

# Comprehensive Annual Financial Report

City of  
*St. Joseph*  
Missouri



**For the fiscal year ended June 30, 2018**



# CITY OF ST. JOSEPH, MISSOURI

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared by the Administrative Services Department

Tom Mahoney  
Director of Administrative Services



**CITY OF ST. JOSEPH, MISSOURI**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
 FOR THE YEAR ENDED JUNE 30, 2018

**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION:</b>	<b>PAGE</b>
Principal Officials.....	i
Organizational Chart .....	ii
Letter of Transmittal .....	iii-x
GFOA Certificate of Achievement.....	xi
 <b>FINANCIAL SECTION:</b>	
Independent Auditors' Report .....	1-3
Management's Discussion and Analysis.....	MD-1-15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	GW-1
Statement of Activities.....	GW-2
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	FF-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	FF-2
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	FF-3
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	FF-4
Statement of Net Position – Proprietary Funds .....	FF-5
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	FF-6
Statement of Cash Flows – Proprietary Funds .....	FF-7-8
Statement of Fiduciary Net Position – Fiduciary Funds.....	FF-9
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	FF-10
Notes to Financial Statements .....	FN-1-61
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund.....	RS-1-3
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Allocation Fund .....	RS-4
Notes to the Budgetary Comparison Schedules .....	RS-5-8
Schedule of Changes in Net Pension Liability and Related Ratios - Lagers .....	RS-9
Schedule of Changes in Net Pension Liability and Related Ratios - Police .....	RS-10
Schedule of Employer Contributions .....	RS-11
Notes to Schedule of Contributions - Lagers .....	RS-12
Notes to Schedule of Contributions - Police .....	RS-13
Schedule of Changes in the Total OPEB Liability .....	RS-14
Combining Individual Fund Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	CS-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	CS-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds:	
Streets Maintenance Fund.....	CS-3
Parks Maintenance Fund .....	CS-4
Public Safety Fund .....	CS-5



**TABLE OF CONTENTS**  
(Continued)

<b>FINANCIAL SECTION: - (Continued)</b>	<b>PAGE</b>
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds (continued)	
Community Development Fund .....	CS-6
Riverboat Gaming Fund .....	CS-7
Museum Fund .....	CS-8
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund .....	CS-9
Combining Statement of Net Position – Nonmajor Enterprise Funds .....	CS-10
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds .....	CS-11
Combining Statement of Cash Flows – Nonmajor Enterprise Funds .....	CS-12-13
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	CS-14

**STATISTICAL SECTION:**

Net Position by Component .....	T-1
Changes in Net Position .....	T-2-3
Governmental Activities Tax Revenues by Source .....	T-4
Fund Balances of Governmental Funds .....	T-5
Changes in Fund Balances of Governmental Funds .....	T-6
General Governmental Tax Revenues by Source .....	T-7
Total City Taxable Sales by Category .....	T-8
Sales Tax Rates - Direct and Overlapping Government .....	T-9
Assessed and Estimated Actual Value of Taxable Property .....	T-10
Property Tax Rates - Direct and Overlapping Government .....	T-11
Principal Taxpayers .....	T-12
Property Tax Levies and Collections .....	T-13
Ratios of Outstanding Debt by Type .....	T-14
Ratios of General Bonded Debt Outstanding .....	T-15
Direct and Overlapping Governmental Activities Debt .....	T-16
Legal Debt Margin Information .....	T-17
Pledged-Revenue Coverage .....	T-18
Demographic and Economic Statistics .....	T-19
Principal Employers .....	T-20
Full-time City Government Employees by Function/Program .....	T-21
Operating Indicators by Function/Program .....	T-22
Capital Asset Statistics by Function/Program .....	T-23



# Introductory Section



# CITY OF ST. JOSEPH, MISSOURI

## PRINCIPAL OFFICIALS

Bill McMurray  
Mayor

### CITY COUNCIL

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Brenda Blessing

Madison Davis

P J Kovac

Russell Moore

Brian Myers

Marty Novak

Kent O'Dell

Gary Roach

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J. Bruce Woody  
City Manager

Administrative Services

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

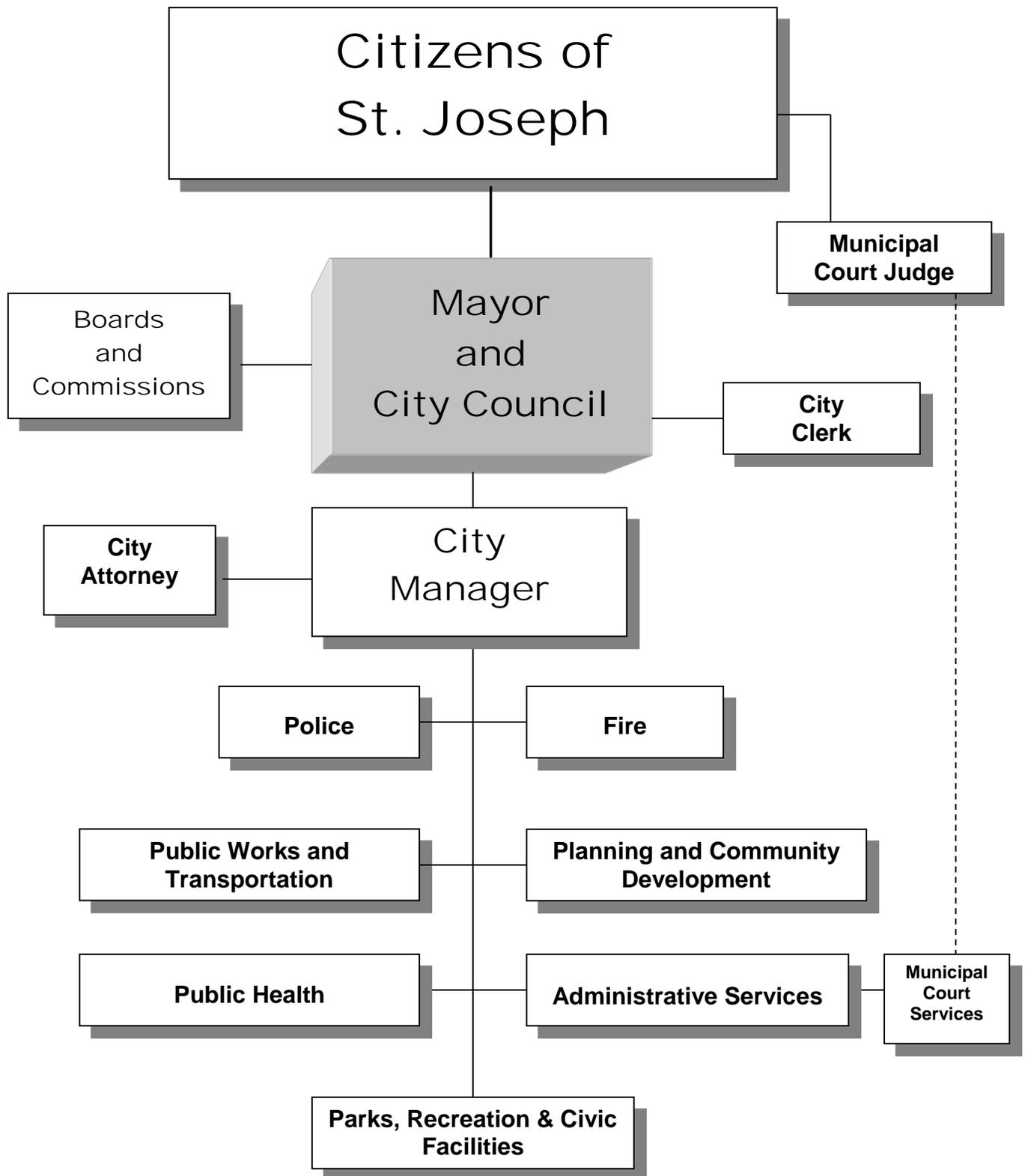
Public Health

Debra Bradley

Public Works & Transportation

Andy Clements

# ORGANIZATION CHART



December 21, 2018

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, 2018, 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, 2018, 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 153,820. The City's population of 76,967 represents 50% 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 66,974 with 64,723 employed for the period ending June 30, 2018, producing an unemployment rate of 2.1. Compared to last year at this time the unemployment rate was 3.2%. The City's 2.1 unemployment rate is lower than Missouri's at a rate of 3.5%.

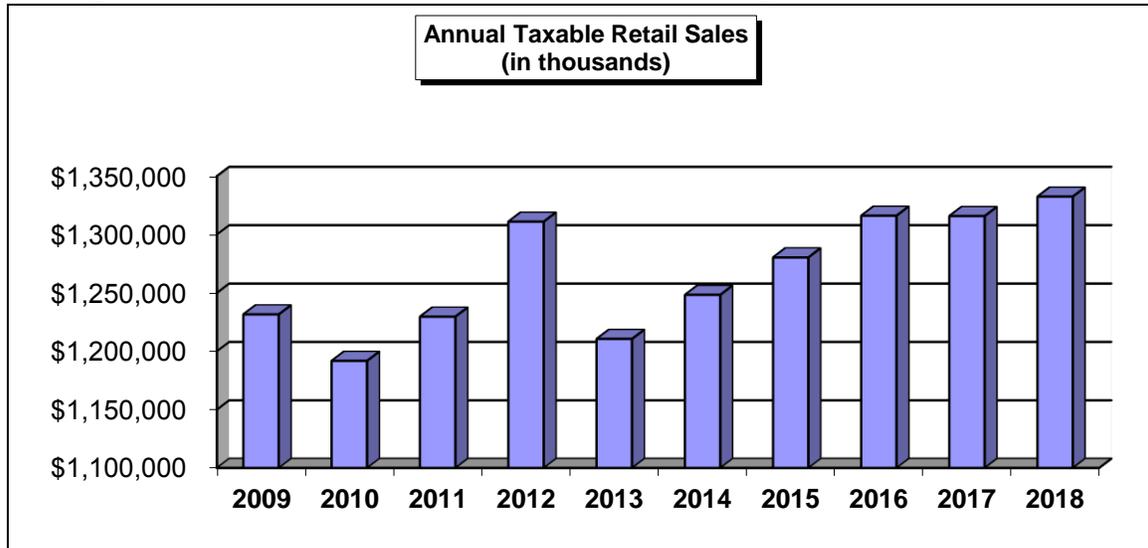
### Major Employers

St. Joseph's economy is highly diversified, with major industrial, manufacturing, financial services, healthcare, and educational institutions. The City's largest employer, Mosaic Life Care, a partner with Mayo Clinic Care Network, provides 3,471 jobs, or 5.4% 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 14,566 jobs, representing 22.5% of the total employed work force. These employers are listed as follows:

<b>TEN LARGEST EMPLOYERS</b>			
<b>Employer</b>	<b>Industry</b>	<b>Number</b>	<b>% of Work Force</b>
Mosaic Life Care	Health Services	3,471	5.4%
Triumph Foods	Pork Processing	2,767	4.3%
St. Joseph School District	Public Education	2,047	3.2%
139 <sup>th</sup> Airlift Wing-MO Air National Guard	Military / Government	1,494	2.3%
Boehringer Ingelheim Vetmedica	Animal Pharmaceuticals	1,191	1.8%
Missouri Western State University	Higher Education	820	1.3%
American Family	Insurance	767	1.2%
City of St. Joseph	Local Government	671	1.0%
Tyson Foods	Food Manufacturer	670	1.0%
Johnson Controls	Battery Manufacturer	658	1.0%
<b>Total</b>		<b>14,556</b>	<b>22.5%</b>

### 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 2018 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 six times – 1993, 1997, 2003, 2008, 2012, and the latest in August, 2018. 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 revenues are earmarked for 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 the tax will help fund additional police employees, public safety employee salaries and benefits, and public safety equipment and facilities.

**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 100% abatement on the increased assessed value of the improvements (excluding land). For the next 15 years, Chapter 353 allows for 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, 2018, 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 eleven (11) TIF developments at June 30, 2018.
- 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, 2018.
- 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 eleven (11) Community Improvement Districts established at June 30, 2018.
- 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, 2018.
- 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, 2018.
- 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 sixth time by the voters in August, 2018.

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 are working with SWT Design Consultants to create a Riverfront Master Plan that will have a financing and implementation strategy for the use of local lodging tax revenue as approved by voters to allocate towards riverfront redevelopment. 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 continue to explore the need for a new multi-event center downtown. Currently the City is limited to what events the current Civic Arena can host because of size limitations. A new or renovated facility would be designed to attract a variety of events the City cannot currently host.

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, 2018, 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.

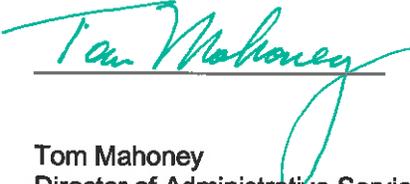
## Awards and Acknowledgements

### Certificate of Achievement for Excellence in Financial Reporting

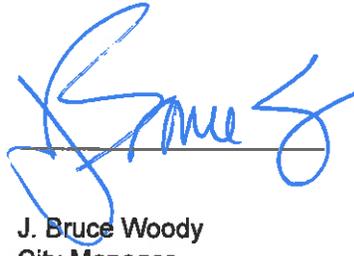
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Joseph, Missouri, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This was the twenty-eighth 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  
Director of Administrative Services



J. Bruce Woody  
City Manager



Government Finance Officers Association

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

Presented to

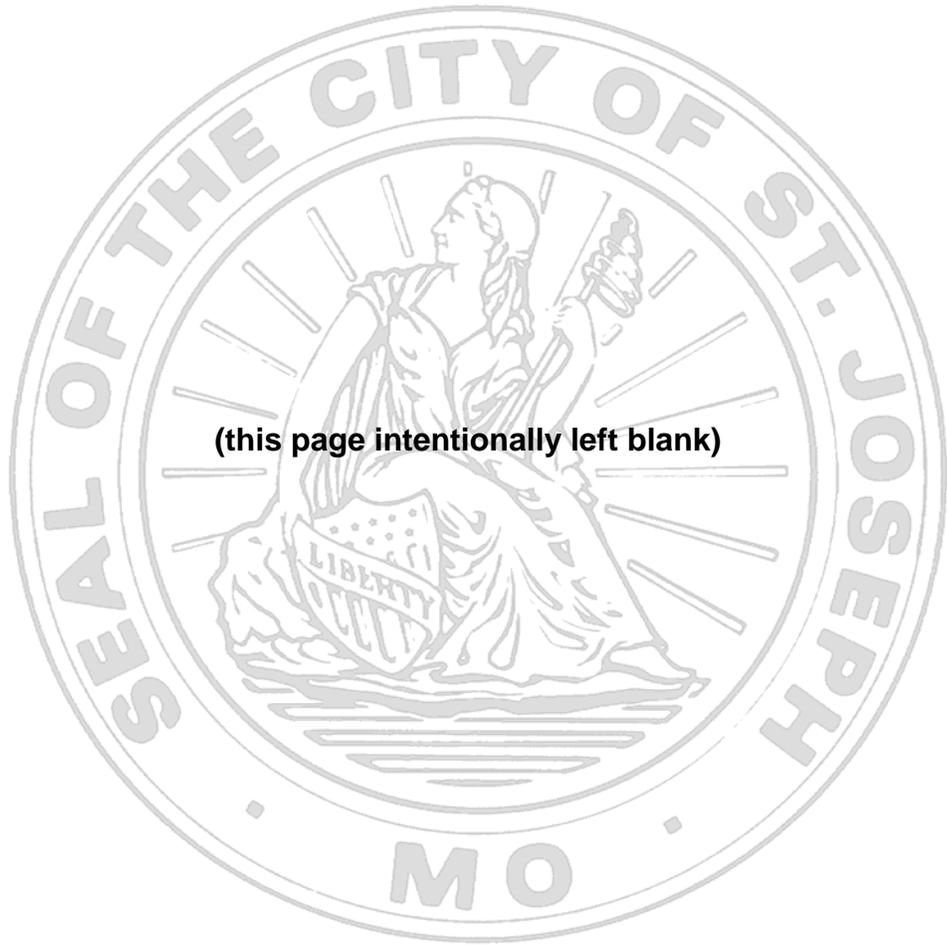
**City of St. Joseph  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As explained in the notes to the basic financial statements, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which restated beginning net position of the governmental activities, business-type activities, and certain enterprise funds, as discussed in Note 13 of the basic financial statements. Our opinion is not modified with respect to the matter emphasized.

### ***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 changes in net other post employment benefit liability 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 21, 2018, 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 21, 2018

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018. 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 \$233,083,160 (*net position*).
- The City's total net position decreased \$2,622,219 - \$5,385,652 is attributable to a decrease in "Governmental activities" while "Business-type activities" contributed an increase of \$2,763,433.
- As of the close of the current fiscal year, the City's funds reported combined ending governmental fund balances of \$53,578,734 a decrease of \$8,225,381 in comparison with the prior year. \$4,654,435 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 \$4,906,522 or 9% of total general fund expenditures.
- The City's net investment in capital assets for its governmental and business-type activities increased \$4,133,533.
- The City's total long-term debt increased \$32,071,689 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, 2018

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, 2018

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 *Sewer 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, 2018**

**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 \$233,083,160 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 68,903,313	\$ 74,706,262	\$ 93,423,186	\$ 72,090,335	\$ 162,326,499	\$ 146,796,597
Capital assets	153,987,550	151,824,034	263,394,339	233,822,890	417,381,889	385,646,924
<b>Total assets</b>	<b>222,890,863</b>	<b>226,530,296</b>	<b>356,817,525</b>	<b>305,913,225</b>	<b>579,708,388</b>	<b>532,443,521</b>
Deferred outflows	10,585,021	14,920,497	1,975,556	2,639,138	12,560,577	17,559,635
Total deferred outflows	10,585,021	14,920,497	1,975,556	2,639,138	12,560,577	17,559,635
Long-term liabilities	74,520,048	76,038,586	193,962,220	160,371,993	268,482,268	236,410,579
Other liabilities	48,291,499	54,356,893	32,920,668	19,367,792	81,212,167	73,724,685
Total liabilities	122,811,547	130,395,479	226,882,888	179,739,785	349,694,435	310,135,264
Deferred inflows	8,806,967	2,842,045	684,403	175,007	9,491,370	3,017,052
Total deferred inflows	8,806,967	2,842,045	684,403	175,007	9,491,370	3,017,052
Net position:						
Net Investment in capital assets	149,925,081	149,662,833	77,581,099	73,709,814	227,506,180	223,372,647
Restricted	45,624,455	51,497,184	23,266,536	18,697,704	68,890,991	70,194,888
Unrestricted (deficit)	(93,692,166)	(92,946,748)	30,378,155	36,230,053	(63,314,011)	(56,716,695)
Total net position	\$ 101,857,370	\$ 108,213,269	\$ 131,225,790	\$ 128,637,571	\$ 233,083,160	\$ 236,850,840

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

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 FY18 of \$30,378,155.

An additional portion of the City's net position, 30% or \$69,176,532 represents resources that are subject to external restrictions on how they may be used. Governmental activities claim 20% or \$45,909,996 while the business-type activities have the other 10% or \$23,266,536.

As previously stated, the City's net position decreased \$2,622,219 during the current fiscal year. Governmental activities represent a \$5,385,652 decrease in the City's net position and a \$2,763,433 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, 2018**

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

	Governmental		Business-type		Total	
	activities		activities			
	2018	2017	2018	2017	2018	2017
Revenues:						
General Revenues:						
Property taxes	\$ 14,268,098	\$ 13,961,024	\$ -	\$ -	\$ 14,268,098	\$ 13,961,024
Sales taxes	37,507,479	37,087,811	4,644,256	4,607,892	42,151,735	41,695,703
Other taxes	16,029,639	15,896,675	1,232,496	1,159,486	17,262,135	17,056,161
Other revenue	892,495	685,947	(367,727)	400,176	524,768	1,086,123
Program Revenues:						
Charges for services	8,545,641	8,843,956	38,756,806	34,068,026	47,302,447	42,911,982
Operating grants & contributions	3,613,547	3,954,466	2,002,415	2,149,007	5,615,962	6,103,473
Capital grants & contributions	4,707,960	-	2,367,432	2,461,960	7,075,392	2,461,960
Gain on sale of capital assets	-	74,095	-	-	-	74,095
<b>Total revenues</b>	<b>85,564,859</b>	<b>80,503,974</b>	<b>48,635,678</b>	<b>44,846,547</b>	<b>134,200,537</b>	<b>125,350,521</b>
Expenses:						
Functions\Programs:						
General government	18,448,192	16,006,227	-	-	18,448,192	16,006,227
Public safety	34,365,931	48,607,386	-	-	34,365,931	48,607,386
Highway and streets	25,008,398	23,368,980	-	-	25,008,398	23,368,980
Public works	328,208	274,544	-	-	328,208	274,544
Health and welfare	2,925,000	5,725,515	-	-	2,925,000	5,725,515
Parks and recreation	9,356,318	9,311,548	-	-	9,356,318	9,311,548
Interest	2,460,648	2,633,268	-	-	2,460,648	2,633,268
Sewer services	-	-	28,760,793	27,302,731	28,760,793	27,302,731
Transit services	-	-	5,366,323	5,109,233	5,366,323	5,109,233
Other proprietary functions	-	-	9,802,945	8,650,497	9,802,945	8,650,497
<b>Total expenses</b>	<b>92,892,695</b>	<b>105,927,468</b>	<b>43,930,061</b>	<b>41,062,461</b>	<b>136,822,756</b>	<b>146,989,929</b>
Excess (deficiency) of revenues over (under) expenses	(7,327,836)	(25,423,494)	4,705,617	3,784,086	(2,622,219)	(21,639,408)
Transfers	1,942,184	1,078,473	(1,942,184)	(1,078,473)	-	-
Change in net position	(5,385,652)	(24,345,021)	2,763,433	2,705,613	(2,622,219)	(21,639,408)
Net position - beginning, as previously reported	108,213,269	132,558,290	128,637,571	125,931,958	236,850,840	258,490,248
Restatement	(970,247)	-	(175,214)	-	(1,145,461)	-
Net position - beginning, as restated	107,243,022	132,558,290	128,462,357	125,931,958	235,705,379	258,490,248
<b>Net position - ending</b>	<b>\$101,857,370</b>	<b>\$108,213,269</b>	<b>\$131,225,790</b>	<b>\$128,637,571</b>	<b>\$233,083,160</b>	<b>\$236,850,840</b>

## CITY OF ST. JOSEPH, MISSOURI

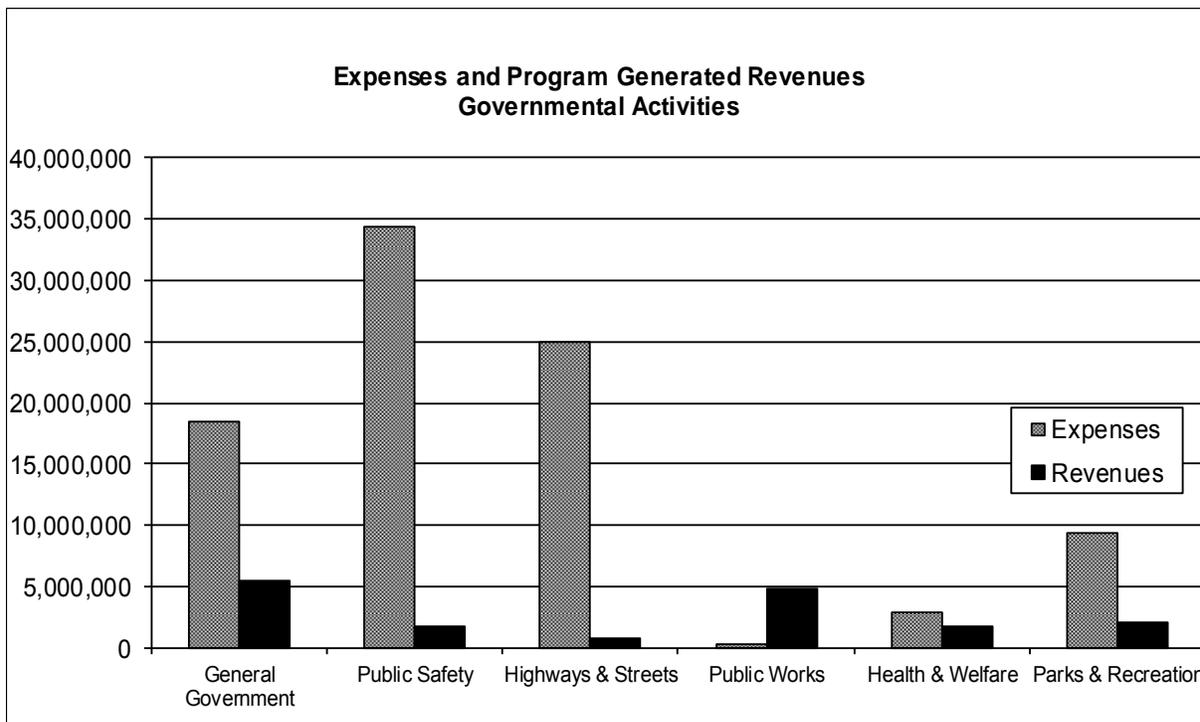
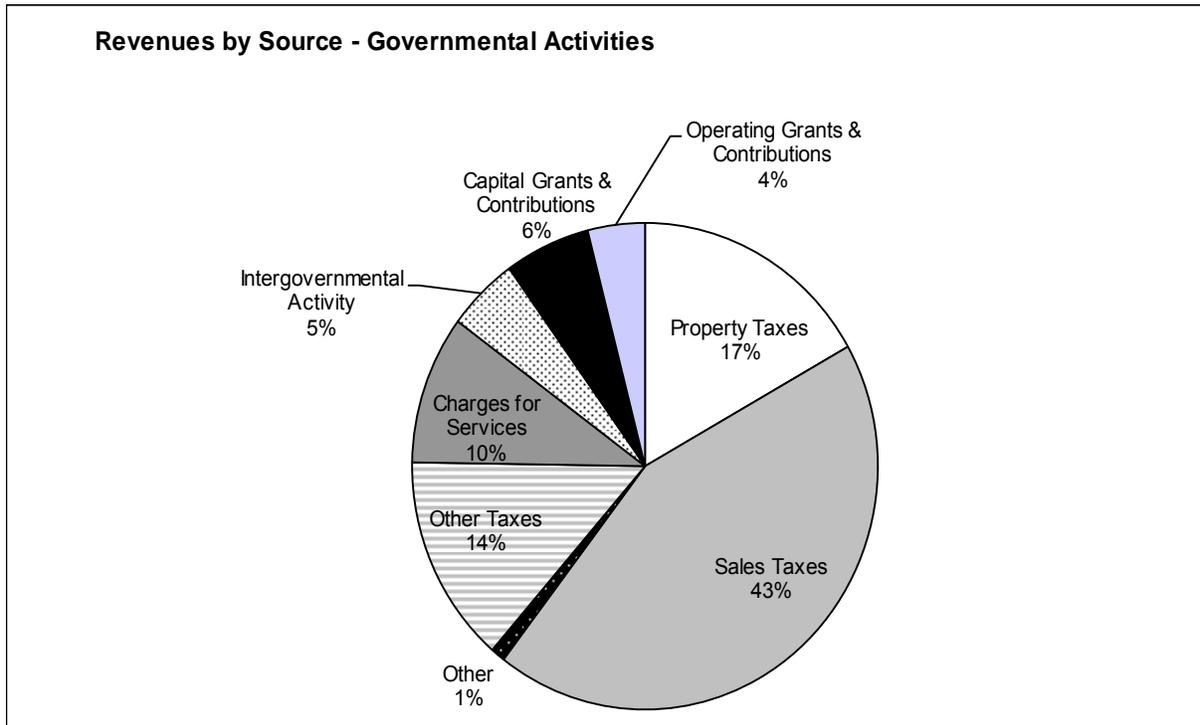
### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

**Governmental Activities.** Governmental activities decreased the City's net position by \$5,385,652. The key elements to this decrease are as follows:

- Sales tax revenue, a major funding source for the city, stayed steady with increases of \$456,032 in FY18 and \$465,698 in FY17. This is a good indication that St Joseph is holding its own and can maintain its sales tax revenue base. This revenue source includes the 2.875% local use tax on out of state purchases over a ten year period that passed April 7, 2015 by the voters.
- Property taxes, 11% of total revenue, showed a \$307,074 change this year. Total receipts for this revenue source were \$14,268,098 in FY18 up from \$13,961,024 in FY17 as a direct result of flat valuations for FY18.
- Other taxes reported an increase of \$205,974 from FY17. Franchise taxes dipped \$104,975 due to warmer temperatures during the fall and winter seasons. Intergovernmental activity taxes showed improvement from the previous fiscal year. This year, \$4,400,846 was recognized compared to \$4,114,348 in FY17. Motor fuel taxes had an uptick of \$10,166 as fuel prices remained around the \$2.00 mark promoting an increase in travel. With the opening of a new hotel located in Tuscany Towers, the new development right off Interstate 29, Hotel taxes bumped back up \$44,840 after dropping \$57,712 in the previous year.
- Charges for services decreased by \$298,315 for the governmental activities revenue.
- During fiscal year 2018, governmental activities operating and capital grants and contributions increased by a total amount of \$4,367,041. The City received \$4,445,500 for the Missouri Levy Project from the various levy districts in conjunction with the US Corp of Engineers to repair the levees along the Missouri River, offset by Hyde Park Complex receiving multiple grants in FY17 for a total renovation: playing field, lighting, fencing, benches, dugouts, and concession area. The STP/FHWA grant reimbursed the City \$262,460 for Phase 20 of the Urban Trail Riverside Corridor and the State Health contracts increased \$115,220 over FY17.
- Total expenses for the governmental activities went down \$13,034,773 from \$105,927,468 in FY17 to \$92,892,695 in FY18. In fiscal year 2018, developers submitted significantly less certified costs compared to FY17 in the General government activities. Both Public safety and Health and welfare reported a decrease in expenses totaling \$14,241,455 and \$2,800,515 from net pension activity recognized in FY17 for GASB 68 Implementation. The City's Street Enhancement program, funded by the Local Use Tax, increased Highway and street's activities by \$1,639,418 with 21.1 covered miles of streets in FY18 compared to 9.6 in FY17.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**



## CITY OF ST. JOSEPH, MISSOURI

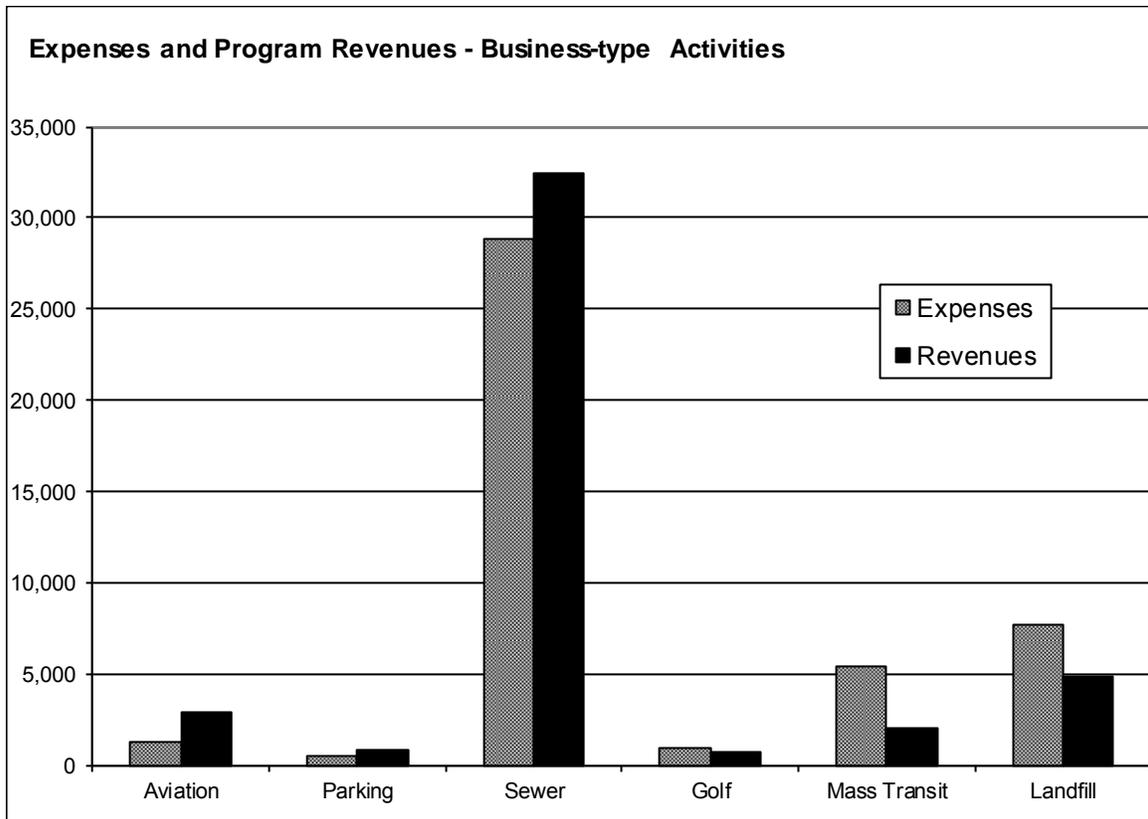
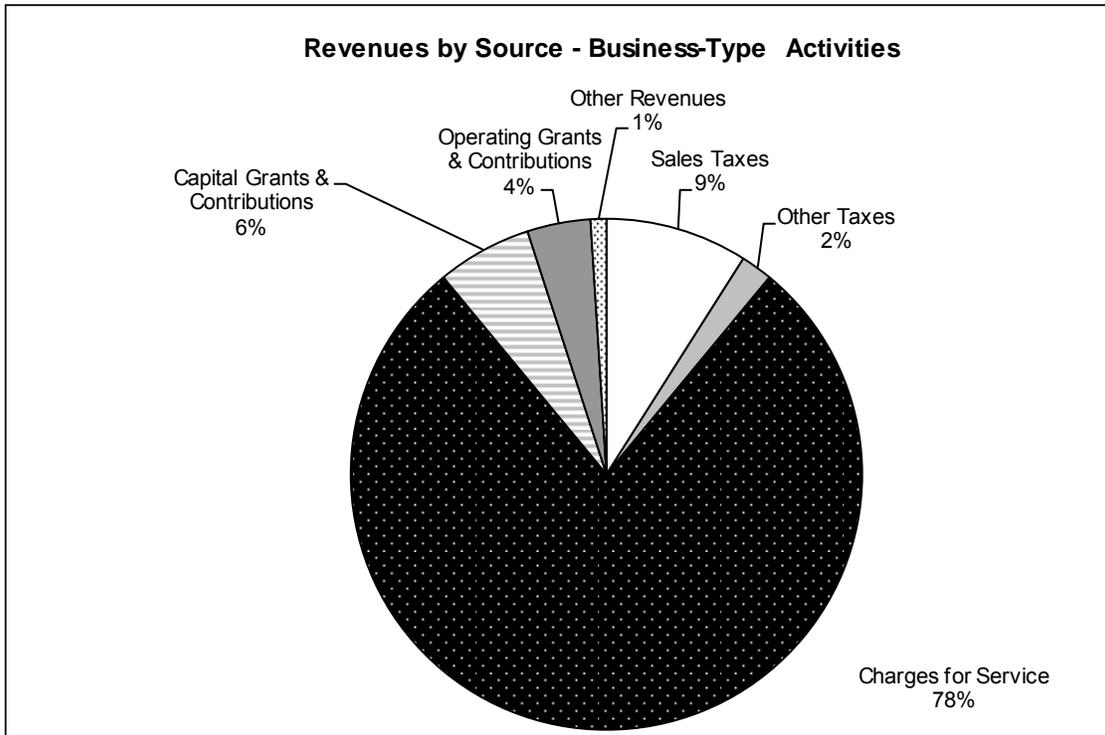
### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

**Business-type activities.** The net position of the City's business-type activities increased \$2,588,219. 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 \$109,374 more collected than in FY17.
- The large boost in revenue for business-type activities came from Sewer services in the Sewer Fund. Charges for Services for the sewer system jumped over last year by \$3,889,602. An 11% rate increase went into effect at the beginning of July, 2017. 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 \$672,218 increase in revenue as a direct result of additional tonnage, 126,883 in FY17 to 134,797 in FY18. Aviation services claimed \$170,973 more rental revenue due to the Rosecrans Memorial Airport 2017 solar eclipse viewing event.
- Business-type activities reported a slight decrease of \$241,120 in operation and capital contributions and grants. Transit services saw a decrease in Federal Transit grant funding from \$1,799,982 in FY17 to \$1,648,490 in FY18 and Aviation services received \$2,405,711 in FY17 compared to \$2,346,843 in FY18 from Federal Aviation Agency and Missouri Air National Guard funding as projects were nearing completion.
- Overall expenses in the business-type activities increased by \$2,867,600 over the prior year. The largest increase belonged to Landfill services in comparison to FY17 with \$4,850,980 more in accumulated landfill closure expenses in FY18 to make past costs current. The Sewer services incurred \$1,458,062 more in expense for contractual services and other costs related to the various projects resulting from the federally mandated EPA capital improvement requirements and the debt service closing costs associated with the 2018 Sewer Bond. Transit services increased their expenses by \$257,090 for the City's contracted services and insurance expenses. Aviation services saw a small drop mostly in professional services for improvement projects. Parking services had a \$3,053,012 decrease in expenses from costs in FY17 relating to the redevelopment project at 8<sup>th</sup> & Felix. Golf services showed \$464,540 less expense in FY18 due to the completion of the sod replacement and golf cart paths in the previous year.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**



## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

#### **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 \$4,906,522 while total general fund balance reached \$21,373,687. 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 at the end of FY18, unassigned fund balance represented 9% of total general fund expenditures, while total fund balance represented 38% of that same amount.

Total fund balance of the City's general fund decreased \$535,077 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 \$51,320,414, a slight increase of \$153,903 when FY17 reported \$51,166,511. Expenditures increased by \$5,070,052, from \$50,761,196 to \$55,831,248.
- On June 5, 2017, the City Council adopted changes in the Missouri Local Government Employees Retirement System Benefits program applicable to General and Fire employees. Beginning July 1, 2017, the approved upgrade of benefits program applicable to General employees from Lagers benefit program L-3 to L-6 and benefits program applicable to Fire employees from L-6 to L-11. This across the board pension benefit change resulted in increased expenses in all functions in the General Fund. In addition, General government function included the April, 2018 Mayor and Council election causing costs to go over the previous year. Public safety function experienced annual increases to their communication agreements/contracts as did the Technology agreements/contracts in the general government area. In FY18 increases for Capital outlay included upgrades to radio equipment, installation, and programming services for Parks and recreation, Highway and streets, and Public Works to utilize one system for day to day communications as well as emergency operations, to communicate and operate more efficiently with other departments. The City's Street Enhancement program, funded by the Local Use Tax, covered an additional 11.5 miles of asphalt overlay and street repair.

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 \$17,619,188 is restricted for debt service payments or pay-as-you go distributions as the case may be. There was an increase in fund balance of \$2,019,883 from FY18. 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 \$5,120,460. 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

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

renewed for the fifth time in August 2012. Fund balance fluctuations are tied directly to the status of projects and/or to the timing of grant monies anticipated as reimbursements for up-front expenditures on the projects.

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

The Proprietary funds net position activity resulted in an increase of \$2,729,094 over last year, excluding the internal service fund. Net investment in capital assets, the largest component of net position, had an increase of \$2,347,916 from last year. A portion of the City's proprietary fund net position, 18% or \$23,266,536, represents resources subject to external restrictions on how they may be used. In FY18, the City continued draws on the 2017 State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program).

The unrestricted net position in the Sewer fund decreased to \$8,814,116 from \$13,289,516 at the end of the fiscal year primarily due the increase in restricted for debt service offset by the negative change in net position. Mass Transit fund's positive change in net position contributed to the increase in unrestricted net position from \$21,359,466 to \$23,424,910. Aviation fund showed \$731,127, Public Parking fund presented a deficit of \$2,010,109, Municipal Golf Course fund stated a deficit of \$243,665, while Landfill fund reported a deficit of \$278,293 in each fund's unrestricted net position balance.

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

Total General Fund expenditures for the 2018 fiscal year were under budget by \$5,444,398. Actual expenditures were less the amount appropriated largely as the result of an intentional under-spending of the budget through delays in filling of vacant positions, benefit savings, and continued cost containment measures where possible. The functions which experienced the greatest amount of savings were: Public safety, \$1,679,716; General government, \$1,643,022, Highway and streets, \$890,037; Health and welfare, \$449,614; and Parks and recreation, \$782,009.

Over the course of the fiscal year, the Council revised the City budget. Appropriations including transfers out increased in the General Fund by \$2,797,122. The appropriations can be directly related to Highway and streets, \$1,526,432 primarily from the 2016 Use Tax Resurfacing program contract, General government, \$631,281, for the proposed construction on the Felix Street Square and the ProjectMates project software, Health and welfare, \$265,700, for rollforward of prior year unspent Health grants and the acceptance of the Humane Society Animal Control facility donation; Parks and recreation, \$231,584, taking cost savings into consideration for capital purchases and the donation of the Humane Society for animals located at Krug Park, and Public safety, \$154,113, the acceptance of the Humane Society K-9 donation.

**CITY OF ST. JOSEPH, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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, 2018 totaled \$417,381,889 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, office furniture and fixtures, roads, bridges, park improvements, major fire apparatus, sewer lines and wastewater treatment facility improvements. Major capital asset events during the current fiscal year included the following:

**Governmental Activities**

- Continued Construction of 2 New Fire Stations (\$4,857,014)
- Completed the Cook Road Extension (\$2,013,426)
- Continued Karnes/Parkway Realignment (\$1,827,279)
- Updated the Missouri Theater (\$988,003)
- Installed new Playground Equipment for Bartlett Park (\$534,767)
- Procured new Motorola Radios w/ Accessories (\$338,782)
- Finished Widening of Genefield Road (\$323,064)

**Business-Type Activities**

- Construction advanced on the Blacksnake Storm Water project (\$33,392,749)
- Installed a Wildlife Fence at the Airfield (\$1,457,251)
- Progress continued on Taxilane/Hanger Reconstruction (\$1,137,570)
- Completed 9<sup>th</sup> & Felix Garage (\$487,226)
- Procured a Plasma Mass Spectrometer for Water Protection (\$113,224)
- Obtained and placed a new Scale for the Landfill (\$39,700)

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

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

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 6,043,949	\$ 6,038,844	\$ 8,594,520	\$ 8,569,970	\$ 14,638,469	\$ 14,608,814
Buildings	17,745,681	18,963,352	77,014,684	80,485,440	94,760,365	99,448,792
Improvements other than buildings	27,500,426	28,886,569	76,641,872	79,213,905	104,142,298	108,100,474
Machinery and equipment	8,389,064	8,440,748	2,740,419	2,652,093	11,129,483	11,092,841
Infrastructure	82,567,264	86,717,458	39,975,140	41,194,870	122,542,404	127,912,328
Construction in progress	11,741,166	2,777,063	58,427,704	21,706,612	70,168,870	24,483,675
<b>Total capital assets</b>	<b>\$ 153,987,550</b>	<b>\$ 151,824,034</b>	<b>\$ 263,394,339</b>	<b>\$ 233,822,890</b>	<b>\$ 417,381,889</b>	<b>\$ 385,646,924</b>

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

**Debt Administration.** At the end of the current fiscal year, the City had total debt outstanding of \$278,639,004, an increase of \$31,871,196 despite the normal annual retirement of debt service, the City continues draws on the 2017 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	
	2018	2017	2018	2017	2018	2017
Revenue Bonds	-	-	\$ 147,705,348	\$ 109,110,424	\$ 147,705,348	\$ 109,110,424
Industrial Development Authority	\$ 31,760,000	\$ 33,560,000	26,590,000	28,135,000	58,350,000	61,695,000
Infrastructure Facility Bonds	8,495,000	9,670,000	18,315,000	18,960,000	26,810,000	28,630,000
MO Development Finance Board*	883,571	1,009,466	8,313,849	8,843,883	9,197,420	9,853,349
Developer Obligation	34,261,156	34,612,468	-	-	34,261,156	34,612,468
Other Obligations	-	-	2,058,654	2,545,560	2,058,654	2,545,560
Capital Lease Obligations	102,180	197,704	154,246	123,302	256,426	321,006
<b>Total long-term debt</b>	<b>\$ 75,501,907</b>	<b>\$ 79,049,638</b>	<b>\$ 203,137,097</b>	<b>\$ 167,718,169</b>	<b>\$ 278,639,004</b>	<b>\$ 246,767,807</b>

**\*Net of issuance premiums and discounts**

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

## CITY OF ST. JOSEPH, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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

##### Economic Development Efforts

The St. Joseph economy in FY2018 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 2019

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 is projected to have double-digit growth in FY2019. Daily landfill fees might exceed FY2018 revenue by more than 10% in FY2019

The largest contribution to the increase is the influx of revenues from the fifth full year of the Public Safety Sales Tax, projected to generate more than \$6 million next year. Property tax revenues are expected to remain level compared to the current year's receipts, as are most other major sources of revenue.

Operating Expenditures – The net operating expenditure component of the City's FY2019 Annual Budget (excluding Special Allocation Funds, CIP programs, cell phone expenditures, and debt service payments) increased by 2% or \$2 million above that adopted by the City Council for FY2018. The primary driver of this increase was the 2.5% cost of living increase for all general employees, 5.8% raise for commissioned Police officers, and 2.7% for the Fire Department. The net impact to the city's public safety fund is an overall increase in payroll expense of approximately \$1,000,000 annually.

Health insurance premiums did not increase for FY2019. This is very positive news considering the city saw an increase of 13.3% in FY2018. The total impact to wages and benefits in FY18 was \$2.8 million, an increase avoided in FY2019.

##### *Requests for Information*

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF NET POSITION**  
 JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 36,690,113	\$ 40,444,734	\$ 77,134,847
Receivables, net where applicable of allowances for uncollectibles	15,679,677	6,606,534	22,286,211
Loan receivables	2,468,903	-	2,468,903
Internal balances	59,931	(59,931)	-
Due from other governments	542,863	510,986	1,053,849
Prepaid items and deferred charges	273,874	106,505	380,379
Restricted assets:			
Cash and investments	13,187,952	45,814,358	59,002,310
Capital assets:			
Capital assets, not being depreciated	17,785,115	67,022,224	84,807,339
Capital assets net of accumulated depreciation	136,202,435	196,372,115	332,574,550
Total assets	<u>222,890,863</u>	<u>356,817,525</u>	<u>579,708,388</u>
<b>Deferred Outflows of Resources</b>			
Deferred amount on refunding	505,963	1,523,369	2,029,332
Deferred outflows due to pension / OPEB	10,079,058	452,187	10,531,245
Total deferred outflows of resources	<u>10,585,021</u>	<u>1,975,556</u>	<u>12,560,577</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	7,379,287	9,720,639	17,099,926
Unearned revenue	82,110	-	82,110
Accrued interest payable	390,872	1,461,579	1,852,451
Noncurrent liabilities:			
Due within one year	7,818,509	10,049,039	17,867,548
Due in more than one year	74,520,048	193,962,220	268,482,268
Net pension liability	32,620,721	975,433	33,596,154
Landfill closure and postclosure costs:			
Due within one year	-	73,500	73,500
Due in more than one year	-	10,640,478	10,640,478
Total liabilities	<u>122,811,547</u>	<u>226,882,888</u>	<u>349,694,435</u>
<b>Deferred inflows of resources</b>			
Deferred inflows due to pension	8,806,967	684,403	9,491,370
Total deferred inflows of resources	<u>8,806,967</u>	<u>684,403</u>	<u>9,491,370</u>
<b>Net Position</b>			
Net investment in capital assets	149,925,081	77,581,099	227,506,180
Restricted for:			
Debt service	22,619,682	23,266,536	45,886,218
Capital projects	5,120,460	-	5,120,460
Loan programs	4,235,918	-	4,235,918
Economic development	4,197,967	-	4,197,967
Museum	500,198	-	500,198
Other purposes	8,950,230	-	8,950,230
Unrestricted (deficit)	(93,692,166)	30,378,155	(63,314,011)
Total net position	<u>\$ 101,857,370</u>	<u>\$ 131,225,790</u>	<u>\$ 233,083,160</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, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities:							
General government	\$ 18,448,192	\$ 4,468,644	\$ 1,097,750	\$ -	\$ (12,881,798)	\$ -	\$ (12,881,798)
Public safety	34,365,931	755,672	1,064,565	-	(32,545,694)	-	(32,545,694)
Highways and streets	25,008,398	331,004	188,707	262,460	(24,226,227)	-	(24,226,227)
Public works	328,208	427,428	-	4,445,500	4,544,720	-	4,544,720
Health and welfare	2,925,000	605,431	1,176,827	-	(1,142,742)	-	(1,142,742)
Parks and recreation	9,356,318	1,957,462	85,698	-	(7,313,158)	-	(7,313,158)
Interest on long-term debt	2,460,648	-	-	-	(2,460,648)	-	(2,460,648)
Total governmental activities	<u>92,892,695</u>	<u>8,545,641</u>	<u>3,613,547</u>	<u>4,707,960</u>	<u>(76,025,547)</u>	<u>-</u>	<u>(76,025,547)</u>
Business-type activities:							
Aviation services	1,273,139	588,991	-	2,346,843	-	1,662,695	1,662,695
Parking services	515,345	282,891	-	486,906	-	254,452	254,452
Sewer services	28,869,518	32,044,839	374,514	-	-	3,549,835	3,549,835
Golf services	968,328	674,987	-	-	-	(293,341)	(293,341)
Transit services	5,366,323	352,726	1,627,901	20,589	-	(3,365,107)	(3,365,107)
Landfill services	7,648,114	4,812,372	-	-	-	(2,835,742)	(2,835,742)
Total business-type activities	<u>44,640,767</u>	<u>38,756,806</u>	<u>2,002,415</u>	<u>2,854,338</u>	<u>-</u>	<u>(1,027,208)</u>	<u>(1,027,208)</u>
Total primary government	<u>\$ 137,533,462</u>	<u>\$ 47,302,447</u>	<u>\$ 5,615,962</u>	<u>\$ 7,562,298</u>	<u>(76,025,547)</u>	<u>(1,027,208)</u>	<u>(77,052,755)</u>
General revenues:							
Property taxes					14,268,098	-	14,268,098
Sales taxes					37,507,479	4,644,256	42,151,735
Franchise taxes					6,234,607	1,232,496	7,467,103
Motor fuel taxes					3,824,176	-	3,824,176
Cigarette taxes					343,259	-	343,259
Hotel taxes					1,226,751	-	1,226,751
Intergovernmental activity taxes					4,400,846	-	4,400,846
Unrestricted investment revenues					892,495	(367,727)	524,768
Gain on sale of capital assets					-	223,800	223,800
Transfers in (out)					1,942,184	(1,942,184)	-
Total general revenues and transfers					<u>70,639,895</u>	<u>3,790,641</u>	<u>74,430,536</u>
Change in net position					(5,385,652)	2,763,433	(2,622,219)
Net position - beginning, as restated					107,243,022	128,462,357	235,705,379
Net position - ending					<u>\$ 101,857,370</u>	<u>\$ 131,225,790</u>	<u>\$ 233,083,160</u>

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

**CITY OF ST. JOSEPH, MISSOURI**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 17,603,034	\$ 3,903,984	\$ 6,814,370	\$ 6,491,955	\$ 34,813,343
Receivables	6,807,540	6,088,549	1,013,721	1,769,867	15,679,677
Loan receivables	-	-	-	2,468,903	2,468,903
Due from other funds	-	-	413,246	-	413,246
Due from other governments	203,642	-	-	339,221	542,863
Prepaid items	173,556	-	-	100,318	273,874
Restricted cash and investments	197,181	12,990,771	-	-	13,187,952
Total assets	<u>\$ 24,984,953</u>	<u>\$ 22,983,304</u>	<u>\$ 8,241,337</u>	<u>\$ 11,170,264</u>	<u>\$ 67,379,858</u>
Total assets and deferred outflows of resources	<u>\$ 24,984,953</u>	<u>\$ 22,983,304</u>	<u>\$ 8,241,337</u>	<u>\$ 11,170,264</u>	<u>\$ 67,379,858</u>
<b>Liabilities, Deferred Inflows and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 2,391,763	\$ 168,699	\$ 3,120,877	\$ 1,071,830	\$ 6,753,169
Due to other funds	-	-	-	413,246	413,246
Accrued payroll	592,052	-	-	24,816	616,868
Unearned revenue	82,110	-	-	-	82,110
Total liabilities	<u>3,065,925</u>	<u>168,699</u>	<u>3,120,877</u>	<u>1,509,892</u>	<u>7,865,393</u>
Deferred Inflows of Resources:					
Unavailable revenues-property taxes	518,638	-	-	55,731	574,369
Unavailable revenues-other	26,703	5,195,417	-	139,242	5,361,362
Total deferred inflows of resources	<u>545,341</u>	<u>5,195,417</u>	<u>-</u>	<u>194,973</u>	<u>5,935,731</u>
Fund balances:					
Nonspendable	173,556	-	-	100,318	273,874
Restricted	8,008,140	17,619,188	5,120,460	9,617,168	40,364,956
Committed	5,844,021	-	-	-	5,844,021
Assigned	2,441,448	-	-	-	2,441,448
Unassigned	4,906,522	-	-	(252,087)	4,654,435
Total fund balances	<u>21,373,687</u>	<u>17,619,188</u>	<u>5,120,460</u>	<u>9,465,399</u>	<u>53,578,734</u>
Total liabilities, deferred inflows of resources and fund balances					
	<u>\$ 24,984,953</u>	<u>\$ 22,983,304</u>	<u>\$ 8,241,337</u>	<u>\$ 11,170,264</u>	<u>\$ 67,379,858</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, 2018**

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

Fund balances – total governmental funds	\$ 53,578,734
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	153,987,550
Deferred charges on refunding are not due and payable in the current period, and therefore, are not reported in the funds.	505,963
Deferred outflows related to pension and OPEB activity are not required to be reported in the governmental funds but are required to be reported in the statement of net position.	10,079,058
Long-term assets are not available to pay for current period expenditures and are therefore reported as unavailable revenues in the fund statements.	5,935,731
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when due.	(390,872)
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.	377,521
Net pension and liabilities are not due and payable in the current period and therefore are not reported in the funds.	(32,620,721)
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	(8,806,967)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(80,788,627)</u>
Net position of governmental activities	<u><u>\$ 101,857,370</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, 2018**

	General	Special Allocation	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes:					
Property	\$ 12,194,137	\$ 738,087	\$ -	\$ 1,289,983	\$ 14,222,207
Sales	21,980,528	3,355,315	5,980,599	6,191,037	37,507,479
Franchise	6,234,607	-	-	-	6,234,607
Motor fuel and other	1,055,291	-	-	2,768,885	3,824,176
Cigarette	343,259	-	-	-	343,259
Hotel	1,226,751	-	-	-	1,226,751
Intergovernmental activity	-	4,400,846	-	-	4,400,846
Licenses and permits	1,328,224	-	-	96,988	1,425,212
Intergovernmental	2,243,429	-	4,707,960	1,422,249	8,373,638
Charges for services	3,187,520	-	-	1,248,180	4,435,700
Fines	627,572	-	-	-	627,572
Special assessments	-	-	-	18,928	18,928
Investment earnings	198,121	444,289	108,677	118,961	870,048
Contributions and donations	249,297	-	406,800	-	656,097
Other	451,678	1,034,077	9,999	506,275	2,002,029
<b>Total revenues</b>	<b>51,320,414</b>	<b>9,972,614</b>	<b>11,214,035</b>	<b>13,661,486</b>	<b>86,168,549</b>
<b>Expenditures</b>					
Current:					
General government	7,695,505	790,916	-	1,835,335	10,321,756
Public safety	27,114,140	-	-	1,654,757	28,768,897
Highways and streets	5,843,456	-	-	3,110,064	8,953,520
Public works	-	-	-	305,944	305,944
Health and welfare	3,718,283	-	-	1,278,756	4,997,039
Parks and recreation	5,528,622	-	-	1,054,216	6,582,838
Debt Service:					
Principal	235,524	4,826,003	-	-	5,061,527
Interest and fiscal charges	57,788	2,335,812	-	-	2,393,600
Capital outlay	5,637,930	-	19,544,839	3,915,553	29,098,322
<b>Total expenditures</b>	<b>55,831,248</b>	<b>7,952,731</b>	<b>19,544,839</b>	<b>13,154,625</b>	<b>96,483,443</b>
Excess (deficiency) of revenues over expenditures	(4,510,834)	2,019,883	(8,330,804)	506,861	(10,314,894)
<b>Other financing sources (uses)</b>					
Transfers in	8,187,915	-	861,987	3,034,949	12,084,851
Transfers out	(4,244,308)	-	(218,512)	(5,679,847)	(10,142,667)
Sale of capital assets	32,150	-	-	115,179	147,329
<b>Total other financing sources (uses), net</b>	<b>3,975,757</b>	<b>-</b>	<b>643,475</b>	<b>(2,529,719)</b>	<b>2,089,513</b>
Net change in fund balances	(535,077)	2,019,883	(7,687,329)	(2,022,858)	(8,225,381)
Fund balances - beginning	21,908,764	15,599,305	12,807,789	11,488,257	61,804,115
<b>Fund balances - ending</b>	<b>\$ 21,373,687</b>	<b>\$ 17,619,188</b>	<b>\$ 5,120,460</b>	<b>\$ 9,465,399</b>	<b>\$ 53,578,734</b>

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, 2018**

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

Net changes in fund balances – total governmental funds \$ (8,225,381)

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	14,356,965	
	Depreciation	<u>(11,965,589)</u>	2,391,376

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

	Loss on disposals	(80,531)	
	Proceeds from sales	<u>(147,329)</u>	(227,860)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(626,137)

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.

			5,061,527
Principal payments			(92,725)
Amortization of deferred amount on refunding			(1,499,691)
Developer obligation			

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

Accrued interest			25,677
Compensated absences, OPEB obligations and OPEB deferred outflows			(347,725)
Change in pension net liability/asset			9,016,558
Changes in net pension deferred outflows and inflows			(11,074,930)

Internal Service Funds are used by management to charge the costs of self-insurance to individual funds.

The net revenue of certain activities of the internal service fund is reported with the governmental activities.			<u>213,659</u>
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Change in net position of governmental activities

\$ (5,385,652)

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2018**

	Sewer	Mass Transit	Other Enterprise Funds	Total	Internal Service Fund
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 6,942,246	\$ 22,407,657	\$ 11,094,831	\$ 40,444,734	\$ 1,876,770
Accounts receivable (net of allowance for uncollectibles)	5,201,949	1,029,989	374,596	6,606,534	-
Due from other governments	-	51,622	459,364	510,986	-
Prepaid items	80,158	3,875	22,472	106,505	-
Total current assets	<u>12,224,353</u>	<u>23,493,143</u>	<u>11,951,263</u>	<u>47,668,759</u>	<u>1,876,770</u>
Noncurrent assets:					
Restricted cash and investments	45,814,358	-	-	45,814,358	-
Capital assets:					
Capital assets, not being depreciated:	48,985,972	191,172	17,845,080	67,022,224	-
Capital assets net of accumulated depreciation:	179,919,478	2,063,332	14,389,305	196,372,115	-
Total capital assets (net of accumulated depreciation)	<u>228,905,450</u>	<u>2,254,504</u>	<u>32,234,385</u>	<u>263,394,339</u>	<u>-</u>
Total noncurrent assets	<u>274,719,808</u>	<u>2,254,504</u>	<u>32,234,385</u>	<u>309,208,697</u>	<u>-</u>
Total assets	<u>286,944,161</u>	<u>25,747,647</u>	<u>44,185,648</u>	<u>356,877,456</u>	<u>1,876,770</u>
<b>Deferred Outflows of Resources</b>					
Deferred amount on refunding	1,523,369	-	-	1,523,369	-
Deferred outflows due to pension	209,285	-	91,891	301,176	-
Deferred outflows due to OPEB	100,743	-	50,268	151,011	-
Total Deferred Outflows of Resources	<u>1,833,397</u>	<u>-</u>	<u>142,159</u>	<u>1,975,556</u>	<u>-</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 8,928,848	\$ 77,411	\$ 617,834	\$ 9,624,093	9,250
Claims payable	-	-	-	-	778,057
Accrued payroll	65,900	-	30,646	96,546	-
Accrued interest payable	1,435,592	-	25,987	1,461,579	-
Long-term obligations due in one year	9,742,192	-	306,847	10,049,039	-
Landfill closure and postclosure liability	-	-	73,500	73,500	-
Total current liabilities	<u>20,172,532</u>	<u>77,411</u>	<u>1,054,814</u>	<u>21,304,757</u>	<u>787,307</u>
Noncurrent liabilities:					
Claims	-	-	-	-	771,873
Long-term obligations due in more than one year (net of unamortized discounts and deferred amount on refunding)	191,752,418	-	2,209,802	193,962,220	-
Landfill closure and postclosure liability	-	-	10,640,478	10,640,478	-
Net Pension Liability	677,821	-	297,612	975,433	-
Total noncurrent liabilities	<u>192,430,239</u>	<u>-</u>	<u>13,147,892</u>	<u>205,578,131</u>	<u>771,873</u>
Total liabilities	<u>212,602,771</u>	<u>77,411</u>	<u>14,202,706</u>	<u>226,882,888</u>	<u>1,559,180</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows due to pension	475,586	-	208,817	684,403	-
Total deferred inflows of resources	<u>475,586</u>	<u>-</u>	<u>208,817</u>	<u>684,403</u>	<u>-</u>
<b>Net Position</b>					
Net Investment in capital assets	43,618,549	2,245,326	31,717,224	77,581,099	-
Restricted for debt service	23,266,536	-	-	23,266,536	-
Unrestricted (deficit)	8,814,116	23,424,910	(1,800,940)	30,438,086	317,590
Total net position	<u>\$ 75,699,201</u>	<u>\$ 25,670,236</u>	<u>\$ 29,916,284</u>	<u>131,285,721</u>	<u>\$ 317,590</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>(59,931)</u>	
Net position of business-type activities				<u>\$ 131,225,790</u>	

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Sewer	Mass Transit	Other Enterprise Funds	Total	Total Internal Service Fund
Operating revenues:					
Charges for services	\$ 31,682,575	\$ 321,873	\$ 6,260,472	\$ 38,264,920	\$ 1,401,166
Other	362,264	30,853	98,769	491,886	-
Total operating revenues	<u>32,044,839</u>	<u>352,726</u>	<u>6,359,241</u>	<u>38,756,806</u>	<u>1,401,166</u>
Operating expenses:					
Personal services	5,188,960	6,007	2,373,508	7,568,475	-
Contractual services	7,584,149	4,634,095	830,559	13,048,803	1,175,615
Commodities	1,104,322	421,746	559,433	2,085,501	-
Heat, light and power	1,789,612	44,374	179,737	2,013,723	-
Depreciation	7,525,216	260,101	1,201,883	8,987,200	-
Closure and postclosure care costs	-	-	5,240,694	5,240,694	-
Total operating expenses	<u>23,192,259</u>	<u>5,366,323</u>	<u>10,385,814</u>	<u>38,944,396</u>	<u>1,175,615</u>
Operating income (loss)	<u>8,852,580</u>	<u>(5,013,597)</u>	<u>(4,026,573)</u>	<u>(187,590)</u>	<u>225,551</u>
Nonoperating revenues (expenses):					
Intergovernmental and other	374,514	1,627,901	-	2,002,415	-
Sales taxes	-	4,644,256	-	4,644,256	-
Franchise taxes	-	1,232,496	-	1,232,496	-
Investment income	(130,449)	(245,532)	8,254	(367,727)	22,447
Interest and fiscal charges	(5,701,198)	-	(29,512)	(5,730,710)	-
Gain on disposal of capital assets	108,725	-	115,075	223,800	-
Total nonoperating revenues (expenses), net	<u>(5,348,408)</u>	<u>7,259,121</u>	<u>93,817</u>	<u>2,004,530</u>	<u>22,447</u>
Income (loss) before capital contributions and transfers	3,504,172	2,245,524	(3,932,756)	1,816,940	247,998
Capital contributions and grants	-	20,589	2,833,749	2,854,338	-
Transfers in	3,250	-	1,065,100	1,068,350	-
Transfers out	(1,990,600)	(251,506)	(768,428)	(3,010,534)	-
Change in net position	<u>1,516,822</u>	<u>2,014,607</u>	<u>(802,335)</u>	<u>2,729,094</u>	<u>247,998</u>
Total net position - beginning, as restated	<u>74,182,379</u>	<u>23,655,629</u>	<u>30,718,619</u>		<u>69,592</u>
Total net position - ending	<u>\$ 75,699,201</u>	<u>\$ 25,670,236</u>	<u>\$ 29,916,284</u>		<u>\$ 317,590</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>34,339</u>	
Change in net position of business-type activities				<u>\$ 2,763,433</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, 2018**

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 31,481,492	\$ 271,208	\$ 6,280,241	\$ 38,032,941	\$ 1,401,166
Payments to suppliers	(10,614,253)	(5,106,694)	(2,147,676)	(17,868,623)	(1,128,136)
Payments to employees	(4,726,433)	(6,007)	(2,205,502)	(6,937,942)	-
Other operating revenues	362,264	30,853	98,769	491,886	-
Net cash provided (used) by operating activities	16,503,070	(4,810,640)	2,025,832	13,718,262	273,030
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental grants	374,514	1,764,690	-	2,139,204	-
Taxes received	-	5,876,752	-	5,876,752	-
Transfers in	3,250	-	1,065,100	1,068,350	-
Transfers out	(1,990,600)	(251,506)	(768,428)	(3,010,534)	-
Net cash provided (used) by noncapital financing activities	(1,612,836)	7,389,936	296,672	6,073,772	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Bond Proceeds	52,594,948	-	-	52,594,948	-
Payments of debt principal	(14,830,699)	-	(32,323)	(14,863,022)	-
Payments of debt interest and charges	(7,241,495)	-	(3,706)	(7,245,201)	-
Capital grants received	-	20,589	2,287,633	2,308,222	-
Proceeds from sale of assets	108,725	-	45,100	153,825	-
Purchase of capital assets	(27,919,383)	(209,263)	(3,072,351)	(31,200,997)	-
Net cash provided (used) by capital and related financing activities	2,712,096	(188,674)	(775,647)	1,747,775	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	74,437,948	79,319,253	38,976,445	192,733,646	6,594,826
Purchase of investments	(89,148,024)	(82,070,615)	(40,636,090)	(211,854,729)	(6,873,884)
Interest and dividends received	799,434	442,402	195,142	1,436,978	22,447
Net cash used by investing activities	(13,910,642)	(2,308,960)	(1,464,503)	(17,684,105)	(256,611)
Net increase (decrease) in cash and cash equivalents	3,691,688	81,662	82,354	3,855,704	16,419
Cash and cash equivalents - beginning	13,706,061	1,725,652	812,512	16,244,225	134,954
Cash and cash equivalents - ending	17,397,749	1,807,314	894,866	20,099,929	151,373
Investments	35,358,855	20,600,343	10,199,965	66,159,163	1,725,397
Total cash and investments	\$ 52,756,604	\$ 22,407,657	\$ 11,094,831	\$ 86,259,092	\$ 1,876,770
Cash and investments reported on the Statement of Net Position:					
Unrestricted cash and investments	\$ 6,942,246	\$ 22,407,657	\$ 11,094,831	\$ 40,444,734	\$ 1,876,770
Restricted cash and investments	45,814,358	-	-	45,814,358	-
Total cash and investments	\$ 52,756,604	\$ 22,407,657	\$ 11,094,831	\$ 86,259,092	\$ 1,876,770

(continued)

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Sewer	Mass Transit	Other Enterprise Funds	Totals	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 8,852,580	\$ (5,013,597)	\$ (4,026,573)	\$ (187,590)	\$ 225,551
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	7,525,216	260,101	1,201,883	8,987,200	-
Deferred outflows of resources	398,304		154,754	553,058	
Landfill closure and postclosure	-	-	5,189,837	5,189,837	-
Effect of changes in operating assets and liabilities:					
Accounts and other receivables	(201,083)	(50,665)	19,769	(231,979)	-
Prepaid expenses	20,016	1,381	6,575	27,972	-
Accounts payable and contracts/claims payable	(156,186)	(7,860)	(533,666)	(697,712)	47,479
Accrued payroll and compensated absences	64,223	-	13,253	77,476	-
Net cash provided (used) by operating activities	<u>\$ 16,503,070</u>	<u>\$ (4,810,640)</u>	<u>\$ 2,025,832</u>	<u>\$ 13,718,262</u>	<u>\$ 273,030</u>

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

**CITY OF ST. JOSEPH, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2018**

	Pension Trust Fund	Total Agency Funds
	Police Pension	
<b>Assets:</b>		
Cash and cash equivalents	\$ -	\$ 52,715
Investments:		
Other debt securities	13,483,920	-
Corporate stock	27,944,965	-
Receivables:		
Taxes	-	300,081
Accrued interest	102,326	-
Total assets	<u>41,531,211</u>	<u>\$ 352,796</u>
<b>Liabilities:</b>		
Accounts payable	26,238	\$ -
Due to others	-	352,796
Total liabilities	<u>26,238</u>	<u>\$ 352,796</u>
<b>Net Position Restricted for Pension benefits</b>	<u>\$ 41,504,973</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, 2018**

	<u>Pension Trust Fund Police Pension</u>
<b>Additions:</b>	
Member contributions	\$ 270,199
Employer contributions	2,430,332
Interest and dividends	993,636
Net depreciation in fair value of investments	2,055,617
Less investment expenses	<u>(71,979)</u>
Total additions	<u>5,677,805</u>
<b>Deductions:</b>	
Benefit payments	2,633,496
Refunds of contributions	44,697
Administrative expenses	<u>74,990</u>
Total deductions	<u>2,753,183</u>
Net change in net position	2,924,622
<b>Net position restricted for pension benefits</b>	
Beginning of year	<u>38,580,351</u>
End of year	<u><u>\$ 41,504,973</u></u>

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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

**A. Reporting Entity**

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

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

In accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement 14, “The Financial Reporting Entity”, GASB Statement 39, “Determining Whether Certain Organizations are Component Units – an amendment to GASB Statement 14” and Statement No. 61 “The Financial Reporting Entity: Omnibus on an amendment of GASB Statements No. 14 and No. 34”, 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.

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,

# CITY OF ST. JOSEPH, MISSOURI

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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 a given function or segment and 2) grants and contributions that are restricted to meeting the

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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, 2018

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.

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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.

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 and 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, 2018, 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, 2018. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

#### **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, 2018**

**J. Capital Assets**

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

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

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

**K. Compensated Absences**

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

Vacation leave is earned at the following rates:

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

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

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

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

**L. Property Tax Revenue Recognition**

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

**M. Interfund Activity**

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

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018**

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. Deficit Net position**

The following Fund had a deficit fund balance/net position at June 30, 2018 that will be eliminated by future revenues:

<b>Special Revenue Funds</b>	
Community Development Block Grant Fund	\$250,498

**Q. Reclassifications**

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**R. Stewardship, Compliance and Accountability**

RSMO section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 30% of 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 \$627,572. This amount is approximately 1% of total general fund revenues, including transfers in and sale of capital assets, of \$59,540,479 and, accordingly, the City believes that they are in compliance with the requirements of the Statute.

**NOTE 2: CASH DEPOSITS AND INVESTMENTS**

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

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

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

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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

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

		Balance June 30, 2018		
Cash on hand	\$	24,059		
Cash Deposit in Bank		7,628,085		
Investments held by Trustee (Bond Reserves)		41,604,561		
Investments Holding Account		27,637		
US Government and Agency Securities		74,833,423		
Collateralized Time Deposits		13,265,000		
Accrued Investment Interest Account		347,540		
Unrealized Gain/Loss Investment Account		(1,540,433)		
 Police Pension Trust:				
Investments		41,428,885		
		\$ 177,618,757		
			Government- wide Statement of Net Assets	Fiduciary Fund Statement of Net Assets
			Total	
Unrestricted – Cash/Investments	\$	77,134,847	\$	52,715
Restricted – Cash & Investments		59,002,310		—
Police Pension – Cash/Investments		—		41,428,885
Total	\$	136,137,157	\$	41,481,600
			\$	177,618,757

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

Investments for the City of St. Joseph, Missouri by segmented maturity are as follows for the year ended June 30, 2018:

Investment type:	Investment Maturities (in years)		
	Fair Value	Less Than 1	1 - 5
Debt Securities			
Fed Natl Mort Assoc	\$ 2,943,510	\$ -	\$ 2,943,510
Fed Hme Loan Bank	18,287,139	997,350	17,289,789
Fed Hme Loan Mort	31,635,533	996,560	30,638,973
Fed Farm Credit Bank	12,723,020	-	12,723,020
US Treasuries	8,028,474	5,100,894	2,927,580
Certificate of Deposits	12,940,313	978,604	11,961,710
	<u>\$ 86,557,989</u>	<u>\$ 8,073,407</u>	<u>\$ 78,484,582</u>
Cash	27,637		
	<u>\$ 86,585,626</u>		

Investments for the Police Pension fund by segmented maturity are as follows for the year ended June 30, 2018:

Investment Type:	Investment Maturities (in years)				
	Fair Value	Less Than 1	1 - 5	6 - 10	>10
Debt Securities					
Fed Natl Mort Assoc	\$ 2,180,195	\$ 199,962	\$ 292,407	\$ 128,444	\$ 1,559,382
Fed Hme Loan Mort	1,434,395	-	293,996	-	1,140,399
Fed Hme Loan Bank	197,572	197,572	-	-	-
Gov Natl Mort Assoc	222,927	-	-	-	222,927
Money Market	1,133,923	1,133,923	-	-	-
US Treasuries	3,349,452	-	1,831,026	668,573	849,853
Muni Obligations	97,715	-	97,715	-	-
Foreign Debt	98,795	-	98,795	-	-
Corporate Debt	4,768,948	149,756	1,805,231	1,685,734	1,128,227
	<u>13,483,922</u>	<u>\$ 1,681,213</u>	<u>\$ 4,419,170</u>	<u>\$ 2,482,751</u>	<u>\$ 4,900,788</u>
Other Investments:					
Corporate Stock	27,944,963				
Total	<u>\$ 41,428,885</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, 2018, the bank balance of \$7,586,765 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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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.

**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.

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			
	Fair Value	AAA	AA+	Aaa
Debt Securities				
Fed Natl Mort Assoc	\$ 2,943,510	\$ -	\$ 2,943,510	\$ -
Fed Hme Loan Bank	18,287,139	-	18,287,139	-
Fed Hme Loan Mort	31,635,533	-	31,635,533	-
Fed Farm Credit Bank	12,723,020	-	1,942,780	10,780,240
US Treasuries	8,028,474	104,914	-	7,923,560
Certificate of Deposits	12,940,313	12,940,313	-	-
	<u>\$ 86,557,989</u>	<u>\$ 13,045,227</u>	<u>\$ 54,808,962</u>	<u>\$ 18,703,800</u>
Cash	27,637			
	<u>\$ 86,585,626</u>			

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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:	Fair Value	Quality Ratings			
		AAA	AA	A	BAA
Debt Securities					
Fed Natl Mort Assoc	\$ 2,180,195	\$ 2,180,195	\$ -	\$ -	\$ -
Fed Hme Loan Mort	1,434,395	1,434,395	-	-	-
Fed Hme Loan Bank	197,572	197,572	-	-	-
Gov Natl Mort Assoc	222,927	222,927	-	-	-
Money Market	1,133,923	1,133,923	-	-	-
US Treasuries	3,349,452	3,349,452	-	-	-
Muni Obligations	97,715	-	97,715	-	-
Foreign Debt	98,795	-	98,795	-	-
Corporate Debt	4,768,948	195,125	-	2,407,120	2,166,703
	<u>\$ 13,483,922</u>	<u>\$ 8,713,589</u>	<u>\$ 196,510</u>	<u>\$ 2,407,120</u>	<u>\$ 2,166,703</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:

Investment type:	Fair Value	Concentration
Debt Securities		
Fed Natl Mort Assoc	\$ 2,943,510	3.40%
Fed Hme Loan Bank	18,287,139	21.13%
Fed Hme Loan Mort	31,635,533	36.55%
Fed Farm Credit Bank	12,723,020	14.70%
US Treasuries	8,028,474	9.28%
Certificate of Deposits	12,940,313	14.95%
	<u>\$ 86,557,989</u>	<u>100.00%</u>

The Police Pension Board established asset allocation guidelines in its investment policy statement to achieve the long term investment objectives. The asset allocation mix should be maintained as follows: 1) Equity investments will range between a maximum of 75% and a minimum of 40% of the total portfolio. 2) Investments in international equities may comprise up to 20% 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,

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

credit exposure to any individual issuer, other than the U.S. Government, shall not exceed 10% of the total fixed income portfolio assets.

**Foreign Currency Risk** – Governments may have investments that are denominated in a currency other than the U.S. dollar. The value of the investment may be affected by increased risk with the foreign exchange rate volatility and certain countries with high inflation and multiple exchange rates. The City of St. Joseph and the Police Pension Fund do not have a formal policy in regards to foreign currency risk or exchange-rate risk.

**Fair Value of Financial Measurements**

In determining fair value, the City of St. Joseph and the Police 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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

transaction price before year-end. Such securities are classified within Level 1 or Level 2 of the valuation hierarchy, as appropriate.

Fair values of assets and liabilities of the City measured on a recurring basis, as of June 30, 2018 are as follows:

Investment type:	Fair Value Measurement			
	Fair Value	Level 1	Level 2	Level 3
<b>Debt Securities</b>				
Fed Natl Mort Assoc	\$ 2,943,510	\$ -	\$ 2,943,510	\$ -
Fed Hme Loan Bank	18,287,139	-	18,287,139	-
Fed Hme Loan Mort	31,635,533	-	31,635,533	-
Fed Farm Credit Bank	12,723,020	-	12,723,020	-
US Treasuries	8,028,474	-	8,028,474	-
Certificate of Deposits	12,940,313	-	12,940,313	-
	<u>\$ 86,557,989</u>	<u>\$ -</u>	<u>\$ 86,557,989</u>	<u>\$ -</u>

Fair values of assets and liabilities of the Pension Fund measured on a recurring basis, as of June 30, 2018 are as follows:

Investment Type:	Fair Value Measurements			
	Fair Value	Level 1	Level 2	Level 3
<b>Debt Securities</b>				
Fed Natl Mort Assoc	\$ 2,180,195	\$ -	\$ 2,180,194	\$ -
Fed Hme Loan Mort	1,434,395	-	1,434,395	-
Fed Hme Loan Bank	197,572	-	197,572	-
Gov Nalt Mort Assoc	222,927	-	222,927	-
Money Market	1,133,923	-	1,133,923	-
US Treasuries	3,349,452	-	3,349,452	-
Muni Obligations	97,715	-	97,715	-
Foreign Debt	98,795	-	98,795	-
Corporate Debt	4,768,946	-	4,768,946	-
<b>Equity Securities</b>				
Corporate Stock	21,652,279	21,652,279	-	-
Exchange Traded Fund - Equity	5,121,792	5,121,792	-	-
Exchange Traded Fund - REIT	268,857	268,857	-	-
Foreign Equities	902,037	902,037	-	-
	<u>\$ 41,428,885</u>	<u>\$ 27,944,965</u>	<u>\$ 13,483,920</u>	<u>\$ -</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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.

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

	<u>Real Property</u>	<u>Personal Property</u>
Assessment date	January 1	January 1
Levy date	August 29	August 29
Lien date	When levied	When levied
Billing date	November 1	November 1
Due date	December 31	December 31
Delinquent date	January 1	January 1

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

The City's 2017 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	2017/2018	2016/2017
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 2017 which comply with Article X, Section 22 of the Missouri Constitution.

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

Agricultural @ 12%      Residential @ 19%      Commercial @ 33%

The assessed valuation of all tangible taxable property for the 2017 and 2016 levies were as follows:

Tax Year / Fiscal Year	<u>2017 / 2018</u>	<u>2016 / 2017</u>	<u>Change</u>	<u>Percent of Change</u>
Real Property	\$735,303,000	\$716,782,330	\$18,520,670	2.58%
Personal Property	253,474,395	249,389,648	4,084,747	1.64%
Railroad Utilities	41,785,687	46,823,907	-5,038,220	-10.76%
Total	<u>\$1,030,563,082</u>	<u>\$1,012,995,885</u>	<u>\$17,567,197</u>	<u>1.73%</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

Receivables as of June 30, 2018, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Accounts and Other</b>	<b>Accrued Interest</b>	<b>Taxes</b>	<b>Total Receivables</b>	<b>Allowance for Doubtful Accounts</b>	<b>Receivables, Net</b>
Governmental activities:						
General	\$ 589,263	\$ 25,914	\$ 6,192,363	\$ 6,807,540	\$ -	\$ 6,807,540
Special Allocation	5,559,195	-	529,354	6,088,549	-	6,088,549
CIP Sales Tax	-	-	1,013,721	1,013,721	-	1,013,721
Nonmajor governmental funds	293,734	1,102	1,475,031	1,769,867	-	1,769,867
Total governmental activities	6,442,192	27,016	9,210,469	15,679,677	-	15,679,677
Business-type activities:						
Sewer	\$ 5,586,511	\$ -	\$ -	\$ 5,586,511	\$ (384,562)	\$ 5,201,949
Mass Transit	26,550	-	1,003,439	1,029,989	-	1,029,989
Nonmajor enterprise funds	374,596	-	-	374,596	-	374,596
Total business-type activities	5,987,657	-	1,003,439	6,991,096	(384,562)	6,606,534
Total Net Receivables	\$ 12,429,849	\$ 27,016	\$ 10,213,908	\$ 22,670,773	\$ (384,562)	\$ 22,286,211

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

<b>NOTE 4: CAPITAL ASSETS</b>
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Capital asset activity for the year ended June 30, 2018 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,038,844	\$ 5,105	\$ -	\$ 6,043,949
Construction in progress	2,777,063	11,917,364	2,953,261	11,741,166
Total capital assets, not being depreciated	8,815,907	11,922,469	2,953,261	17,785,115
Capital assets, being depreciated:				
Buildings	46,024,748	-	177,359	45,847,389
Improvements other than buildings	43,962,933	38,968	-	44,001,901
Machinery and equipment	27,643,643	1,059,762	1,176,310	27,527,095
Office Equipment and Furniture	6,433,695	1,335,766	19,746	7,749,715
Infrastructure	273,687,716	2,953,261	-	276,640,977
Total capital assets being depreciated	397,752,735	5,387,757	1,373,415	401,767,077
Less accumulated depreciation for:				
Buildings	27,061,396	1,090,170	49,859	28,101,707
Improvements other than buildings	15,076,364	1,425,110	-	16,501,474
Machinery and equipment	21,415,045	1,753,824	1,075,951	22,092,918
Office Equipment and Furniture	4,221,545	593,030	19,745	4,794,830
Infrastructure	186,970,258	7,103,455	-	194,073,713
Total accumulated depreciation	254,744,608	11,965,589	1,145,555	265,564,642
Total capital assets, being depreciated, net	143,008,127	(6,577,832)	227,860	136,202,435
<b>Total Governmental activities capital assets, net</b>	<b>\$ 151,824,034</b>	<b>\$ 5,344,637</b>	<b>\$ 3,181,121</b>	<b>\$ 153,987,550</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
<b>Sewer fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,062,040	\$ 24,550	\$ -	\$ 3,086,590
Construction in progress	12,005,876	33,893,506	-	45,899,382
Total capital assets, not being depreciated	15,067,916	33,918,056	-	48,985,972
Capital assets, being depreciated:				
Buildings	102,381,880	-	-	102,381,880
Improvements other than buildings	86,993,684	-	-	86,993,684
Machinery and equipment	11,997,142	667,538	466,371	12,198,309
Office Equipment and Furniture	877,098	79,481	-	956,579
Infrastructure	67,150,806	70,000	-	67,220,806
Total capital assets being depreciated	269,400,610	817,019	466,371	269,751,258
Less accumulated depreciation for:				
Buildings	26,225,795	3,597,689	-	29,823,484
Improvements other than buildings	10,187,542	2,497,098	-	12,684,640
Machinery and equipment	10,595,319	533,514	466,371	10,662,462
Office Equipment and Furniture	768,594	22,471	-	791,065
Infrastructure	34,995,686	874,444	-	35,870,130
Total accumulated depreciation	82,772,936	7,525,216	466,371	89,831,781
Total capital assets, being depreciated, net	186,627,674	(6,708,197)	-	179,919,477
<b>Total sewer fund capital assets, net</b>	<b>\$ 201,695,590</b>	<b>\$ 27,209,859</b>	<b>-</b>	<b>\$ 228,905,449</b>
<b>Mass Transit fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 189,134	\$ -	\$ -	\$ 189,134
Construction in Progress	-	2,038	-	2,038
Total capital assets, not being depreciated	189,134	2,038	-	191,172
Capital assets, being depreciated:				
Buildings	4,504,512	-	-	4,504,512
Improvements other than buildings	184,595	15,105	-	199,700
Machinery and equipment	5,540,236	94,646	-	5,634,882
Office Equipment and Furniture	1,020,768	106,653	-	1,127,421
Total capital assets being depreciated	11,250,111	216,404	-	11,466,515
Less accumulated depreciation for:				
Buildings	2,662,731	147,585	-	2,810,316
Improvements other than buildings	77,422	10,923	-	88,345
Machinery and equipment	5,570,835	89,552	-	5,660,387
Office Equipment and Furniture	832,094	12,042	-	844,136
Total accumulated depreciation	9,143,082	260,101	-	9,403,183
Total capital assets, being depreciated, net	2,107,029	(43,697)	-	2,063,332
<b>Total mass transit fund capital assets, net</b>	<b>\$ 2,296,163</b>	<b>\$ (41,659)</b>	<b>-</b>	<b>\$ 2,254,504</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Nonmajor enterprise funds:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,318,796	\$ -	\$ -	\$ 5,318,796
Construction in Progress	<u>9,700,736</u>	<u>4,267,214</u>	<u>1,441,666</u>	<u>12,526,284</u>
Total capital assets, not being depreciated	15,019,532	4,267,214	1,441,666	17,845,080
Capital assets, being depreciated:				
Buildings	9,129,220	487,226	-	9,616,446
Improvements other than buildings	12,222,590	39,700	556,731	11,705,559
Machinery and equipment	8,191,273	273,559	419,941	8,044,891
Office Equipment and Furniture	49,676	-	-	49,676
Infrastructure	<u>11,869,953</u>	<u>-</u>	<u>-</u>	<u>11,869,953</u>
Total capital assets being depreciated	41,462,712	800,485	976,672	41,286,525
Less accumulated depreciation for:				
Buildings	6,641,645	212,708	-	6,854,353
Improvements other than buildings	9,922,002	118,814	556,730	9,484,086
Machinery and equipment	7,230,600	446,596	399,041	7,278,155
Office Equipment and Furniture	26,657	8,479	-	35,136
Infrastructure	<u>2,830,203</u>	<u>415,286</u>	<u>-</u>	<u>3,245,489</u>
Total accumulated depreciation	26,651,107	1,201,883	955,771	26,897,219
Total capital assets, being depreciated, net	<u>14,811,605</u>	<u>(401,398)</u>	<u>20,901</u>	<u>14,389,306</u>
<b>Total nonmajor enterprise fund capital assets, net</b>	<u>29,831,137</u>	<u>3,865,816</u>	<u>1,462,567</u>	<u>32,234,386</u>
<b>Total business-type activities capital assets, net</b>				
	\$ <u>233,822,890</u>	\$ <u>31,075,816</u>	\$ <u>1,504,367</u>	\$ <u>263,394,339</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 323,944
Public safety	1,191,358
Highways and streets	8,466,707
Health and welfare	182,171
Parks and recreation	<u>1,801,409</u>
Total depreciation expense – governmental activities	\$ <u>11,965,589</u>
Business-type activities:	
Sewer	\$ 7,525,216
Mass Transit	260,101
Non-major enterprise funds	<u>1,201,883</u>
Total depreciation expense – business-type activities	\$ <u>8,987,200</u>

\*Interest on CIP projects no longer capitalized per GASB 89.

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

<b>NOTE 5: INTERFUND ACTIVITIES</b>
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Interfund receivable and payable balances consisting of fund allocations of pooled cash shortages with the intent to reimburse in the next fiscal year at June 30, 2018 are as follows:

	<b>Interfund receivables</b>	<b>Interfund payables</b>
Major governmental funds:		
CIP Sales Tax Improvement	\$ 413,246	\$ —
Nonmajor governmental funds	—	413,246
Total	\$ 413,246	\$ 413,246

Interfund transfers consisted of the following amounts:

		Transfers To						Total
		General Fund	Special Allocation	CIP Sales Tax	Nonmajor Governmental	Sewer Fund	Nonmajor Business-type	
Transfers From	<b>Governmental Funds:</b>							
	General Fund	\$ -	\$ -	\$ 761,987	\$ 2,892,223	\$ -	\$ 590,098	\$ 4,244,308
	Nonmajor governmental	5,268,921	-	100,000	102,726	-	208,200	5,679,847
	CIP Sales Tax	-	-	-	-	-	218,512	218,512
	<b>Enterprise Funds:</b>							
	Sewer	1,942,310	-	-	-	-	48,290	1,990,600
	Mass transit	251,506	-	-	-	-	-	251,506
	Nonmajor enterprise	725,178	-	-	40,000	3,250	-	768,428
	Total	\$8,187,915	\$ -	\$ 861,987	\$ 3,034,949	\$ 3,250	\$ 1,065,100	\$ 13,153,201

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

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

<b>NOTE 6: LONG-TERM LIABILITIES</b>
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<b>Governmental Activities</b>	<b>Balance 7/1/2017</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 6/30/2018</b>	<b>Current Portion</b>
Industrial Development Authority Bonds	\$ 33,560,000	\$ -	\$ (1,800,000)	\$ 31,760,000	\$ 1,975,000
Infrastructure Facility Revenue Bonds	9,670,000	-	(1,175,000)	8,495,000	1,210,000
MO Development Finance Board Bonds	1,125,000	-	(140,000)	985,000	145,000
Discount on Issuance	(115,534)	-	14,105	(101,429)	-
Developer Obligations	34,612,468	1,499,691	(1,851,003)	34,261,156	2,000,000
Capital Lease Obligations	197,704	-	(95,524)	102,180	59,560
Compensated Absences*	1,679,867	2,122,305	(2,113,011)	1,689,161	1,650,892
OPEB Obligation*	3,364,907	232,652	-	3,597,559	-
Claims	1,511,701	865,430	(827,201)	1,549,930	778,057
<b>Total Governmental activities</b>					
<b>Long-term liabilities</b>	<b>\$ 85,606,113</b>	<b>\$ 4,720,078</b>	<b>\$ (7,987,634)</b>	<b>\$ 82,338,557</b>	<b>\$ 7,818,509</b>

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

<b>Business-type Activities</b>	<b>Balance 7/1/2017</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 6/30/2018</b>	<b>Current Portion</b>
<b>Sewer Fund</b>					
Revenue Bonds	\$ 109,110,424	\$ 52,594,948	\$ (14,000,024)	\$ 147,705,348	\$ 6,646,500
Industrial Development Authority Bonds	28,135,000	-	(1,545,000)	26,590,000	1,610,000
Infrastructure Facility Revenue Bonds	18,960,000	-	(645,000)	18,315,000	670,000
MO Development Finance Board Bonds	5,850,000	-	(655,000)	5,195,000	675,000
Discount on Issuance	(85,376)	-	4,360	(81,016)	-
Premium on Issuance	3,079,260	417,272	(296,667)	3,199,865	-
Capital Lease Obligations	11,643	-	(3,335)	8,308	3,399
Compensated Absences*	127,444	221,562	(211,713)	137,293	137,293
OPEB Obligation*	390,026	34,786	-	424,812	-
<b>Total sewer fund</b>					
<b>Long-term liabilities</b>	<b>165,578,421</b>	<b>53,268,568</b>	<b>(17,352,379)</b>	<b>201,494,610</b>	<b>9,742,192</b>
<b>Nonmajor Enterprise Funds</b>					
Capital Lease Obligations	111,659	157,477	(123,198)	145,938	37,451
Other Obligations	2,545,560	-	(486,906)	2,058,654	171,505
Closure/Post Closure	5,524,141	5,240,694	(50,857)	10,713,978	73,500
Compensated Absences*	106,386	110,424	(116,723)	100,087	97,891
OPEB Obligation*	197,941	14,029	-	211,970	-
<b>Total nonmajor enterprise funds Long-term liabilities</b>	<b>8,485,687</b>	<b>5,522,624</b>	<b>(777,684)</b>	<b>13,230,627</b>	<b>380,347</b>
<b>Total Business-type activities</b>					
<b>Long-term liabilities</b>	<b>\$ 174,064,108</b>	<b>\$ 58,791,192</b>	<b>\$ (18,130,063)</b>	<b>\$ 214,725,237</b>	<b>\$ 10,122,539</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

Year Ending	Governmental Activities			
	Industrial Development Authority Bonds		Infrastructure Facility Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 1,975,000	\$ 1,676,388	\$ 1,210,000	\$ 334,644
2020	2,110,000	1,569,726	1,255,000	295,748
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	2,665,000	1,188,259	1,405,000	144,443
2024-2028	19,925,000	3,375,378	1,970,000	93,930
2029-2033	345,000	18,975	-	-
	<u>\$ 31,760,000</u>	<u>\$ 10,607,217</u>	<u>\$ 8,495,000</u>	<u>\$ 1,323,159</u>

Year Ending	MO Development Finance Board Bonds		Total Governmental Activities Debt Service Requirements	
	Principal	Interest	Principal	Interest
2019	\$ 145,000	\$ 44,325	\$ 3,330,000	\$ 2,055,357
2020	155,000	44,325	3,520,000	1,909,800
2021	160,000	30,825	3,755,000	1,735,424
2022	165,000	23,625	3,965,000	1,551,909
2023	175,000	16,200	4,245,000	1,348,902
2024-2028	185,000	8,325	22,080,000	3,477,634
2029-2033	-	-	345,000	18,975
	<u>\$ 985,000</u>	<u>\$ 167,625</u>	<u>\$ 41,240,000</u>	<u>\$ 12,098,000</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

Year Ending	Business-type Activities					
	Revenue Bonds		Industrial Development Authority Bonds		Infrastructure Facility Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 6,646,500	\$ 2,532,033	\$ 1,610,000	\$ 1,211,444	\$ 670,000	\$ 923,263
2020	6,897,900	2,364,127	1,670,000	1,150,044	695,000	896,463
2021	7,070,500	2,270,974	1,755,000	1,066,544	725,000	868,663
2022	7,249,000	2,175,042	1,840,000	978,794	750,000	839,663
2023	7,437,500	2,075,658	1,930,000	886,794	790,000	804,038
2024-2028	39,926,800	8,707,746	13,145,000	2,654,919	4,545,000	3,416,700
2029-2033	45,162,500	5,823,927	3,005,000	598,638	5,835,000	2,121,669
2034-2038	27,314,648	2,040,587	1,635,000	39,813	4,305,000	470,850
	<u>\$ 147,705,348</u>	<u>\$ 27,990,095</u>	<u>\$ 26,590,000</u>	<u>\$ 8,586,988</u>	<u>\$ 18,315,000</u>	<u>\$ 10,341,306</u>

Year Ending	MO Development Finance Board Bonds		Total Business-type Activities Debt Service Requirements		Total Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 675,000	\$ 163,625	\$ 9,601,500	\$ 4,830,364	\$ 12,931,500	\$ 6,885,721
2020	695,000	143,375	9,957,900	4,554,009	13,477,900	6,463,808
2021	715,000	122,525	10,265,500	4,328,705	14,020,500	6,064,130
2022	740,000	101,075	10,579,000	4,094,573	14,544,000	5,646,482
2023	760,000	77,025	10,917,500	3,843,515	15,162,500	5,192,417
2024-2028	1,610,000	65,731	59,226,800	14,845,096	81,306,800	18,322,730
2029-2033	-	-	54,002,500	8,544,234	54,347,500	8,563,209
2034-2038	-	-	33,254,648	2,551,250	33,254,648	2,551,250
	<u>\$ 5,195,000</u>	<u>\$ 673,356</u>	<u>\$ 197,805,348</u>	<u>\$ 47,591,745</u>	<u>\$ 239,045,348</u>	<u>\$ 59,689,746</u>

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

#### **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, 2018**

The total principal balance outstanding for the Industrial Development Authority Bonds as of June 30, 2018 is \$58,350,000.

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%	\$ 16,960,000
Series 2005B – Industrial Development Authority Bonds (Special Allocation); due in annual installments through November 1, 2027; interest at 4.00% to 5.50%	11,880,000
Series 2008 – Industrial Development Authority Bonds (Special Allocation); due in annual installments through March 1, 2029; interest at 5.50%	<u>2,920,000</u>
Total Industrial Development Authority Bonds for Governmental Activities	<u>\$ 31,760,000</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%	\$ 9,175,000
Series 2015B – Industrial Development Authority Bonds (Sewer); due in annual installments through April 1, 2027; interest at 3.00% to 5.00%	<u>17,415,000</u>
Total Industrial Development Authority Bonds for Business-type Activities	<u>\$ 26,590,000</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, 2018, 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, 2018**

**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, 2018 is \$26,810,000.

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%	\$ 3,435,000
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>5,060,000</u>
Total Infrastructure Facility Revenue Bonds Governmental Activities	<u>\$ 8,495,000</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>\$ 18,315,000</u>
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**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018 is \$6,180,000.

Governmental Activities

Series 2004D – Infrastructure Facilities Revenue Bonds (General); due in annual installments through March 1, 2024; interest at 3.00% to 5.00% \$ 985,000

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% \$ 5,195,000

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018 is \$147,705,348.

Business-type Activities

Series 2003 – Sewer System Revenue Bonds: due in annual installments through April 1, 2023; interest at 1.3% to 5.125%	\$ 260,000
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%	12,076,400
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%.	51,474,000
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%.	26,265,000
Series 2014B – Sewer System Revenue Bonds: due in annual installments through July 1, 2034; interest at 2.00% to 4.00%.	5,035,000
Series 2017 – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through July 1, 2047; interest at 1.14%.	36,689,948
Series 2018 – Sewer System Revenue Bonds: due in annual installments through June 1, 2038; interest at 3.0% to 5.0%	<u>15,905,000</u>
Total Revenue Bonds for Business-type Activities	<u>\$147,705,348</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.

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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, 2018, the outstanding balance of the bonds was \$12,076,400.

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, 2018, the outstanding balance of the bonds was \$51,474,000.

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, 2018, the outstanding balance of the bonds was \$26,265,000.

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, 2018, the outstanding balance of the bonds was \$5,035,000.

On February 3, 2015, the voters of the City of St. Joseph, Missouri approved the City’s issuance of \$190 million revenue bonds for providing for capital maintenance for and constructing improvements to the collection and wastewater treatment system, and for the reduction of combined sewer overflows to meet federal and state regulatory requirements.

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. On August, 2017, the Missouri Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2017 refunded the Missouri Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2016.

In 2017, the City issued \$66,850,000 Missouri Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2017. 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 2017 revenue bonds mature through 2047 with interest of 1.14%. As eligible project costs are incurred, the City requests reimbursements from the project funds held by the bond trustee. As the City receives reimbursements, the outstanding balance of the bonds increases. The City anticipates

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

utilizing the full amount of the bonds to fund current and future projects. A debt service schedule will be established once the project is completed and final amount of the bonds has been determined. As of June 30, 2018, the outstanding balance of the bonds was \$36,689,948.

On April 10, 2018, the City of St. Joseph issued \$15,905,000 Sewerage System Revenue Bonds, Series 2018, to provide for 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. As of June 30, 2018, the outstanding balance of the bonds was \$15,905,000.

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, 2018, the total annual sewer reserve charges due to the City through the agreement are payable as follows:

Year Ending June 30:	Total
2019	\$ 972,996
2020	972,996
2021	972,996
2022	972,996
2023	972,996
2024-2025	1,504,274
	<u>6,369,254</u>
Less interest	<u>(1,173,837)</u>
Net present value	<u>\$ 5,195,417</u>

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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 9<sup>th</sup> & 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. As of March, 2018, the City paid for all costs and expenses associated with constructing drainage facilities required to accommodate the positioning of the parking structure in a floodway. The City received \$1,441,346 in 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 March 8, 2019. The total principal balance outstanding in the Public Parking Fund as of June 30, 2018 is \$2,058,654.

**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, 2018 is \$578,542,153.

**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 2011A \$3,435,000 and 2012B

## CITY OF ST. JOSEPH, MISSOURI

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

\$5,060,000 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 2019. 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, 2018, total principal and interest remaining on the bonds was \$52,185,375 and outstanding developer obligations were \$34,261,156. The bonds are scheduled to mature at varying amounts through 2030 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.

For the current year, principal and interest paid on TIF bonds and developer obligations totaled \$7,130,657. Incremental revenues from the City included \$3,355,315 in sales taxes, \$735,522 in property taxes and \$141,609 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")**

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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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 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	270,429
Enhanced Enterprise Zone	241,899
TIF/STRA PILOTS	3,385,874
TIF/STRA EATS	4,974,015
Total Incentives	<u>\$ 8,941,485</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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

The following is a schedule of the present value of net minimum lease payments for all of the City's capitalized leases as of June 30, 2018:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Year ending June 30:		
2019	\$ 67,596	\$ 46,300
2020	41,806	46,300
2021	2,375	44,242
2022	-	29,269
Total minimum lease payments	111,777	166,111
Less amount representing interest	(9,597)	(11,866)
Present value of net minimum lease payments	\$ 102,180	\$ 154,245

The following schedule shows the amount and asset classifications for capital lease items as of June 30, 2018:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Office equipment	\$ 351,827	\$ -
Machinery & equipment	22,802	157,477
less: Accumulated depreciation	(270,602)	(19,602)
	\$ 104,027	\$ 137,875

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

**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, 2018 is \$317,590.

As of June 30, 2018, incurred but not reported (IBNR) workers' compensation claims and claims payable of \$1,549,930 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 2017	\$1,426,781	\$1,611,985	\$(1,527,065)	\$1,511,701
Fiscal Year 2018	1,511,701	865,430	(827,201)	1,549,930

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

At June 30, 2018 the City had the following commitments of approximately \$31,218,312 to complete construction contracts.

Major Governmental Funds:	
General	\$ 3,670,830
CIP Sales Tax Improvement	<u>3,517,187</u>
Non Major Governmental Funds:	
Parks	\$ 156,573
St. Joseph Musuems	<u>5,440</u>
Total Governmental Activities	<u><u>7,350,030</u></u>
 <b>Business-type Activities</b>	
Major business-type Funds:	
Sewer	18,891,543
Non Business-type Funds:	
Aviation	606,753
Parking	119,897
Transit	4,249,807
Landfill	<u>282</u>
Total Business-type Activities	<u><u>23,868,282</u></u>
Total	<u><u>\$ 31,218,312</u></u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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.

Description	Amount	Anticipated Close Years	Capacity Used
City's Operating Landfill			
Area I	\$ 3,210,858	2019-2020	92.0 %
Area II	3,062,537	2027-2028	99.9 %
Area III/Free Property	<u>3,012,657</u>	2070-2075	30.6 %
	\$ 9,286,052		
McArthur Drive Landfill	<u>\$ 1,427,926</u>	Closed	100 %
Total	<u>\$10,713,978</u>		

In 2018, 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 2018 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, 2018, total closure and postclosure care liabilities incurred a net increase of \$5,189,837 from \$5,524,141 to \$10,713,978.

1. City's Operating Landfill - Total estimated future closure and postclosure care costs for the City's operating landfill are \$16,465,612 of which \$9,286,052 is reported as landfill closure and postclosure care liability at June 30, 2018, 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 \$7,179,560 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

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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 \$1,427,926 is recorded in the Landfill Enterprise Fund and costs are expected to be expended by the year 2033.

The City engages an outside professional engineering firm to prepare a tipping fee/cost analysis. The analysis quantifies the timing and amount of future closure and postclosure care costs and recommended tipping fee adjustments. Based upon the results of the 2018 tipping fee/cost analysis provides annual cash designations of \$245,200 for future closure and postclosure care expenses. At June 30, 2018, these cash designations totaled \$6,048,515 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, 2018, the City's Contract of Obligation was \$15,284,612.

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, 2018**

**A. Plan Descriptions**

*Local Government Employees Retirement System (LAGERS)*

***Plan Description***

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS' issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

***Benefits Provided***

LAGERS provide 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>2018 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	3 Years
Member Contributions:	4%

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, 2018**

***Employees Covered by Benefit Terms***

At June 30, 2018, 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	285	140	425
Inactive employees entitled to but no yet receiving benefits	102	11	113
Active employees	375	109	484
	<u>762</u>	<u>260</u>	<u>1,022</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 12.2% (General) and 44.7% (Fire) of annual covered payroll.

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

The City's net pension liability/(asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2018.

***Actuarial Assumptions***

The total pension liability in the February 28, 2018 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  
JUNE 30, 2018**

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, 2018 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, 2018**

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

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (a) - (b)
<b>Balance at beginning of year</b>	\$ 148,501,667	\$ 122,049,609	\$ 26,452,058
<b>Changes for the year:</b>			
Service Cost	3,207,848	-	3,207,848
Interest	10,597,436	-	10,597,436
Change in Benefit Terms	-	-	-
Difference between expected and actual experience	1,044,203	-	1,044,203
Contributions - employer	-	4,785,940	(4,785,940)
Contributions - employee	-	1,039,257	(1,039,257)
Net investment income	-	15,631,228	(15,631,228)
Benefit payments, including refunds	(7,951,102)	(7,951,102)	-
Administrative expense	-	(87,494)	87,494
Other changes (net transfer)	-	1,005,142	(1,005,142)
Net Changes	6,898,385	14,422,971	(7,524,586)
<b>Balance at end of year</b>	\$ 155,400,052	\$ 136,472,580	\$ 18,927,472

*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		
	1% Decrease	Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
Total Pension Liability (TPL)	\$ 176,981,210	\$ 155,400,052	\$ 137,499,435
Plan Fiduciary Net Pension	(136,472,580)	(136,472,580)	(136,472,580)
Net Pension Liability (Asset)	\$ 40,508,630	\$ 18,927,472	\$ 1,026,855

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

For the year ended June 30, 2018, the City recognized LAGERS pension expense of \$4,503,187 with \$3,772,050 coming from General division and \$731,137 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	Outflows	Outflows
	of Resources	of Resources	of Resources
Differences in experience	\$ 40,102	\$ 2,036,346	\$ 2,076,448
Excess (deficit) investment returns	1,098,163	698,031	1,796,194
<b>Total</b>	<b>\$ 1,138,265</b>	<b>\$ 2,734,377</b>	<b>\$ 3,872,642</b>

	<u>General</u>	<u>Fire</u>	<u>Total</u>
	Deferred	Deferred	Deferred
	Inflows	Inflows	Inflows
	of Resources	of Resources	of Resources
Differences in experience	\$ (552,118)	\$ (735,986)	\$ (1,288,104)
Net Difference between projected and actual earnings on pension plan investments	(2,034,509)	(2,030,278)	(4,064,787)
<b>Total</b>	<b>\$ (2,586,627)</b>	<b>\$ (2,766,264)</b>	<b>\$ (5,352,891)</b>

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>
2019	\$ 662,265	\$ 798,105	\$ 1,460,370
2020	(50,544)	116,611	66,067
2021	(1,294,234)	(703,438)	(1,997,672)
2022	(763,903)	(356,014)	(1,119,917)
2023	(1,946)	112,849	110,903
<b>Total</b>	<b>\$ (1,448,362)</b>	<b>\$ (31,887)</b>	<b>\$ (1,480,249)</b>

At June 30, 2018, the City reported a payable of \$447,564 for the outstanding amount of contributions related to June 2018 payrolls required to be submitted to the LAGERS pension plan for the year ended June 30, 2018.

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	115
Active employees	119
	<hr/>
	234
	<hr/> <hr/>

***Contributions***

The City is required to withhold participant contributions at a rate established in accordance with applicable state statutes as recommended by the Police Pension Board of Trustees and approved by the City Council. For the year ended June 30, 2018, the participant's contribution rate was 4%. The City is required to contribute at an actuarially determined rate; the current rate is 33.9% of annual covered payroll.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

***Net Pension Liability***

The employer's net pension liability was measured as of June 30, 2018, 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, 2018 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%	40%
Cash	0.50%	0%

***Discount Rate***

The discount rate used to measure the total pension liability is 7.6%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	<b>Balance at beginning of year</b>	\$ 55,349,959	\$ 38,580,351
<b>Changes for the year:</b>			
Service Cost	1,119,675	-	1,119,675
Interest	4,142,054	-	4,142,054
Difference between expected and actual experience	(1,759,840)	-	(1,759,840)
Contributions - employer	-	2,430,332	(2,430,332)
Contributions - employee	-	270,199	(270,199)
Net investment income	-	2,977,274	(2,977,274)
Benefit payments, including refunds	(2,678,193)	(2,678,193)	-
Administrative expense		(74,990)	74,990
Net Changes	823,696	2,924,622	(2,100,926)
<b>Balance at end of year</b>	<b>\$ 56,173,655</b>	<b>\$ 41,504,973</b>	<b>\$ 14,668,682</b>

***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.

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

	Current Single Discount		
	1% Decrease <b>6.10%</b>	Rate Assumption <b>7.10%</b>	1% Increase <b>8.10%</b>
Total Pension Liability (TPL)	\$ 63,826,701	\$ 56,173,655	\$ 49,935,681
Plan Fiduciary Net Pension	(41,504,973)	(41,504,973)	(41,504,973)
Net Pension Liability (Asset)	<b>\$ 22,321,728</b>	<b>\$ 14,668,682</b>	<b>\$ 8,430,708</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

For the year ended June 30, 2018, the City recognized pension expense of \$1,779,721. 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***

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ 452,933	\$ 2,236,070
Differences in assumptions	2,106,164	-
Excess (deficit) investment returns	1,911,029	1,902,409
Contributions subsequent to the measurement date*	1,184,315	-
Total	\$ 5,654,441	\$ 4,138,479

The \$1,184,315 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, 2018. 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:	
2019	\$ 1,413,007
2020	(183,437)
2021	(589,257)
2022	(294,741)
thereafter	(13,925)
Total	\$ 331,647

***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, 2018.

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

Summary of financial reporting of the City's pension plan

	LAGERS			Police	Total
	General	Fire	Total		
<b>Governmental activities:</b>					
Net Pension Liability	\$ 2,711,113	\$ 15,240,926	\$ 17,952,039	\$ 14,668,682	\$ 32,620,721
<b>Business-type activities:</b>					
Net Pension Liability	975,433	-	975,433	-	975,433
Net Pension Liability	\$ 3,686,546	\$ 15,240,926	\$ 18,927,472	\$ 14,668,682	\$ 33,596,154

	LAGERS			Police	Total
	General	Fire	Total		
<b>Governmental activities:</b>					
Deferred outflows due to:					
Difference between expected and actual experience	\$ 29,491	\$ 2,036,346	\$ 2,065,837	\$ 452,933	\$ 2,518,770
Assumption Changes	807,597	698,031	1,505,628	2,106,164	3,611,792
Net Difference between projected and actual earnings on pension plan investment	-	-	-	1,911,029	1,911,029
Contribution Subsequent to measurement date	-	-	-	1,184,315	1,184,315
	\$ 837,088	\$ 2,734,377	\$ 3,571,465	\$ 5,654,441	\$ 9,225,906

Deferred inflows due to:					
Difference between expected and actual experience	\$ (406,031)	\$ (735,986)	\$ (1,142,017)	\$ (2,236,070)	\$ (3,378,087)
Net Difference between projected and actual earnings on pension plan investment	(1,496,193)	(2,030,278)	(3,526,471)	(1,902,409)	(5,428,880)
	\$ (1,902,224)	\$ (2,766,264)	\$ (4,668,488)	\$ (4,138,479)	\$ (8,806,967)

<b>Business-type activities:</b>					
Deferred outflows due to:					
Difference between expected and actual experience	\$ 10,611	\$ -	\$ 10,611	\$ -	\$ 10,611
Assumption Changes	290,566	-	290,566	-	290,566
	\$ 301,177	\$ -	\$ 301,177	\$ -	\$ 301,177

Deferred inflows due to:					
Difference between expected and actual experience	\$ (146,087)	-	\$ (146,087)	-	\$ (146,087)
Assumption Changes	-	-	-	-	-
Net Difference between projected and actual earnings on pension plan investment	(538,316)	-	(538,316)	-	(538,316)
	\$ (684,403)	\$ -	\$ (684,403)	\$ -	\$ (684,403)

Total	\$ (1,448,362)	\$ (31,887)	\$ (1,480,249)	\$ 1,515,962	\$ 35,713
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**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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.

The plan is a single employer plan with no plan investments and is funded on a pay-as-you-go basis.

GASB Statement 75, *Accounting and Financial Reporting by Employer for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their post-employment benefit liability is recognized on the Statement of Net Position over time.

***Benefits Provided***

The City provides post-employment healthcare benefits for certain eligible retirees.

***Employees Covered by Benefit Term***

As of July 1, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	13
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	595
Total Participants covered by OPEB Plan	<u>608</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

***Total OPEB Liability***

The City's total OPEB liability of \$3,952,873 was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date.

***Actuarial Assumptions and Other Inputs***

The total OPEB liability in the \$3,952,873 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.58%
Healthcare Cost Trend Rates:	
Current Year Trend	0.00%
Second Year Trend	9.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2027
Salary Increases	2.00%

The discount rate was based on the index provided by *Bond Buyer 20-Bond Obligation Index* based on the 20-year AA municipal bond rate as of July 1, 2017.

Mortality rate were based on the RP-2000 Combined Healthy Participant Table Projected 10 years using Projection Scale AA.

***Changes in the Total OPEB Liability***

	<u>Fiscal Year Ending</u> <u>June 30, 2018</u>
OPEB Liability Beginning of Year	\$ 3,952,873
Changes for the Year:	
Service Cost	242,309
Interest	140,073
Assumption Changes and Difference Between Actual and Expected Experience	(20,464)
Benefit payments	(80,450)
OPEB Liability End of Year	<u>\$ 4,234,341</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

*Sensitivity of the Total liability to changes in the discount rate*

The July 1, 2017 was prepared using a discount rate of 3.58%. If the discount rate were 1% higher than what was used in this valuation, the Total OPEB liability would decrease to \$3,624,689 or by 8.30%. If the discount rate were 1% lower than was used in this valuation, the Total OPEB liability would increase to \$4,320,573 or by 9.30%.

	Discount Rate		
	1% Decrease	Baseline 3.58%	1% Increase
Total OPEB Liability	\$ 4,320,573	\$ 3,952,873	\$ 3,624,689

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

The July 1, 2017 was prepared using an initial trend rate of 0.00%. If the trend were 1% higher than what was used in this valuation, the Total OPEB Liability would increase to \$4,409,184 or by 11.54%. If the trend rate were 1% lower than was used in this valuation, the Total OPEB Liability would decrease to \$3,562,943 or by 9.86%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 0.00%	1% Increase
Total OPEB Liability	\$ 3,562,943	\$ 3,952,873	\$ 4,409,184

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2018 the City recognized an OPEB expense of \$499,249. As of June 30, 2018, the City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Increase in July 1, 2017 OPEB liability due to actuarial experience difference from expected and actuarial assumption changes.	\$ 1,004,163	\$ -
Total	<u>\$ 1,004,163</u>	<u>\$ -</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For Year Ending June 30,

2019	\$ 116,867
2020	116,867
2021	116,867
2022	116,867
2023	116,867
Thereafter	419,828
	<u>\$ 1,004,163</u>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

<b>NOTE 12: FUND BALANCE</b>
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The City classifies fund balance based on the nature of the particular net resources reported in a governmental fund and on the constraints placed on their use.

Fund Balance	Governmental activities				Total
	General	Special Allocation	Capital Projects	Nonmajor	
<b>Nonspendable:</b>					
Prepays	\$ 173,556	\$ -	\$ -	\$ 100,318	\$ 273,874
<b>Total Nonspendable</b>	<b>173,556</b>	<b>-</b>	<b>-</b>	<b>100,318</b>	<b>273,874</b>
<b>Restricted for:</b>					
Econ Development	3,551,873	-	-	506,852	4,058,725
Public Safety - personnel and capital	152,602	-	-	2,459,720	2,612,322
Highways	3,964,086	-	-	1,536,271	5,500,357
Health & Welfare	95,616	-	-	-	95,616
Parks & Recreation	48,014	-	-	402,004	450,018
Museum	-	-	-	476,403	476,403
Debt Service	195,949	17,619,188	-	-	17,815,137
Capital Projects	-	-	5,120,460	-	5,120,460
Loan Program	-	-	-	4,235,918	4,235,918
<b>Total Restricted</b>	<b>8,008,140</b>	<b>17,619,188</b>	<b>5,120,460</b>	<b>9,617,168</b>	<b>40,364,956</b>
<b>Committed for:</b>					
Econ Development	1,410,372	-	-	-	1,410,372
Public Safety	375,910	-	-	-	375,910
Highways	3,910,951	-	-	-	3,910,951
Health & Welfare	7,164	-	-	-	7,164
Parks & Recreation	139,624	-	-	-	139,624
<b>Total Committed</b>	<b>5,844,021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,844,021</b>
<b>Assigned to:</b>					
Econ Development	65,491	-	-	-	65,491
Public Safety	125,460	-	-	-	125,460
Highways	132,501	-	-	-	132,501
Health & Welfare	46,787	-	-	-	46,787
Parks & Recreation	101,942	-	-	-	101,942
Capital Projects	1,489,993	-	-	-	1,489,993
Salaries	479,274	-	-	-	479,274
<b>Total Assigned</b>	<b>2,441,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,441,448</b>
Unassigned	4,906,522	-	-	(252,087)	4,654,435
<b>Total Unassigned</b>	<b>4,906,522</b>	<b>-</b>	<b>-</b>	<b>(252,087)</b>	<b>4,654,435</b>
<b>Total Fund Balance</b>	<b>\$ 21,373,687</b>	<b>\$ 17,619,188</b>	<b>\$ 5,120,460</b>	<b>\$ 9,465,399</b>	<b>\$ 53,578,734</b>

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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	\$ 5,090,119	\$ -	\$ 3,517,187	\$ 2,964,809	\$ 11,572,115

**NOTE 13: CHANGE IN ACCOUNTING PRINCIPLE**

The beginning net position of the City's governmental and business-type activities was restated due to the implementation of the GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, an amendment of GASB Statement No. 45.

	<b>Net Position, beginning of year as previously reported</b>	<b>Changes in accounting and reporting related to the City's OPEB plans</b>	<b>Net Position, beginning of year as restated</b>
<b>Governmental Activities</b>	\$ 108,213,269	\$ (970,247)	\$ 107,243,022
<b>Business-Type Activities</b>			
Sewer Fund	74,301,229	(118,850)	74,182,379
Mass Transit	23,655,629	-	23,655,629
Aviation Fund	21,946,301	(10,524)	21,935,777
Parking Fund	1,173,830	(5,619)	1,168,211
Municipal Golf	1,105,779	(12,025)	1,093,754
Landfill Fund	6,549,073	(28,196)	6,520,877
Internal Service Fund	(94,270)	-	(94,270)
<b>Total Business-Type Activities</b>	<b>128,637,571</b>	<b>(175,214)</b>	<b>128,462,357</b>
<b>Total Government-wide activities</b>	<b>\$ 236,850,840</b>	<b>\$ (1,145,461)</b>	<b>\$ 235,705,379</b>

In June, 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

business-type activity or enterprise fund. The standard was adopted during the year ended June 30, 2018. There was no financial impact to previously reported fund balances or net position.

**NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS**

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 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.

In April 2018, GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements by defining debt as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date of contractual obligation is established. The City is currently evaluating the impact of adopting Statement No. 88. The requirements of this Statement are effective for financial statement for periods beginning after June 15, 2018.

In August 2018, GASB issued Statement No. 90, Majority Equity Interests—An Amendment of GASB Statements No. 14 And No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain

**CITY OF ST. JOSEPH, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

component units. The requirements of this Statement are effective for financial statement for periods beginning after December 15, 2018.

**NOTE 15: SUBSEQUENT EVENTS**

On August 7, 2018, the citizens of St. Joseph authorized to continue the half-cent Capital Improvements Program sales tax for the next five years. The sales tax has been in existence since 1989, and is a source of funding for major public infrastructure in the city of St. Joseph. The CIP ensures safe roads to travel, recreational amenities to improve the quality of life for our residents and visitors, public safety, and resources to maintain existing public facilities. The tax generates roughly \$5 million a year, \$25 million over the duration of the tax. The revenue generated will create jobs and stimulate business investment through the community. A 25 member citizens committee reviewed and selected the projects including asphalt streets, a new fire station, Hyde Park water feature, grading work at Eastowne Business Park, and a new ladder truck for the fire department.

On August 13, 2018, the City Council adopted changes in the Missouri Local Government Employees Retirement System Benefits programs applicable to Police Department employees. Beginning August 20, 2018, the approved conversion of the benefits program is applicable to active police officers from the locally-administered Police Pension Plan to a LAGERS Benefit Program L-11 (2.50%). Based on all information, the conversion would reduce the City's contribution rate while also providing affected police officers with enhanced benefits. The conversion does not affect officers who have already retired or the benefits those officers received; however, the Police Pension Plan will be considered a "closed" plan, and, as such, no future Police Department employees will be enrolled in the Police Pension Plan, and all present Police Department employees will not accrue any additional benefits in the Police Pension Plan.

On September 24, 2018, the City Council approved issuance of Tax Increment Refunding Revenue Bonds (The Shoppes at North Village Project), Series 2018 by the Industrial Development Authority of St. Joseph, Missouri, in order to refund certain outstanding tax increment revenue bonds previously issued by the Authority to finance certain redevelopment costs. The Administrative Services Department has been evaluating an opportunity to reduce the interest rates of the TIF bonds associated with the Shoppes of North Village. This ordinance will refinance those bonds at a lower rate. As proposed, the City will maintain the same level of debt service payments as with the current bonds, but the lower interest rate of 4.46% will reduce the term of the bonds and pay them off four years sooner in 2023 instead of 2027 creating a net present value savings of \$5,505,020.

**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, 2018

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Property	\$ 12,052,973	\$ 12,052,973	\$ 12,194,137	\$ 141,164
Sales	21,841,359	21,841,359	21,980,528	139,169
Franchise	6,182,290	6,182,290	6,234,607	52,317
Motor Fuel	980,000	980,000	1,055,291	75,291
Cigarette	375,500	375,500	343,259	(32,241)
Hotel	1,381,660	1,381,660	1,226,751	(154,909)
Licenses and permits	1,464,560	1,464,560	1,328,224	(136,336)
Intergovernmental	2,283,871	2,486,791	2,264,053	(222,738)
Charges for services	3,142,360	3,142,360	3,187,520	45,160
Fines	913,300	913,300	627,572	(285,728)
Investment earnings	9,925	11,266	198,121	186,855
Other	250,878	486,868	698,552	211,684
Total revenues	50,878,676	51,318,927	51,338,615	19,688
<b>Expenditures</b>				
Current:				
General government				
City council				
Salaries	59,494	59,494	56,437	3,057
Benefits	122,244	122,244	114,204	8,040
Materials and supplies	2,100	2,500	2,486	14
Outside services	33,590	33,190	26,270	6,920
Total City council	217,428	217,428	199,397	18,031
City clerk				
Salaries	120,514	122,764	122,764	-
Benefits	44,193	44,193	43,841	352
Materials and supplies	1,700	1,700	1,263	437
Outside services	92,240	89,990	83,138	6,852
Total City clerk	258,647	258,647	251,006	7,641
Municipal court				
Salaries	296,384	294,424	294,423	1
Benefits	108,374	120,278	120,277	1
Materials and supplies	5,225	2,525	2,524	1
Outside services	113,500	110,093	110,135	(42)
Total Municipal court	523,483	527,320	527,359	(39)
City manager				
Salaries	408,260	502,762	343,016	159,746
Benefits	176,302	207,431	145,670	61,761
Materials and supplies	6,550	9,016	9,016	-
Outside services	104,780	110,396	81,055	29,341
Total City manager	695,892	829,605	578,757	250,848
Legal				
Salaries	509,373	509,373	474,048	35,325
Benefits	210,196	210,196	179,197	30,999
Materials and supplies	7,000	7,000	5,354	1,646
Outside services	70,170	70,170	65,621	4,549
Total Legal	796,739	796,739	724,220	72,519

(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, 2018

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Planning</b>				
Salaries	\$ 970,640	\$ 970,640	\$ 946,129	\$ 24,511
Benefits	442,447	442,447	397,216	45,231
Materials and supplies	-	200,000	-	200,000
Outside services	722,962	762,962	261,929	501,033
<b>Total Planning</b>	<b>2,136,049</b>	<b>2,376,049</b>	<b>1,605,274</b>	<b>770,775</b>
<b>Finance</b>				
Salaries	1,520,916	1,434,341	1,354,666	-
Benefits	646,087	646,087	535,413	79,675
Materials and supplies	180,474	197,096	197,096	110,674
Outside services	646,300	716,253	716,578	-
Capital outlay	732,100	985,831	782,864	(325)
<b>Total Finance</b>	<b>3,725,877</b>	<b>3,979,608</b>	<b>3,586,617</b>	<b>190,024</b>
<b>Other - unclassified</b>				
Materials and supplies	5,000	5,000	5,000	-
Outside services	866,975	866,975	861,909	5,066
Capital outlay	150,000	150,000	24,810	125,190
<b>Total Other - unclassified</b>	<b>1,021,975</b>	<b>1,021,975</b>	<b>891,719</b>	<b>130,256</b>
<b>Total general government</b>	<b>9,376,090</b>	<b>10,007,371</b>	<b>8,364,349</b>	<b>1,643,022</b>
<b>Public safety:</b>				
<b>Police</b>				
Salaries	8,394,514	8,407,614	7,997,127	410,487
Benefits	4,874,090	4,871,807	4,453,278	418,529
Materials and supplies	435,672	541,530	395,473	146,057
Outside services	2,027,160	2,043,857	1,918,887	124,970
Capital outlay	-	19,041	19,040	1
<b>Total Police</b>	<b>15,731,436</b>	<b>15,883,849</b>	<b>14,783,805</b>	<b>1,100,044</b>
<b>Fire</b>				
Salaries	7,552,866	7,418,848	7,230,547	188,301
Benefits	5,033,661	4,998,691	4,622,349	376,342
Materials and supplies	138,640	136,860	121,833	15,027
Outside services	353,502	525,970	525,968	2
<b>Total Fire</b>	<b>13,078,669</b>	<b>13,080,369</b>	<b>12,500,697</b>	<b>579,672</b>
<b>Total public safety</b>	<b>28,810,105</b>	<b>28,964,218</b>	<b>27,284,502</b>	<b>1,679,716</b>
<b>Highway and streets</b>				
Salaries	3,886,217	3,886,217	3,452,472	433,745
Benefits	1,695,214	1,695,214	1,423,655	271,559
Materials and supplies	370,580	370,580	233,791	136,789
Outside services	966,411	989,343	949,214	40,129
Capital outlay	3,307,000	4,810,500	4,802,685	7,815
<b>Total Highway and streets</b>	<b>10,225,422</b>	<b>11,751,854</b>	<b>10,861,817</b>	<b>890,037</b>
<b>Parks and recreation</b>				
Salaries	3,115,056	3,037,026	2,976,217	60,809
Benefits	1,040,778	1,044,833	1,029,030	15,803
Materials and supplies	526,395	537,895	466,301	71,594
Outside services	1,641,762	1,759,800	1,150,698	609,102
Capital outlay	236,661	338,707	314,006	24,701
<b>Total Parks and recreation</b>	<b>6,560,652</b>	<b>6,718,261</b>	<b>5,936,252</b>	<b>782,009</b>

(continued)

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Health and welfare				
Salaries	\$ 1,992,759	\$ 2,044,227	\$ 1,867,762	\$ 176,465
Benefits	874,012	903,698	797,374	106,324
Materials and supplies	118,837	171,766	132,334	39,432
Outside services	990,754	1,051,837	935,669	116,168
Capital outlay	27,000	97,534	86,309	11,225
Total Health and welfare	4,003,362	4,269,062	3,819,448	449,614
Total expenditures	58,975,631	61,710,766	56,266,368	5,444,398
Revenues over (under) expenditures	(8,096,955)	(10,391,839)	(4,927,753)	5,464,086
<b>Other financing sources (uses)</b>				
Transfers in	8,032,186	8,032,186	8,187,916	155,730
Transfers out	(3,725,225)	(3,787,212)	(4,244,306)	(457,094)
Sale of capital assets	-	-	14,010	14,010
Total other financing sources	4,306,961	4,244,974	3,957,620	(287,354)
Net change in fund balances, net	(3,789,994)	(6,146,865)	(970,133)	5,176,732
Fund balances, beginning of year	21,908,764	21,908,764	21,908,764	-
Fund balances - ending	\$ 18,118,770	\$ 15,761,899	\$ 20,938,631	\$ 5,176,732

(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, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
<b>Revenues</b>				
Taxes:				
Property	\$ 2,977,262	\$ 2,977,262	\$ 3,520,234	\$ 542,972
Sales	5,061,520	5,061,520	4,974,015	(87,505)
Investment earnings	1,045	1,045	525,171	524,126
Other	974,380	974,380	953,196	(21,184)
Total revenues	9,014,207	9,014,207	9,972,616	958,409
			1,034,077	
<b>Expenditures</b>				
Outside services	804,925	804,925	7,952,733	(7,147,808)
Total General government	804,925	804,925	7,952,733	(7,147,808)
Revenues over (under) expenditures	8,209,282	8,209,282	2,019,883	(6,189,399)
<b>Other financing sources</b>				
Transfers in	5,000	5,000	-	(5,000)
Total other financing sources	5,000	5,000	-	(5,000)
Net change in fund balances	8,214,282	8,214,282	2,019,883	(6,194,399)
Fund balances - beginning	15,599,305	15,599,305	15,599,305	-
Fund balances - ending	\$ 23,813,587	\$ 23,813,587	\$ 17,619,188	\$ (6,194,399)

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

## CITY OF ST. JOSEPH, MISSOURI

### REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) NOTES TO THE BUDGETARY COMPARISON SCHEDULES JUNE 30, 2018

#### 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)  
NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2018**

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 2018 Use Tax Resurfacing contract with Herzog, the downtown gate project surrounding Coleman Hawkins Park on the Felix Street Square, contributions of the Transient Guest Tax authorized by City Council to promote tourism and riverfront development, purchased and installed a City Hall generator to provide standby power eliminating disruption in communication across the City including 911 and Channel 19, accepted donations from the Humane Society specifically for the Police department K9 unit, the proposed Animal Control and Rescue facilities, and benefit of animals located at Krug Park, donations received by the Parks and Recreation department for the Fitness Coordinator position at REC Center and exterior repairs at Remington Nature Center, rollforward of various health grants by the Health department and awarded new Missouri Highway Safety grants by the Police department, completed an investment grade audit performed by Schneider Electric Buildings Americans, and radio equipment was upgraded by Parks and Recreation and Public Works departments to utilize one system for day to day communications as well as emergency operations. The Special Revenue budget increase is from the purchase of radios and related equipment from Motorola Solutions and installation and programming services by Midwest Mobile Radio Service to communicate and operate more efficiently with other city departments in the Streets Maintenance Fund, Public Safety Tax Fund enhanced Police and community safety by acquiring five (5) vehicle mounted GPS tracking devices to apprehend vehicles without the need for a high speed pursuit, Community Development Fund provided downtown commercial façade improvement funds to rehabilitate the Family Guidance Center for Behavioral Health located at 901 Felix Street and reappropriated funding for the City's Housing Rehabilitation program, and the Institute for Industrial and Applied Life

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2018**

Sciences AKA Innovation Stockyard received a Gaming Initiative Fund contribution in support of the digital sandbox program in St. Joseph. The Capital Projects increase to the budget is due to contribution for the Missouri River Levee improvements, major restoration to exterior and interior of Missouri Theater, Bartlett Park multigenerational playground enhancements and new disc golf course, and Mansfield Road Phase 2 continued construction and Atchison Street improvements. The increase in the Enterprise Funds is for an 8 foot high wildlife perimeter fence, a safety and security feature, to keep animals from burrowing under the fence line at Rosecrans in the Aviation Fund, uniform radio equipment upgrades to align the Sewer Maintenance and Public Parking employees with other city departments, issued two (2) sewer system bonds, 2017 SRF and 2018, for system improvements and roof replacements at the Water Protection facilities and the Mass Transit Fund accepted the enhanced mobility of seniors and individuals with disabilities capital and operating assistance grant, replaced the current outdated radio system to partner with other City departments, funded placeholder for nine (9) transit buses, and extended fixed route deviation bus service to the city of Elwood, Kansas.

<b>Fund Type</b>	<b>2018 Budget</b>		
	<b>Original</b>	<b>Appropriation Amended</b>	<b>Increase</b>
General	\$ 62,651,536	\$ 65,429,186	\$ 2,777,650
Special Revenue	27,305,094	27,988,455	683,361
Capital	5,267,688	11,168,547	5,900,859
Enterprise	67,889,616	70,534,432	2,644,816
	<u>\$ 163,113,934</u>	<u>\$ 175,120,620</u>	<u>\$ 12,006,686</u>

**CITY OF ST. JOSEPH, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2018**

**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, 2018:

	<u>General Fund</u>	<u>Special Allocation Fund</u>
Ending Fund Balance on Budgetary basis	\$ 20,938,631	\$ 17,619,186
Encumbrances outstanding June 30, 2018	4,843,831	-
Prior Year Encumbrances Expended in FY2017	(4,299,700)	-
Accrued Payroll	(109,075)	-
Ending Fund Balance on GAAP Basis	<u>\$ 21,373,687</u>	<u>\$ 17,619,186</u>

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

	<b>Lagers 2018</b>	<b>Lagers 2017</b>	<b>Lagers 2016</b>	<b>Lagers 2015</b>
<b>Total Pension Liability</b>				
Service costs	\$ 3,207,848	\$ 2,198,748	\$ 2,170,373	\$ 2,078,186
Interest on total pension liability	10,597,436	8,378,135	7,933,932	7,430,849
Changes in benefit terms	1,044,203	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	(7,951,102)	(5,982,356)	(5,273,443)	(4,445,097)
Net change in total pension liability	6,898,385	31,082,469	6,461,270	7,300,706
Total pension liability - beginning of year	148,501,667	117,419,198	110,957,928	103,657,222
Total pension liability - end of year (a)	<u>\$ 155,400,052</u>	<u>\$ 148,501,667</u>	<u>\$ 117,419,198</u>	<u>\$ 110,957,928</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 4,785,940	\$ 3,004,259	\$ 3,271,854	\$ 3,702,055
Contributions - employee	1,039,257	-	-	-
Net investment income	15,631,228	13,141,219	(244,948)	2,147,370
Benefit payments and refunds	(7,951,102)	(5,982,356)	(5,273,443)	(4,445,097)
Administrative expenses	(87,494)	(84,616)	(82,937)	(89,754)
Other (net transfer)	1,005,142	1,139,138	1,033,621	773,382
Net change in plan fiduciary net position	14,422,971	11,217,644	(1,295,853)	2,087,956
Plan fiduciary net position - beginning of year	122,049,609	110,831,965	112,127,818	110,039,862
Plan fiduciary net position - end of year (b)	<u>\$ 136,472,580</u>	<u>\$ 122,049,609</u>	<u>\$ 110,831,965</u>	<u>\$ 112,127,818</u>
Net pension liability/(asset) (a) - (b)	<u>\$ 18,927,472</u>	<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	87.82%	82.19%	94.39%	101.05%
Covered payroll	\$ 22,786,222	\$ 24,126,112	\$ 23,293,962	\$ 23,303,716
Net pension liability/(asset) as a percentage of covered payroll	83.07%	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

	<b>Police 2018</b>	<b>Police 2017</b>	<b>Police 2016</b>	<b>Police 2015</b>
<b>Total Pension Liability</b>				
Service costs	\$ 1,119,675	\$ 1,098,105	\$ 1,541,534	\$ 884,293
Interest on total pension liability	4,142,054	4,078,284	5,619,009	3,180,140
Difference between expected and actual experience of the total pension liability	(1,759,840)	(624,567)	(2,356,440)	2,171,488
Changes of assumptions	-	2,061,705	2,347,868	
Benefit payments and refunds	(2,678,193)	(2,577,542)	(2,437,913)	(2,269,912)
Net change in total pension liability	823,696	4,035,985	4,714,058	3,966,009
Total pension liability - beginning of year	55,349,959	51,313,974	46,599,916	42,633,907
Total pension liability - end of year (a)	<u>\$ 56,173,655</u>	<u>\$ 55,349,959</u>	<u>\$ 51,313,974</u>	<u>\$ 46,599,916</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 2,430,332	\$ 2,186,054	\$ 1,688,681	\$ 1,625,738
Contributions - employee	270,199	264,163	255,516	243,701
Net investment income	2,977,274	3,583,903	(1,624,901)	880,708
Benefit payments and refunds	(2,678,193)	(2,577,542)	(2,437,913)	(2,269,912)
Administrative expenses	(74,990)	(63,751)	(74,716)	(71,613)
Net change in plan fiduciary net position	2,924,622	3,392,827	(2,193,333)	408,622
Plan fiduciary net position - beginning of year	38,580,351	35,187,524	37,380,857	36,972,235
Plan fiduciary net position - end of year (b)	<u>\$ 41,504,973</u>	<u>\$ 38,580,351</u>	<u>\$ 35,187,524</u>	<u>\$ 37,380,857</u>
Net pension liability/(asset) (a) - (b)	<u>\$ 14,668,682</u>	<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	73.89%	69.70%	68.57%	80.22%
Covered payroll	\$ 6,472,665	\$ 6,324,914	\$ 6,038,143	\$ 5,954,250
Net pension liability/(asset) as a percentage of covered payroll	226.63%	265.14%	267.08%	154.83%

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)**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contribution in Relation</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll</b>	<b>Contribution as Percentage</b>
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	2,993,288	2,993,288	-	24,311,367	12.31%
2018	4,785,940	4,785,940	-	23,669,790	20.22%

**Police Pension**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contribution in Relation</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as Percentage</b>
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%
2018	2,430,332	2,430,332	-	6,708,361	36.23%

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

**Lagers**

**Valuation Date** February 28, 2018

**Notes:** The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments and administrative costs

**Methods and assumptions used to determine contributions rates:**

<b>Actuarial cost method</b>	Entry Age Normal and Modified Terminal Funding
<b>Amortization method</b>	Level percentage of payroll, closed
<b>Remaining amortization period</b>	Multiple bases from 15 to 18 years
<b>Asset valuation method</b>	5-year smoothed market; 20% corridor
<b>Inflation assumption</b>	3.25% wage inflation; 2.50% price inflation
<b>Salary increases</b>	3.25% to 6.55% including wage inflation (General) 3.25% to 7.15% including wage inflation (Fire)
<b>Investment rate of return</b>	7.25%, net of investment and administrative expenses
<b>Retirement age</b>	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**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
 Notes to Schedule of Contributions

**Police Pension**

**Valuation Date** January 1, 2018

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

**Methods and assumptions used to determine contributions rates:**

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

**CITY OF ST. JOSEPH, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY**

	<b>Fiscal Year Ending June 30, 2018</b>
OPEB Liability Beginning of Year	\$ 3,952,873
Changes for the Year:	
Service costs	242,309
Interest	140,073
Assumption Changes and Difference between Actual and Expected Experience	(20,464)
Benefit payments	(80,450)
OPEB Liability End of Year	<u>\$ 4,234,341</u>
Payroll	\$ 28,736,234
Percent of Payroll	14.74%

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

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	Special Revenue								Total Nonmajor Governmental Funds
	Streets Maintenance	Parks Maintenance	Public Safety Tax	Community Development	Riverboat Gaming	Municipal Museum	C.D Rehab Loan	Home Revolving Loan	
<b>Assets</b>									
Cash and investments	\$ 1,572,005	\$ 542,301	\$ 1,489,600	\$ 171,786	\$ 440,320	\$ 470,019	\$ 1,552,760	\$ 253,164	\$ 6,491,955
Receivables	493,904	43,102	1,038,250	12,134	152,119	30,358	-	-	1,769,867
Loan receivables	-	-	-	-	-	-	948,233	1,520,670	2,468,903
Due from other governments	-	-	-	339,221	-	-	-	-	339,221
Prepaid items	27,471	63,400	-	1,589	-	7,858	-	-	100,318
<b>Total assets</b>	<b>\$ 2,093,380</b>	<b>\$ 648,803</b>	<b>\$ 2,527,850</b>	<b>\$ 524,730</b>	<b>\$ 592,439</b>	<b>\$ 508,235</b>	<b>\$ 2,500,993</b>	<b>\$ 1,773,834</b>	<b>\$ 11,170,264</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 529,638	\$ 151,463	\$ 50,148	\$ 215,906	\$ 85,587	\$ 179	\$ 19,734	\$ 19,175	\$ 1,071,830
Due to other funds	-	-	-	413,246	-	-	-	-	413,246
Accrued payroll	-	-	17,982	6,834	-	-	-	-	24,816
<b>Total liabilities</b>	<b>529,638</b>	<b>151,463</b>	<b>68,130</b>	<b>635,986</b>	<b>85,587</b>	<b>179</b>	<b>19,734</b>	<b>19,175</b>	<b>1,509,892</b>
<b>Deferred Inflows of Resources:</b>									
Unavailable revenues-property taxes	-	31,936	-	-	-	23,795	-	-	55,731
Unavailable revenues-other	-	-	-	139,242	-	-	-	-	139,242
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>31,936</b>	<b>-</b>	<b>139,242</b>	<b>-</b>	<b>23,795</b>	<b>-</b>	<b>-</b>	<b>194,973</b>
<b>Fund balances:</b>									
Nonspendable:									
Restricted	27,471	63,400	-	1,589	-	7,858	-	-	100,318
Unassigned (deficit)	1,536,271	402,004	2,459,720	-	506,852	476,403	2,481,259	1,754,659	9,617,168
<b>Total fund balances</b>	<b>1,563,742</b>	<b>465,404</b>	<b>2,459,720</b>	<b>(252,087)</b>	<b>506,852</b>	<b>484,261</b>	<b>2,481,259</b>	<b>1,754,659</b>	<b>9,465,399</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 2,093,380</b>	<b>\$ 648,803</b>	<b>\$ 2,527,850</b>	<b>\$ 524,730</b>	<b>\$ 592,439</b>	<b>\$ 508,235</b>	<b>\$ 2,500,993</b>	<b>\$ 1,773,834</b>	<b>\$ 11,170,264</b>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue							Total Nonmajor Governmental Funds	
	Streets Maintenance	Parks Maintenance	Public Safety Tax	Community Development	Riverboat Gaming	Municipal Museum	Rehab Loan		Revolving Loan
<b>Revenues</b>									
Taxes:									
Property	\$ -	\$ 730,643	\$ -	\$ -	\$ -	\$ 559,340	\$ -	\$ -	\$ 1,289,983
Sales	-	-	6,191,037	-	-	-	-	-	6,191,037
Motor Fuel	2,768,885	-	-	-	-	-	-	-	2,768,885
Licenses and permits	-	96,988	-	-	-	-	-	-	96,988
Intergovernmental	-	76,710	-	1,345,539	-	-	-	-	1,422,249
Charges for services	259,493	34,443	-	-	954,244	-	-	-	1,248,180
Special assessments	6,700	-	-	10,628	1,600	-	-	-	18,928
Investment earnings	16,195	7,750	38,431	1,843	5,416	5,293	20,347	23,686	118,961
Other	19,316	5,347	1,277	195,622	-	-	274,639	10,074	506,275
Total revenues	3,070,589	951,881	6,230,745	1,553,632	961,260	564,633	294,986	33,760	13,661,486
<b>Expenditures</b>									
Current:									
General government	-	-	-	556,395	706,926	410,825	161,189	-	1,835,335
Public safety	-	-	1,654,757	-	-	-	-	-	1,654,757
Highway and streets	3,110,064	-	-	-	-	-	-	-	3,110,064
Public works	-	-	-	305,944	-	-	-	-	305,944
Health and welfare	-	-	-	1,278,756	-	-	-	-	1,278,756
Parks and recreation	-	1,054,216	-	-	-	-	-	-	1,054,216
Capital outlay	2,911,291	254,967	731,895	-	-	17,400	-	-	3,915,553
Total expenditures	6,021,355	1,309,183	2,386,652	2,141,095	706,926	428,225	161,189	-	13,154,625
Excess (deficiency) of revenues over (under) expenditures	(2,950,766)	(357,302)	3,844,093	(587,463)	254,334	136,408	133,797	33,760	506,861
<b>Other financing sources (uses)</b>									
Transfers in	2,538,398	393,825	-	102,726	-	-	-	-	3,034,949
Transfers out	(172,700)	-	(4,920,140)	(202,094)	(221,500)	(60,687)	-	(102,726)	(5,679,847)
Sale of capital assets	61,950	-	-	53,229	-	-	-	-	115,179
Total other financing sources (uses),net	2,427,648	393,825	(4,920,140)	(46,139)	(221,500)	(60,687)	-	(102,726)	(2,529,719)
Net change in fund balances	(523,118)	36,523	(1,076,047)	(633,602)	32,834	75,721	133,797	(68,966)	(2,022,858)
Fund balances - beginning	2,086,860	428,881	3,535,767	383,104	474,018	408,540	2,347,462	1,823,625	11,488,257
Fund balances - ending	\$ 1,563,742	\$ 465,404	\$ 2,459,720	\$ (250,498)	\$ 506,852	\$ 484,261	\$ 2,481,259	\$ 1,754,659	\$ 9,465,399

**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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Motor Fuel	\$ 2,774,480	\$ 2,774,480	\$ 2,768,885	(5,595)
Charges for services	330,000	330,000	259,493	(70,507)
Special assessments	6,750	6,750	6,700	(50)
Investment earnings	450	450	16,195	15,745
Other	10,000	71,950	19,316	(52,634)
Total revenues	<u>3,121,680</u>	<u>3,183,630</u>	<u>3,070,589</u>	<u>(113,041)</u>
<b>Expenditures</b>				
Highways and streets				
Salaries	31,000	31,000	31,000	-
Materials and supplies	1,414,900	1,129,219	1,123,941	5,278
Outside services	2,071,050	2,245,882	2,275,482	(29,600)
Capital outlay	2,195,000	2,465,210	2,193,711	271,499
Total Highways and streets	<u>5,711,950</u>	<u>5,871,311</u>	<u>5,624,134</u>	<u>247,177</u>
Revenues over (under) expenditures	<u>(2,590,270)</u>	<u>(2,687,681)</u>	<u>(2,553,545)</u>	<u>134,136</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,590,270	2,630,270	2,538,398	(91,872)
Transfers out	(1,820,000)	(1,820,000)	(1,548,529)	271,471
Sale of capital assets	-	-	60,085	60,085
Total other financing sources	<u>770,270</u>	<u>810,270</u>	<u>1,049,954</u>	<u>239,684</u>
Net change in fund balances	<u>(1,820,000)</u>	<u>(1,877,411)</u>	<u>(1,503,591)</u>	<u>373,820</u>
Fund balances, beginning of year	1,428,136	1,428,136	1,428,136	-
Fund balances - ending	<u>\$ (391,864)</u>	<u>\$ (449,275)</u>	<u>\$ (75,455)</u>	<u>\$ 373,820</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**PARKS MAINTENANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Property	\$ 707,000	\$ 707,000	\$ 730,643	\$ 23,643
Licenses and permits	95,000	95,000	96,988	1,988
Intergovernmental	70,000	70,000	76,710	6,710
Charges for services	34,450	34,450	34,443	(7)
Investment earnings	-	-	7,750	7,750
Other	-	-	5,347	5,347
Total revenues	906,450	906,450	951,881	45,431
<b>Expenditures</b>				
Parks and recreation				
Materials and supplies	199,650	195,416	170,403	25,013
Outside services	875,395	879,629	866,320	13,309
Capital outlay	441,000	441,000	395,078	45,922
Total Parks and recreation	1,516,045	1,516,045	1,431,801	84,244
Revenues over (under) expenditures	(609,595)	(609,595)	(479,920)	129,675
<b>Other financing sources (uses)</b>				
Transfers in	609,595	404,990	393,825	(11,165)
Transfers out	(347,000)	(347,000)	(307,616)	39,384
Total other financing sources (uses)	262,595	57,990	86,209	28,219
Net change in fund balances	(347,000)	(551,605)	(393,711)	157,894
Fund balances, beginning of year	543,769	543,769	543,769	-
Fund balances - ending	\$ 196,769	\$ (7,836)	\$ 150,058	\$ 157,894

**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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Sales	\$ 6,020,615	\$ 6,020,615	\$ 6,191,037	170,422
Investment earnings	-	-	38,431	38,431
Other	-	-	1,277	1,277
Total revenues	<u>6,020,615</u>	<u>6,020,615</u>	<u>6,230,745</u>	<u>210,130</u>
<b>Expenditures</b>				
Public Safety				
Police				
Salaries	804,319	822,231	822,230	1
Benefits	534,050	518,593	488,230	30,363
Materials and supplies	136,510	135,055	129,806	5,249
Outside services	96,530	86,014	77,377	8,637
Capital outlay	729,287	771,823	771,823	-
Total Police	<u>2,300,696</u>	<u>2,333,716</u>	<u>2,289,466</u>	<u>44,250</u>
Fire				
Materials and supplies	86,600	86,600	65,302	21,298
Outside services	75,440	71,159	64,743	6,416
Capital outlay	87,786	92,067	92,065	2
Total Fire	<u>249,826</u>	<u>249,826</u>	<u>222,110</u>	<u>27,716</u>
Total public safety	<u>2,550,522</u>	<u>2,583,542</u>	<u>2,511,576</u>	<u>71,966</u>
Total expenditures	<u>2,550,522</u>	<u>2,583,542</u>	<u>2,511,576</u>	<u>71,966</u>
Revenues over (under) expenditures	<u>3,470,093</u>	<u>3,437,073</u>	<u>3,719,169</u>	<u>282,096</u>
<b>Other financing sources (uses)</b>				
Transfers in	6,020,615	6,021,615	6,230,744	209,129
Transfers out	(4,920,140)	(4,920,140)	(4,920,140)	-
Total other financing sources(uses)	<u>1,100,475</u>	<u>1,101,475</u>	<u>1,310,604</u>	<u>209,129</u>
Net change in fund balances	4,570,568	4,538,548	5,029,773	491,225
Fund balances - beginning	3,437,846	3,437,846	3,437,846	-
Fund balances - ending	<u>\$ 8,008,414</u>	<u>\$ 7,976,394</u>	<u>\$ 8,467,619</u>	<u>\$ 491,225</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, 2018**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes				
Licenses and permits	\$ 2,236,370	\$ 2,541,370	\$ 1,345,539	\$ (1,195,831)
Special assessments	-	-	10,628	10,628
Investment earnings	-	-	1,843	1,843
Other	-	-	195,622	195,622
Total revenues	<u>2,236,370</u>	<u>2,541,370</u>	<u>1,553,632</u>	<u>(987,738)</u>
<b>Expenditures</b>				
General government				
Salaries	108,225	113,210	113,210	-
Benefits	51,354	51,354	43,519	7,835
Materials and supplies	2,800	2,800	-	2,800
Outside services	19,206	19,206	208,870	(189,664)
Total General government	<u>181,585</u>	<u>186,570</u>	<u>365,599</u>	<u>(179,029)</u>
Health and welfare				
Salaries	168,062	163,077	142,695	20,382
Benefits	87,132	87,132	62,652	24,480
Materials and supplies	3,917	3,917	2,345	1,572
Outside services	1,304,825	1,624,825	926,562	698,263
Total Health and welfare	<u>1,563,936</u>	<u>1,878,951</u>	<u>1,134,254</u>	<u>744,697</u>
Public works				
Salaries	112,523	112,523	110,739	1,784
Benefits	54,998	54,998	45,896	9,102
Materials and supplies	3,555	3,555	2,413	1,142
Outside services	219,650	219,650	161,886	57,764
Total Public works	<u>390,726</u>	<u>390,726</u>	<u>320,934</u>	<u>69,792</u>
Total expenditures	<u>2,136,247</u>	<u>2,456,247</u>	<u>1,820,787</u>	<u>635,460</u>
Revenues over (under) expenditures	<u>100,123</u>	<u>85,123</u>	<u>(267,155)</u>	<u>(352,278)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	15,000	102,726	87,726
Transfers out	(202,094)	(202,094)	(202,094)	-
Sale of capital assets	-	-	53,229	53,229
Total other financing sources (uses)	<u>(202,094)</u>	<u>(187,094)</u>	<u>(46,139)</u>	<u>140,955</u>
Net change in fund balances	(101,971)	(101,971)	(313,294)	(211,323)
Fund balances - beginning	267,774	267,774	267,774	-
Fund balances - ending	<u>\$ 165,803</u>	<u>\$ 165,803</u>	<u>\$ (45,520)</u>	<u>\$ (211,323)</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**RIVERBOAT GAMING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,030,000	\$ 1,030,000	\$ 954,244	\$ (75,756)
Charges for services	200	200	5,416	5,216
Special assessments	-	-	1,600	1,600
Total revenues	<u>1,030,200</u>	<u>1,030,200</u>	<u>961,260</u>	<u>(68,940)</u>
<b>Expenditures</b>				
General government				
Outside services	777,970	802,970	744,894	58,076
Capital outlay	100,000	-	-	-
Total General government	<u>3,045,530</u>	<u>2,970,530</u>	<u>3,084,365</u>	<u>(113,835)</u>
Revenues over (under) expenditures	<u>(2,015,330)</u>	<u>(1,940,330)</u>	<u>(2,123,105)</u>	<u>(182,775)</u>
<b>Other financing sources (uses)</b>				
Transfers out	(176,500)	(276,500)	(221,500)	55,000
Total other financing sources (uses)	<u>(176,500)</u>	<u>(276,500)</u>	<u>(221,500)</u>	<u>55,000</u>
Net change in fund balances	(2,191,830)	(2,216,830)	(2,344,605)	(127,775)
Fund balances - beginning	440,249	440,249	440,249	-
Fund balances - ending	<u>\$ (1,751,581)</u>	<u>\$ (1,776,581)</u>	<u>\$ (1,904,356)</u>	<u>\$ (127,775)</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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 559,300	\$ 559,645	\$ 559,340	\$ (305)
Investment earnings	700	4,635	5,293	658
Total revenues	<u>560,000</u>	<u>564,280</u>	<u>564,633</u>	<u>353</u>
<b>Expenditures</b>				
General government				
Outside services	407,000	411,280	410,825	455
Capital outlay	<u>359,000</u>	<u>359,000</u>	<u>22,840</u>	<u>336,160</u>
Total General government	<u>766,000</u>	<u>770,280</u>	<u>433,665</u>	<u>336,615</u>
Revenues over (under) expenditures	(206,000)	(206,000)	130,968	336,968
<b>Other financing sources (uses)</b>				
Transfers out	(60,687)	(60,687)	(60,687)	-
Total other financing sources (uses)	<u>206,000</u>	<u>206,000</u>	<u>(60,687)</u>	<u>(266,687)</u>
Net change in fund balances	-	-	70,281	70,281
Fund balances - beginning	305,501	305,501	305,501	-
Fund balances - ending	<u>\$ 305,501</u>	<u>\$ 305,501</u>	<u>\$ 375,782</u>	<u>\$ 70,281</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Taxes:				
Sales	\$ 5,944,789	\$ 5,944,789	\$ 5,980,599	\$ 35,810
Intergovernmental	1,096,000	2,991,500	4,707,960	1,716,460
Investment earnings	20,000	20,000	108,677	88,677
Other	15,000	421,800	416,799	(5,001)
Total revenues	7,075,789	9,378,089	11,214,035	1,835,946
<b>Expenditures</b>				
Capital outlay				
Capital outlay	5,013,088	10,890,030	11,801,547	(911,517)
Total Capital outlay	5,013,088	10,890,030	11,801,547	(911,517)
Revenues over (under) expenditures	2,062,701	(1,511,941)	(587,512)	924,429
<b>Other financing sources (uses)</b>				
Transfers in	15,000	421,800	861,987	440,187
Transfers out	(254,600)	(278,517)	(218,512)	60,005
Total other financing sources (uses)	(239,600)	143,283	643,475	500,192
Net change in fund balances	1,823,101	(1,368,658)	55,963	1,424,621
Fund balances, beginning of year	13,248,371	13,248,371	13,248,371	-
Fund balances - ending	\$ 15,071,472	\$ 11,879,713	\$ 13,304,334	\$ 1,424,621

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2018**

Business-type Activities - Enterprise Funds

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 412,212	\$ 144,881	\$ 35,357	\$ 10,502,381	\$ 11,094,831
Accounts receivable (net of allowance for uncollectibles)	-	2,050	942	371,604	374,596
Due from other governments	459,364	-	-	-	459,364
Prepaid items	7,175	4,140	1,900	9,257	22,472
Total current assets	878,751	151,071	38,199	10,883,242	11,951,263
Noncurrent assets:					
Capital assets:					
Capital assets, not being depreciated:	12,777,311	2,505,438	110,000	2,452,331	17,845,080
Capital assets net of accumulated depreciation:	10,941,284	1,374,324	1,174,019	899,678	14,389,305
Total capital assets (net of accumulated depreciation)	23,718,595	3,879,762	1,284,019	3,352,009	32,234,385
Total noncurrent assets	23,718,595	3,879,762	1,284,019	3,352,009	32,234,385
Total assets	24,597,346	4,030,833	1,322,218	14,235,251	44,185,648
<b>Deferred Outflows of Resources</b>					
Deferred outflows due to pension	20,125	8,282	12,648	50,836	91,891
Deferred outflows due to OPEB	8,744	5,002	10,487	26,035	50,268
Total Deferred Outflows of Resources	28,869	13,284	23,135	76,871	142,159
<b>Liabilities and Net Position</b>					
Current liabilities:					
Accounts payable	519,933	19,203	20,923	57,775	617,834
Accrued payroll	5,784	2,897	7,659	14,306	30,646
Accrued interest payable	-	25,719	268	-	25,987
Long-term obligations due in one year	15,073	177,585	51,746	62,443	306,847
Landfill closure and postclosure liability	-	-	-	73,500	73,500
Total current liabilities	540,790	225,404	80,596	208,024	1,054,814
Noncurrent liabilities:					
Long-term obligations due in more than one year (net of unamortized discounts and premiums)	36,983	1,908,386	154,697	109,736	2,209,802
Landfill closure and postclosure liability	-	-	-	10,640,478	10,640,478
Net pension liability	65,180	26,822	40,964	164,646	297,612
Total noncurrent liabilities	102,163	1,935,208	195,661	10,914,860	13,147,892
Total liabilities	642,953	2,160,612	276,257	11,122,884	14,202,706
<b>Deferred Inflows of Resources</b>					
Deferred inflow due to pension	45,733	18,820	28,742	115,522	208,817
Total Deferred Inflows of Resources	45,733	18,820	28,742	115,522	208,817
<b>Net Position</b>					
Net Investment in capital assets	23,206,402	3,874,794	1,284,019	3,352,009	31,717,224
Unrestricted (deficit)	731,127	(2,010,109)	(243,665)	(278,293)	(1,800,940)
Total net position	\$ 23,937,529	\$ 1,864,685	\$ 1,040,354	\$ 3,073,716	\$ 29,916,284

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for services	\$ 548,849	\$ 282,661	\$ 664,364	\$ 4,764,598	\$ 6,260,472
Other	40,142	230	10,623	47,774	98,769
Total operating revenues	<u>588,991</u>	<u>282,891</u>	<u>674,987</u>	<u>4,812,372</u>	<u>6,359,241</u>
Operating expenses:					
Personal services	463,132	227,056	445,179	1,238,141	2,373,508
Contractual services	152,348	135,251	77,138	465,822	830,559
Commodities	32,984	5,739	208,286	312,424	559,433
Heat, light and power	35,759	27,083	100,936	15,959	179,737
Depreciation	590,950	95,610	134,400	380,923	1,201,883
Closure and postclosure care costs	-	-	-	5,240,694	5,240,694
Total operating expenses	<u>1,275,173</u>	<u>490,739</u>	<u>965,939</u>	<u>7,653,963</u>	<u>10,385,814</u>
Operating income (loss)	<u>(686,182)</u>	<u>(207,848)</u>	<u>(290,952)</u>	<u>(2,841,591)</u>	<u>(4,026,573)</u>
Nonoperating revenues (expenses):					
Investment income	(6,811)	(1,992)	(1,045)	18,102	8,254
Interest and fiscal charges	-	(25,719)	(3,793)	-	(29,512)
Gain (loss) on sale of capital assets	45,100	-	69,975	-	115,075
Total nonoperating revenues (expenses), net	<u>38,289</u>	<u>(27,711)</u>	<u>65,137</u>	<u>18,102</u>	<u>93,817</u>
Income (loss) before capital contributions and transfers	<u>(647,893)</u>	<u>(235,559)</u>	<u>(225,815)</u>	<u>(2,823,489)</u>	<u>(3,932,756)</u>
Capital contributions and grants	2,346,843	486,906	-	-	2,833,749
Transfers in	346,802	521,474	196,824	-	1,065,100
Transfers out	(44,000)	(76,347)	(24,409)	(623,672)	(768,428)
Change in net position	<u>2,001,752</u>	<u>696,474</u>	<u>(53,400)</u>	<u>(3,447,161)</u>	<u>(802,335)</u>
Total net position - beginning, as restated	<u>21,935,777</u>	<u>1,168,211</u>	<u>1,093,754</u>	<u>6,520,877</u>	<u>30,718,619</u>
Total net position - ending	<u>\$ 23,937,529</u>	<u>\$ 1,864,685</u>	<u>\$ 1,040,354</u>	<u>\$ 3,073,716</u>	<u>\$ 29,916,284</u>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 552,413	\$ 280,900	\$ 665,822	\$ 4,781,106	\$ 6,280,241
Payments to suppliers	(719,881)	(212,570)	(381,552)	(833,673)	(2,147,676)
Payments to employees	(424,346)	(216,643)	(424,104)	(1,140,409)	(2,205,502)
Other operating revenues	40,142	230	10,623	47,774	98,769
Net cash provided (used) by operating activities	(551,672)	(148,083)	(129,211)	2,854,798	2,025,832
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	346,802	521,474	196,824	-	1,065,100
Transfers out	(44,000)	(76,347)	(24,409)	(623,672)	(768,428)
Net cash provided (used) by noncapital financing activities	302,802	445,127	172,415	(623,672)	296,672
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Payments of debt principal	-	-	(32,323)	-	(32,323)
Payments of debt interest and charges	-	-	(3,706)	-	(3,706)
Capital grants received	2,287,633	-	-	-	2,287,633
Proceeds from sale of assets	45,100	-	-	-	45,100
Purchase of capital assets	(2,302,436)	(482,257)	-	(287,658)	(3,072,351)
Net cash provided (used) by capital and related financing activities	30,297	(482,257)	(36,029)	(287,658)	(775,647)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	1,700,891	696,382	122,620	36,456,552	38,976,445
Purchase of investments	(1,509,773)	(530,644)	(129,498)	(38,466,175)	(40,636,090)
Interest and dividends received	6,401	2,879	-	185,862	195,142
Net cash provided (used) by investing activities	197,519	168,617	(6,878)	(1,823,761)	(1,464,503)
Net increase (decrease) in cash and cash equivalents	(21,054)	(16,596)	297	119,707	82,354
Cash and cash equivalents - beginning	54,301	28,282	2,555	727,374	812,512
Cash and cash equivalents - ending	33,247	11,686	2,852	847,081	894,866
Investments	378,965	133,195	32,505	9,655,300	10,199,965
Total cash and investments	\$ 412,212	\$ 144,881	\$ 35,357	\$ 10,502,381	\$ 11,094,831
Cash and investments reported on the Statement of Net Position:					
Unrestricted cash and investments	\$ 412,212	\$ 144,881	\$ 35,357	\$ 10,502,381	\$ 11,094,831
Total cash and investments	\$ 412,212	\$ 144,881	\$ 35,357	\$ 10,502,381	\$ 11,094,831

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Aviation	Public Parking	Municipal Golf Course	Landfill	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (686,182)	\$ (207,848)	\$ (290,952)	\$ (2,841,591)	\$ (4,026,573)
Adjustments to reconciliation operating income (loss) to net cash provided by operating activities:					
Depreciation	590,950	95,610	134,400	380,923	1,201,883
Landfill closure and postclosure	-	-	-	5,189,837	5,189,837
Deferred outflows of resources	36,840	9,731	21,742	86,441	154,754
Effect of changes in operating assets and liabilities:					
Accounts receivable	3,564	(1,761)	1,458	16,508	19,769
Prepaid expenses	1,987	2,190	621	1,777	6,575
Accounts payable and contracts/claims payable	(500,778)	(46,687)	4,187	9,612	(533,666)
Accrued payroll and compensated absences	1,947	682	(667)	11,291	13,253
<b>Net cash provided (used) by operating activities</b>	<b>\$ (551,672)</b>	<b>\$ (148,083)</b>	<b>\$ (129,211)</b>	<b>\$ 2,854,798</b>	<b>\$ 2,025,832</b>

**CITY OF ST. JOSEPH, MISSOURI**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Balance				Balance	
	June 30, 2017	Additions	Deductions		June 30, 2018	
<b>Tuscany Village CID Tax Fund</b>						
Assets:						
Cash and investments	\$ (417)	\$ 17,403	\$ 16,571		\$ 415	
Receivables - taxes	1,744	17,931	17,403		2,272	
	<u>\$ 1,327</u>	<u>\$ 35,333</u>	<u>\$ 33,973</u>		<u>\$ 2,687</u>	
Liabilities:						
Due to others	\$ 1,327	\$ 35,333	\$ 33,973		\$ 2,687	
<b>2317 Belt CID Tax Fund</b>						
Assets:						
Cash and investments	\$ 89	\$ 2	\$ -		\$ 91	
	<u>\$ 89</u>	<u>\$ 2</u>	<u>\$ -</u>		<u>\$ 91</u>	
Liabilities:						
Due to others	\$ 89	\$ 2	\$ -		\$ 91	
<b>Gateway TDD Tax Fund</b>						
Assets:						
Cash and investments	\$ 57,084	\$ 14,157	\$ 19,920		\$ 51,321	
Receivables - taxes	2,458	13,718	14,157		2,019	
	<u>\$ 59,542</u>	<u>\$ 27,875</u>	<u>\$ 34,077</u>		<u>\$ 53,340</u>	
Liabilities:						
Due to others	\$ 59,542	\$ 27,875	\$ 34,077		\$ 53,340	
<b>Cooks Crossing CID Tax Fund</b>						
Assets:						
Cash and investments	\$ 214	\$ 386,345	\$ 386,654		\$ (95)	
Receivables - taxes	39,433	383,695	386,345		36,783	
	<u>\$ 39,647</u>	<u>\$ 770,040</u>	<u>\$ 772,999</u>		<u>\$ 36,688</u>	
Liabilities:						
Due to others	\$ 39,647	\$ 770,040	\$ 772,999		\$ 36,688	
<b>East Hills CID Tax Fund</b>						
Assets:						
Cash and investments	\$ 63,187	\$ 570,241	\$ 634,856		\$ (1,428)	
Receivables - taxes	88,709	560,323	570,241		78,791	
	<u>\$ 151,896</u>	<u>\$ 1,130,564</u>	<u>\$ 1,205,097</u>		<u>\$ 77,363</u>	
Liabilities:						
Due to others	\$ 151,896	\$ 1,130,564	\$ 1,205,097		\$ 77,363	
<b>Beck Road CID Tax Fund</b>						
Assets:						
Cash and investments	\$ 2,379	\$ 2,379	\$ 2,347		\$ 2,411	
	<u>\$ 2,379</u>	<u>\$ 2,379</u>	<u>\$ 2,347</u>		<u>\$ 2,411</u>	
Liabilities:						
Due to others	\$ 2,379	\$ 2,379	\$ 2,347		\$ 2,411	
<b>Library Tax Fund</b>						
Assets:						
Cash and investments	\$ -	\$ 285,011	\$ 285,011		\$ -	
Receivables - taxes	159,958	305,269	285,011		180,216	
	<u>\$ 159,958</u>	<u>\$ 590,280</u>	<u>\$ 570,022</u>		<u>\$ 180,216</u>	
Liabilities:						
Due to others	\$ 159,958	\$ 590,280	\$ 570,022		\$ 180,216	
<b>All Agency Funds</b>						
Assets:						
Cash and investments	\$ 122,536	\$ 1,275,538	\$ 1,345,359		\$ 52,715	
Receivables - taxes	292,302	1,280,936	1,273,157		300,081	
	<u>\$ 414,838</u>	<u>\$ 2,556,473</u>	<u>\$ 2,618,515</u>		<u>\$ 352,796</u>	
Liabilities:						
Due to others	\$ 414,838	\$ 2,556,473	\$ 2,618,515		\$ 352,796	

# Statistical Section



# STATISTICAL SECTION

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

## Contents

## Tables

### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**1-5**

### **Revenue Capacity**

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

**6-12**

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future

**13-17**

### **Demographic and Economic Information**

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

**18-20**

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**21-22**

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net Investment in capital assets	\$ 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	149,925,081
Restricted	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	45,624,455
Unrestricted	(62,172,221)	(74,693,418)	(74,506,750)	(66,806,724)	(67,941,251)	(58,244,395)	(63,952,044)	(69,219,009)	(92,946,748)	(93,692,166)
Total governmental activities net position	\$ <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>	<u>101,857,370</u>
Business-type activities										
Net Investment in capital assets	\$ 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	77,581,099
Restricted	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	23,266,536
Unrestricted	4,577,757	8,155,548	18,320,929	19,729,354	16,442,462	21,038,462	24,840,400	31,507,296	36,230,053	30,378,155
Total business-type activities net position	\$ <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>	<u>131,225,790</u>
Primary government										
Net Investment in capital assets	\$ 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	227,506,180
Restricted	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	68,890,991
Unrestricted	(57,594,464)	(66,537,870)	(56,185,821)	(47,077,370)	(51,498,789)	(37,205,933)	(39,111,644)	(37,711,713)	(56,716,695)	(63,314,011)
Total primary government net position	\$ <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>	<u>233,083,160</u>

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	18,448,192
Public safety	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	34,365,931
Highways and streets	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	25,008,398
Public works	247,807	293,125	398,643	416,183	354,893	235,620	290,349	288,766	274,544	328,208
Health and welfare	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	2,925,000
Parks and Recreation	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	9,356,318
Interest on long-term debt	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	2,460,648
Total governmental activities expenses	<u>83,169,246</u>	<u>82,894,442</u>	<u>72,792,599</u>	<u>69,716,213</u>	<u>68,666,009</u>	<u>69,234,384</u>	<u>81,935,590</u>	<u>87,066,399</u>	<u>105,927,468</u>	<u>92,892,695</u>
Business-type activities:										
Aviation	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	1,273,139
Parking	397,508	384,058	328,919	348,149	339,368	353,047	365,141	337,849	3,081,451	515,345
Sewer	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	28,869,518
Golf	403,153	505,136	770,572	835,932	837,476	901,488	862,290	908,714	1,362,893	968,328
Transit	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	5,366,323
Landfill	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	7,648,114
Total business-type activities expenses	<u>23,162,693</u>	<u>24,727,545</u>	<u>24,685,608</u>	<u>24,466,751</u>	<u>25,172,119</u>	<u>27,604,383</u>	<u>31,213,348</u>	<u>29,781,218</u>	<u>41,062,461</u>	<u>44,640,767</u>
Total primary government expenses	<u>\$ 106,331,939</u>	<u>107,621,987</u>	<u>97,478,207</u>	<u>94,182,964</u>	<u>93,838,128</u>	<u>96,838,767</u>	<u>113,148,938</u>	<u>116,847,617</u>	<u>146,989,929</u>	<u>137,533,462</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 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	4,468,644
Public safety	583,425	642,911	665,299	680,798	821,264	936,478	737,997	715,576	638,595	755,672
Highways and streets	103,004	151,461	269,131	260,965	204,937	246,169	215,358	177,120	268,589	331,004
Public works	24,080	93,802	21,516	85,748	32,380	206,290	399,760	16,636	20,401	427,428
Health and welfare	746,525	572,275	655,605	559,092	626,570	539,526	572,768	604,724	587,871	605,431
Parks and Recreation	1,648,685	1,674,287	2,294,964	2,278,372	1,865,417	1,781,041	1,877,097	1,980,093	1,920,759	1,957,462
Operating grants and contributions	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	3,613,547
Capital grants and contributions	1,455,757	3,999,694	1,306,274	2,239,178	935,202	560,794	911,812	1,334,795	4,707,960	4,707,960
Total governmental activities program revenues	<u>15,710,544</u>	<u>18,733,222</u>	<u>16,182,055</u>	<u>17,302,716</u>	<u>14,171,911</u>	<u>13,452,175</u>	<u>14,043,859</u>	<u>14,685,276</u>	<u>12,798,422</u>	<u>16,867,148</u>
Business-type activities:										
Charges for services:										
Aviation	465,191	517,945	500,349	381,111	463,197	384,248	412,124	454,755	418,018	588,991
Parking	446,538	425,611	383,003	354,578	360,734	327,267	314,408	295,355	296,439	282,891
Sewer	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	32,044,839
Golf	394,779	532,429	705,864	783,605	820,578	802,264	789,054	805,081	713,740	674,987
Transit	327,506	298,583	357,891	394,945	350,978	343,364	385,106	319,896	344,438	352,726
Landfill	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	4,812,372
Operating grants and contributions	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	2,002,415
Capital grants and contributions	768,444	1,471,591	3,287,255	6,928,194	106,268	502,346	573,383	5,321,138	2,461,960	2,854,338
Total business-type activities program revenues	<u>21,344,134</u>	<u>24,144,087</u>	<u>26,793,720</u>	<u>32,580,839</u>	<u>27,915,296</u>	<u>27,231,893</u>	<u>29,839,867</u>	<u>38,243,351</u>	<u>38,678,993</u>	<u>43,613,559</u>
Total primary government program revenues	<u>\$ 37,054,678</u>	<u>42,877,309</u>	<u>42,975,775</u>	<u>49,883,555</u>	<u>42,087,207</u>	<u>40,684,068</u>	<u>43,883,726</u>	<u>52,928,627</u>	<u>51,477,415</u>	<u>60,480,707</u>
Net (expense)/revenue										
Governmental activities	(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)	(76,025,547)
Business-type activities	(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)	(1,027,208)
Total primary government net expense	<u>\$ (69,277,261)</u>	<u>(64,744,678)</u>	<u>(54,502,432)</u>	<u>(44,299,409)</u>	<u>(51,750,921)</u>	<u>(56,154,699)</u>	<u>(69,265,212)</u>	<u>(63,918,990)</u>	<u>(95,512,514)</u>	<u>(77,052,755)</u>

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

Governmental activities:

<b>Taxes</b>										
Property taxes	\$ 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	14,268,098
Sales and use taxes	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	37,507,479
Franchise taxes	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	6,234,607
Motor fuel taxes	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	3,824,176
Cigarette taxes	441,029	418,473	439,289	438,673	422,366	395,181	386,003	375,690	373,764	343,259
Hotel taxes	412,623	425,537	443,127	815,756	913,963	856,089	1,088,009	1,234,623	1,181,911	1,226,751
Intergovernmental activity taxes	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	4,400,846
Unrestricted investment earnings	1,113,290	776,579	743,281	697,834	640,068	651,729	658,515	636,148	685,947	892,495
Gain (loss) on sale of capital assets	75,546	90,476	535	-	-	65,877	5,436	-	74,095	-
Transfers	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	1,942,184
<b>Total governmental activities</b>	<b>52,842,074</b>	<b>53,087,709</b>	<b>51,855,449</b>	<b>56,362,194</b>	<b>56,243,274</b>	<b>60,270,983</b>	<b>65,628,896</b>	<b>69,006,746</b>	<b>68,784,025</b>	<b>70,639,895</b>
<b>Business-type activities:</b>										
Sales and use taxes	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	4,644,256
Franchise taxes	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	1,232,496
Unrestricted investment earnings	619,634	365,302	330,070	295,082	233,696	212,997	197,631	195,615	400,176	(367,727)
Gain (loss) on sale of capital assets	-	7,754	-	6,582	43,342	-	-	-	-	-
Special item	-	-	5,380,449	-	-	-	-	-	-	-
Transfers	(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)	(1,718,384)
<b>Total business-type activities</b>	<b>4,257,254</b>	<b>4,243,819</b>	<b>10,491,556</b>	<b>3,824,270</b>	<b>3,226,376</b>	<b>3,669,501</b>	<b>3,322,646</b>	<b>3,315,060</b>	<b>5,089,081</b>	<b>3,790,641</b>
<b>Total primary government</b>	<b>\$ 57,099,328</b>	<b>57,331,528</b>	<b>62,347,005</b>	<b>60,186,464</b>	<b>59,469,650</b>	<b>63,940,484</b>	<b>68,951,542</b>	<b>72,321,806</b>	<b>73,873,106</b>	<b>74,430,536</b>
<b>Changes in Net Position</b>										
Governmental activities	\$ (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)	(5,385,652)
Business-type activities	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	2,763,433
<b>Total primary government</b>	<b>\$ (12,177,933)</b>	<b>(7,413,150)</b>	<b>7,844,573</b>	<b>15,887,055</b>	<b>7,718,729</b>	<b>7,785,785</b>	<b>(313,670)</b>	<b>8,402,816</b>	<b>(21,639,408)</b>	<b>(2,622,219)</b>

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

Table 3

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Cigarette Tax</b>	<b>Hotel Tax</b>	<b>Intergovernmental Activity Tax</b>	<b>Total</b>
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
2018	14,268,098	37,507,479	6,234,607	3,824,176	343,259	1,226,751	4,400,846	67,805,216

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,715,494	860,005								
Unreserved	5,449,331	3,132,137								
Total General Fund	\$ 7,164,825	3,992,142								
General Fund										
Nonspendable			\$ 408,508	469,113	499,662	127,450	329,141	237,066	169,302	173,556
Restricted			409,628	715,017	1,141,146	1,503,232	2,043,949	2,681,140	5,781,503	8,008,140
Committed			2,492,882	1,406,328	1,292,606	1,262,220	1,480,367	2,393,462	5,568,525	5,844,021
Assigned			1,206,978	3,259,079	3,135,856	3,712,053	3,021,204	1,854,439	2,412,754	2,441,448
Unassigned			3,176,846	4,160,485	5,807,342	6,837,653	9,384,702	13,218,788	7,976,680	4,906,522
Total General Fund			\$ 7,694,842	10,010,022	11,876,612	13,442,608	16,259,363	20,384,895	21,908,764	21,373,687
All other governmental funds										
Reserved	\$ 21,830,413	24,371,401								
Unreserved, reported in:										
Special revenue funds	5,477,728	3,245,197								
Capital project funds	5,110,764	4,493,117								
Total all other governmental funds	\$ 32,418,905	32,109,715								
All other governmental funds										
Nonspendable			\$ -	147,548	125,002	59,688	64,529	59,018	63,287	100,318
Restricted			30,860,074	29,170,639	32,890,892	35,175,720	40,259,086	37,850,140	39,832,064	32,356,816
Assigned			1,848,352	(285,298)	-	-	-	-	-	-
Unassigned			-	-	-	-	-	-	-	(252,087)
Total all other governmental funds			\$ 32,708,426	29,032,889	33,015,894	35,235,408	40,323,615	37,909,158	39,895,351	32,205,047

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 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	67,759,325
Licenses, fees and permits	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	1,425,212
Intergovernmental	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	8,373,638
Charges for services	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	4,435,700
Fines, forfeitures, and court costs	1,222,664	1,041,640	929,267	922,214	1,170,983	1,251,520	1,106,527	1,028,255	809,507	627,572
Assesments	24,474	22,040	26,002	30,610	35,220	68,741	29,182	22,665	20,971	18,928
Investment earnings	1,097,544	774,001	340,348	696,623	638,735	650,588	657,155	632,413	678,490	870,048
Other	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	2,658,126
Total revenues	<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>	<u>86,168,549</u>
<b>Expenditures</b>										
General government	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	10,321,756
Public safety	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	28,768,897
Highways and streets	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	8,953,520
Public works	245,910	294,018	252,137	272,492	212,831	235,200	293,853	307,912	247,835	305,944
Health and welfare	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	4,997,039
Parks and recreation	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	6,582,838
Capital outlay	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	29,098,322
Debt Service										
Principal	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	5,061,527
Interest and bond costs	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	2,393,600
Total expenditures	<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>	<u>96,483,443</u>
Excess of revenues over (under) expenditures	(4,803,506)	(4,742,578)	501,738	(2,027,408)	4,164,424	953,981	5,012,624	(943,204)	2,335,598	(10,314,894)
<b>Other Financing Sources (Uses)</b>										
Transfers in	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	12,084,851
Transfers out	(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)	(10,142,667)
Issuance of debt	-	-	-	6,685,000	8,685,000	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(6,420,443)	(9,647,589)	-	-	-	-	-
Capital lease proceeds	-	-	198,694	163,180	20,003	-	233,522	118,304	21,896	-
Sale of capital assets	88,710	101,867	535	310,115	16,180	121,065	-	77,908	74,095	147,329
Total other financing sources (uses)	<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>	<u>2,089,513</u>
Net change in fund balances	\$ <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>	<u>(8,225,381)</u>
Debt service as a percentage of non capital expenditures	10.96%	11.25%	11.71%	16.85%	12.15%	12.88%	11.41%	10.23%	10.34%	7.73%

**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
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
2018	14,222	37,507	343	3,824	6,235	1,227	4,401	67,759

(1) Includes interest and penalties.

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

<b>Sales by Retail Category:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Apparel stores	\$ 21,991	\$ 24,995	\$ 34,625	\$ 43,434	\$ 45,680	\$ 48,277	\$ 50,121	\$ 49,710	\$ 36,678	N/A
General merchandise	318,626	311,804	311,672	313,507	312,147	311,553	315,705	314,101	114,413	N/A
Food stores	127,175	124,988	132,028	134,628	137,249	145,043	151,506	153,656	1,929	N/A
Eating and drinking establishments	134,125	135,082	137,208	143,499	147,355	149,938	155,787	160,098	152,226	N/A
Home furnishings and appliances	30,768	31,395	31,081	31,121	33,360	38,032	39,430	43,282	26,175	N/A
Building materials and farm tools	51,514	50,134	49,274	42,416	52,590	59,726	65,058	64,026	20,872	N/A
Construction/Remodeling	4,299	4,824	4,484	4,392	6,778	6,804	16,999	30,495	32,859	N/A
Auto dealers and supplies	82,324	89,594	95,806	100,357	97,295	173,595	111,131	119,216	79,624	N/A
Wholesale Trade	21,787	19,789	20,349	30,000	42,462	50,661	56,500	65,080	285,411	N/A
Hotels, Motels	11,458	10,986	10,926	11,896	11,985	14,901	17,862	17,904	19,548	N/A
Communication	45,268	44,607	38,198	23,359	21,950	23,169	21,191	21,649	24,434	N/A
Other retail stores	79,669	76,782	77,622	76,761	78,351	82,641	92,079	98,505	100,920	N/A
All other outlets	49,766	51,062	45,405	53,414	87,852	87,488	110,178	118,413	81,997	N/A
<b>Total</b>	<b>\$ 978,770</b>	<b>\$ 976,042</b>	<b>\$ 988,678</b>	<b>\$ 1,008,782</b>	<b>\$ 1,075,053</b>	<b>\$ 1,191,828</b>	<b>\$ 1,203,546</b>	<b>\$ 1,256,135</b>	<b>\$ 977,086</b>	<b>-</b>

Note: Amounts for 2019 are not provided due to only receiving partial year figures.

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

Table 8

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

<b>Direct Sales Tax Rate City of St. Joseph</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Fund	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Public Safety						0.500	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	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375
<b>Total Direct Sales Tax Rate</b>	<b>2.375</b>	<b>2.375</b>	<b>2.375</b>	<b>2.375</b>	<b>2.375</b>	<b>2.875</b>	<b>2.875</b>	<b>2.875</b>	<b>2.875</b>	<b>2.875</b>
<b>Total Local Option Sales Tax Rate</b>										
State of Missouri										
General Sales Tax	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Education	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total State of Missouri	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
Buchanan County										
General Sales Tax	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Law Enforcement	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Capital Improvements	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
County Tourism	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Ambulance						0.250	0.250	0.250	0.250	0.250
Levee Allocation									0.250	0.250
Total Buchanan County	1.100	1.100	1.100	1.100	1.100	1.350	1.350	1.350	1.600	1.600
City of St. Joseph	2.375	2.375	2.375	2.375	2.375	2.875	2.875	2.875	2.875	2.875
<b>Total Direct and Overlapping Sales Tax Rate</b>	<b>7.700</b>	<b>7.700</b>	<b>7.700</b>	<b>7.700</b>	<b>7.700</b>	<b>8.450</b>	<b>8.450</b>	<b>8.450</b>	<b>8.700</b>	<b>8.700</b>

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	
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%
2018	735,359	3,218,780	245,370	743,547	41,786	126,623	1,022,515	1.55	4,088,950	25.0%

**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
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	6.17
2014	0.60	0.07	-	0.22	0.20	0.05	0.41	1.55	0.03	4.12	0.46	6.16
2015	0.60	0.07	-	0.22	0.20	0.05	0.41	1.55	0.03	4.12	0.46	6.16
2016	0.60	0.07	-	0.22	0.20	0.05	0.41	1.55	0.03	3.43	0.46	5.46
2017	0.60	0.07	-	0.22	0.20	0.05	0.41	1.55	0.03	3.57	0.46	5.60
2018	0.60	0.07	-	0.22	0.20	0.05	0.41	1.55	0.03	3.57	0.46	5.60

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

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

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

TAXPAYER	TYPE OF BUSINESS	2018			2009		
		ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION(1)	2008 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
Boehringer Ingelheim Animal Health	Animal Health Manufacturer	\$ 18,788,050	1	1.84%	\$ 8,450,870	9	0.93%
Midland Empire Retail, LLC	Shopping Mall	15,520,330	2	1.52%			
Mosaic Lifecare	Healthcare Industry	14,294,990	3	1.40%	14,588,330	1	
AG Processing	Soybean Processing	13,522,930	4	1.32%	9,203,465	8	1.01%
Nestle USA Inc	Pet Food Manufacturing	12,401,670	5	1.21%			
Triumph Foods LLC	Pork Processing	11,977,730	6	1.17%	11,290,760	4	1.24%
American Family Mutual Insurance	Insurance	10,738,570	7	1.05%	10,351,510	5	1.14%
Wal Mart Stores Inc.	Retail Variety Store	8,816,510	8	0.86%	9,370,880	7	1.03%
Johnson Controls Battery Group	Battery Manufacturer	8,686,440	9	0.85%	12,024,530	2	1.32%
St. Joseph Foods	Meat Manufacturer	8,249,940	10	0.81%	9,875,265	6	1.09%
Missouri American Water	Water Utility				11,637,020	3	1.28%
Albaugh Incorporated	Ag Chemical Manufacturer				8,135,300	10	0.89%
		<u>\$ 122,997,160</u>		<u>12.03%</u>	<u>\$ 104,927,930</u>		<u>9.93%</u>

(1) The total assessed valuation for 2018 = 1,022,515,492

Table 12

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

Fiscal Year Ended June 30,	Taxes Levied for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	62,540	13,800,266	99.97%
2014	14,382,659	14,016,700	97.46%	364,752	14,381,451	99.99%
2015	14,399,375	12,853,103	89.26%	525,541	13,378,644	92.91%
2016	14,830,223	14,529,043	97.97%	266,145	14,795,188	99.76%
2017	15,003,629	14,485,665	96.55%	274,053	14,759,718	98.37%
2018	15,349,661	14,941,317	97.34%	-	-	-

**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
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	-
2018	-	883,571	40,255,000	34,261,156	102,180	-

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			
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	8.35%	36,942
2018	-	5,195,000	195,729,197	2,058,654	154,246	-	278,639,004	9.71%	37,350

(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		
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%	-
2018	-	-	-	0.00%	-

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, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Joseph School District	\$ 45,600,000	95.75%	\$ <u>43,662,000</u>
Subtotal, overlapping debt			43,662,000
City of St. Joseph direct debt			75,501,907
Total direct and overlapping debt			\$ <u><u>119,163,907</u></u>

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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit (1)	\$ 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	204,503,098
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	204,503,098
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 2018**

Assessed Value	\$ 1,022,515,492
Debt Limit (20% of assessed value)	204,503,098
General obligation:	-
Total Bonded Debt	-
Less:	-
Total net debt applicable to limit	-
Legal debt margin	\$ 204,503,098

Notes:

(1) Total tangible property assessed value as of January 1, 2017 as certified by the County Clerk on June 30, 2017

(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>						
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
2018	32,170	12,659	19,511	9,602	5,200	1.32

T-18

**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>
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	3.36%
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%
2018	76,809	2,868,816	37,350	37.70	10,591	2.10%

- 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  
2018 and 2009

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mosaic Life Care	3,471	1	5.36%	3,200	1	5.00%
Triumph Foods	2,767	2	4.28%	2,700	2	4.20%
St. Joseph School District	2,047	3	3.16%	1,742	3	2.70%
139th Airlift Wing-MO Air National Guard	1,494	4	2.31%			
Boehringer Ingelheim Vetmedica	1,191	5	1.84%	650	8	1.00%
Missouri Western State University	820	6	1.27%	530	10	0.80%
American Family	767	7	1.19%	737	5	1.20%
City of St. Joseph	671	8	1.04%	671	7	1.00%
Tyson Foods	670	9	1.04%	700	6	1.10%
Johnson Controls	658	10	1.02%			
Altec Industries				876	4	1.40%
Western Reception Diagnostic & Correctional Center				558	9	0.90%
<b>Total</b>	<b>14,556</b>		<b>22.50%</b>	<b>12,364</b>		<b>19.30%</b>

Source: St. Joseph Area Chamber of Commerce

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government</b>										
Mayor/Council	1	1	1	1	1	1	1	1	1	1
City Clerk	3	3	2	2	2	2	2	2	2	2
City Manager	6	6	5	4	4	4	4	5	5	7
Technology & Communications	5	5	5	4	4	4	4	4	4	5
Municipal Court	6	6	5	5	5	5	5	5	5	5
Legal	7	7	6	6	6	6	5	9	8	8
Administrative Services	15	15	15	16	17	18	17	17	17	16
Human Resources	6	6	5	5	5	5	5	5	5	4
Customer Assistance	16	16	15	3	3	3	3	3	3	3
<b>Public Safety</b>										
Police - Arrest Powers	119	117	116	115	113	116	125	126	128	133
Police - Civilian	44	45	44	42	43	42	41	44	43	44
Fire Protection	131	131	127	124	128	127	125	127	124	126
Fire - Civilian	3	3	3	3	3	3	3	3	3	3
<b>Public Works</b>										
Engineering	10	10	9	9	8	9	9	9	9	10
Public Works Administration	5	5	5	5	6	6	5	6	6	6
Streets	64	64	63	58	62	56	58	58	59	61
Traffic	8	8	8	7	8	8	8	7	8	8
Airport	6	6	6	5	6	6	6	6	6	6
Parking Services	6	6	6	5	4	5	5	5	4	5
Landfill	18	18	18	18	17	17	16	16	17	17
Recycling Center	2	2	2	2	2	2	2	2	2	2
Sewer Maintenance	19	19	20	24	21	22	23	24	21	22
Water Pollution Control	46	50	51	50	53	53	55	52	49	54
<b>Health Department</b>	42	42	41	40	40	41	41	40	41	42
<b>Parks and Recreation</b>	51	52	51	52	53	53	48	54	55	55
<b>Community Development</b>										
Planning	4	4	3	5	5	5	5	6	4	4
Housing & Community Dev	7	7	7	15	15	14	14	12	15	13
Property Maintenance	10	11	9	10	9	10	10	10	9	9
<b>Total</b>	<u>660</u>	<u>665</u>	<u>648</u>	<u>635</u>	<u>643</u>	<u>643</u>	<u>645</u>	<u>658</u>	<u>653</u>	<u>671</u>

Source: City of St. Joseph Annual Report

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

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Public Safety										
Police										
Physical Arrests	6,368	5,170	5,275	4,870	6,958	7,262	6,612	6,614	5,918	5,672
Traffic Violations	18,453	14,544	11,084	14,080	12,235	11,312	12,542	15,567	15,656	9,755
Parking Violations	11,861	12,071	8,719	8,532	9,196	7,130	7,285	6,758	7,097	4,587
Fire										
Total Alarms	8,074	7,920	9,049	9,651	8,461	8,836	9,111	9,604	10,301	11,191
Inspections	1,058	590	419	442	565	754	628	698	650	820
Water										
Number of customers	32,548	32,002	32,014	32,004	32,004	31,993	31,993	31,892	31,892	31,945
Daily Average Water Consumption	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	2,021,900
Sewer										
Number of customers	26,859	26,910	26,875	26,836	25,723	24,625	24,625	26,357	26,284	26,281
Daily Average Wastewater Treated	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	15,000,000

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public Safety</b>										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Vehicles	104	106	119	122	107	118	122	122	118	122
Fire										
Fire Stations	9	9	9	9	9	9	9	9	9	9
<b>Public Works</b>										
Total area (square miles)	44.680	46.500	46.500	46.500	46.500	46.500	46.500	44.770	44.770	44.770
Paved miles	432.8	432.8	432.3	432.3	434.8	433.1	433.1	433.1	433.1	437.0
<b>Culture and Recreation</b>										
Park acreage	1,500	1,500	2,000	2,000	2,000	2,000	2,000	1,500	1,500	1,500
Parks	46	46	46	46	46	46	46	36	36	36
Ball Fields	23	23	23	23	23	23	23	23	23	23
Community Centers	1	1	1	1	1	1	1	3	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	2	2	2
Tennis Courts	21	21	21	21	21	21	21	21	21	21
<b>Power and Light</b>										
Power stations	12	12	12	12	12	12	12	12	12	13
Transmission/Distribution Circuits (miles)	816.45	816.45	593.32	595.45	598.04	601.01	601.01	601.01	601.01	604.27
Street Lights	6,903	6,923	6,943	6,952	6,952	6,952	6,952	6,952	6,952	7,117
<b>Water</b>										
Water mains (miles)	616	619	619	619	620	620	620	621	621	641
Fire hydrants	3,063	3,096	3,031	3,030	3,032	3,043	3,043	3,086	3,086	3,114
Maximum daily pumpage (millions of gallons)	30	21	24	24	26	26	26	23	23	23
<b>Sewer</b>										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	380	397	397	402	403	406	406	406	406	406
Maximum daily capacity of treatment (MGD)	27	27	27	27	27	27	27	54	54	54