

City of St. Joseph, Missouri



Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2010

CITY OF ST. JOSEPH, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by the Financial Services Department

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Director of Financial Services

CITY OF ST. JOSEPH, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2010

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INTRODUCTORY SECTION

CITY OF ST. JOSEPH, MISSOURI

PRINCIPAL OFFICIALS

Bill Falkner
Mayor

CITY COUNCIL

Donna Jean Boyer

Pat Jones

P J Kovac

Barbara LaBass

Byron Myers

Jeff Penland

Gary Roach

Joyce Starr

Vincent J. Capell
City Manager

City Attorney

Lisa Robertson

City Clerk

Paula Heyde

Community Services

Clint Thompson

Customer Assistance

Sam Barber

Financial Services

Carolyn Harrison

Fire Chief

Michael Dalsing

Human Resources

Diana Slater

Parks and Recreation

Bill McKinney

Police Chief

Chris Connally

Public Health

Debra Bradley

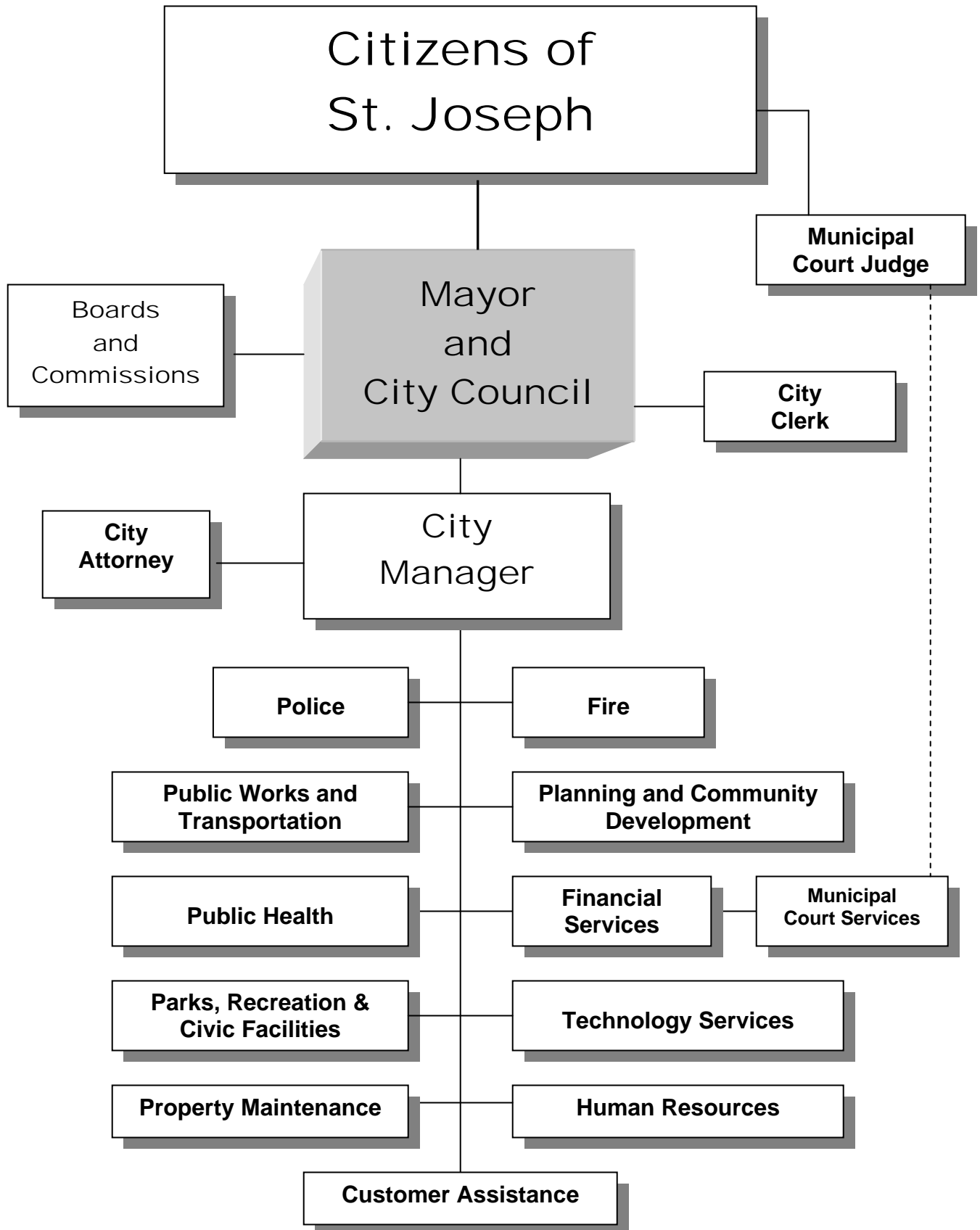
Public Works & Transportation

J. Bruce Woody

Technology Services/Property Maintenance

Steve Hofferber

ORGANIZATION CHART



City of St. Joseph

1100 Frederick Avenue St. Joseph, Missouri 64501

December 26, 2010

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, 2010, is hereby submitted in compliance with Article IV, Section 4.4 (f) of the City Charter. The Charter requires that the City of St. Joseph issues annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of its data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

The independent accounting firm of Cochran Head Vick & Co., P.C. has audited the City's financial statements. The purpose of the audit conducted by Cochran Head Vick & Co., P.C. was to review and provide reasonable assurance that the City's financial statements for fiscal year ended June 30, 2010, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

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

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

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

PROFILE OF THE CITY

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

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

The City provides the full range of services normally associated with a municipality, including police and fire protection, public works services, parks and

other recreational facilities, public health, street maintenance and general administrative services. The City also operates Rosecrans Memorial Airport, public parking garages, wastewater treatment plant, municipal golf course, mass transit system, and city landfill, all of which are accounted for in the financial statements as business-type funds.

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

The City Manager annually prepares a plan of services, or budget, for the upcoming fiscal year. The budget is the most significant annual policy document, operations guide, financial plan and communications device prepared by the City. It establishes the expectations of City Council and provides the fiscal resources and policy direction needed to achieve Council's goals. This plan is submitted to Council no later than 60 days prior to June 30, the end of the fiscal year. It is reviewed by the City Council and is formally adopted by the passage of a budget ordinance on or before the third Monday of the month prior to June 30. The appropriated budget is prepared by fund, department, and program or function. Strict budgetary compliance is maintained by the Financial 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 except for salary, benefits, and capital. These require Council approval.

FACTORS AFFECTING FINANCIAL CONDITION

Local economy

The City is the central services provider for a four county area of northwest Missouri and northeast Kansas with a combined population of 126,647. The City's population of 73,990 represents 58% of the total service area. Located in the heart of the country, St. Joseph's prime location provides for access to customers and suppliers. From Canada to Mexico, Interstate 29, a major north-south interstate runs through the city. St. Joseph has two airports available. South of St. Joseph is Kansas City International (KCI) airport and just west over the Missouri River is Rosecrans Memorial Airport serving St. Joseph's civilian and military needs by providing capacity for any size aircraft. The Missouri River borders St. Joseph allowing the public river port facility the ability to give area businesses the option of

transporting via river. In addition, rail service provides direct access to all parts of North America.

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

Labor Force

St. Joseph's Metropolitan Statistical Area (MSA) consists of Andrew, Buchanan, and DeKalb Counties in Missouri and Doniphan County in Kansas. The St. Joseph MSA maintains a civilian labor force of 72,326 with 66,636 employed for the period ending June 30, 2010, producing an unemployment rate of 7.9%. At this time last year the unemployment rate was 9.1%. The unemployment rate is lower than Missouri's rate of 9.3%.

Major Employers

St. Joseph's economy is highly diversified, with major industrial, manufacturing, financial services, healthcare, and educational institutions. The City's largest employer, Heartland Health, provides 3,175 jobs, or 4.8% of the total employed work force. Heartland Health is an integrated health system, including a comprehensive acute care medical center, physician practices, and a health plan. This consolidation has provided stability and expansion in the regional health services industry. The ten largest employers provide a total of 12,961 jobs, representing 19.4% of the total employed work force. These employers are listed as follows:

TEN LARGEST EMPLOYERS			
Employer	Industry	Number	% of Work Force
Heartland Health	Health Services	3,175	4.8%
Triumph Foods	Pork Processing	2,800	4.2%
St. Joseph School District	Public Education	1,840	2.8%
Boehringer Ingelheim Vetmedica	Animal Pharmaceuticals	974	1.5%
Altec Industries	Utility Equipment	940	1.4%
American Family	Insurance	757	1.1%
Sara Lee	Meat Products	700	1.0%
City of St. Joseph, Missouri	Government	665	1.0%
Western Reception Diagnostic	Correctional Facility	576	0.8%
Missouri Western State University	Education	534	0.8%
Total		12,961	19.4%

Economic Development Efforts

The St. Joseph economy in FY2010 felt the impact of the economic slow-down, but continued to experience moderate growth and expansion. The level of ongoing cooperation among the City, County, Chamber of Commerce and the business community was reflected in the level of economic development success demonstrated throughout the year.

New and Existing Businesses

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

Boehringer Ingelheim Vetmedica, Inc., has leased the second floor of the Christopher S. "Kit" Bond Science and Technology Incubator on the campus of Missouri Western State University for four years. The company will make up to \$750,000 in capital improvements to the location and create up to 40 jobs in the expanded research area.

East Hills, renovated its 629,000 square foot retail center offering a family friendly environment with lifestyle shopping, restaurants, play area, Sunporch Café and Lounge with floor to ceiling fireplace, televisions, free Wi-Fi access and comfortable seating. East Hills has various shopping options including JCPennys, Dillard's, and Sears.

Eastowne Business Park, a new 350 acre business park, is at the corner of Pickett and Riverside Roads. The development has 240 acres available for business park sites, 45 acres are available for office/warehouse and more than 15 acres are available for office facilities.

Em Chamas Brazilian Grill, is a tenant in the new Center Building located in historic Downtown St. Joseph. The new restaurant offers traditional Brazilian Churrasco from the Pampas region of Southern Brazil in a continuous tableside service style called rodizio. Other tenants in the new Center Building include 2 Trendy and Aqua Vitae Salon, both opened for business in February, 2010.

Fairview Golf Course, owned by the city of St. Joseph, expanded and remodeled the clubhouse for a total investment of \$1.2 million. The new addition includes a large banquet room, expanded concession/lounge area, new outdoor deck and total interior redesign.

Heartland Regional Medical Center, opened a new Clinic at the North Belt Walmart. This Clinic is a means for Heartland to advance out into the community to offer prompt access to affordable priced acute and preventive care.

Joyce Raye Patterson Senior Center, completed plans for an expansion to the current fitness center from its current 911 square feet to 2,288 square feet. The Senior Center Foundation, Inc. is funding the expansion with additional exercise equipment. The fitness equipment includes Nautilus strength equipment for upper and lower body exercise, and cardio equipment including treadmills, elliptical runners, rowing machine, and a recumbent bicycle.

Kansas City Chiefs Training Camp, moved back to the state of Missouri as Missouri Western State University became the Summer Home of the Chiefs at the Griffon Indoor Sports Complex. The Complex includes state of the art locker rooms, training rooms, meeting rooms, weight room facilities and a regulation indoor field. In addition to the indoor practice area, two regulation NFL grass fields have been installed outdoors to go along with the artificial surface of Spratt Memorial Stadium. The Missouri Development Finance board approved a \$25 million tax credit in June 2009 to help bring the training camp back to Missouri.

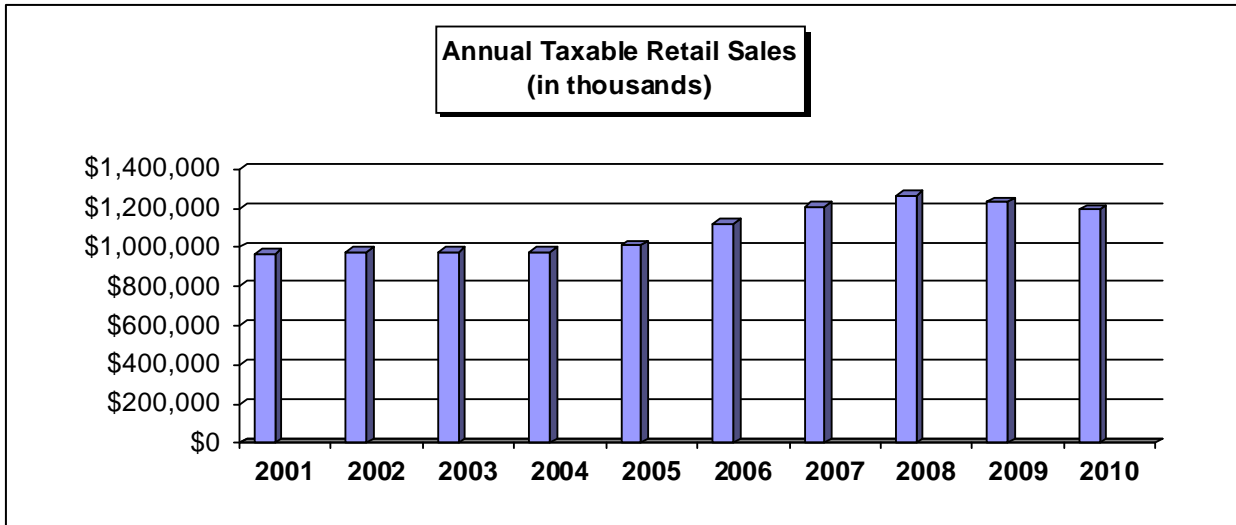
Missouri Western State University, designed the new residence hall located south of Scanlon Hall. It will have 250 beds in apartment style units with each apartment having kitchen facilities and four private bedrooms. The hall will also feature a workout room and community lounge. The new hall is scheduled to be completed for fall, 2011.

Muchenberger Center, held its last summer program after 74 years. A new recreational building will be built on the site of the old Hoffman softball field with a tentative completion set for the late summer of 2011. The new center will boast three gymnasiums, a fitness room, two community rooms, concession area, and office space.

Remington/Agenstein Science and Math Facilities, construction continues with Remington Hall and the renovation of Evan R Agenstein Hall located on the campus of Missouri Western State University. The \$37.5 million expansion will double the amount of space devoted to Western's biology, chemistry, computer science, mathematics and physics departments.

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 decreased slightly in fiscal year 2010. Total retail sales in St. Joseph decreased as reflected in the total sales tax remitted to the City. The following chart depicts the 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 four times – 1993, 1997, 2003, and the latest in 2008. The current CIP tax is scheduled to sunset in 2013 and will be submitted to the voters for extension in 2012. This tax generates \$5.5 million annually in City revenues and provides infrastructure, enhancements to City facilities, and investment in the community.

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

Business Licenses

On a positive note, the slow economy was not reflected in the number of business licenses issued. The City issued 4,812 business licenses for fiscal year ended June 30, 2010. This is an increase of 121 businesses in the St. Joseph local economy over the previous year.

Work Force Education and Training

The City has a well-regarded public school system as well as private and parochial elementary, middle, and high schools. The St. Joseph Public School District includes three high schools, four middle schools, and 16 elementary schools with enrollment of 11,935 students.

Missouri Western State University (MWSU), Hillyard Area Vocational Technical School, and Vatterott Community College are located in St. Joseph. MWSU has certificates, associate degrees, four-year baccalaureate programs and a number of master's degree programs. With enrollment of more than 5,700 students, MWSU serves both the needs of traditional as well as non traditional students. The Western Institute at MWSU is home to many community outreach programs and services. A new initiative will result in more than 100 different credit courses

available online. Northwest Missouri State University (NWMSU), located 45 miles north of St. Joseph in Maryville, is a four-year university. NWMSU conducts graduate classes from its downtown St. Joseph location. Hillyard Technical School provides classes with hands on experience up to 30 credit hours. MWSU and Hillyard have joined efforts to enhance technical educational programs. Students can transfer from a certificate program at Hillyard to associate, bachelor and/or master degree programs at MWSU. In less than two years, students can earn a Diploma or Associate Degree from Vatterott College in a variety of careers.

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

From a heritage rich in agriculture, St. Joseph has a strong life sciences-based economy with over 5,600 jobs directly employed in such businesses as animal pharmaceuticals, agriculture chemicals, food processing, health care, animal research and development and seed production. These companies are located in St. Joseph, as Northwest Missouri boasts the highest crop yields for soybeans and corn in the state of Missouri and provides easy access to raw materials for manufacturing. Locally, a life science network has been formed to provide direction and input to the initiative of creating an applied Life Science Institute in St. Joseph in order to attract more life sciences jobs to the area. The group includes representatives from the City, County, Missouri Western State University, Chamber of Commerce, and life science businesses.

Culture and Recreation

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

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

"Parties on the Parkway" is an after-work social gathering at various locations along St. Joseph's beautiful and unique parkway system offered from May

through September. Live music is provided by local bands and food is available for sampling.

The Public Works and the Parks and Recreation departments joined forces to create the Hike and Bike Trail system in St. Joseph. This system increases the pedestrian access to the full length of the parkway from Krug Park to Hyde Park. As the Hike and Bike Trail system continues to expand off of the parkway and reaches further into existing neighborhoods, its use as a source of recreation and transportation enhances the community and citizens.

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

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

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

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

Phil Welch, a 5,000 seat stadium, is home to the St. Joseph Mustangs competing in the MINK League averaging 1,853 fans per game.

The St. Joseph Civic Arena can entertain any type of event from sporting competition to craft show with seating available for 2,300 people. In March, 2010, the Arena along with MWSU hosted the Division II Women's Elite Eight Basketball Championship. It was a sold out televised event on ESPN-2.

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

The Remington Nature Center visitors and guests are greeted by a life-sized Mammoth and calf along with the only mammoth bones excavated in Missouri, which happen to have been found in Buchanan County. As the journey begins, guests will see a 7,000 gallon aquarium home to Missouri River fishes. Throughout the Center are interactive displays, artifacts, and animal exhibits native to the St. Joseph area. Visitors will stroll through time and witness how civilization from 10,000 B.C. to the turn of the 20th Century impacted nature. Outside next to the "Mighty MO", the riverwalk is available to view the Loess Hills Bluffs and the Living History Preserve. The city of St. Joseph intends to utilize

the 15,000 square foot center to educate, entertain, and enlighten guests and visitors in an enjoyable environment.

Heritage Park Softball Complex, located near the Remington Nature Center, features a five field complex where numerous invitational, regional, state, and national tournaments and special events were held this season. Missouri Western State University hosted the 2010 NCAA Division II Women's Softball Champions at Heritage Park featured on CBS College Sports. The Amateur Softball Association of America (ASA) selected Heritage Complex as the 2009 ASA Complex of the Year.

The City boasts an aquatic park complete with two water slides, floating river, and children play area. Adjacent to the Aquatic Center, the 23 acre facility has 12 lighted tennis courts, 16 horseshoe courts, two bantam football fields, a ballfield, and a running track. In July 2010, for the seventh consecutive year, the United States Tennis Association held the Heartland USTA Women's Tennis Classic Tournament at the Noyes Tennis Courts. The tournament saw 30 qualifier participants representing 11 countries competing for the 16 spots to go against the 16 pro seeds.

In August, 2009, the Allied Arts Council of St. Joseph produced the seventeenth annual Trails West! ® Festival, with 40,000 in attendance. Other festivals and parades include the Apple Blossom Parade and BBQ in May, Northside Festival and Coleman Hawkins Jazz Festival each June, St. Patrick's Mexican Fiesta the first weekend in August, Southside Fall Festival and Parade the middle of September, and Pumpkinfest every October.

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

During September, 2009, the city of St. Joseph hosted Stage 6 of the Tour of Missouri professional cycling race. Over a seven day period, the 600 mile race started in St. Louis and finished in Kansas City. There were spectators from 32 states and 21 countries. An estimated 500,000 saw part of the event, making it Missouri's largest single international sporting event.

The 139th Airlift Wing of the Missouri Air National Guard presented the Sound of Speed Air Show at Rosescrans Memorial Airport the first weekend in May. The main attraction was the U.S. Navy Blue Angels with 30,000 to 40,000 spectators on each of the two days.

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

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

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

- Enterprise Zone Benefits – The City, per RSMo 135.215, participates in the “Enterprise Zones” program designed to ease the financial burden on growing businesses. Eligible facilities can receive a minimum of 50% abatement of property taxes for improvements made to real property for a period of 10 years from assessment of improvements.
- Missouri Chapter 100 bonds – The City, per RSMo 100.090, is granted the authority to issue Industrial Development Revenue Bonds in the amount not to exceed ten percent of the assessed valuation of the taxable tangible property in the City for special industrial development projects for private corporations, partnerships, or individuals. The City shall bear no pecuniary liability. The bond is payable solely from the revenue pledged to the payment and does not constitute a debt of the City. Currently, there are eight (8) companies benefiting from these Missouri Chapter 100 bonds.
- Tax Increment Financing (TIF) – Redirects incremental increases in economic activity taxes, property taxes and/or user fees within qualifying jurisdictions for the exclusive use of paying off bonds issued or developer obligations that were used to finance infrastructure and related business developments within the jurisdiction. The City had twelve (12) approved and ten (10) TIF projects which are active at June 30, 2010.
- Developer Agreements – Special assessments, tax abatements, loans and other financing assistance negotiated directly between the City and the business requesting such assistance in order to achieve a common objective generally held to be in the best interest of the community. The City had two (2) Developer Agreements at June 30, 2010.
- Community Improvement Districts (CID) – Special assessments, taxes and/or fees can be established in order to make improvements and support business activity and economic development within

designated boundaries of the district. The City had two (2) Community Improvement Districts established at June 30, 2010.

- Neighborhood Improvement Districts (NID) – Special assessments levied on benefiting properties to make improvements within designated boundaries. The City had three (3) Neighborhood Sewer Improvement Districts and two (2) Neighborhood Lighting Improvement Districts, as of June 30, 2010.

- Special Business District – Real property and businesses may be taxed within designated boundaries in order to make improvements. The City has one (1) Special Business District, the Downtown Business District established February, 1990.

- Transportation Development District (TDD) – Transportation related infrastructure improvements can be financed through special assessments, property taxes or sales taxes levied within designated boundaries. The City had one (1) TDD as of June 30, 2010.

- Low interest loan programs offered through Community Development Block Grant (CDBG) programs.

- Direct Loans from City Operating Accounts – The City has, on occasion, entered into temporary loans with companies as inducements for further development. A \$100,000 short-term loan from the City's emergency reserves to a developer of speculative shell buildings at Mitchell Woods Business Park and a \$420,000 short-term loan from CDBG and the cell phone programs to a developer for rehabilitation of the Corby Building are just two examples.

- Infrastructure (in-kind) Improvements – In order to entice new and existing business to relocate to or expand in St. Joseph, the City frequently takes it upon itself to make the necessary sewerage, street, lighting and similar infrastructure improvements.

- Participation in Mo-Kan Regional Council (Mo-Kan). The City contributes annually for representation on the Board of Directors and membership in Mo-Kan. In addition to its many other responsibilities, Mo-Kan works in Northwest Missouri and Northeast Kansas in areas of financing and economic development, on-the-job customized training programs and worker reentry program under the Workforce Improvement Act, loan packaging and grant applications.

The Community Alliance of St. Joseph 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 educational opportunities and attainment, as well as improved livability and quality jobs to promote growth and a solid future for St. Joseph and its residents. Some of the initiatives the city has developed and implemented to address these issues include:

Improved Citizen Communications – The city continues to improve and expand its methods of communicating with residents. In addition to regularly scheduled City Council meetings, work sessions, committee meetings and public hearings, the city continues to reach out to its citizens through the City Council monthly townhall **City Talk** public forums, Student in Government Day, resident surveys, government access channel, 24-hour complaint hotline, interactive website, and educational campaigns. Weekly publications are produced to provide information to residents on a regular basis: *City Weekly* and *Mayor and City Council Update*. The city also uses social networking as a means to communicate with residents via Facebook and Twitter. Regular city council meetings are televised live and rebroadcast on the city's government access channel.

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

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

St. Joseph, A City Building Character - Several organizations created a partnership to identify proactive actions that will ensure a competitive workforce in the 21st Century. The purpose of the partnership is to create a community wide initiative that would involve business, industry, government, education, health services, and social service groups designed to instill character traits throughout the community.

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 five year tax that was extended for the fourth time by the voters in November, 2007.

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

Riverfront / Downtown – The City, in concert with several different governments and agencies, is working to redevelop the Downtown and Riverfront areas. For several years, the City and other organizations have worked to develop the Riverfront environment into an attractive and accessible area providing residents and visitors with a variety of amenities including sports, recreation, education, and entertainment but still reflecting the historic significance of St. Joseph. The major focus is on the following two areas:

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

The construction of the Riverwalk was completed at the end of May, 2004. As of June 2004, the beginnings of the Living History Preserve were in place. The preserve tells the story of the development of the community from the early Native Americans through the Civil War to the end of the 19th century.

The Remington Nature Center held its grand opening on November 1, 2008. The Federal Government provided a \$992,000 VA/HUD grant and the Missouri Department of Conservation provided a \$1,000,000 Challenge grant to build a nature center. Another \$1,400,000 came from the City’s one-half cent Capital Improvement Sales Tax and \$1,000,000 from Buchanan County.

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

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

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

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

Under Missouri State Law, the City has the authority to issue general obligation bonds payable from ad valorem taxes to finance capital improvements upon two-thirds majority vote and, on general election dates, a four-sevenths majority vote, of the qualified voters. The Missouri Constitution provides that the amount of bonds payable from tax receipts (including bonds payable from special assessments) shall not exceed twenty percent of the total assessed valuation of the taxable property in the City. At June 30, 2010, 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

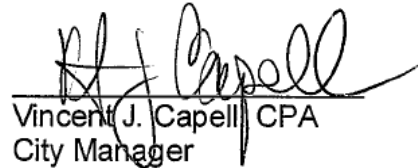
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Joseph, Missouri, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the twentieth 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, Accounting Manager, Cindy McDermott, Accounting Supervisor and their staff for their efforts and to the Members of the City Council for their continued support.

Respectfully submitted,



Carolyn Harrison
Director of Financial Services



Vincent J. Capell CPA
City Manager

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, 2009.

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

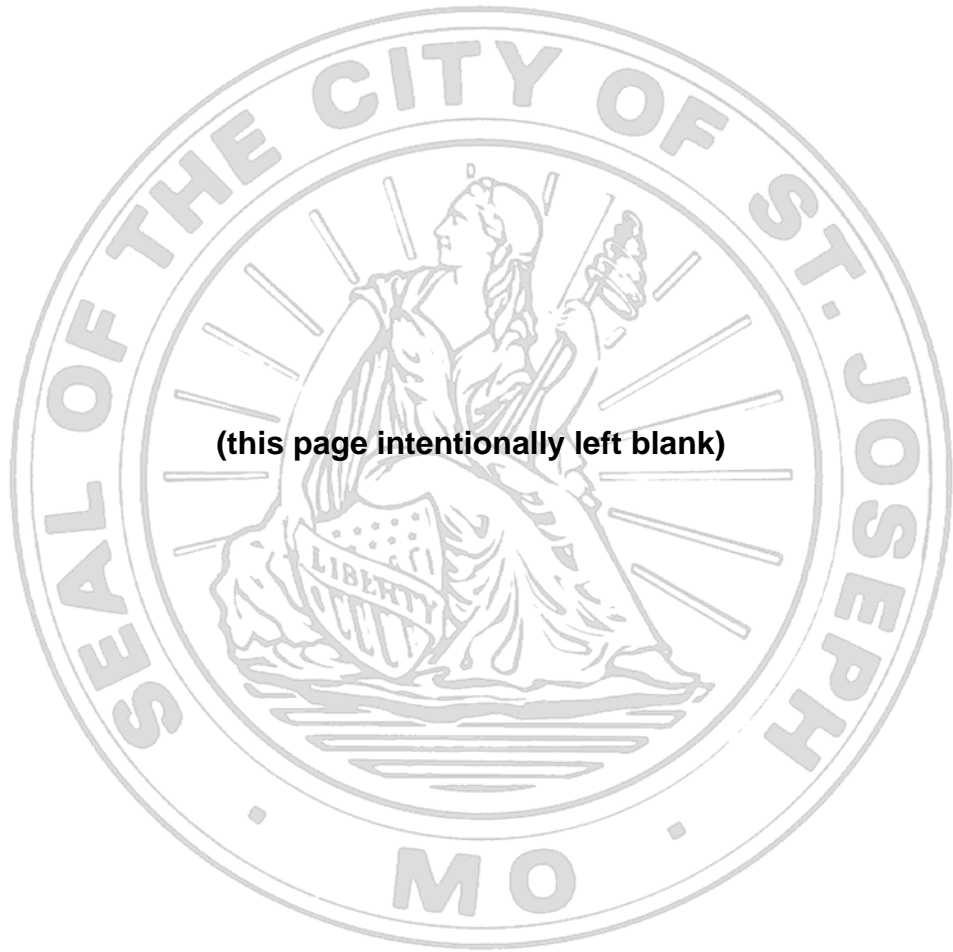


A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emmer".

Executive Director



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FINANCIAL SECTION



Independent Auditors' Report

1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 584-9955
Fax (816) 584-9958

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of St. Joseph, Missouri, (the City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2010, and the respective changes in financial position and cash flow, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Other Offices

1333 Meadowlark Lane
Kansas City, KS 66102
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6700 Antioch Rd, Suite 460
Merriam, Kansas 66204
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(913) 378-1177 FAX

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Suite 415
St. Joseph, MO 64501
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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of funding progress, which appear as listed in the accompanying 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements, schedules and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

December 26, 2010

Cochran Herd Vick & P.C.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

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, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$209,062,022 (*net assets*).
- The City's total net assets decreased \$7,413,150 - \$11,073,511 is attributable to a decrease in "Governmental activities" while "Business-type activities" contributed an increase of \$3,660,361.
- As of the close of the current fiscal year, the City's funds reported combined ending governmental fund balances of \$36,101,857 a decrease of \$3,481,873 in comparison with the prior year. Approximately \$10,870,451 is available for spending at the City's discretion (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$3,132,137, or 9% of total general fund expenditures.
- The City's investment in capital assets for its governmental and business-type activities increased \$4,473,841. More information is provided on page MD-13.
- The City's total long-term debt as detailed on page MD-14 increased \$7,067,766 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets 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).

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

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 or enterprise 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 Sewer (Wastewater Treatment) 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 twelve 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*, *Street Improvement Maintenance & Repair (SIM&R) Fund*, *Special Allocation Fund* and *CIP Sales Tax Improvement 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.

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.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

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, Mass Transit and Landfill Funds*. The single internal service fund data is provided separately on the statement. Individual fund data for the non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$209,062,022 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any depreciation and related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF ST. JOSEPH, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

City of St. Joseph's Net Assets

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009*	2010	2009*
Current and other assets	\$ 53,900,271	\$ 57,750,140	\$ 39,345,980	\$ 40,516,276	\$ 93,246,251	\$ 98,266,416
Capital assets	185,038,338	184,606,641	87,866,855	83,824,711	272,905,193	268,431,352
Total assets	238,938,609	242,356,781	127,212,835	124,340,987	366,151,444	366,697,768
Long-term liabilities	93,563,626	84,618,905	47,848,396	49,150,540	141,412,022	133,769,445
Other liabilities	10,803,410	12,092,792	4,873,990	4,360,359	15,677,400	16,453,151
Total liabilities	104,367,036	96,711,697	52,722,386	53,510,899	157,089,422	150,222,596
Net assets						
Invested in capital assets, net of related debt	182,851,470	182,248,926	59,207,226	59,010,032	242,058,696	241,258,958
Restricted	26,413,521	25,568,379	7,127,675	7,242,299	33,541,196	32,810,678
Unrestricted (deficit)	(74,693,418)	(62,172,221)	8,155,548	4,577,757	(66,537,870)	(57,594,464)
Total net assets	\$ 134,571,573	\$ 145,645,084	\$ 74,490,449	\$ 70,830,088	\$ 209,062,022	\$ 216,475,172

*Certain amounts for 2009 have been restated

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

The unrestricted net asset category for the governmental activities is negative. However, the deficit in unrestricted net assets 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 the reimbursements or debt payments. This is particularly relevant when considering “reimbursable” amounts to pay-as-you-go Tax Increment Financing (TIF) plans (which comprise the majority of the City’s economic redevelopment districts). The developer is reimbursed only to the extent that TIF revenues are generated by the development district. Once the term of the TIF expires, reimbursements end even if the developer has not been fully reimbursed.

Unlike the governmental activities, the business type activities show positive unrestricted net assets for FY10 of \$8,155,548.

An additional portion of the City's net assets, 16% or \$33,541,196 represents resources that are subject to external restrictions on how they may be used. Governmental activities claim 13% or \$26,413,521 while the business type activities have the other 3% or \$7,127,675.

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

The City's net assets decreased \$7,413,150 during the current fiscal year. Governmental activities represent a \$11,073,511 decrease in the City's net assets and a \$3,660,361 increase in net assets is reported in connection with the City's business-type activities.

City of St. Joseph's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009*	2010	2009*
Revenues:						
General Revenues:						
Property taxes	\$ 12,516,447	\$ 12,611,491	\$ -	\$ -	\$ 12,516,447	\$ 12,611,491
Sales taxes	22,846,746	23,570,684	3,975,759	4,016,551	26,822,505	27,587,235
Other taxes	15,698,623	14,042,953	1,053,842	1,049,179	16,752,465	15,092,132
Other revenue	867,055	1,188,836	373,056	619,634	1,240,111	1,808,470
Program Revenues:						
Charges for services	8,455,010	9,022,454	19,242,550	19,622,790	27,697,560	28,645,244
Operating grants & contributions	6,278,518	5,232,333	3,429,946	1,831,416	9,708,464	7,063,749
Capital grants & contributions	3,999,694	1,455,757	1,471,591	768,444	5,471,285	2,224,201
Total revenues	70,662,093	67,124,508	29,546,744	27,908,014	100,208,837	95,032,522
Expenses:						
Functions/Programs:						
General government	26,922,302	26,816,581	-	-	26,922,302	26,816,581
Public safety	25,875,428	25,047,545	-	-	25,875,428	25,047,545
Highway and streets	14,582,255	15,691,228	-	-	14,582,255	15,691,228
Public works	293,125	247,807	-	-	293,125	247,807
Health and welfare	5,231,832	5,998,130	-	-	5,231,832	5,998,130
Parks and recreation	6,163,817	5,613,173	-	-	6,163,817	5,613,173
Interest	3,825,683	3,754,782	-	-	3,825,683	3,754,782
Sewer	-	-	14,046,926	13,047,197	14,046,926	13,047,197
Mass transit	-	-	4,925,073	4,711,415	4,925,073	4,711,415
Landfill	-	-	3,631,750	3,486,083	3,631,750	3,486,083
Other proprietary functions	-	-	2,123,796	1,917,998	2,123,796	1,917,998
Total expenses	82,894,442	83,169,246	24,727,545	23,162,693	107,621,987	106,331,939
Excess (deficiency) of revenues over (under) expenses	(12,232,349)	(16,044,738)	4,819,199	4,745,321	(7,413,150)	(11,299,417)
Transfers	1,158,838	1,428,110	(1,158,838)	(1,428,110)	-	-
Change in net assets	(11,073,511)	(14,616,628)	3,660,361	3,317,211	(7,413,150)	(11,299,417)
Net assets - beginning	145,645,084	160,261,712	70,830,088	67,512,877	216,475,172	227,774,589
Net assets - ending	\$134,571,573	\$145,645,084	\$74,490,449	\$70,830,088	\$209,062,022	\$216,475,172

*Certain amounts for 2009 have been restated

CITY OF ST. JOSEPH, MISSOURI

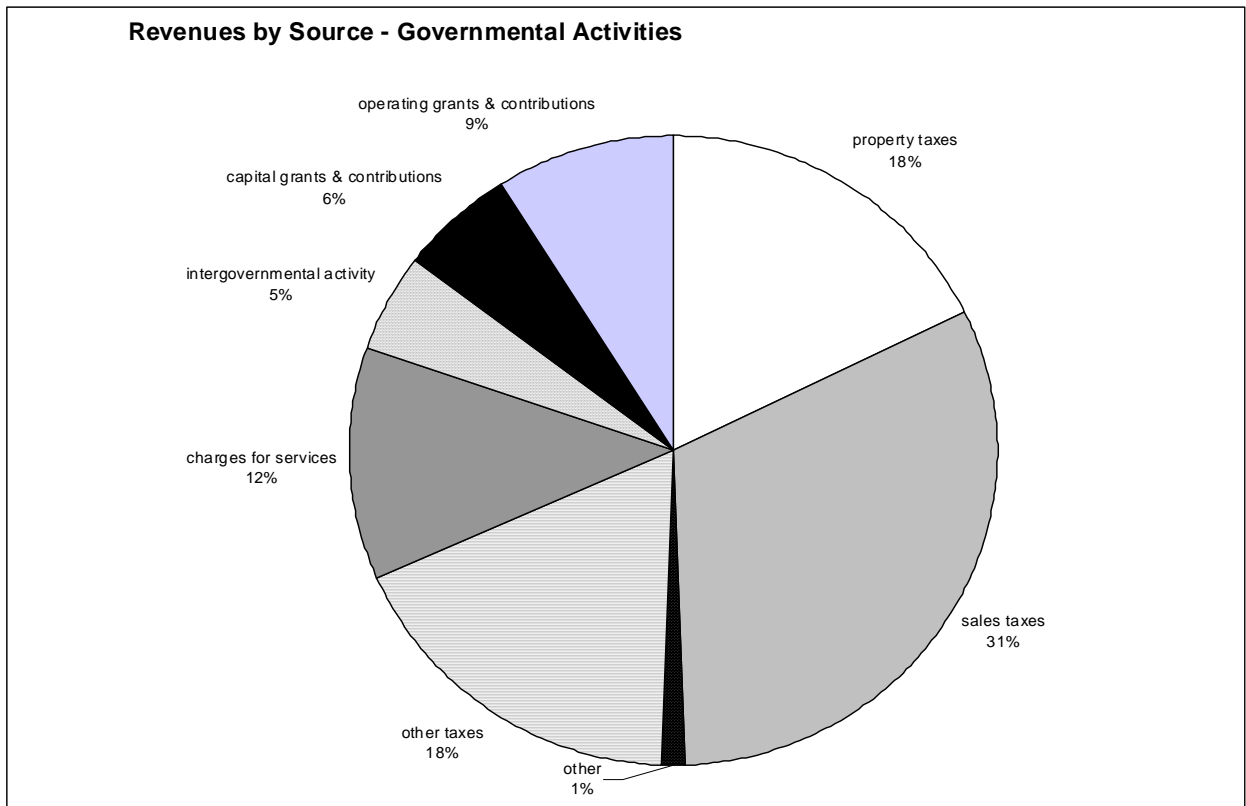
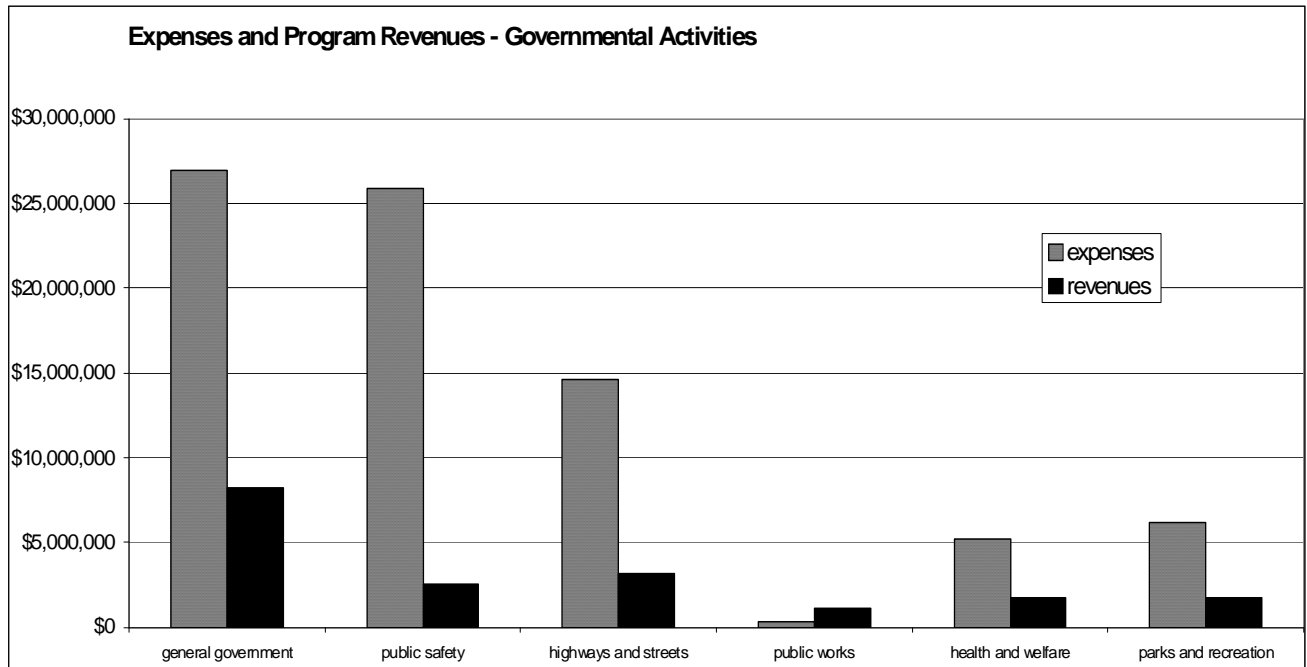
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

Governmental Activities. Governmental activities decreased the City's net assets by \$11,073,511. The key elements to this decrease are as follows:

- Property taxes showed a decrease from the prior year. Total receipts for these revenue sources were \$12,516,447 in FY10 down from \$12,611,491 in FY09. Although valuations for real estate went up 2.1%, there were limitations that caused the reductions in revenue. The biggest impact was Senate Bill 711, which mandated the General fund levy be returned to the 1984 rate. As a result, it rolled back the FY2009 levy of 70.46 cents per \$100 valuation to 67 cents per \$100 valuation for FY2010.
- A major revenue source for governmental funds is sales tax. Sales tax revenue dropped slightly from \$23,570,684 in FY09 to \$22,846,746 in FY10. This follows the trend of the slumping economy where consumers are spending less than the previous years.
- Utility franchise fees are assessed on the gross receipts of utility companies who deliver or provide services to local residents and businesses. With the settlements between Missouri cities and most of the cell phone carriers completed in 2010, franchise taxes climbed from \$6,822,074 in FY09 to \$8,218,703 in FY10.
- Motor vehicle, fuel and road & bridge taxes, cigarette taxes, and hotel/motel taxes reported more revenue in FY10 by \$44,351. The only decrease is attributed to cigarette taxes in the General fund (\$22,556). Motor vehicle, fuel, and road and bridge taxes in the Streets Improvement Maintenance and Repair fund showed \$53,993 more revenue and Hotel/Motel taxes increased \$12,914 in the Parks and Recreation fund. Buchanan County remitted to the City the Road and Bridge taxes based on estimated collections instead of actual collections. Going forward in future years, Buchanan County agreed to calculate based on actual collections. A strong schedule of national and state-wide tournaments helped keep St. Joseph's hotels and motels busy with increased number of visitors.
- Interest earnings dropped from \$1,113,290 in FY09 to \$776,579 in FY10 even though cash balances remained relatively the same as the previous fiscal year. This is the direct result of the decline in interest rates experienced by the downturn in the global economy.

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**



CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

- The City had an \$827,883 increase in the public safety expenses again over last year from \$25,047,545 in FY09 compared to \$25,875,428 in FY10. The City saw a 30% increase in benefits due mainly to an increase in the cost of contributions to the police pension as well as a significant increase in the cost of health insurance premiums. Larger capital purchases were the result of grants received in both the Police and Fire departments.
- The City spent more in capital outlay in FY09 compared to FY10 by \$1,108,973 in Highway and Streets expenses.
- Health and welfare activities combined with Parks and recreation shared a decrease in expenses of \$251,654 over the prior year. Health and welfare contributed \$766,298 of the decrease while \$550,644 increase belonged to Parks and recreation. The Buchanan County Collector increased both collection (1/2%) and assessment (1/8%) fees for the fiscal year affecting both activities. The Health fund is careful to maintain expenses within the limits set by anticipated tax and state contracts and grants. Major repairs at various locations resulted in the increase in Parks and recreation expenses. Senior Center fixed a frozen fire sprinkler line and Bode Recreation Complex had maintenance work on their heating/cooling unit.

Business-type activities. The net assets of the City's business-type activities increased \$3,660,361. Key elements of the increase within the business-type activities are:

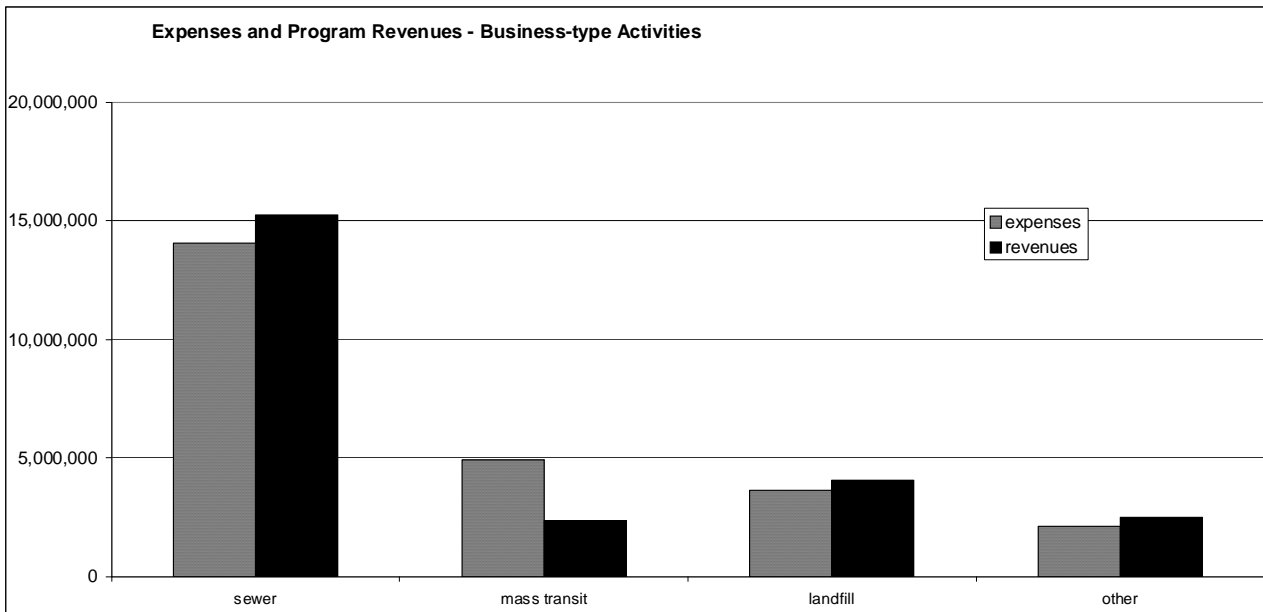
- Revenues from business-type activities went from \$27,029,498 in FY09 to \$29,546,744 for FY10, an increase of \$2,517,246. Higher expenses offset the increase in revenues \$24,727,545 in FY10 compared to \$23,162,693 in FY09 for a difference of \$1,564,852.
- The "charges for services" operating revenue category reported an overall decrease of \$380,240: Sewer user charges, \$464,396, Golf user fees, \$137,650, and Aviation charges, \$52,754. Effective July, 2009, the sewer rates reflected a 17% increase and the hangar rent incurred a 3% rate increase. Management responsibilities at Fairview Golf Course were taken over by city staff in January, 2010 and several new revenue streams were added. Parking services, (\$20,927), Mass Transit fares, (\$28,923), and Landfill fees, (\$985,190), recorded decreases in the charges for services category. The slowing economy contributed to a smaller number of workers utilizing the parking garages as well as fewer riders on the city mass transportation system. A decrease in tonnage by one major vendor who decided to return to utilizing their own landfill caused a decline in Landfill revenue.
- The business-type activities grant revenues increased \$2,301,677 from last fiscal year to this year. Aviation received a grant from the Missouri Air National Guard reflecting \$894,457 more in revenue over FY09. Mass Transit was awarded ARRA stimulus funds filtered through the Federal Transit Authority for an increase of \$705,134 to the fund.
- In February, 2008, voters approved an increase in the Transit sales tax from .15% to .375% effective July 1, 2008. Sales tax revenue dropped from \$4,016,551 in FY09 to \$3,975,759 in FY10

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

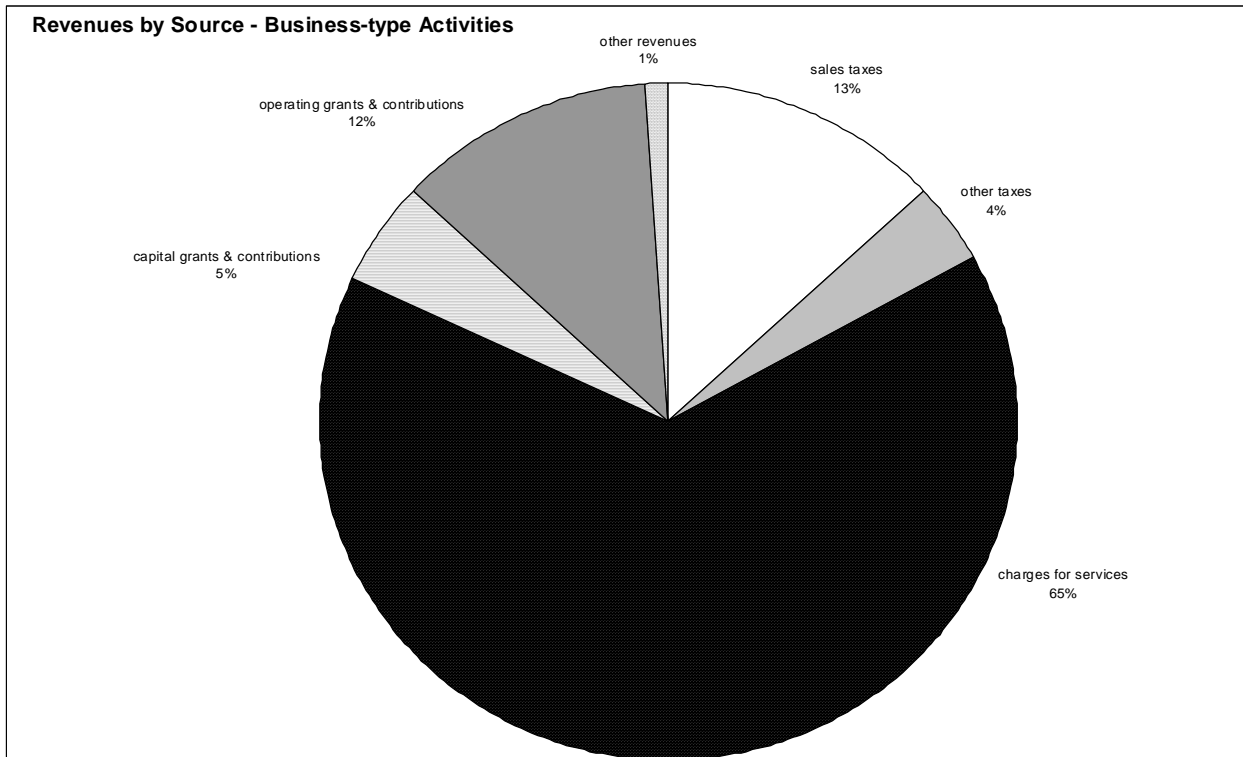
in that fund. This follows the trend of the slumping economy where consumers are spending less than the previous years.

- Mass Transit receives revenues from selected utility franchise fees which are assessed on the gross receipts of utility companies who deliver or provide services to local residents and businesses. This does not include telecommunications and so Mass Transit did not benefit from the influx of those revenues. Significant year to year fluctuations in the gas, electric, and water franchise fee revenues frequently occur in response to unusual seasonal climates. Warm winters and cold/wet summers have a downward impact of gas, electric, and water franchise fee revenues whereas the opposite is true for cold winters and hot/dry summers.
- Interest earnings dropped from \$619,634 in FY09 to \$365,302 in FY10 even though cash balances remained relatively the same as the previous fiscal year. This is the direct result of the decline in interest rates experienced by the downturn in the global economy and a mirror image of the governmental activities interest earnings.



CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010



- Higher expenses in FY10 were incurred by five of the six business-type activities. Aviation services increased \$117,265 due to overtime costs related to the Sound of Speed air show at Rosecrans. Sewer jumped up \$999,729 in expenses mandated by EPA. Golf had \$101,983 in higher costs as a result of added city staff management responsibilities and enhanced services. Mass Transit incurred a \$397,369 increase for Laidlaw services compared to last fiscal year. Landfill had to cover a major unexpected equipment repair for \$44,000 and increases to rental contracts, insurance and worker compensation rates lead to \$145,667 in additional outlay. Public Parking, the only fund to experience a decrease in total expenses by \$13,450, offset the total expenses for the business-type activities \$1,564,852 increase over last fiscal year.

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. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,132,137 while total general fund balance reached \$3,992,142. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 9% of total general fund expenditures, while total fund balance represents 12% of that same amount.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

The fund balance of the City's general fund decreased \$3,172,683 during the current fiscal year. Key factors in this decrease are as follows:

- General fund's total revenue increased from \$30,199,805 in FY09 to \$30,831,491 in FY10 and total expenditures went from \$31,765,794 in FY09 to \$34,356,269 in FY10.
- Property tax and sales tax revenues came in lower than last year's revenue by \$515,123. Property tax claimed a \$189,047 decrease in revenues while sales tax numbers reflected a decrease of \$326,076. Although valuations for real estate went up 2.1%, there were limitations that caused the reductions in revenue. The biggest impact was Senate Bill 711, which mandated the General fund levy be returned to the 1984 rate. It rolled back the FY2009 levy of 70.46 cents per \$100 valuation to 67 cents per \$100 valuation. General sales tax revenue saw a decrease in the General fund for the second time in the last eleven years. This follows the trend of the slumping economy where consumers are spending less than the previous years.
- With the settlements between Missouri cities and most of the cell phone carriers, revenues in this category have started to increase. In FY09, franchise revenue went from \$6,822,074 to \$7,084,258 in FY10. A little over \$650,000 of the FY10 amount was another one-time back tax settlement. The future of cell phone revenues remains uncertain past December 2012.
- The Police and Fire departments obtained federal funding in FY10 that had a positive impact for both public safety departments. The Police department received a COPS Technology grant and ARRA stimulus funds. The Fire department extended two Homeland Security grants.
- General government expenditures were up \$2,726,211. The Buchanan County Collector increased both collection (1/2%) and assessment (1/8%) fees for the fiscal year. There was also an 18% increase in the cost of health insurance following City Council's decision to pick up the employee's portion of increased health premium costs.
- The City had a \$792,854 increase in the public safety expenses again over last year from \$22,495,913 in FY09 compared to \$23,288,767 in FY10. The City saw an increase to the cost of contributions to the police pension and to the cost of health insurance. Larger capital purchases were the result of grants received in both the Police and Fire departments.
- Capital outlay for the General fund changed from \$2,292,080 in FY09 to \$1,361,171 in FY10. The difference is from the expenditures paid from the cell phone franchise revenue including \$1,500,000 for the summer street overlay program in FY09. The SIM&R fund had the responsibility of the street overlay program in FY10.

The Street Improvement, Maintenance & Repair (SIM&R) Fund is the second major fund for the City. This fund had an ending fund balance of \$2,557,401 of which \$957,451 represents unreserved fund balance. Unreserved fund balance represents 10% of the SIM&R fund's expenditures for the current year. The fund balance of the SIM&R fund decreased \$639,446. While overall revenues decreased, expenditures and capital outlay increased. The following are the key factors in this net change:

- SIM&R saw a decrease in total revenue from \$8,424,997 in FY09 to \$8,312,459 in FY10 for a difference of \$112,538.
- Sales tax revenues came in lower than last year's revenue by \$238,726. Motor fuel tax revenue saw a slight increase of \$53,993.
- Expenditures were up from \$8,793,181 in FY09 to \$9,829,051 in FY10 for an increase of \$1,035,870. The street and traffic lighting systems showed an increase in electric service. A plan

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

needs to be developed to decrease the costs by changing the amount of time or the number of street lights. Capital outlay increased from \$831,516 in FY09 to \$1,683,449 in FY10. The SIMR fund felt the pressure of the summer street overlay program inherited from the General fund in FY10

The Special Allocation Fund was established in FY04 to record transactions for the City's TIF districts and related bond issues. The ending fund balance of \$12,220,500 is reserved for debt service payments. This is an increase in fund balance of \$7,344 from FY09. The following key factors contributed to the increase in the Special Allocation's fund balance:

- Revenues increased from \$7,374,550 in FY09 to \$7,650,845 in FY10 while expenditures decreased \$10,358,949 in FY09 to \$7,583,475 in FY10.
- Property and sales tax increased in the Special Allocation fund in comparison to the General, SIMR and Mass Transit funds. Located within the TIF districts, property owners contributed \$486,575 in property taxes for FY09 compared to \$570,176 in FY10. The increase is a result of East Hills PILOTS due in FY10. Vendors reported a slight increase of \$32,362 more in sales for FY10 within the TIF districts.
- Interest earnings on bond trustee accounts in the Special Allocation fund went from \$777,573 in FY09 to \$647,946 in FY10. This is the direct result of the recent decline in interest rates experienced by the downturn in the global economy.
- TIF bond proceeds are paid out to developers for approved TIF expenses. Of the \$2,775,474 decrease in expenditures, TIF reimbursements of \$2,713,182 went to Mitchell Avenue Corridor developer in FY09. There was no reimbursement in FY10 as future disbursements for that TIF will be for bond debt services.

The CIP Sales Tax Improvement Fund has a total fund balance of \$8,923,700. While unreserved, \$4,386,700 of this fund balance actually represents capital projects that have been planned but have not been completed. All of the budgeted monies within the capital improvement fund are attached to projects approved by the voters with the five-year, half-cent CIP sales tax issue renewed for the fourth time in November 2007. 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 provide the same type of information found in the government-wide financial statements, but in more detail.

The Proprietary funds net assets activity resulted in an increase of \$3,637,688 over last year. Investment in capital assets is the largest component of net assets with an increase of \$197,194 over last year. A portion of the City's proprietary fund net assets, 10% or \$7,127,675 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net assets at the end of the fiscal year were positive in the Sewer and Mass Transit funds. The Sewer fund claimed \$3,837,021 in unrestricted net assets while Mass Transit had \$5,050,127. A deficit unrestricted net asset balance of \$1,281,371 occurred in the Landfill fund. Increased number of landfill users and the resulting increase in tipping fee revenues along with controlling operating expenses will help eliminate the deficit.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

General Fund Budgetary Highlights

General Fund

Differences between the original budget and the final amended budget amounted to \$3,368,126. The differences can be briefly summarized as follows:

- Establish Corby Independent Living, LLC, loan - \$300,000
- Upfront replacement costs for chiller at Law Enforcement Center - \$184,752
- Missouri River Boat Dock design contract - \$52,790
- City Hall roof and exterior steps replacement - \$339,160
- Acquire real estate for Fort Smith/Riverfront project - \$246,400
- Phil Welch renovations - \$238,785
- Felix Streetscape Project - \$136,043
- Public safety grant purchases - \$818,672
- Transfers out - \$1,161,585

Differences between the final amended budget and the actual amounts for revenues and expenditures are as follows:

- Revenues came in short of budget by \$1,016,594. Municipal Court fine revenue finished under anticipated budget by \$174,048 corresponding to fewer citations. The housing market and economic downturn affected the number of permits pulled and inspections performed which fell short of budget by \$88,228 for the year. For the second year in a row for the General fund, general sales tax revenue did not meet budget by \$757,103.
- Expenditures were under the final budget by \$2,129,829. Public safety expenditures claimed \$1,178,386 of the \$2,129,829. The Police and Fire salaries and benefits did not meet final budget figures by \$655,689. Several positions were not filled or vacant due to military leave and overtime was not utilized as anticipated. The Police department received numerous grants for capital purchases that did not get expensed in FY10. The remaining monies will be spent in the next budget year. General government expenditures were \$951,443 below the final budgeted amounts. Community resources recognized \$190,688 in savings due to two vacant positions and as a result of the longer winter, there was lower costs for field crew and abatements. The budget was amended in the cell phone program for a community loan in the amount of \$300,000 but was set up as a receivable and had no effect to the budget.

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, 2010 amounts to \$272,905,193 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, office furniture and fixtures, roads, park improvements, major fire apparatus, sewer lines and wastewater treatment facility improvements. Major capital asset events during the current fiscal year included the following:

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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- Purchased land for the combined Recycling Center and Sewer Maintenance buildings (\$371,139)
- Upgrades and improvements located at Civic Arena (\$445,000)
- Bought 627G scraper in the Landfill fund (\$700,000)
- Completed the French Bottom Boat Dock (\$239,094)
- Replaced City Hall roof (\$400,243)
- Started the Alpha Taxiway rehabilitation (\$596,003)
- Acquired aerial platform/ladder fire truck (\$951,522)
- Leased 45 golf carts for Fairview Golf Course (\$111,840)
- Continued construction for Roy's Branch Sewer Separation (\$1,625,757)
- Recognized donated sewers (\$1,460,200) and streets (\$2,878,000)

City of St. Joseph's Capital Assets

(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 5,640,948	\$ 5,337,255	\$ 6,089,897	\$ 5,550,723	\$ 11,730,845	\$ 10,887,978
Buildings	17,786,761	17,455,881	17,185,774	18,227,221	34,972,535	35,683,102
Improvements other than buildings	22,838,448	22,766,957	19,780,258	19,938,641	42,618,706	42,705,598
Machinery and equipment	4,927,187	4,950,989	4,901,360	3,789,940	9,828,547	8,740,929
Infrastructure	125,942,494	129,038,024	36,640,006	31,079,881	162,582,500	160,117,905
Construction in progress	7,902,500	5,057,535	3,269,560	5,238,305	11,172,060	10,295,840
Total capital assets	\$ 185,038,338	\$ 184,606,641	\$ 87,866,855	\$ 83,824,711	\$ 272,905,193	\$268,431,352

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

Debt Administration

At the end of the current fiscal year, the City had total debt outstanding of \$134,529,034. Of this amount, \$7,761,157 represents bonds secured solely by specified revenue sources (i.e., Revenue Bonds). The remaining \$126,767,877 is comprised of 1) \$421,091 of Public Building Authority Bonds covered by annual appropriations in the general government activity funds and by dedicated revenues of the Landfill and Parking Operations funds, 2) \$17,920,000 Infrastructure Facility Bond loan payments funded by PILOTS and EATS pursuant to the financing agreements, TIF Incremental Tax Revenues and Chapter 100 Pilots Revenue in the Special Allocation fund, 3) \$64,235,000 issued by the Industrial Development Authority Bonds in connection with The Shoppes at North Village, the Mitchell Avenue Corridor, and Sewer Improvement projects in the Special Allocation fund and Sewer fund respectively, 4) \$12,380,000 in Missouri Development Finance Board Bonds which includes \$1,965,000 in the General fund for the Law Enforcement Center expansion project and \$10,415,000 in the Sewer fund for the Sewerage System Improvements related to the Stockyards Redevelopment project and to federal- and state-mandated water protection measures, 5) \$31,689,113 in Developer Pay-As-You-Go Obligations for certified costs in the Special Allocation fund, and 6) by capital lease

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT’S DISCUSSION AND ANALYSIS
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obligations for major pieces of equipment totaling \$103,661 located in the Municipal Golf fund and \$19,012 recorded in the Parks, Recreation, and Civic Facilities fund.

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.

City of St. Joseph’s Outstanding Debt

Revenue Bonds and Other Bonded Debt

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue Bonds	\$ -	\$ -	\$ 7,761,157	\$ 8,974,235	\$ 7,761,157	\$ 8,974,235
Public Building Authority Bonds	202,856	252,142	218,235	271,096	421,091	523,238
Industrial Development Authority	43,825,000	45,070,000	20,410,000	20,410,000	64,235,000	65,480,000
Infrastructure Facility Bonds	17,920,000	18,615,000	-	-	17,920,000	18,615,000
MO Development Finance Board	1,965,000	2,070,000	10,415,000	10,860,000	12,380,000	12,930,000
Developer Obligation	31,689,113	20,882,574	-	-	31,689,113	20,882,574
Capital Lease Obligations	19,012	35,573	103,661	20,648	122,673	56,221
Total long-term debt	\$ 95,620,981	\$ 86,925,289	\$ 38,908,053	\$ 40,535,979	\$ 134,529,034	\$ 127,461,268

The City's total debt increased by \$7,067,766 during the current fiscal year. The key factors in this increase were as follows:

- New developer obligations (pay-as-you-go reimbursable costs) were recognized in the City’s Governmental activities.
- The Municipal Golf fund acquired a four year lease for 45 golf carts.

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

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the City at June 30, 2010 is 7.9%, a decrease from a rate of 9.1% a year ago. This compares favorably to the state’s average unemployment rate of 9.3% and reflects the trend of the slowly improving economy in the region.
- The City has a bond credit rating of an A+ overall from Standard and Poor’s. 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).
- Eastowne Business Park, the new 350 acre business park located at the corner of Pickett and Riverside Roads, is ready for tenants. With the success of Mitchell Woods Business Park, Eastowne’s opening provides St. Joseph with another business park for commercial offices and light industrial facilities.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

- New developments, though few in number, are occurring throughout the St. Joseph area with twelve (12) approved Tax Increment Financing districts, 10 (10) of which are active.
- Boehringer Ingelheim Vetmedica, Inc, headquartered in St. Joseph, is in the middle of a \$130 million expansion expected to bring 154 new jobs, most of them professional/technical positions.

Revenue Forecast

FY2011 Budget decisions on major revenue categories were made almost five months prior to the end of the FY2010 fiscal year and were based on the following assumptions.

Property Tax –Annual growth in property taxes for the past few years had fluctuated between less than 1% up to 5% in re-assessment years. Due to the Hancock Amendment, property tax growth is confined to the lower of 5% or the Consumer Price Index ceiling. New construction valuations and prior year tax collections are not restricted by the Hancock Amendment. The current economic slow-down and increased foreclosure rate through the region has resulted in low activity over the past year.

The major blow to the General Fund was the impact of Senate Bill 711 which lowered the City's property tax rate by six (6) cents per \$100 valuation. The Statute also made that the City's new cap.

Legislative action to reverse the unintended consequence on the City of St. Joseph, and on other taxing jurisdictions, of the senate bill was passed but vetoed by the Governor. Therefore, FY2010 and FY2011 real and personal property tax revenues were reduced by around \$300,000. SB711 did not affect the Health, Parks or Museum tax levies. However, stagnant assessments led to budget amounts the same as those projected for FY2010.

Sales Tax –Beginning around FY2000 the annual growth in sales taxes slowed to an average of 1% to 1.5%. Staff had been cautiously optimistic that the local economy would continue to realize the positive effects of two, major economic boosts – the development of an up-scale shopping center in the northeast section of the City and the development of a major food processing plant just south of the downtown area. Both of these projects were completed and operational within FY2006 fiscal year. And indeed tax revenues increased at 2.35% and 1.58% in FY2005 and FY2006 respectively. FY2007 actual revenues had a 6.5% increase over FY2006 as a full year's worth of sales tax revenues were received from the new retail center. There was an increase of 3% on all sales tax revenues in FY2008.

But there the increases stopped and the recession's impact began. For the first time in 10 years the City experienced a decrease in sales taxes with revenues falling by \$1.7 million (7.8%) in FY2009. FY2010 ended the year with a \$514,000 decrease (2.5%). (These numbers exclude Transit system sales taxes since those revenues had a large boost from the voter approved increase in sales tax devoted to the transit system in FY2009.)

Since the decrease in base sales taxes was slowing (and increases from the TIF generated EATS continued to grow slightly), FY2011 budgeted revenues were based on no increase to the base and a half a percent increase in EATS.

Franchise Fees - Annual growth in Franchise Fees for the past few years has ranged from a negative 10% to a 25% increase (in FY2001). Fluctuations in franchise fee revenues correspond to changes in

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

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

A steady migration of the telecommunications business to wireless and data transmission had meant an 18% decrease in communications' franchise revenue from 2005 through 2009. Settlements with the telecommunications companies brought in about \$2.9 million in one-time payments for back taxes late in FY2008. FY2009 and FY2010 also enjoyed hefty one-time settlement payments. Phone franchise fees were estimated to increase approximately \$1.3 million a year due to franchise payments on these phone services.

Because the legal settlements also included a five year time frame within which the phone companies agreed not to attempt to circumvent tax payments, there could be a time in which these revenues are once again threatened. As a result the great majority of the new revenues were segregated within the General Fund. Except for \$500,000 a year transferred to the Streets Fund for the final time in FY2010 as an operational subsidy, the monies are being used for one-time capital or other non-operating items.

Historical revenue patterns are only marginally useful because they cannot predict future weather conditions or legislative impacts on utility revenues. For FY11, budgeted franchise revenue was estimated as follows: Gas, Electric, and Water revenues were based on three year averages. Telephone (until a year's worth of history with new cell phone tax revenues is available) estimates were based on the prior year actual plus an estimated base of \$350,000. Cable was projected on its historical growth of 2%.

User Fees - User fees are charged for civic facility rents, downtown and on-street public parking, building inspections, recreational activities (swimming, ice skating, golf, athletic leagues, etc...), riverboat gaming taxes, bus fares, sewer user fees, landfill tipping fees, and various other fees for service.

Given the elimination of the Lease Agreement with the casino, gaming revenues for FY2011 were reduced by the \$400,000 received annually from "local" revenues.

Sewer fees are determined by cost of service studies prepared by specialists. In order to better manage budget projections, the effective date of fee changes was revised to July 1 in Fiscal 2010. The newest sewer rate, with a 17% increase, went into effect July 1, 2010.

Given the increase in tonnage taken to the Landfill, no rate increases were planned for that service. The Landfill tipping fee is the lowest in the northwest region. Since revenues already exceed expenditures there is no plans to increase (nor to decrease) fees at this time.

Licenses/Permits/Fines - Fine revenue was not meeting projections at mid-year, so FY2011 budget estimates were left at the original FY2010 levels. Revenue estimates for FY2011 licenses and permits were based largely on the experience and projections of the responsible departments. Given the economy, revenues for inspection fees and plan review were lowered. Licensing fees should increase some due to the new licensing requirements for several trades. Business license receipts were projected to increase slightly.

CITY OF ST. JOSEPH, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

Sale of Bonds - Bonds sales most often occur in response to individual capital project and capital outlay funding initiatives with little or no relationship to prior year bond sales. A budgeted \$45 million of Special Obligation Revenue Bonds were budgeted in FY2010 for the on-going improvements at the Wastewater Plant. The bonds were not needed, but are now scheduled for FY2011 at \$50 million, boosting the overall revenue amount for the city.

Expenditure Controls

FY2010 operating expenditures came in 4.4% below projections. Actual expenditures were 5% higher (\$3,828,000) than in the previous year. However, \$1,909,000 of that increase was due to ARRA economic stimulus funds that funneled through HUD and the City's CDBG Fund. (Other ARRA monies received were connected to capital projects and not included in this discussion of operating expenditures.) Another major contribution to the increase was the almost 9% bump in Mass Transit personnel expenses as a result of the new employee contract.

City-wide mayor and council elections occurred in April 2010. All nine council positions were up for election at the same time. The results of the 2010 voting put three new individuals on the Council. One of the former Council members became the new mayor.

Before the Council was even sworn into their positions, a meeting was held to begin familiarizing them with the budget process and to explain the issues facing the City for the FY2011 fiscal year. The Council was given the proposed budget less than a month after taking office. As such, Council as a whole had no chance to express specific budget goals other than the always-present Council objective of delivering timely and effective municipal services to the City's customers.

With stagnant sales tax revenues, facing a decrease in property tax revenues in the General fund, seeing increases in pension contribution rates and in health insurance premium costs, the City had to deal with a significant budget deficit of \$2.5 million in that fund. To meet that challenge the following major actions were taken:

- A 5% cap on increases to City-paid health premiums, talked about in the prior year, was adhered to for FY2011;
- Hold-the-line operating budgets were maintained;
- Elimination of the City's contribution to employees' 457 plans; and
- For the first time, reductions in force were implemented across the board.

The reductions-in-force resulted in elimination of 20 positions. Although responsible for the bulk of operating expenses in the General Fund, only three firefighter positions and one sworn police officer position were eliminated. Most of these were staff positions rather than line positions. As a result there were no major reductions in services. The trade-off was a reduction in response time to customer requests, to council requests for information, of internal support to the line departments.

The FY2011 Annual Budget at \$147,957,000 was a fifteen percent (15%) increase over the FY2010 budget primarily due to projected capital project expenditures related to challenges in the Sewer Fund for the City's Combined Sewer/Stormwater Overflow. The Water Protection CIP program alone

CITY OF ST. JOSEPH, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

increased by \$20.5 million. Aside from that, the City's operating component of the budget increased less than \$1,140,000 to \$91,958,000. This represents an increase to the City's operating budget of 1.3%.

The largest individual expenditure items contributing to the increase are wastewater treatment facility materials and new staff positions to meet federally mandated reporting requirements, TIF related reimbursements and debt service (paid by TIF revenues), Police Pension contribution increase (determined by the Police Pension actuary), maintenance & repair of vehicles and equipment in the Transit Fund, operating costs resulting from the City taking over management of the Municipal Golf Course, and the increase in the cost of health insurance (all funds).

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 Financial Services, 1100 Frederick Avenue, City of St. Joseph, Missouri, 64501.

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF NET ASSETS
 JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 18,886,955	\$ 16,784,405	\$ 35,671,360
Receivables, net where applicable of allowances for uncollectibles	17,536,305	3,178,949	20,715,254
Other receivables	-	1,031,652	1,031,652
Loan receivables	4,210,301	-	4,210,301
Property held for resale	362,821	-	362,821
Internal balances	117,641	(117,641)	-
Due from other governments	1,388,944	258,410	1,647,354
Prepaid items and deferred charges	1,558,677	409,477	1,968,154
Restricted assets:			
Cash and investments	9,838,627	17,800,728	27,639,355
Capital assets:			
Capital assets, not being depreciated	13,543,448	9,359,457	22,902,905
Capital assets net of accumulated depreciation	171,494,890	78,507,398	250,002,288
Total assets	<u>238,938,609</u>	<u>127,212,835</u>	<u>366,151,444</u>
Liabilities			
Accounts payable and other current liabilities	4,295,737	2,340,121	6,635,858
Accrued interest payable	850,436	424,630	1,275,066
Noncurrent liabilities:			
Due within one year	5,657,237	2,035,739	7,692,976
Due in more than one year	93,563,626	37,253,486	130,817,112
Landfill closure and postclosure costs:			
Due within one year	-	73,500	73,500
Due in more than one year	-	10,594,910	10,594,910
Total liabilities	<u>104,367,036</u>	<u>52,722,386</u>	<u>157,089,422</u>
Net Assets			
Invested in capital assets, net of related debt	182,851,470	59,207,226	242,058,696
Restricted for:			
Debt service	11,620,223	7,127,675	18,747,898
Capital projects	9,030,635	-	9,030,635
Museum	371,088	-	371,088
Loan programs	5,028,754	-	5,028,754
Property held for resale	362,821	-	362,821
Unrestricted (deficit)	(74,693,418)	8,155,548	(66,537,870)
Total net assets	<u>\$ 134,571,573</u>	<u>\$ 74,490,449</u>	<u>\$ 209,062,022</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, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 26,922,302	\$ 5,320,274	\$ 2,767,167	\$ 184,752	\$ (18,650,109)	\$ -	\$ (18,650,109)
Public safety	25,875,428	642,911	1,169,392	760,362	(23,302,763)	-	(23,302,763)
Highways and streets	14,582,255	151,461	188,271	2,878,000	(11,364,523)	-	(11,364,523)
Public works	293,125	93,802	998,881	-	799,558	-	799,558
Health and welfare	5,231,832	572,275	1,154,807	63,338	(3,441,412)	-	(3,441,412)
Parks and recreation	6,163,817	1,674,287	-	113,242	(4,376,288)	-	(4,376,288)
Interest on long-term debt	3,825,683	-	-	-	(3,825,683)	-	(3,825,683)
Total governmental activities	<u>82,894,442</u>	<u>8,455,010</u>	<u>6,278,518</u>	<u>3,999,694</u>	<u>(64,161,220)</u>	<u>-</u>	<u>(64,161,220)</u>
Business-type activities:							
Aviation services	1,234,602	517,945	993,731	-	-	277,074	277,074
Parking services	384,058	425,611	-	-	-	41,553	41,553
Sewer services	14,046,926	13,423,446	384,810	1,460,200	-	1,221,530	1,221,530
Golf services	505,136	532,429	-	11,391	-	38,684	38,684
Transit services	4,925,073	298,583	2,051,405	-	-	(2,575,085)	(2,575,085)
Landfill services	3,631,750	4,044,536	-	-	-	412,786	412,786
Total business-type activities	<u>24,727,545</u>	<u>19,242,550</u>	<u>3,429,946</u>	<u>1,471,591</u>	<u>-</u>	<u>(583,458)</u>	<u>(583,458)</u>
Total primary government	\$ 107,621,987	\$ 27,697,560	\$ 9,708,464	\$ 5,471,285	(64,161,220)	(583,458)	(64,744,678)
General revenues:							
Property taxes					12,516,447	-	12,516,447
Sales taxes					22,846,746	3,975,759	26,822,505
Franchise taxes					8,218,703	1,053,842	9,272,545
Motor fuel taxes					3,310,259	-	3,310,259
Cigarette taxes					418,473	-	418,473
Hotel taxes					425,537	-	425,537
Intergovernmental activity taxes					3,325,651	-	3,325,651
Unrestricted investment revenues					776,579	365,302	1,141,881
Gain on sale of capital assets					90,476	7,754	98,230
Transfers in (out)					1,158,838	(1,158,838)	-
Total general revenues and transfers					<u>53,087,709</u>	<u>4,243,819</u>	<u>57,331,528</u>
Change in net assets					(11,073,511)	3,660,361	(7,413,150)
Net assets - beginning, as restated					145,645,084	70,830,088	216,475,172
Net assets - ending					<u>\$ 134,571,573</u>	<u>\$ 74,490,449</u>	<u>\$ 209,062,022</u>

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

CITY OF ST. JOSEPH, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General	Street Improvement Maintenance & Repair	Special Allocation	CIP Sales Tax Improvement	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 1,653,644	\$ 1,624,592	\$ 2,142,532	\$ 8,018,301	\$ 4,374,896	\$ 17,813,965
Receivables	4,689,108	1,260,737	9,910,387	961,015	715,058	17,536,305
Loan receivables	306,226	-	-	-	3,904,075	4,210,301
Property held for resale	-	-	-	-	362,821	362,821
Due from other funds	-	-	-	800,863	-	800,863
Due from other governments	156,077	137,177	-	332,745	762,945	1,388,944
Prepaid items	178,014	27,337	-	-	36,998	242,349
Restricted cash and investments	195,895	-	9,588,468	-	54,264	9,838,627
Total assets	<u>\$ 7,178,964</u>	<u>\$ 3,049,843</u>	<u>\$ 21,641,387</u>	<u>\$ 10,112,924</u>	<u>\$ 10,211,057</u>	<u>\$ 52,194,175</u>
Liabilities And Fund Balances						
Liabilities:						
Accounts payable	\$ 1,016,012	\$ 373,957	\$ 214,083	\$ 1,189,224	\$ 564,383	\$ 3,357,659
Due to other funds	-	-	-	-	800,863	800,863
Accrued payroll	653,148	105,298	-	-	171,746	930,192
Deferred revenue	1,517,662	13,187	9,206,804	-	265,951	11,003,604
Total liabilities	<u>3,186,822</u>	<u>492,442</u>	<u>9,420,887</u>	<u>1,189,224</u>	<u>1,802,943</u>	<u>16,092,318</u>
Fund balances:						
Reserved for:						
Encumbrances	179,870	1,572,613	-	4,537,000	1,710,057	7,999,540
Debt service	195,895	-	12,220,500	-	-	12,416,395
Prepaid items	178,014	27,337	-	-	36,998	242,349
Long-term receivables	306,226	-	-	-	3,904,075	4,210,301
Property held for resale	-	-	-	-	362,821	362,821
Unreserved reported in:						
General fund	3,132,137	-	-	-	-	3,132,137
Special revenue funds	-	957,451	-	-	2,287,746	3,245,197
Capital projects funds	-	-	-	4,386,700	106,417	4,493,117
Total fund balances	<u>3,992,142</u>	<u>2,557,401</u>	<u>12,220,500</u>	<u>8,923,700</u>	<u>8,408,114</u>	<u>36,101,857</u>
Total liabilities and fund balances	<u>\$ 7,178,964</u>	<u>\$ 3,049,843</u>	<u>\$ 21,641,387</u>	<u>\$ 10,112,924</u>	<u>\$ 10,211,057</u>	<u>\$ 52,194,175</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 ASSETS
JUNE 30, 2010

Fund balances – total governmental funds	\$ 36,101,857
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	185,038,338
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when due.	(850,436)
Liabilities for earned but deferred revenues in fund statements.	11,003,604
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 assets.	149,750
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(98,187,868)
Deferred debt costs	<u>1,316,328</u>
 Net assets of governmental activities	 <u><u>\$ 134,571,573</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, 2010

	General	Street Improvement Maintenance & Repair	Special Allocation	CIP Sales Tax Improvement	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property	\$ 6,723,247	\$ -	\$ 570,176	\$ -	\$ 5,175,744	\$ 12,469,167
Sales	11,025,997	4,656,462	1,955,750	5,208,537	-	22,846,746
Franchise	7,084,258	-	-	-	-	7,084,258
Motor Fuel	-	3,310,259	-	-	-	3,310,259
Cigarette	418,473	-	-	-	-	418,473
Hotel	-	-	-	-	425,537	425,537
Intergovernmental activity	-	-	3,325,651	-	-	3,325,651
Licenses and permits	1,261,339	13,545	-	-	244,952	1,519,836
Intergovernmental	2,104,012	188,271	-	1,037,608	4,017,438	7,347,329
Charges for services	1,093,203	96,723	11,500	-	2,976,290	4,177,716
Fines	998,107	-	-	-	43,533	1,041,640
Special assessments	-	5,667	-	-	16,373	22,040
Investment earnings	14,263	6,006	647,946	19,177	86,609	774,001
Contributions and donations	4,000	-	-	-	88,870	92,870
Other	104,592	35,526	1,139,822	77,331	608,980	1,966,251
Total revenues	30,831,491	8,312,459	7,650,845	6,342,653	13,684,326	66,821,774
Expenditures						
Current:						
General government	9,510,811	-	691,473	-	1,834,642	12,036,926
Public safety	23,288,767	-	-	-	-	23,288,767
Highways and streets	-	8,145,602	-	-	-	8,145,602
Public works	-	-	-	-	294,018	294,018
Health and welfare	-	-	-	-	5,132,934	5,132,934
Parks and recreation	-	-	-	-	5,028,218	5,028,218
Debt Service:						
Principal	105,000	-	3,338,357	-	71,542	3,514,899
Interest and fiscal charges	90,520	-	3,553,645	-	13,692	3,657,857
Capital outlay	1,361,171	1,683,449	-	6,772,246	648,265	10,465,131
Total expenditures	34,356,269	9,829,051	7,583,475	6,772,246	13,023,311	71,564,352
		0				
Excess (deficiency) of revenues over expenditures	(3,524,778)	(1,516,592)	67,370	(429,593)	661,015	(4,742,578)
Other financing sources (uses)						
Transfers in	2,980,265	1,385,524	3,902	1,140,845	1,648,311	7,158,847
Transfers out	(2,668,221)	(508,378)	(63,928)	(127,500)	(2,631,982)	(6,000,009)
Sale of capital assets	40,051	-	-	-	61,816	101,867
Total other financing sources (uses), r	352,095	877,146	(60,026)	1,013,345	(921,855)	1,260,705
Net change in fund balances	(3,172,683)	(639,446)	7,344	583,752	(260,840)	(3,481,873)
Fund balances - beginning	7,164,825	3,196,847	12,213,156	8,339,948	8,668,954	39,583,730
Fund balances - ending	\$ 3,992,142	\$ 2,557,401	\$ 12,220,500	\$ 8,923,700	\$ 8,408,114	\$ 36,101,857

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, 2010

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

Net changes in fund balances – total governmental funds \$ (3,481,873)

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	7,822,211	
	Depreciation	<u>(10,257,697)</u>	(2,435,486)

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

	Disposals	(43,206)	
	Capital contribution	<u>2,910,389</u>	2,867,183

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 836,876

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments			3,514,899
Debt issuance costs and related amortization			(89,336)
Developer obligation			(12,204,896)

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			(78,490)
Compensated absences and OPEB obligations			(163,367)

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. 160,979

Change in net assets of governmental activities \$ (11,073,511)

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

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-type Activities - Enterprise Funds					Total Internal Service Fund
	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Total	
Assets						
Current assets:						
Cash and investments	\$ 2,075,912	\$ 4,167,257	\$ 9,423,465	\$ 1,117,771	\$ 16,784,405	\$ 1,072,990
Restricted cash and cash equivalents	1,873,948	-	2,078	57,158	1,933,184	-
Interest receivable	1,926	1,285	2,905	343	6,459	-
Accounts receivable (net of allowance for uncollectibles)	2,123,615	806,425	228,297	14,153	3,172,490	-
Other receivables	1,031,652	-	-	-	1,031,652	-
Due from other governments	-	180,014	5,228	73,168	258,410	-
Prepaid items	18,645	-	11,207	6,854	36,706	-
Total current assets	7,125,698	5,154,981	9,673,180	1,269,447	23,223,306	1,072,990
Noncurrent assets:						
Restricted cash and investments	15,867,544	-	-	-	15,867,544	-
Deferred charges	365,222	-	5,337	2,212	372,771	-
Capital assets:						
Capital assets, not being depreciated:	3,119,479	327,666	1,620,011	4,292,301	9,359,457	-
Capital assets net of accumulated depreciation:	66,342,638	2,993,822	2,733,620	6,437,318	78,507,398	-
Total capital assets (net of accumulated depreciation)	69,462,117	3,321,488	4,353,631	10,729,619	87,866,855	-
Total noncurrent assets	85,694,883	3,321,488	4,358,968	10,731,831	104,107,170	-
Total assets	92,820,581	8,476,469	14,032,148	12,001,278	127,330,476	1,072,990
Liabilities and Fund Balances						
Current liabilities:						
Accounts payable	1,455,513	104,854	191,464	455,041	2,206,872	7,886
Due to other funds	-	-	-	-	-	-
Claims payable	-	-	-	-	-	760,344
Accrued payroll	88,268	-	22,362	22,619	133,249	-
Accrued interest payable	422,865	-	62	1,703	424,630	-
Long-term obligations due in one year	1,873,948	-	44,443	117,348	2,035,739	-
Landfill closure and postclosure liability	-	-	73,500	-	73,500	-
Total current liabilities	3,840,594	104,854	331,831	596,711	4,873,990	768,230
Noncurrent liabilities:						
Claims	-	-	-	-	-	272,651
Long term obligations due in more than one year (net of unamortized discounts and deferred amount on refunding)	36,948,379	-	34,549	270,558	37,253,486	-
Landfill closure and postclosure liability	-	-	10,594,910	-	10,594,910	-
Total noncurrent liabilities	36,948,379	-	10,629,459	270,558	47,848,396	272,651
Total liabilities	40,788,973	104,854	10,961,290	867,269	52,722,386	1,040,881
Net Assets						
Invested in capital assets, net of related debt	41,124,383	3,321,488	4,350,213	10,411,142	59,207,226	-
Restricted for debt service	7,070,204	-	2,016	55,455	7,127,675	-
Unrestricted (deficit)	3,837,021	5,050,127	(1,281,371)	667,412	8,273,189	32,109
Total net assets	\$ 52,031,608	\$ 8,371,615	\$ 3,070,858	\$ 11,134,009	74,608,090	\$ 32,109
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(117,641)	
Net assets of business-type activities					\$ 74,490,449	

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 ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals	Total Internal Service Fund
Operating revenues:						
Charges for services	\$ 13,410,419	\$ 294,865	\$ 3,957,244	\$ 1,439,979	\$ 19,102,507	\$ 900,419
Other	13,027	3,718	87,292	36,006	140,043	-
Total operating revenues	<u>13,423,446</u>	<u>298,583</u>	<u>4,044,536</u>	<u>1,475,985</u>	<u>19,242,550</u>	<u>900,419</u>
Operating expenses:						
Personal services	3,440,957	2,888	1,000,498	847,870	5,292,213	-
Contractual services	5,296,890	4,120,772	1,111,596	297,645	10,826,903	719,345
Commodities	531,829	430,192	291,004	170,385	1,423,410	-
Heat, light and power	1,058,400	44,972	21,644	107,233	1,232,249	-
Depreciation	2,641,036	326,249	618,997	681,021	4,267,303	-
Closure and postclosure care costs	-	-	584,670	-	584,670	-
Total operating expenses	<u>12,969,112</u>	<u>4,925,073</u>	<u>3,628,409</u>	<u>2,104,154</u>	<u>23,626,748</u>	<u>719,345</u>
Operating income (loss)	<u>454,334</u>	<u>(4,626,490)</u>	<u>416,127</u>	<u>(628,169)</u>	<u>(4,384,198)</u>	<u>181,074</u>
Nonoperating revenues (expenses):						
Intergovernmental and other	384,810	2,051,405	-	993,731	3,429,946	-
Franchise taxes	-	1,053,842	-	-	1,053,842	-
Taxes	-	3,975,759	-	-	3,975,759	-
Investment income	329,833	7,311	26,960	1,198	365,302	2,578
Interest and fiscal charges	(1,100,348)	-	(3,480)	(19,642)	(1,123,470)	-
Gain (loss) on disposal of capital assets	28,000	(3,004)	-	(17,242)	7,754	-
Total nonoperating revenues (expenses), net	<u>(357,705)</u>	<u>7,085,313</u>	<u>23,480</u>	<u>958,045</u>	<u>7,709,133</u>	<u>2,578</u>
Income (loss) before capital contributions and transfers	<u>96,629</u>	<u>2,458,823</u>	<u>439,607</u>	<u>329,876</u>	<u>3,324,935</u>	<u>183,652</u>
Capital contributions	1,460,200	-	-	11,391	1,471,591	-
Transfers in	-	77,500	-	184,510	262,010	-
Transfers out	(826,660)	(180,392)	(276,668)	(137,128)	(1,420,848)	-
Change in net assets	<u>730,169</u>	<u>2,355,931</u>	<u>162,939</u>	<u>388,649</u>	<u>3,637,688</u>	<u>183,652</u>
Total net assets - beginning, as restated	<u>51,301,439</u>	<u>6,015,684</u>	<u>2,907,919</u>	<u>10,745,360</u>		<u>(151,543)</u>
Total net assets - ending	<u>\$ 52,031,608</u>	<u>\$ 8,371,615</u>	<u>\$ 3,070,858</u>	<u>\$ 11,134,009</u>		<u>\$ 32,109</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					22,673	
Change in net assets of business-type activities					<u>\$ 3,660,361</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, 2010

	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 13,106,143	\$ 242,905	\$ 4,024,961	\$ 1,431,493	\$ 18,805,502	\$ 900,419
Payments to suppliers	(6,767,176)	(4,569,561)	(1,762,652)	(203,689)	(13,303,078)	(903,330)
Payments to employees	(3,380,118)	(2,888)	(991,592)	(835,134)	(5,209,732)	-
Other operating revenues	13,027	3,718	87,292	36,006	140,043	-
Net cash provided (used) by operating activities	<u>2,971,876</u>	<u>(4,325,826)</u>	<u>1,358,009</u>	<u>428,676</u>	<u>432,735</u>	<u>(2,911)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental grants	384,810	1,910,075	-	-	2,294,885	-
Taxes received	-	5,029,601	-	-	5,029,601	-
Transfers in	-	77,500	-	184,510	262,010	-
Transfers out	(826,660)	(180,392)	(276,668)	(137,128)	(1,420,848)	-
Net cash provided (used) by noncapital financing activities	<u>(441,850)</u>	<u>6,836,784</u>	<u>(276,668)</u>	<u>47,382</u>	<u>6,165,648</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Bond Proceeds	-	-	-	-	-	-
Payments of debt principal	(1,739,627)	-	(2,197)	(84,201)	(1,826,025)	-
Payments of capital lease principal	-	-	-	-	-	-
Payments of debt interest and charges	(980,531)	-	(346)	(18,477)	(999,354)	-
Capital grants received	-	-	-	1,017,696	1,017,696	-
Purchase of capital assets	(3,960,323)	(442,826)	(1,532,939)	(782,674)	(6,718,762)	-
Net cash provided (used) by capital and related financing activities	<u>(6,680,481)</u>	<u>(442,826)</u>	<u>(1,535,482)</u>	<u>132,344</u>	<u>(8,526,445)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	18,032,179	(1,917,634)	20,892,054	11,511,719	48,518,318	2,346,441
Purchase of investments	(14,407,531)	-	(21,735,439)	(12,063,381)	(48,206,351)	(2,474,876)
Interest and dividends received	331,657	7,290	30,006	1,162	370,115	2,578
Net cash provided (used) by investing activities	<u>3,956,305</u>	<u>(1,910,344)</u>	<u>(813,379)</u>	<u>(550,500)</u>	<u>682,082</u>	<u>(125,857)</u>
Net increase (decrease) in cash and cash equivalents	(194,150)	157,788	(1,267,520)	57,902	(1,245,980)	(128,768)
Cash and cash equivalents - beginning	1,411,968	654,670	3,104,740	160,021	5,331,399	337,961
Cash and cash equivalents - ending	1,217,818	812,458	1,837,220	217,923	4,085,419	209,193
Investments	18,599,586	3,354,799	7,588,323	957,006	30,499,714	863,797
Total cash and investments	<u>\$ 19,817,404</u>	<u>\$ 4,167,257</u>	<u>\$ 9,425,543</u>	<u>\$ 1,174,929</u>	<u>\$ 34,585,133</u>	<u>\$ 1,072,990</u>
Cash and investments reported on the Statement of Net Assets:						
Unrestricted cash and investments	\$ 2,075,912	\$ 4,167,257	\$ 9,423,465	\$ 1,117,771	\$ 16,784,405	\$ 1,072,990
Restricted cash and investments	17,741,492	-	2,078	57,158	17,800,728	-
Total cash and investments	<u>\$ 19,817,404</u>	<u>\$ 4,167,257</u>	<u>\$ 9,425,543</u>	<u>\$ 1,174,929</u>	<u>\$ 34,585,133</u>	<u>\$ 1,072,990</u>

(continued)

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Sewer	Mass Transit	Landfill	Other Enterprise Funds	Totals	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 454,334	\$ (4,626,490)	\$ 416,127	\$ (628,169)	\$ (4,384,198)	\$ 181,074
Adjustments to reconciliation operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,641,036	326,249	618,997	681,021	4,267,303	-
Landfill closure and postclosure	-	-	332,225	-	332,225	-
Changes in operating assets and liabilities:						
Accounts and other receivables	(304,276)	(51,960)	67,717	(8,486)	(297,005)	-
Prepaid expenses	3,209	-	1,736	(1,296)	3,649	-
Accounts payable and contracts/claims payable	116,734	26,375	(87,699)	372,870	428,280	(183,985)
Accrued payroll and compensated absences	60,839	-	8,906	12,736	82,481	-
Net cash provided (used) by operating activities	<u>\$ 2,971,876</u>	<u>\$ (4,325,826)</u>	<u>\$ 1,358,009</u>	<u>\$ 428,676</u>	<u>\$ 432,735</u>	<u>\$ (2,911)</u>
Non-cash capital and financing activities:						
Capital contributions	\$ 1,460,200	\$ -	\$ -	\$ 11,391	\$ 1,471,591	\$ -
Assets acquired under capital leases	-	-	-	111,340	111,340	-
	<u>\$ 1,460,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,731</u>	<u>\$ 1,582,931</u>	<u>\$ -</u>

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

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Pension Trust Fund		Total Agency Funds
	<u>Police Pension</u>		<u>Funds</u>
Assets			
Cash and cash equivalents	\$ 2,828		\$ 15,884
Investments:			
US Government obligations	3,259,799		-
Corporate bonds	6,968,983		-
Corporate stock	12,703,803		-
Receivables:			
Taxes	-		289,983
Contributions	108,854		-
Accrued interest	111,324		-
Total assets	<u>23,155,591</u>		<u>305,867</u>
Liabilities			
Accounts payable	4,699		-
Due to others	-		305,867
Total liabilities	<u>4,699</u>		<u>305,867</u>
Net Assets			
Held in trust for pension benefits	<u><u>\$ 23,150,892</u></u>		<u><u>\$ -</u></u>

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

CITY OF ST. JOSEPH, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Pension Trust Fund <u>Police Pension</u>
Additions:	
Member contributions	\$ 218,121
Employer contributions	1,980,812
Investment income	669,324
Net appreciation in fair value of investments	1,543,518
Less investment expenses	<u>(56,716)</u>
Total additions	<u>4,355,059</u>
Deductions:	
Benefit payments	1,722,538
Refunds of contributions	1,609
Administrative expenses	<u>45,604</u>
Total deductions	<u>1,769,751</u>
Change in net assets	2,585,308
Net assets - beginning	<u>20,565,584</u>
Net assets - ending	<u><u>\$23,150,892</u></u>

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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” and GASB Statement 39, “Determining Whether Certain Organizations are 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, GASB 14 does note that some organizations, despite being legally separate from the primary government, are so intertwined with the primary government that they are, in substance, the same as the primary government and should be reported as part of the primary government.

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

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

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

Blended Component Unit:

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 Finance, 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 assets. 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 assets.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

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

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

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

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

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

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

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. Property tax, sales tax, franchise tax, motor fuel tax, cigarette tax, hotel tax, interest, and revenues from other governmental units associated

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *Street Improvement Maintenance and Repair Fund*, a special revenue fund, is used to account for the City's share of the Missouri motor fuel tax, road and bridge tax, and a portion of the 1% sales tax. Revenues are used for maintenance of streets, storm sewers, bridges, street signing, and street lighting.

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

The City reports the following major proprietary funds:

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

The *Mass Transit Fund* accounts for the operations of the City-wide bus system and handicap van services. 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.

The *Landfill Fund* accounts for the operations of the City-owned landfill and recycling facility, which are funded by user charges.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Additionally, the City reports the following fund types:

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

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

The *Agency Funds* are used to account for assets held by the City as an agent for the Gateway TDD, certain funds of the St. Joseph Library and the East Hills Mall CID. Agency funds report assets and liabilities and use the accrual basis of accounting to recognize receivables and payables.

The City applies all applicable pronouncements of the Financial Accounting Standards Board (FASB) in accounting and reporting for enterprise activities and on a government-wide basis issued on or before November 30, 1989, unless these pronouncements conflict with applicable Governmental Accounting Standards Board (GASB) guidance as prescribed by GASB Statement No. 20. No pronouncements of the FASB issued after November 30, 1989 have been adopted.

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

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

D. Cash and Investments

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

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

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

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

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

E. Receivables

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

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation. Balances in prepaid items at June 30, 2010, are the premiums paid to various companies for general liability insurance, auto liability, boiler and machinery, crime, and other insurance for coverage effective July 1, 2010.

G. Property Held for Investment

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

H. Restricted Assets

Portions of net assets 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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

I. Capital Assets

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

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense and fiscal charges incurred by the Sewer fund during the current fiscal year was \$2,081,718. Of this amount, \$981,370 was included as part of the cost of capital assets under construction in connection with Sewer fund construction projects.

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

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

- Computer equipment	5 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

J. 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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Employees who retire in accordance with one of the City's pension programs will receive lump-sum payment for part of their accrued medical leave balance.

Vacation leave is earned at the following rates:

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

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

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

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

K. 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 revenue within the governmental fund financial statements.

L. 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.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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”.

M. Net Assets

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

Invested in Capital Assets, Net of Related Debt – 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 assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

N. 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.

O. 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 assets or changes therein for the current year.

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2: CASH DEPOSITS AND INVESTMENTS
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Unrestricted cash deposits and investments are pooled and include cash held in commercial bank checking accounts, collateralized time deposits, and investments held in United States Government Treasury and Agency securities. The cash deposit and investment pool is accounted for in a separate treasurer's account. All funds with a cash balance carry an "Equity in Pooled Cash" balance on the financial statements equal to their respective cash deposit and investment portion of the pool. The pool is comprised of commercial bank deposits and other investments with maturities less than one year. The City utilizes an interest bearing checking account for daily cash deposits and deductions in the bank account.

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

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

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

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

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

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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

	Balance June 30, 2010
Cash on hand	\$ 17,035
Cash Deposit in Bank	5,868,216
Investments held by Trustee (Bond Reserves)	23,468,840
US Agency Securities	33,972,508
Police Pension Trust:	
Cash	2,828
Investments	22,932,585
	<u>22,935,413</u>
	<u>\$ 86,262,012</u>

	Government- wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Unrestricted – cash and investments	\$ 35,671,360	\$ 18,712	\$ 35,690,072
Restricted – cash and investments	27,639,355	—	27,639,355
Police Pension – cash and investments	—	22,932,585	22,932,585
Total	<u>\$ 63,310,715</u>	<u>\$ 22,951,297</u>	<u>\$ 86,262,012</u>

Investments for the City of St. Joseph, Missouri are as follows for the year ended June 30, 2010

Investment type:	Investment Maturities (in years)		
	Cost	Fair Value	Less Than 1
Debt Securities			
US Agency Securities	\$ 33,972,508	\$ 33,988,600	\$ 33,972,508
Total	<u>\$ 33,972,508</u>	<u>\$ 33,988,600</u>	<u>\$ 33,972,508</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Investments for the Police Pension fund are as follows for the year ended June 30, 2010:

	Fair Value	Investment Maturities (in years)		
		Less Than 1	1 - 5	6 - 10
Investment type:				
Debt Securities				
US Agencies	\$ 3,259,799	\$ 2,091,089	\$ 1,168,710	\$ -
Corporate debt	6,968,983	1,848,460	5,120,523	-
	10,228,782	\$ 3,939,549	\$ 6,289,233	-
Other Investments:				
Corporate stock	12,703,803			
Total	\$ 22,932,585			

Custodial Credit Risk – At June 30, 2010, the City reported bank deposits of \$5,868,216. The bank balance of \$5,807,852 was insured by federal depository insurance of \$250,000 and collateral securities held by the City’s agent in the name of the City. The total market value of the City’s collateral securities at June 30, 2010, was \$7,004,336 in the form of U.S. Agency securities. At June 30, 2010, the City’s investments in U.S. Agency securities of \$33,972,508 were held by commercial banks and broker-dealer firms. All U.S. Agency securities were insured through the broker-dealers’ membership in the Securities Investor Protection Corporation (SIPC) and through surety bonds purchased by them from private insurance companies. Investments are reported at fair value based upon quoted market prices at the valuation date, except for the U.S. Agency securities discussed above which are recorded at cost due to their short-term nature.

The Police Pension investments totaling \$22,932,585 consist of \$3,259,799 in government fixed securities, \$6,968,983 in corporate bond fixed income securities, and \$12,703,803 in common corporate stock. The Police Pension fund’s investments are held by its investment custodian in the fund’s name.

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

CITY OF ST. JOSEPH, MISSOURI

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

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

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

Investment type:	Quality Ratings		
	Cost	Fair Value	AAA
Debt Securities			
US Agency Securities	\$ 33,972,508	\$ 33,988,600	\$ 33,972,508
Total	\$ 33,972,508	\$ 33,988,600	\$ 33,972,508

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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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Credit ratings for the Police Pension fund investments that are rated are as follows:

Investment type:	Quality Ratings				
	Fair <u>Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BAA</u>
Debt Securities					
US Agencies	\$ 3,259,799	\$ 3,259,799	\$ —	\$ —	\$ —
Corporate debt	6,968,983	—	805,343	3,929,337	2,234,303
	<u>10,228,782</u>	<u>\$ 3,259,799</u>	<u>\$ 805,343</u>	<u>\$ 3,929,337</u>	<u>\$ 2,234,303</u>
Other Investments:					
Corporate stock	<u>12,703,803</u>				
Total	<u>\$ 22,932,585</u>				

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

	Carrying Value	Concentration
Federal Home Loan Bank	\$ 9,994,633	30%
Federal National Mortgage Association	11,988,964	35%
Federal Farm Credit	11,988,911	35%
	<u>\$ 33,972,508</u>	<u>100%</u>

The Police Pension Board established asset allocation guidelines in its investment policy statement to achieve the long term investment objectives. The asset allocation mix should be maintained as follows: 1) Equity investments will range between a maximum of 60%, and a minimum of 40% of the total portfolio within the total equity exposure. 2) Investments in international securities may comprise up to 15% of the total portfolio value. 3) Fixed income investments will range between a maximum of 60% and a minimum of 40% of the total portfolio. 4) Cash investments will range between 0% and 20%, of the total portfolio. 5) Convertible securities may represent attractive investment alternatives and limited to 10% of the portfolio value. To ensure diversification of the

CITY OF ST. JOSEPH, MISSOURI

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

	2010	
	Fair Value	Concentration
Federal Farm Credit Bank	\$ 1,168,710	11%
Goldman Sachs Financial Square Government Fund	2,091,089	20%
Corporate Debt :		
Deutsche Telekom Intl	642,981	6%
Astrazeneca	545,955	5%
Walt Disney	542,275	5%

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:

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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The City's 2009 property tax rate was \$1.53 per \$100 valuation (\$1.12 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. A special business district levy is imposed on landowners in this special downtown district of \$.78 per \$100 assessed valuation effective February 5, 1990, for seven years and extended by the voters effective January 1, 1997, and again on January 28, 2004, for an additional seven years. The tax levy is as follows:

Tax Year/Fiscal Year	2009/2010	2008/2009
City:		
General Fund	\$.60	\$.63
Public Safety	.07	.07
Parks & Recreation	.20	.20
Public Health	.21	.21
Library	.40	.40
Museum	.05	.05
Business District	.78	.78
Special Park	.50	.50

As required by RSMo 137.073, the State Auditor examined and approved the property tax rates for 2003 which comply with Article X, Section 22 of the Missouri Constitution.

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

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

The assessed valuation of all tangible taxable property for the 2010 and 2009 levies were as follows:

Tax Year/ Fiscal Year	<u>2009 / 2010</u>	<u>2008 / 2009</u>	<u>Change</u>	<u>Percent of Change</u>
Real Property	\$ 636,014,460	\$ 622,356,980	\$ 13,657,480	2%
Personal Property	284,101,965	271,356,650	12,745,315	4%
Railroad Utilities	16,233,689	15,857,779	375,910	2%
Total	<u>\$ 936,350,114</u>	<u>\$ 909,571,409</u>	<u>\$ 26,778,705</u>	<u>3%</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Receivables as of June 30, 2010, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts and Other	Accrued Interest	Taxes	Total Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental activities:						
General	\$ 1,246,072	\$ 14,234	\$ 3,428,802	\$ 4,689,108	\$ —	\$ 4,689,108
Street improvement, maintenance and repair	75,713	1,053	1,183,971	1,260,737	—	1,260,737
Special Allocation	9,508,857	15,495	386,035	9,910,387	—	9,910,387
CIP Sales Tax	154,404	2,719	803,892	961,015	—	961,015
Nonmajor governmental funds	256,194	12,250	446,614	715,058	—	715,058
Total governmental activities	11,241,240	45,751	6,249,314	17,536,305	—	17,536,305
Business-type activities:						
Sewer	3,185,267	1,926	—	3,187,193	(30,000)	3,157,193
Mass transit	—	1,285	806,425	807,710	—	807,710
Landfill	228,297	2,905	—	231,202	—	231,202
Nonmajor enterprise funds	14,153	343	—	14,496	—	14,496
Total business-type activities	3,427,717	6,459	806,425	4,240,601	(30,000)	4,210,601
Total Net Receivables	\$ 14,668,957	\$ 52,210	\$ 7,055,739	\$ 21,776,906	\$ (30,000)	\$ 21,746,906

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
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NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,337,255	\$ 303,693	\$ —	\$ 5,640,948
Construction in progress	5,057,535	6,635,542	3,790,577	7,902,500
Total capital assets, not being depreciated	10,394,790	6,939,235	3,790,577	13,543,448
Capital assets, being depreciated:				
Buildings	36,830,593	1,275,960	35,542	38,071,011
Improvements other than buildings	29,279,569	952,355	2,229	30,229,695
Machinery and equipment	22,882,405	1,912,314	1,456,927	23,337,792
Infrastructure	259,837,643	3,431,922	—	263,269,565
Total capital assets being depreciated	348,830,210	7,572,551	1,494,698	354,908,063
Less accumulated depreciation for:				
Buildings	19,374,712	927,439	17,901	20,284,250
Improvements other than buildings	6,512,612	880,083	1,448	7,391,247
Machinery and equipment	17,931,416	1,922,726	1,443,537	18,410,605
Infrastructure	130,799,619	6,527,452	—	137,327,071
Total accumulated depreciation	174,618,359	10,257,700	1,462,886	183,413,173
Total capital assets, being depreciated, net	174,211,851	(2,685,149)	31,812	171,494,890
Total Governmental activities capital assets, net	\$ 184,606,641	\$ 4,254,086	\$ 3,822,389	\$ 185,038,338

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Sewer fund:				
Capital assets, not being depreciated:				
Land	\$ 703,932	\$ 168,035	\$ —	\$ 871,968
Construction in progress	<u>5,106,805</u>	<u>3,466,081</u>	<u>6,325,374</u>	<u>2,247,512</u>
Total capital assets, not being depreciated	5,810,738	3,634,116	6,325,374	3,119,479
Capital assets, being depreciated:				
Buildings	28,986,259	—	—	28,986,259
Improvements other than buildings	19,889,382	529,475	—	20,418,856
Machinery and equipment	10,620,776	1,190,146	242,616	11,568,306
Infrastructure	<u>57,844,717</u>	<u>6,420,160</u>	<u>—</u>	<u>64,264,877</u>
Total capital assets being depreciated	117,341,134	8,139,781	242,616	125,238,298
Less accumulated depreciation for:				
Buildings	16,354,584	728,335	—	17,082,919
Improvements other than buildings	2,745,455	696,645	—	3,442,100
Machinery and equipment	9,363,863	432,899	242,616	9,554,146
Infrastructure	<u>28,033,339</u>	<u>783,156</u>	<u>—</u>	<u>28,816,495</u>
Total accumulated depreciation	56,497,241	2,641,036	242,616	58,895,660
Total capital assets, being depreciated, net	<u>60,843,893</u>	<u>5,498,745</u>	<u>—</u>	<u>66,342,638</u>
Total sewer fund capital assets, net	<u>\$ 66,654,630</u>	<u>\$ 9,132,861</u>	<u>\$ 6,325,374</u>	<u>\$ 69,462,117</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Mass transit fund:				
Capital assets, not being depreciated:				
Land	\$ 189,134	\$ —	\$ —	\$ 189,134
Construction in Progress	<u>853</u>	<u>444,802</u>	<u>307,123</u>	<u>138,532</u>
Total capital assets, not being depreciated	189,987	444,802	307,123	327,666
Capital assets, being depreciated:				
Buildings	4,321,204	—	—	4,321,204
Improvements other than buildings	41,699	61,833	—	103,532
Machinery and equipment	<u>5,840,286</u>	<u>245,119</u>	<u>454,487</u>	<u>5,630,918</u>
Total capital assets being depreciated	10,203,189	306,952	454,487	10,055,654
Less accumulated depreciation for:				
Buildings	1,491,216	141,475	—	1,632,691
Improvements other than buildings	27,106	5,200	—	32,306
Machinery and equipment	<u>5,666,939</u>	<u>179,574</u>	<u>449,678</u>	<u>5,396,835</u>
Total accumulated depreciation	7,185,261	326,249	449,678	7,061,832
Total capital assets, being depreciated, net	<u>3,017,928</u>	<u>(19,297)</u>	<u>4,809</u>	<u>2,993,822</u>
Total mass transit fund capital assets, net	<u>\$ 3,207,915</u>	<u>\$ 425,505</u>	<u>\$ 311,933</u>	<u>\$ 3,321,487</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Landfill fund:				
Capital assets, not being depreciated:				
Land	\$ 1,248,872	\$ 371,139	\$ —	\$ 1,620,011
Construction in Progress	12,681	1,117,328	1,130,009	—
Total capital assets, not being depreciated	1,261,553	1,488,467	1,130,009	1,620,011
Capital assets, being depreciated:				
Buildings	522,248	—	—	522,248
Improvements other than buildings	449,458	261,069	—	710,527
Machinery and equipment	4,833,114	913,412	209,176	5,537,350
Total capital assets being depreciated	5,804,820	1,174,481	209,176	6,770,125
Less accumulated depreciation for:				
Buildings	258,817	13,780	—	272,597
Improvements other than buildings	267,103	38,209	—	305,312
Machinery and equipment	3,100,764	567,008	209,176	3,458,596
Total accumulated depreciation	3,626,684	618,997	209,176	4,036,505
Total capital assets, being depreciated, net	2,178,136	555,484	—	2,733,620
Total landfill fund capital assets, net	\$ 3,439,689	\$ 2,043,951	\$ 1,130,009	\$ 4,353,631
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nonmajor enterprise funds:				
Capital assets, not being depreciated:				
Land	\$ 3,408,785	\$ —	\$ —	\$ 3,408,785
Construction in progress	117,966	844,413	78,863	883,516
Total capital assets, not being depreciated	3,526,751	844,413	78,863	4,292,301
Capital assets, being depreciated:				
Buildings	8,331,000	—	45,747	8,285,253
Improvements other than buildings	10,706,762	—	—	10,706,762
Machinery and equipment	1,915,576	141,199	80,440	1,976,335
Infrastructure	1,921,975	—	—	1,921,975
Total capital assets being depreciated	22,875,313	141,199	126,187	22,890,325
Less accumulated depreciation for:				
Buildings	5,828,873	139,269	27,160	5,940,982
Improvements other than buildings	8,108,997	270,705	—	8,379,702
Machinery and equipment	1,288,246	194,168	80,441	1,401,973
Infrastructure	653,471	76,879	—	730,350
Total accumulated depreciation	15,879,587	681,021	107,601	16,453,007
Total capital assets, being depreciated, net	6,995,726	(539,822)	18,586	6,437,318
Total nonmajor enterprise fund capital assets, net	10,522,477	304,591	97,449	10,729,619
Total business-type activities capital assets, net	\$ 83,824,711	\$ 11,906,909	\$ 7,864,765	\$ 87,866,855

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	\$	170,520
Public safety		1,810,901
Highways and streets		6,786,474
Health and welfare		169,409
Parks and recreation		<u>1,320,396</u>
Total depreciation expense – governmental activities	\$	<u><u>10,257,700</u></u>
Business-type activities:		
Sewer	\$	2,641,036
Mass transit		326,249
Landfill		618,997
Non-major enterprise funds		<u>681,021</u>
Total depreciation expense – business-type activities	\$	<u><u>4,267,303</u></u>

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances consisting of fund allocations of pooled cash shortages and the Internal Service Allocation at June 30, 2010 are as follows:

	Interfund receivables	Interfund payables
Major governmental funds:		
CIP Sales Tax Improvement	\$ 800,863	\$ —
Nonmajor governmental funds	—	800,863
Total	\$ 800,863	\$ 800,863

Interfund transfers consisted of the following amounts:

	Transfers To							
	General Fund	SIMR	Special Allocation	CIP Sales Tax	Nonmajor Governmental	Transit	Nonmajor Business-type	Total
Major Governmental Funds:								
General Fund	\$ —	\$ 806,093	\$ —	\$ 1,074,638	\$ 761,150	\$ —	\$ 26,340	\$ 2,668,221
Street Improvement Maintenance and Repair	508,378	—	—	—	—	—	—	508,378
Special Allocation	—	63,928	—	—	—	—	—	63,928
CIP Sales Tax Improvement	—	—	—	—	—	77,500	50,000	127,500
Nonmajor governmental	1,601,762	—	3,902	66,207	887,161	—	72,950	2,631,982
Major Enterprise Funds:								
Sewer	381,726	409,714	—	—	—	—	35,220	826,660
Mass transit	118,948	61,444	—	—	—	—	—	180,392
Landfill	240,258	36,410	—	—	—	—	—	276,668
Nonmajor enterprise	129,193	7,935	—	—	—	—	—	137,128
Total	\$ 2,980,265	\$ 1,385,524	\$ 3,902	\$ 1,140,845	\$ 1,648,311	\$ 77,500	\$ 184,510	\$ 7,420,857

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) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) 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, 2010

NOTE 6: LONG-TERM LIABILITIES

Governmental Activities	Balance 7/1/09	Increases	Decreases	Balance 6/30/10	Current Portion
Public Building Authority Bonds	\$ 277,296	\$ —	\$ (54,981)	222,315	\$ 52,591
Deferred Charge on PBA Bonds	(25,154)	—	5,695	(19,459)	—
Total PBA Bonds, Net	252,142	—	(49,286)	202,856	52,591
Industrial Development					
Authority Bonds	45,070,000	—	(1,245,000)	43,825,000	1,260,000
Infrastructure Facility					
Revenue Bonds	18,615,000	—	(695,000)	17,920,000	730,000
MO Development Finance					
Board Bonds	2,070,000	—	(105,000)	1,965,000	105,000
Developer Obligation	20,882,574	12,204,896	(1,398,357)	31,689,113	1,300,000
Capital Lease Obligations	35,573	—	(16,561)	19,012	15,487
Compensated Absences *	1,828,700	1,352,759	(1,703,274)	1,478,185	1,433,815
OPEB Obligation*	574,820	513,882	—	1,088,702	—
Claims	1,211,046	556,687	(734,738)	1,032,995	760,344
Total Governmental activities					
Long-term liabilities	\$ 90,539,855	\$ 14,628,224	\$ (5,947,216)	\$ 99,220,863	\$ 5,657,237

* 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, 2010**

Business-type Activities	Balance 7/1/09	Increases	Decreases	Balance 6/30/10	Current Portion
Sewer Fund					
Revenue Bonds	\$ 9,025,000	-	(1,230,000)	7,795,000	1,282,000
Deferred Charge Advance Refund	(50,765)	-	16,922	(33,843)	-
Total Revenue Bonds, Net	8,974,235	-	(1,213,078)	7,761,157	1,282,000
Industrial Development Authority Bonds	20,410,000	-	-	20,410,000	-
MO Development Finance Board Bonds	10,860,000	-	(445,000)	10,415,000	465,000
Compensated Absences	136,627	170,102	(179,781)	126,948	126,948
OPEB Obligation	57,668	51,554	-	109,222	-
Total sewer fund					
Long-term liabilities	40,438,530	221,656	(1,837,859)	38,822,327	1,873,948
Landfill fund:					
Public Building Authority Bonds	10,619	-	(2,106)	8,513	2,014
Deferred Charge on PBA bonds	(6,587)	-	1,493	(5,094)	-
Total PBA Bonds, Net	4,032	-	(613)	3,419	2,014
Capital Lease Obligations	-	-	-	-	-
Closure/Post Closure	10,336,186	584,670	(252,446)	10,668,410	73,500
Compensated Absences	47,070	50,479	(55,120)	42,429	42,429
OPEB Obligation	17,500	15,644	-	33,144	-
Total landfill fund					
Long-term liabilities	10,404,788	650,793	(308,179)	10,747,402	117,943
Nonmajor enterprise funds:					
Public Building Authority Bonds	292,085	-	(57,913)	234,172	55,395
Deferred charge on PBA bonds	(25,021)	-	5,665	(19,356)	-
Total PBA Bonds, Net	267,064	-	(52,248)	214,816	55,395
Capital Lease Obligations	20,648	111,840	(28,827)	103,661	25,705
Compensated absences	46,985	35,574	(40,135)	42,424	36,248
OPEB Obligation	14,258	12,747	-	27,005	-
Total nonmajor enterprise funds Long-term liabilities	348,955	160,161	(121,210)	387,906	117,348
Total Business-type activities Long-term liabilities	\$ 51,192,273	1,032,610	(2,267,248)	49,957,635	2,109,239

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Year ending 30-Jun	Governmental Activities					
	Public Building Authority Bonds		Industrial Development Authority Bonds		Infrastructure Facility Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 52,591	\$ 8,490	\$ 1,260,000	\$ 2,323,275	\$ 730,000	1,114,096
2012	54,981	6,270	1,285,000	2,264,419	765,000	1,078,001
2013	62,153	3,734	1,245,000	2,202,175	805,000	1,038,768
2014	52,590	1,183	1,305,000	2,135,247	855,000	988,986
2015	-	-	1,445,000	2,061,356	915,000	935,611
2016-2020	-	-	9,235,000	8,966,013	5,510,000	3,733,743
2021-2025	-	-	13,500,000	5,971,666	8,340,000	1,792,629
2026-2030	-	-	14,550,000	1,499,714	-	-
	<u>\$ 222,315</u>	<u>\$ 19,677</u>	<u>\$ 43,825,000</u>	<u>\$ 27,423,865</u>	<u>\$ 17,920,000</u>	<u>\$ 10,681,834</u>

Year ending 30-Jun	Governmental Activities		Business-type Activities			
	MO Development Finance Board Bonds		Public Building Authority Bonds		Industrial Development Authority Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 105,000	83,406	\$ 57,409	9,268	\$ -	\$ 988,581.00
2012	110,000	79,863	60,019	6,844	-	988,581.00
2013	115,000	76,013	67,848	4,076	-	988,581.00
2014	120,000	71,700	57,409	1,292	-	988,581.00
2015	125,000	66,900	-	-	-	988,581.00
2016-2020	705,000	251,350	-	-	4,620,000	4,689,700
2021-2025	685,000	78,975	-	-	8,035,000	3,179,375
2026-2030	-	-	-	-	7,755,000	636,250
	<u>\$ 1,965,000</u>	<u>\$ 708,207</u>	<u>\$ 242,685</u>	<u>\$ 21,480</u>	<u>\$ 20,410,000</u>	<u>\$ 13,448,230</u>

Year ending 30-Jun	Business-type Activities				TOTAL DEBT SERVICE REQUIREMENTS	
	MO Development Finance Board Bonds		Revenue Bonds		Principal	Interest
	Principal	Interest	Principal	Interest		
2011	\$ 465,000	473,750	\$ 1,282,000	404,610	\$ 3,952,000	\$ 5,405,476
2012	485,000	455,150	1,360,000	336,272	4,120,000	5,215,400
2013	505,000	435,750	1,178,000	263,720	3,978,001	5,012,817
2014	525,000	415,550	1,245,000	199,345	4,159,999	4,801,883
2015	545,000	394,550	1,315,000	131,293	4,345,000	4,578,291
2016-2020	3,085,000	1,609,325	1,250,000	130,719	24,405,000	19,380,850
2021-2025	4,805,000	830,000	165,000	17,360	35,530,000	11,870,005
2026-2030	-	-	-	-	22,305,000	2,135,964
	<u>\$ 10,415,000</u>	<u>\$ 4,614,075</u>	<u>\$ 7,795,000</u>	<u>\$ 1,483,318</u>	<u>\$ 102,795,000</u>	<u>\$ 58,400,685</u>

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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.

Public Building Authority Bonds:

The City leases certain computers, communications and air conditioning equipment and certain streets, parking garage, and landfill improvements from the St. Joseph Public Building Authority. Lease payments are equal to the debt service requirements of the bonds issued by the Authority. Ownership of the equipment and improvements, which currently vest with the Authority and serve as security for the bonds, passes to the City at the end of the lease term.

Public Building Authority (PBA) Bonds are reported in the government wide financial statement and the Public Parking and Landfill Enterprise Funds at June 30, 2010 for a total principal balance outstanding of \$465,000.

Governmental Activities

Series 2003 – Collateralized Lease Refunding Revenue Bonds (Patee Hall);
due in annual installments through November 1, 2013; interest at
1.45% to 4.5% \$ 196,652

Series 2003 – Collateralized Lease Refunding Revenue Bonds (Parks &
Recreation); Due in annual installments through November 1, 2013; interest
at 1.45% to 4.5% 17,068

Series 2003 – Collateralized Lease Refunding Revenue Bonds (Public
Health); due in annual installments through November 1, 2013; interest at
1.45% to 4.5% 8,595

Total PBA Bonds for the Governmental Activities \$ 222,315

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Business-type Activities

Series 2003 – Collateralized Lease Refunding Revenue Bonds (Public Parking); due in annual installments through November 1, 2013; interest at 1.45% to 4.5% \$ 234,172

Series 2003 – Collateralized Lease Refunding Revenue Bonds (Landfill); due in annual installments through November 1, 2013; interest at 1.45% to 4.5% 8,513

Total PBA Bonds for the Business-type Activities \$ 242,685

Industrial Development Authority Bonds:

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

The total principal balance outstanding for the Industrial Development Authority Bonds as of June 30, 2010 is \$64,235,000.

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%	\$ 23,120,000
Series 2005B – Industrial Development Authority Bonds (Special Allocation); due in annual installments through November 1, 2027; interest at 4.00% to 5.50%	15,895,000
Series 2008 – Industrial Development Authority Bonds (Special Allocation); due in annual installments through March 1, 2029; interest at 5.50%	<u>4,810,000</u>
Total Industrial Development Authority Bonds for Governmental Activities	<u>\$ 43,825,000</u>

Business-type Activities

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

Infrastructure Facility Revenue Bonds:

The City of St. Joseph issued Taxable Infrastructure Facility Revenue Bonds to obtain financial assistance with the Stockyards Redevelopment Agreement for the purpose of Private Property Improvement costs. The bonds are secured by loan payments made by the City pursuant to the financing agreement, TIF Incremental Tax Revenues and Chapter 100 Pilots Revenues. The loan payments to be made shall constitute currently budgeted expenditures of the City, therefore, is included or reported in the City's statement of net assets. 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.

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

The total principal balance outstanding for the Taxable Infrastructure Facilities Revenue Bonds as of June 30, 2010 is \$17,920,000.

Governmental Activities

Series 2004A – Infrastructure Facility Revenue Bonds
(Special Allocation); due in annual installments through
March 1, 2025; interest at 4.00% to 6.00% \$ 8,455,000

Series 2004B – Infrastructure Facility Revenue Bonds
(Special Allocation); due in annual installments through
March 1, 2025; interest at 4.24% to 7.32% 9,465,000

Total Infrastructure Facility Revenue Bonds for Governmental Activities \$17,920,000

Missouri Development Finance Board Bonds:

On December 1, 2004, the City of St. Joseph issued Missouri Development Finance Board Bonds Series 2004C and Series 2004D. \$11,720,000 of the proceeds of the Series 2004C was used to fund improvements to the City’s sewerage system and pay certain blight remediation costs in connection with the City’s Stockyard Redevelopment Project. In association with the 2004C Series, a financing agreement related to the issuance of Missouri Build Bonds was entered into by the Board, City and Triumph Foods. Under the agreement, subject to certain requirements, tax credits earned by Triumph Foods have been assigned to the trustee of the 2004C bonds. \$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 assets. 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, 2010 is \$12,380,000.

Governmental Activities

Series 2004D – Infrastructure Facilities Revenue Bonds (General); due in
annual installments through March 1, 2024; interest at 3.00% to 5.00% \$ 1,965,000

Business-type Activities

Series 2004C – Infrastructure Facilities Revenue Bonds (Sewer); due in
annual installments through March 1, 2025; interest at 2.65% to 5.00% \$ 10,415,000

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010 is \$7,795,000.

Business-type Activities

Series 1993A – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through July 1, 2015; interest at 3.70% to 5.4%	\$3,605,000
Series 1997D – State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Fund Program): due through January 1, 2018; interest at 4.3% to 6.00%	3,160,000
Series 1999 – Sewer System Refunding and Improvement Revenue Bonds: due in annual installments through April 1, 2012; interest at 3.5% to 4.8%	465,000
Series 2003 – Sewer System Revenue Bonds: due in annual installments through April 1, 2023; interest at 1.3% to 5.125%	<u>565,000</u>
Total Revenue Bonds for Business-type Activities	<u>\$ 7,795,000</u>

On April 7, 1992, the voters of the City of St. Joseph, Missouri approved the City's issuance of \$17.6 million revenue in bonds for the purpose of repairing, constructing, improving, and extending the sanitary sewerage collection system of the City. On August 24, 1993, the City authorized the issuance of \$10,308,000 of sewerage system revenue bonds with the State Revolving Fund Program. On June 1, 1997, the City authorized the issuance of \$6,515,000 of sewerage system revenue bonds with the State Revolving Fund Program. These bonds are issued under the Missouri Leveraged State Water Pollution Control Revolving Fund Program established by the State Environmental Improvement and Energy Resources Authority (EIERA) in cooperation with the Missouri Department of Natural Resources and the Missouri Clean Water Commission. On September 2, 2003, the City authorized the remaining issuance of \$777,000 of sewerage system revenue bonds to finance construction projects.

In conjunction with this issuance, the City entered into a revolving loan program established by the Missouri Department of Natural Resources. The State of Missouri managed and invested the bond proceeds on behalf of the City. As the City incurred approved capital expenditures, the Department of Natural Resources reimbursed the City

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

for the expenditures from the bond proceeds account and deposited funds into a reserve fund at 70% of the expenditure amount. This reserve fund serves as collateral on the Sewerage System Revenue Bonds in the event of default, and interest earnings on the reserve fund are used to reduce the City's interest payment on the outstanding bonds. The reserve fund is transferred back to the state as the bond issue is retired. As of June 30, 2010, \$4,735,500 has been advanced from the Missouri Department of Natural Resources into this reserve fund.

The City is in compliance with the provisions of the ordinance relating to the maintenance of special reserves and accounts for the 1999 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, 2010, the total annual sewer reserve charges due to the City through the agreement are payable as follows:

Year Ending June 30:	Total
2011	\$ 972,996
2012	972,996
2013	972,996
2014	972,996
2015	972,996
2016-2020	4,864,980
2021-2025	4,423,262
	<u>14,153,222</u>
Less interest	(4,946,418)
Net present value	<u>\$ 9,206,804</u>

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

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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 assets. The total principal balance outstanding for the Industrial Development Revenue Bonds as of June 30, 2010 is \$309,322,986.

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 \$67,740,000 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 2004 A \$8,455,000 and Series 2004 B \$9,465,000 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 \$1,300,000 of these obligations will be paid in 2011. 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, 2010, total principal and interest remaining on the bonds was \$99,850,699 and outstanding developer obligations were \$31,689,114. The bonds are scheduled to

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

mature at varying amounts through 2029 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 \$6,868,047. Incremental revenues from the City included \$1,955,750 in sales taxes, \$570,176 in property taxes and \$153,438 in other economic activity revenues. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues from other taxing districts and governmental entities, developer contributions, and debt trust funds.

NOTE 7: CAPITAL LEASE AGREEMENTS

Capital Lease Obligations:

The City has entered into a number of capital leases for the purchase of heavy machinery and equipment. Lease terms provide for payments over specified terms with an option for the City to purchase the item for \$1 at the completion of the agreement. 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.

Capital lease obligations are reported in the government-wide financial statements and the enterprise fund statements and consist of the following at June 30, 2010:

Governmental Activities:

Parks & Recreation, and Civic Facilities fund; Jacobsen Rotary Mower; due in annual installments of \$ 3,689 through September 2011; interest of 4.669%	\$ 6,892
Parks & Recreation, and Civic Facilities fund; Captor 4300 Sweeper; due in monthly installments of \$ 1,265 through April 2011; interest of 9.439%.	<u>12,120</u>
Total Lease Obligations for the Governmental Activities	<u>\$ 19,012</u>

Business-type Activities:

Golf fund; Golf Carts; due in monthly installments of \$ 2,677 through February 2014; interest of 6.97%	<u>\$103,661</u>
Total Lease Obligations for the Business-type Activities	<u>\$103,661</u>

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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, 2010:

	Governmental Activities	Business-type Activities
Year ending June 30:		
2011	\$ 16,339	\$ 32,119
2012	3,689	32,119
2013	-	32,119
2014	-	21,413
	<hr/>	<hr/>
Total minimum lease payments	20,028	117,770
Less amount representing interest	(1,016)	(14,109)
Present value of net minimum lease payments	<hr/> <hr/> \$ 19,012	<hr/> <hr/> \$ 103,661

The following schedule shows the amount and asset classifications for capital lease items as of June 30, 2010:

	Governmental Activities	Business-type Activities
Machinery & equipment	\$ 60,201	\$ 111,840
less: Accumulated depreciation	(30,101)	(11,184)
Present value of net minimum lease payments	<hr/> <hr/> \$ 30,100	<hr/> <hr/> \$ 100,656

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 \$400,000 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 assets of the Insurance Internal Service Fund are \$ 32,109.

As of June 30, 2010 incurred but not reported (IBNR) workers' compensation claims and claims payable of \$1,032,995 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 2009	\$ 868,871	\$ 995,011	(\$ 652,836)	\$1,211,046
Fiscal Year 2010	1,211,046	556,687	(734,738)	1,032,995

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9: COMMITMENTS

A. Construction Commitments

At June 30, 2010 the City had the following commitments of approximately \$11,192,525 to complete construction contracts.

	Amounts
Governmental Activities	
Major Governmental Funds:	
CIP Sales Tax Improvement	\$ 4,167,338
Nonmajor Governmental Funds:	
Parks and Recreation	257,687
Public Health	94,804
Total Governmental Activities	4,519,829
Business-type Activities	
Major business-type funds:	
Sewer	5,266,270
Mass Transit	986,190
Nonmajor business-type funds:	
Aviation	415,762
Golf	4,474
Total Business-type Activities	6,672,696
Total	\$ 11,192,525

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 assets date.

LANDFILL CLOSURE
AND POSTCLOSURE CARE LIABILITIES

June 30, 2010

Description	Amount	Anticipated Close Year (1)	Capacity Used
City's Operating Landfill			
Area I	\$ 1,649,726	2013	94 %
Area II	2,161,878	2011	96 %
Area III	<u>6,151,791</u>	2015	85 %
	<u>\$ 9,963,395</u>		
McArthur Drive Landfill	<u>\$ 705,015</u>	Closed	100 %
Total	<u>\$10,668,410</u>		

(1) Based on anticipated year for placement of final cover over an entire area.

During the year ended June 30, 2010, total closure and postclosure care liabilities incurred a net increase of \$332,224 from \$10,336,186 to \$10,668,410.

1. City's Operating Landfill - Total estimated future closure and postclosure care costs for the City's operating landfill are \$21,936,312 of which \$9,963,395 is reported as landfill closure and postclosure care liability at June 30, 2010, 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 \$11,972,917 as the remaining estimated capacity is consumed by the year 2015. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in environmental regulations.

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

2. McArthur Drive Landfill - This landfill was owned and operated by the City until the late 1950's or early 1960's and no longer accepts waste. The Environmental Protection Agency has listed the site on its National Priorities List and is requiring proper closure and remediation. The City entered into an Administrative Order on Consent with the Environmental Protection Agency on October 11, 1996. That order required the remediation of this site including a bank stabilization project and plans for a permanent cap to be placed on the old landfill. A contribution protection action may eventually be filed by the City to recoup some of these costs. Currently the remaining closure and postclosure liability of \$705,015 is recorded in the Landfill Enterprise Fund and costs are expected to be expended by the year 2033.
3. Norris/Pigeon Hill Landfill – The existing landfill personnel perform all the post-closure care activities; thus, no costs are directly attributed to the Norris landfill.

The City engages an outside professional engineering firm to prepare a tipping fee/cost analysis. The analysis quantifies the timing and amount of future closure and postclosure care costs and recommended tipping fee adjustments. Based upon the results of the 2005 tipping fee/cost analysis provides annual cash designations of \$402,500 for future closure and postclosure care expenses. At June 30, 2010, these cash designations totaled \$3,937,115 and will be increased 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, 2010, the City's Contract of Obligation was \$14,588,412 including \$14,157,582 for the current operating landfill and \$430,830 for the "Free Property" landfill area that won't be accessed until after the year 2010.

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

C. Litigation

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

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10: RETIREMENT PLANS

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

A. Plan Descriptions

Local Government Employees Retirement System (LAGERS)

Plan Description

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

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

Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 2.8% (general) and 36.7% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the City Council. The contribution provisions of the City are established by Missouri state statute.

Annual Pension Cost

For 2010, the City's annual pension cost of \$2,692,228 was equal to the required and actual contribution. The required contribution was determined as part of the February 29, 2008 annual actuarial valuation using the entry-age actuarial cost method. The actuarial

CITY OF ST. JOSEPH, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

assumptions as of February 29, 2008 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age, attributable to seniority/merit, (d) preretirement mortality based on the RP-2000 Combined Healthy Table, set back 0 years for men and women, and (e) postretirement mortality based on the 1971 Group Annuity Mortality table projected to 2000, set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The amortization period at February 29, 2008 was 15 years for the general division and 21 years for the fire division.

As of February 28, 2010, the most recent actuarial valuation date, the plan was 62 percent funded. The actuarial accrued liability for benefits was \$53,027,997, and the actuarial value of assets was \$32,974,443, resulting in an unfunded accrued liability (UAAL) of \$20,053,554. The covered payroll (annual payroll of active employees covered by the plan) was \$22,103,979, and the ratio of the UAAL to the covered payroll was 91 percent.

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

Police Pension

Plan Description

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

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

The City Council adopted a new plan document on July 15, 1996, whereas the plan document was modified, but not the plan benefits. The City of St. Joseph issues a separate

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 Financial Services, 1100 Frederick, St. Joseph, MO 64501.

Funding Policy

The City is required to withhold participant contributions at a rate established in accordance with applicable state statutes as recommended by the Police Pension Board of Trustees and approved by the City Council. For the year ended June 30, 2010, the participant's contribution rate was 4%. The City is required to contribute at an actuarially determined rate; the current rate is 36.9% of annual covered payroll.

Annual Pension Cost

For 2010, the City's annual pension cost of \$1,980,812 was equal to the required and actual contribution. The required contribution was determined as part of the January 1, 2010 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions as of January 1, 2010 included:

Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Inflation assumption	4%
Investment rate of return	7.5%
Salary increases	4%
Mortality – healthy lives	RP 2000 Mortality Table
Mortality – disabled lives	RP 2000 Mortality Table set forward 10 years
Termination of employment	Rate of turnover from 0.75% to 5.00% based on age
Disablement	Rates from 0.17% to 1.93% based on age

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

As of January 1, 2010, the most recent actuarial valuation date, the plan was 62 percent funded. The actuarial accrued liability for benefits was \$37,703,762, and the actuarial value of assets was \$23,454,239, resulting in an unfunded accrued liability (UAAL) of

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

\$14,249,523. The covered payroll (annual payroll of active employees covered by the plan) was \$5,276,973, and the ratio of the UAL to the covered payroll was 270 percent.

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

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

Number of Participants	LAGERS	Police Pension	Total
Inactive Participants:			
Retirees and beneficiaries currently receiving benefits	328	92	420
Terminated employees entitled to future benefits	-	-	-
Total Inactive Participants	328	92	420
Active Participants:			
Fully vested	N/A	22	22
Partially vested	N/A	90	90
Non-vested	N/A	-	-
Total Active Participants	525	112	637
Total Number of Participants	<u>853</u>	<u>204</u>	<u>1,057</u>

Three-Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
LAGERS	06/30/08	\$ 2,886,483	100%	-0-
	06/30/09	2,862,763	100%	-0-
	06/30/10	2,692,228	100%	-0-
Police Pension	06/30/08	\$ 1,536,575	100%	-0-
	06/30/09	1,550,095	100%	-0-
	06/30/10	1,980,812	100%	-0-

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS
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In addition to providing pension benefits the City provides the post employment healthcare benefits described below. In past years the City has recorded the cost of providing these benefits on a pay-as-you-go-basis. During the year ended June 30, 2009, the City adopted Government Accounting Standards Board (GASB) Statement No. 45. Under GASB 45, the City recognizes the cost of post-employment healthcare benefits in the year in which the employee services are provided, reports the accumulated liability from prior years, and provides additional information useful to assess potential demands on the City's future cash flows. Recognition of the liability that has accumulated from prior years will be phased in over 30 years, commencing with the 2009 fiscal year.

Plan Description

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

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

CITY OF ST. JOSEPH, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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

Annual required contribution	\$ 700,438
Interest on net OPEB obligation	31,519
Adjustment to annual required contribution	<u>(39,023)</u>
Annual OPEB cost (expense)	692,934
Less: Net employer contribution	<u>99,107</u>
Change in net OPEB obligation	593,827
Net OPEB obligation - July 1, 2009	<u>664,246</u>
Net OPEB obligation - June 30, 2010	<u><u>\$ 1,258,073</u></u>

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

	<u>Net OPEB Obligation</u>
Governmental Activities	<u>\$ 1,088,702</u>
Business-Type Activities	
Sewer	109,222
Landfill	33,144
Other Business-Type Funds	<u>27,005</u>
Total Business-Type Activities	<u>169,371</u>
Total Government	<u><u>\$ 1,258,073</u></u>

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2010 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/2009	\$ 729,965	9%	\$ 664,246
06/30/2010	692,934	14%	1,258,073

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Funded Status and Funding Progress

As of June 30, 2009, which represents both the initial and the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$6,408,408. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$27,165,656, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 24 percent.

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

Actuarial Methods and Assumptions

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

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

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

CITY OF ST. JOSEPH, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12: PRIOR PERIOD ADJUSTMENTS
--

For the year ended, June 30, 2010, management determined that the following adjustments were to be made to the opening net assets:

1. Certain billings in the sewer fund that were receivable at year end had not been previously recorded.

A summary of the change is described below:

	Fund Statement	Government-Wide
	Enterprise	Statement
	Funds	Business-Type
		Activities
Beginning fund balances/net assets, as originally reported	\$ 70,091,886	\$ 69,951,572
Accounts receivable adjustment Sewer fund	878,516	878,516
Beginning fund balances/net assets, as restated	\$ 70,970,402	\$ 70,830,088

NOTE 13: NEW ACCOUNTING PRONOUNCEMENTS

In February 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes clearer fund balance classification that can be more consistently applied and clarifies the existing governmental fund type definitions. The City is currently evaluating the impact of adopting Statement No. 54. The City will implement GASB No. 54 beginning with the year ended June 30, 2011.

In June, 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*. This statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. The City is currently evaluating the impact of adopting Statement No. 59. The City will implement GASB No. 59 beginning with the year ended June 30, 2011.

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, 2010

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 6,920,665	\$ 6,920,665	\$ 6,723,247	\$ (197,418)
Sales	11,783,100	11,783,100	11,025,997	(757,103)
Franchise	6,215,640	6,253,030	7,084,258	831,228
Cigarette	455,000	455,000	418,473	(36,527)
Licenses and permits	1,204,890	1,204,890	1,261,339	56,449
Intergovernmental	959,001	2,547,283	2,104,012	(443,271)
Charges for services	1,335,929	1,335,929	1,093,203	(242,726)
Fines	1,171,085	1,171,085	998,107	(172,978)
Investment earnings	31,300	31,300	14,263	(17,037)
Contributions and donations	250	4,250	4,000	(250)
Other	122,910	141,553	104,592	(36,961)
Total revenues	30,199,770	31,848,085	30,831,491	(1,016,594)
Expenditures				
Current:				
General government				
City council				
Salaries	49,167	49,167	48,229	938
Benefits	113,123	113,123	104,070	9,053
Materials and supplies	4,750	4,750	1,354	3,396
Outside services	23,985	23,985	20,044	3,941
Total City council	191,025	191,025	173,697	17,328
City clerk				
Salaries	124,200	124,200	119,286	4,914
Benefits	38,303	38,303	36,051	2,252
Materials and supplies	3,600	3,340	2,633	707
Outside services	134,547	102,807	83,990	18,817
Total City clerk	300,650	268,650	241,960	26,690
Municipal court				
Salaries	279,711	279,711	268,186	11,525
Benefits	87,722	87,722	83,054	4,668
Materials and supplies	5,880	5,880	2,787	3,093
Outside services	105,332	105,332	83,397	21,935
Total Municipal court	478,645	478,645	437,424	41,221
City manager				
Salaries	342,285	342,285	341,884	401
Benefits	114,214	115,031	109,817	5,214
Materials and supplies	3,925	13,825	13,586	239
Outside services	99,252	88,535	77,415	11,120
Total City manager	559,676	559,676	542,702	16,974
Human resources				
Salaries	290,077	290,077	288,227	1,850
Benefits	90,225	90,225	79,062	11,163
Materials and supplies	6,900	6,900	5,119	1,781
Outside services	50,401	50,401	46,258	4,143
Total Human resources	437,603	437,603	418,666	18,937

(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, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
Legal				
Salaries	378,648	378,648	376,435	2,213
Benefits	102,637	100,952	98,370	2,582
Materials and supplies	3,900	3,900	3,820	80
Outside services	199,706	233,391	232,759	632
Total Legal	684,891	716,891	711,384	5,507
Planning				
Salaries	213,737	213,737	213,673	64
Benefits	64,143	64,293	62,837	1,456
Materials and supplies	2,050	2,050	1,898	152
Outside services	136,385	140,735	118,453	22,282
Total Planning	416,315	420,815	396,861	23,954
Finance				
Salaries	713,477	713,477	711,318	2,159
Benefits	230,704	228,343	215,584	12,759
Materials and supplies	28,865	30,016	27,989	2,027
Outside services	324,881	326,091	303,926	22,165
Capital outlay	-	-	-	-
Total Finance	1,297,927	1,297,927	1,258,817	39,110
Technology				
Salaries	231,073	231,073	230,795	278
Benefits	82,787	82,787	75,016	7,771
Materials and supplies	163,025	171,325	125,561	45,764
Outside services	178,566	202,064	135,810	66,254
Capital outlay	-	-	-	-
Total Technology	655,451	687,249	567,182	120,067
Customer assistance				
Salaries	660,464	654,423	650,009	4,414
Benefits	225,087	218,370	212,060	6,310
Materials and supplies	14,665	15,353	13,611	1,742
Outside services	91,782	103,852	67,666	36,186
Total Customer assistance	991,998	991,998	943,346	48,652
Community resources				
Salaries	361,580	361,580	310,589	50,991
Benefits	116,549	116,549	92,821	23,728
Materials and supplies	49,700	49,700	32,251	17,449
Outside services	344,775	344,775	246,255	98,520
Capital outlay	-	-	-	-
Total Community resources	872,604	872,604	681,916	190,688
Other - unclassified				
Salaries	-	-	-	-
Materials and supplies	250,000	102,014	-	102,014
Outside services	1,738,494	2,450,253	2,149,956	300,297
Capital outlay	-	40,254	40,250	4
Total Other - unclassified	1,988,494	2,592,521	2,190,206	402,315
Total general government	8,875,279	9,515,604	8,564,161	951,443

(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, 2010

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Public safety:				
Police				
Salaries	7,283,424	7,293,018	7,007,937	285,081
Benefits	3,710,649	3,740,857	3,643,208	97,649
Materials and supplies	454,129	586,810	562,185	24,625
Outside services	1,600,869	1,690,015	1,683,876	6,139
Capital outlay	290,160	1,462,360	1,032,294	430,066
Total Police	13,339,231	14,773,060	13,929,500	843,560
Fire				
Salaries	6,583,526	6,583,526	6,438,279	145,247
Benefits	3,631,009	3,661,006	3,533,294	127,712
Materials and supplies	145,185	213,476	163,557	49,919
Outside services	250,710	284,805	273,283	11,522
Capital outlay	48,000	48,004	47,578	426
Total Fire	10,658,430	10,790,817	10,455,991	334,826
Total public safety	23,997,661	25,563,877	24,385,491	1,178,386
Total expenditures	32,872,940	35,079,481	32,949,652	2,129,829
Revenues over (under) expenditures	(2,673,170)	(3,231,396)	(2,118,161)	1,113,235
Other financing sources (uses)				
Transfers in	3,046,133	3,050,633	2,980,265	(70,368)
Transfers out	(1,506,983)	(2,668,568)	(2,668,221)	347
Sale of capital assets	-	26,270	40,051	13,781
Total other financing sources	1,539,150	408,335	352,095	(56,240)
Net change in fund balances, net	(1,134,020)	(2,823,061)	(1,766,066)	1,056,995
Fund balances - beginning	7,164,825	7,164,825	7,164,825	-
Fund balances - ending	\$ 6,030,805	\$ 4,341,764	\$ 5,398,759	\$ 1,056,995

(concluded)

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

CITY OF ST. JOSEPH, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
STREET IMPROVEMENT MAINTENANCE AND REPAIR FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Sales	\$ 5,133,360	\$ 5,133,360	\$ 4,656,462	\$ (476,898)
Motor Fuel	3,554,730	3,554,730	3,310,259	(244,471)
Licenses and permits	13,000	13,000	13,545	545
Intergovernmental	285,170	285,170	188,271	(96,899)
Charges for services	401,700	401,700	96,723	(304,977)
Special assessments	-	-	5,667	5,667
Investment earnings	52,000	52,000	6,006	(45,994)
Other	16,600	16,600	35,526	18,926
Total revenues	<u>9,456,560</u>	<u>9,456,560</u>	<u>8,312,459</u>	<u>(1,144,101)</u>
Expenditures				
Highways and streets				
Salaries	3,496,759	3,507,759	3,468,333	39,426
Benefits	1,095,214	1,095,614	1,056,435	39,179
Materials and supplies	1,724,030	1,571,406	1,348,698	222,708
Outside services	2,535,574	2,690,878	2,360,198	330,680
Capital outlay	1,908,742	1,908,362	1,702,581	205,781
Total Highways and streets	<u>10,760,319</u>	<u>10,774,019</u>	<u>9,936,245</u>	<u>837,774</u>
Revenues over (under) expenditures	<u>(1,303,759)</u>	<u>(1,317,459)</u>	<u>(1,623,786)</u>	<u>(306,327)</u>
Other financing sources (uses)				
Transfers in	1,307,896	1,321,596	1,385,524	63,928
Transfers out	(508,378)	(508,378)	(508,378)	-
Total other financing sources	<u>799,518</u>	<u>813,218</u>	<u>877,146</u>	<u>63,928</u>
Net change in fund balances	(504,241)	(504,241)	(746,640)	(242,399)
Fund balances - beginning	3,196,847	3,196,847	3,196,847	-
Fund balances - ending	<u>\$ 2,692,606</u>	<u>\$ 2,692,606</u>	<u>\$ 2,450,207</u>	<u>\$ (242,399)</u>

See independent auditors' 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, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
Revenues				
Taxes:				
Property	\$ 566,494	\$ 566,494	\$ 570,176	\$ 3,682
Sales	1,919,760	1,919,760	1,955,750	35,990
Intergovernmental activity	3,438,594	3,473,646	3,325,651	(147,995)
Charges for services	-	-	11,500	11,500
Investment earnings	181,100	181,100	647,946	466,846
Other	1,791,846	1,796,846	1,139,822	(657,024)
Total revenues	<u>7,897,794</u>	<u>7,937,846</u>	<u>7,650,845</u>	<u>(287,001)</u>
Expenditures				
General government				
Outside services	7,701,915	7,738,139	7,583,475	154,664
Total General government	<u>7,701,915</u>	<u>7,738,139</u>	<u>7,583,475</u>	<u>154,664</u>
Revenues over (under) expenditures	<u>195,879</u>	<u>199,707</u>	<u>67,370</u>	<u>(132,337)</u>
Other financing sources (uses)				
Transfers in	5,000	5,102	3,902	(1,200)
Transfers out	-	(63,930)	(63,928)	2
Total other financing sources	<u>5,000</u>	<u>(58,828)</u>	<u>(60,026)</u>	<u>(1,198)</u>
Net change in fund balances	200,879	140,879	7,344	(133,535)
Fund balances - beginning	12,213,156	12,213,156	12,213,156	-
Fund balances - ending	<u>\$ 12,414,035</u>	<u>\$ 12,354,035</u>	<u>\$ 12,220,500</u>	<u>\$ (133,535)</u>

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

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2010

A. Budgetary Information

Annual budgets are adopted by City Ordinances for the General, Special Revenue (except the CDBG Loan funds), Capital Projects (except the Downtown Business District 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 budget document for the General, Special Revenue (except the CDBG Loan funds), Capital Projects (except the Downtown Business District fund), and Enterprise Funds. Encumbrance accounting is employed in Governmental Fund Types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2010

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

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

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

The City Council during the fiscal year adopted a number of amendments to the budget to address unforeseen contingencies. The following schedule outlines the appropriation changes for the General, Special Revenue, Capital Projects and Enterprise Funds. The General budget increase is due to the renovations at City Hall and Phil Welch Stadium, acquire land along the Riverfront, purchase chiller located at the Law Enforcement Center, provide a loan rehabilitating the Corby Building, and finance portion of the Felix Streetscape project. The Special Revenue budget increase is from telescopic seating and building improvements at the Civic Arena and the fitness area expansion at the Joyce Raye Patterson Senior Center in the Parks, Recreation and Civic Facilities fund, the mass vaccination campaign in the Public Health fund, additional funding to the Social Welfare Board, city's portion of the Dream Initiative, and the "Shop St. Joseph" campaign paid from the Riverboat fund, and cover maintenance expenses at the Wyeth-Tootle Mansion in the Museum fund. The Capital Projects increase to the budget is from engineering design services for the new multi-purpose athletic facility, 18th Street Bridge replacement, construction of the Missouri River day use boat dock, and refurbish the Fire Department Ladder Truck #5. The increase in the Enterprise Funds is for the Military Construction Cooperative Agreement for the fire crash/rescue station and the taxiway alpha located at Rosecrans Memorial Airport, design services for the wastewater treatment plant building and reimbursable costs associated with the Timber Creek subdivision in the Sewer fund, golf pro contract at Fairview Golf Course, and accept American Recovery Reinvestment Act (ARRA) funds for capital items and services in the Mass Transit fund.

CITY OF ST. JOSEPH, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2010**

2010 Budget			
Fund Type	Original Appropriation	Amended Appropriation	Increase
General	\$ 34,379,923	\$ 37,748,049	\$ 3,368,126
Special	33,294,519	39,573,125	6,278,606
Capital	10,145,673	13,463,331	3,317,658
Enterprise	52,867,392	64,292,699	11,425,307
Total	\$ 130,687,507	\$ 155,077,204	\$ 24,389,697

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, 2010:

	General Fund	Street Improvement Maintenance and Repair Fund	Special Allocation Fund
Ending Fund Balance on budgetary basis	\$ 5,398,759	\$ 2,450,207	\$ 12,220,500
Encumbrances outstanding June 30, 2010	175,445	1,452,337	-
Prior Year Encumbrances Expended in FY 2010	(1,466,612)	(1,330,622)	-
Accrued payroll	(115,450)	(14,521)	-
Ending Fund Balance on GAAP basis	\$ 3,992,142	\$ 2,557,401	\$ 12,220,500

CITY OF ST. JOSEPH, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2010

SCHEDULE OF FUNDING PROGRESS

PENSION PLANS

LAGERS Pension

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded Actuarial Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
02/29/08	\$39,218,367	\$ 51,560,779	\$12,342,416	76.0%	\$21,006,673	59.0%
02/28/09	32,124,099	52,969,615	20,845,516	61.0%	22,028,176	95.0%
02/28/10	32,974,443	53,027,997	20,053,554	62.0%	22,103,979	91.0%

Police Pension

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded Actuarial Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
03/01/05	\$18,233,797	\$ 30,819,539	\$12,585,742	59.2%	\$ 5,031,068	250.1%
03/01/06	20,369,111	32,390,571	12,021,460	62.9%	5,136,368	234.0%
01/01/07	22,953,206	33,248,289	10,295,083	69.0%	5,104,658	201.7%
01/01/08	24,580,275	34,763,770	10,183,495	70.7%	5,043,081	201.9%
01/01/09	20,158,258	36,492,434	16,334,176	55.2%	5,137,480	317.9%
01/01/10	23,454,239	37,703,762	14,249,523	62.2%	5,276,973	270.0%

OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit(b)	Unfunded Actuarial Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
06/30/08	\$-0-	\$6,188,946	\$6,188,946	0.0%	\$26,049,574	23.8%
06/30/09	-0-	6,408,408	6,408,408	0.0%	27,165,656	23.6%

CITY OF ST. JOSEPH, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2010**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PENSION PLANS

LAGERS Pension

Year Ended		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/08	\$	2,886,483	100%	—
06/30/09		2,862,763	100%	—
06/30/10		2,692,228	100%	—

Police Pension

06/30/05	\$	1,695,887	100%	—
06/30/06		1,671,950	100%	—
06/30/07		1,675,384	100%	—
06/30/08		1,536,575	100%	—
06/30/09		1,550,095	100%	—
06/30/10		1,980,812	100%	—

OTHER POST-EMPLOYMENT BENEFITS

Year Ended		Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
06/30/09	\$	729,965	9%	\$ 664,246
06/30/10		692,934	14%	1,258,073

CITY OF ST. JOSEPH, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue					Capital Projects			Total Nonmajor Governmental Funds
	Parks & Recreation	Public Health	Community Development	Riverboat Gaming	Museum	C.D Rehab Loan	Home Revolving Loan	Downtown Business District	
Assets									
Cash and investments	\$ 812,421	\$ 1,998,442	\$ 80,094	\$ 168,298	\$ 364,977	\$ 697,762	\$ 152,820	\$ 100,082	\$ 4,374,896
Receivables	328,839	143,125	8,070	194,453	31,077	-	-	9,494	715,058
Loan receivables	-	-	120,000	-	-	1,624,637	2,159,438	-	3,904,075
Property held for resale	-	-	362,821	-	-	-	-	-	362,821
Due from other governments	31,048	191,311	540,586	-	-	-	-	-	762,945
Prepaid items	26,024	9,331	1,643	-	-	-	-	-	36,998
Restricted cash and investments	4,166	50,098	-	-	-	-	-	-	54,264
Total assets	<u>\$ 1,202,498</u>	<u>\$ 2,392,307</u>	<u>\$ 1,113,214</u>	<u>\$ 362,751</u>	<u>\$ 396,054</u>	<u>\$ 2,322,399</u>	<u>\$ 2,312,258</u>	<u>\$ 109,576</u>	<u>\$ 10,211,057</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	202,888	49,004	189,025	97,200	170	16,193	9,710	193	\$ 564,383
Due to other funds	-	-	800,863	-	-	-	-	-	800,863
Accrued payroll	106,067	54,771	10,908	-	-	-	-	-	171,746
Deferred revenue	126,881	111,826	-	-	24,796	-	-	2,448	265,951
Total liabilities	<u>435,836</u>	<u>215,601</u>	<u>1,000,796</u>	<u>97,200</u>	<u>24,966</u>	<u>16,193</u>	<u>9,710</u>	<u>2,641</u>	<u>1,802,943</u>
Fund balances:									
Reserved for:									
Encumbrances	361,361	106,056	1,189,572	22,960	29,590	-	-	518	1,710,057
Prepaid items	26,024	9,331	1,643	-	-	-	-	-	36,998
Long-term receivables	-	-	120,000	-	-	1,624,637	2,159,438	-	3,904,075
Property held for resale	-	-	362,821	-	-	-	-	-	362,821
Unreserved reported in:									
Special revenue funds	379,277	2,061,319	(1,561,618)	242,591	341,498	681,569	143,110	-	2,287,746
Capital projects funds	-	-	-	-	-	-	-	106,417	106,417
Total fund balances	<u>766,662</u>	<u>2,176,706</u>	<u>112,418</u>	<u>265,551</u>	<u>371,088</u>	<u>2,306,206</u>	<u>2,302,548</u>	<u>106,935</u>	<u>8,408,114</u>
Total liabilities and fund balances	<u>\$ 1,202,498</u>	<u>\$ 2,392,307</u>	<u>\$ 1,113,214</u>	<u>\$ 362,751</u>	<u>\$ 396,054</u>	<u>\$ 2,322,399</u>	<u>\$ 2,312,258</u>	<u>\$ 109,576</u>	<u>\$ 10,211,057</u>

CITY OF ST. JOSEPH, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Special Revenue					Capital Projects			Total Nonmajor Governmental Funds
	Parks & Recreation	Public Health	Community Development	Riverboat Gaming	Museum	C.D Rehab Loan	Home Revolving Loan	Downtown Business District	
Revenues									
Taxes:									
Property	\$ 2,539,056	\$ 2,099,167	\$ -	\$ -	\$ 485,586	\$ -	\$ -	\$ 51,935	\$ 5,175,744
Hotel	425,537	-	-	-	-	-	-	-	425,537
Licenses and permits	95,802	149,150	-	-	-	-	-	-	244,952
Intergovernmental	42,125	943,424	3,031,889	-	-	-	-	-	4,017,438
Charges for services	1,455,619	442,009	3,539	1,075,123	-	-	-	-	2,976,290
Fines	-	43,533	-	-	-	-	-	-	43,533
Special assessments	-	-	16,373	-	-	-	-	-	16,373
Investment earnings	1,503	3,834	1,264	310	670	48,095	30,705	228	86,609
Contributions and donations	76,703	12,167	-	-	-	-	-	-	88,870
Other	46,163	21,784	145,068	-	-	392,784	3,181	-	608,980
Total revenues	4,682,508	3,715,068	3,198,133	1,075,433	486,256	440,879	33,886	52,163	13,684,326
Expenditures									
Current:									
General government	-	-	834,017	394,875	386,823	5,780	213,147	-	1,834,642
Public works	-	-	294,018	-	-	-	-	-	294,018
Health and welfare	-	3,149,865	1,983,069	-	-	-	-	-	5,132,934
Parks and recreation	5,028,218	-	-	-	-	-	-	-	5,028,218
Debt Service:									
Principal	20,782	50,760	-	-	-	-	-	-	71,542
Interest	3,187	10,505	-	-	-	-	-	-	13,692
Capital outlay	562,249	59,131	-	-	-	-	-	26,885	648,265
Total expenditures	5,614,436	3,270,261	3,111,104	394,875	386,823	5,780	213,147	26,885	13,023,311
Excess (deficiency) of revenues over (under) expenditures	(931,928)	444,807	87,029	680,558	99,433	435,099	(179,261)	25,278	661,015
Other financing sources (uses)									
Transfers in	566,720	323,830	757,761	-	-	-	-	-	1,648,311
Transfers out	(291,790)	(707,570)	(279,635)	(522,515)	(63,011)	(645,777)	(111,984)	(9,700)	(2,631,982)
Sale of capital assets	61,816	-	-	-	-	-	-	-	61,816
Total other financing sources (uses),net	336,746	(383,740)	478,126	(522,515)	(63,011)	(645,777)	(111,984)	(9,700)	(921,855)
Net change in fund balances	(595,182)	61,067	565,155	158,043	36,422	(210,678)	(291,245)	15,578	(260,840)
Fund balances - beginning	1,361,844	2,115,639	(452,737)	107,508	334,666	2,516,884	2,593,793	91,357	8,668,954
Fund balances - ending	\$ 766,662	\$ 2,176,706	\$ 112,418	\$ 265,551	\$ 371,088	\$ 2,306,206	\$ 2,302,548	\$ 106,935	\$ 8,408,114

CITY OF ST. JOSEPH, MISSOURI
PARKS, RECREATION AND CIVIC FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 2,516,700	\$ 2,516,700	\$ 2,539,056	\$ 22,356
Hotel	549,600	549,600	425,537	(124,063)
Licenses and permits	94,000	94,000	95,802	1,802
Intergovernmental	50,000	62,238	42,125	(20,113)
Charges for services	1,542,660	1,542,660	1,455,619	(87,041)
Investment earnings	7,050	7,050	1,503	(5,547)
Contributions and donations	51,560	364,172	76,703	(287,469)
Other	18,000	26,859	46,163	19,304
Total revenues	4,829,570	5,163,279	4,682,508	(480,771)
Expenditures				
Parks and recreation				
Salaries	2,614,748	2,560,448	2,557,341	3,107
Benefits	690,959	673,134	661,496	11,638
Materials and supplies	527,973	535,147	519,202	15,945
Outside services	1,156,116	1,308,920	1,307,965	955
Capital outlay	127,870	754,055	753,926	129
Total Parks and recreation	5,117,666	5,831,703	5,799,930	31,773
Revenues over (under) expenditures	(288,096)	(668,424)	(1,117,422)	(448,998)
Other financing sources (uses)				
Transfers in	504,120	579,720	566,720	(13,000)
Transfers out	(277,190)	(291,790)	(291,790)	-
Sale of capital assets	-	45,757	61,816	16,059
Total other financing sources	226,930	333,687	336,746	3,059
Net change in fund balances	(61,166)	(334,737)	(780,676)	(445,939)
Fund balances - beginning	1,361,844	1,361,844	1,361,844	-
Fund balances - ending	\$ 1,300,678	\$ 1,027,107	\$ 581,168	\$ (445,939)

CITY OF ST. JOSEPH, MISSOURI
PUBLIC HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Property	\$ 2,080,850	\$ 2,080,850	\$ 2,099,167	\$ 18,317
Licenses and permits	141,250	141,250	149,150	7,900
Intergovernmental	728,514	1,118,932	943,424	(175,508)
Charges for services	485,819	466,946	442,009	(24,937)
Fines	42,000	42,000	43,533	1,533
Investment earnings	17,600	17,600	3,834	(13,766)
Contributions and donations	11,600	11,600	12,167	567
Other	30,500	30,500	21,784	(8,716)
Total revenues	<u>3,538,133</u>	<u>3,909,678</u>	<u>3,715,068</u>	<u>(194,610)</u>
Expenditures				
Health and welfare				
Salaries	1,658,461	1,694,710	1,652,549	42,161
Benefits	528,076	539,615	497,685	41,930
Materials and supplies	151,233	245,111	146,175	98,936
Outside services	821,164	989,748	870,578	119,170
Capital outlay	131,000	130,657	97,729	32,928
Total Health and welfare	<u>3,289,934</u>	<u>3,599,841</u>	<u>3,264,716</u>	<u>335,125</u>
Revenues over (under) expenditures	<u>248,199</u>	<u>309,837</u>	<u>450,352</u>	<u>140,515</u>
Other financing sources (uses)				
Transfers in	323,830	323,830	323,830	-
Transfers out	(707,570)	(722,570)	(707,570)	15,000
Total other financing sources	<u>(383,740)</u>	<u>(398,740)</u>	<u>(383,740)</u>	<u>15,000</u>
Net change in fund balances	(135,541)	(88,903)	66,612	155,515
Fund balances - beginning	2,115,639	2,115,639	2,115,639	-
Fund balances - ending	<u>\$ 1,980,098</u>	<u>\$ 2,026,736</u>	<u>\$ 2,182,251</u>	<u>\$ 155,515</u>

CITY OF ST. JOSEPH, MISSOURI
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive(Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,897,531	\$ 7,654,458	\$ 3,031,889	\$ (4,622,569)
Charges for services	-	-	3,539	3,539
Special assessments	23,000	23,000	16,373	(6,627)
Investment earnings	1,000	1,000	1,264	264
Other	25,629	109,629	145,068	35,439
Total revenues	<u>2,947,160</u>	<u>7,788,087</u>	<u>3,198,133</u>	<u>(4,589,954)</u>
Expenditures				
General government				
Salaries	81,238	81,238	78,081	3,157
Benefits	27,778	23,978	22,396	1,582
Materials and supplies	2,250	945	202	743
Outside services	10,662	4,102,284	1,524,241	2,578,043
Total General government	<u>121,928</u>	<u>4,208,445</u>	<u>1,624,920</u>	<u>2,583,525</u>
Health and welfare				
Salaries	205,894	205,894	191,955	13,939
Benefits	84,235	80,735	62,481	18,254
Materials and supplies	8,685	8,185	6,233	1,952
Outside services	1,865,345	2,788,755	1,675,083	1,113,672
Total Health and welfare	<u>2,164,159</u>	<u>3,083,569</u>	<u>1,935,752</u>	<u>1,147,817</u>
Public works				
Salaries	94,941	94,941	92,628	2,313
Benefits	32,398	32,598	31,857	741
Materials and supplies	3,555	3,495	2,435	1,060
Outside services	250,544	230,404	101,605	128,799
Total Public works	<u>381,438</u>	<u>361,438</u>	<u>228,525</u>	<u>132,913</u>
Total expenditures	<u>2,667,525</u>	<u>7,653,452</u>	<u>3,789,197</u>	<u>3,864,255</u>
Revenues over (under) expenditures	<u>279,635</u>	<u>134,635</u>	<u>(591,064)</u>	<u>(725,699)</u>
Other financing sources (uses)				
Transfers in	-	120,000	757,761	637,761
Transfers out	(279,635)	(279,635)	(279,635)	-
Capital lease	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources	<u>(279,635)</u>	<u>(159,635)</u>	<u>478,126</u>	<u>637,761</u>
Net change in fund balances	-	(25,000)	(112,938)	(87,938)
Fund balances(deficit) - beginning	(452,737)	(452,737)	(452,737)	-
Fund balances(deficit) - ending	<u>\$ (452,737)</u>	<u>\$ (477,737)</u>	<u>\$ (565,675)</u>	<u>\$ (87,938)</u>

CITY OF ST. JOSEPH, MISSOURI
RIVERBOAT GAMING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Charges for services	\$ 1,394,713	\$ 1,394,713	\$ 1,075,123	\$ (319,590)
Investment earnings	10,000	10,000	310	(9,690)
Total revenues	<u>1,404,713</u>	<u>1,404,713</u>	<u>1,075,433</u>	<u>(329,280)</u>
Expenditures				
General government				
Outside services	398,867	417,691	399,875	17,816
Capital outlay	356,350	356,350	-	356,350
Total General government	<u>755,217</u>	<u>774,041</u>	<u>399,875</u>	<u>374,166</u>
Revenues over (under) expenditures	<u>649,496</u>	<u>630,672</u>	<u>675,558</u>	<u>44,886</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(610,650)	(613,326)	(522,515)	90,811
Total other financing sources	<u>(610,650)</u>	<u>(613,326)</u>	<u>(522,515)</u>	<u>90,811</u>
Net change in fund balances	38,846	17,346	153,043	135,697
Fund balances - beginning	107,508	107,508	107,508	-
Fund balances - ending	<u>\$ 146,354</u>	<u>\$ 124,854</u>	<u>\$ 260,551</u>	<u>\$ 135,697</u>

CITY OF ST. JOSEPH, MISSOURI
MUNICIPAL MUSEUM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget-
				Positive(Negative)
Revenues				
Taxes:				
Property	\$ 479,430	\$ 479,430	485,586	\$ 6,156
Investment earnings	3,000	3,000	670	(2,330)
Total revenues	482,430	482,430	486,256	3,826
Expenditures				
General government				
Outside services	310,470	417,151	416,413	738
Total General government	310,470	417,151	416,413	738
Revenues over (under) expenditures	171,960	65,279	69,843	4,564
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(308,050)	(305,150)	(63,011)	242,139
Total other financing sources	(308,050)	(305,150)	(63,011)	242,139
Net change in fund balances	(136,090)	(239,871)	6,832	246,703
Fund balances - beginning	334,666	334,666	334,666	-
Fund balances - ending	\$ 198,576	\$ 94,795	\$ 341,498	\$ 246,703

CITY OF ST. JOSEPH, MISSOURI
CIP SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes:				
Sales	\$ 5,681,750	\$ 5,681,750	\$ 5,208,537	\$ (473,213)
Intergovernmental	813,000	2,212,975	1,037,608	(1,175,367)
Investment earnings	150,000	150,000	19,177	(130,823)
Contributions and donations	-	32,000	-	(32,000)
Other	-	60,000	77,331	17,331
Total revenues	<u>6,644,750</u>	<u>8,136,725</u>	<u>6,342,653</u>	<u>(1,794,072)</u>
Expenditures				
Capital outlay				
Materials and supplies	-	58,599	55,588	3,011
Outside services	402,300	1,011,901	1,011,899	2
Capital outlay	9,615,873	12,265,331	7,233,957	5,031,374
Total Capital outlay	<u>10,018,173</u>	<u>13,335,831</u>	<u>8,301,444</u>	<u>5,034,387</u>
Revenues over (under) expenditures	<u>(3,373,423)</u>	<u>(5,199,106)</u>	<u>(1,958,791)</u>	<u>3,240,315</u>
Other financing sources (uses)				
Transfers in	300,315	1,389,900	1,140,845	(249,055)
Transfers out	(127,500)	(127,500)	(127,500)	-
Total other financing sources	<u>172,815</u>	<u>1,262,400</u>	<u>1,013,345</u>	<u>(249,055)</u>
Net change in fund balances	(3,200,608)	(3,936,706)	(945,446)	2,991,260
Fund balances - beginning	8,339,948	8,339,948	8,339,948	-
Fund balances - ending	<u>\$ 5,139,340</u>	<u>\$ 4,403,242</u>	<u>\$ 7,394,502</u>	<u>\$ 2,991,260</u>

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2010

Business-type Activities - Enterprise Funds

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
Assets				
Current assets:				
Cash and investments	\$ 834,696	\$ 228,162	\$ 54,913	\$ 1,117,771
Restricted cash and cash equivalents	-	57,158	-	57,158
Interest receivable	257	70	16	343
Accounts receivable (net of allowance for uncollectibles)	2,217	1,030	10,906	14,153
Due from other governments	69,347	-	3,821	73,168
Prepaid items	2,177	1,252	3,425	6,854
Total current assets	908,694	287,672	73,081	\$ 1,269,447
Noncurrent assets:				
Deferred charges	-	2,212	-	2,212
Capital assets:				
Capital assets, not being depreciated:	2,631,303	1,550,998	110,000	4,292,301
Capital assets net of accumulated depreciation:	5,432,675	610,959	393,684	6,437,318
Total capital assets (net of accumulated depreciation)	8,063,978	2,161,957	503,684	10,729,619
Total noncurrent assets	8,063,978	2,164,169	503,684	10,731,831
Total assets	\$ 8,972,672	\$ 2,451,841	\$ 576,765	\$ 12,001,278
Liabilities and Fund Balances				
Current liabilities:				
Accounts payable	\$ 404,859	\$ 8,047	\$ 42,135	\$ 455,041
Accrued payroll	8,134	3,901	10,584	22,619
Accrued interest payable	-	1,703	-	1,703
Long-term obligations due in one year	19,286	62,721	35,341	117,348
Total current liabilities	432,279	76,372	88,060	596,711
Noncurrent liabilities:				
Long term obligations due in more than one year (net of unamortized discounts and deferred amount on refunding)	16,123	167,569	86,866	270,558
Total noncurrent liabilities	16,123	167,569	86,866	270,558
Total liabilities	448,402	243,941	174,926	867,269
Net Assets				
Invested in capital assets, net of related debt	8,063,978	1,947,141	400,023	10,411,142
Restricted for debt service	-	55,455	-	55,455
Unrestricted	460,292	205,304	1,816	667,412
Total net assets	\$ 8,524,270	\$ 2,207,900	\$ 401,839	\$ 11,134,009

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 486,393	\$ 425,247	\$ 528,339	\$ 1,439,979
Other	31,552	364	4,090	36,006
Total operating revenues	<u>517,945</u>	<u>425,611</u>	<u>532,429</u>	<u>1,475,985</u>
Operating expenses:				
Personal services	378,460	226,591	242,819	847,870
Contractual services	185,712	46,841	65,092	297,645
Commodities	43,116	22,394	104,875	170,385
Heat, light and power	31,733	28,044	47,456	107,233
Depreciation	595,581	42,217	43,223	681,021
Total operating expenses	<u>1,234,602</u>	<u>366,087</u>	<u>503,465</u>	<u>2,104,154</u>
Operating income (loss)	<u>(716,657)</u>	<u>59,524</u>	<u>28,964</u>	<u>(628,169)</u>
Nonoperating revenues (expenses):				
Intergovernmental and other	993,731	-	-	993,731
Investment income	690	502	6	1,198
Interest and fiscal charges	-	(17,971)	(1,671)	(19,642)
Gain on sale of capital assets	-	-	(17,242)	(17,242)
Total nonoperating revenues (expenses), net	<u>994,421</u>	<u>(17,469)</u>	<u>(18,907)</u>	<u>958,045</u>
Income (loss) before capital contributions and transfers	<u>277,764</u>	<u>42,055</u>	<u>10,057</u>	<u>329,876</u>
Capital contributions	-	-	11,391	11,391
Transfers in	171,560	12,950	-	184,510
Transfers out	(62,258)	(54,150)	(20,720)	(137,128)
Change in net assets	<u>387,066</u>	<u>855</u>	<u>728</u>	<u>388,649</u>
Total net assets - beginning	<u>8,137,204</u>	<u>2,207,045</u>	<u>401,111</u>	<u>10,745,360</u>
Total net assets - ending	<u>\$ 8,524,270</u>	<u>\$ 2,207,900</u>	<u>\$ 401,839</u>	<u>\$ 11,134,009</u>

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 485,881	\$ 428,179	\$ 517,433	\$ 1,431,493
Payments to suppliers	95,793	(96,739)	(202,743)	(203,689)
Payments to employees	(375,532)	(224,977)	(234,625)	(835,134)
Other operating revenues	31,552	364	4,090	36,006
Net cash provided (used) by operating activities	<u>237,694</u>	<u>106,827</u>	<u>84,155</u>	<u>428,676</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	171,560	12,950	-	184,510
Transfers out	(62,258)	(54,150)	(20,720)	(137,128)
Net cash provided (used) by noncapital financing activities	<u>109,302</u>	<u>(41,200)</u>	<u>(20,720)</u>	<u>47,382</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments of debt principal	-	(60,431)	(23,770)	(84,201)
Payments of debt interest and charges	-	(12,249)	(6,228)	(18,477)
Capital grants received	1,017,696	-	-	1,017,696
Purchase of capital assets	(765,550)	-	(17,124)	(782,674)
Net cash provided (used) by capital and related financing activities	<u>252,146</u>	<u>(72,680)</u>	<u>(47,122)</u>	<u>132,344</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	1,414,275	503,340	9,594,104	11,511,719
Purchase of investments	(1,925,247)	(526,260)	(9,611,874)	(12,063,381)
Interest and dividends received	575	574	13	1,162
Net cash provided (used) by investing activities	<u>(510,397)</u>	<u>(22,346)</u>	<u>(17,757)</u>	<u>(550,500)</u>
Net increase (decrease) in cash and cash equivalents	88,745	(29,399)	(1,444)	57,902
Cash and cash equivalents - beginning	<u>73,989</u>	<u>73,882</u>	<u>12,150</u>	<u>160,021</u>
Cash and cash equivalents - ending	162,734	44,483	10,706	217,923
Investments	671,962	240,837	44,207	957,006
Total cash and investments	<u>\$ 834,696</u>	<u>\$ 285,320</u>	<u>\$ 54,913</u>	<u>\$ 1,174,929</u>
Cash and investments reported on the Statement of Net Assets:				
Unrestricted cash and investments	\$ 834,696	\$ 228,162	\$ 54,913	\$ 1,117,771
Restricted cash and investments	-	57,158	-	57,158
Total cash and investments	<u>\$ 834,696</u>	<u>\$ 285,320</u>	<u>\$ 54,913</u>	<u>\$ 1,174,929</u>

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Aviation	Public Parking	Municipal Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (716,657)	\$ 59,524	\$ 28,964	\$ (628,169)
Adjustments to reconciliation operating income (loss) to net cash provided by operating activities:				
Depreciation	595,581	42,217	43,223	681,021
Changes in operating assets and liabilities:				
Accounts receivable	(512)	2,932	(10,906)	(8,486)
Prepaid expenses	400	314	(2,010)	(1,296)
Accounts payable and contracts/claims payable	355,954	226	16,690	372,870
Accrued payroll and compensated absences	2,928	1,614	8,194	12,736
Net cash provided (used) by operating activities	<u>\$ 237,694</u>	<u>\$ 106,827</u>	<u>\$ 84,155</u>	<u>\$ 428,676</u>
Non-cash capital and financing activities:				
Capital contributions	\$ -	\$ -	\$ 11,391	\$ 11,391
Assets acquired under capital leases	-	-	111,340	111,340

CITY OF ST. JOSEPH, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
3rd Street TDD Tax Fund				
Assets:				
Cash and investments:	\$ 64,929	\$ 8,912	\$ 61,567	\$ 12,274
Receivables - taxes	-	61,566	-	61,566
	<u>\$ 64,929</u>	<u>\$ 70,478</u>	<u>\$ 61,567</u>	<u>\$ 73,840</u>
Liabilities:				
Due to others	\$ 64,930	\$ 70,478	\$ 61,567	\$ 73,840
East Hills CID Tax Fund				
Assets:				
Cash and investments:	\$ 164	\$ 3,852	\$ 410	\$ 3,606
Receivables - taxes	40,949	-	3,852	37,097
	<u>\$ 41,113</u>	<u>\$ 3,852</u>	<u>\$ 4,262</u>	<u>\$ 40,703</u>
Liabilities:				
Due to others	\$ 41,113	\$ 3,852	\$ 4,262	\$ 40,703
Library Tax Fund				
Assets:				
Cash and investments:	\$ 9	\$ 17,938	\$ 17,943	\$ 4
Receivables - taxes	173,377	17,943	-	191,320
	<u>\$ 173,386</u>	<u>\$ 35,881</u>	<u>\$ 17,943</u>	<u>\$ 191,324</u>
Liabilities:				
Due to others	\$ 173,386	\$ 35,881	\$ 17,943	\$ 191,324
All Agency Funds				
Assets:				
Cash and investments	\$ 65,102	\$ 30,702	\$ 79,920	\$ 15,884
Receivables - taxes	214,326	79,509	3,852	289,983
	<u>\$ 279,428</u>	<u>\$ 110,211</u>	<u>\$ 83,772</u>	<u>\$ 305,867</u>
Liabilities:				
Due to others	\$ 279,428	\$ 110,211	\$ 83,772	

STATISTICAL SECTION

STATISTICAL SECTION

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

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

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

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 29,111,703	29,292,688	41,153,764	52,331,937	181,425,001	185,183,117	182,248,926	182,851,470
Restricted	10,663,055	18,997,121	18,285,178	23,426,188	20,555,701	27,093,178	25,568,379	26,413,521
Unrestricted	7,285,390	5,133,522	(20,577,312)	(46,427,491)	(38,578,792)	(52,014,583)	(62,172,221)	(74,693,418)
Total governmental activities net assets	\$ 47,060,148	53,423,331	38,861,630	29,330,634	163,401,910	160,261,712	145,645,084	134,571,573
Business-type activities	\$							
Invested in capital assets, net of related debt	53,334,648	59,565,885	61,317,196	58,367,018	59,053,451	58,958,430	59,010,032	59,207,226
Restricted	8,155,420	2,392,348	3,770,260	4,017,572	4,065,619	7,052,076	7,242,299	7,127,675
Unrestricted	2,427,039	1,822,265	(1,197,406)	188,263	3,702,556	1,502,371	4,577,757	8,155,548
Total business-type activities net assets	\$ 63,917,107	63,780,498	63,890,050	62,572,853	66,821,626	67,512,877	70,830,088	74,490,449
Primary government								
Invested in capital assets, net of related debt	\$ 82,446,351	88,858,573	102,470,960	110,698,955	240,478,452	244,141,547	241,258,958	242,058,696
Restricted	18,818,475	21,389,469	22,055,438	27,443,760	24,621,320	34,145,254	32,810,678	33,541,196
Unrestricted	9,712,429	6,955,787	(21,774,718)	(46,239,228)	(34,876,236)	(50,512,212)	(57,594,464)	(66,537,870)
Total primary government net assets	\$ 110,977,255	117,203,829	102,751,680	91,903,487	230,223,536	227,774,589	216,475,172	209,062,022

Note: GASB 34 was implemented in fiscal year 2003, so only eight fiscal years are shown.

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

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

CITY OF ST. JOSEPH, MISSOURI
Changes in Net Assets
Last Eight Fiscal Years
 (accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 8,162,055	\$ 3,448,810	\$ 39,676,618	\$ 23,853,935	\$ 9,595,821	\$ 18,759,334	\$ 26,816,581	\$ 26,922,302
Public safety	19,594,533	19,003,061	15,552,714	21,133,947	21,956,657	23,318,744	25,047,545	25,875,428
Highways and streets	6,052,644	9,479,906	9,473,469	10,042,359	15,809,603	18,375,904	15,691,228	14,582,255
Public works	1,283,978	257,751	274,980	370,810	385,983	212,776	247,807	293,125
Health and welfare	7,035,645	7,226,366	7,807,850	5,908,864	5,803,456	5,397,561	5,998,130	5,231,832
Parks and Recreation	3,541,370	6,119,506	5,094,993	5,187,029	5,572,153	5,096,787	5,613,173	6,163,817
Interest on long-term debt	100,734	25,430	983,094	4,669,961	3,802,505	3,752,522	3,754,782	3,825,683
Total governmental activities expenses	45,770,959	45,560,830	78,863,718	71,166,905	62,926,178	74,913,628	83,169,246	82,894,442
Business-type activities:								
Aviation	869,308	923,145	921,180	863,917	976,138	989,152	1,117,337	1,234,602
Parking	492,519	459,985	525,677	510,026	445,675	358,222	397,508	384,058
Sewer	7,496,824	7,918,146	10,233,920	9,614,343	9,867,502	12,065,818	13,047,197	14,046,926
Golf	436,367	411,499	410,943	403,045	374,989	427,656	403,153	505,136
Transit	3,881,183	4,291,909	4,550,225	4,874,741	4,929,923	5,047,032	4,711,415	4,925,073
Landfill	1,198,668	1,723,420	2,202,206	2,967,669	2,462,903	4,672,139	3,486,683	3,631,750
Total business-type activities expenses	14,374,869	15,728,104	18,844,151	19,233,741	19,057,130	23,560,019	23,162,693	24,727,545
Total primary government expenses	\$ 60,145,828	\$ 61,288,934	\$ 97,707,869	\$ 90,400,646	\$ 81,983,308	\$ 98,473,647	\$ 106,331,939	\$ 107,621,987
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 2,283,021	\$ 3,799,256	\$ 4,600,425	\$ 4,635,231	\$ 4,873,363	\$ 5,836,677	\$ 5,916,735	\$ 5,320,274
Public safety	541,646	562,301	619,251	709,962	496,759	543,241	583,425	642,911
Highways and streets	656,891	151,963	281,004	150,512	158,804	172,658	103,004	151,461
Public works	478,916	15,669	18,046	36,730	45,627	23,327	24,080	93,802
Health and welfare	938,532	559,690	567,388	674,058	749,166	684,720	746,525	572,275
Parks and Recreation	10,756	1,245,464	1,187,399	1,521,336	1,514,198	1,598,356	1,648,685	1,674,287
Operating grants and contributions	6,081,057	6,630,787	5,339,972	5,347,446	6,508,083	6,360,929	5,232,333	6,278,518
Capital grants and contributions	654,879	808,616	10,899,818	4,414,950	2,427,643	2,255,309	1,455,757	3,999,694
Total governmental activities program revenues	11,645,698	13,773,746	23,513,303	17,490,225	16,773,643	17,475,217	15,710,544	18,733,222
Business-type activities:								
Charges for services:								
Aviation	349,599	393,286	410,800	441,058	469,727	479,350	465,191	517,945
Parking	295,434	355,464	359,257	356,273	343,396	447,428	446,538	425,611
Sewer	6,888,825	7,116,113	7,944,771	8,724,982	10,242,357	11,321,682	12,080,534	13,423,446
Golf	382,570	370,379	400,615	405,379	379,891	369,883	394,779	532,429
Transit	115,500	125,058	105,594	124,959	158,916	284,077	327,506	298,583
Landfill	2,356,690	2,923,924	3,006,818	2,801,026	3,151,363	5,087,108	5,029,726	4,044,536
Operating grants and contributions	956,320	917,265	917,764	1,112,699	2,839,376	2,918,251	1,831,416	3,429,946
Capital grants and contributions	1,377,413	1,512,453	3,128,516	839,014	1,324,937	688,019	768,444	1,471,591
Total business-type activities program revenues	12,722,351	13,713,942	16,274,135	14,805,390	18,909,963	21,595,798	21,344,134	24,144,087
Total primary government program revenues	\$ 24,368,049	\$ 27,487,688	\$ 39,787,438	\$ 32,295,615	\$ 35,683,606	\$ 39,071,015	\$ 37,054,678	\$ 42,877,309
Net (expense)/revenue								
Governmental activities	(34,125,261)	(31,787,084)	(55,350,415)	(53,676,680)	(46,152,535)	(57,438,411)	(67,458,702)	(64,161,220)
Business-type activities	(1,652,518)	(2,014,162)	(2,570,016)	(4,428,351)	(147,167)	(1,964,221)	(1,818,559)	(583,458)
Total primary government net expense	\$ (35,777,779)	\$ (33,801,246)	\$ (57,920,431)	\$ (58,105,031)	\$ (46,299,702)	\$ (59,402,632)	\$ (69,277,261)	\$ (64,744,678)

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes									
Property taxes	\$ 8,885,541	\$ 9,279,250	\$ 9,960,360	\$ 10,499,547	\$ 11,388,612	\$ 12,214,235	\$ 12,611,491	\$ 12,516,447	
Sales and use taxes	19,429,459	19,497,214	21,186,735	21,897,287	21,933,448	24,278,612	23,570,684	22,846,746	
Franchise taxes	3,494,833	3,691,553	3,734,204	3,956,650	4,016,906	7,588,044	6,822,074	8,218,703	
Motor fuel taxes	3,483,646	3,572,836	3,613,104	3,592,068	3,750,470	3,554,512	3,256,266	3,310,259	
Cigarette taxes	444,354	452,770	437,460	459,855	453,013	451,815	441,029	418,473	
Hotel taxes	339,110	354,801	389,986	400,792	430,551	448,717	412,623	425,537	
Intergovernmental activity taxes	-	-	26,922	934,602	2,417,872	2,433,665	3,110,961	3,325,651	
Unrestricted investment earnings	323,973	311,348	910,325	2,028,405	2,220,429	1,913,204	1,113,290	776,579	
Gain (loss) on sale of capital assets	(201,970)	48,713	73,644	-	-	9,914	75,546	90,476	
Transfers	(2,971)	941,782	455,974	376,478	835,608	1,405,495	1,428,110	1,158,838	
Total governmental activities	<u>36,195,975</u>	<u>38,150,267</u>	<u>40,788,714</u>	<u>44,145,684</u>	<u>47,446,909</u>	<u>54,298,213</u>	<u>52,842,074</u>	<u>53,087,709</u>	

Business-type activities:

Sales and use taxes	1,458,333	1,460,047	1,501,994	1,560,135	1,643,460	1,726,313	4,016,551	3,975,759
Franchise taxes	782,374	841,936	887,532	939,913	942,673	1,058,276	1,049,179	1,053,842
Unrestricted investment earnings	591,009	504,901	740,503	987,584	1,146,274	1,099,122	619,634	365,302
Gain (loss) on sale of capital assets	15,960	12,451	5,513	-	-	177,256	-	7,754
Transfers	2,971	(941,782)	(455,974)	(376,478)	(835,608)	(1,405,495)	(1,428,110)	(1,158,838)
Total business-type activities	<u>2,850,647</u>	<u>1,877,553</u>	<u>2,679,568</u>	<u>3,111,154</u>	<u>2,896,799</u>	<u>2,655,472</u>	<u>4,257,254</u>	<u>4,243,819</u>

Total primary government	<u>\$ 39,046,622</u>	<u>\$ 40,027,820</u>	<u>\$ 43,468,282</u>	<u>\$ 47,256,838</u>	<u>\$ 50,343,708</u>	<u>\$ 56,953,685</u>	<u>\$ 57,099,328</u>	<u>\$ 57,331,528</u>
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Changes in Net Assets

Governmental activities	\$ 2,070,714	\$ 6,363,183	\$ (14,561,701)	\$ (9,530,996)	\$ 1,294,374	\$ (3,140,198)	\$ (14,616,628)	\$ (11,073,511)
Business-type activities	1,198,129	(136,609)	109,552	(1,317,197)	2,749,632	691,251	2,438,695	3,660,361
Total primary government	<u>\$ 3,268,843</u>	<u>\$ 6,226,574</u>	<u>\$ (14,452,149)</u>	<u>\$ (10,848,193)</u>	<u>\$ 4,044,006</u>	<u>\$ (2,448,947)</u>	<u>\$ (12,177,933)</u>	<u>\$ (7,413,150)</u>

Note: GASB 34 was implemented in fiscal year 2003, so only eight fiscal years are shown.

Table 3

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Motor Fuel Tax</u>	<u>Cigarette Tax</u>	<u>Hotel Tax</u>	<u>Intergovernmental Activity Tax</u>	<u>Total</u>
2003	\$ 8,885,541	\$ 19,429,459	\$ 3,494,833	\$ 3,483,646	\$ 444,354	\$ 339,110	\$ -	\$ 36,076,943
2004	9,279,250	19,497,214	3,691,553	3,572,836	452,770	354,801	-	36,848,424
2005	9,960,360	21,186,735	3,734,204	3,613,104	437,460	389,986	26,922	39,348,771
2006	10,499,547	21,897,287	3,956,650	3,592,068	459,855	400,792	934,602	41,740,801
2007	11,388,612	21,933,448	4,016,906	3,750,470	453,013	430,551	2,417,872	44,390,872
2008	12,214,235	24,278,612	7,588,044	3,554,512	451,815	448,717	2,433,665	50,969,600
2009	12,611,491	23,570,684	6,822,074	3,256,266	441,029	412,623	3,110,961	50,225,128
2010	12,516,447	22,846,746	8,218,703	3,310,259	418,473	425,537	3,325,651	51,061,816

Note: GASB 34 was implemented in fiscal year 2003, so only eight fiscal years are shown.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 565,488	528,819	403,469	421,535	540,938	1,061,421	635,136	2,075,505	1,715,494	860,005
Unreserved	836,873	882,820	2,244,724	3,100,054	5,465,123	2,081,515	2,551,817	5,592,876	5,449,331	3,132,137
Total General Fund	\$ 1,402,361	1,411,639	2,648,193	3,521,589	6,006,061	3,142,936	3,186,953	7,668,381	7,164,825	3,992,142
All other governmental funds										
Reserved	\$ 8,453,384	9,440,319	9,530,749	22,146,975	21,702,717	20,908,204	23,647,498	16,742,801	21,830,413	24,371,401
Unreserved, reported in:										
Special revenue funds	1,764,210	2,357,671	5,245,512	4,086,832	11,081,617	5,142,593	8,458,323	11,941,619	5,477,728	3,245,197
Capital project funds	5,859,267	3,142,441	5,364,774	4,771,513	2,117,955	6,469,342	2,859,544	6,517,615	5,110,764	4,493,117
Total all other governmental funds	\$ 16,076,861	14,940,431	20,141,035	31,005,320	34,902,289	32,520,139	34,965,365	35,202,035	32,418,905	32,109,715

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 31,275,425	35,144,936	36,335,290	37,110,533	38,532,875	41,528,031	45,654,024	50,983,735	50,132,601	49,880,091
Licenses, fees and permits	1,353,954	1,165,397	1,259,208	1,376,641	1,403,084	1,445,418	1,465,195	1,461,356	1,376,436	1,519,836
Intergovernmental	5,211,172	5,757,234	6,735,936	7,439,403	5,830,759	8,951,096	5,697,209	8,644,884	6,045,431	7,347,329
Charges for services	2,010,945	2,172,509	2,379,460	2,785,721	4,179,090	4,584,989	4,744,541	4,717,410	4,715,722	4,177,716
Fines, forfeitures, and court costs	643,971	784,821	808,169	807,885	936,012	1,006,127	1,101,165	1,192,519	1,222,664	1,041,640
Special Assessments	31,007	17,813	11,815	18,140	21,802	39,688	47,522	28,648	24,474	22,040
Investment earnings	813,286	487,998	323,973	303,510	910,325	1,980,288	2,143,643	1,847,313	1,097,544	774,001
Other	1,047,998	745,448	507,196	1,326,956	733,525	789,906	2,544,549	1,711,517	2,011,842	2,059,121
Total revenues	<u>42,387,758</u>	<u>46,276,156</u>	<u>48,361,047</u>	<u>51,168,789</u>	<u>52,547,472</u>	<u>60,325,543</u>	<u>63,397,848</u>	<u>70,587,382</u>	<u>66,626,714</u>	<u>66,821,774</u>
Expenditures										
General government	4,885,067	4,776,223	5,936,326	6,496,521	36,267,743	23,608,397	8,782,348	10,956,124	11,676,893	12,036,926
Public safety	14,835,831	16,899,825	17,990,251	18,627,416	20,533,681	20,665,255	21,252,553	21,779,899	22,495,913	23,288,767
Highways and streets	6,892,660	8,148,914	6,879,745	6,968,828	6,900,810	7,566,077	7,492,151	8,834,917	7,961,665	8,145,602
Public works	250,760	307,844	352,546	253,312	274,980	344,143	274,688	212,776	245,910	294,018
Health and welfare	4,069,329	5,341,224	5,665,480	5,881,934	5,325,299	5,450,574	5,406,459	5,203,704	5,266,266	5,132,934
Parks and Recreation	3,311,231	3,676,430	3,505,279	3,862,181	4,029,293	4,420,506	4,576,833	4,566,717	4,999,838	5,028,218
Capital outlay	5,253,727	7,929,468	10,455,782	7,094,524	13,837,195	15,038,466	7,317,407	13,965,360	11,882,657	10,465,131
Debt Service										
Principal	296,112	300,449	207,370	70,000	696,934	1,713,663	2,918,292	3,291,383	3,218,074	3,514,899
Interest and bond costs	144,099	125,174	103,942	455,432	2,312,389	4,271,923	3,723,482	3,686,478	3,683,004	3,657,857
Total expenditures	<u>39,938,816</u>	<u>47,505,551</u>	<u>51,096,721</u>	<u>49,710,148</u>	<u>90,178,324</u>	<u>83,079,004</u>	<u>61,744,213</u>	<u>72,497,358</u>	<u>71,430,220</u>	<u>71,564,352</u>
Excess of revenues over (under) expenditures	2,448,942	(1,229,395)	(2,735,674)	1,458,641	(37,630,852)	(22,753,461)	1,653,635	(1,909,976)	(4,803,506)	(4,742,578)
Other Financing Sources (Uses)										
Transfers in	2,690,731	5,182,720	4,935,876	6,184,221	8,433,017	5,218,834	5,766,678	6,676,295	5,754,232	7,158,847
Transfers out	(2,308,360)	(5,080,477)	(4,938,847)	(5,242,439)	(7,977,043)	(4,842,356)	(4,931,070)	(5,270,800)	(4,326,122)	(6,000,009)
Issuance of debt	-	-	-	9,240,266	43,335,000	16,985,000	-	5,110,000	-	-
Capital leases	67,542	-	-	48,933	-	35,300	-	56,201	-	-
Sale of capital assets	-	-	48,114	48,059	221,319	111,408	-	56,378	88,710	101,867
Total other financing sources (uses)	<u>449,913</u>	<u>102,243</u>	<u>45,143</u>	<u>10,279,040</u>	<u>44,012,293</u>	<u>17,508,186</u>	<u>835,608</u>	<u>6,628,074</u>	<u>1,516,820</u>	<u>1,260,705</u>
Net change in fund balances	<u>\$ 2,898,855</u>	<u>(1,127,152)</u>	<u>(2,690,531)</u>	<u>11,737,681</u>	<u>6,381,441</u>	<u>(5,245,275)</u>	<u>2,489,243</u>	<u>4,718,098</u>	<u>(3,286,686)</u>	<u>(3,481,873)</u>
Debt service as a percentage of non capital expenditures	1.28%	0.99%	0.70%	1.14%	3.97%	8.47%	11.75%	11.53%	10.96%	11.25%

Table 6

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
2001	\$ 8,603	\$ 14,473	\$ 444	\$ 3,462	\$ 3,950	\$ 344	\$ -	\$ 31,276
2002	9,177	17,883	441	3,711	3,609	324	-	35,145
2003	9,144	19,429	444	3,484	3,495	339	-	36,335
2004	9,541	19,497	453	3,573	3,692	355	-	37,111
2005	10,328	20,003	437	3,613	3,734	390	27	38,533
2006	10,415	21,769	460	3,592	3,957	400	935	41,528
2007	11,381	23,205	453	3,750	4,017	431	2,417	45,654
2008	12,228	24,278	452	3,555	7,588	449	2,434	50,983
2009	12,519	23,571	441	3,256	6,822	413	3,111	50,133
2010	12,469	22,847	418	3,310	7,084	426	3,326	49,880

(1) Includes interest and penalties.

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

<u>Sales by Retail Category:</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Apparel stores	\$ 18,248	17,415	15,685	15,122	16,494	22,622	24,739	22,163	28,381	21,991
General merchandise	19,539	20,877	157,169	173,757	88,279	279,648	292,646	319,569	326,102	318,626
Food stores	115,776	106,956	97,375	100,179	111,689	112,337	114,235	121,311	127,635	127,175
Eating and drinking establishments	96,086	96,497	98,638	101,951	114,514	116,550	124,297	129,267	135,897	134,125
Home furnishings and appliances	26,719	64,653	68,312	68,411	71,337	75,994	79,286	66,385	62,775	30,768
Building materials and farm tools	29,908	26,203	23,159	22,289	30,933	34,068	32,685	31,288	27,178	51,514
Construction/Remodeling	3,493	2,979	3,571	6,690	6,153	5,335	4,765	4,351	10,999	4,299
Auto dealers and supplies	45,270	48,564	47,243	48,713	45,851	41,152	48,235	75,045	81,079	82,324
Wholesale Trade	40,826	35,536	28,988	27,447	23,130	23,732	27,285	32,332	21,793	21,787
Hotels, Motels	12,316	11,543	11,096	10,728	12,005	12,951	14,698	15,614	13,317	11,458
Communication	34,335	34,994	34,375	30,326	36,795	35,224	39,503	40,951	44,011	45,268
Other retail stores	209,811	240,319	120,777	114,163	108,112	91,268	86,650	97,343	84,559	79,669
All other outlets	86,075	45,254	43,415	42,176	52,313	51,367	58,000	50,974	50,330	49,766
Total	\$ <u>738,402</u>	<u>751,788</u>	<u>749,805</u>	<u>761,955</u>	<u>717,606</u>	<u>902,249</u>	<u>947,023</u>	<u>1,006,593</u>	<u>1,014,056</u>	<u>978,770</u>

Note: Amounts for 2010 are not provided due to only receiving partial year figures.

Note: Amounts for 2004 are estimates.

Note: Amounts for years prior to 2000 are not available.

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

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

Direct Sales Tax Rate City of St. Joseph	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Capital Improvements	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Mass Transit	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.375	0.375
Total Direct Sales Tax Rate	2.150	2.150	2.150	2.150	2.150	2.150	2.150	2.150	2.375	2.375
Total Local Option Sales Tax Rate										
State of Missouri										
General Sales Tax	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Education	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total State of Missouri	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
Buchanan County										
General Sales Tax	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Law Enforcement	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Capital Improvements	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
County Tourism	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total Buchanan County	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100
City of St. Joseph	2.150	2.150	2.150	2.150	2.150	2.150	2.150	2.150	2.375	2.375
Total Direct and Overlapping Sales Tax Rate	7.475	7.475	7.475	7.475	7.475	7.475	7.475	7.475	7.700	7.700

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

6-1

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	
2001	\$ 465,126	\$ 2,041,920	\$ 245,550	\$ 744,091	\$ 18,580	\$ 56,302	\$ 729,255	\$ 1.56	\$ 2,842,313	25.7%
2002	497,957	2,206,207	244,694	741,496	18,761	56,852	761,412	1.55	3,004,555	25.3%
2003	500,861	2,224,004	250,533	759,190	20,935	63,440	772,329	1.55	3,046,634	25.4%
2004	527,739	2,317,589	233,182	706,612	20,301	61,519	781,222	1.57	3,085,720	25.3%
2005	521,034	2,306,219	231,804	702,436	19,306	58,503	772,144	1.60	3,067,158	25.2%
2006	597,842	2,681,510	224,605	680,623	17,194	52,102	839,641	1.54	3,414,234	24.6%
2007	604,882	2,710,836	244,962	742,310	16,280	49,334	866,124	1.55	3,502,480	24.7%
2008	618,779	2,769,236	255,510	774,272	16,183	49,038	890,471	1.55	3,592,546	24.8%
2009	622,357	2,789,469	271,357	822,293	15,858	48,054	909,571	1.56	3,659,816	24.9%
2010	636,014	2,843,770	284,102	860,915	16,234	49,193	936,350	1.53	3,753,878	24.9%

(1) Real estate exemptions not included.

T-10

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
2001	\$ 0.62	\$ 0.07	\$ -	\$ 0.20	\$ 0.20	\$ 0.05	\$ 0.42	\$ 1.56	\$ 0.03	\$ 3.26	\$ 0.44	\$ 5.29
2002	0.61	0.07	-	0.20	0.20	0.05	0.42	1.55	0.03	3.26	0.44	5.28
2003	0.61	0.07	-	0.20	0.20	0.05	0.42	1.55	0.03	3.26	0.44	5.28
2004	0.63	0.07	-	0.20	0.20	0.05	0.42	1.57	0.03	3.42	0.44	5.46
2005	0.65	0.07	-	0.21	0.20	0.05	0.42	1.60	0.03	4.05	0.46	6.14
2006	0.62	0.07	-	0.21	0.19	0.05	0.40	1.54	0.03	4.03	0.46	6.06
2007	0.63	0.07	-	0.21	0.19	0.05	0.40	1.55	0.03	3.98	0.46	6.02
2008	0.63	0.07	-	0.21	0.19	0.05	0.40	1.55	0.03	3.93	0.44	5.95
2009	0.63	0.07	-	0.21	0.20	0.05	0.40	1.56	0.03	3.93	0.45	5.97
2010	0.60	0.07	-	0.21	0.20	0.05	0.40	1.53	0.03	3.39	0.46	5.41

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Notes: (1) County Tax Breakdown for Current Year:
 General Fund 0.08
 Road & Bridge Fund 0.28
 Handicap 0.10
Total County 0.46

Table 11

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

TAXPAYER	TYPE OF BUSINESS	2010			2001		
		ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION(1)	2000 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
Ag Processing Inc	Soybean Processing	\$ 17,848,935	1	1.91%	\$ 10,834,430	5	1.49%
Missouri American Water Co	Water Utility	16,550,550	2	1.77%	21,200,610	1	2.91%
Belt Highway Investment	Shopping Mall	14,584,850	3	1.56%	6,522,320	9	0.89%
Johnson Controls Battery Group	Battery Manufacturer	13,572,260	4	1.45%			
St. Joseph Foods	Meat Manufacturer	13,054,185	5	1.39%			
HHS Properties, Inc.	Healthcare Industry	12,441,400	6	1.33%	10,372,640	6	1.42%
Triumph Foods LLC	Pork Processing	11,658,240	7	1.25%			
Boehringer Ingelheim Animal Health	Animal Health Manufacturer	11,471,610	8	1.23%	19,596,580	2	2.69%
American Family Mutual Insurance	Insurance	10,165,350	9	1.09%	17,776,350	3	2.44%
Nestle USA Inc	Pet Food Manufacturing	10,148,910	10	1.08%			
St. Joseph Light & Power	Electric Utility				11,812,800	4	1.62%
Mead Corporation	Paper Manufacturer				7,753,540	7	1.06%
Southern Union Gas Co.	Natural Gas Utility				7,396,770	8	1.01%
Silgan Containers	Canned Food Containers				6,168,030	10	0.85%
		<u>\$ 131,496,290</u>		<u>14.04%</u>	<u>\$ 119,434,070</u>		<u>16.38%</u>

(1) The total assessed valuation for 2010 = 936,350,114

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
2001	\$ 10,344,344	\$ 9,937,547	96.07%	\$ 371,888	\$ 10,309,435	99.66%
2002	11,162,208	10,720,274	96.04%	350,910	11,071,184	99.18%
2003	10,754,976	10,364,135	96.37%	433,888	10,798,023	100.40%
2004	10,766,443	10,375,602	96.37%	384,043	10,759,645	99.94%
2005	11,423,095	10,965,000	95.99%	451,153	11,416,153	99.94%
2006	11,939,359	10,893,184	91.24%	449,967	11,343,151	95.01%
2007	13,107,839	12,770,207	97.42%	413,514	13,183,721	100.58%
2008	13,491,251	13,086,927	97.00%	393,079	13,480,006	99.92%
2009	13,705,857	13,237,877	96.59%	367,189	13,605,066	99.26%
2010	13,572,486	13,192,295	97.20%	-	13,192,295	97.20%

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

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Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	PBA	MDFB	IFB/IDA	Developer Obligations	Capital Leases	Loans			
2001	\$ 938,980	\$ -	\$ -	\$ -	\$ 54,284	\$ 845,581			
2002	726,610	-	-	-	41,786	770,000			
2003	589,240	-	-	-	67,160	700,000			
2004	542,640		9,170,000	-	91,586	630,000			
2005	475,706	6,860,000	45,645,000	2,467,000	56,280	-			
2006	425,506	5,395,000	62,530,000	2,379,177	69,828	-			
2007	341,152	3,810,000	61,665,000	2,028,523	-	-			
2008	296,647	2,170,000	65,570,000	9,654,552	50,793	-			
2009	252,142	2,070,000	63,685,000	20,882,574	35,573	-			
2010	202,856	1,965,000	61,745,000	31,689,113	19,012	-			

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			
2001	\$ 886,020	\$ -	\$ 16,116,000	\$ 225,000	\$ 628,792	\$ 359,240	\$ 20,053,897	1.03%	\$ 26,376
2002	793,389	-	15,309,000	200,000	386,894	324,102	18,551,781	1.05%	24,106
2003	755,760	-	14,460,000	175,000	195,936	287,569	17,230,665	0.96%	24,799
2004	592,360	-	14,316,000	150,000	315,500	249,585	26,057,671	1.43%	25,103
2005	519,294	11,720,000	13,365,000	120,000	229,580	210,093	81,667,953	4.40%	25,541
2006	464,495	11,720,000	12,359,001	90,000	166,191	169,033	95,768,231	5.17%	25,059
2007	366,381	11,515,000	11,216,393	60,000	99,723	-	91,102,172	4.75%	25,909
2008	318,740	11,275,000	30,529,313	-	60,222	-	119,925,267	5.94%	27,306
2009	271,095	10,860,000	29,384,235	-	20,648	-	127,461,267	6.03%	28,552
2010	218,235	10,415,000	28,171,157	-	103,661	-	134,529,034	6.08%	29,896

(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		
2001	\$ -	\$ -	\$ -	0.00%	\$ -
2002	-	-	-	0.00%	-
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-

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

CITY OF ST. JOSEPH, MISSOURI
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Joseph School District	\$ 23,120,000	95.75%	\$ <u>22,137,400</u>
Subtotal, overlapping debt			22,137,400
City of St. Joseph direct debt			95,620,981
Total direct and overlapping debt			\$ <u><u>117,758,381</u></u>

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

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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit (1)	\$ 145,851,051	152,282,321	154,465,774	156,244,388	154,428,775	167,928,218	173,224,886	178,094,297	181,914,282	187,270,023
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 145,851,051	152,282,321	154,465,774	156,244,388	154,428,775	167,928,218	173,224,886	178,094,297	181,914,282	187,270,023
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 2010

Assessed Value	\$ 936,350,114
Debt Limit (20% of assessed value)	187,270,023
General obligation:	-
Total Bonded Debt	-
Less:	-
Total net debt applicable to limit	-
Legal debt margin	\$ 187,270,023

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Notes:

(1) Total tangible property assessed value as of January 1, 2009 as certified by the County Clerk on June 30, 2009

(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>						
2001	\$ 7,964	\$ 4,557	\$ 3,407	\$ 807	\$ 827	2.09
2002	7,577	4,753	2,824	849	790	1.72
2003	7,395	5,164	2,231	884	751	1.37
2004	7,473	5,709	1,764	951	739	1.04
2005	9,824	7,814	2,010	1,006	691	1.18
2006	10,108	6,302	3,806	1,058	639	2.24
2007	11,299	5,881	5,418	1,263	1,458	1.99
2008	13,265	7,269	5,996	1,354	1,811	1.89
2009	13,743	8,451	5,292	1,675	1,949	1.46
2010	15,828	10,372	5,456	1,747	1,867	1.51

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>
2001	73,492	\$ 1,938,425	\$ 26,376	36.80	11,733	5.60%
2002	73,163	1,763,667	24,106	37.00	11,689	6.20%
2003	72,744	1,803,978	24,799	37.20	11,817	6.00%
2004	72,602	1,822,528	25,103	37.60	11,689	5.40%
2005	72,661	1,855,835	25,541	37.90	11,690	5.90%
2006	73,990	1,854,115	25,059	37.90	11,466	4.90%
2007	73,990	1,917,007	25,909	35.30	11,718	4.50%
2008	73,990	2,020,371	27,306	35.30	11,630	5.00%
2009	73,990	2,112,562	28,552	36.50	11,744	8.70%
2010	73,990	2,212,005	29,896	36.50	11,935	7.70%

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Sources:

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

CITY OF ST. JOSEPH, MISSOURI
Principal Employers
2010 and 2001

Employer	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Heartland Health	3,175	1	4.76%	2,259	1	6.80%
Triumph Foods	2,800	2	4.20%	-		
St. Joseph School District	1,840	3	2.76%	1,546	2	4.60%
Boehringer Ingelheim Vetmedica	974	4	1.46%	-		
Altec Industries	940	5	1.41%	937	3	2.80%
American Family	757	6	1.14%	775	4	2.30%
Sara Lee Foods	700	7	1.05%	609	8	1.80%
City of St. Joseph, Missouri	665	8	1.00%	634	7	1.90%
Western Reception Diagnostic & Correctional Center	576	9	0.86%	642	6	1.90%
Missouri Western State University	534	10	0.80%	-		
Johnson Controls				700	5	2.10%
Snorkel				580	9	1.70%
Mead Products				550	10	1.60%
Total	<u>12,961</u>		<u>19.45%</u>	<u>9,232</u>		<u>27.50%</u>

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Source: St. Joseph Area Chamber of Commerce

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
General Government										
Mayor/Council	1	1	1	1	1	1	1	1	1	1
City Clerk	2	2	2	3	3	3	3	3	3	3
City Manager	4	3	3	3	3	4	4	6	6	6
Technology & Communications	-	-	6	5	5	5	5	5	5	5
Municipal Court	5	6	8	5	5	5	6	6	6	6
Legal	6	6	6	7	7	7	7	7	7	7
Financial Services	24	24	18	19	14	15	15	15	15	15
Human Resources	5	5	5	5	5	5	5	6	6	6
Customer Assistance	18	21	17	17	25	26	25	16	16	16
Property Maintenance								11	10	11
Public Safety										
Police - Arrest Powers	105	108	115	114	116	117	118	117	119	117
Police - Civilian	41	41	40	39	41	41	41	44	44	45
Fire Protection	130	131	127	131	131	131	131	131	131	131
Fire - Civilian	2	2	2	2	3	3	3	3	3	3
Public Works										
Engineering	11	10	10	11	11	10	10	10	10	10
Public Works Administration	4	4	4	5	5	4	5	5	5	5
Streets	54	59	63	62	59	61	62	64	64	64
Traffic	8	8	8	8	8	8	8	8	8	8
Airport	6	6	6	6	6	6	6	6	6	6
Parking Services	6	6	6	6	6	6	6	6	6	6
Landfill	16	16	16	15	16	16	17	18	18	18
Recycling Center	3	3	3	3	2	2	2	2	2	2
Sewer Maintenance	17	17	16	17	17	14	19	19	19	19
Water Pollution Control	42	42	43	42	41	42	45	46	46	50
Health Department	35	37	41	41	41	41	42	42	42	42
Parks and Recreation	49	51	50	50	47	48	48	53	51	52
Community Development										
Planning	4	3	5	5	5	4	4	4	4	4
Housing & Community Dev	8	6	8	8	7	8	9	7	7	7
Total	<u>606</u>	<u>618</u>	<u>629</u>	<u>630</u>	<u>630</u>	<u>633</u>	<u>647</u>	<u>661</u>	<u>660</u>	<u>665</u>

Source: City of St. Joseph Annual Report

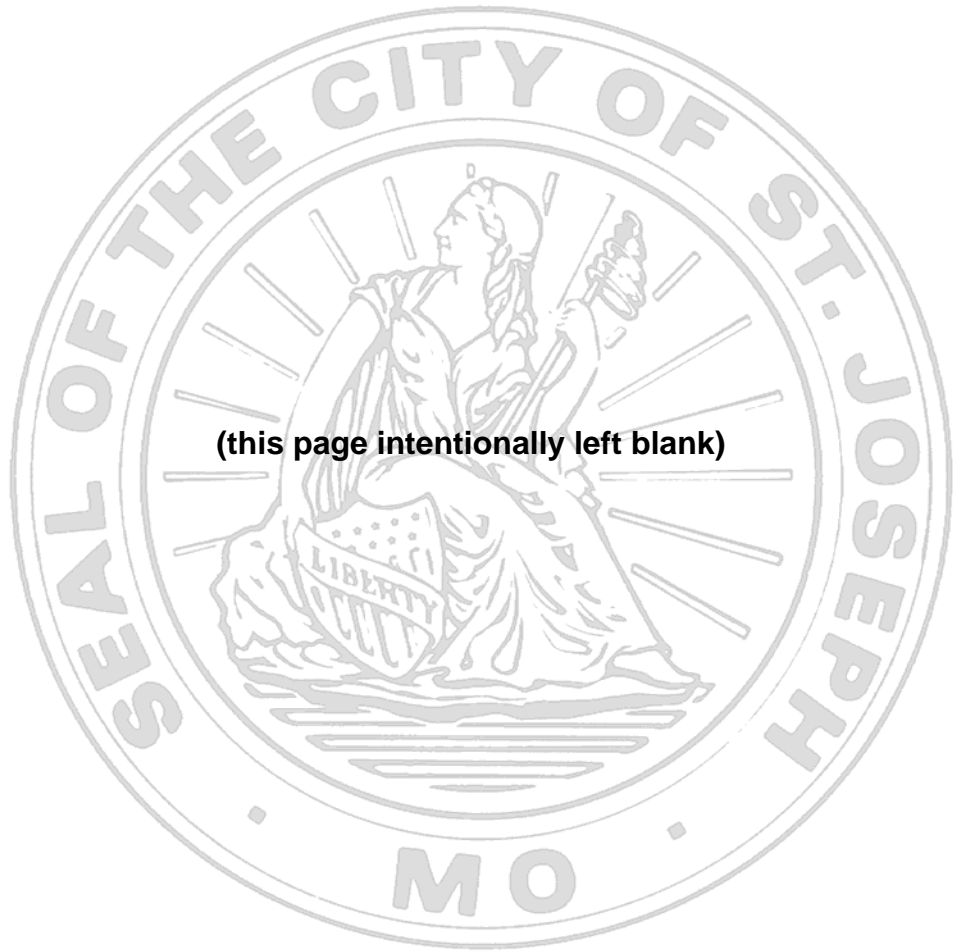
CITY OF ST. JOSEPH, MISSOURI
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety											
Police											
	Physical Arrests	7,291	6,226	7,230	7,859	6,679	5,610	6,183	7,178	6,368	5,170
	Traffic Violations	18,679	17,232	14,644	15,336	15,669	15,688	11,541	18,065	18,453	14,544
	Parking Violations	19,219	14,656	12,629	12,629	11,307	11,620	10,182	10,524	11,861	12,071
Fire											
	Total Alarms	10,456	10,557	12,508	6,642	6,621	6,895	7,322	8,573	8,074	7,920
	Inspections	2,704	2,966	348	515	250	500	398	390	1,058	590
NS-1	Water										
	Number of customers	31,402	31,553	36,878	36,878	36,878	31,751	32,480	33,333	32,548	32,002
	Daily Average Water Consumption	15,200,000	14,363,000	14,994,000	15,156,000	14,933,000	15,000,000	17,083,000	18,000,000	17,209,000	17,161,000
Sewer											
	Number of customers	25,895	25,764	25,764	26,397	30,878	31,751	26,768	26,876	26,859	26,910
	Daily Average Wastewater Treated	23,000,000	20,300,000	12,800,000	17,000,000	17,000,000	15,000,000	15,000,000	17,000,000	17,000,000	17,000,000

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Vehicles	77	82	104	84	91	91	108	106	104	106
Fire										
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works										
Total area (square miles)	45.300	45.050	45.045	45.045	45.045	44.443	44.443	45.443	44.680	46.500
Paved miles	531.0	531.0	531.0	418.0	425.0	425.0	426.3	426.4	432.8	432.8
Culture and Recreation										
Park acreage	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Parks	46	48	49	49	46	46	46	46	46	46
Ball Fields	17	19	23	23	22	23	23	22	23	23
Community Centers	4	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Ice Arenas	1	1	1	1	1	1	1	1	1	1
Swimming Pools	3	3	3	3	3	3	3	3	3	3
Tennis Courts	21	21	21	21	21	21	21	21	21	21
Power and Light										
Power stations	13	13	13	13	13	12	17	12	12	12
Transmission/Distribution Circuits (miles)	792.00	781.00	1,000.00	800.00	1,000.00	793.00	799.25	813.04	816.45	816.45
Street Lights	5,689	5,725	5,755	5,883	5,933	6,097	6,652	6,884	6,903	6,923
Water										
Water mains (miles)	594	598	600	604	619	605	620	613	616	619
Fire hydrants	2,815	2,843	2,887	2,986	2,986	2,985	3,141	3,075	3,063	3,096
Maximum daily pumpage (millions of gallons)	30	30	30	30	30	30	30	30	30	21
Sewer										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	366	366	372	372	386	377	388	390	380	397
Maximum daily capacity of treatment (MGD)	27	27	27	27	27	27	27	27	27	27

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