 1,125,000

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% \$ 5,850,000

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 is \$109,110,424.

Business-type Activities

Series 2003 – Sewer System Revenue Bonds: due in annual installments through April 1, 2023; interest at 1.3% to 5.125%	\$ 305,000
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%	12,694,300
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%.	53,767,000
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%.	27,440,000
Series 2016 – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through January 1, 2022; interest at 1.00%.	9,664,124
Series 2014B – Sewer System Revenue Bonds: due in annual installments through July 1, 2034; interest at 2.00% to 4.00%.	<u>5,240,000</u>
Total Revenue Bonds for Business-type Activities	<u>\$109,110,424</u>

On April 5, 2011, the voters of the City of St. Joseph, Missouri approved the City's issuance of \$105 million revenue bonds for providing for the major repair and replacement of existing facilities, as well as treatment plant expansions, required major environmental upgrades, and collection System extensions to provide service to new customers. Total cost of the improvements is estimated at \$181.3 million through 2017.

In 2013, the City issued \$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 complete for a total amount of \$14,217,922. As of June 30, 2017, the outstanding balance of the bonds was \$12,694,300.

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

In 2014, the City issued \$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%. On March 13, 2017, the project was determined complete for a total amount of \$56,000,000. As of June 30, 2017, the outstanding balance of the bonds was \$53,767,000.

In 2015, the City issued \$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%. On March 31, 2017, the project was determined complete for a total amount of \$28,585,000. As of June 30, 2017, the outstanding balance of the bonds was \$27,440,000.

In 2017, the City issued \$10,000,000 Missouri Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2016. 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 2016 revenue bonds mature through 2022 with interest of 1.00%. On June 8, 2017, the project was determined complete for a total amount of \$9,664,124. As of June 30, 2017, the outstanding balance of the bonds was \$9,664,124.

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, 2017, the outstanding balance of the bonds was \$5,240,000.

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 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, 2017, the total annual sewer reserve charges due to the City through the agreement are payable as follows:

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Year Ending June 30:	Total
2018	\$ 972,996
2019	972,996
2020	972,996
2021	972,996
2022	972,996
2023-2025	2,477,270
	7,342,250
Less interest	(1,526,936)
Net present value	\$ 5,815,314

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.

Other Obligations:

The City adopted Special Ordinance number 9013 on December 7, 2015 approving the Mosaic Downtown Revitalization Redevelopment Project and selected St. Joseph Downtown Development, LLC as the developer whose rights were assigned to a separate, but affiliated entity, Ascend Development, LLC to implement the Redevelopment Project. On July 18, 2016, Special Ordinance number 9093 authorized a Downtown Building Rehabilitation Program Agreement with Ascend that governs the City’s lease of the property on which the 8th & Felix parking garage is located to the Developer. The parking structure portion of the Project shall include actions by both the City and the Developer. The City shall ground lease the Site to the Developer for a period of twenty-five (25) years, commencing upon substantial completion of the parking structure and the City shall contribute \$3,500,000 in public funds for costs association with the parking structure portion of the Project. The City shall pay for all costs and expenses associated with constructing drainage facilities required to accommodate the positioning of the parking structure in a floodway (estimated to be approximately \$1,400,000). The City shall receive credit against the City Contribution for the cost constructing drainage facilities required to accommodate the positioning of the parking structure in a floodway. The City Contribution funded by Developer shall be repaid by the City to the Developer, with interest at the rate of four (4) percent per annum, in equal annual payments over a period of ten (10) years with the first such payment occurring on August 1, 2017. The total principal balance outstanding in the Public Parking Fund as of June 30, 2017 is \$2,545,560 after \$954,440 in actual costs were recognized by the City in 2017.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017 is \$548,367,214.

Tax Increment Financing (TIF) Bonds and Developer Obligations:

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

The City has pledged a portion of future property tax, sales tax, and franchise tax revenue to repay \$63,465,000 in tax increment financing bonds issued at various dates beginning in 2004 to finance redevelopment projects within each of the respective TIF plans. The bonds are payable solely from the incremental increase in the property, sales, and franchise taxes generated within the TIF plans. TIF revenues were projected to produce sufficient funds to meet debt service requirements over the life of the TIF bonds. Should TIF revenues not be sufficient to meet the required debt service obligations, the City is obligated in certain instances (Series 2012B \$5,740,000 and Series 2011A \$3,390,000 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 2018. 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, 2017, total principal and interest remaining on the bonds was \$57,303,935 and outstanding developer obligations were \$34,612,468. The bonds are scheduled to mature at varying amounts through 2030 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

For the current year, principal and interest paid on TIF bonds and developer obligations totaled \$7,122,485. Incremental revenues from the City included \$3,275,769 in sales taxes, \$643,358 in property taxes and \$138,542 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.

Tax Exemptions and Abatements:

The City of St. Joseph is subject to property and sales tax abatements through various programs implemented. The programs include Tax Increment Financing, Chapter 100, Chapter 353 and Enhanced Enterprise Zone. The definitions described below are meant to be general descriptions of the abatements.

- Tax Increment Financing ("TIF")/Sales Tax Reimbursement Account ("STRA")
The enacting authority for TIF is Chapter 99, RSMO. A TIF project diverts tax revenue, above an established base level of taxes, to a special allocation fund that allows certain project costs to be reimbursed to developers for up to 23 years. Most commonly, the two sources of funds that are diverted are Payments In Lieu of Taxes ("PILOTs") and Economic Activity Taxes ("EATs"). Generally, 100% of PILOTs (real property based taxes) and 50% of EATs (sales, utilities, and earnings based taxes) are diverted. A basic requirement, as outlined in Section 99.810.1 (1), RSMO, is: "The redevelopment area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing." Each agreement will vary from project to project.
- Chapter 100
The enacting authority for Chapter 100 tax abatements is Chapter 100, RSMO. Generally, a Chapter 100 project transfers property to a municipality for a specified number of years. An Industrial Development Plan must be approved by the City. The municipality can then issue bonds to facilitate the financing of a variety of projects including offices, warehouses, distribution facilities and industrial plants. Land, buildings, fixtures and machinery may also be financed using the bond proceeds. The use of these bonds provides the ability to abate a percentage of real and/or personal property tax. In addition to debt payment, there may be negotiated PILOTs. A sales tax exemption when purchasing equipment, machinery and other eligible purchases may also be provided. Each agreement will vary from project to project.
- Chapter 353
The enacting authority for Chapter 353 tax abatements is Chapter 353, RSMO. Chapter 353 is a tax abatement whereby property transfers through a redevelopment corporation and can last up to 25 years. For example, in a 25 year abatement, 100% of real property taxes may be abated, except for the base property taxes for the land, for the first 10 years. In the subsequent 15 years, 50% of all taxes may be abated. Chapter 353 tax abatements may

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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involve negotiated PILOTs. Often, a project will seek eligibility for tax abatement by seeking to redevelop a blighted area. Each agreement will vary from project to project.

- Enhanced Enterprise Zone ("EEZ")

The enacting authority for Enhanced Enterprise Zones is Chapter 135, RSMO. EEZ's provide local property tax abatements to new or expanding businesses. The EEZ generally abates 50% of taxes for a specified number of years, not to exceed 25, and may involve negotiated PILOTs. Eligibility requirements are that the project is located in an EEZ, invests a minimum of \$100,000, and creates a minimum of two new full-time jobs. Each agreement will vary from project to project.

The financial impact of each abatement program on the City of St. Joseph is summarized below:

<u>Type of Abatement</u>	<u>City of St. Joseph</u>
Chapter 353	\$ 69,268
Chapter 100	223,271
Enhanced Enterprise Zone	210,651
TIF/STRA PILOTS	3,108,790
TIF/STRA EATS	4,814,898
Total Incentives	<u>\$ 8,426,878</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7: CAPITAL LEASE AGREEMENTS

Capital Lease Obligations:

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

The following is a schedule of the present value of net minimum lease payments for all of the City's capitalized leases as of June 30, 2017:

	Governmental Activities	Business-type Activities
Year ending June 30:		
2018	\$ 111,489	\$ 117,444
2019	67,596	3,528
2020	41,806	3,528
2021	2,375	1,470
Total minimum lease payments	<u>223,266</u>	<u>125,970</u>
Less amount representing interest	<u>(25,562)</u>	<u>(2,668)</u>
Present value of net minimum lease payments	<u><u>\$ 197,704</u></u>	<u><u>\$ 123,302</u></u>

The following schedule shows the amount and asset classifications for capital lease items as of June 30, 2017:

	Governmental Activities	Business-type Activities
Office equipment	\$ 351,827	\$ -
Machinery & equipment	22,802	83,014
less: Accumulated depreciation	<u>(178,763)</u>	<u>(63,774)</u>
	<u><u>\$ 195,866</u></u>	<u><u>\$ 19,240</u></u>

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 is \$69,592.

As of June 30, 2017, incurred but not reported (IBNR) workers' compensation claims and claims payable of \$1,511,701 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 2016	\$1,464,037	\$376,657	(\$ 413,913)	\$1,426,781
Fiscal Year 2017	1,426,781	1,611,985	(1,527,065)	1,511,701

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
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NOTE 9: COMMITMENTS

A. Construction Commitments

At June 30, 2017 the City had the following commitments of approximately \$62,048,264 to complete construction contracts.

	Amounts
Governmental Activities	
Major Governmental Funds:	
CIP Sales Tax Improvement	\$ 14,683,856
Non Major Governmental Funds:	
Cell Phone	381,310
Total Governmental Activities	15,065,166
Business-type Activities	
Major business-type Funds:	
Sewer	46,386,293
Non Business-type Funds:	
Aviation	222,733
Parking	334,348
Transit	39,725
Total Business-type Activities	46,983,099
Total	\$ 62,048,264

B. Landfill Closure and Postclosure Care Liabilities

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

LANDFILL CLOSURE
AND POSTCLOSURE CARE LIABILITIES
June 30, 2017

Description	Amount	Anticipated Close Years	Capacity Used
City's Operating Landfill			
Area I	\$ 700,741	2016-2018	98.0 %
Area II	828,277	2015-2016	99.9 %
Area III	<u>2,516,340</u>	2070-2075	34.5 %
	<u>\$ 4,045,358</u>		
 McArthur Drive Landfill	 <u>\$ 1,478,783</u>	 Closed	 100 %
 Total	 <u><u>\$5,524,141</u></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, 2017, total closure and postclosure care liabilities incurred a net decrease of \$58,852 from \$5,582,993 to \$5,524,141.

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 \$4,045,358 is reported as landfill closure and postclosure care liability at June 30, 2017, 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 \$5,260,388 as the remaining estimated capacity is consumed by the year 2075. These amounts are based on estimates; actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in environmental regulations.
2. McArthur Drive Landfill - This landfill was owned and operated by the City until the late 1950's or early 1960's and no longer accepts waste. The Environmental Protection Agency has listed the site on its National Priorities List and is requiring proper closure and remediation. The City entered into an Administrative Order on Consent with the Environmental Protection Agency on October 11, 1996. That order required the remediation of this site including a bank stabilization project and plans for a permanent cap to be placed on the old landfill. A contribution protection action may eventually be filed by the City to recoup some of these costs. Currently the remaining closure and postclosure liability of \$1,478,783 is recorded in the Landfill Enterprise Fund and costs are expected to be expended by the year 2033.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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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, 2017, these cash designations totaled \$4,805,115 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, 2017, the City's Contract of Obligation was \$15,012,273.

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

C. Litigation

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

NOTE 10: RETIREMENT PLANS

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

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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>2017 Valuation</u>
Benefit Multiplier:	1.25%
Final Average Salary:	3 Years
Member Contributions:	0%

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

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Fire</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	265	130	395
Inactive employees entitled to but no yet receiving benefits	103	8	111
Active employees	396	125	521
	<u>764</u>	<u>263</u>	<u>1,027</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 11.8% (General) and 43.7% (Fire) of annual covered payroll.

Net Pension Liability/(Asset)

The City's net pension liability/(asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017 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-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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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 28, 2017 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	48.00%	4.81%
Fixed Income	28.50%	1.72%
Real Assets/Real return	23.50%	3.42%

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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at beginning of year	\$ 117,419,198	\$ 110,831,965	\$ 6,587,233
Changes for the year:			
Service Cost	2,198,748	-	2,198,748
Interest	8,378,135	-	8,378,135
Change in Benefit Terms	25,817,532	-	25,817,532
Difference between expected and actual experience	670,410	-	670,410
Contributions - employer	-	3,004,259	(3,004,259)
Net investment income	-	13,141,219	(13,141,219)
Benefit payments, including refunds	(5,982,356)	(5,982,356)	-
Administrative expense	-	(84,616)	84,616
Other changes (net transfer)	-	1,139,138	(1,139,138)
Net Changes	31,082,469	11,302,260	19,864,825
Balance at end of year	\$ 148,501,667	\$ 122,134,225	\$ 26,452,058

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)	\$ 169,368,953	\$ 148,501,667	\$ 131,185,219
Plan Fiduciary Net Position	(122,049,609)	(122,049,609)	(122,049,609)
Net Pension Liability/(Asset)	\$ 47,319,344	\$ 26,452,058	\$ 9,135,610

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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

For the year ended June 30, 2017, the City recognized LAGERS pension expense of \$30,011,930 with \$19,960,645 coming from General division and \$10,051,285 from the Fire division. The City reported deferred outflows related to LAGERS pension from the following sources:

	<u>General</u>	<u>Fire</u>	<u>Total</u>
	Deferred	Deferred	Deferred
	Outflows of	Outflows of	Outflows of
	Resources	Resources	Resources
Differences in experience	\$ 66,385	\$ 1,671,791	\$ 1,738,176
Excess (Deficit) Investment Returns	1,574,218	992,634	2,566,852
Net Difference between projected and actual earnings on pension plan investments	2,056,470	1,137,431	3,193,901
Total	<u>\$ 3,697,073</u>	<u>\$ 3,801,856</u>	<u>\$ 7,498,929</u>

	<u>General</u>	<u>Fire</u>	<u>Total</u>
	Deferred	Deferred	Deferred
	Inflows of	Inflows of	Inflows of
	Resources	Resources	Resources
Differences in experience	\$ (690,737)	\$ (1,046,607)	\$ (1,737,346)
Total	<u>\$ (690,737)</u>	<u>\$ (1,046,607)</u>	<u>\$ (1,737,346)</u>

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:	<u>General</u>	<u>Fire</u>	<u>Total</u>
2018	\$ 1,420,364	\$ 1,218,481	\$ 2,638,845
2019	1,420,363	1,218,481	2,638,844
2020	707,553	536,987	1,244,540
2021	(536,137)	(283,062)	(819,199)
2022	(5,807)	64,362	58,555
Total	<u>\$ 3,006,336</u>	<u>\$ 2,755,249</u>	<u>\$ 5,761,585</u>

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

At June 30, 2017, the City reported a payable of \$367,212 for the outstanding amount of contributions to the LAGERS pension plan required for the year ended June 30, 2017.

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%.

Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	114
Active employees	119
	<hr/>
	233
	<hr/> <hr/>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017, the participant's contribution rate was 4%. The City is required to contribute at an actuarially determined rate; the current rate is 36.2% of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

Actuarial Assumptions

The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increase	3.0% including 2.0% assumed future COLA
Investment rate of return	7.1%, net of investment and administrative expenses

Mortality rates for healthy lives were based on the RP 2015 Blue Collar Mortality Table with generational improvements and mortality rates for disabled lives were based on the RP 2015 Disabled 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:

Asset Class	Long-Term Expected	
	Real Rate of Return	Target Allocation
Equity	5.70%	60%
Fixed Income	2.70%	25%
Cash	0.50%	15%

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Discount Rate

The discount rate used to measure the total pension liability is 7.1%. 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.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at beginning of year	\$ 51,313,974	\$ 35,187,524	\$ 16,126,450
Changes for the year:			
Service Cost	1,098,105	-	1,098,105
Interest	4,078,284	-	4,078,284
Change in Benefit Terms	(624,567)	-	(624,567)
Difference between expected and actual experience	2,061,705	-	2,061,705
Contributions - employer	-	2,186,054	(2,186,054)
Contributions - employee	-	264,163	(264,163)
Net investment income	-	3,583,903	(3,583,903)
Benefit payments, including refunds	(2,577,542)	(2,577,542)	-
Administrative expense	-	(63,751)	63,751
Net Changes	4,035,985	3,392,827	643,158
Balance at end of year	\$ 55,349,959	\$ 38,580,351	\$ 16,769,608

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 7.1%, as well as what the employer's Net Pension Liability/(Asset) would be using a discount rate that is 1 percentage point lower (6.1%) or one percentage point higher (8.1%) than the current rate.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Sensitivity of the net pension liability to changes in the discount rate

	Current Single Discount		
	1% Decrease 6.10%	Rate Assumption 7.10%	1% Increase 8.10%
Total Pension Liability (TPL)	\$ 63,032,958	\$ 55,349,956	\$ 49,106,918
Plan Fiduciary Net Pension	(38,580,351)	(38,580,351)	(38,580,351)
Net Pension Liability (Asset)	<u>\$ 24,452,607</u>	<u>\$ 16,769,605</u>	<u>\$ 10,526,567</u>

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

For the year ended June 30, 2017, the City recognized pension benefit of \$454,215. The City reported deferred outflows of resources related to the police pension from the following sources:

Pension expense and deferred outflows and inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 834,834	\$ 1,237,440
Differences in assumptions	2,862,359	
Excess (deficit) investment returns	2,988,316	42,268
Contributions subsequent to the measurement date*	1,088,180	
Total	<u>\$ 7,773,689</u>	<u>\$ 1,279,708</u>

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The \$1,088,180 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 the pension expense as follows:

Year ending June 30:	
2018	1,838,907
2019	1,793,037
2020	1,199,738
2021	449,396
thereafter	<u>124,724</u>
Total	<u><u>\$ 5,405,802</u></u>

Payable to the Pension Plan

At June 30, 2017, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Summary of financial reporting of the City's pension plan.

	LAGERS			Police	Total
	General	Fire	Total		
Governmental activities:					
Net Pension Liability	\$ 4,669,021	\$ 20,198,650	\$ 24,867,671	\$ 16,769,608	\$ 41,637,279
Business-type activities:					
Net Pension Liability	1,584,387	-	1,584,387	-	1,584,387
Net Pension Liability	\$ 6,253,408	\$ 20,198,650	\$ 26,452,058	\$ 16,769,608	\$ 43,221,666
LAGERS					
	General	Fire	Total	Police	Total
Governmental activities:					
Deferred outflows due to:					
Difference between expected and actual experience	\$ 49,565	\$ 1,671,791	\$ 1,721,356	\$ 834,834	\$ 2,556,190
Assumption Changes	1,175,369	992,634	2,168,003	2,862,359	5,030,362
Net Difference between projected and actual earnings on pension plan investment	1,535,435	1,137,431	2,672,866	2,988,316	5,661,182
Contribution Subsequent to measurement date	-	-	-	1,088,180	1,088,180
	\$ 2,760,369	\$ 3,801,856	\$ 6,562,225	\$ 7,773,689	\$ 14,335,914
Deferred inflows due to:					
Difference between expected and actual experience	\$ (515,730)	\$ (1,046,607)	\$ (1,562,337)	\$ (1,237,440)	\$ (2,799,777)
Net Difference between projected and actual earnings on pension plan investment	-	-	-	(42,268)	(42,268)
	\$ (515,730)	\$ (1,046,607)	\$ (1,562,337)	\$ (1,279,708)	\$ (2,842,045)
Business-type activities:					
Deferred outflows due to:					
Difference between expected and actual experience	\$ 16,596	\$ -	\$ 16,596	\$ -	\$ 16,596
Assumption Changes	393,555	-	393,555	-	393,555
Net Difference between projected and actual earnings on pension plan investment	514,118	-	514,118	-	514,118
	924,268	-	924,268	-	924,268
Deferred inflows due to:					
Difference between expected and actual experience	\$ (172,685)	\$ -	\$ (172,685)	\$ -	\$ (172,685)
	\$ (172,685)	\$ -	\$ (172,685)	\$ -	\$ (172,685)
Total	\$ 2,996,223	\$ 2,755,249	\$ 5,751,472	\$ 6,493,981	\$ 12,245,453

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS
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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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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

Annual required contribution	\$ 370,142
Interest on net OPEB obligation	55,586
Adjustment to annual required contribution	<u>(77,244)</u>
Annual OPEB cost (expense)	348,484
Less: Net employer contribution	<u>51,714</u>
Change in net OPEB obligation	296,770
Net OPEB obligation - July 1, 2016	1,389,613
Net OPEB obligation - June 30, 2017	<u><u>\$ 1,686,383</u></u>

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

	<u>Net OPEB Obligation</u>
Governmental Activities	<u>\$ 1,435,729</u>
Business-Type Activities	
Sewer	165,256
Other Business-Type Funds	<u>85,398</u>
Total Business-Type Activities	<u>250,654</u>
Total Government	<u><u>\$ 1,686,383</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, 2017 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2014	\$ 248,368	37%	\$ 906,866
6/30/2015	\$ 349,183	29%	\$ 1,155,239
6/30/2016	\$ 351,009	33%	\$ 1,389,613
6/30/2017	\$ 348,484	15%	\$ 1,686,383

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Funded Status and Funding Progress

As of July 1, 2016, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$2,825,537. 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 \$29,849,761, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 9 percent.

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

Actuarial Methods and Assumptions

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

The 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, 2017**

NOTE 12: FUND BALANCE

Fund Balance	Governmental activities				
	General	Special Allocation	Capital Projects	Nonmajor	Total
Nonspendable:					
Prepays	\$ 169,302	\$ -	\$ -	\$ 63,287	\$ 232,589
Total Nonspendable	169,302	-	-	63,287	232,589
Restricted for:					
Econ Development	2,923,703	-	-	474,018	3,397,721
Public Safety - personnel and capital	39,422	-	-	3,535,767	3,575,189
Highways	2,442,790	-	-	2,086,860	4,529,650
Health & Welfare	85,401	-	-	380,110	465,511
Parks & Recreation	94,238	-	-	372,351	466,589
Museum	-	-	-	404,777	404,777
Debt Service	195,949	15,599,305	-	-	15,795,254
Capital Projects	-	-	12,807,789	-	12,807,789
Loan Program	-	-	-	4,171,087	4,171,087
Total Restricted	5,781,503	15,599,305	12,807,789	11,424,970	45,613,567
Committed for:					
Econ Development	1,649,250	-	-	-	1,649,250
Public Safety	345,749	-	-	-	345,749
Highways	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Highways	3,512,635	-	-	-	3,512,635
Health & Welfare	4,600	-	-	-	4,600
Parks & Recreation	56,291	-	-	-	56,291
Total Committed	5,568,525	-	-	-	5,568,525
Assigned to:					
Econ Development	87,361	-	-	-	87,361
Public Safety	161,285	-	-	-	161,285
Highways	92,374	-	-	-	92,374
Health & Welfare	18,455	-	-	-	18,455
Parks & Recreation	68,704	-	-	-	68,704
Capital Projects	1,677,315	-	-	-	1,677,315
Salaries	307,260	-	-	-	307,260
Total Assigned	2,412,754	-	-	-	2,412,754
Unassigned	7,976,680	-	-	-	7,976,680
Total Unassigned	7,976,680	-	-	-	7,976,680
Total Fund Balance	\$ 21,908,764	\$ 15,599,305	\$ 12,807,789	\$ 11,488,257	\$ 61,804,115

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, 2017**

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	\$ 4,792,481	\$ -	\$ 11,243,538	\$ 3,567,870	\$ 19,603,889

NOTE 13: NEW ACCOUNTING PRONOUNCEMENTS

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 November, 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations by establishing criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The City is currently evaluating the impact of adopting Statement No. 83. The requirements of this Statement are effective for financial statement for periods beginning after June 15, 2018.

In January, 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. The City is currently evaluating the impact of adopting Statement No. 84. The requirements of this Statement are effective for financial statement for periods beginning after December 15, 2018.

In March, 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits. The City is currently evaluating the impact of adopting Statement No. 85. The requirements of this Statement are effective for financial statement for periods beginning after June 15, 2017.

In May, 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for certain debt

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

extinguishments. The City is currently evaluating the impact of adopting Statement No. 86. The requirements of this Statement are effective for financial statement for periods beginning after June 15, 2017.

In June, 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The City is currently evaluating the impact of adopting Statement No. 87. The requirements of this Statement are effective for financial statement for periods beginning after December 15, 2019.

NOTE 14: SUBSEQUENT EVENTS

On June 5, 2017, the City Council adopted changes in the Missouri Local Government Employees Retirement System Benefits programs applicable to General Employees and Fire Employees. Beginning July 1, 2017, the approved conversion of the benefits program applicable to General Employees from LAGERS benefit program L-3 to L-6 and the benefits program applicable to Fire Employees from L-6 to L-11 will require all member employees to contribute four percent of their salary to the benefit program.

On August 8, 2017, the citizens of Buchanan County authorized to continue the \$0.15 per \$100 of assessed valuation Library levy, first authorized in 1999, to be used to operate and maintain library facilities.

In furtherance of one of the City Council's objectives, the City, while working with a citizens group to facilitate relocation of the Open Door Food Kitchen to a modern, newly constructed facility in a convenient location, on August 9, 2017, purchased a property and will attempt to convey the 510 Edmond Street property to a third-party purchaser in an effort to recover as much of its investment in the project as possible.

On August 23, 2017, the City authorized the issuance of not to exceed \$66,850,000 principal amount of Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2017 for the purpose of refunding the Sewerage System Revenue Bonds Series 2016 bonds and extending and improving the City's sewerage system. Blacksnake Creek Storm Water Improvement Project is comprised of six (6) separate construction packages. The packages are as follows: tunnel, conveyance (open trench box culvert), crack repair on the existing Blacksnake pipe, flap gate and discharge channel repair and stabilization, tree re-planting/green swales/water gardens, and road improvements. Within the conveyance package is contained the Karnes Road/NW Parkway Road Project (funded by CIP), the Northside Complex reconstruction of the basketball courts and playground, 6th & Jules diversion structure/bar screen replacement, and new access road to the ball field on Karnes Road.

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, 2017

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 11,745,144	\$ 11,745,144	\$ 12,088,708	\$ 343,564
Sales	20,770,015	20,770,015	21,733,416	963,401
Franchise	6,318,770	6,329,217	6,412,592	83,375
Motor Fuel	965,000	965,000	1,009,116	44,116
Cigarette	416,300	416,300	373,764	(42,536)
Hotel	1,269,660	1,269,660	1,181,911	(87,749)
Licenses and permits	1,420,880	1,420,880	1,463,869	42,989
Intergovernmental	2,194,551	2,643,244	2,122,663	(520,581)
Charges for services	3,259,690	3,261,355	3,153,097	(108,258)
Fines	953,000	968,230	809,507	(158,723)
Investment earnings	9,925	9,925	82,286	72,361
Other	185,078	388,035	735,582	347,547
Total revenues	49,508,013	50,187,005	51,166,511	979,506
Expenditures				
Current:				
General government				
City council				
Salaries	45,369	47,744	47,741	3
Benefits	119,843	119,843	118,011	1,832
Materials and supplies	2,100	2,100	1,994	106
Outside services	33,590	31,215	23,028	8,187
Total City council	200,902	200,902	190,774	10,128
City clerk				
Salaries	112,400	112,400	111,674	726
Benefits	33,841	33,841	32,603	1,238
Materials and supplies	1,700	1,700	1,296	404
Outside services	60,240	60,240	8,606	51,634
Total City clerk	208,181	208,181	154,179	54,002
Municipal court				
Salaries	291,197	290,977	288,598	2,379
Benefits	91,089	91,309	91,307	2
Materials and supplies	5,225	2,383	2,380	3
Outside services	114,500	117,342	117,331	11
Total Municipal court	502,011	502,011	499,616	2,395
City manager				
Salaries	465,424	465,424	374,461	90,963
Benefits	153,592	153,592	130,856	22,736
Materials and supplies	9,550	10,940	10,936	4
Outside services	115,430	114,040	83,705	30,335
Total City manager	743,996	743,996	599,958	144,038
Legal				
Salaries	407,237	407,237	394,815	12,422
Benefits	118,296	118,296	111,662	6,634
Materials and supplies	4,500	5,992	5,987	5
Outside services	56,925	56,605	48,539	8,066
Total Legal	586,958	588,130	561,003	27,127

(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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Planning				
Salaries	969,022	969,022	904,461	64,561
Benefits	345,464	345,464	306,041	39,423
Materials and supplies	55,400	57,526	46,549	10,977
Outside services	315,560	733,317	706,620	26,697
Capital outlay	47,500	54,307	53,739	568
Total Planning	1,732,946	2,159,636	2,017,410	142,226
Finance				
Salaries	1,477,272	1,477,272	1,432,124	45,148
Benefits	489,091	489,091	480,584	8,507
Materials and supplies	360,989	156,767	128,487	28,280
Outside services	636,658	654,451	654,265	186
Capital outlay	-	233,842	232,756	1,086
Total Finance	2,964,010	3,011,423	2,928,216	83,207
Other - unclassified				
Benefits	12,500	12,500	427	12,073
Materials and supplies	14,000	14,000	13,227	773
Outside services	1,047,203	1,317,580	1,310,868	6,712
Capital outlay	225,900	149,547	70,240	79,307
Total Other - unclassified	1,299,603	1,493,627	1,394,762	98,865
Total general government	8,238,607	8,907,906	8,345,918	561,988
Public safety:				
Police				
Salaries	8,211,695	8,245,862	7,956,369	289,493
Benefits	4,140,883	4,147,886	4,114,385	33,501
Materials and supplies	449,958	485,725	425,140	60,585
Outside services	2,013,689	2,037,728	2,037,320	408
Capital outlay	40,890	45,999	45,839	160
Total Police	14,857,115	14,963,200	14,579,053	384,147
Fire				
Salaries	7,419,242	7,419,242	7,292,324	126,918
Benefits	4,115,293	4,135,503	4,135,501	2
Materials and supplies	131,640	105,823	88,961	16,862
Outside services	314,160	323,115	323,060	55
Total Fire	11,980,335	11,983,683	11,839,846	143,837
Total public safety	26,837,450	26,946,883	26,418,899	527,984
Highway and streets				
Salaries	3,801,076	3,801,076	3,442,386	358,690
Benefits	1,263,931	1,263,931	1,176,270	87,661
Materials and supplies	368,580	351,380	195,451	155,929
Outside services	866,411	899,611	815,127	84,484
Capital outlay	2,490,000	5,021,840	4,581,840	440,000
Total Highway and streets	8,789,998	11,337,838	10,211,074	1,126,764
Parks and recreation				
Salaries	3,075,118	2,894,118	2,894,054	64
Benefits	848,349	848,349	832,320	16,029
Materials and supplies	541,080	530,680	500,484	30,196
Outside services	943,677	954,077	943,980	10,097
Capital outlay	491,360	426,921	181,167	245,754
Total Parks and recreation	5,899,584	5,654,145	5,352,005	302,140

(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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Health and welfare				
Salaries	1,901,745	1,968,116	1,864,866	103,250
Benefits	625,313	661,517	630,588	30,929
Materials and supplies	117,480	265,262	155,261	110,001
Outside services	959,175	1,083,791	965,050	118,741
Capital outlay	-	18,320	18,320	-
Total Health and welfare	3,603,713	3,997,006	3,634,085	362,921
Total expenditures	53,369,352	56,843,778	53,961,981	2,881,797
Revenues over (under) expenditures	(3,861,339)	(6,656,773)	(2,795,470)	3,861,303
Other financing sources (uses)				
Transfers in	5,983,663	6,128,663	6,111,773	(16,890)
Transfers out	(4,932,490)	(5,390,434)	(5,029,125)	361,309
Capital lease	-	-	21,896	21,896
Sale of capital assets	-	-	14,010	14,010
Total other financing sources	1,051,173	738,229	1,118,554	380,325
Net change in fund balances, net	(2,810,166)	(5,918,544)	(1,676,916)	4,241,628
Fund balances, beginning of year	20,384,895	20,384,895	20,384,895	-
Fund balances - ending	\$ 17,574,729	\$ 14,466,351	\$ 18,707,979	\$ 4,241,628

(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, 2017

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 3,297,132	\$ 3,297,132	\$ 3,219,392	\$ (77,740)
Sales	4,786,880	4,786,880	4,814,083	27,203
Investment earnings	1,045	1,045	461,621	460,576
Other	1,782,096	1,782,096	950,641	(831,455)
Total revenues	<u>9,867,153</u>	<u>9,867,153</u>	<u>9,445,737</u>	<u>(421,416)</u>
Expenditures				
Outside services	8,306,277	8,306,277	7,960,236	346,041
Total General government	<u>8,306,277</u>	<u>8,306,277</u>	<u>7,960,236</u>	<u>346,041</u>
Revenues over (under) expenditures	<u>1,560,876</u>	<u>1,560,876</u>	<u>1,485,501</u>	<u>(75,375)</u>
Other financing sources				
Transfers in	5,000	5,000	-	(5,000)
Total other financing sources	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balances	1,565,876	1,565,876	1,485,501	(80,375)
Fund balances - beginning	14,113,804	14,113,804	14,113,804	-
Fund balances - ending	<u>\$ 15,679,680</u>	<u>\$ 15,679,680</u>	<u>\$ 15,599,305</u>	<u>\$ (80,375)</u>

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

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2017

A. Budgetary Information

Annual budgets are adopted by City Ordinances for the General fund, Special Revenue funds except the CDBG Loan funds, Capital Projects fund 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 fund budget document for the General fund, Special Revenue fund except the CDBG Loan funds, Capital Projects, and Enterprise Funds. Encumbrance accounting is employed in Governmental Funds. Encumbrances outstanding at year end do not

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2017

constitute 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 2017 Use Tax Resurfacing program contract with Herzog, the demolition of 417-427 South 4th Street due to structural fire damage, the real estate purchase and relocation of the Open Door Food Kitchen, Missouri Tax Credits received from Daily Foods, Hidden Valley Homes Association resurfacing project, upgrades to the city government access Channel 19, donations received by the Parks and Recreation department for Eagles Ball Field Complex improvements and resurfacing outdoor sports courts at Bode Sports Complex, the rollforward of various health grants and several new grants accepted by the Health Department, Youth Alliance compliance programs, 2016 Byrne Memorial Grant, and many other Missouri Highway Safety grants awarded to the Police department. The Special Revenue budget increase is from the Resident Stormwater Conveyance grant in the Street Maintenance Fund, Parks Maintenance Fund purchased a 15 passenger work crew van, Public Safety Tax Fund acquired two pumper fire trucks, Habitat for Humanity and Community Appearance Program was granted funding for three construction projects in the Community Development Fund and the Gaming Initiative Fund approved a Save Our Heritage Grant to Sons of Liberty Firearms. The Capital Projects increase to the budget is due to construction of two new fire stations 9 and 11, improvements to the Missouri River Levee system and renovation of Hyde Park Ball Complex. The increase in the Enterprise Funds is for the roof replacements at the Water Protection facilities in the Sewer Fund, emergency repairs to Runway 17/35 and replacement of Runway 13/31 and commercial freezer/cooler at Rosecrans in the Aviation Fund.

CITY OF ST. JOSEPH, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2017**

Fund Type	2017 Budget		
	Original	Appropriation Amended	Increase
General	\$ 58,301,842	\$ 62,234,212	\$ 3,932,370
Special Revenue	25,827,983	26,595,708	767,725
Capital	14,737,575	20,944,968	6,207,393
Enterprise	141,149,641	141,935,152	785,511
	<u>\$ 240,017,041</u>	<u>\$ 251,710,040</u>	<u>\$ 11,692,999</u>

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, 2017:

	General Fund	Special Allocation Fund
Ending Fund Balance on budgetary basis	\$ 18,707,979	\$ 15,599,305
Encumbrances outstanding June 30, 2017	4,556,088	-
Prior Year Encumbrances Expended in FY 2017	(1,215,681)	-
Accrued payroll	(161,518)	-
Capital Lease Proceeds	21,896	-
Ending Fund Balance on GAAP basis	<u>\$ 21,908,764</u>	<u>\$ 15,599,305</u>

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

Schedule of Changes in Net Pension Liability
and Related Ratios

	Lagers 2017	Lagers 2016	Lagers 2015
Total Pension Liability			
Service costs	\$ 2,198,748	\$ 2,170,373	\$ 2,078,186
Interest on total pension liability	8,378,135	7,933,932	7,430,849
Changes in benefit terms	25,817,532	-	-
Difference between expected and actual experience of the total pension liability	670,410	(2,477,760)	2,236,768
Changes of assumptions	-	4,108,168	-
Benefit payments and refunds	(5,982,356)	(5,273,443)	(4,445,097)
Net change in total pension liability	31,082,469	6,461,270	7,300,706
Total pension liability - beginning of year	117,419,198	110,957,928	103,657,222
Total pension liability - end of year (a)	<u>\$ 148,501,667</u>	<u>\$ 117,419,198</u>	<u>\$ 110,957,928</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 3,004,259	\$ 3,271,854	\$ 3,702,055
Net investment income	13,141,219	(244,948)	2,147,370
Benefit payments and refunds	(5,982,356)	(5,273,443)	(4,445,097)
Administrative expenses	(84,616)	(82,937)	(89,754)
Other (net transfer)	1,139,138	1,033,621	773,382
Net change in plan fiduciary net position	11,217,644	(1,295,853)	2,087,956
Plan fiduciary net position - beginning of year	110,831,965	112,127,818	110,039,862
Plan fiduciary net position - end of year (b)	<u>\$ 122,049,609</u>	<u>\$ 110,831,965</u>	<u>\$ 112,127,818</u>
Net pension liability/(asset) (a) - (b)	<u>\$ 26,452,058</u>	<u>\$ 6,587,233</u>	<u>\$ (1,169,890)</u>
Plan net position as a percentage of the total pension liability	82.19%	94.39%	101.05%
Covered payroll	\$ 24,126,112	\$ 23,293,962	\$ 23,303,716
Net pension liability/(asset) as a percentage of covered payroll	109.64%	28.28%	-5.02%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

	Police 2017	Police 2016	Police 2015
Total Pension Liability			
Service costs	\$ 1,098,105	\$ 1,541,534	\$ 884,293
Interest on total pension liability	4,078,284	5,619,009	3,180,140
Difference between expected and actual experience of the total pension liability	(624,567)	(2,356,440)	2,171,488
Changes of assumptions	2,061,705	2,347,868	
Benefit payments and refunds	(2,577,542)	(2,437,913)	(2,269,912)
Net change in total pension liability	4,035,985	4,714,058	3,966,009
Total pension liability - beginning of year	51,313,974	46,599,916	42,633,907
Total pension liability - end of year (a)	<u>\$ 55,349,959</u>	<u>\$ 51,313,974</u>	<u>\$ 46,599,916</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 2,186,054	\$ 1,688,681	\$ 1,625,738
Contributions - employee	264,163	255,516	243,701
Net investment income	3,583,903	(1,624,901)	880,708
Benefit payments and refunds	(2,577,542)	(2,437,913)	(2,269,912)
Administrative expenses	(63,751)	(74,716)	(71,613)
Net change in plan fiduciary net position	3,392,827	(2,193,333)	408,622
Plan fiduciary net position - beginning of year	35,187,524	37,380,857	36,972,235
Plan fiduciary net position - end of year (b)	<u>\$ 38,580,351</u>	<u>\$ 35,187,524</u>	<u>\$ 37,380,857</u>
Net pension liability/(asset) (a) - (b)	<u>\$ 16,769,608</u>	<u>\$ 16,126,450</u>	<u>\$ 9,219,059</u>
Plan net position as a percentage of the total pension liability	69.70%	68.57%	80.22%
Covered payroll	\$ 6,604,033	\$ 6,588,958	\$ 6,087,055
Net pension liability/(asset) as a percentage of covered payroll	253.93%	244.75%	151.45%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

LAGERS (General and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Payroll	Contribution as Percentage
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	3,514,073	3,514,073	-	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%
2017	3,006,543	3,006,543	-	24,338,110	12.35%

Police Pension

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Payroll	Contribution as Percentage
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)	5,494,313	41.35%
2014	1,752,686	1,752,686	-	6,087,055	28.79%
2015	1,625,738	1,625,738	-	5,954,250	27.30%
2016	1,688,681	1,688,681	-	6,588,958	25.63%
2017	2,186,054	2,186,054	-	6,604,033	33.10%

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

Lagers

Valuation Date February 28, 2017

Notes: The roll-forward of total pension liability from February 28, 2017 to June 30, 2017 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 None.

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

Police Pension

Valuation Date January 1, 2017

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

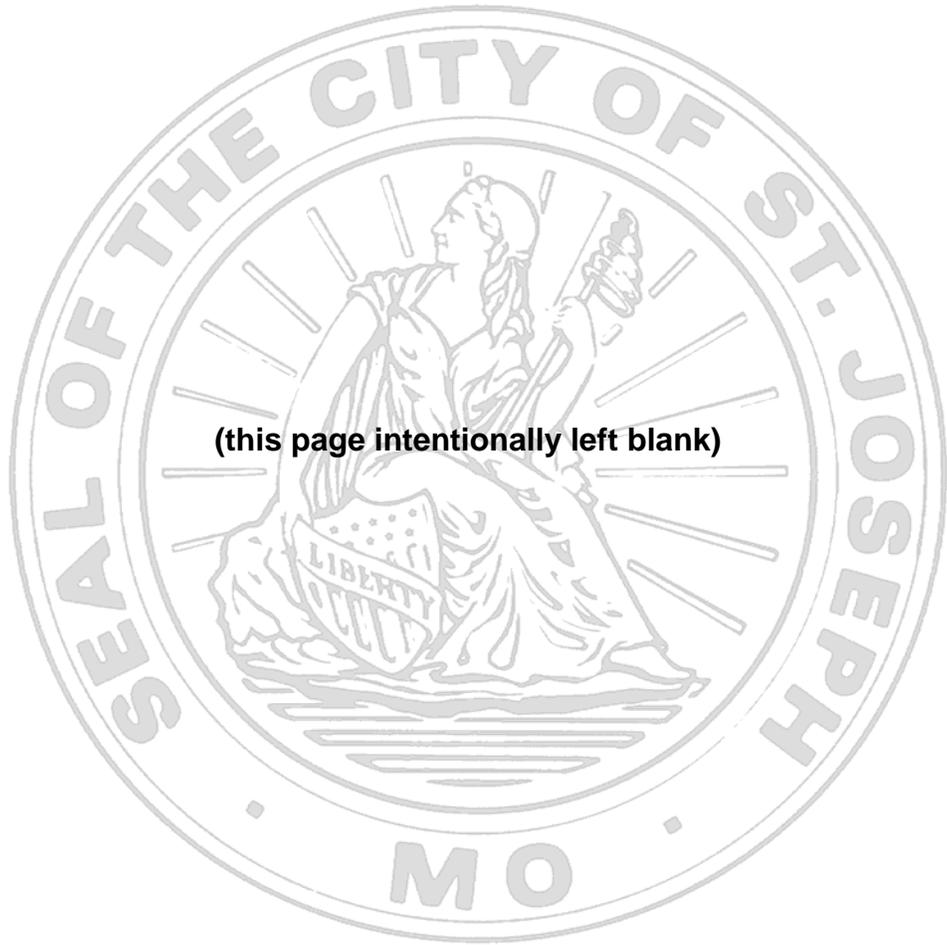
Methods and assumptions used to determine contributions rates:

Actuarial cost method	Individual Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	Market Value
Inflation assumption	2.5%
Salary increases	3%
Investment rate of return	7.1%, net of investment and administrative expenses
Mortality – healthy lives	RP-2015 Blue Collar with generational improvements (formerly RP-2000)
Mortality – disabled lives	RP-2015 Disabled with generational improvements (formerly RP-2000 set forward 10 years)
Termination of employment	Rate of turnover from 0.75% to 5.00% based on age
Disablement	Rates from 0.17% to 1.93% based on age

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

Other Post Employment Benefits

Fiscal year ended	Actuarial valuation date	(a) Actuarial value of assets	(b) actuarial accrued liability	(b) - (a) Unfunded accrued liability (UAL)	(a)/(b) Funded ratio	(c) Annual covered payroll	(b)-(a)/(c) UAL as a percentage of covered payroll
6/30/2015	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%
6/30/2017	7/1/2016	-	2,825,537	2,825,537	0%	29,849,761	9%



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CITY OF ST. JOSEPH, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	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	
Assets									
Cash and investments	\$ 1,963,187	\$ 438,988	\$ 2,699,072	\$ 43,556	\$ 439,074	\$ 397,592	\$ 1,390,723	\$ 239,730	\$ 7,611,922
Receivables	420,657	50,679	980,616	10,163	138,621	28,825	-	-	1,629,561
Loan receivables	-	-	-	-	-	-	966,135	1,603,537	2,569,672
Property held for resale	-	-	-	192,522	-	-	-	-	192,522
Due from other governments	-	-	-	375,007	-	-	-	-	375,007
Prepaid items	-	56,530	-	2,994	-	3,763	-	-	63,287
Total assets	<u>\$ 2,383,844</u>	<u>\$ 546,197</u>	<u>\$ 3,679,688</u>	<u>\$ 624,242</u>	<u>\$ 577,695</u>	<u>\$ 430,180</u>	<u>\$ 2,356,858</u>	<u>\$ 1,843,267</u>	<u>\$ 12,441,971</u>
Liabilities, Deferred Inflows and Fund Balances									
Liabilities:									
Accounts payable	\$ 296,984	\$ 77,611	\$ 131,767	\$ 99,838	\$ 103,677	\$ 193	\$ 9,396	\$ 19,642	\$ 739,108
Accrued payroll	-	-	12,154	6,260	-	-	-	-	18,414
Total liabilities	<u>296,984</u>	<u>77,611</u>	<u>143,921</u>	<u>106,098</u>	<u>103,677</u>	<u>193</u>	<u>9,396</u>	<u>19,642</u>	<u>757,522</u>
Deferred Inflows of Resources:									
Unavailable revenues-property taxes	-	39,705	-	-	-	21,447	-	-	61,152
Unavailable revenues-other	-	-	-	135,040	-	-	-	-	135,040
Total deferred inflows of resources	<u>-</u>	<u>39,705</u>	<u>-</u>	<u>135,040</u>	<u>-</u>	<u>21,447</u>	<u>-</u>	<u>-</u>	<u>196,192</u>
Fund balances:									
Nonspendable:									
Restricted	2,086,860	372,351	3,535,767	380,110	474,018	404,777	2,347,462	1,823,625	11,424,970
Total fund balances	<u>2,086,860</u>	<u>428,881</u>	<u>3,535,767</u>	<u>383,104</u>	<u>474,018</u>	<u>408,540</u>	<u>2,347,462</u>	<u>1,823,625</u>	<u>11,488,257</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,383,844</u>	<u>\$ 546,197</u>	<u>\$ 3,679,688</u>	<u>\$ 624,242</u>	<u>\$ 577,695</u>	<u>\$ 430,180</u>	<u>\$ 2,356,858</u>	<u>\$ 1,843,267</u>	<u>\$ 12,441,971</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, 2017

	Special Revenue								Total Nonmajor Governmental Funds
	Streets Maintenance	Parks Maintenance	Public Safety Tax	Community Development	Riverboat Gaming	Municipal Museum	Rehab Loan	Revolving Loan	
Revenues									
Taxes:									
Property	\$ -	\$ 700,233	\$ -	\$ -	\$ -	\$ 553,092	\$ -	\$ -	\$ 1,253,325
Sales	-	-	6,148,319	-	-	-	-	-	6,148,319
Motor Fuel	2,804,944	-	-	-	-	-	-	-	2,804,944
Licenses and permits	-	95,533	-	-	-	-	-	-	95,533
Intergovernmental	-	79,004	-	1,894,938	-	-	-	-	1,973,942
Charges for services	220,612	33,278	-	-	928,364	-	-	-	1,182,254
Special assessments	8,870	-	-	12,101	-	-	-	-	20,971
Investment earnings	8,117	1,976	16,571	10	1,906	1,519	22,219	24,820	77,138
Other	8,098	9,489	85	147,854	-	-	224,956	85,908	476,390
Total revenues	3,050,641	919,513	6,164,975	2,054,903	930,270	554,611	247,175	110,728	14,032,816
Expenditures									
Current:									
General government	-	-	-	185,394	686,359	390,557	142,429	58,096	1,462,835
Public safety	-	-	1,317,457	-	-	-	-	-	1,317,457
Highway and streets	3,078,167	-	-	-	-	-	-	-	3,078,167
Public works	-	-	-	247,835	-	-	-	-	247,835
Health and welfare	-	-	-	1,381,774	-	-	-	-	1,381,774
Parks and recreation	-	1,049,916	-	-	-	-	-	-	1,049,916
Capital outlay	1,553,145	334,885	2,062,641	-	33,642	-	-	-	3,984,313
Total expenditures	4,631,312	1,384,801	3,380,098	1,815,003	720,001	390,557	142,429	58,096	12,522,297
Excess (deficiency) of revenues over (under) expenditures	(1,580,671)	(465,288)	2,784,877	239,900	210,269	164,054	104,746	52,632	1,510,519
Other financing sources (uses)									
Transfers in	2,215,280	351,490	64,801	109,999	10,000	-	-	-	2,751,570
Transfers out	(35,970)	(1,090)	(2,751,757)	(234,569)	(186,500)	(61,015)	-	(109,999)	(3,380,900)
Sale of capital assets	60,085	-	-	-	-	-	-	-	60,085
Total other financing sources (uses),net	2,239,395	350,400	(2,686,956)	(124,570)	(176,500)	(61,015)	-	(109,999)	(569,245)
Net change in fund balances	658,724	(114,888)	97,921	115,330	33,769	103,039	104,746	(57,367)	941,274
Fund balances - beginning	1,428,136	543,769	3,437,846	267,774	440,249	305,501	2,242,716	1,880,992	10,546,983
Fund balances - ending	\$ 2,086,860	\$ 428,881	\$ 3,535,767	\$ 383,104	\$ 474,018	\$ 408,540	\$ 2,347,462	\$ 1,823,625	\$ 11,488,257

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, 2017

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Motor Fuel	\$ 2,744,900	\$ 2,744,900	\$ 2,804,944	60,044
Charges for services	200,000	200,000	220,612	20,612
Special assessments	6,750	6,750	8,870	2,120
Investment earnings	450	450	8,117	7,667
Other	-	1,912	8,098	6,186
Total revenues	2,952,100	2,954,012	3,050,641	96,629
Expenditures				
Highways and streets				
Materials and supplies	1,416,550	1,266,050	1,087,005	179,045
Outside services	1,954,400	2,127,634	2,126,070	1,564
Capital outlay	2,360,700	2,360,700	2,059,912	300,788
Total Highways and streets	5,731,650	5,754,384	5,272,987	481,397
Revenues over (under) expenditures	(2,779,550)	(2,800,372)	(2,222,346)	578,026
Other financing sources (uses)				
Transfers in	2,289,500	2,310,322	2,215,280	(95,042)
Transfers out	(35,970)	(35,970)	(35,970)	-
Sale of capital assets	-	-	60,085	60,085
Total other financing sources	2,253,530	2,274,352	2,239,395	(34,957)
Net change in fund balances	(526,020)	(526,020)	17,049	543,069
Fund balances, beginning of year	1,428,136	1,428,136	1,428,136	-
Fund balances - ending	\$ 902,116	\$ 902,116	\$ 1,445,185	\$ 543,069

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, 2017

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 683,900	\$ 683,900	\$ 700,233	\$ 16,333
Licenses and permits	96,000	96,000	95,533	(467)
Intergovernmental	70,000	70,000	79,004	9,004
Charges for services	25,000	25,000	33,278	8,278
Investment earnings	-	-	1,976	1,976
Other	-	-	9,489	9,489
Total revenues	<u>874,900</u>	<u>874,900</u>	<u>919,513</u>	<u>44,613</u>
Expenditures				
Parks and recreation				
Materials and supplies	206,650	206,650	170,748	35,902
Outside services	1,004,740	1,004,740	890,226	114,514
Capital outlay	514,788	542,711	291,083	251,628
Total Parks and recreation	<u>1,726,178</u>	<u>1,754,101</u>	<u>1,352,057</u>	<u>402,044</u>
Revenues over (under) expenditures	<u>(851,278)</u>	<u>(879,201)</u>	<u>(432,544)</u>	<u>446,657</u>
Other financing sources (uses)				
Transfers in	352,990	352,990	351,490	(1,500)
Transfers out	(1,090)	(1,090)	(1,090)	-
Total other financing sources (uses)	<u>351,900</u>	<u>351,900</u>	<u>350,400</u>	<u>(1,500)</u>
Net change in fund balances	<u>(499,378)</u>	<u>(527,301)</u>	<u>(82,144)</u>	<u>445,157</u>
Fund balances, beginning of year	543,769	543,769	543,769	-
Fund balances - ending	<u>\$ 44,391</u>	<u>\$ 16,468</u>	<u>\$ 461,625</u>	<u>\$ 445,157</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, 2017

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Sales	\$ 6,020,615	\$ 6,020,615	\$ 6,148,319	127,704
Investment earnings	-	-	16,571	16,571
Other	-	-	85	85
Total revenues	<u>6,020,615</u>	<u>6,020,615</u>	<u>6,164,975</u>	<u>144,360</u>
Expenditures				
Public Safety				
Benefits	392,065	374,410	374,408	2
Materials and supplies	120,510	121,199	121,194	5
Outside services	81,530	59,965	59,961	4
Capital outlay	708,004	720,050	712,059	7,991
Total Police	<u>1,935,280</u>	<u>1,935,365</u>	<u>1,927,362</u>	<u>8,003</u>
Fire				
Materials and supplies	100,100	82,100	50,844	31,256
Outside services	60,325	60,325	60,325	-
Total public safety	<u>3,339,311</u>	<u>3,353,216</u>	<u>3,311,917</u>	<u>41,299</u>
Total expenditures	<u>3,339,311</u>	<u>3,353,216</u>	<u>3,311,917</u>	<u>41,299</u>
Revenues over (under) expenditures	<u>2,681,304</u>	<u>2,667,399</u>	<u>2,853,058</u>	<u>185,659</u>
Other financing sources (uses)				
Transfers in	70,000	70,000	64,801	(5,199)
Transfers out	(2,751,757)	(2,751,757)	(2,751,757)	-
Total other financing sources(uses)	<u>(2,681,757)</u>	<u>(2,681,757)</u>	<u>(2,686,956)</u>	<u>(5,199)</u>
Net change in fund balances	(453)	(14,358)	166,102	180,460
Fund balances - beginning	3,437,846	3,437,846	3,437,846	-
Fund balances - ending	<u>\$ 3,437,393</u>	<u>\$ 3,423,488</u>	<u>\$ 3,603,948</u>	<u>\$ 180,460</u>

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Revenues				
Taxes:				
Licenses and permits	\$ 2,236,370	\$ 2,799,533	\$ 1,894,938	\$ (904,595)
Special assessments	-	-	12,101	12,101
Investment earnings	-	-	10	10
Other	-	-	147,854	147,854
Total revenues	2,236,370	2,799,533	2,054,903	(744,630)
Expenditures				
General government				
Materials and supplies	2,800	2,800	-	2,800
Outside services	17,536	17,536	10,521	7,015
Total General government	166,562	166,562	149,031	17,531
Health and welfare				
Salaries	164,767	170,172	170,170	2
Benefits	69,001	69,001	57,936	11,065
Materials and supplies	3,917	3,917	3,447	470
Outside services	1,304,825	1,867,988	1,616,952	251,036
Public works				
Salaries	110,317	104,912	103,949	963
Benefits	44,207	44,207	34,365	9,842
Materials and supplies	3,555	3,555	1,756	1,799
Outside services	219,650	219,650	123,399	96,251
Total expenditures	2,086,801	2,649,964	2,261,005	388,959
Revenues over (under) expenditures	149,569	149,569	(206,102)	(355,671)
Other financing sources (uses)				
Transfers in	-	-	109,999	109,999
Transfers out	(149,569)	(234,569)	(234,569)	-
Total other financing sources (uses)	(149,569)	(234,569)	(124,570)	109,999
Net change in fund balances	-	(85,000)	(330,672)	(245,672)
Fund balances - beginning	267,774	267,774	267,774	-
Fund balances - ending	\$ 267,774	\$ 182,774	\$ (62,898)	\$ (245,672)

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, 2017

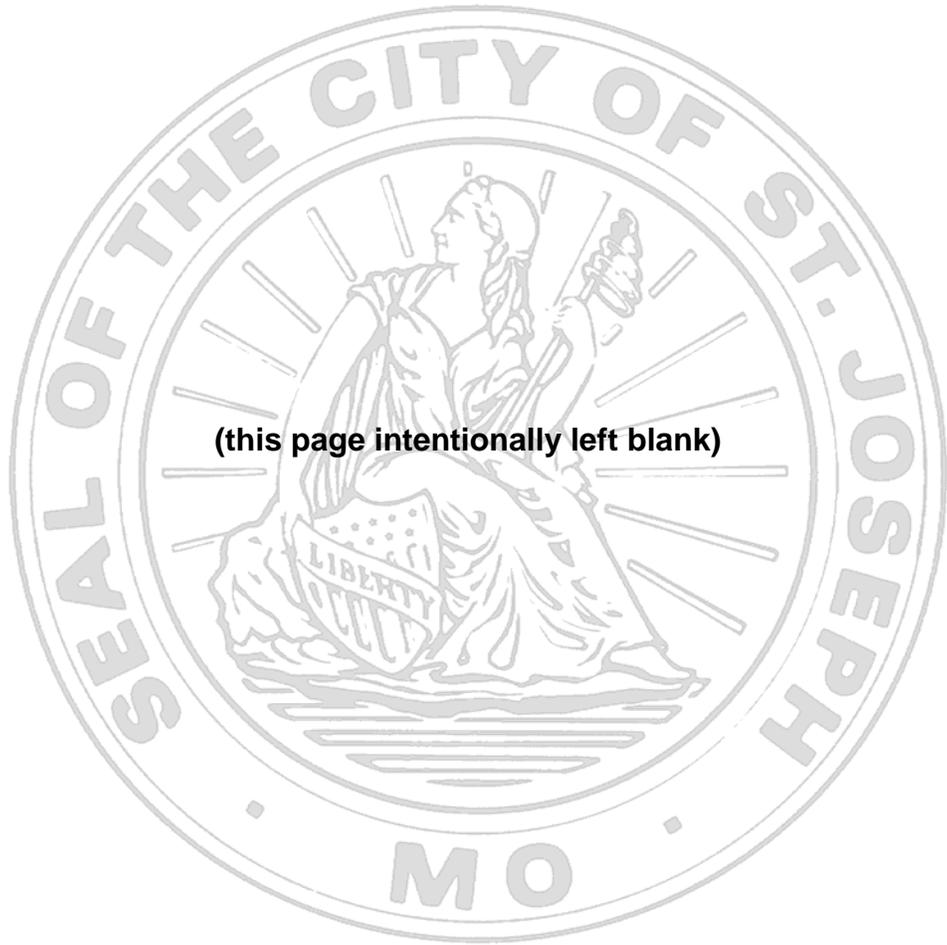
	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Intergovernmental	\$ 1,013,670	\$ 1,013,670	\$ 928,364	\$ (85,306)
Charges for services	200	200	1,906	1,706
Total revenues	<u>1,013,870</u>	<u>1,013,870</u>	<u>930,270</u>	<u>(83,600)</u>
Expenditures				
General government				
Outside services	818,355	813,355	729,859	83,496
Capital outlay	2,000	2,000	-	2,000
Total General government	<u>820,355</u>	<u>815,355</u>	<u>729,859</u>	<u>85,496</u>
Revenues over (under) expenditures	<u>193,515</u>	<u>198,515</u>	<u>200,411</u>	<u>1,896</u>
Other financing sources (uses)				
Transfers in	-	10,000	10,000	-
Transfers out	(131,500)	(191,500)	(186,500)	5,000
Total other financing sources (uses)	<u>(131,500)</u>	<u>(181,500)</u>	<u>(176,500)</u>	<u>5,000</u>
Net change in fund balances	62,015	17,015	23,911	6,896
Fund balances - beginning	440,249	440,249	440,249	-
Fund balances - ending	<u>\$ 502,264</u>	<u>\$ 457,264</u>	<u>\$ 464,160</u>	<u>\$ 6,896</u>

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 612,010	\$ 612,010	\$ 553,092	\$ (58,918)
Investment earnings	670	670	1,519	849
Total revenues	612,680	612,680	554,611	(58,069)
Expenditures				
General government				
Outside services	402,510	402,510	390,558	11,952
Capital outlay	284,000	284,000	-	284,000
Total General government	686,510	686,510	390,558	295,952
Revenues over (under) expenditures	(73,830)	(73,830)	164,053	237,883
Other financing sources (uses)				
Transfers out	(61,015)	(61,015)	(61,015)	-
Total other financing sources (uses)	(61,015)	(61,015)	(61,015)	-
Net change in fund balances	(134,845)	(134,845)	103,038	237,883
Fund balances - beginning	305,501	305,501	305,501	-
Fund balances - ending	\$ 170,656	\$ 170,656	\$ 408,539	\$ 237,883

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, 2017

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Sales	\$ 5,923,275	\$ 5,923,275	\$ 5,930,307	\$ 7,032
Intergovernmental	1,185,500	1,229,000	97,573	(1,131,427)
Investment earnings	20,000	20,000	57,445	37,445
Other	15,000	917,792	537,794	(379,998)
Total revenues	<u>7,143,775</u>	<u>8,090,067</u>	<u>6,623,119</u>	<u>(1,466,948)</u>
Expenditures				
Capital outlay				
Materials and supplies	-	-	4,398	(4,398)
Outside services	1,900,559	1,900,559	681,569	1,218,990
Capital outlay	<u>12,587,016</u>	<u>18,794,409</u>	<u>14,649,206</u>	<u>4,145,203</u>
Total Capital outlay	<u>14,487,575</u>	<u>20,694,968</u>	<u>15,335,173</u>	<u>5,359,795</u>
Revenues over (under) expenditures	<u>(7,343,800)</u>	<u>(12,604,901)</u>	<u>(8,712,054)</u>	<u>3,892,847</u>
Other financing sources (uses)				
Transfers in	1,050,000	1,066,601	993,245	(73,356)
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(368,090)</u>	<u>(118,090)</u>
Total other financing sources (uses)	<u>800,000</u>	<u>816,601</u>	<u>625,155</u>	<u>(191,446)</u>
Net change in fund balances	<u>(6,543,800)</u>	<u>(11,788,300)</u>	<u>(8,086,899)</u>	<u>3,701,401</u>
Fund balances, beginning of year	<u>13,248,371</u>	<u>13,248,371</u>	<u>13,248,371</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,704,571</u>	<u>\$ 1,460,071</u>	<u>\$ 5,161,472</u>	<u>\$ 3,701,401</u>



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CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2017

Business-type Activities - Enterprise Funds

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
Assets					
Current assets:					
Cash and investments	\$ 636,255	\$ 331,388	\$ 29,933	\$ 8,522,860	\$ 9,520,436
Interest receivable	1,340	698	(707)	17,951	19,282
Accounts receivable (net of allowance for uncollectibles)	(1,517)	289	2,400	388,112	389,284
Due from other governments	405,235	-	-	-	405,235
Prepaid items	9,162	6,330	2,521	11,034	29,047
Total current assets	1,050,475	338,705	34,147	8,939,957	10,363,284
Noncurrent assets:					
Capital assets:					
Capital assets, not being depreciated:	10,155,439	2,505,438	110,000	2,248,655	15,019,532
Capital assets net of accumulated depreciation:	11,460,435	982,709	1,171,842	1,196,619	14,811,605
Total capital assets (net of accumulated depreciation)	21,615,874	3,488,147	1,281,842	3,445,274	29,831,137
Total noncurrent assets	21,615,874	3,488,147	1,281,842	3,445,274	29,831,137
Total assets	22,666,349	3,826,852	1,315,989	12,385,231	40,194,421
Deferred Outflows of Resources					
Deferred outflow due to pension assets	62,457	31,458	41,833	166,144	301,892
Total Deferred Outflows of Resources	62,457	31,458	41,833	166,144	301,892
Liabilities and Net Position					
Current liabilities:					
Accounts payable	629,475	60,922	16,736	48,163	755,296
Accrued payroll	4,958	2,339	5,631	12,923	25,851
Long-term obligations due in one year	13,206	7,940	34,998	59,833	115,977
Landfill closure and postclosure liability	-	-	-	73,500	73,500
Total current liabilities	647,639	71,201	57,365	194,419	970,624
Noncurrent liabilities:					
Long-term obligations due in more than one year (net of unamortized discounts and premiums)	17,553	2,554,192	116,104	45,177	2,733,026
Landfill closure and postclosure liability	-	-	-	5,450,641	5,450,641
Net pension liability	105,644	53,210	70,758	281,024	510,636
Total noncurrent liabilities	123,197	2,607,402	186,862	5,776,842	8,694,303
Total liabilities	770,836	2,678,603	244,227	5,971,261	9,664,927
Deferred Inflows of Resources					
Deferred inflow due to pension	11,669	5,877	7,816	31,041	56,403
Total Deferred Inflows of Resources	11,669	5,877	7,816	31,041	56,403
Net Position					
Net Investment in capital assets	21,046,608	3,437,575	1,170,184	3,445,274	29,099,641
Unrestricted (deficit)	899,693	(2,263,745)	(64,405)	3,103,799	1,675,342
Total net position	\$ 21,946,301	\$ 1,173,830	\$ 1,105,779	\$ 6,549,073	\$ 30,774,983

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for services	\$ 384,296	\$ 295,120	\$ 702,186	\$ 4,106,426	\$ 5,488,028
Other	33,722	1,319	11,554	33,728	80,323
Total operating revenues	418,018	296,439	713,740	4,140,154	5,568,351
Operating expenses:					
Personal services	694,867	402,516	651,437	2,031,830	3,780,650
Contractual services	(12,534)	2,547,213	247,524	(331,614)	2,450,589
Commodities	22,828	3,236	192,277	320,608	538,949
Heat, light and power	39,458	26,493	87,912	13,387	167,250
Depreciation	599,768	75,890	122,153	709,272	1,507,083
Closure and postclosure care costs	-	-	-	34,913	34,913
Total operating expenses	1,344,387	3,055,348	1,301,303	2,778,396	8,479,434
Operating income (loss)	(926,369)	(2,758,909)	(587,563)	1,361,758	(2,911,083)
Nonoperating revenues (expenses):					
Investment income	1,625	635	-	40,743	43,003
Interest and fiscal charges	-	-	(55,771)	-	(55,771)
Gain (loss) on sale of capital assets	(59,626)	(23,075)	-	(3,583)	(86,284)
Total nonoperating revenues (expenses), net	(58,001)	(22,440)	(55,771)	37,160	(99,052)
Income (loss) before capital contributions and transfers					
	(984,370)	(2,781,349)	(643,334)	1,398,918	(3,010,135)
Capital contributions and grants					
	2,405,711	29,198	-	-	2,434,909
Transfers in					
	529,272	1,295,288	365,700	-	2,190,260
Transfers out					
	(5,450)	(70,183)	(25,690)	(1,057,191)	(1,158,514)
Change in net position	1,945,163	(1,527,046)	(303,324)	341,727	456,520
Total net position - beginning	20,001,138	2,700,876	1,409,103	6,207,346	30,318,463
Total net position - ending	\$ 21,946,301	\$ 1,173,830	\$ 1,105,779	\$ 6,549,073	\$ 30,774,983

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,680,334	\$ 296,312	\$ 702,773	\$ 3,982,172	\$ 6,661,591
Payments to suppliers	(1,069,912)	(29,178)	(557,441)	(129,204)	(1,785,735)
Payments to employees	(387,469)	(224,792)	(422,536)	(1,082,933)	(2,117,730)
Other operating revenues	33,722	1,319	11,554	33,728	80,323
Net cash provided (used) by operating activities	256,675	43,661	(265,650)	2,803,763	2,838,449
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund advances	(1,044,013)	(12,179)	-	-	(1,056,192)
Transfers in	529,272	1,295,288	365,700	-	2,190,260
Transfers out	(5,450)	(70,183)	(25,690)	(1,057,191)	(1,158,514)
Net cash provided (used) by noncapital financing activities	(520,191)	1,212,926	340,010	(1,057,191)	(24,446)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payments of debt principal	-	-	(44,530)	-	(44,530)
Payments of debt interest and charges	-	-	(54,018)	-	(54,018)
Capital grants received	3,106,819	29,198	-	-	3,136,017
Purchase of capital assets	(2,217,409)	(960,146)	(5,300)	(781,339)	(3,964,194)
Net cash provided (used) by capital and related financing activities	889,410	(930,948)	(103,848)	(781,339)	(926,725)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	695,133	362,569	87,419	16,056,277	17,201,398
Purchase of investments	(1,267,903)	(660,432)	(60,647)	(16,984,000)	(18,972,982)
Interest and dividends received	299	-	-	33,463	33,762
Net cash provided (used) by investing activities	(572,471)	(297,863)	26,772	(894,260)	(1,737,822)
Net increase (decrease) in cash and cash equivalents	53,423	27,776	(2,716)	70,973	149,456
Cash and cash equivalents - beginning	878	506	5,271	656,401	663,056
Cash and cash equivalents - ending	54,301	28,282	2,555	727,374	812,512
Investments	581,954	303,106	27,378	7,795,486	8,707,924
Total cash and investments	\$ 636,255	\$ 331,388	\$ 29,933	\$ 8,522,860	\$ 9,520,436
Cash and investments reported on the Statement of Net Position:					
Unrestricted cash and investments	\$ 636,255	\$ 331,388	\$ 29,933	\$ 8,522,860	\$ 9,520,436
Total cash and investments	\$ 636,255	\$ 331,388	\$ 29,933	\$ 8,522,860	\$ 9,520,436

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (926,369)	\$ (2,758,909)	\$ (587,563)	\$ 1,361,758	\$ (2,911,083)
Adjustments to reconciliation operating income (loss) to net cash provided by operating activities:					
Depreciation	599,768	75,890	122,153	709,272	1,507,083
Noncash economic development expense	-	2,545,560	-	-	2,545,560
Effect of changes in operating assets and liabilities:					
Accounts receivable	1,296,038	1,192	587	(124,254)	1,173,563
Prepaid expenses	(624)	(439)	(205)	(642)	(1,910)
Net pension asset	130,181	132,587	170,480	701,575	1,134,823
Deferred outflows of resources	180,472	45,126	54,380	239,609	519,587
Accounts payable and contracts/claims payable	(1,019,536)	2,643	(29,523)	(32,416)	(1,078,832)
Accrued payroll and compensated absences	(3,255)	11	4,041	7,713	8,510
Landfill closure and postclosure	-	-	-	(58,852)	(58,852)
Net cash provided (used) by operating activities	<u>\$ 256,675</u>	<u>\$ 43,661</u>	<u>\$ (265,650)</u>	<u>\$ 2,803,763</u>	<u>\$ 2,838,449</u>

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Balance		Balance	
	June 30, 2016	Additions	Deductions	June 30, 2017
Tuscany Village CID Tax Fund				
Assets:				
Cash and investments:	\$ (415)	\$ -	\$ 2	\$ (417)
Receivables - taxes	-	1,744	-	1,744
	<u>\$ (415)</u>	<u>\$ 1,744</u>	<u>\$ 2</u>	<u>\$ 1,327</u>
Liabilities:				
Due to others	\$ (415)	\$ 1,744	\$ 2	\$ 1,327
2317 Belt CID Tax Fund				
Assets:				
Cash and investments:	\$ 89	\$ -	\$ -	\$ 89
	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89</u>
Liabilities:				
Due to others	\$ 89	\$ -	\$ -	\$ 89
Gateway TDD Tax Fund				
Assets:				
Cash and investments:	\$ 46,174	\$ 35,260	\$ 24,350	\$ 57,084
Receivables - taxes	5,505	32,213	35,260	2,458
	<u>\$ 51,679</u>	<u>\$ 67,473</u>	<u>\$ 59,610</u>	<u>\$ 59,542</u>
Liabilities:				
Due to others	\$ 51,679	\$ 67,473	\$ 59,610	\$ 59,542
Cooks Crossing CID Tax Fund				
Assets:				
Cash and investments:	\$ 207	\$ 372,855	\$ 372,848	\$ 214
Receivables - taxes	31,125	381,163	372,855	39,433
	<u>\$ 31,332</u>	<u>\$ 754,018</u>	<u>\$ 745,703</u>	<u>\$ 39,647</u>
Liabilities:				
Due to others	\$ 31,332	\$ 754,018	\$ 745,703	\$ 39,647
East Hills CID Tax Fund				
Assets:				
Cash and investments:	\$ 112,650	\$ 713,907	\$ 763,370	\$ 63,187
Receivables - taxes	42,713	759,903	713,907	88,709
	<u>\$ 155,363</u>	<u>\$ 1,473,810</u>	<u>\$ 1,477,277</u>	<u>\$ 151,896</u>
Liabilities:				
Due to others	\$ 155,363	\$ 1,473,810	\$ 1,477,277	\$ 151,896
Beck Road CID Tax Fund				
Assets:				
Cash and investments:	\$ 2,369	\$ 10	\$ -	\$ 2,379
	<u>\$ 2,369</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 2,379</u>
Liabilities:				
Due to others	\$ 2,369	\$ 10	\$ -	\$ 2,379
Library Tax Fund				
Assets:				
Cash and investments:	\$ 54	\$ 268,224	\$ 268,278	\$ -
Receivables - taxes	173,834	254,348	268,224	159,958
	<u>\$ 173,888</u>	<u>\$ 522,572</u>	<u>\$ 536,502</u>	<u>\$ 159,958</u>
Liabilities:				
Due to others	\$ 173,888	\$ 522,572	\$ 536,502	\$ 159,958
All Agency Funds				
Assets:				
Cash and investments	\$ 161,128	\$ 1,390,256	\$ 1,428,848	\$ 122,536
Receivables - taxes	253,177	1,429,371	1,390,246	292,302
	<u>\$ 414,305</u>	<u>\$ 2,819,627</u>	<u>\$ 2,819,094</u>	<u>\$ 414,838</u>
Liabilities:				
Due to others	\$ 414,305	\$ 2,819,627	\$ 2,819,094	\$ 414,838

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.

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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.

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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

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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.

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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.

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

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

	Fiscal Year									
	<u>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>	<u>2017</u>
Governmental activities										
Net Investment in capital assets	\$ 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	149,662,833
Restricted	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	51,497,184
Unrestricted	<u>(42,603,952)</u>	<u>(62,172,221)</u>	<u>(74,693,418)</u>	<u>(74,506,750)</u>	<u>(66,806,724)</u>	<u>(67,941,251)</u>	<u>(58,244,395)</u>	<u>(63,952,044)</u>	<u>(69,219,009)</u>	<u>(92,946,748)</u>
Total governmental activities net position	\$ <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>	<u>108,213,269</u>
Business-type activities										
Net Investment in capital assets	\$ 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	73,709,814
Restricted	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	18,697,704
Unrestricted	<u>1,502,371</u>	<u>4,577,757</u>	<u>8,155,548</u>	<u>18,320,929</u>	<u>19,729,354</u>	<u>16,442,462</u>	<u>21,038,462</u>	<u>24,840,400</u>	<u>31,507,296</u>	<u>36,230,053</u>
Total business-type activities net position	\$ <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>	<u>128,637,571</u>
Primary government										
Net Investment in capital assets	\$ 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	223,372,647
Restricted	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	70,194,888
Unrestricted	<u>(41,101,581)</u>	<u>(57,594,464)</u>	<u>(66,537,870)</u>	<u>(56,185,821)</u>	<u>(47,077,370)</u>	<u>(51,498,789)</u>	<u>(37,205,933)</u>	<u>(39,111,644)</u>	<u>(37,711,713)</u>	<u>(56,716,695)</u>
Total primary government net position	\$ <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>	<u>236,850,840</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 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	16,006,227
Public safety	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	48,607,386
Highways and streets	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	23,368,980
Public works	212,776	247,807	293,125	398,643	416,183	354,893	235,620	290,349	288,766	274,544
Health and welfare	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	5,725,515
Parks and Recreation	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	9,311,548
Interest on long-term debt	3,752,522	3,754,782	3,825,683	3,612,293	2,683,179	3,438,526	3,192,158	2,888,824	2,782,947	2,633,268
Total governmental activities expenses	74,913,628	83,169,246	82,894,442	72,792,599	69,716,213	68,666,009	69,234,384	81,935,590	87,066,399	105,927,468
Business-type activities:										
Aviation	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	1,409,019
Parking	358,222	397,508	384,058	328,919	348,149	339,368	353,047	365,141	337,849	3,081,451
Sewer	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	27,302,731
Golf	427,656	403,153	505,136	770,572	835,932	837,476	901,488	862,290	908,714	1,362,893
Transit	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	5,109,233
Landfill	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	2,797,134
Total business-type activities expenses	23,560,019	23,162,693	24,727,545	24,685,608	24,466,751	25,172,119	27,604,383	31,213,348	29,781,218	41,062,461
Total primary government expenses	\$ 98,473,647	106,331,939	107,621,987	97,478,207	94,182,964	93,838,128	96,838,767	113,148,938	116,847,617	146,989,929
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	5,407,741
Public safety	543,241	583,425	642,911	665,299	680,798	821,264	936,478	737,997	715,576	638,595
Highways and streets	172,658	103,004	151,461	269,131	260,965	204,937	246,169	215,358	177,120	268,589
Public works	23,327	24,080	93,802	21,516	85,748	32,380	206,290	399,760	16,636	20,401
Health and welfare	684,720	746,525	572,275	655,605	559,092	626,570	539,526	572,768	604,724	587,871
Parks and Recreation	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	1,920,759
Operating grants and contributions	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	3,954,466
Capital grants and contributions	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	17,475,217	15,710,544	18,733,222	16,182,055	17,302,716	14,171,911	13,452,175	14,043,859	14,685,276	12,798,422
Business-type activities:										
Charges for services:										
Aviation	479,350	465,191	517,945	500,349	381,111	463,197	384,248	412,124	454,755	418,018
Parking	447,428	446,538	425,611	383,003	354,578	360,734	327,267	314,408	295,355	296,439
Sewer	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	28,155,237
Golf	369,883	394,779	532,429	705,864	783,605	820,578	802,264	789,054	805,081	713,740
Transit	284,077	327,506	298,583	357,891	394,945	350,978	343,364	385,106	319,896	344,438
Landfill	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	4,140,154
Operating grants and contributions	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	2,149,007
Capital grants and contributions	688,019	768,444	1,471,591	3,287,255	6,928,194	106,268	502,346	573,383	5,321,138	2,461,960
Total business-type activities program revenues	21,595,798	21,344,134	24,144,087	26,793,720	32,580,839	27,915,296	27,231,893	29,839,867	38,243,351	38,678,993
Total primary government program revenues	\$ 39,071,015	37,054,678	42,877,309	42,975,775	49,883,555	42,087,207	40,684,068	43,883,726	52,928,627	51,477,415
Net (expense)/revenue										
Governmental activities	(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)	(93,129,046)
Business-type activities	(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	(2,383,468)
Total primary government net expense	\$ (59,402,632)	(69,277,261)	(64,744,678)	(54,502,432)	(44,299,409)	(51,750,921)	(56,154,699)	(69,265,212)	(63,918,990)	(95,512,514)

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes										
Property taxes	\$ 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	13,961,024
Sales and use taxes	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	37,087,811
Franchise taxes	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	6,412,592
Motor fuel taxes	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	3,814,060
Cigarette taxes	451,815	441,029	418,473	439,289	438,673	422,366	395,181	386,003	375,690	373,764
Hotel taxes	448,717	412,623	425,537	443,127	815,756	913,963	856,089	1,088,009	1,234,623	1,181,911
Intergovernmental activity taxes	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	4,114,348
Unrestricted investment earnings	1,913,204	1,113,290	776,579	743,281	697,834	640,068	651,729	658,515	636,148	685,947
Gain (loss) on sale of capital assets	9,914	75,546	90,476	535	-	-	65,877	5,436	-	74,095
Transfers	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	1,078,473
Total governmental activities	54,298,213	52,842,074	53,087,709	51,855,449	56,362,194	56,243,274	60,270,983	65,628,896	69,006,746	68,784,025

Business-type activities:

Sales and use taxes	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	4,607,892
Franchise taxes	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	1,159,486
Unrestricted investment earnings	1,099,122	619,634	365,302	330,070	295,082	233,696	212,997	197,631	195,615	400,176
Gain (loss) on sale of capital assets	177,256	-	7,754	-	6,582	43,342	-	-	-	-
Special item	-	-	-	5,380,449	-	-	-	-	-	-
Transfers	(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)	(1,078,473)
Total business-type activities	2,655,472	4,257,254	4,243,819	10,491,556	3,824,270	3,226,376	3,669,501	3,322,646	3,315,060	5,089,081
Total primary government	\$ 56,953,685	57,099,328	57,331,528	62,347,005	60,186,464	59,469,650	63,940,484	68,951,542	72,321,806	73,873,106

Changes in Net Position

Governmental activities	\$ (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)	(24,345,021)
Business-type activities	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	2,705,613
Total primary government	\$ (2,448,947)	(12,177,933)	(7,413,150)	7,844,573	15,887,055	7,718,729	7,785,785	(313,670)	8,402,816	(21,639,408)

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

Table 3

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Motor Fuel Tax</u>	<u>Cigarette Tax</u>	<u>Hotel Tax</u>	<u>Intergovernmental Activity Tax</u>	<u>Total</u>
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
2017	13,961,024	37,087,811	6,412,592	3,814,060	373,764	1,181,911	4,114,348	66,945,510

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 2,075,505	1,715,494	860,005							
Unreserved	5,592,876	5,449,331	3,132,137							
Total General Fund	<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	169,302
Restricted				409,628	715,017	1,141,146	1,503,232	2,043,949	2,681,140	5,781,503
Committed				2,492,882	1,406,328	1,292,606	1,262,220	1,480,367	2,393,462	5,568,525
Assigned				1,206,978	3,259,079	3,135,856	3,712,053	3,021,204	1,854,439	2,412,754
Unassigned				3,176,846	4,160,485	5,807,342	6,837,653	9,384,702	13,218,788	7,976,680
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>	<u>21,908,764</u>
All other governmental funds										
Reserved	\$ 16,742,801	21,830,413	24,371,401							
Unreserved, reported in:										
Special revenue funds	11,941,619	5,477,728	3,245,197							
Capital project funds	6,517,615	5,110,764	4,493,117							
Total all other governmental funds	<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	63,287
Restricted				30,860,074	29,170,639	32,890,892	35,175,720	40,259,086	37,850,140	39,832,064
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>	<u>39,895,351</u>

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

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 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	66,969,877
Licenses, fees and permits	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	1,559,402
Intergovernmental	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	4,194,178
Charges for services	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	4,335,351
Fines, forfeitures, and court costs	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	809,507
Special Assessments	28,648	24,474	22,040	26,002	30,610	35,220	68,741	29,182	22,665	20,971
Investment earnings	1,847,313	1,097,544	774,001	340,348	696,623	638,735	650,588	657,155	632,413	678,490
Other	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	2,700,407
Total revenues	<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>	<u>81,268,183</u>
Expenditures										
General government	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	9,693,472
Public safety	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	27,473,546
Highways and streets	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	8,627,429
Public works	212,776	245,910	294,018	252,137	272,492	212,831	235,200	293,853	307,912	247,835
Health and welfare	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	5,022,049
Parks and Recreation	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	6,172,915
Capital outlay	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	14,250,639
Debt Service										
Principal	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	4,880,410
Interest and bond costs	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	2,564,290
Total expenditures	<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>	<u>78,932,585</u>
Excess of revenues over (under) expenditures	(1,909,976)	(4,803,506)	(4,742,578)	501,738	(2,027,408)	4,164,424	953,981	5,012,624	(943,204)	2,335,598
Other Financing Sources (Uses)										
Transfers in	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	9,856,588
Transfers out	(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)	(8,778,115)
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	21,896
Sale of capital assets	56,378	88,710	101,867	535	310,115	16,180	121,065	-	77,908	74,095
Total other financing sources (uses)	<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>	<u>1,174,464</u>
Net change in fund balances	\$ <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>	<u>3,510,062</u>
Debt service as a percentage of non capital expenditures	11.53%	10.96%	11.25%	11.71%	16.85%	12.15%	12.88%	11.41%	10.23%	10.34%

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
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	65,695
2017	13,985	37,088	374	3,814	6,413	1,182	4,114	66,970

(1) Includes interest and penalties.

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

Sales by Retail Category:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Apparel stores	\$ 28,381	21,991	24,995	34,625	43,434	45,680	48,277	50,121	49,710	N/A
General merchandise	326,102	318,626	311,804	311,672	313,507	312,147	311,553	315,705	314,101	N/A
Food stores	127,635	127,175	124,988	132,028	134,628	137,249	145,043	151,506	153,656	N/A
Eating and drinking establishments	135,897	134,125	135,082	137,208	143,499	147,355	149,938	155,787	160,098	N/A
Home furnishings and appliances	62,775	30,768	31,395	31,081	31,121	33,360	38,032	39,430	43,282	N/A
Building materials and farm tools	27,178	51,514	50,134	49,274	42,416	52,590	59,726	65,058	64,026	N/A
Construction/Remodeling	10,999	4,299	4,824	4,484	4,392	6,778	6,804	16,999	30,495	N/A
Auto dealers and supplies	81,079	82,324	89,594	95,806	100,357	97,295	173,595	111,131	119,216	N/A
Wholesale Trade	21,793	21,787	19,789	20,349	30,000	42,462	50,661	56,500	65,080	N/A
Hotels, Motels	13,317	11,458	10,986	10,926	11,896	11,985	14,901	17,862	17,904	N/A
Communication	44,011	45,268	44,607	38,198	23,359	21,950	23,169	21,191	21,649	N/A
Other retail stores	84,559	79,669	76,782	77,622	76,761	78,351	82,641	92,079	98,505	N/A
All other outlets	50,330	49,766	51,062	45,405	53,414	87,852	87,488	110,178	118,413	N/A
Total	\$ 1,014,056	978,770	976,042	988,678	1,008,782	1,075,053	1,191,828	1,203,546	1,256,135	-

Note: Amounts for 2017 are not provided due to only receiving partial year figures.

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

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

Direct Sales Tax Rate City of St. Joseph	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	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	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375
Total Direct Sales Tax Rate	2.150	2.375	2.375	2.375	2.375	2.375	2.875	2.875	2.875	2.875
Total Local Option Sales Tax Rate										
State of Missouri										
General Sales Tax	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Education	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total State of Missouri	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
Buchanan County										
General Sales Tax	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Law Enforcement	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Capital Improvements	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
County Tourism	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Ambulance							0.250	0.250	0.250	0.250
Levee Allocation										0.250
Total Buchanan County	1.100	1.100	1.100	1.100	1.100	1.100	1.350	1.350	1.350	1.600
City of St. Joseph	2.150	2.375	2.375	2.375	2.375	2.375	2.875	2.875	2.875	2.875
Total Direct and Overlapping Sales Tax Rate	7.475	7.700	7.700	7.700	7.700	7.700	8.450	8.450	8.450	8.700

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	
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%
2017	716,782	3,150,595	249,390	755,726	46,824	141,891	1,012,996	1.55	4,048,212	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
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	5.47
2017	0.60	0.07	-	0.22	0.20	0.05	0.41	1.55	0.03	3.43	0.46	5.47

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><u>0.46</u></u>

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

TAXPAYER	TYPE OF BUSINESS	2017			2008		
		ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION(1)	2007 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
Boehringer Ingelheim Animal Health	Animal Health Manufacturer	\$ 17,791,370	1	1.76%			
Midland Empire Retail, LLC	Shopping Mall	15,271,430	2	1.51%			
Ag Processing Inc	Soybean Processing	13,819,020	3	1.36%	8,518,780	9	0.96%
Mosaic Lifecare	Healthcare Industry	13,107,200	4	1.29%	10,226,150	3	1.15%
Triumph Foods LLC	Pork Processing	12,005,500	5	1.19%	12,282,040	1	1.38%
Nestle USA Inc	Pet Food Manufacturing	12,245,870	6	1.21%			
Missouri American Water	Water Utility	11,866,120	7	1.17%	8,971,466	7	1.01%
American Family Mutual Insurance	Insurance	9,889,650	8	0.98%	9,615,820	5	1.08%
Cole PC St Joseph MO LLC	Shopping Center	9,281,560	9	0.92%	8,285,240	10	0.93%
Johnson Controls Battery Group	Battery Manufacturer	8,815,710	10	0.87%	10,784,885	2	1.21%
St. Joseph Foods	Meat Manufacturer				8,655,415	8	0.97%
Danisco	Shopping Center				9,299,260	6	1.04%
Wal Mart Stores Inc.	Retail Variety Store				9,919,790	4	1.11%
		<u>\$ 124,093,430</u>		<u>12.26%</u>	<u>\$ 96,558,846</u>		<u>10.84%</u>

(1) The total assessed valuation for 2017 = 1,012,995,885

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
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%	59,985	13,797,711	99.96%
2014	14,382,659	14,021,700	97.49%	355,959	14,377,659	99.97%
2015	14,399,375	12,853,103	89.26%	439,764	13,292,867	92.32%
2016	14,830,223	14,529,043	97.97%	266,145	14,795,188	99.76%
2017	15,003,629	14,985,665	99.88%	-	-	

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
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	-
2017	-	1,009,466	43,230,000	34,612,468	197,704	-

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			
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
2017	-	5,850,000	159,199,307	2,545,560	123,302	-	246,767,807	8.74%	36,942

(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		
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%	-
2017	-	-	-	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, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Joseph School District	\$ 48,900,000	95.75%	\$ <u>46,821,750</u>
Subtotal, overlapping debt			46,821,750
City of St. Joseph direct debt			79,049,638
Total direct and overlapping debt			\$ <u><u>125,871,388</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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit (1)	\$ 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	202,599,177
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	202,599,177
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 2017

Assessed Value	\$ 1,012,995,885
Debt Limit (20% of assessed value)	202,599,177
General obligation:	-
Total Bonded Debt	-
Less:	-
Total net debt applicable to limit	-
Legal debt margin	\$ 202,599,177

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Notes:

(1) Total tangible property assessed value as of January 1, 2016 as certified by the County Clerk on June 30, 2016

(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>						
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
2017	29,417	14,812	14,605	7,586	4,050	1.26

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>
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	2.56%
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%
2017	76,472	2,825,029	36,942	36.20	11,117	3.60%

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

CITY OF ST. JOSEPH, MISSOURI
Principal Employers
2017 and 2008

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mosaic Life Care	4,072	1	6.49%	2,800	1	4.20%
Triumph Foods	2,900	2	4.63%	2,300	2	3.50%
St. Joseph School District	1,853	3	2.96%	1,825	3	2.80%
139th Airlift Wing-MO Air Nat Guard	1,521	4	2.43%	-		
Boehringer Ingelheim Vetmedica	1,070	5	1.71%	750	6	1.10%
Missouri Western State University	793	6	1.26%	-		
American Family	757	7	1.21%	820	5	1.20%
Tyson Foods	670	8	1.07%	661	9	1.00%
City of St. Joseph	653	9	1.04%	700	8	1.00%
Alorica	510	10	0.81%	744	7	1.10%
Altec Industries				850	4	1.30%
Western Reception Diagnostic				576	10	0.90%
Total	14,799		23.61%	12,026		18.10%

Source: St. Joseph Area Chamber of Commerce

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Mayor/Council	1	1	1	1	1	1	1	1	1	1
City Clerk	3	3	3	2	2	2	2	2	2	2
City Manager	6	6	6	5	4	4	4	4	5	5
Technology & Communications	5	5	5	5	4	4	4	4	4	4
Municipal Court	6	6	6	5	5	5	5	5	5	5
Legal	7	7	7	6	6	6	6	5	9	8
Administrative Services	15	15	15	15	16	17	18	17	17	17
Human Resources	6	6	6	5	5	5	5	5	5	5
Customer Assistance	16	16	16	15	3	3	3	3	3	3
Public Safety										
Police - Arrest Powers	117	119	117	116	115	113	116	125	126	128
Police - Civilian	44	44	45	44	42	43	42	41	44	43
Fire Protection	131	131	131	127	124	128	127	125	127	124
Fire - Civilian	3	3	3	3	3	3	3	3	3	3
Public Works										
Engineering	10	10	10	9	9	8	9	9	9	9
Public Works Administration	5	5	5	5	5	6	6	5	6	6
Streets	64	64	64	63	58	62	56	58	58	59
Traffic	8	8	8	8	7	8	8	8	7	8
Airport	6	6	6	6	5	6	6	6	6	6
Parking Services	6	6	6	6	5	4	5	5	5	4
Landfill	18	18	18	18	18	17	17	16	16	17
Recycling Center	2	2	2	2	2	2	2	2	2	2
Sewer Maintenance	19	19	19	20	24	21	22	23	24	21
Water Pollution Control	46	46	50	51	50	53	53	55	52	49
Health Department	42	42	42	41	40	40	41	41	40	41
Parks and Recreation	53	51	52	51	52	53	53	48	54	55
Community Development										
Planning	4	4	4	3	5	5	5	5	6	4
Housing & Community Dev	7	7	7	7	15	15	14	14	12	15
Property Maintenance	11	10	11	9	10	9	10	10	10	9
Total	661	660	665	648	635	643	643	645	658	653

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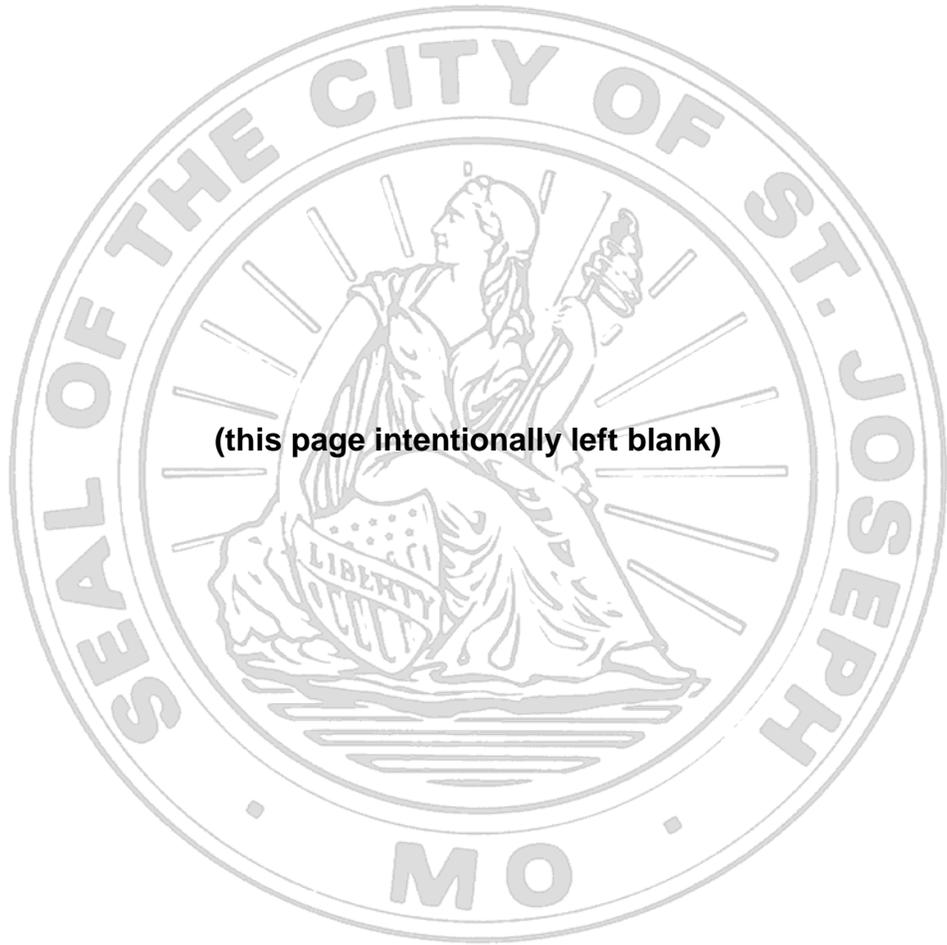
Source: City of St. Joseph Annual Report

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

Function/Program		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety											
	Police										
	Physical Arrests	7,178	6,368	5,170	5,275	4,870	6,958	7,262	6,612	6,614	5,918
	Traffic Violations	18,065	18,453	14,544	11,084	14,080	12,235	11,312	12,542	15,567	15,656
	Parking Violations	10,524	11,861	12,071	8,719	8,532	9,196	7,130	7,285	6,758	7,097
	Fire										
	Total Alarms	8,573	8,074	7,920	9,049	9,651	8,461	8,836	9,111	9,604	10,301
	Inspections	390	1,058	590	419	442	565	754	628	698	650
NS-1	Water										
	Number of customers	33,333	32,548	32,002	32,014	32,004	32,004	31,993	31,993	31,892	31,892
	Daily Average Water Consumption	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	1,721,000
	Sewer										
	Number of customers	26,876	26,859	26,910	26,875	26,836	25,723	24,625	24,625	26,357	26,284
	Daily Average Wastewater Treated	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	15,000,000

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Vehicles	106	104	106	119	122	107	118	122	122	118
Fire										
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works										
Total area (square miles)	45.443	44.680	46.500	46.500	46.500	46.500	46.500	46.500	44.770	44.770
Paved miles	426.4	432.8	432.8	432.3	432.3	434.8	433.1	433.1	433.1	433.1
Culture and Recreation										
Park acreage	1,500	1,500	1,500	2,000	2,000	2,000	2,000	2,000	1,500	1,500
Parks	46	46	46	46	46	46	46	46	36	36
Ball Fields	22	23	23	23	23	23	23	23	23	23
Community Centers	1	1	1	1	1	1	1	1	3	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	2	2
Tennis Courts	21	21	21	21	21	21	21	21	21	21
Power and Light										
Power stations	12	12	12	12	12	12	12	12	12	12
Transmission/Distribution Circuits (miles)	813.04	816.45	816.45	593.32	595.45	598.04	601.01	601.01	601.01	601.01
Street Lights	6,884	6,903	6,923	6,943	6,952	6,952	6,952	6,952	6,952	6,952
Water										
Water mains (miles)	613	616	619	619	619	620	620	620	621	621
Fire hydrants	3,075	3,063	3,096	3,031	3,030	3,032	3,043	3,043	3,086	3,086
Maximum daily pumpage (millions of gallons)	30	30	21	24	24	26	26	26	23	23
Sewer										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	390	380	397	397	402	403	406	406	406	406
Maximum daily capacity of treatment (MGD)	27	27	27	27	27	27	27	27	54	54



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