
TRANSMITTAL

TO: Mayor and City Council Members

THROUGH: J. Bruce Woody, City Manager

FROM: Carolyn Harrison, Director of Administrative Services

DATE: October 19, 2012

SUBJECT: FY2012 Year End Financial Report

Attached is the FY2012 Year End Financial Report. These numbers are still preliminary pending final year-end adjustments and findings of the annual audit. There should be no material changes in total dollar amounts for the operating funds.

The report can be used to look at any level of detail desired – from a city-wide overview down to specific details of funds and departments.

The Executive Summary provides a discussion of the state of the City's finances at the end of FY2012 in terms of three major indicators of fiscal health – operating surpluses or deficits, revenue to expenditure relationships, and status of available fund balances.

The next section of the report looks more closely at 10 year trends for revenues and expenditures on a city-wide basis.

Following are sections providing a more detailed analysis of each of the City's budgeted funds' performances in FY2012 compared to FY2011. The report takes a look at how revenues and expenditures compare to budget and to prior year's experience. The analysis is provided in narrative format, sprinkled with graphs, and ends with a spreadsheet of each fund's sources and uses of monies. Ending fund balances are separated into designated and available amounts.

After the funds' discussions are the sections usually provided in the normal quarterly reports.

- On a year-end basis - investments and cash balances, accounts & loan receivables, status of existing contracts & agreements, and updates on the City's economic development projects.
- On the fourth quarter basis - contracts executed between \$5-25K and routine budget transfers.

The final section consists of nine Tables that contain much of the numbers from which the report was developed. As always, contact me if there are any questions.

Attachment

cc: Department Directors
Administrative Services

CITY OF ST. JOSEPH



FOURTH QUARTER FINANCIAL REPORT

Year Ended June 30, 2012

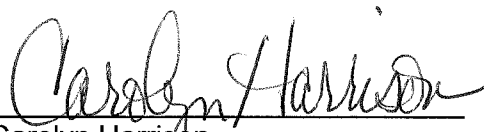
PURPOSE

This Financial Report is for the twelve month period ended June 30, 2012. The purpose of the Report is to help users focus on major issues, conditions or events effecting fund balances, revenues and expenditures and to assist management and policy makers in gauging their impact on future operations of the City.

Amounts included in this report are based on preliminary closing figures for the Fiscal Year and may change as a result of the annual audit and final reconciliation of account balances. However, we don't expect there to be significant audit adjustments and we believe that amounts included in this report are substantially accurate in all significant respects.

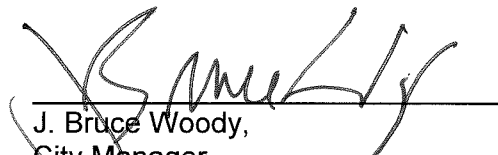
Please review the Report and contact the Administrative Services Department or City Manager's office if you have any questions.

Prepared by:



Carolyn Harrison,
Director of Administrative Services
271-5526

Approved by:



J. Bruce Woody,
City Manager
271-4610

FY2012 YEAR END FINANCIAL REPORT

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EXECUTIVE SUMMARY

The three most important indicators of financial health are adequate levels of ending fund balance, multi-year trends in which major sources of revenues keep up with or out-pace any increase in expenditures, and a positive revenue-to-expenditure relationship. A fund with lower than “ideal” fund balance, large deficit spending, and expenditure growth outstripping revenue growth is a fund that needs immediate attention.

The following matrix scores the City’s major (staff supporting) funds on these three factors. Two or more “negative” factors raise a red flag and the fund bears close attention. A more extensive discussion of each fund is provided in the remainder of this year-end report.

Major Staff-Supporting Operating Funds	Did the Fund end the year with an operating Surplus or Deficit?	Excluding transfers, did the Fund end the year with revenue growth meeting or exceeding growth of expenditures?	Did the Fund end the year maintaining its target fund balance amount?
General Governmental fund:			
General	Surplus	No	Yes
Special Revenue funds:			
Streets Maintenance	GF Trf w/in budget	No	N/A
Parks Maintenance	GF Trf w/in budget	No	N/A
CDBG	N/A**	N/A	N/A
Enterprise funds:			
Aviation	Deficit	No	Yes
Parking	Deficit	No	Yes
Water Protection	Surplus	Yes	Yes
Golf	Deficit	No	No
Transit	Surplus	Yes	Yes
Landfill	Surplus	Yes	Yes

*A “deficit” in these two cases meant additional transfers from the General Fund in order to bring revenues into line with expenses allowing the funds to break even.

**CDBG expenditures are kept within the entitlement funds provided through the federal government.

The General Fund went into the 2012 fiscal year with a budgeted operating deficit of about \$1.1 million (see the Chart on pg. 30). In other words, budgeted expenditures higher than anticipated revenues. However, there were overall budget savings of 2%, and revenues came in 3% over the original budget turning the budgeted deficit into an actual surplus of \$1,500,000. Revenues were also higher than budgeted in the Streets Maintenance and Parks Maintenance funds. Coupled with slight budget savings there was no need for additional transfers to those Special Revenue funds from the General Fund.

In the Enterprise Funds, Aviation, Parking and Golf continue to drain fund balance. The Aviation Fund lost a major revenue source (ANG lease) and without new outside revenue sources, the fund will either need to significantly cut expenditures or be re-categorized as a Special Revenue fund, supported by transfers from the General Fund. The Parking Fund faces a similar fate. A year-long vacancy in FY2012 (and elimination of that position in FY2013) has kept budget deficits down, but not eliminated them. It was hoped the newly formed Downtown CID would take on downtown parking maintenance efforts. With that now unlikely, the fund’s Enterprise Fund status requires review. City staff has had a year of actual experience managing the Municipal Golf course, and about six months of taking over responsibility for the

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Pro Shop operations. Revenues have increased significantly. Unfortunately, so have expenditures. While some of the expenditure deficit was caused by the area drought and subsequent use of water at the course, the other culprit was the cost of part-time and temporary help. If staff can bring personnel costs down, the fund should return to its practice of running in the black.

Financial health continues to depend on a combination of expenditure control, fees and charges-for-service that keep up with the cost of providing services, and the performance of sales tax and property tax revenues for the General Fund.

Operating Surplus or Deficits

Operating surpluses occur when more revenues come in during a fiscal year than go out. While this is good, and definitely better than the reverse – expenses higher than revenues – a surplus by itself doesn't indicate a fund in good fiscal health. An operating surplus can occur not because revenues are healthy, but because the expenses have been cut or deferred. If the cut is deep enough, services can suffer.

Operating deficits can occur and not necessarily be “bad”. If it is due to a one-time set of circumstances (the monies used in Landfill to provide cell construction) and is not an ongoing issue, then occasional operating deficits can be overcome.

On-going deficits eventually lead to the depletion of fund balance. When that happens, services can be permanently cut or curtailed. Below is a graph of the major operating funds and whether each has experienced operating deficits or surpluses and by how much in FY2012 compared to FY2011. Surpluses are good. Shrinking surpluses and/or deficits are not so good. Excluded from both revenues and expenses are CIP projects and cell phone transactions. “Surplus” in the Streets Mnt and Parks Mnt funds means additional transfers from the General Fund were not needed to make up for a decrease in budgeted revenue or increase in budgeted expenditures.

ACTUAL OPERATING SURPLUS OR DEFICIT		
FUND	FY2011	FY2012
General Gov't		
General	D (\$1.25M)	S \$1.1M
Streets Mnt	D (\$235K)	S \$551K
Parks Mnt	D (\$31K)	S \$66K
Enterprise		
Aviation	S \$31K	D (\$79K)
Parking	D (\$7K)	D (\$86K)
Water Protection	S \$3.0M	S \$5.0M
Golf	D (\$10.5K)	D (\$31.6K)
Transit	S \$1.9M	S \$2.5M
Landfill	D (\$500K)	D (\$267K)

Continuing operating deficits in the three general governmental funds led to the need to eliminate positions in the FY2011 budget. That was avoided in FY2012 and an unanticipated increase in revenues allowed the City to avoid cuts in FY2013, but could be a real possibility should the economy falter again.

FY2012 YEAR END FINANCIAL REPORT

Revenue-to-Expenditure Relationships

The best case scenario is when revenues increase more than expenditures (or while expenditures decrease and not just through deferred acquisitions, projects, or temporary salary savings).

An acceptable scenario exists if revenues decrease (as long as the fund has a comfortable fund balance or at least is not deficit spending) but expenditures go down an even bigger percentage.

A worst case scenario occurs when revenues decrease while expenditures increase, or when revenues drop faster than expenditures are reduced; especially if a fund is below its targeted fund balance amount to begin with.

When one-time cell phone, CIP and Special Allocation revenues, were excluded, City operating revenues ended the year meeting the original and amended budget and 1% over projections. On a city wide basis, revenue increases in most of the funds offset the significant loss of HUD grant support in CDBG and the blow to Gaming receipts due to the three month shut down of the casino due to summer flooding.

There was a 5% increase in the overall sales tax category (which includes fuel, hotel/motel, cigarette and other specialty sales revenues). This increase brought those revenues back to the FY2010 level.

Operating expenditures were 2% less than original budget and less than 1% more than projected overall.

The chart below compares the percentage growth (or decline) of FY2012 revenues and expenditures compared to the prior year. Like the chart on page 3, this excludes general government transfers, cell phone revenues & expenditures, and capital projects in the operating funds

Specifics on changes in revenues and expenditures are discussed starting on page 7.

Percent Change from Prior Year Operating Revenues & Expenditures		
	Revenue	Expense
Fund	Increase/ (Decrease)	Increase/ (Decrease)
General	5.01%	.93%
Streets Maintenance*	5.25%	(17.1%)
Parks Maintenance*	6.9%	(30%)
Gaming Initiatives	(31.8%)	0.9%
Museum Tax	8.5%	37%
Special Allocation**	7.7%	12%
Capital Projects (all funds)	(4.4%)	38.5%
Aviation Operations	(4%)	5.8%
Parking Operations	(8.7%)	(1.4%)
Water Protection	15.75%	10.9%
Municipal Golf	11.5%	62%
Mass Transit	6.43%	13.4%
Landfill	(0.14%)	31.3%

* Revenue: excludes the transfers from the General Fund required to maintain balanced budgets. Expenditure decreases: the result of moving personnel costs from the Special Revenue funds into the General Fund.

** Excluding the revenues/expenditures relating to the mid-year bond refinancing in the Triumph TIF.

(Table 7, page 89 provides the details on the percentages shown in the preceding chart.)

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Fund Balance Goals

The Government Finance Officers Association lays out the recommended level of unassigned fund balance for non-enterprise funds as two months (60 days) of operating expenses. At the very least 5% is recommended. The City's adopted fund balance policy sets a goal of 10% for the General Fund. Factors for maintaining balances at the higher level include drains on resources due to financial difficulties, growing budgets, an area with exposure to natural disasters (like tornados, floods, ice storms). At the end of FY12 only one fund, Municipal Golf, did not maintain a target fund balance.

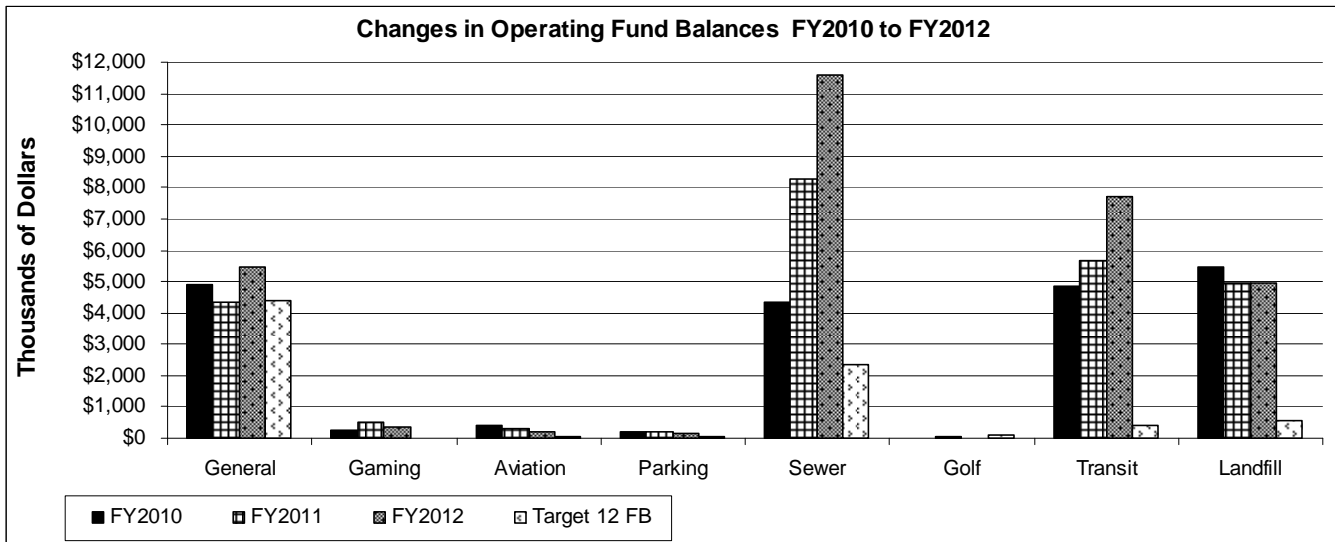
Fourth Quarter Report - June 30, 2012 CHANGES IN OPERATING FUND BALANCES

Fund	Total Beginning*	FY12 Preliminary Actual		Designated Adjstmnt	Year End	Target Balance	Maintained
		Revenues	Expenditures		Projected Ending		Target FB
General	\$7,555,476	\$47,293,736	\$45,702,122	(\$3,683,851)	\$5,463,239	\$4,687,157	Yes
Streets Maintenance	122,377	7,669,695	7,069,712	0	722,360		n/a
Parks Maintenance	39,224	2,017,004	1,950,603	0	105,625		n/a
Gaming Funded Initiatives	512,830	814,103	954,414	0	372,519		n/a
Museum Tax	405,540	521,824	581,802	(134,316)	211,246		n/a
Aviation	302,817	583,631	660,176	(8,360)	217,912	76,174	Yes
Public Parking	222,133	361,291	445,889	(6,095)	131,440	51,449	Yes
Water Protection	8,310,066	19,287,187	14,283,843	(1,718,167)	11,595,243	2,348,029	Yes
Municipal Golf	8,236	759,363	789,622	(5,320)	(27,343)	91,110	No
Mass Transit	5,983,632	7,415,436	5,231,669	(444,040)	7,723,359	503,045	Yes
Landfill	9,269,883	3,291,224	3,558,876	(4,710,000)	4,292,231	398,324	Yes
Total Operating	\$32,732,214	\$90,014,494	\$81,228,728	(\$10,710,149)	\$30,807,831		

*Includes designated fund balances

The table above provides the ending available fund balance increase or decrease compared to beginning fund balance and indicates if each fund managed to maintain its target unassigned ending balance amount. Inter-fund transfers have been included in this chart. As previously mentioned, there can be a surplus (i.e., no deficit spending) and a fund can still be below its targeted reserve. Deficit spending will result in a decrease in fund balance. However, a fund can still be within its target range. A fund is in need of corrective action when decreases become routine

The graph below shows the changes in fund balance over the last three years. If appropriate, the "target" fund balance for the year ending FY12 is also displayed.



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The chart below compares the beginning and ending fund balances for what this report terms “non-operating” funds, for CIP programs and for the designated revenues & expenditures in the operating funds (like cell phone monies in the General Fund), none of which have a fund balance “target”.

Fourth Quarter Report - June 30, 2012 CHANGES IN NON-OPERATING AND DESIGNATED FUND BALANCES

Fund Designated/CIP	Total Beginning	FY12 Preliminary Actual		Designated Adjstmnt	Year End Projected Ending	Preliminary Inc (Dec) in Fund Balance
		Revenues	Expenditures			
Non-Operating Funds						
Special Allocation Fund	5,802,481	14,955,974	17,085,351	0	3,673,104	(2,129,377)
Capital Projects Fund	5,302,826	8,325,759	4,097,710	0	9,530,875	4,228,049
Special Purpose Designations						
General - Computer Escrow	\$118,048	\$383,000	\$211,519	\$0	\$289,529	\$171,481
General - Cell Phone	1,148,094	1,733,241	1,767,673	0	1,113,662	(34,432)
General - Reestablish						
Emergency Fund	1,025,000	0	0	0	1,025,000	0
Mass Transit Bus Replcmn	310,040	0	0	134,000	444,040	134,000
Landfill Closure/PostClsr	4,331,715	0	0	353,965	4,685,680	353,965
27th Payroll Designations						
General Fnd - 27th PY	922,530	0	0	333,130	1,255,660	333,130
CDBG - 27th PY	5,850	0	0	2,925	8,775	2,925
Aviation - 27th PY	6,270	0	0	2,090	8,360	2,090
Parking - 27th PY	4,770	0	0	1,325	6,095	1,325
Water Protection - 27th PY	62,805	0	0	20,935	83,740	20,935
Municipal Golf - 27th PY	3,990	0	0	1,330	5,320	1,330
Landfill - 27th PY	18,240	0	0	6,080	24,320	6,080
Operating Funds' CIP Programs						
Aviation CIP	133,705	5,953,558	648,597	0	5,438,666	5,304,961
Water Protection CIP	22,740,695	4,880,713	29,255,835	1,634,427	0	(22,740,695)
Municipal Golf CIP	0	24,195	24,629	0	(434)	(434)
1 Transit CIP	(81,374)	159,578	78,204	0	0	81,374

1. Actual revenues in Transit CIP program were less than expenditures due to the timing involved in receiving grant monies. Revenues have been increased to reflect what is referred to as technically "unearned" but "anticipated" grant receipts in the following fiscal year.

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CITY-WIDE REVENUE & EXPENDITURE TRENDS

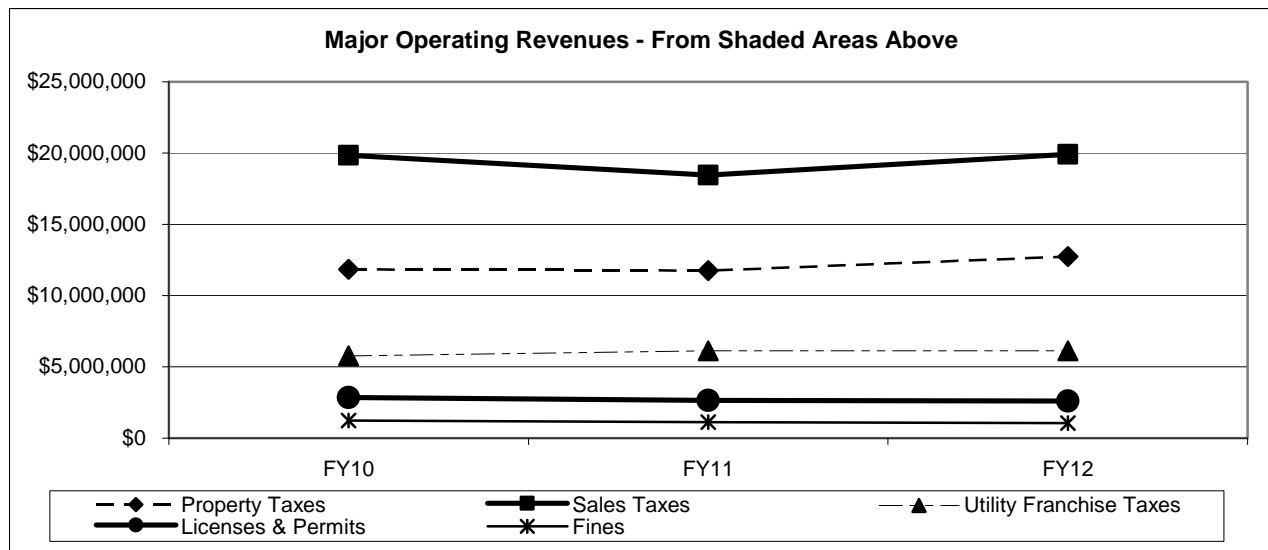
Problems, or opportunities, come to light when trends are examined. On the following pages, this report will look at the overall trends of various revenue and expenditure categories. Below is a look at the trends over the last three years of the major revenue sources for the departments that support city staff and provide the bulk of city services – Police, Fire, Health, Planning & Inspections, Parks & Recreation (excluding Golf), Public Works (excluding Parking, Airport, Landfill, Transit), and the general administrative departments.

COMPARISONS - FY2011:FY2012 BY MAJOR REVENUE SOURCE

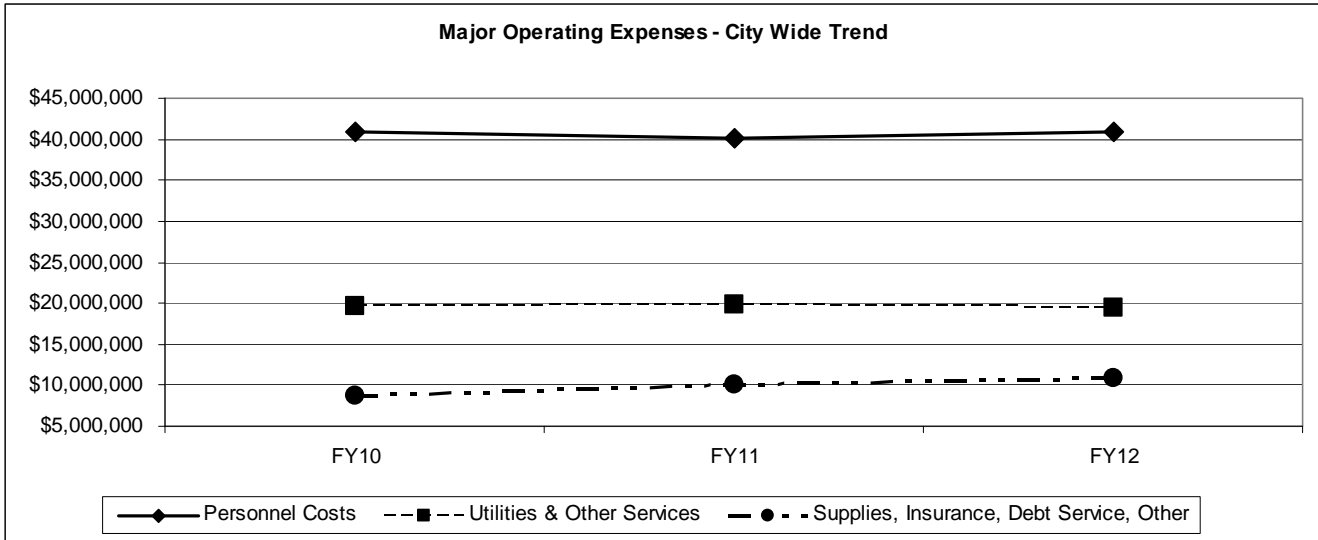
<u>Type of Revenue</u>	<u>FY10 Actual</u>	<u>FY11 Actual</u>	<u>FY12 Actual</u>	<u>Over/(Under) Prior Year</u>	
	<u>Revenues</u>	<u>Revenues</u>	<u>Revenues</u>		
Property Taxes	\$11,847,057	\$11,740,075	\$12,733,811	\$993,736	8.46%
Sales Taxes (Retail)	19,836,729	18,448,404	19,916,085	1,467,681	7.96%
Utility Franchise Taxes	5,753,955	6,119,211	6,122,033	2,822	0.05%
Licenses & Permits	1,618,524	1,536,706	1,592,902	56,196	3.66%
Fines	1,236,697	1,109,993	1,061,241	(48,752)	-4.39%
Rents & Gaming Revenue	1,671,982	1,679,093	1,243,442	(435,651)	-25.95%
Charges for Services	23,771,355	23,813,588	26,113,176	2,299,588	9.66%
Interest Earnings & Other	1,140,000	1,495,527	1,298,258	(197,269)	-13.19%
Op Grants & Entitlements	6,504,689	7,433,286	7,442,928	9,642	0.13%
Total Operating Funds	\$73,380,988	73,375,883	77,523,876	\$4,147,993	5.65%

Excluding interfund transfers, sales taxes (Special Allocation & CIP), cell phone franchise taxes

Put in graph form, it's obvious that although the major revenue sources for most of the city's non-enterprise funds increased over the prior year, within the three year period they are basically flat. In order to meet this challenge, the FY2011 contained an 18 position reduction and departments held the line in every expenditure they had control over. Those conservative actions were continued in FY2012 as displayed on the next page.



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Utilities, insurances, and maintenance & repair costs continue to drive expenses up. Increase in pension and health insurance costs offset the previous year's loss of 27 positions somewhat and personnel costs crept back up to FY2010 levels.

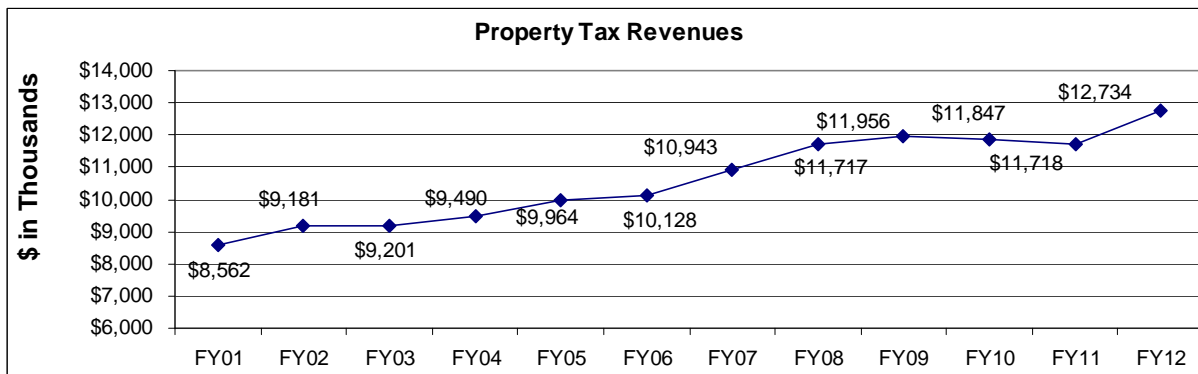
The series of graphs below chart revenue and expenditure trends for all funds combined over the last ten years. More specific information on how each revenue or expenditure type performed within separate funds can be found starting on page 20.

Property Taxes

As a result of SB711 and the depressed housing market, real property taxes (excluding the PILOTS generated by TIF projects) showed a two year decrease in FY10 (-1%) and FY11 (-2%). This trend showed a significant reversal in FY 12 with an increase of almost 8%. A majority of the increase was due to tax year 2011 (FY12) being a reassessment year. Per Buchanan County Clerk reports from January 4, 2012, total current real property valuations were \$40.5 million more than tax year 2010 (FY11).

Total current personal property valuations decreased \$14 million from the same period for tax year 2010 with the adoption of a new depreciation schedule by the County Assessor. This was offset in FY12 with the County Collector's release of prior year protested personal property taxes from four major industrial taxpayers. This doubled anticipated revenue for the year.

In total, property tax revenue was over the original budget amount by \$900,000, and \$140,000 more than projected. Property taxes represented 14% of operating revenues.



[The above graph excludes the property tax revenues (PILOTS) recorded in the Special Allocation Fund.]

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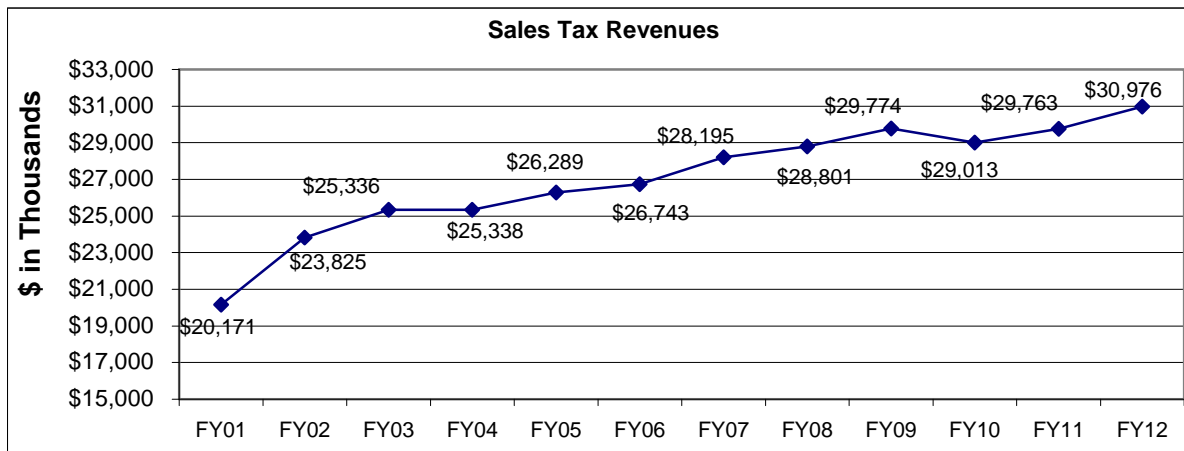
Sales Taxes

Overall, sales taxes increased 4.8% from \$33,323,000 to \$34,923,000. Excluding the \$3,948,000 that went into various TIF programs in the Special Allocation Fund, remaining sales tax revenues increased 3.8%, \$1.15 million.

City-wide this category reflects a combination of local general (gross sales), cigarette, CIP, EATS (the City's portion from TIFs), transit, motor vehicle, fuel, and hotel/motel taxes helping to fund six of the City's major funds. Mid-year revenue projections were still slightly low since actual revenues came in \$742,000 or 2% more than projected.

The only sales tax category to fall short was that of fuel taxes. Not counting transfers in from the General Fund, fuel taxes are the major funding source for the Streets Maintenance Fund. Those revenues came in \$69,000 under original budget and \$19,000 under projections.

The various sales tax revenues account for approximately 28% of the City's operating funds and are the source of 38% of the funding for FY2012 capital improvement projects. Staff monitors this revenue source closely.



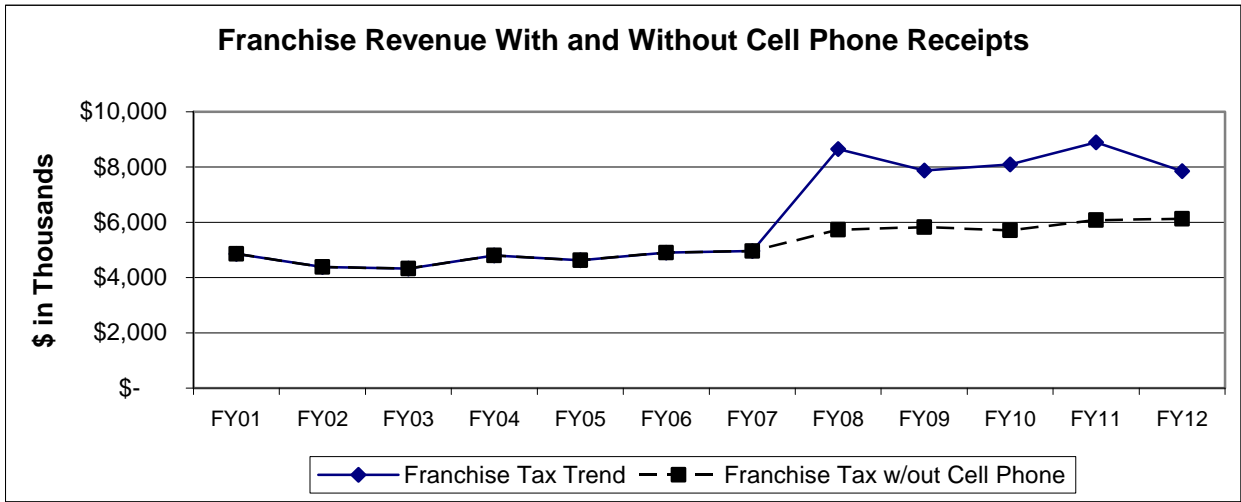
[The above graph excludes the sales tax revenues (EATS) recorded in the Special Allocation Fund TIFs.]

Utility Franchise Fees

Utility franchise fees are assessed on the gross receipts of utility companies who deliver or provide services to local residents and businesses (electric, water, natural gas, cable, communications). Franchise fee revenue had been all but flat. Revenues in FY07 were only 2.2% higher than they were in FY01.

However, with the settlements between Missouri cities and most of the cell phone carriers, revenues in this category have started to increase. \$2,917,000 of the FY08 amount represents the one-time cell phone revenue of two years' back taxes from four of the five major telecommunications companies. Cell phone revenues make up \$1,725,000 of FY12 revenue. The last amount of one-time, back tax settlement monies was received in FY11. FY12 represents the on-going amounts the City can expect from this revenue source, at least until the telecommunications industry finds a way to avoid paying the taxes. Excluding the cell phone revenue, utility taxes represent 7% of the City's operating revenues. Franchise revenues are recorded in the General and Transit funds.

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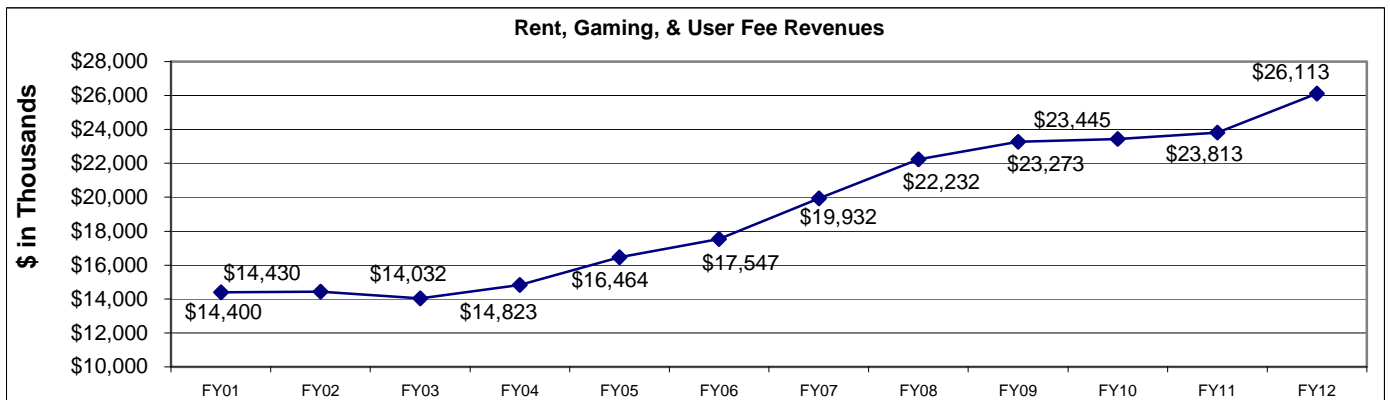


As can be seen in the above chart, excluding the revenues from the wireless services, franchise revenues remain fairly flat. There was a slight up-tick with an FY08 settlement with AT&T, compelling the land-line company to pay franchise taxes on services it previously excluded. But the various phone utilities continue to resist paying taxes through both court actions and through attempts to curtail municipalities' taxing authority through federal legislation.

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. During most years these climactic conditions average out producing no noticeable or significant volatility in revenues overall. However, the additional complication of constantly fluctuating rates themselves makes projections in this area extremely difficult. Actual FY12 revenues came in 2% (\$120,000) more than originally adopted, but 1% (\$94,000) less than projected.

User Fees

The City's twelve categories of user fees, rents, and gaming revenues totaled \$26,113,000 in FY12 and represent 34% of total City operating revenue. User fees include revenues from downtown parking; Gaming (casino admission and gaming taxes); public health services; parks, recreation, and civic facility fees and concessions; golf fees; bus fares; sewer charges; landfill tipping fees; aviation rents; and other miscellaneous user fees including charges for street cut repairs, fire district contracts, and weed abatements. User charges are found in virtually every operating fund in one form or another.



Total user fee revenue increased 9.5%, climbing \$2,300,000 from the FY11 actual of \$23,813,000. Almost all of the increase came from sewer user fees which increased \$2,268,000 as a result of the fee increases required to meet state and federal Clean Water mandates.

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The biggest percentage of user fee revenues (81%) comes from sewer and landfill charges. These are fairly reliable sources of revenue, although landfill receipts are more susceptible to market forces than sewer fees. In these two Enterprise funds, revenues can be more easily adjusted to meet the demands of the expenditures. Transit fees are a minor contributor to the overall support of the bus system, mainly operated with federal subsidies and the dedicated transportation sales tax.

Other user fees are dependent on factors beyond City control – user preference, other entertainment or recreation opportunities, etc. When fees are generated at outdoor venues (swimming, golf, ball fields) weather can have a big impact. It is in these areas that expenditures must be reviewed constantly in comparison with revenues generated. Although most of the services provided are not meant to be self-supporting, small fund balances mean that increasing cost of service levels must be met with some corresponding increase in revenues. Otherwise service levels will face cutbacks.

Licenses & Permits

License revenue is derived from business, liquor, dog, garage sale, trade exam licensing activities; from local vehicle fees (city stickers) billed annually with City property taxes; and from a variety of permits from building construction, septic tank installation, special events, dangerous buildings, special uses and more. Together these revenues generated \$1,593,000 or 1.7% of the City's total revenues. There was an overall increase of \$56,000 from FY11. Actual revenues differed less than 1% from revised projections.

Fine Revenue

Fine revenue decreased for the third year in a row. FY10 saw a 13% decline (\$185,000); FY11 fell 10% (\$127,000). FY12 went down 4.4% (\$49,000). Fine revenue represented less than 1% of the City's total revenue; however, it has been a fairly important source for the General Fund (up to 3.5% of total fund receipts). With the recent declines, the revenue now provides only 1.9% of General Fund revenues. Actual fine revenues came in lower than both the original and projected budgets.

Interest Earnings

Interest earnings continue their not-so-slow decline. Even with the additional cell phone funds sitting in the bank, record low interest rates generated city-wide total revenue of \$399,000, a \$44,000 (63%) drop from FY11. (Of this amount, \$241,000 represents special assessment interest in the Water Protection Fund.) This is the fifth straight year in a row of decline in interest earnings. They now represent a negligible amount (0.3%) of all City revenues.

Grants

During FY2012, grant revenue increased by \$2,029,000. Year-to-year fluctuations are not necessarily significant from an operational point of view. They result mostly from timing of capital improvement projects and other grant-funded activities. A good portion (\$984,500) of the FY12 increase came from FEMA/SEMA reimbursements to the General, Streets Maintenance, Parks Maintenance, Water Protection and Aviation Funds for prior years' disaster activities. The Aviation Fund also received anticipated grant funds from the ANG for the on-going CIP projects at the airport. Actual receipts were above the projected and budget amounts due to late-year receipts from FEMA.

Donations, Bond Proceeds, and Other Revenues

Donations, bonds, and other revenues increased FY2012 from \$10.144 million to \$14.65 million. These revenues represented 11.5% of total City revenues. \$4.638 million of the total amount this year is attributable to bond proceeds recorded in the Water Protection Fund – draw-downs as capital projects are being completed. \$6.685 million of the total resulted from the refinancing of the MDFB Series 2004A bonds in the Special Allocation fund.

Besides the various bond proceeds, major contributors to the FY12 amount in this category were:

- \$423,000 of Sewer Reserve Charges. This is an annual payment from Triumph Foods which goes to pay the debt service on one of the TIF bonds issued for that project;
- \$646,000 "developer's contribution" which is Chapter 100 Personal Property PILOTs from Triumph Foods sent directly to the bond trustee;

FY2012 YEAR END FINANCIAL REPORT

- \$382,600 in Missouri BUILD tax credits in the Sewer Fund, funneled through Triumph Foods in order to support the MDFB Series C bond payments;
- \$250,000 from the sale of the Geiger Mansion;
- \$451,000 insurance payment for the fire at the Missouri Theater complex;
- \$250,000 in donations toward construction of the walking track at the new REC Center;
- \$73,300 in recycling revenues (\$14,600 from the Recycling Center and the remainder generated by departments selling scrap metals).

Except for the Triumph sewer reserve charges, BUILD tax credits, and PILOTS, sources such as these are very unpredictable and therefore rarely budgeted.

Fund Transfers-In

Transfers-in from other funds totaled \$9,284,000 or 7% of total City revenues. This is \$4.3 million less than the prior year. The details behind these revenues are provided under the EXPENDITURES section, on page 17. The difference between fund transfers-in and fund transfers-out represent monies received by the CDBG fund from off-budget sources such as the Revolving Loan Funds as reflected in the CDBG Fund chart on page 35.

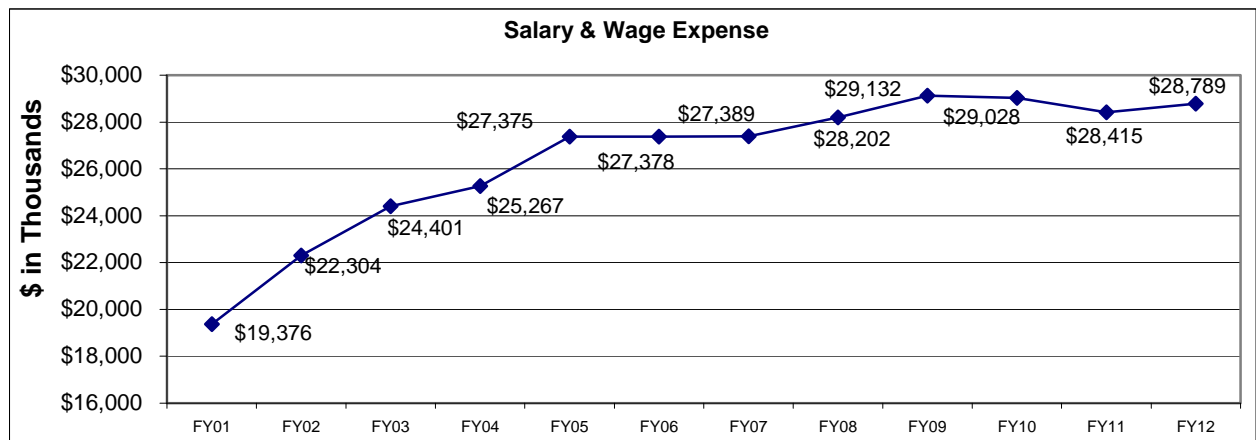
EXPENDITURES

Salaries and Wages

Salaries and wages were basically flat from FY05 to FY07 as can be seen on the following chart. The cost of a 27th payroll in FY05 almost exactly matched the cost of the normal matrix salary increases in FY06. FY07 expenses reflect the fact there were no salary increases. In fact, there is only an \$11,000 difference between FY05 and FY07 salary & wage expenses. Overtime costs incurred during the ice event and overall harsh winter also contributed to the 3% increase in expenditures in FY07. There was a 3% increase in salaries in FY09, but an actual decrease in FY10 as a result of vacancy savings and a decreased use of overtime.

FY2011 wage & salary costs decreased another \$613,000, the result of vacancy savings as well as a 20 position reduction in order to balance the FY2011 budget. The \$374,000 increase in FY12 was the result of one-time \$1,000 pay-for-performance checks to city employees (offset \$200,000 from position vacancy savings).

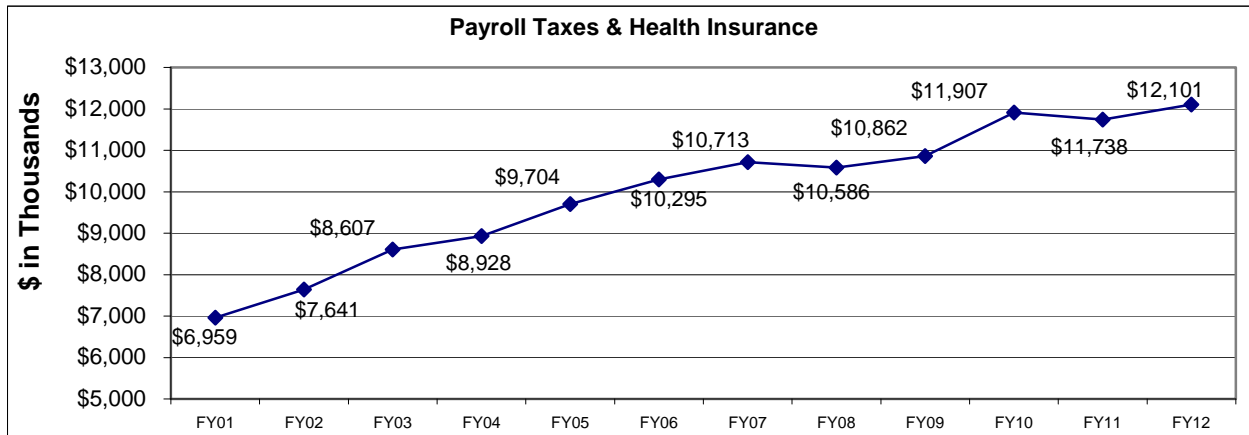
Salaries and wages (including overtime, out-of-title pay, and wages for temporary/part-time employees) make up 35.3% of total City operating expenditures. Actual FY12 expenditures reflected a 3% savings from the original budget.



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Employee Benefits

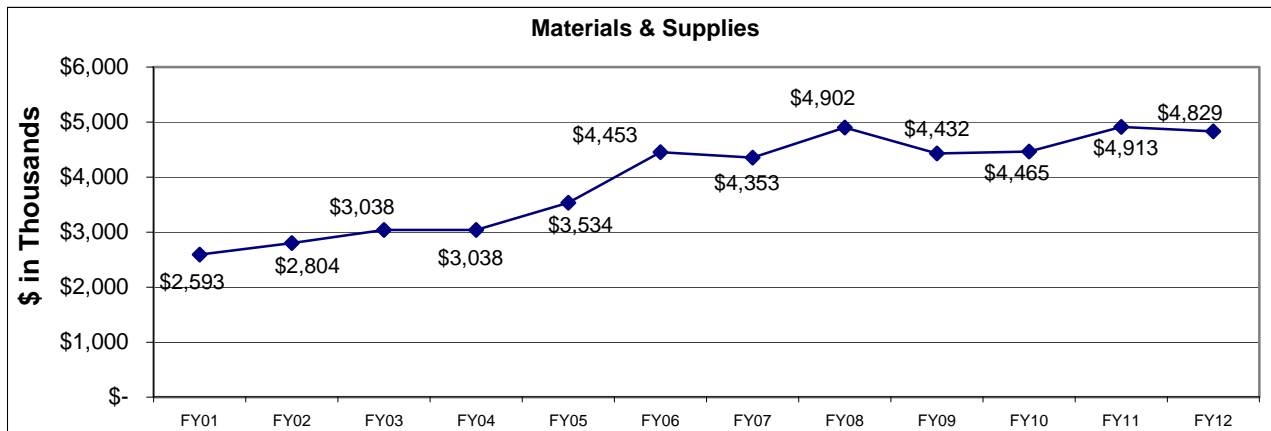
Employee “benefits” represent 15% of operating expenditures and cover payroll related taxes (social security), contributions to employee pension plans, contributions to health and dental coverage, life insurance, long-term disability coverage, workers compensation, mileage reimbursement and training/travel expenses. As can be seen in the chart below, this category increased \$363,000 (3%) in FY12 from \$11,738,000 to \$12,101,000. While the \$914,000 savings in salaries & wages translated to a corresponding savings in pension, social security, and other payroll related expenses those savings were offset by increases of the city’s contribution rates to all of the employee pension plans. There was also a 3.4% increase in the cost of health insurance. Benefit expenses for FY12, were 2% under original budget and 0.2% (\$20,000) over projections.



Materials & Supplies

Material and supply expenditures decreased 2% (\$84,000) in FY12, slightly under even FY08 levels. A mild, almost snow-less winter led to a \$341,000 savings in Streets Maintenance for snow & ice fighting supplies. This more than off-set increases in other items such as fuel.

As a category, materials & supplies represented 3.6% of the City’s total expenditures. The year-end actual amount was 6% under the adopted budget, and 1% under projected expense.



Services (Utilities, Maintenance & Repairs, Professional Services, Contributions)

The cost of services paid for by the City increased \$730,000 (3%), from \$27,806,000 to \$28,536,000. Services represented 21% of the City’s total budget. This category contains the most diverse types of expenditures. The major components of the city’s “service” costs included:

- *Professional Services* account increased by \$3.2 million. For FY12 the amount in professional services equaled \$9.628 million compared to FY11’s \$6.4 million. Outside legal services increased

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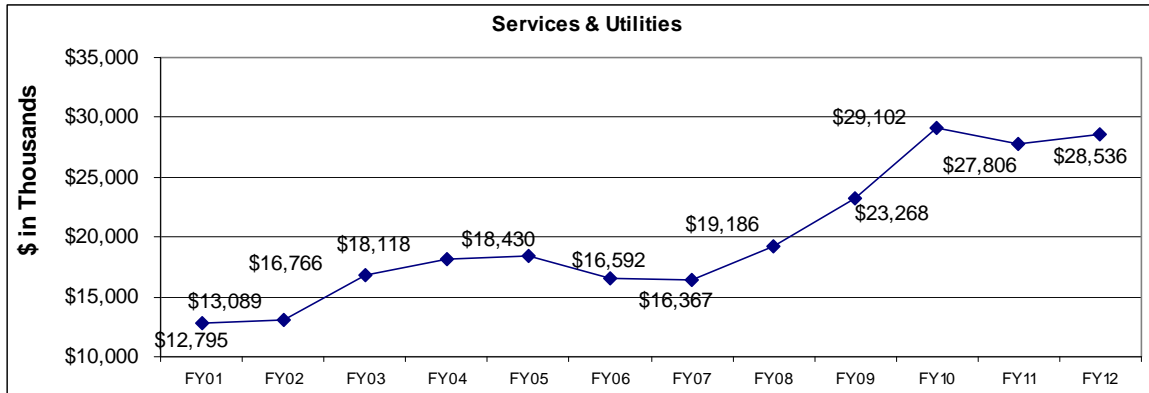
over last year as a result of renewed labor negotiations and of the City's participation in utility rate cases before the Missouri PSC. Including fees connected with the various TIF's, legal expenses came in around \$246,000. Architectural, engineering, and design work accounted for the bulk of professional fees in Landfill (\$200,000). Specialized engineering, design and laboratory services for the MPO division, Engineering, and Water Protection made up \$469,000 of the expense. The \$259,000 in Transit went toward the management contract with Laidlaw. The greatest contributors to the professional services cost were the engineering & design costs for projects in the Water Protection CIP program (over \$7.1 million) and in the Capital Projects Fund (\$913,000).

- *Utility payments* (communications, gas, electric, water, solid waste) totaled a combined \$4.275 million (a 15% increase from FY11). Largest single portion of the expense was the cost of the street and traffic lighting systems (\$1.384 million). A close second was electric service at the Water Protection Plant (\$1.043 million). There was a \$654,000 expense racked up within the Parks & Recreation department for all of the electric/gas/water utility usage at their facilities and grounds. The final utility expense that hits the triple digit mark is a \$107,000 cost in Police Communications for various emergency service communications;
- *Maintenance and repair of equipment, buildings, vehicles* at \$5.075 million, increased \$345,000 from last year. A major portion of the total costs was made up of \$1,120,000 for computers and new/upgraded emergency communications equipment. Excluding the computer/communication expenses, maintenance & repair of buildings, vehicles and equipment totaled: \$1,802,000 in Water Protection Fund divisions, \$629,000 in the Engineering/Streets divisions, \$325,000 in all Parks & Recreation Department divisions, \$412,000 in the Transit division, \$132,000 in the Landfill divisions, \$297,000 in the Police & Fire departments and the remaining \$358,000 scattered among the other departments and divisions in the City;
- *Federal pass-through monies* in the CDBG Fund to various public service agencies and community development organizations and activities accounted for \$1.279 million a decrease of \$3.66 million from last year's expenditures. Part of this decrease was due to the drop-off of ARRA stimulus monies (\$1.5 million) that inflated the FY11 numbers and part was due to the overall reduction in HUD funding;
- *Gaming Fund* provided \$394,000 covering expenditures such as the contract with the Chamber of Commerce for economic development activities, the contribution to MO-KAN, the Downtown Partnership contract, the match for the Downtown DREAM initiative, festival funding, etc.
- *Municipal tax* funds reimbursed St. Joseph Museum, Inc for their management of one of the City's museums, per contract, for a total of \$300,000.
- Use of *temporary work crews* in Property Maintenance, Water Protection, Parks & Recreation, and Streets departments totaled \$392,000.
- *TIF programs* generate \$653,000 in administrative and collection fees paid to the City and County for tax collection and administration of the TIF programs.
- "*Special Contributions*" and "*Other Services*" accounts contain expenditures such as the \$393,000 payments to the LEC for the City's space in that building, the \$433,800 contribution to the Social Welfare Board recorded in the Health department, \$232,000 was paid to the water company for collecting City sewer fees, \$364,000 was paid to Buchanan County for collecting City property taxes;
- Finally, all of the *salaries, benefits, contractual service costs for the mass transit system* were expended in a "Services" line item and totaled \$3.562 million.

Expenditures were 10% over (\$2.6 million) the original budget with the early start of sewer improvement projects not anticipated until the following budget year at the time the FY12 budget was adopted. As detailed above, year-to-year fluctuations in service costs are mainly due to the number and magnitude of capital improvement projects (with their significant engineering/architectural design costs) and the amount

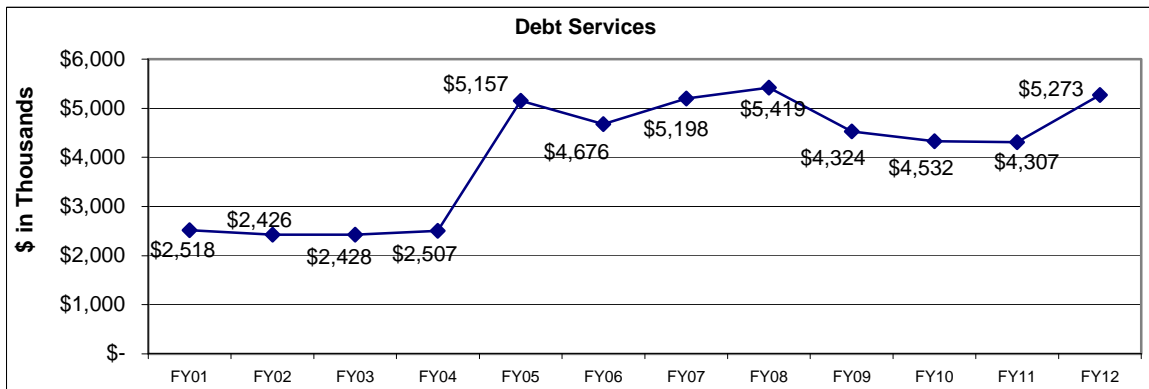
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of federal pass-through monies allocated in any one-year in the CDBG Fund. By mid-year, a more complete picture of CIP projects to be completed in FY12 allowed Services to end the year only 1% (\$184,000) under mid-year projections.



Debt Service (excluding \$16.352 million in Special Allocation reimbursements & debt service)

Debt service expenditures (principal and interest payments on bonds and loans) stand at just over \$5.27 million. The Water Protection Fund accounts for \$5.1 million of that expense and all of the \$1.18 million increase from last year.



The \$16.532 million in Special Allocation which shows up as “debt service” was actually comprised of three types of expenditures in FY12. \$5.4 million represents actual principal & interest payments on bonds issued in three of the City’s TIFS. \$8.5 million is from the refunding of the MDFB 2004A series of bonds in the Triumph TIF (the proceeds used to buy out the old bonds and reissue the debt at a lower interest rate). The remaining \$2.63 million represents payments to developers in pay-as-you-go TIFS. The City’s outside auditors insisted on reclassifying these expenditures as “debt”, thus overstating the long-term payment commitments the City is obligated to make from its own revenues.

As a part of the various Redevelopment Agreements the City may have pledged to reimburse approved costs. However, with pay-as-you-go TIFS, if the project does not generate incremental revenues it gets no reimbursements. When the 23-year statute of limitations on a TIF is over, and the total amount has not been reimbursed, the developer loses it.

This category came in significantly over budget due to the late year bond refunding. As a whole, the “debt service” category represented 16% of the FY12 city expenditures.

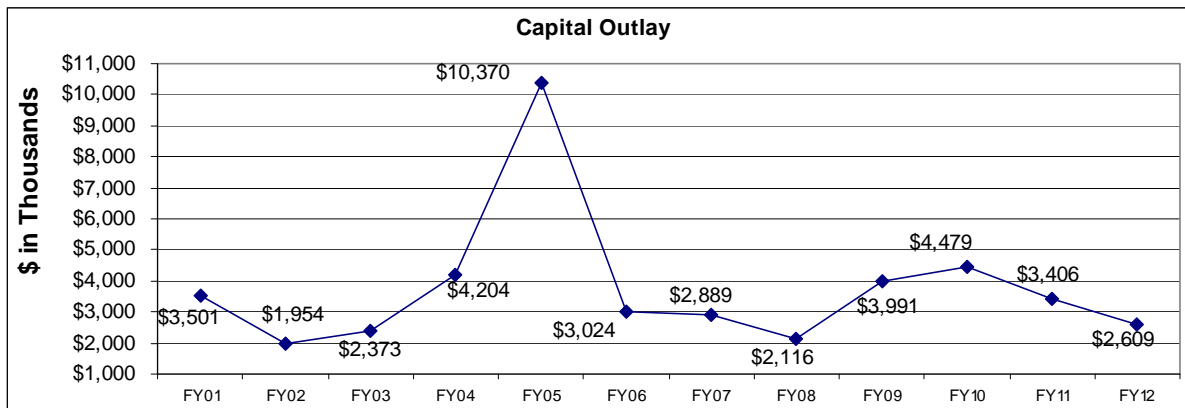
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Insurance & Other Charges

The FY12 total for this category was \$712,000, a \$32,500 decrease from FY11. It includes costs of Transit vehicle liability insurance at \$116,700; City property and general liability insurance premiums (\$514,000, a \$98,000 increase from the prior year) and City property damage and liability claims (\$81,300). Major portions of the Claims expense were made up of: Water Protection for sewer back-ups (26%), Streets' divisions (42%), Police Department (7%), and Parks & Recreation divisions (20%). This expenditure category has historically been a minor portion of the whole. In FY12 it represented 0.005 of total expenditures.

Capital Outlay

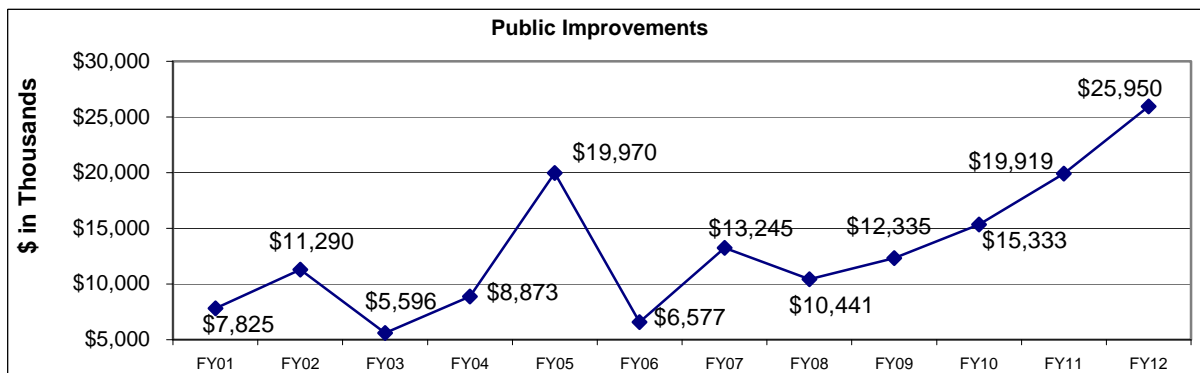
Capital outlay expenditures can fluctuate significantly from year-to-year depending on the City's capital equipment needs and whether capital equipment is funded by CIP sales tax funds. FY12 capital outlay decreased from \$3,400,000 to \$2,609,000 (2% of total expenditures). The spike in capital outlay that occurred in FY05 resulted from the \$8 million purchase of the Public Safety Communication System.



Large capital purchases in FY12 included \$130,000 for new, upgraded or replacement hardware and software throughout the City; \$420,500 worth of police vehicles and other equipment; \$348,500 for Landfill equipment; \$520,000 in rolling stock and other equipment in the Streets, Parks & Recreation, Aviation and Water Protection divisions; \$53,000 in furniture/furnishings/equipment for the new REC Center; and \$965,000 in equipment needed at the Water Protection Plant in order to meet EPA and MDNR mandates. CIP tax funded capital equaled \$144,000 for fire vehicles & equipment.

Public Improvements

Public improvement expenditures can, and usually do, fluctuate annually in response to the timing, nature and cost of projects outlined in the City's Five-Year CIP and the EPA/DNR mandated sewer system improvements.



FY05 was an example with an almost \$11.1 million dollar increase from FY04. The projects that year included the \$8.8 million Police Communications System upgrade and the capacity improvements at the Water Protection Plant totaling over \$11 million. The FY07 jump to \$13,245,000 included several unusually large projects: expansion of the LEC, Nature Center Construction, Felix Streetscape Phase

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One, start of construction at the site of the new Eastowne Business Park and continued improvements at the airport related to the MOANG expansion.

FY2009 began to see the use of the large, one-time cell phone settlement funds for projects as well as the large-scale projects at the Water Protection plant, bring total expenditures of \$12.335 million. FY2010 public improvement costs took another \$3 million jump for a total of \$15.3 million with Water Protection projects fueling the increase. FY2011 major improvement projects took a \$4.6 million hike to \$19.9 million. A third went to Capital Projects Fund projects, the largest of which was the \$4.5 million REC Center. Almost 40% constructed the first phase of the ANG Alpha Taxiway Rehab project. 20% covered WP Plant improvements.

FY2012 was no different from the previous three years with a \$6 million increase to \$25.950 million.

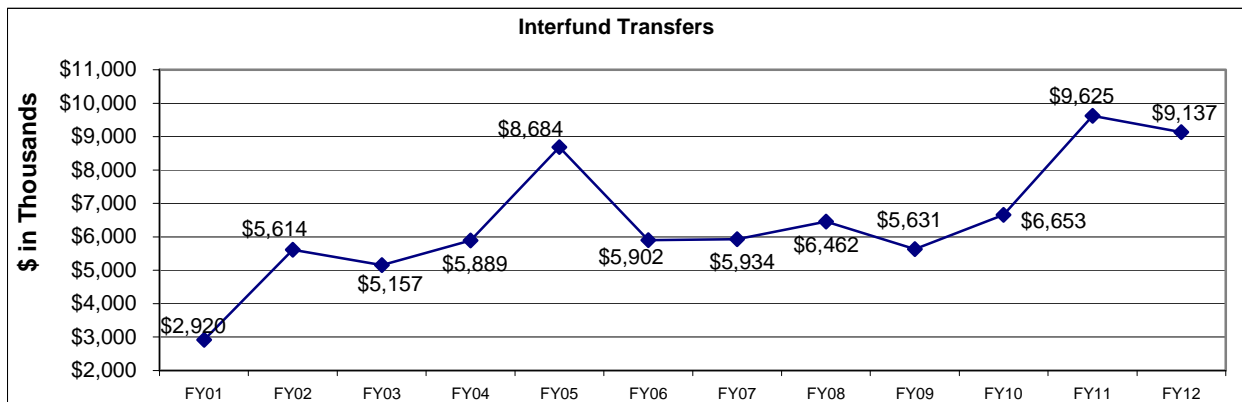
- \$3 million in the Capital Projects Fund which included purchase of fire apparatus, engineering designs for bridge, levee and storm water projects, improvements at the Wyeth-Tootle, fire stations, Missouri Theater and City Hall, and additional enhancements for the REC Center.
- The airport incurred \$648,000 for runway pavement maintenance and safety grading;
- \$1.450 million in the annual streets asphalt overlay and concrete repair projects; and
- \$20.7 million in various projects relating to state & federal Clean Water and EPA mandates.

Transfers-Out

FY12 saw a slight decrease in transfers, from \$9.6 million to \$9.1 million. [The \$146,600 difference between fund transfers-in and fund transfers-out represent monies received by the CDBG fund from off-budget sources such as the HOME Revolving Loan Fund (\$136,900) and the transfer from the Downtown Business District account to Parks Maintenance for Downtown Cleanup (\$9,700).]

Transfers occur for several reasons.

- The *computer escrow transfers* increased slightly in FY12 from \$51,200 to \$59,950. Transfers for maintenance, upgrades and replacement of network components are calculated and adjusted annually depending on projected expenditures for the upcoming year;
- Transfers to cover General Fund support departments' *administrative costs* from the Enterprise funded departments totaled just over \$1.18 million;
- Landfill provided \$500,000 in transfers to support the property maintenance function and \$325,000 to Streets Maintenance for 8.5 months support of the Alley Maintenance program;
- Transfers from one fund to another help cover *operating costs*: The General Fund transferred almost \$4.6 million to Streets Maintenance and \$1.1 million to Parks Maintenance activities;
- The Gaming Fund transferred \$505,000 to various funds to support specific projects, purchases, or other operations; and
- Transfers to help fund *capital projects* – A total of \$843,000 was transferred for this in FY12. The Capital Projects Fund received \$437,000 of that amount to help fund the REC Center from general fund cell phone revenues and \$205,500 from the Museum Fund for improvements at the Wyeth-Tootle Mansion. The Water Protection fund was sent \$200,000 from the General Fund to cover its portion of the Asset Management software expense.



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The following sections provide a more detailed analysis of the City's budgeted funds' performance in FY2012 compared to FY2011. The report takes a look at how revenues and expenditures compare to budget and to prior year's experience. The analysis is provided in narrative format, sprinkled with graphs, and ends with a spreadsheet of each fund's sources and uses of monies. To meet the requirements of the GASB Statement No. 54, ending fund balances are separated into "assigned" and "unassigned" and "reserved".

GENERAL GOVERNMENTAL FUNDS

GENERAL FUND

SPECIAL REVENUE FUNDS

STREETS MAINTENANCE

PARKS MAINTENANCE

CDBG

GAMING INITIATIVES

MUSEUM

SPECIAL ALLOCATION

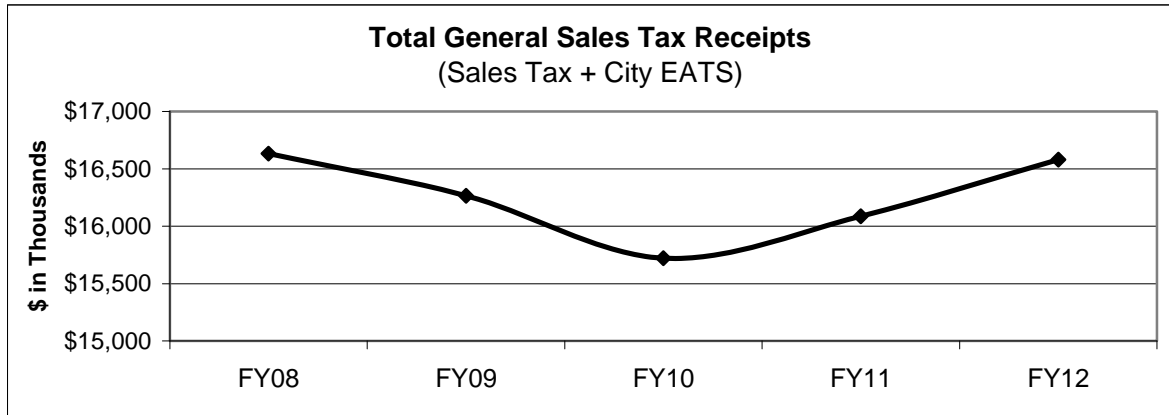
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GENERAL FUND

Revenues

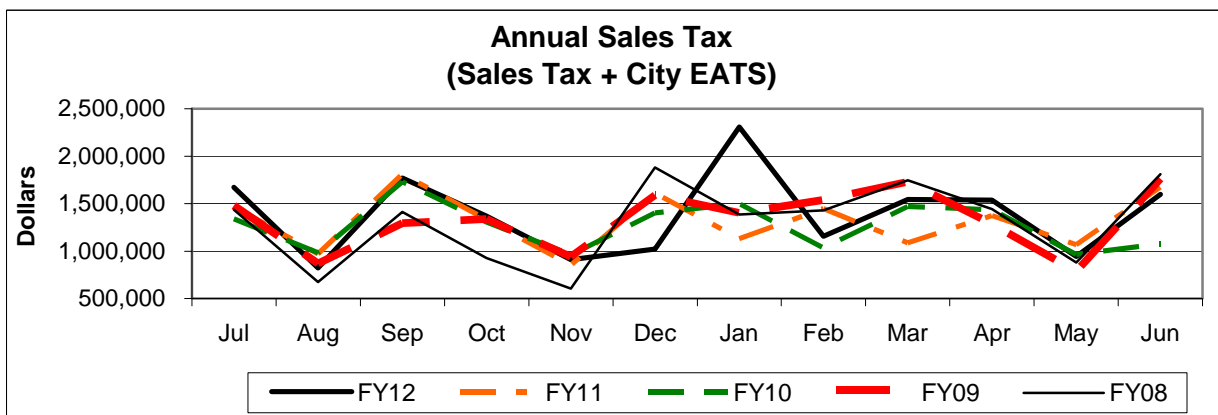
As discussed in the opening sections, **general sales tax revenues** saw a decrease in this fund for two years in a row starting in FY2008. FY2012's local economy had a small turn-around and presented the City with a significant increase in FY2012. Total increase was over \$494,000.

After analyzing the experiences in FY2010 and FY2011, the FY11 Year End Report finished with some careful optimism, "...the City experienced 0.9% more revenue [in FY2011] than the mid-year projections anticipated. Since the FY2012 budget was based on FY11 projections there is a chance (if the economy can stabilize and continue to improve, however slightly) that sales tax revenues will be meet budget projections.



General sales tax revenues did show improvement compared to the previous year and completed the year 4.5% above original budget, 1.5% over projections and a 3% increase over the prior year. The rebound has almost gotten the City back to FY08 sales tax revenue levels.

According to the graph below, May showed a little of a slide, but rebounded in June to end strong. January had far and away the largest collection - well over the \$2 million mark (the highest monthly total in at least the last five years). Black Friday and the holiday shopping season contributed to the increase as well as the East Hills TIF reaching its base. The year-end date total was especially impressive considering the conditions the city dealt with during the first quarter. Major flooding wiped out Heritage Park and all major tournaments that were scheduled there. In addition, attendance for the Kansas City Chiefs training camp decreased in FY12 due to travel issues caused by flooding, extreme heat, and the long football player lockout.



Cigarette tax revenue was at trend and nearly equal to the FY11 total. Vehicle sales remained solid throughout FY12 resulting in **motor vehicle sales tax** revenues staying above trend and completed the

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year 28.5% above budget. While this was an increase of 5.7% when compared to the prior year, the revenue source could soon face a decline. In May, the Governor vetoed a bill that would continue to impose a local tax to out-of-state purchases of motor vehicles. To counteract the loss, the City is proposing a local use tax that will be on the ballot in November.

Hotel/Motel taxes exceeded the budget by 11.6%, an increase of \$56,000 when compared to FY11. Early on in the fiscal year revenues underperformed as summer floods closed down tourist spots, canceled major tournaments, and hindered travel from the north. However the year ended with a major softball tournament that filled hotel rooms for several days.

The revenue shown in the General Fund does not include the additional 3% increase that went into effect October 1st with a 20 year sunset clause. This additional revenue is projected to result in \$400,000 additional revenue annually and will be transferred monthly from the Hotel/Motel account to a separate fund to be used as approved in the election.

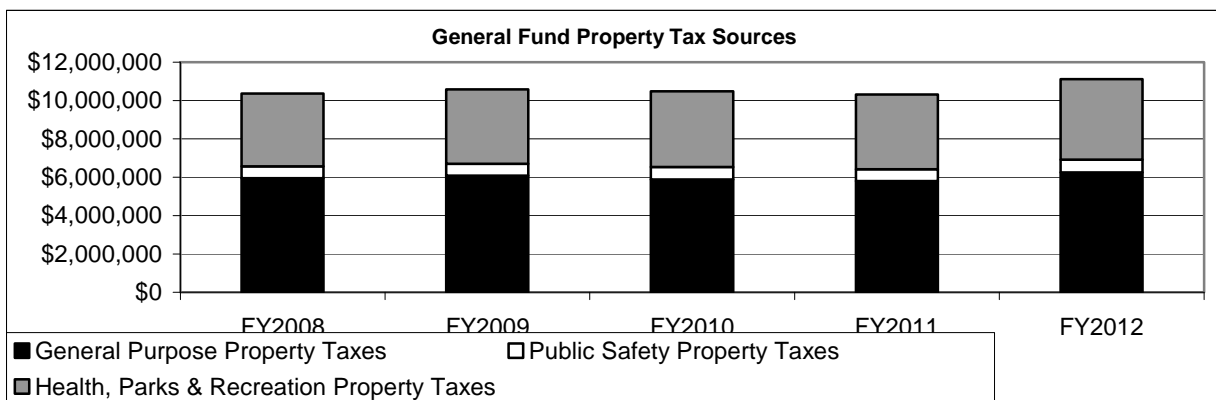
Real and Personal Tax Revenues

Revenues from real estate for General Fund–General Purpose plus Public Safety increased 7.0% more than FY11. Personal property showed a bigger jump of 9% when compared to the prior year. Between the two, a total of \$500,000 more had been received than the end of the previous fiscal year. A majority of the increase was due to tax year 2011 (FY12) being a reassessment year. Per Buchanan County Clerk reports from January 4, 2012, total current real property valuations were \$40.5 million more than tax year 2010 (FY11). This was offset somewhat by the decrease in total current personal property valuations of \$14 million from the same period for tax year 2010.

The County Collector released prior year protested taxes from Albaugh, Inc., Sara Lee, Altec and Johnson Controls. Added to that, a hefty amount of taxable property came back on the tax rolls following the expiration of a Chapter 100 abatement for a major industry. Combined, these two events resulted in a significant rise in prior year personal property revenues compared to year to date March FY11 (\$93,000).

Parks and Health in the General Fund also showed similar improvement compared to FY11. In addition, there was a Hancock increase of 1.5% implemented. Unlike, the General Purpose property tax levy which could implement no Hancock increase. Health collected 3.6% above projections while Parks surpassed expectations by 10.3%. The Museum fund also benefited from the Hancock increase with an ending result of 4.1% above trend.

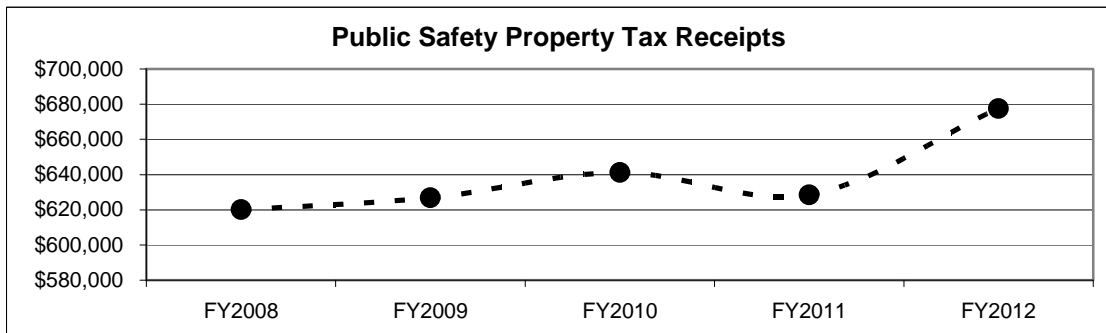
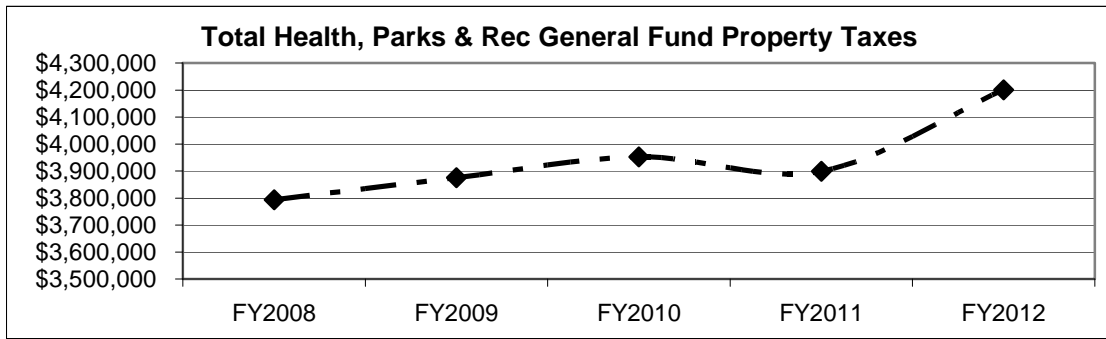
In total, General Fund property tax revenues in FY12 surpassed FY11 by 8%. Before there is too much dancing in the streets, consider that 8% is also the amount of increase over what the City collected back in FY2008. That averages out to only 1.5% increase a year. Over that same five year period, the General Purpose tax revenues only increased 5.3% due to SB711's elimination of its Hancock increases.



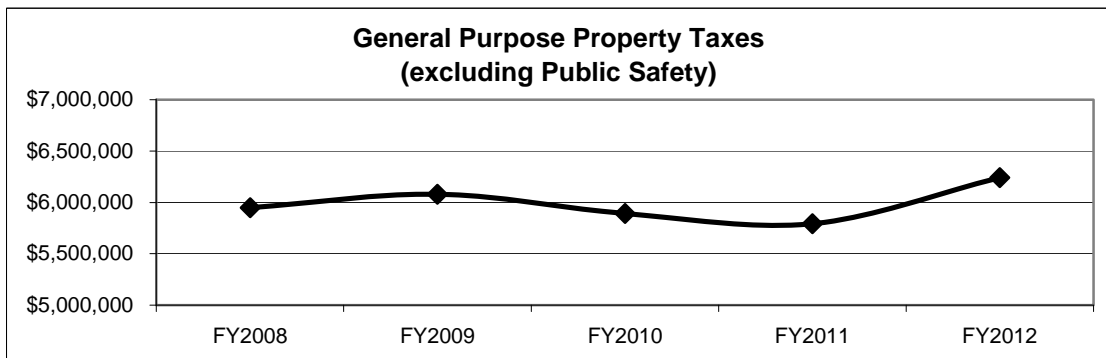
The impact of receipts of the general purpose property taxes can be seen in the three charts starting on the next page. Fortunately, SB711 did not impact the general fund's health or park property tax levies. As

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mentioned, there was a Hancock increase for those two levies allowing revenues to increase. The property taxes identified for public safety took a similar upward swing.



The final chart shows the decrease in general purpose taxes in FY10 and FY11. The increase realized in FY12 while positive, didn't show as much rebound as in the tax sources not affected by SB711.



Utility Taxes

In total, utility taxes for the General fund came in only \$48,000 under budget. Excluding cell phone revenues, final receipts were 3% over budget (\$123,000). The budget shortfall was the fault of cell phone revenue.

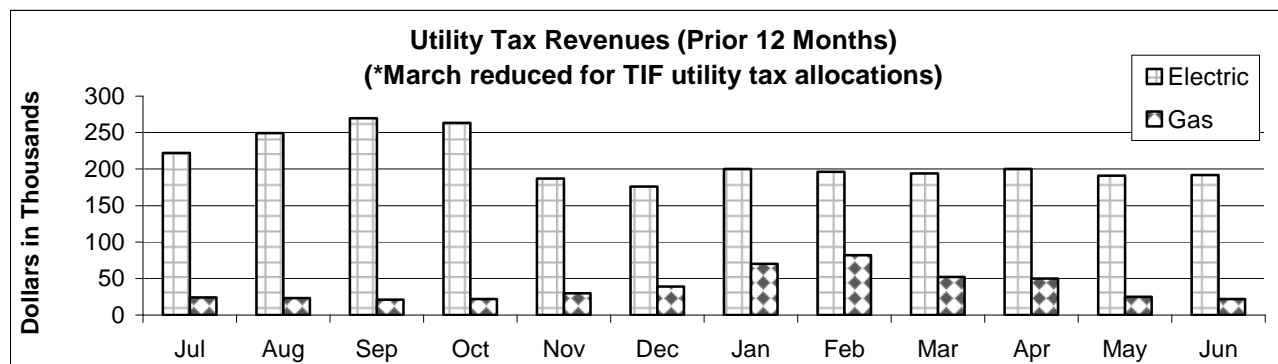
The final, one-time court-ordered settlement of telecom company back taxes was received in FY11 and revenues (for program 0011) from FY12 forward reflect ongoing remittances. Revenues were budgeted at \$1.8 million and fell just short at 96% (\$123,000).

Most other utility taxes completed the year close to or above budget. Gas franchise revenues were the only revenues significantly under trend. This was in direct relation to the mild fall and winter. With the abnormally warm temperatures, revenues declined by 32% compared to FY11. However, electric revenues balanced out the shortfall from gas, topping projections by 15% (\$322,000 over budget). The record setting temperatures during both the summer of calendar 2011 and early summer of calendar year

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2012 led to an increase of 14% compared to the previous fiscal year. The combined total of gas and electric netted out to an \$86,000 surplus. As shown in the graph below, the relationship between gas and electric is cyclical. In the warmer months, electric is high and gas is low. In colder months, electric decreases and gas increases. Water revenues were also above the mark by \$78,000. A dry year throughout led to higher water usage. The rise in usage resulted in an 8% increase in water franchise revenues compared to this time the previous year. Telephone revenues (net of settlements) equaled the year's budget, but decreased overall from the previous year by 18%. This could be attributed to the increasing number of consumers opting to drop their land lines in favor of wireless as their primary source of telecommunication. Cable revenues were slightly short of the mark at 95%. Suddenlink bought out Cablevision during the summer, 2011, which has led to some subscribers dropping the service.

The Mass Transit fund utility tax revenues displayed similar trends as the General Fund and exceeded budget by \$72,000 (although a decrease of 1.9% compared to FY11).



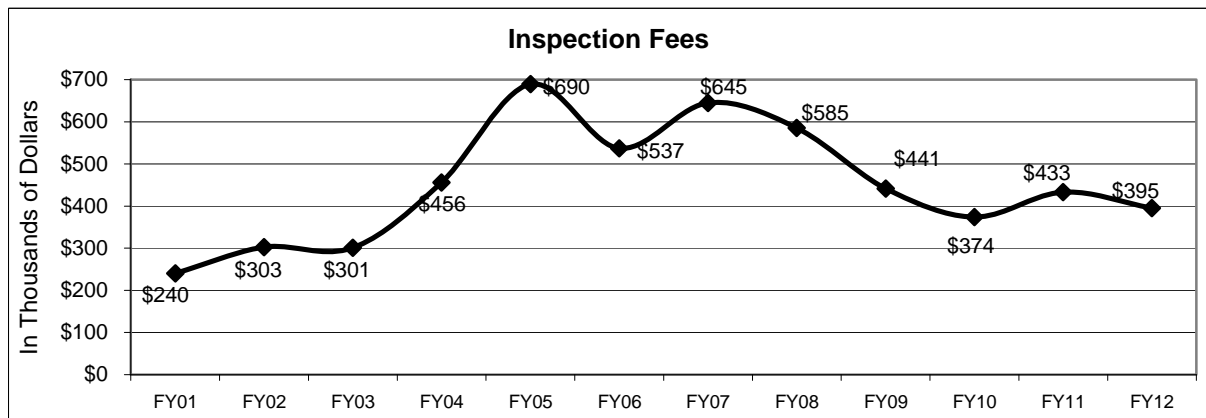
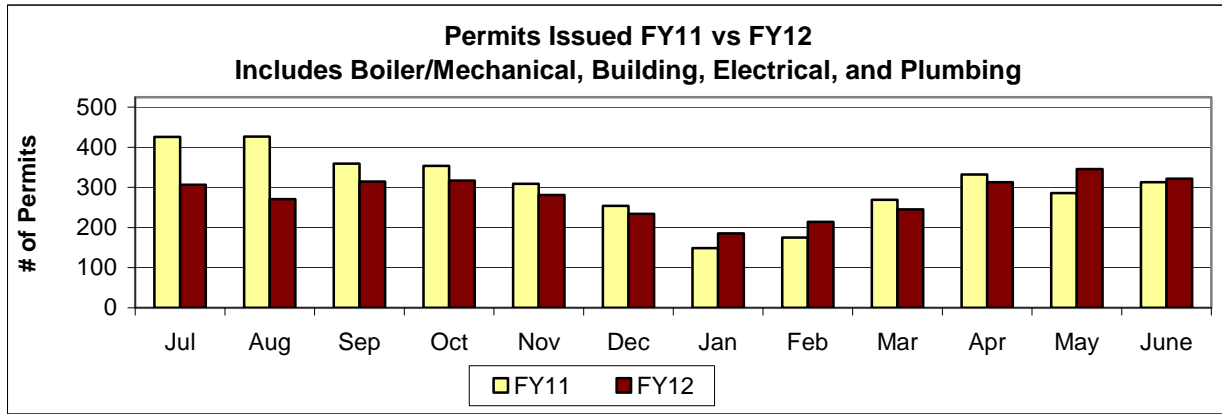
Municipal Court fine revenues were well below budget at 86%. At the end of the second quarter they were 18.1% less than the same time in FY11. After the fourth quarter the gap has been reduced to only 0.9% when compared to prior year. The number of violations filed went up compared to those filed in FY11 by 1,596 cases. The largest contributor was the Police Department showing a 10% increase over violations filed the previous year. Parking Control doubled the number of violations filed compared to one year ago. Code Enforcement also experienced a bump up (16%) from the prior fiscal year. Animal Control filed 38 more citations than in FY11, a 2% increase. In total of all departments, 18,266 violations were filed for the fiscal year (up 9.6%).

Total completed cases were down 2.4% from FY11. The number of cases dismissed by Prosecutor rose by 353 (only a total of 19 were dismissed during the prior year). Cases that closed out with only court costs being paid declined by 21%. The total number of cases paid before judge/jury were nearly equal to the previous fiscal year. **DWI enforcement** revenues in the Patrol Operations program surpassed budget by 28%. Grant funding for the program returned to a stronger status this year with the setup of multiple DWI checkpoints.

Server license, a new fee for training servers of alcohol, was established in FY10. Last year revenues totaled 45% more than total original budget and were \$29,000 more than this time in FY11. Servers were given until July 1, 2011 to comply with the licensing. (Ordinance passed on November 2, 2009).

As indicated by the graph on the next page, **Building Development permits** held a similar pattern as the previous year. The biggest issue, though, was the struggling revenues for **building permits**. They were 22% less than this time in FY11 and were below budget by \$13,000. **Boiler/Mechanical permits** were significantly above budget, up 6% compared to revenues of the prior fiscal year. A major contributor was the new Boehringer Ingelheim Administration building. **Electrical permits** were \$3,000 under target and **Plumbing permits** 9% above. Altogether, there were 300 less permits issued in FY12 than the previous fiscal year. Following the construction hey-days of FY05-FY08, permit numbers and revenue have returned to levels seen in the early days of the 2000's.

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Business Licenses had a little bounce back of 6.5% this year, but still were under the budget by \$42,000. The bad economy is having a lasting impact on small businesses. **Liquor Licenses** met trend, but showed a decrease of 4.6% from last year.

Garage sale permits benefited from the mild winter, collecting 15% more than in FY11. The weakened economy may also be a factor for the increased revenues. For the second consecutive year, Council approved a four-day garage sale weekend in August where the permit fees were waived.

Public Health department charges for services overall were 3% less than the prior year and \$17,000 under target.

Animal Control revenues were close to projections at 98%. The majority of dog licenses were received in May with a total collection rate of 95%. This was up \$5,000 from FY11. Citizens may still be getting used to licenses no longer expiring on May 31st annually. Animal Control citations filed were up 2% for the year. As a result, fine revenue was at trend. Shelter fees met budget as well, but dropped 6% from a year ago. Cremation services began to lessen with a 17% drop in revenues compared to the prior year.

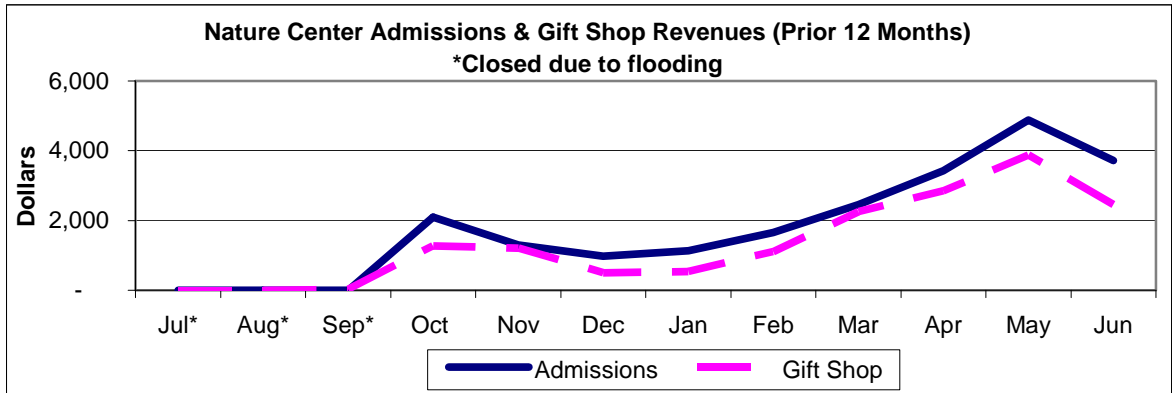
The largest gap for the department was **birth/death certificates** under budget at 89%, a decrease of \$11,000 compared to FY11. The combination of the economy and high fuel prices may be a factor for less travel abroad therefore a reduced need for birth certificates in order to obtain passports. Revenues for **food establishment permit** renewals, received in May and June, were 9% higher than projections.

Impact from the summer flooding was felt across many programs within **Parks, Recreation & Civic Facilities Department**. Revenues fell 12% below anticipated levels. However, the department did improve its total revenues by 2.5% when compared to the prior fiscal year. The return of spring and

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summer programs provided a much needed shot in the arm. Other areas, throughout the year, held their own as well.

- **Park Rentals and Shelter Reservations** each completed the year above budget. Park Rentals slightly exceeded budget, but did show a decrease of 21% mainly due to the summer flood. Shelter reservations had a solid year and were 9% above projections.
- **Summer Softball** re-opened at Heritage Park in mid-May. It was the first time since floods had forced the Park closed eleven months earlier. Revenues for league fees were only collected at 75%, \$10,000 under budget. With the cancellation of several tournaments, Complex revenue also suffered in a big way falling \$16,000 short. Fall softball did better at 93% of the budget, although a 7% decrease when compared to FY11. Fiscal year 2013 promises significant improvement with Heritage recovering and drawing tournament revenues once again for a full fiscal year.
- **Swimming** enjoyed great numbers all season with the warm temperatures and very little stormy weather. The near perfect conditions led to revenues surpassing budget by 7% (\$73,000). The Aquatic Park was the main collector with a 27% increase from a year ago. The Hyde and Krug pools met budget for the first time in years and also showed an increase (20%). In a cost/benefit move, starting the calendar year 2012 season, the two smaller pools were both reduced to six days of business a week to save on expenditures. Swimming lessons and punch cards at the Aquatic Park both did well and exceeded their respected targets by significant amounts. The only portion of the program that displayed a decline from the previous year was pool rental (down 43%).
- The **Nature Center** had a rough start to the beginning of the year. Flooding caused the building to be shut down from July until the end of September. This was especially tough because historically the summer months have been the strongest for the program. With the first quarter completely wiped out, meeting budget was totally out of the realm of possibility. Overall, the Center showed a decrease of 28%, which if factoring in the closure in the first quarter, came close to budget. Only 52% of the revenues were collected for admissions. Gift shop fared much better garnering 80% of the budgeted revenues. This was a decrease of \$5,000 when compared to FY11. As the graph indicates below, business steadily picked up in the spring with several events and with numerous school field trips touring the facility. One line item that did meet budget was meeting room rent. The room was widely used for many occasions throughout the year, topping projections by 3.5%.

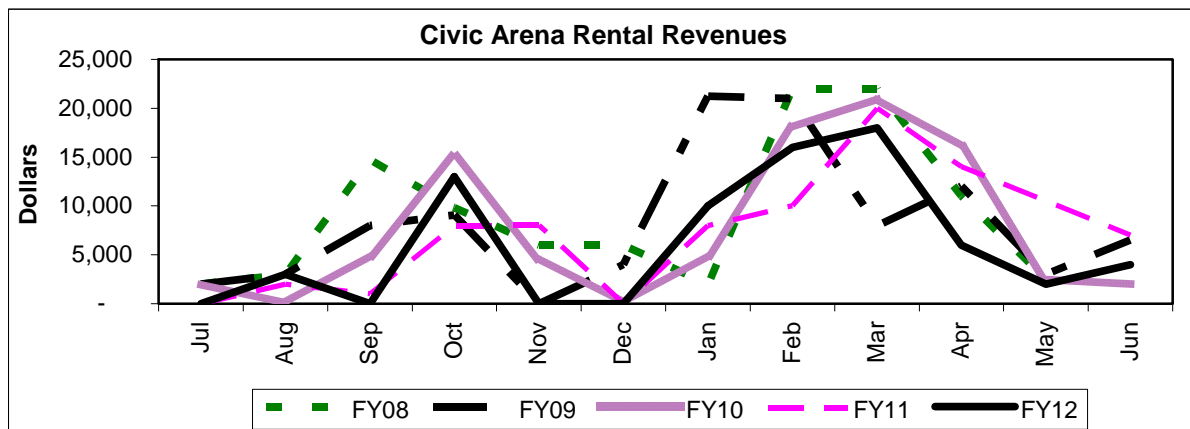


- The **Senior Center** fell just below budget at 93%. Recreation fees struggled, collecting only 57% of its projected budget. The cafeteria was at budget. Membership revenues, which were newly added in January of 2011, surpassed total budgeted projections by 24%. This line item helped to offset the low output of the recreation fees. Donations fell off a bit in the second half of the year and were \$4,000 short.
- Volleyball revenues for **Muchenberger** were under budget at 88%, down \$2,000 compared to a year ago. The new **Recreation, Exercise and Community Center (REC Center)** was completed

FY2012 YEAR END FINANCIAL REPORT

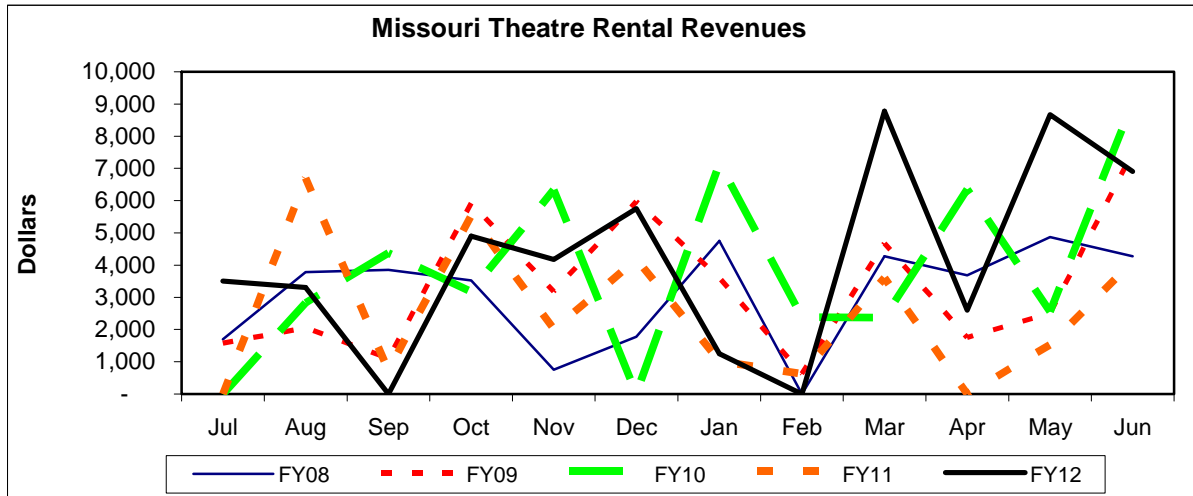
and open to the public in July. Items such as memberships and daily passes will provide a whole new stream of revenue for the program starting in FY13.

- The **Bode Recreation Complex** did well for the year exceeding budget by 9%. The majority of success was due to the ice rental. General ice rental was above prior year by 61%, an increase of \$16,000. The rink is still reaping the benefits from the 2011 closure of a Kansas City facility hockey teams used. The season for hockey ice rental ended by the third quarter and nearly all anticipated revenues were received (97%) and increased by \$3,000 when compared to the previous year. Skating lessons met budget and climbed 13% from FY11. Ice rental for figure skating continued to decline, but had a solid final quarter with 85% of the total budget collected. The complex, in total, received \$19,000 more than a year ago.
- For second consecutive year **Parks Concessions** had a down year. Much of it can be contributed to the flood. Concessions at the ball fields were nearly non-existent as there were no games at Heritage during the summer/fall 2011 leagues. Those leagues were moved to fields at other locations within the city. Those locations did not see as much revenue collected since fans had the ability to bring their own food and drink to the fields. In addition, many large revenue producticnt tournaments were cancelled. As a result, ball field concessions only collected 47% of its total budget (\$111,000 short). Also affected by the flood were Nature Center concessions. The Center was not able to begin its FY12 business until the end of September resulting in only 18% of the expected revenues being collected. With the success of the pools (previously mentioned), pool concessions met budget and climbed 19% from FY11. Altogether concessions were \$137,000 below projections for the year.
- Although the **Civic Arena** had a much stronger second half of the year, it was not enough the balance out the low amount of revenue that was collected the first six months. The arena received \$56,000 January thru June, but only \$16,000 was collected the first two quarters of the fiscal year. Rental for the arena was well below budget by \$43,000. Historically, as noted by the graph below, the third quarter of the fiscal year is typically the strongest for the arena. Concessions for the arena increased as well, but still \$30,000 below budget. Even though concession revenues were under target, they were still 26% more than FY11. Promotions were up 27% from the previous year, but were still nowhere close to budget. Equipment rental was the closest to reaching its target at 89%. This is the fourth consecutive year that total revenues for the arena decreased.



- With a full year under its belt, the **Missouri Theatre** made a good recovery from the FY11 fire. The Theatre had its highest output for at least the last seven years and topped budget by 24%. The second half of the year was especially strong with a total collection of nearly \$27,000K. As for office rental, damage from the fire remained and much of that revenue showed a loss for the year. Despite the down numbers on office rental, the Theatre as a whole ended \$2,000 ahead. The following graph shows a comparison between the five most recent fiscal years for theatre rental.

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The majority of programs in the Parks & Recreation department exist to provide citizens and visitors the opportunity to engage in sports, arts, entertainment, exercise, educational experiences. As revenues decrease and budgets tighten, policy makers and the citizenry will need to determine how much these amenities should be supported by the taxpayers and how much by the end-users.

The chart on the following page compares each program's expenditures to the revenues it generates. It includes the programs' self-supporting status in FY10 and FY11 for comparison. The percent of cost not covered by self-generated revenues (paid by the individuals or groups that use the service) are paid for by the taxpayers.

FY2012 YEAR END FINANCIAL REPORT

	FY2012 Actual		% Self-Supported (SS)	% SS in FY2011	% SS in FY2010
	Revenue	Expenditure			
Recreation	54,820	114,202	48.00%	47.02%	43.37%
Softball/Baseball (1)	71,442	129,199	55.30%	59.04%	52.25%
Swimming	245,333	334,833	73.27%	70.75%	66.80%
Nature Center (2)	55,961	205,878	27.18%	33.00%	39.85%
Senior Citizens Center	85,851	218,880	39.22%	38.49%	34.42%
Muchenberger Center (3)	21,450	205,954	10.41%	19.15%	18.83%
Bode Recreation Complex	208,858	298,222	70.03%	68.03%	66.61%
Parks Concessions	240,779	270,692	88.95%	86.56%	92.18%
Civic Arena, Concessions & MO Theater (4)	865,193	676,799	127.84%	104.64%	105.76%
Municipal Golf Course	759,363	789,622	96.17%	95.57%	104.37%
	<u>2,609,050</u>	<u>3,244,281</u>	<u>80.42%</u>	<u>77.68%</u>	<u>72.59%</u>
Parks Maintenance (5)	940,624	1,950,603	48.22%	41.55%	43.84%
Restricted Parks	7,523	27,156	27.70%	131.35%	67.15%
Parks Administration	2,115,423	3,890,636	54.37%	134.63%	309.42%

(1) The loss the summer tournament season at Heritage Park resulted in \$60,000 less revenue. On the other hand, without umpires or other required expenditures there was also \$66,000 less in expenditures for the year. For much the same reasons, Parks Concessions generated \$46,000 less revenue and had \$61,000 fewer expenditures than FY11.

(2) Excluding the transfers from the Museum & Gaming funds. With the transfers, 75% of the program's expenses are covered. Nature Center revenues were adversely impacted by the summer flooding. Expenses went down somewhat, but staff were kept on the payroll, at other facilities so overall costs were not as reduced as in the softball/baseball program where much of the personnel costs are temporary employees or contracted services.

(3) Expenditures were almost doubled those of FY11 reflecting the set-up costs for the new REC Center. However, the Center didn't officially open until FY13 (July) so the new revenues did not show up in the year being covered.

(4) Revenues include the Hotel/Motel tax receipts

(5) Excluding the monies transferred from the General Fund to cover operating expenses.

Only the Civic Arena, Civic Arena Concessions and Missouri Theater (when considered as a group and when Hotel/Motel tax revenues are included) generate more revenue than expenditures. Without the Hotel/Motel tax, this set of programs generates 54% of revenue needed to cover expenses. Fairview Golf Course is nearing self-sufficiency. The Parks Concessions program (which includes concessions at the pools and the ballparks), Bode Complex and the Swimming programs cover at least 70% or more of their needs. The Swimming program (Aquatic Park) would actually be a money-maker if the two, underutilized neighborhood pools were closed.

Parks Maintenance, discussed in more detail later in this report, gets almost a half its revenues from parks & recreation property taxes (on top of the specific property tax assessment for parks) and the remainder from general fund operating subsidies.

Amount of General Fund operating revenue budget collected at year-end: 101%

Expenditures

While there were some budget deficits, most could be covered by savings elsewhere:

- There were some significant **Personnel** cost issues scattered throughout the fund at year end. Between regular overtime and FLSA overtime, Fire Suppression ended significantly over the budget by \$114,000. This was an increase of 114% when compared to FY11. The huge expenditure had the program in the negative (\$68,000) and the fire department, in total, over

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budget by \$3,000. The additional expenditures in the overtime categories spilled over into the pension and payroll tax categories for Fire Suppression where there was a combined deficit of \$44,000. Savings from Police Department vacancies was required to cover the deficits.

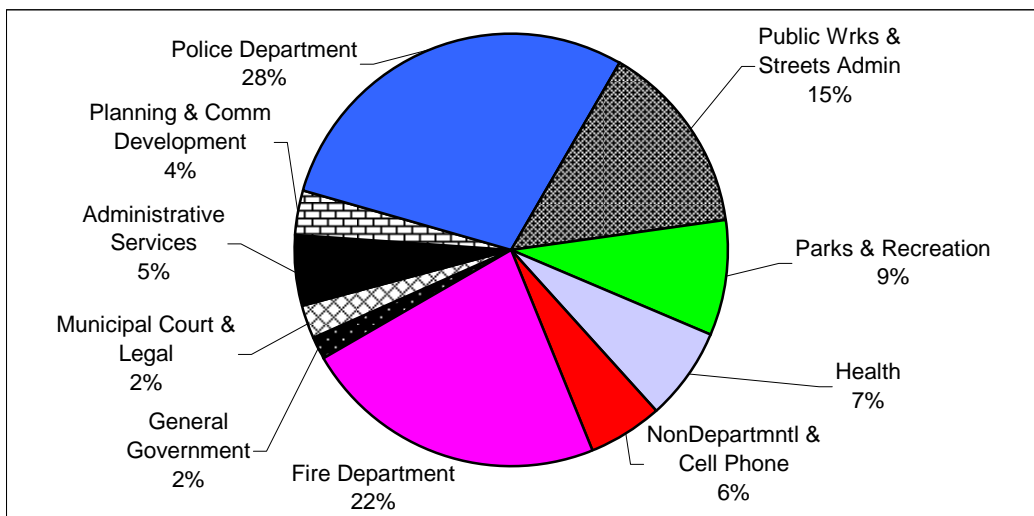
Temporary/PT wages in four Parks & Recreation Department programs: Recreation, Nature Center, and Swimming combined to top their personnel budgets by almost \$17,000. Overages occurred despite shortened seasons for Softball/Baseball and Nature Center because of late the spring flooding that had limited operations for the first quarter of the fiscal year. Fortunately, a combined savings of \$23,000 in the Temp/PT categories for the remainder of the programs cancelled out the overage.

- Fund-wide, fuel price increases resulted in one of two **Materials & Supplies** accounts that didn't have savings on a fund-wide basis. Fuel costs were \$92,000 over even the amended budget (\$24,000 more than the previous year). The other item was janitorial supplies that were \$14,000 above in total. Overall, however, the Supplies categories came in well under budget.
- The **Outside Services** category is comprised of all of the #1400 numbered line items. This includes everything from Professional Services to Utilities, to Special/Other Contributions.

Also included in this range is the various Maintenance & Repair accounts (Equipment, Vehicles, Buildings) which combined to go over budget by \$20,000 fund-wide. Building Maintenance was over budget by \$4,600 on M&R of Building & Facility for a \$6,000 expense for carpet installation in Property Maintenance. Health Administration also showed a negative of \$6,000 in Building & Facility mostly due to repairs that were needed in November for water damage in the Social Welfare Board section of Patee Market. Street Maintenance Admin was also over the mark (\$28,000) with Building & Facility repairs for various expenses such as purging fuel tanks, fracturing tanks, and reconnecting the sewer at the Floyd Building. Equipment Support was significantly over budget (\$55,000) in M&R of Motor Vehicle with countless repairs. Maintenance and repair of the City's facilities and equipment is an ever-growing segment of annual expenditures.

Several individual departments or programs had issues with utility costs. But as mentioned in the Executive Summary, while one utility cost can spike due to climate issues, there will usually be a corresponding drop in another utility. For 2012 electric service ended the year \$82,000 over budgets fund-wide were offset by the fact that gas and water utilities were \$108,000 under their combined budgets.

Amount of GF operating budget expended at year-end: 98.75% [excluding the effect of transfers to other funds and expenditures from Cell Phone program]



The performance of each department (budget deficit or surplus) is shown on the following page.

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GENERAL FUND

	2011-2012		%over/(under)		
	Adopted & Amended	Projected	Preliminary	Adopt	Proj
	Budget	Budget	Actual		
Proj Beginning Unassigned FB:			\$4,341,804		
Computer Escrow FB:			118,048		
Cell Phone FB:			1,148,094		
27th Payroll FB:			922,530		
Emergency Reserve:			1,025,000		
			<u>\$7,555,476</u>		
SOURCES					
Property Tax	10,764,984	11,405,739	11,532,670	0.07	0.01
Utility Franchise Fees	4,868,100	5,222,200	4,991,403	0.03	(0.04)
Cell Phone Franchise Fees	1,800,000	1,675,000	1,724,743	(0.04)	0.03
Sales Tax	17,413,135	17,869,026	18,498,114	0.06	0.04
Licenses/Permits	1,391,575	1,399,725	1,396,344	0.00	(0.00)
Fines	1,180,300	928,450	922,214	(0.22)	(0.01)
Inspection Fees	383,200	383,500	395,171	0.03	0.03
Charges for Service	3,369,487	3,076,093	3,098,294	(0.08)	0.01
Other Revenue/Bond Proceeds/Tower Leases	265,628	374,672	323,580	0.22	(0.14)
Investment Earnings	12,985	11,325	16,487	0.27	0.46
Intergovernmental/Other Grants	1,535,079	1,824,303	1,846,752	0.20	0.01
Transfers In	2,755,494	2,661,142	2,547,964	(0.08)	(0.04)
TOTAL SOURCES	<u>45,739,967</u>	<u>46,831,175</u>	<u>47,293,736</u>	0.03	0.01
USES BY DEPARTMENT					
Mayor/City Council	218,315	197,202	191,801	(0.12)	(0.03)
City Clerk	204,881	144,871	144,083	(0.30)	(0.01)
Municipal Court	444,672	445,260	444,910	0.00	(0.00)
City Manager's Office	507,026	440,990	435,135	(0.14)	(0.01)
Legal Services	645,068	635,896	635,920	(0.01)	0.00
Planning & Community Services	1,871,304	1,729,647	1,634,597	(0.13)	(0.05)
Administrative Services	2,470,132	2,439,441	2,410,292	(0.02)	(0.01)
Police Department	13,131,657	13,032,664	13,107,347	(0.00)	0.01
Fire Department	10,344,544	10,351,233	10,419,461	0.01	0.01
Public Works Admin (inc. trf to Strt Mnt)	6,657,236	6,564,448	6,665,897	0.00	0.02
Parks & Recreation (inc. trf to Prks Mnt)	4,007,196	3,866,107	3,890,636	(0.03)	0.01
Health	3,263,583	3,324,214	3,203,124	(0.02)	(0.04)
Non-Departmental (inc. Transfers Out)	659,470	658,360	751,246	0.14	0.14
Non-Departmental (Cell Phone)	2,446,487	1,734,543	1,767,673	(0.28)	0.02
TOTAL USES	<u>46,871,571</u>	<u>45,564,876</u>	<u>45,702,122</u>	(0.02)	0.00
Net Surplus (Deficit)	(1,131,604)	1,266,299	1,591,614		
Ending Unrestricted Fund Balance:			<u>\$9,147,090</u>		
Computer Escrow Reserve:			(289,529)		
Reserve for 27th PY (2016):			(1,255,660)		
Cell Phone Balance:			(1,113,662)		
Emergency Reserve:			(1,025,000)		
Ending Unassigned Fund Balance: Goal=10% Exp	\$4,687,157		<u>\$5,463,239</u>		

General Fund (Revenue : Expenditure - \$47,294,000 : \$45,702,000)

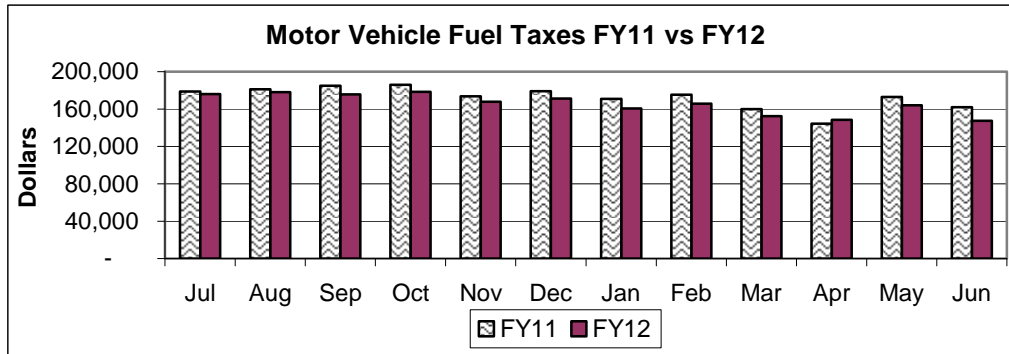
The ending available unassigned fund balance amount is \$224,000 above the target set in the City's financial policy, of ten percent of total budgeted expenditures (\$4.68 million), and is 71% of the GFOA recommended amount of 60 days reserve (\$7.69 million).

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STREETS MAINTENANCE FUND

Revenues

Gas prices continued on the high side which had a negative impact for **motor vehicle fuel taxes** in the **Streets Maintenance Fund**. As indicated by the following graph, with the exception of April, each month was lower than the same month in FY11 for a total decrease of \$83,000 (4%). As was the case two to three years ago, consumers will reduce or seek alternative methods of travel if fuel prices remain high. Fuel taxes are distributed on the basis of usage, not cost.



Road and Bridge Tax revenues were received from the County in May. Collections were higher than expected at 7.6% more than the original budget.

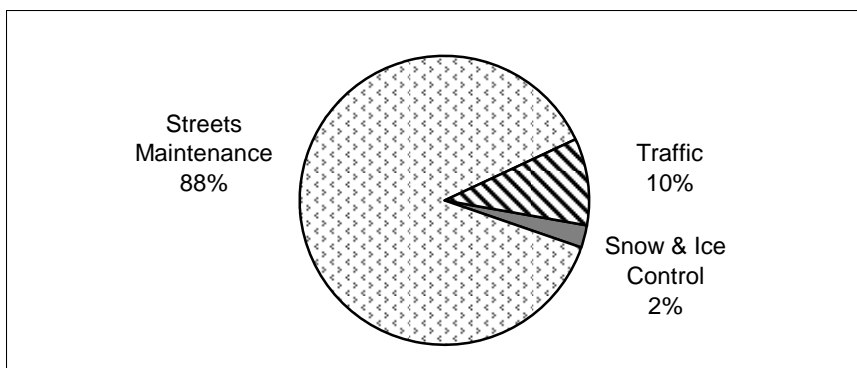
Amount of Streets Maintenance operating revenue budget (excluding transfers from the General Fund) collected at year-end: 104%

Expenditures

After a challenging FY11, the fund's costs this fiscal year were reduced this year with the absence of strong winter storms. Staff was required to salt and plow the city street only a handful of times. This was fortunate because expenses did linger from summer flooding issues.

While there were some budget deficits, they could be covered by savings within the fund:

- As noted in the city-wide overview section, the programs that experienced utility issues all revolve around electric usage: Street Maintenance showed an overall increase in electric expense of 17% when compared to FY11, topping the original budget by \$38,000. Traffic was \$15,000 over, using 25% of its electric budget in the final month.
- Safety equipment and clothing in the Street Maintenance program was over the limit by \$5,000 with a total of \$9,500 in costs for barricades. Traffic exceeded their budgets on traffic & lighting supplies and M&R of motor vehicle by combined total of \$25,000.



Amount of Streets Maintenance operating budget expended at year-end: 94%

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STREETS MAINTENANCE FUND

	2011-2012		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
SOURCES					
Sales Tax	2,725,955	2,676,180	2,656,714	(0.03)	(0.01)
Permits	0	1,500	0	0.00	(1.00)
Charges for Service (Utility Street Cuts)	200,000	200,000	138,327	(0.31)	(0.31)
Other Revenue	0	66,935	107,409	0.00	0.60
Investment Earnings	5,100	8,340	8,535	0.67	0.02
Intergovernmental/Other Grants	0	23,251	198,894	100.00	100.00
Transfers In	4,564,600	4,764,600	4,559,816	(0.00)	(0.04)
TOTAL SOURCES	<u>7,495,655</u>	<u>7,740,806</u>	<u>7,669,695</u>	0.02	(0.01)
USES BY PROGRAM					
Streets Maintenance	6,456,399	6,296,859	6,207,368	(0.04)	(0.01)
Traffic	699,357	669,851	691,084	(0.01)	0.03
Snow/Ice Control	388,200	277,348	171,259	(0.56)	(0.38)
TOTAL USES	<u>7,543,956</u>	<u>7,244,058</u>	<u>7,069,711</u>	(0.06)	(0.02)
Net Surplus (Deficit)	(48,301)	496,748	599,984		

Streets Maintenance Fund (Revenue : Expenditure - \$7,670,000 : \$7,070,000)

The restructuring required by GASB brought most of the divisions in the previously structured SIM&R Fund into the General Fund, leaving Streets Maintenance, Traffic, and Snow/Ice Control divisions in this Special Revenue Fund. The revenue to expenditure deficit when considering only those revenues legally dedicated to maintaining streets is huge. This requires a substantial transfer from the general fund to maintain a balanced budget.

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PARKS MAINTENANCE FUND

Revenues

Overall revenues for the Parks Maintenance Fund finished over the adopted budget for the year by 4%. Fortunately, SB711 does not impact the Special Parks property tax levy. The Parks levy was able to have a slight increase over the 2010 levy (via the Hancock Allowance). Adding the effect of a reassessment year, the fund collected \$93,000 more in property taxes than in FY11.

Horace Mann rent finished the year 13% above budget. In September, lease rates were increased by 3.7%. The fund also received almost \$33,000 in FEMA/SEMA reimbursements not anticipated in the original budget.

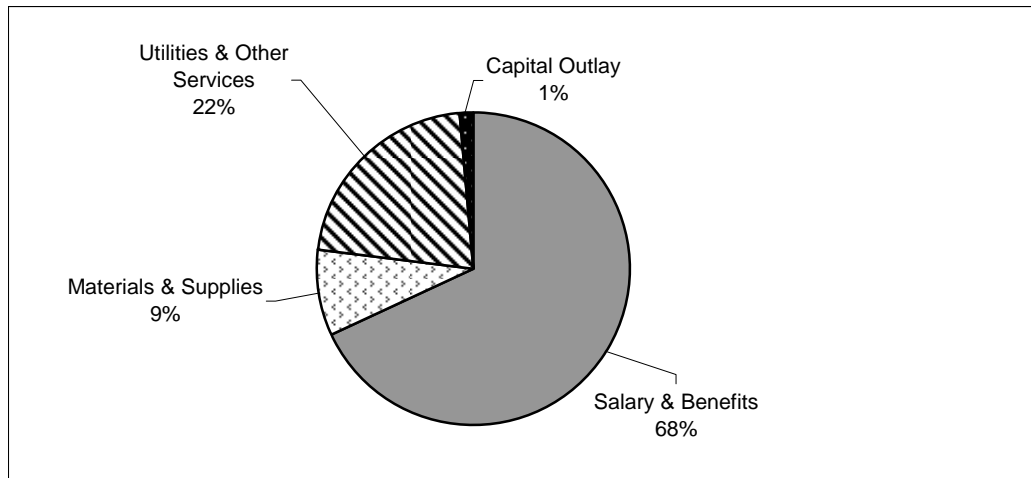
Amount of Parks Maintenance operating revenue budget collected at year-end: 104%

Expenditures

Parks Maintenance had areas of concern, but the fund in total was under projections for the fiscal year:

- Utility costs improved from a year ago. Electric services surpassed budget by \$35,000, but was balanced out by significant savings in both gas and water services. All three categories netted out to a positive \$2,400. Compared to the previous year, the combined utilities decreased by 8%.
- The biggest deficit was for Motor Fuel at \$25,000 over projections. However, compared to FY11, expenses for Motor Fuel dropped 3%.
- Recreation supplies topped budget by 25% with expenses for bales of hay and wood chips for the playgrounds. Total expenses for the account climbed 65% compared to the prior fiscal year.

Overall, however, wage & benefit savings from vacancies offset the budget overages listed above.



Amount of Parks Maintenance operating budget expended at year-end: 98%

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PARKS MAINTENANCE FUND

	2011-2012		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
SOURCES					
Special Parks Property Tax (on land only)	581,900	674,000	679,670	0.17	0.01
Licenses (City Sticker & Penalty)	94,000	96,000	96,754	0.03	0.01
Rents	43,787	43,787	49,516	0.13	0.13
Other Revenue	0	31,438	32,899	0.00	0.05
Investment Earnings	0	0	(42)	100.00	100.00
Intergovernmental/Other Grants	70,000	96,206	81,827	0.17	(0.15)
Transfers In	1,153,480	1,076,380	1,076,380	(0.07)	0.00
TOTAL SOURCES	<u>1,943,167</u>	<u>2,017,811</u>	<u>2,017,004</u>	0.04	(0.00)
USES					
Salary & Benefits	1,369,565	1,294,524	1,329,558	(0.03)	0.03
Materials & Supplies	136,150	138,950	173,198	0.27	0.25
Utilities & Other Services	477,510	417,251	422,825	(0.11)	0.01
Insurance & Other Charges	2,000	2,000	621	(0.69)	(0.69)
Capital Outlay	0	0	24,400	0.00	0.00
TOTAL USES	<u>1,985,225</u>	<u>1,852,725</u>	<u>1,950,602</u>	(0.02)	0.05
Net Surplus (Deficit)	(42,058)	165,086	66,402		

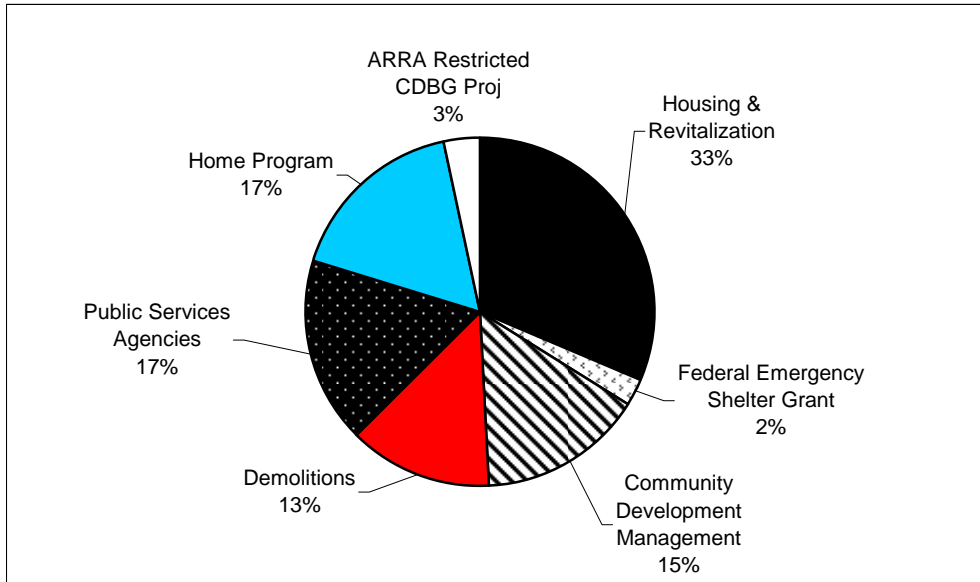
Parks Maintenance Fund (Revenue : Expenditure - \$2,017,000 : \$1,951,000)

The restructuring required by GASB brought most of the divisions in the previously structured Parks, Recreation & Civic Facilities Fund within the General Fund, leaving Parks Maintenance Division in this Special Revenue Fund. Those revenues legally dedicated to maintaining the parks system covers little more than 53% of the cost. This requires a substantial transfer from the general fund to maintain a balanced budget.

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CDBG FUND

There were no outstanding revenue or expenditure issues for the end of the year. While money for administrative activities is limited by federal guidelines, large increases or decreases of federal grant funds can be accommodated by adjustments to grant funded activities



Amount of CDBG operating revenue budget collected at year-end: 110%

Amount of CDBG operating budget expended at year-end: 70%

CDBG FUND

	2011-2012		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
SOURCES					
Special Assessments/Interest Earnings	24,000	19,000	23,165	(0.03)	0.22
Intergovernmental/Other Grants	3,055,755	3,171,258	3,160,803	0.03	(0.00)
Other Revenue	25,629	93,651	98,482	2.84	0.05
Transfers In-firm Unbudgeted Funds	0	85,300	136,942	0.00	0.61
TOTAL SOURCES	3,105,384	3,369,209	3,419,392	0.10	0.01
USES BY PROGRAM					
Housing & Revitalization	1,095,666	865,805	654,614	(0.40)	(0.24)
Community Development Management	341,635	323,748	317,414	(0.07)	(0.02)
ARRA Restricted CDBG Funds	0	588,464	71,759	0.00	(0.88)
Demolitions	414,696	282,134	278,110	(0.33)	(0.01)
Federal Emergency Shelter Grant	0	14,750	51,111	0.00	2.47
Public Services Agencies	410,000	357,500	357,500	(0.13)	0.00
Home Program	702,053	523,431	347,288	(0.51)	(0.34)
TOTAL USES	2,964,050	2,955,832	2,077,796	(0.30)	(0.30)
Net Surplus (Deficit)	141,334	413,377	1,341,596		
esignated Reserve for 27th PY (2016):			(8,775)		

FY2012 YEAR END FINANCIAL REPORT

GAMING INITIATIVES FUND

Revenues

The summer flood caused the St. Joseph Frontier Casino to close from the last week of June until September 29th. Therefore, gaming and admission revenues in the **Gaming** fund were impacted significantly. Once re-opened it did well, but the fund only realized 77% of budget. By the end of the year, gaming/admission revenues were \$379,000 less than FY11. When measured on a nine-month fiscal year, revenues were close to trend

Expenditures

Because of anticipated revenue shortfalls, some expenditures were curtailed, for example, work at the Living History area, use of gaming monies for demolitions and abatements, some minor capital purchases, etc. The fund ended the year 23% under original budget with no issues.

GAMING FUND

	2011-2012		%over/(under)	
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt Proj
Projected Beginning Fund Balance:			512,830	
SOURCES				
Gaming Revenue	1,140,490	890,490	813,761	(0.29) (0.09)
Interest Earnings	600	400	342	(0.43) (0.15)
TOTAL SOURCES	<u>1,141,090</u>	<u>890,890</u>	<u>814,103</u>	(0.29) (0.09)
USES BY PROGRAM				
Gaming Funded Initiatives	1,243,942	1,118,242	954,414	(0.23) (0.15)
TOTAL USES	<u>1,243,942</u>	<u>1,118,242</u>	<u>954,414</u>	(0.23) (0.15)
Net Surplus (Deficit)	(102,852)	(227,352)	(140,311)	
Total Ending Fund Balance:			\$372,519	

FY2012 YEAR END FINANCIAL REPORT

MUSEUM TAX FUND

Revenues & Expenditures

As with the other property tax-supported funds, revenues came in higher than originally budgeted (\$37,500) and within 1% of the projected budget.

The general operations budget, covering County assessment and collection fees, public notices, administrative fees and a transfer to the city-run museum, the Nature Center, came in \$1,600 over the projected budget. This was mostly linked to the additional County collections fees paid on higher than anticipated tax revenue.

Payment to St. Joseph Museum Inc for management of the Wyeth-Tootle mansion was made per contract.

Improvements to the Wyeth-Tootle Mansion were finally undertaken and \$205,849 transferred to the Capital Improvements Fund for that purpose.

The ending fund balance is divided between that which is available for CIP projects at the Wyeth-Tootle (or other museum as approved by City Council) and the balance for other operational expenses at the City's direction.

MUSEUM FUND

	2011-2012		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
ected Beginning Ops Fund Balance:			106,678		
Wyeth-Tootle CIP Fund Balance:			298,862		
			<u>405,540</u>		
SOURCES					
Property Tax	483,650	513,594	521,472	0.08	0.02
Interest Earnings	670	670	352	(0.47)	(0.47)
TOTAL SOURCES	<u>484,320</u>	<u>514,264</u>	<u>521,824</u>	0.08	0.01
USES BY PROGRAM					
Museum Tax Initiatives - Operations	74,724	74,264	76,313	0.02	0.03
Museum Tax - SJMI Contract	300,000	300,000	300,000	0.00	0.00
Museum Tax Initiatives - CIP	0	205,489	205,489	0.00	0.00
TOTAL USES	<u>374,724</u>	<u>579,753</u>	<u>581,802</u>	0.55	0.00
Net Surplus (Deficit)	109,596	(65,489)	(59,978)		
Ending Operations Fund Balance:			\$152,189		
Ending CIP Fund Balance:			193,373		
Total Ending Fund Balance:			\$345,562		

FY2012 YEAR END FINANCIAL REPORT

SPECIAL ALLOCATION FUND

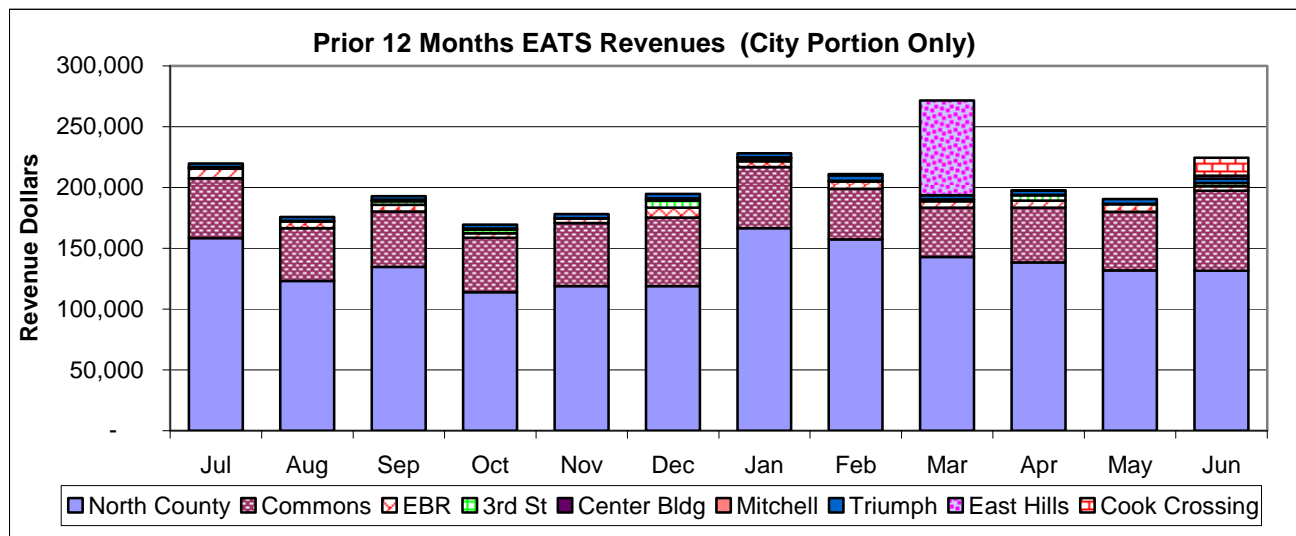
Revenues & Expenditures

In the **Special Allocations** fund, PILOT tax revenue was billed by the Buchanan Collector in November.

EATs (sales tax) revenues were favorable for most of the TIF Plans. As indicated by graph below, there was a significant increase in January for City EATS as it included receipts collected from the holiday season. February was up over \$200,000 as well. March was strong as the East Hills TIF met its calendar 2011 base. The final quarter was solid as well as the Cook Crossing development began to receive revenues.

- City EATS for North Shoppes met budget and surpassed projections by 0.9%. The development collected \$4,000 more than the previous year despite Borders (a significant tenant) closing in April of 2011. Good news was received in the third quarter when it was announced that the Best Buy location would not be included in the franchise's plan to close 50 stores nationwide.
- EBR TIF City EATS were at budget (over 0.6%). The three restaurants located at the site remain very popular with customers.
- The East Hills development continued to improve with the addition of new tenants throughout the year. Businesses such as Gordman's, The Children's Place, Charming Charlie's, and Off Broadway Shoes boosted revenues by 4% when compared to FY11. By the end of the year, Ground Round had relocated downtown, but Five Guys Burgers is slated to take its place once the spot is redeveloped in mid-FY2013.
- The Third Street Hotel City EATS met budget. Businesses within the development were behind remitting their sales tax to the State. However, by January they had worked toward getting delinquent sales tax caught up and paid off. The Department of Revenue collects the TDD sales taxes and distributes them to the City, creating a lag of 60 days in the collection cycle.
- The Commons economic development project realized a 5.5% increase in revenues, directly related to the release of The Commons base EATS sales taxes per a Second Amended Redevelopment agreement passed December FY11.
- City EATS for the Center Building decreased significantly during the transition of businesses occupying the facility. The original restaurant closed its doors in May, planning a future relocation within the City. The Ground Round restaurant moved into the space in June, at the very end of FY12, and should supply the TIF development with much needed revenues.
- As previously mentioned, the Cook Crossing development opened at the end of April. The area included Dick's Sporting Goods and ALDI grocery. Pet Smart opened in late summer. Revenues were just beginning to be collected at the end of the year.

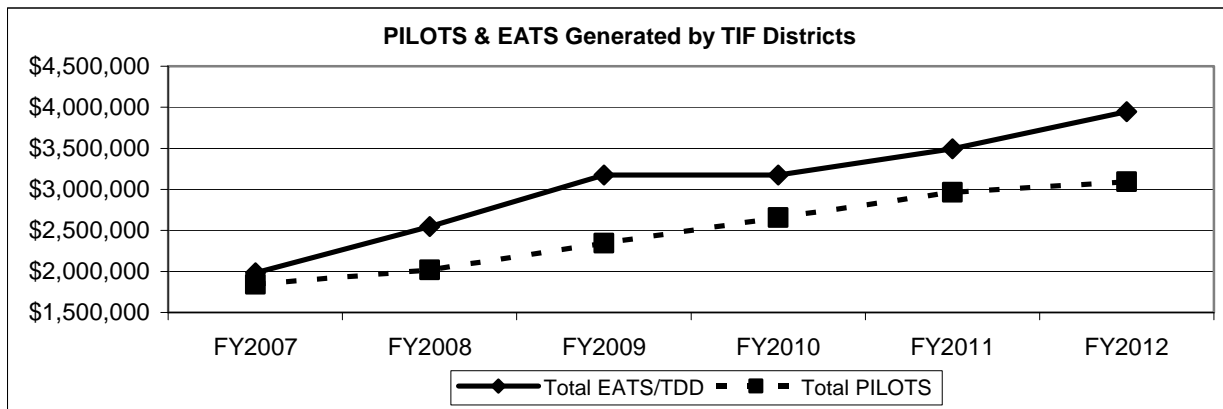
The graph below illustrates where EATs are generated on a month-to-month basis.



FY2012 YEAR END FINANCIAL REPORT

In FY12, revenues were steady for most of the TIF plans. As can be seen in the chart below, EATS had an almost imperceptible decline from FY09 to FY10, but a healthy increase overall in FY11 and FY12, indicating the strong performance of the retail and restaurant establishments in the City's TIF districts.

The other significant revenue generated by the TIF and economic development districts is their Payments-In-Lieu-Of-Taxes (PILOTS). TIF districts receive 100% of the real property taxes generated within the district above the base tax revenues received before the district was established. As additional TIFS are triggered, the amount of PILOTS received has increased. Another positive is that the \$.63 school district levy, missing in FY10 and affecting PILOT revenues in the Special Allocation TIF programs, returned in FY11 as it was voted to be reinstated.



TIF generated revenues deposited to their respective TIF districts are used in one of two ways:

Bonded TIFS: For the following TIFs, revenues are used to meet bonded debt issued to meet project eligible reimbursements.

- EATS for North County Shoppes finished under projections by only \$8,600 and were \$5,300 more than FY11. With the PILOT payments, the TIF generated (\$3.59 million), sufficient to meet bond and professional service payments for the year (\$3.3 million).
- The major revenue sources for the bonds issued in the Triumph Foods' TIF are PILOTS and payments made directly by the developer to service the debt (Sewer Reserve Charges and PILOTS on Chapter 100 bonds issued to the company). Total revenues (\$1.988 million) were sufficient to meet debt service payments (\$1.843 million). Given the favorable interest rates and bond market, one of the bond issues was refinanced. Bond proceeds were used to buy off the old bonds and reissue at a lower interest rate.
- Mitchell Woods Corridor TIF began as a pay-as-you-go TIF. However, bonds were issued and purchased by the developer (American Family) in FY09. Expenses now exist as debt service payments. The PILOTS and small amount of EATS generated by the district (\$397,000) was short of the \$435,400 debt service payment. There were sufficient reserves left from prior year revenues to cover the debt service. However, as available reserves are used, the company may find itself in a position of paying the difference between PILOTS generated and debt service requirements directly in the not too distant future.

Pay-as-you-go TIFS: The following economic development projects are pay-as-you-go. This means developers are reimbursed their approved TIF expenditures only the amount of EATS/PILOTS/Interest generated by their district during the year. Of the remaining nine TIFS and one EDC, the only ones generating any significant activity in FY10 were:

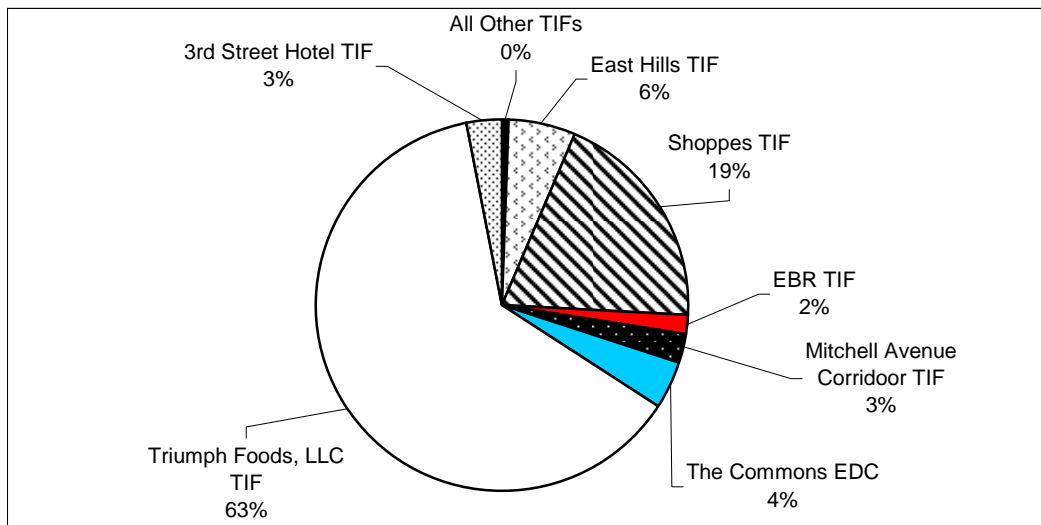
- A total of \$240,800 in EATS and PILOTS were received for the EBR TIF. After 30% of the additional revenues were deposited to a designated account by the City for future infrastructure

FY2012 YEAR END FINANCIAL REPORT

improvements (up to \$1M as per the Redevelopment Agreement) and various legal and other expenses paid, \$200,500 of eligible expenses was reimbursed to the developer.

- The Third Street Hotel TIF gained ground, catching up on sales tax remittance and property taxes owed. Total revenues, including the penalties & interest on delinquent payments, totaled \$304,400. The bank servicing the hotel's debt received \$512,000 which included monies held from FY11 until accounts were brought up-to-date.
- Sales tax revenues from The Commons development, an economic development district with a City-only agreement, increased significantly in FY12. On the representation that a major retail business would be moving into the development, the first agreement was amended and the City agree to release the base amount of revenue received from Menards and consider all revenues as "incremental". FY12 EATS equaled \$582,000 versus the FY11 amount of \$380,700. Together with PILOTS, the bank servicing the Commons' debt received \$691,000.
- East Hills met its base of \$1.4 million for the first time and generated \$128,000 in EATS. The East Hills' Community Improvement District (CID) and its additional 1 cent sales tax on sales within the TIF generated \$359,000 (\$67,000 more than the prior year), pledged toward TIF reimbursement. Through the CID revenues, EATS, and the year's receipt of PILOTS a total of over \$1 million was reimbursed, significantly more than in FY11. The opening of a well-known, restaurant franchise on a pad site and major, popular department and specialty stores within the mall definitely had a positive impact. When generated revenues are back to the level anticipated in the TIF plan, the developer hopes to issue bonds and use future TIF and CID revenues to pay the debt service.
- As stated earlier, the Center Building TIF began to generate some EATS and PILOTS and then the restaurant occupying the building closed. A popular, established restaurant moved into the space and has generated almost as much EATS revenue in the first three months of the year than the prior restaurant did in twelve months.
- Some PILOTS from the North East Cook Road residential TIF were received. Combined with Sewer System Development fees, the developer was reimbursed \$37,000.
- The newest TIF, Cooks Crossing, opened with a Dick's Sports, ALDI foods and a Pet Smart. Some EATS were generated, but payments to the developer had yet to start in FY12.

The remaining TIF projects (Uptown Redevelopment, Downtown Redevelopment, Ryan Block, Fountain Creek, Tuscany Towers) generated little to no FY2012 activity.



FY2012 YEAR END FINANCIAL REPORT

SPECIAL ALLOCATION FUND

	2011-2012		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Fund Balance:			5,802,481		
SOURCES					
PILOTS	2,976,354	3,093,235	3,093,177	0.04	(0.00)
EATS/TDD/NonIncremental Sales Tax	3,518,940	3,917,902	3,947,621	0.12	0.01
Bond Proceeds	0	0	6,685,000	100.00	100.00
Recovery/Reimbursement/Other Revenue	4,500	49,335	109,705	23.38	1.22
Refunds Prior Year Expenditure	0	0	13	-	0.00
Developer Contributions	809,100	809,100	646,260	(0.20)	(0.20)
Sewer System Development Fees	1,500	8,000	7,000	1.00	(0.13)
Interest Earnings	42,777	42,477	42,114	(0.02)	(0.01)
Sewer Reserve Charges	972,996	972,996	423,168	(0.57)	(0.57)
Transfers from Other Funds	5,050	1,326	1,916	(0.62)	0.44
TOTAL SOURCES	8,331,217	8,894,371	14,955,974	0.80	0.68
USES BY PROGRAM					
Center Building TIF	11,720	23,959	19,871	0.70	(0.17)
Uptown Redevelopment TIF	50	(855)	(855)	(18.10)	0.00
Ryan Block TIF	4,505	877	877	(0.81)	0.00
Cooks Crossing TIF	5,000	15,850	16,701	2.34	0.05
Downtown Revitalization TIF	600	896	896	0.49	0.00
Mitchell Avenue Corridor TIF	435,505	435,400	435,397	(0.00)	(0.00)
The Commons Development (EDC)	320,760	547,092	691,449	1.16	0.26
North East Cook Road TIF	36,010	57,328	40,419	0.12	(0.29)
East Hills TIF	839,900	1,042,100	1,027,550	0.22	(0.01)
Shoppes at North Village TIF	3,326,944	3,326,269	3,322,625	(0.00)	(0.00)
EBR Development TIF	220,505	240,049	262,423	0.19	0.09
Triumph Foods, LLC TIF	2,240,057	2,239,270	10,736,105	3.79	3.79
Fountain Creek TIF	191	80	72	(0.62)	(0.10)
3rd Street Hotel TIF	272,355	414,100	530,596	0.95	0.28
Tuscany Towers TIF	0	635	1,226	0.00	0.93
TOTAL USES	7,714,102	8,343,050	17,085,352	1.21	1.05
Net Surplus (Deficit)	617,115	551,321	(2,129,378)		
Total Ending Fund Balance:			\$3,673,103		

More detailed information on the various TIF districts can be found in the Supplemental Reports section starting on page 78.

FY2012 YEAR END FINANCIAL REPORT

Rosecrans Airport (Aviation Fund)

Revenues

Aviation revenues ended the year significantly below budget. The Air National Guard determined they did not owe the City lease payments and stopped them shortly after the first of the fiscal year. The City received only \$26,600 out of an anticipated \$184,200. Hangar rent, which had been behind most of the year due to vacancies from the flood, was able to reach the budgeted target. Hangar rent plus slightly better than anticipated receipts from other areas (FBO lease, farm land rent, etc) left the fund only \$147,000 short in the Rent category.

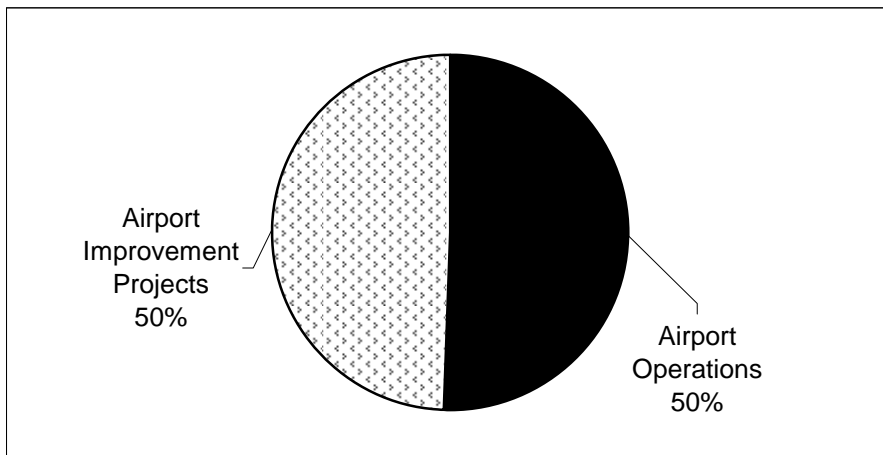
Sale of gas and oil was also hindered by the flood (8% less collected than a year ago) and has been in a steady decline since winter 2008.

Amount of Aviation operating revenue budget collected at year-end: 89%

Expenditures

Significant budget savings resulted from a long-term vacancy and from much less overtime use during a May air show than had been anticipated. However, a last minute purchase of a \$23,000 piece of rolling stock needed to replace work out equipment left the budget \$9,000 over its original FY12 amount.

Amount of Aviation operating budget expended at year-end: 101%



FY2012 YEAR END FINANCIAL REPORT

AVIATION FUND

	2011-2012		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Op Fund Balance:			\$296,547		
Designated 27th Payroll FB:			\$6,270		
			<u>\$467,690</u>		
Projected Beginning CIP Fund Balance:			\$133,705		
SOURCES					
Rents	480,676	338,113	333,469	(0.31)	(0.01)
Other Revenue	21,000	21,500	26,542	0.26	0.23
Investment Earnings	700	(1,000)	(1,967)	(3.81)	0.97
FEMA/SEMA Disaster Rcvy Jobs Reimbursmn	0	21,192	117,297	-	4.53
Transfers In	108,290	108,290	108,290	0.00	0.00
Airport CIP Revenues	1,200,000	4,129,631	5,953,558	3.96	0.44
TOTAL SOURCES	<u>1,810,666</u>	<u>4,617,726</u>	<u>6,537,189</u>	2.61	0.42
USES BY PROGRAM					
Airport Operations	651,342	620,238	660,176	0.01	0.06
Airport CIP Improvements	1,200,000	1,639,025	648,597	(0.46)	(0.60)
TOTAL USES	<u>1,851,342</u>	<u>2,259,263</u>	<u>1,308,773</u>	(0.29)	(0.42)
Net Surplus (Deficit)	(40,676)	2,358,463	5,228,416		
Operating Fund Balance:			\$391,145		
Designated Reserve for 27th PY (2016):			(8,360)		
Ending Avble Op Fund Balance:	Target: \$76,174		<u>\$382,785</u>		
Ending CIP Fund Balance:			5,438,666		

Aviation Operations Fund (Revenue : Expenditure - \$584,000 : \$660,000)

FY2012 Aviation operating fund balance decreased by \$85,000 (18%) but ended above its target reserve amount. While revenues in hangar rents and various leases have been going in a positive direction, the loss of lease revenues from ANG will be problematic. Even with a supplemental transfer from the General Fund, the fund ended the year in a \$76,500 budget deficit. And that was with significant budget savings.

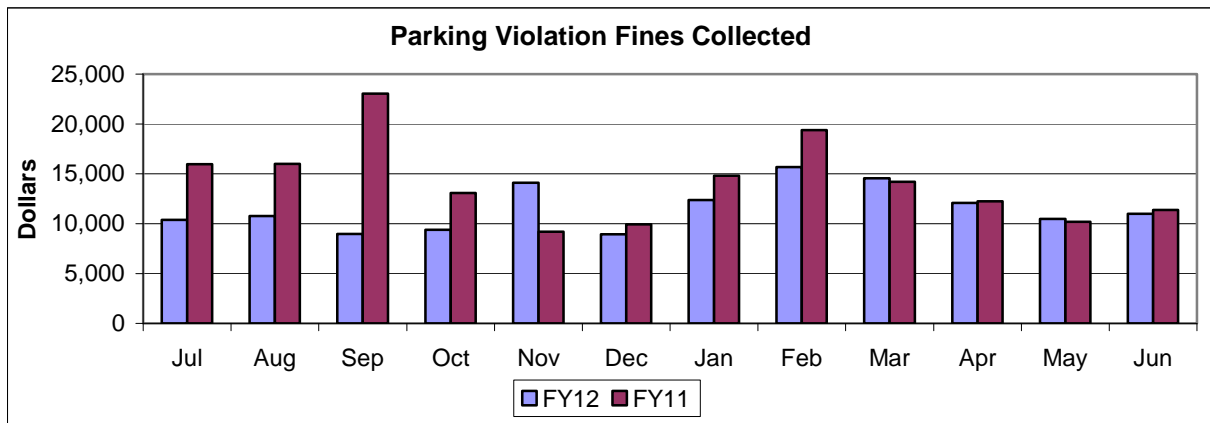
FY2012 YEAR END FINANCIAL REPORT

Public Parking Fund

Revenues

The **Public Parking** fund revenues decreased 8% when compared to the previous year. City sticker fees came in slightly higher than budget by 1.8%. But most revenues for parking garages were flat. The garage at 5th and Felix collected 5% more of the original revenue projected. A slight drop off of 4% from a year ago occurred at the 6th and Jules garage. The 8th & Felix lot was well under budget at 48%. The 9th and Felix lot exceeded its total year budget by 36%. Revenue for Other Parking Permits/Fees had increased with more Ticketmaster events held during the second half of the year at the Civic Arena (a rise of \$3K from last year).

A loss of parking violation fines was the main reason behind decreased revenues. Behind pace most of the year, receipts ended \$64,000 below budget. Many factors were in play that led to \$31,000 less collected compared to FY11 including staffing shortages and maintenance problems with gate at the 6th and Jules parking lot. Parking control staff constantly fill in for the garage attendants which keeps them from enforcement duties. Citations written by police officers increased during the third quarter, but tailed off in the final quarter. Plagued by their own staff shortages, close to 200 fewer parking tickets were written by police officers compared to the prior year. As indicated by the graph below, revenues peaked in February and March, but then leveled off. Numerous summonses were issued in December and throughout the third quarter for failure to pay.



Amount of Public-Parking operating revenue budget collected at year-end: 77%

Expenditures

Other than Electric Service over budget by \$6,600 the fund's expenditures were in good shape.

One unexpected expense was \$7,000 for out of title pay. With no parking manager on staff, a parking control tech filled in for the position for a majority of the year. However that expense was easily covered by the position vacancy savings.

Amount of Public-Parking operating budget expended at year-end: 68.5%

FY2012 YEAR END FINANCIAL REPORT

PARKING OPERATIONS FUND

	2011-2012		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Proj Beginning Op Fund Balance:			\$217,363		
Designated 27th Payroll FB:			\$4,770		
			\$222,133		
SOURCES					
City Sticker/Penalty	95,000	95,000	96,754	0.02	0.02
Parking Fines	203,350	142,450	139,027	(0.32)	(0.02)
Parking Fees	118,600	118,500	118,556	(0.00)	0.00
Other Revenue/Interest Earnings	500	745	454	(0.09)	(0.39)
Transfers In	6,500	6,500	6,500	0.00	0.00
TOTAL SOURCES	423,950	363,195	361,291	(0.15)	(0.01)
USES BY PROGRAM					
Parking Operations	468,503	418,632	445,889	(0.05)	0.07
TOTAL USES	468,503	418,632	445,889	(0.05)	0.07
Net Surplus (Deficit)	(44,553)	(55,437)	(84,598)		
Operating Fund Balance:			\$137,535		
esignated Reserve for 27th PY (2016):			(6,095)		
Ending Avlble Op Fnd Balance:	Target: \$51,449		\$131,440		

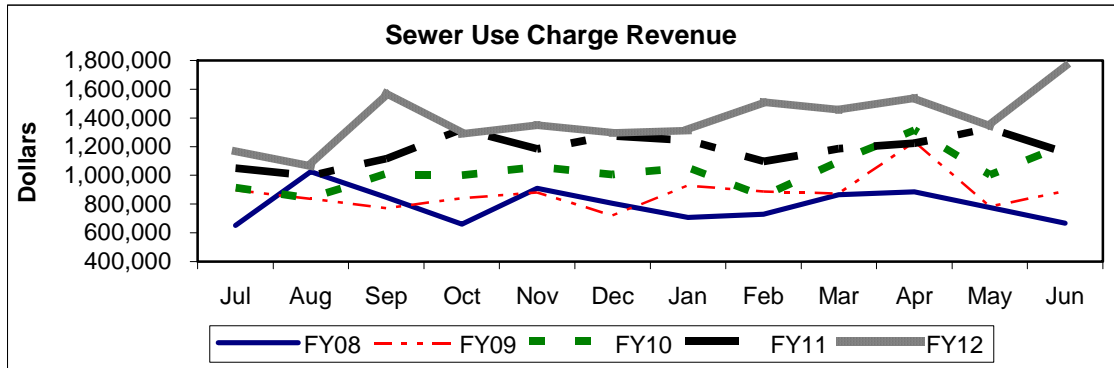
Public Parking Fund (Revenue : Expenditure - \$361,000 : \$446,000)

Ending available fund balance showed a decrease of almost \$80,000 from prior year. The small increase in city sticker revenues and savings in budgeted expenditures could not offset the loss of money from parking lot fees and decreasing fine revenues. Ending fund balance is above target. However an on-going operating deficit will eventually erode that cushion, especially if transfers from other funds are discontinued.

Water Protection Fund

Revenues

Overall, **Water Protection fund** revenues met and exceeded budget by 2.5%. With the 12% rate increase at the beginning of July, Sewer service charges came in \$274,000 more than anticipated. This was an increase of 15% when compared to FY11. Wholesale users, including South St. Joseph Sewer District also underwent a rate increase (13.6%) at the beginning of the fiscal year. SSJSD receipts ended above budget by \$31,000, a 4% increase when compared to the previous year. Sewer service penalties topped original projections by 79% (\$143,000 above budget). This represented an increase of 26% from FY11. The rough economy has led to customers being unable to pay their bills in a punctual manner. The fund, in total, had generated \$2.3 million more than one year ago.



Amount of Water Protection operating revenue budget collected at year-end: 105%

Expenditures

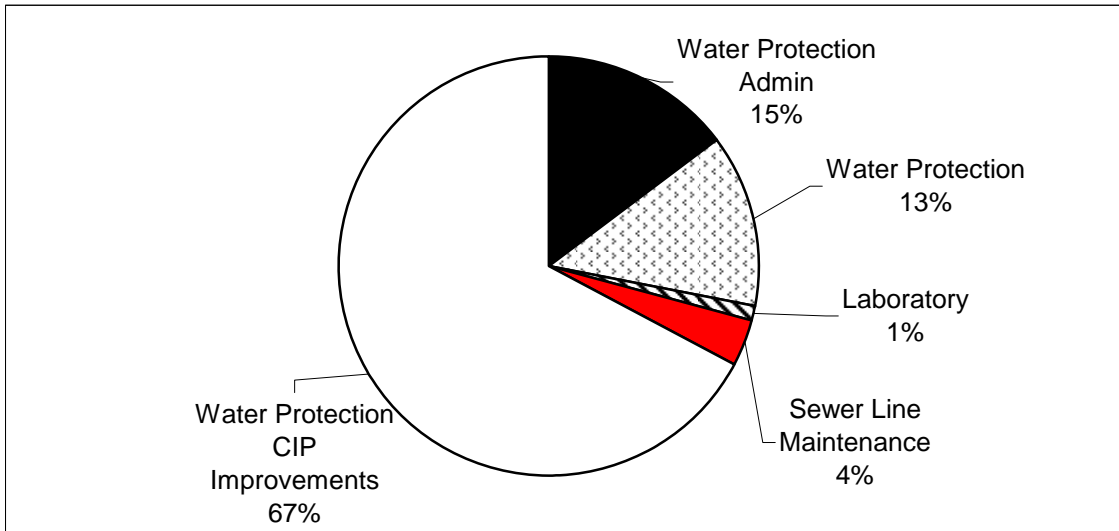
Overall, the fund finished the year \$750,000 over its original budget. Areas that continue to be issues for the fund include overtime, fuel and M&R costs.

- Overtime for was \$30,400 above budgeted projections fund-wide. Overflow testing and the summer flood contributed to the variance. It was a 24% increase when compared to FY11 (up \$42,000). There was room from salary savings to cancel out the deficit.
- Like most other city departments, Motor Fuel was a problem for Water Protection's budget with an overage of \$30,000.
- Water Protection ended the year over projections with Vehicle and Equipment Rental (\$89,000 above) for various crane rentals. M&R Building & Facility for the same program topped its budgeted expense by \$18,000 for several repairs to pumps and clarifiers.
- Sewer Maintenance experienced issues with M&R of Motor Vehicles. The program found itself \$36,000 over the mark for repairs, more than doubling its original budget.

More within the one-time deficit spending category were the following:

- Part-time wages topped original projections by 32% as more help was employed due to the flooding. This was \$6,700 more than the total in FY11.
- Water Protection's line item of Professional Services had a sizeable variance at \$154,000. The majority of this was made up of charges for GIS mapping, field work, and the new Accela software system maintenance.
- The program was also \$31,000 over the mark on Minor Equipment. Various items including detection instruments and an ice machine resulted in 55% above budget.
- The major contribution to the budget deficit was \$920,000 in unbudgeted "debt service" related to the refunding of existing sewer bonds. While the bond proceeds were recorded in the Sewer CIP program, the money used to pay off the old bonds was recorded in the WP Administration program. Budget savings of \$223,000 in the Sewer Maintenance division helped to offset much of the overages noted above.

FY2012 YEAR END FINANCIAL REPORT



Amount of Water Protection operating budget expended at year-end: 106%

FY2012 YEAR END FINANCIAL REPORT

WATER PROTECTION FUND

	2011-2012		%over/(under)	
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt Proj
Projected Beginning Op Fund Balance:			\$8,247,261	
Designated 27th Payroll FB:			62,805	
			<u>\$8,310,066</u>	
Projected Beginning CIP Fund Balance:			\$22,740,695	
SOURCES				
Sanitary Sewer Charges	17,625,000	17,815,300	18,072,787	0.03 0.01
Missouri BUILD Tax Credits	387,727	387,727	382,590	(0.01) (0.01)
Other Revenues	7,500	17,955	22,366	1.98 0.25
Interest Earnings/Special Assessments	314,800	275,900	240,907	(0.23) (0.13)
FEMA Reimbursement	0	27,832	565,288	1.00 19.31
Transfers In	3,250	3,250	3,250	1.00 0.00
Sewer CIP Revenues (Bond Proceeds/Int)	32,850,000	32,621,797	6,515,140	(0.80) (0.80)
TOTAL SOURCES	<u>51,188,277</u>	<u>51,149,761</u>	<u>25,802,328</u>	(0.50) (0.50)
USES BY PROGRAM				
Water Protection Administration	5,453,778	5,467,451	6,373,954	0.17 0.17
Utility Support Services	0	0	674	
Water Protection	5,711,659	5,596,142	5,788,979	0.01 0.03
Laboratory	543,558	549,377	518,649	(0.05) (0.06)
Sewer Maintenance	1,825,306	1,614,926	1,602,261	(0.12) (0.01)
Sewer CIP Improvements*	39,291,453	30,339,183	29,255,835	(0.26) (0.04)
TOTAL USES	<u>52,825,754</u>	<u>43,567,079</u>	<u>43,540,352</u>	(0.18) (0.00)
Net Surplus (Deficit)	(1,637,477)	7,582,682	(17,738,024)	
Operating Fund Balance:			\$13,309,487	
Operating Funds Used in CIP Projects:			(\$1,634,427)	
Designated Reserve for 27th PY (2016):			(83,740)	
Ending Available Op Fund Bal:	Target: \$2,348,140		<u>\$11,591,320</u>	
Ending CIP Fund Balance:			0	

Water Protection Fund Operating (Revenue : Expenditure - \$19,287,000 : \$14,285,000)

FY2012 operating fund balance increased significantly from FY2011 levels, easily meeting the 60 day reserve target. Fund revenues were \$2.3 million above FY11. Bad debt expense inched up from the FY11 level of 1.5% to 1.6% of sewer service charge revenue, slightly below the average of 2%. Excluding the one-time expenses represented by the bond refunding and software purchase/implementation, operating expenditures increased 2.2% over FY11.

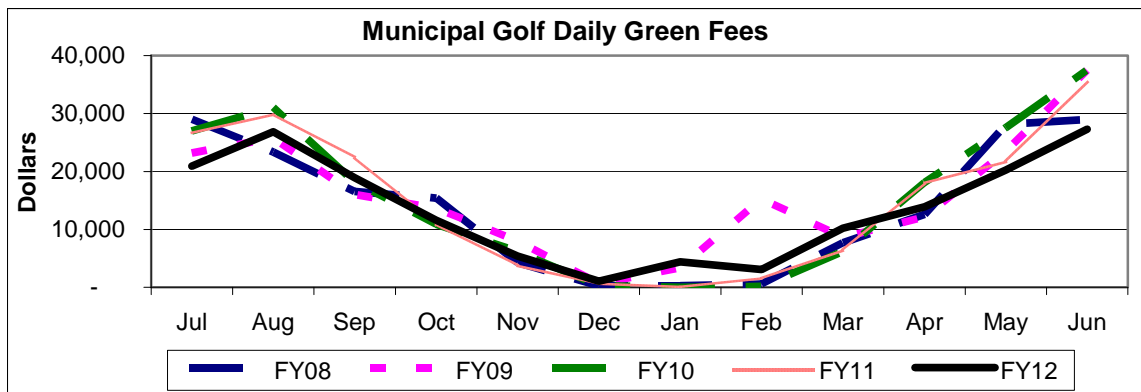
FY2012 YEAR END FINANCIAL REPORT

Fairview Municipal Golf Course (Golf Fund)

Revenues

Nice, mild weather throughout the year helped to vault the **Municipal Golf** revenues 13% above original projections. The snowless winter brought about some unexpected revenue for fund. Shown in the graph below, except for FY09, daily fees for December thru February are usually next to nothing. With the warmer temperatures and no snow on the course, \$9,000 was received in during the three-month period. The warm fall months also made up for the reduced revenue from the extreme hot temperatures that occurred in the summer. In addition the ideal conditions in the final quarter ended the year on a strong note. Overall, the fund collected \$66,000 more a year ago. Golf cart rentals were up 9% compared to FY11, surpassing FY12 projections by \$16,000.

A portion of the renovations included the banquet/meeting room. This is now a widely used venue for events of all kinds and exceeded its total year budget by 77% and had collected \$6,000 more than last year. Concessions also performed very well and were \$24,000 more than a year ago. Taking over the pro shop operations also enhanced revenues.



Annual fees were equal to FY11, but fell short of budget by \$6,000. Both tournament fees and driving range revenues met their targets.

Amount of Golf operating revenue budget collected at year-end: 113.7%

Expenditures

Personnel costs have been an on-going issue. Part-time wages exceeded budget by \$19,000. Along with the other expenditure issues detailed below, the 14% increase in revenue this year was not enough for the program to break even. Additional monies were transferred to Golf from the Parks Department in the General Fund to attempt to keep the fund solvent.

Other major items driving the expenditure budget:

- With the extremely dry conditions water usage was \$22,700 more this year than budget, an increase of 28% compared to the previous fiscal year.
- Materials for Resale exceeded budget by 70% (\$47,000 in total). In this area, however, revenues need to be considered. Golf Concessions generated \$148,000, a positive variance of \$33,500 compared to the expense.
- Fuel was expensed over the original budget by 44%, an increase of nearly \$13,000 from FY11.

Although expenses surpassed budget by 14.4%, revenues were not far behind also finishing over the year over projections by 13.7%. If the part-time wage issue is brought under control, the Golf program could operate back in the black.

Amount of Golf operating budget expended at year-end: 114.4%

FY2012 YEAR END FINANCIAL REPORT

MUNICIPAL GOLF FUND

	2011-2012		%over/(under)		
	Adopted & Amended	Projected	Preliminary	Adopt	Proj
	Budget	Budget	Actual		
Projected Beginning Op Fund Balance:			\$4,246		
Designated 27th Payroll FB:			\$3,990		
			<u>\$8,236</u>		
Projected Beginning CIP Fund Balance:			\$0		
SOURCES					
Golf Charges	664,800	727,000	755,723	0.14	0.04
Other Revenue	2,450	2,670	3,687	0.50	0.38
Investment Earnings	25	25	(47)	100.00	(2.88)
Golf CIP Program	26,500	26,500	24,195	(0.09)	(0.09)
TOTAL SOURCES	<u>693,775</u>	<u>756,195</u>	<u>783,558</u>	0.13	0.04
USES BY PROGRAM					
Municipal Golf Course	666,879	695,054	789,622	0.18	0.14
Golf CIP Program	23,500	24,900	24,629	0.05	(0.01)
TOTAL USES	<u>666,879</u>	<u>719,954</u>	<u>789,622</u>	0.18	0.10
Net Surplus (Deficit)	26,896	36,241	(6,064)		
Operating Fund Balance:			(\$22,023)		
Designated Reserve for 27th PY (2016):			<u>(5,320)</u>		
Ending Available Op Fund Bal:	Target: \$65,802		<u>(\$27,343)</u>		
Ending CIP Fund Balance:			(\$434)		

Municipal Golf Fund (Revenue : Expenditure - \$759,000 : \$789,600)

With an operating deficit for the second year in a row, fund balance was eliminated. The "CIP" balance in this fund is a designation for 1/2 of the daily surcharge paid by players. It was originally used to pay off the Course PBA debt. When those bonds were retired, the department voluntarily left the money in the capital projects program to purchase new equipment or other course improvements. However, that balance, itself, went slightly negative by the end of FY12.

Since the revenues are strong – coming in 13% above the original budget and 4% above mid-year projections, if the program can get expenditures under control the Course can once again run in the black. Otherwise, larger subsidies from the General Fund will be required.

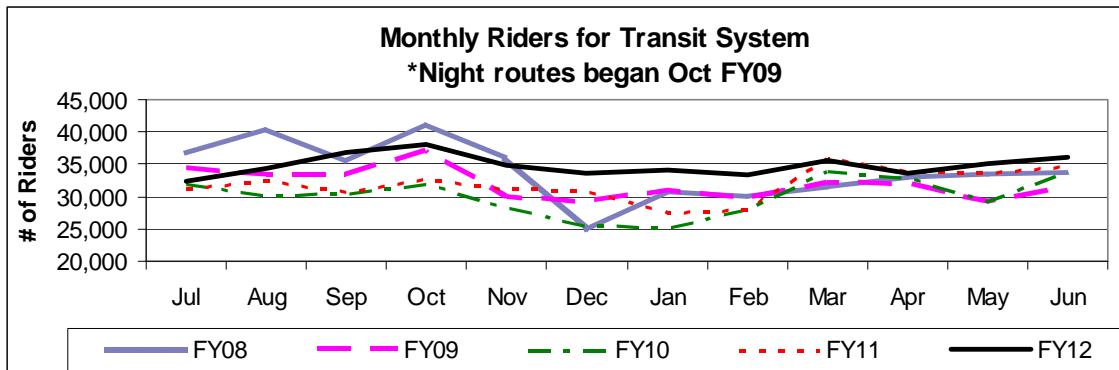
FY2012 YEAR END FINANCIAL REPORT

Transit Fund

Revenues

Transit fund topped its total budget by 11.8%. Every revenue source saw an increase – sales taxes, franchise fees, fare box revenues, FTA operating grant.

With the continued high fuel prices passengers continue to take “The Ride”. Daily fare box revenues collected \$36,000 more than projected. This represented an increase of 8% compared to FY11. The revised contract with Houck Advertising reduced monthly advertising revenue by almost fifty (50%) beginning in November, 2011. Despite the reduction the line item still hit the mark. In the fall of FY11, Transit staff began selling Jefferson Bus Line tickets for a 15% commission. This line item replaced the transit station lease that was vacated by Jefferson last year. More than likely, if fuel prices stay on the high side, consumers will utilize the bus services more frequently. According to the graph below, a more consistent flow of ridership categories have occurred in FY12 than previous years. After a highly successful third quarter, **Mass Transit Sales Tax** enjoyed an even better final quarter and was well above budget by \$580,000. The graph below shows that April and June experienced significant increases. June alone nearly broke \$625,000. During the fourth quarter over a \$1.3 million was received. The overall increase compared to this time in FY11 was 5.0%.

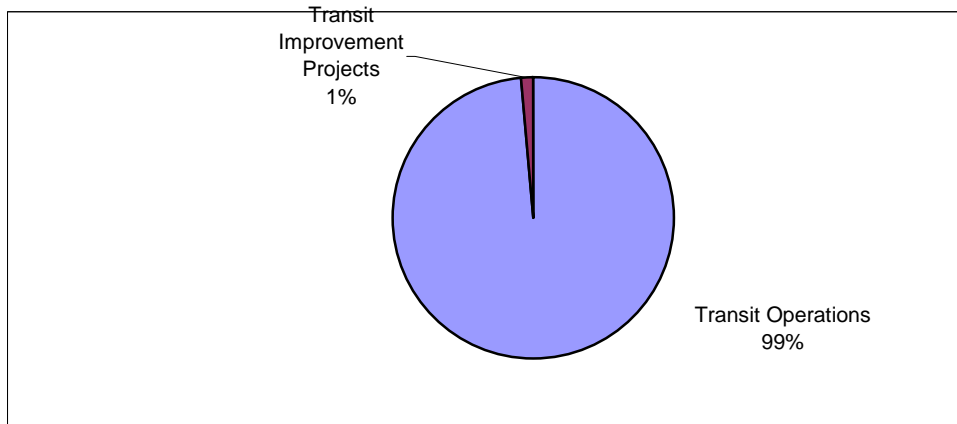


Amount of Transit operating revenue budget collected at year-end: 112%

Expenditures

M&R of motor vehicles was the largest deficit in the program. Various repairs raised expenses by 27% from FY11. \$298,000 under budget. Electric Service was also on the high end with a variance of \$6,600 which was an increase of 3% when compared to the prior fiscal year. Despite the climbing fuel prices, the fund was one of the few remaining below budget. Only 83.6% of the fuel budget was exhausted throughout the year. There were also significant savings in insurance premiums. Overall Transit ended the year \$298,000 under original budget.

Amount of Transit operating budget expended at year-end: 95.0%



FY2012 YEAR END FINANCIAL REPORT

TRANSIT FUND

	2011-2012		%over/(under)		
	Adopted & Amended Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Op Fund Balance:			\$5,673,592		
Designated Reserve for Bus Rplcmnt:			\$310,040		
			\$5,983,632		
Projected Beginning CIP Fund Balance: (Adding anticipated, but unearned grant funds)			\$0		
SOURCES					
Utility Taxes	1,058,410	1,043,600	1,130,630	0.07	0.08
Sales Taxes	4,011,080	4,253,588	4,291,043	0.07	0.01
User Charges	301,100	301,110	314,816	0.05	0.05
Other Revenue	3,800	116,887	80,480	20.18	(0.31)
Investment Earnings	8,500	8,500	9,105	0.07	0.07
Intergovernmental/Other Grants	1,246,746	1,254,332	1,589,363	0.27	0.27
Transit CIP Revenues	710,316	819,541	122,095	(0.83)	(0.85)
TOTAL SOURCES	7,339,952	7,797,558	7,537,532	0.03	(0.03)
USES BY PROGRAM					
Transit Operations	5,529,740	5,473,555	5,231,669	(0.05)	(0.04)
Transit CIP Improvements	730,816	804,766	78,204	(0.89)	(0.90)
TOTAL USES	6,260,556	6,278,321	5,309,873	(0.15)	(0.15)
Net Surplus (Deficit)	1,079,396	1,519,237	2,227,659		
Operating Fund Balance:			\$8,167,400		
Designated Reserve for Bus Rplcmnt:			(444,040)		
Ending Available Op Fund Bal:	Target: \$503,045		\$7,723,360		
Ending CIP Fund Balance:			43,891		

Mass Transit Operating Fund (Revenue : Expenditure - \$7,415,000 : \$5,232,000)

The difference between the CIP expenditures and revenues is the lag between grant expenditures and receiving the grant revenues. An apparent opening CIP deficit balance was eliminated by factoring in anticipated grant revenues.

Operating fund balances will continue to increase until the system is scheduled to start replacing its bus fleet in FY2014 at which time fund balance will start declining to the target level.

FY2012 YEAR END FINANCIAL REPORT

Landfill Fund

Revenues

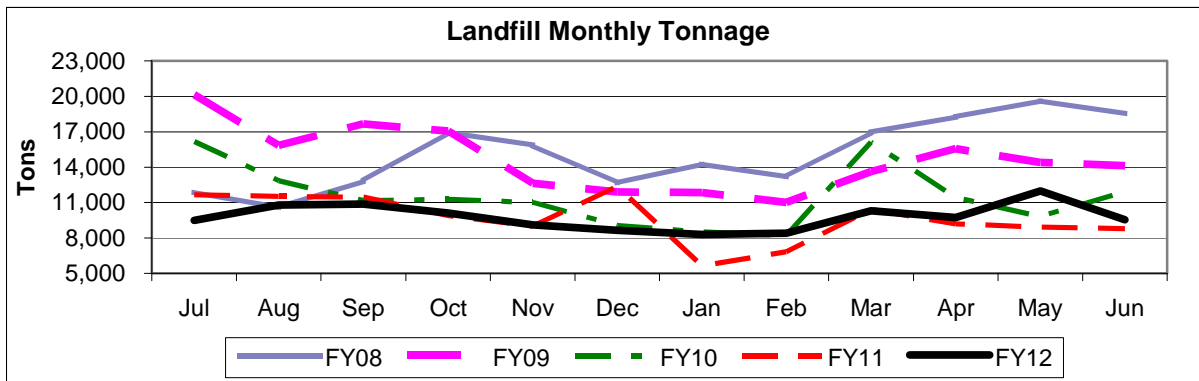
The **Landfill** fund revenues continued to decline in FY12. Altogether, revenues fell \$773,000 short of budget.

Daily fees were under budget by \$735,000 which was a 2% decrease when compared to FY11. Revenues have been in an overall decline with the economic conditions and after Deffenbaugh withdrew from their dumping agreement in FY09. Monthly average charges for Deffenbaugh have dropped from \$50,000 during FY11 to \$34,000 for FY12. The fund, overall, collected 85% of its projected budget. Recycling revenue at the main landfill operations (from the sale of scrap metal, etc.) did well and exceeded budget by 17%.

The newly opened recycling site performed at a higher success rate and surpassed total year budget by 59%. Revenues have been on the climb since with the opening of the more conveniently located recycling center on the South Belt Highway in late March of FY11. Revenues increased by \$5,000 compared to FY11.

Methane gas to energy sales began in the 4th quarter. Over \$60,000 was collected of the \$100,000 budget.

City Council declined to increase tipping fees during the FY13 budget discussions. This despite the fact that revenues have continued to decline, that surveys show the St. Joseph Landfill has the lowest advertised tipping fee in the state, and the FY12 rate study recommended a \$4 per ton increase in fees.



Amount of Landfill operating revenue budget collected at year-end: 81.0%

Expenditures

There was one area of expense that will likely be on-going problem:

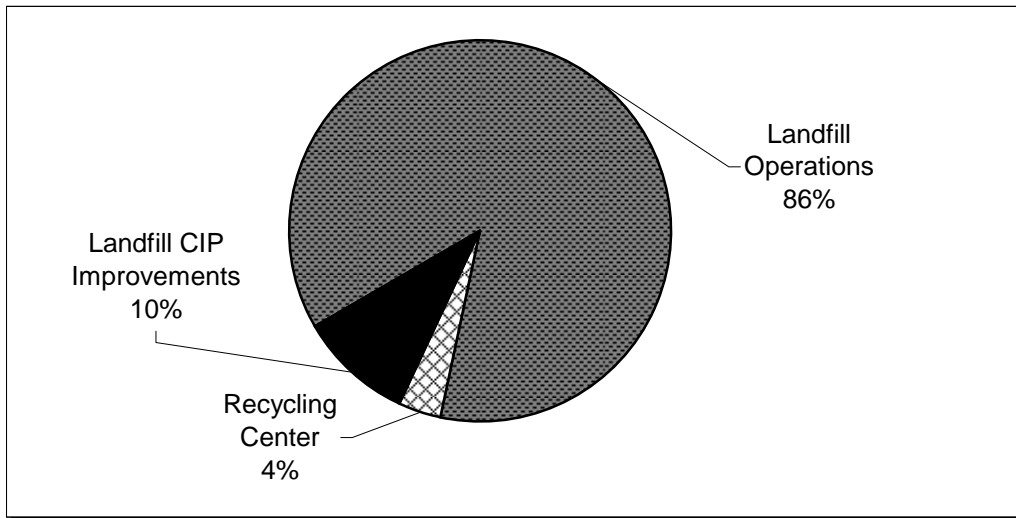
- Motor fuel showed a 22% increase when compared to FY11. The increase resulted in a budget overage of \$25,000.

There were other operating deficits of a more temporary nature:

- M&R of Motor Vehicle finished over budget by 75.5%.
- Advertising was high again this year (\$4,800 over budget).
- M&R of Building & Facilities topped projections by \$8,000 with labor and materials for re-roofing.

Savings in other budgeted line items were enough to cover existing deficits. However, if a major improvement project had been done as was budgeted, the fund would have ended only \$63,000 (1.6%) under budget. Although major projects are tracked in a Landfill CIP program, there is no outside funding source (special revenue, grants, etc) to support the projects/equipment. It all comes from operations.

FY2012 YEAR END FINANCIAL REPORT



Amount of Landfill budget expended at year-end: 89.3%

FY2012 YEAR END FINANCIAL REPORT

LANDFILL FUND

	2011-2012		Preliminary Actual	%over/(under)	
	Adopted & Amended Budget	Projected Budget		Adopt	Proj
Projected Beginning Fund Balance:			\$4,919,928		
Designated Reserve for 27th PY (2016):			18,240		
Designated Closure/Post Closure:			4,331,715		
			<u>\$9,269,883</u>		
SOURCES					
Permits	3,100	3,100	3,050	(0.02)	(0.02)
Rents	2,300	3,100	3,100	0.35	0.00
Daily Tipping Fees	3,900,000	3,510,000	3,165,116	(0.19)	(0.10)
Gas to Energy Sales	100,000	29,565	61,015	(0.39)	1.06
Other Revenue	1,500	1,500	9,176	-	5.12
Recycling Revenue	29,000	35,000	37,649	0.30	0.08
Investment Earnings	28,000	23,000	12,118	(0.57)	(0.47)
TOTAL SOURCES	<u>4,063,900</u>	<u>3,605,265</u>	<u>3,291,224</u>	(0.19)	(0.09)
USES BY DEPARTMENT					
Landfill Operations	3,117,196	3,043,637	3,084,641	(0.01)	0.01
Recycling Center	129,996	130,011	125,739	(0.03)	(0.03)
Landfill CIP Improvements	736,050	736,050	348,496		
TOTAL USES	<u>3,983,242</u>	<u>3,909,698</u>	<u>3,558,876</u>	(0.11)	(0.09)
Net Surplus (Deficit)	80,658	(304,433)	(267,652)		
Total Ending Available FB:			\$9,002,231		
Designated Reserve for 27th PY (2016):			(24,320)		
Designated Closure/Post Closure:			(4,685,680)		
Ending Available Fund Balance:	Target: \$531,313		<u>\$4,292,231</u>		

Landfill Fund Revenue : Expenditure - \$3,291,000 : \$3,559,000

With the decrease in revenue, with the designated 27th payroll reserve, and with the annual cost of adding to the Closure/Post Closure account, available reserves in this fund decreased by \$628,000 following a decrease of \$500,000 in FY11.

Even excluding the designated post-closure and the 27th payroll reserves, fund balance is well over its target. The availability of these funds enables staff to do major improvements in-house and replace major pieces of equipment without leasing which saves money in the long run. However, at fund balance decreases of over a half a million dollars a year, the ability to do the in-house projects may disappear if tipping fee increases are not instituted.

FY2012 YEAR END FINANCIAL REPORT

CAPITAL PROJECTS FUND

Revenues & Expenditures

CIP Sales Tax in the Capital Projects Fund also increased and was over original projections by \$225,000 (4%). This was an increase of 3.9% when compared to the same period in FY11.

Interest Earnings continued their decline coming at \$11,000 (44% below the \$20,000 budget) and \$9,600 less than prior year.

Several one-time revenues enhanced the fund:

- Significant insurance proceeds from the fire at the Missouri Theater complex (484,000);
- The sale of a donated structure (\$250,000);
- A donation towards the improvements at the REC Center (\$250,000); and,
- Reimbursement receipts from repairs due to flooding paid for up-front by the Capital Projects Fund (\$290,000).

The shortfalls in fund transfers are not significant since that unrealized revenue was tied to deferred projects.

A few small projects/equipment purchases originally slated for FY12 were deferred until next year and expenditures ended 6% below original budget and 7% below mid-year projections.

The most important issue facing this fund is that many projects see significant cost increases. Obviously, if CIP sales tax revenues do not keep pace with the increase in the cost of individual projects, then there will be one or more projects approved by the taxpayers not completed with the upcoming six-year life-cycle of the half-cent sales tax, renewed by voters in an August CIP tax election.

CAPITAL PROJECTS FUND

	2011-2012		<u>%over/(under)</u>		
	<u>Adopted & Amended Budget</u>	<u>Projected Budget</u>	<u>Preliminary Actual</u>	<u>Adopt</u>	<u>Proj</u>
Projected Beginning Fund Balance:			5,302,826		
SOURCES					
Sales Tax	5,304,900	5,464,560	5,529,787	0.04	0.01
Sale of Fixed Assets (Geiger Mansion)	0	250,298	250,298	-	0.00
Insurance Proceeds (Missouri Theater Fire)	0	451,033	484,030	-	0.07
Interest Earnings, Donations & Other	20,000	170,000	324,395	15.22	0.91
Grants	426,400	1,356,526	1,094,585	1.57	(0.19)
Transfers In	474,192	660,453	642,664	0.36	(0.03)
TOTAL SOURCES	<u>6,225,492</u>	<u>8,352,870</u>	<u>8,325,759</u>	0.34	(0.00)
USES BY PROGRAM					
Capital Imprvmnt Projects (non-Enterprise Fnd)	4,369,901	4,418,775	4,097,710	(0.06)	(0.07)
TOTAL USES	<u>4,369,901</u>	<u>4,418,775</u>	<u>4,097,710</u>	(0.06)	(0.07)
Net Surplus (Deficit)	1,855,591	3,934,095	4,228,049		
Total Ending Fund Balance:			\$9,530,875		

SUPPLEMENTAL REPORTS

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FY2012 YEAR END FINANCIAL REPORT

INVESTMENT REPORT

COMMENTARY

The Investment Report is for the twelve month period ended June 30, 2012. The purpose of the report is to keep the reader informed of the diversification and status of the City's investment portfolio. The City's Investment Policy, adopted by the City Council on July 19, 1994 and revised on October 18, 2010, guides investment activities and ensures that City funds are invested in a manner which provides the highest investment return with maximum security while meeting the daily cash flow demands in accordance with all state and local laws.

CASH INVESTMENTS

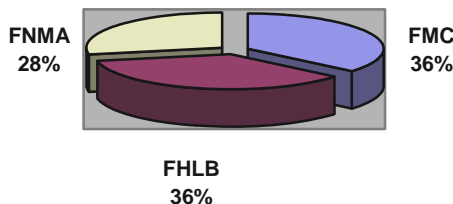
As of June 30, 2012, \$44,983,122 of the City's idle cash was invested in U.S. Treasury Bills, Agency Securities, Certificate of Deposits, and cash. The majority of the investments purchased were Agency Discount Notes with maturities of 180 days or less. Individual yields on the securities range from 0.04% to 0.13% with a maturity expected weekly. Most City investments are made in instruments of 180 days or less because: 1) the return on longer instruments is not significantly greater to offset the loss in liquidity; and 2) current low fund balances in most funds require that investments be very liquid.

According to City policy, the City may only invest in U.S. Treasury Obligations, U.S. Treasury Agency Obligations, Certificate of Deposits, Repurchase Agreements, Collateralized Public Deposits, Bankers' Acceptances, Commercial Paper, and Local Government Investment Pools. U.S. Treasury Obligations (T-Bills) are short-term obligations considered risk free and very liquid. They are backed by the full faith and credit of the U.S. Government. While considered the safest of all types of securities, Treasury Bills provide the lowest yield. Due to the low yield, the City prefers to invest in other, high-yielding, relatively risk-free U.S. Government Obligations.

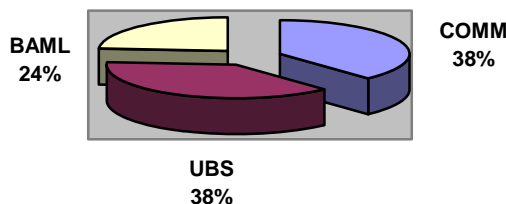
Some Agency Discount Notes are guaranteed by the full faith and credit of the U.S. Government, but most carry only a "moral obligation" of Congress to protect investors. These notes usually have higher yields than Treasury Obligations, and include federal agencies such as the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Bank (FHLB) and Federal Farm Credit Bank (FMC).

Safety of principal is the foremost objective of the City's investment program. To achieve this objective, diversification is a necessity for securities and vendors. Investments are competitively bid and purchased from Bank of America Merrill Lynch, UBS, and Commerce Bank of Kansas City, maturing weekly for cash flow purposes. The City's guidelines for diversification provide for a goal of no more than 50% of the City's total investment portfolio be invested in a single security type or with a single financial institution.

Investment Types



Investment Firms

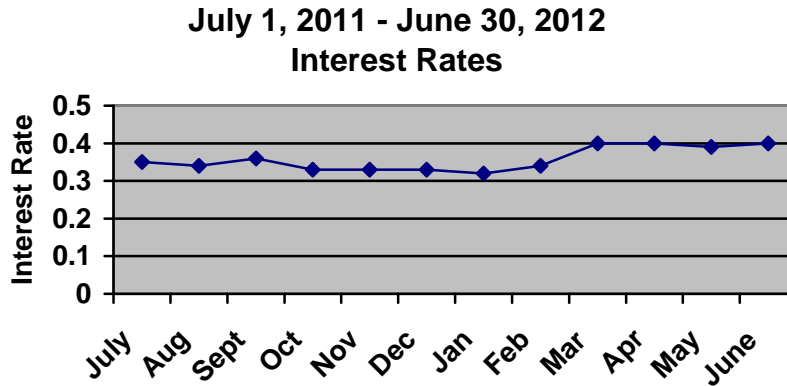


INTEREST INCOME

The City also receives interest income on cash balances in its checking account. Interest is distributed to each fund at the end of each month. The interest rate is equal to the average 91 day Treasury Bills plus .31 points on the City's average collected balance. The rate the City received for the month of June, 2012 was 0.40% compared to 0.35% in June, 2011. Since July, 2011, interest rates gradually fell below 0.40%, bumped in September, and demonstrated an upward climb that started in February. Because of collateral

FY2012 YEAR END FINANCIAL REPORT

agreements with the banking institution insuring cash balances, this is as safe as investments in U.S. Treasury Bills.



Fiscal Year 2011/2012

Interest earned that has been distributed to the individual funds based upon the cash balance monthly average:

July, 2011	\$ 5,413.95
August, 2011	\$ 5,127.97
September, 2011	\$ 4,882.50
October, 2011	\$ 5,512.45
November, 2011	\$ 4,294.28
December, 2011	\$ 2,869.55
January, 2012	\$ 3,635.42
February, 2012	\$ 3,091.17
March, 2012	\$ 3,772.15
April, 2012	\$ 3,909.92
May, 2012	\$ 4,360.94
June, 2012	<u>\$ 4,187.97</u>
YTD 2012 Total	\$ 51,058.27

Unrestricted cash deposits and investments of the City are pooled and include cash held in commercial bank checking accounts and investments held in United States Government Treasury and Agency securities. 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 individual funds "Equity in Pooled Cash" equals the \$50,061,812 the City records as unrestricted.

Restricted cash deposits and investments are restricted for legal purposes or purposes designated by City Administration. In accordance with bond transcripts, the Trustees of the bonds are legally required to hold reserves at their financial institution. Currently, the City has \$33,117,410 held at various locations as instructed by the bond transcripts.

The charts beginning on the next page show the June 30, 2012 status of city cash by type of investment, type of restriction and unrestricted cash balances.

FY2012 YEAR END FINANCIAL REPORT

CASH By Type of Investment June 30, 2012

Checking Account Balance:		\$5,078,689.56
U.S. Government and Agency Securities:		
Federal Natl Mortgage Association	\$12,995,055.21	
Federal Farm Credit Bank	15,993,610.26	
Federal Home Loan Bank	15,994,456.54	
		44,983,122.01
Cash and Investments		50,061,811.57
Bond Reserves (held at various institutions)		33,117,409.74
		\$83,179,221.31

CASH By Type of Restriction June 30, 2012

Unrestricted Cash Balance:		
Cash	\$5,078,689.56	
Investments	44,983,122.01	
		\$50,061,811.57
Restricted Cash Balances:		
Bond Reserves (various institutions)	33,117,409.74	
		33,117,409.74
		\$83,179,221.31

The label “unrestricted cash” is deceiving. The cash is unrestricted only in the accounting sense of not being legally restricted to a certain use, like bond reserves. The cash is restricted in the sense of what fund it belongs to and what that fund can use it for.

The chart on the following page breaks down the \$50 million “unrestricted” cash figure above by fund and designated uses (if any).

FY2012 YEAR END FINANCIAL REPORT

CASH

UNRESTRICTED CASH BY FUND

June 30, 2012

General - Cash	\$3,117,741.15	
Emergency	1,125,000.00	
Escrows/Grants	128,122.39	
Public Nursing/Richardson Trust	85,546.95	
Senior Center Foundation/WMorgan Trust	12,381.78	
Cell Phone	1,387,872.03	
Computer Reserve	358,341.52	\$6,215,005.82
<hr/>		
Street Maintenance- Cash		1,810,619.00
Parks, Recreation & Civic Facilities-Cash		201,251.13
CDBG- Cash		158,633.97
Special Allocation - Cash		1,135,537.00
Riverboat - Cash		269,762.92
Museum		330,860.92
Capital Projects - Cash		9,754,571.67
Aviation- Cash	0.00	
Escrows/Grants	7,572.00	7,572.00
<hr/>		
Parking - Cash	173,004.25	
Escrows	6,525.00	179,529.25
<hr/>		
Water Protection - Cash	4,085,371.03	
In House Bond Reserve	5,276,838.26	9,362,209.29
<hr/>		
Golf - Cash		21,553.95
Mass Transit - Cash		8,561,034.57
Landfill - Cash	4,839,406.94	
Post Closure	4,410,614.92	9,250,021.86
<hr/>		
Worker Compensation - Cash		1,286,800.52
Payroll - Cash		337,735.09
Library - Cash		0.00
St. Joseph Gateway TDD- Cash		65,727.48
Cooks Crossing CID - Cash		6,018.06
East Hills CID - Cash		3,339.72
CDBG Loan Funds - Cash		1,104,027.49
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		\$50,061,811.71
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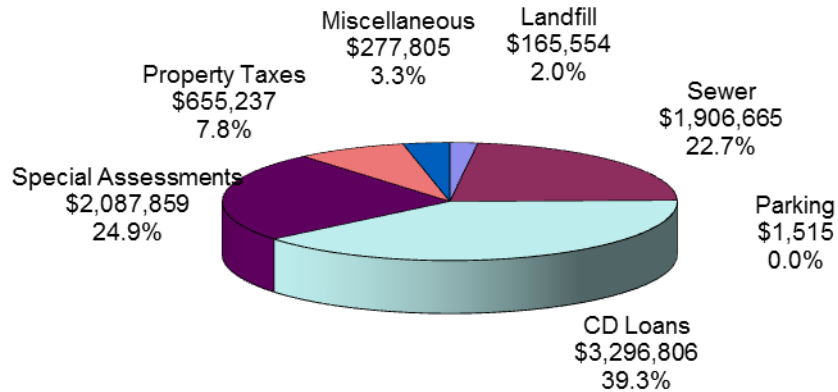
FY2012 YEAR END FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE REPORT

COMMENTARY

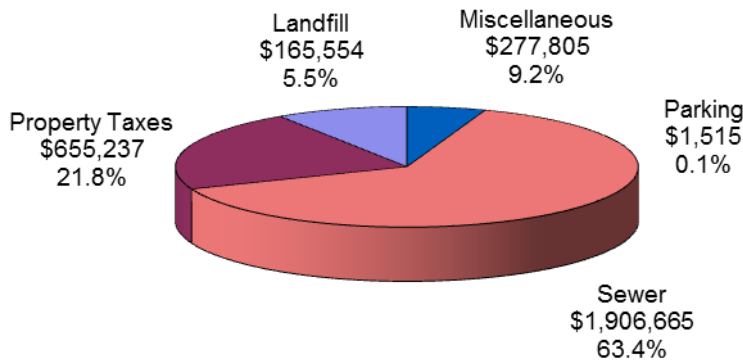
The Accounts and Loan Receivable Report is for the fourth quarter ended June 30, 2012. These receivables have been billed to each customer and already appear as revenue on the general ledger. The purpose of this report is to identify the various types and amounts of receivables, discuss the City's various collection efforts and provide an estimate of receivable collectability. Total Accounts and Loans Receivable at June 30, 2012 are broken out as follows:

Accounts Receivable and Loan Receivable Report For Quarter Ended June 30, 2012



The greatest change in receivables from March 31, 2012 to June 30, 2012 is the property taxes due the City. Total property taxes due have declined by \$339K from the third quarter report. The Sewer receivable increased as began billing the sewer surcharge accounts in-house in prepare to take over the monthly sewer billings. Routine receivables (taxes, licenses and fees) are outlined in the table below. Loans and Lien Receivables have been extracted due to: 1) uncertain collectability with special assessments; and 2) CDBG loans are payable over 30-40 years, leaving most of the receivable due into the future, not past due. Details of each type will now be discussed by category type.

Accounts Receivable For Quarter Ended June 30, 2012 (Excludes Loans and Special Assessments)



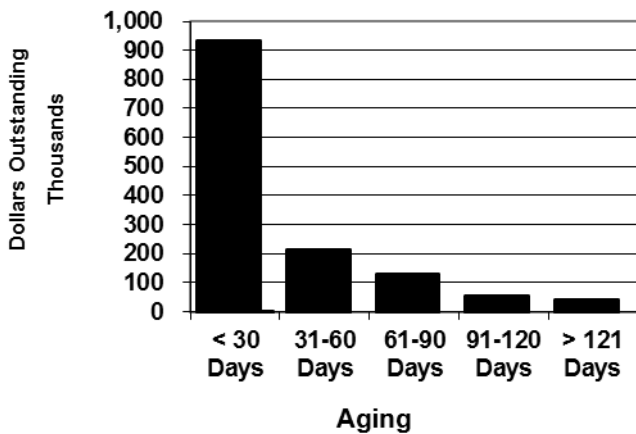
City Sewer Fund receivables (63.4%), as in past years, are the greatest receivable due in the fourth quarter. Total sewer amounts due are \$1,906,665 as of June 30, 2012. MAWC receivables make up the greatest portion at \$1,374,788, or 72.1%. These are sewer user charges billed and collected by Missouri American Water Company per the 1996 Billing and Collection Agreement. The aging of these

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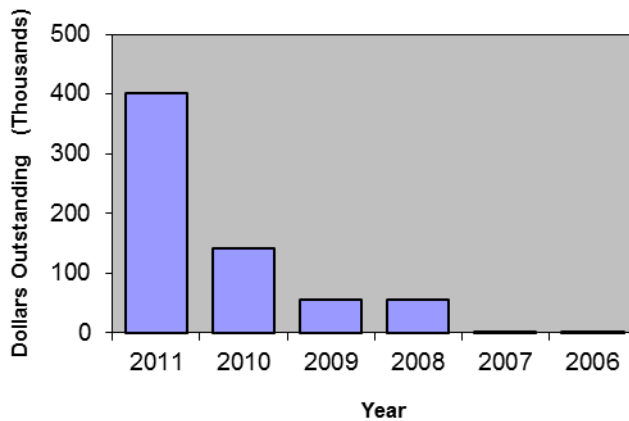
receivables are shown above. In October, 2011, Missouri American Water contacted all cities and jurisdictions across the United States in which they were providing these same sewer billing and collection services to terminate all agreements by December, 2012. City staff began the process of analyzing our options going forward. The opinion going forward was for City staff to take reign over the billing and collection process again and hire a collection agency (for past due accounts). The beginning step of this was to begin billing the sewer surcharges within our own systems. That measure eliminated the delay of 60 days in the collection process for approximately \$250K of receivables, but added to the current yearend balances due.

Missouri American sewer receivables are reported monthly to the Financial Services Department for recording of user charges, penalties for late payment, allowance for uncollectible accounts, and collection fees. Accounts over 90 days are reviewed by MAWC and may be turned over to their third party collection agency. The City sewer balances due include primary secondary sewer surcharge customer user fees (\$437,507), Oak Mill lawsuit (\$93,600), and septic load processing charges (\$770). The SSJSD balance is current.

**MAWC Sewer Account Aging
As of June 30, 2012**



Property Taxes Receivable June 30, 2012



Property Tax delinquent reports were provided by the County Collector as of June 30, 2012 as required in the Billing and Collection contract. A comparison of the fiscal year 2012 delinquent lists shows \$655,237 (excluding St. Joseph Library) remaining due compared to \$831,937 in fiscal year 2011. Total **Current Year** adjusted property valuations of \$975,343,375 for tax year 2011 (FY12) increased 3.5% from tax year 2010 (FY11) at \$942,423,028. County collections through June 30, 2012 show an increase in current collections of \$609,053 or five and nine-tenths (5.9%) percent. Railroad & Utility taxes **increased** \$79,253 (34%). As of June 30, 2012, total current year City tax receipts were \$10,881,526, compared to FY2011 receipts of \$10,272,474. The General tax levy continues to suffer due to passage of SB711.

Prior Property Tax receivables include the receivables for tax years 2011 & prior. As of June 30, 2012, prior property taxed remaining due total \$254,319 compared to \$327,790 for all funds in fiscal year 2011. Total prior year collections increased with \$678,935 compared to \$447,306 for FY2011. The Buchanan County Collector's 2012 tax sale will be held on Monday, August 27, 2012. The tax sale procedures changed in 2011 as the State of Missouri has mandated that all tax sale collections be full payment for past year taxes and fees. This remains a great deterrent for buyers and has increased in the number of properties sent to the Buchanan County Trustee as abandoned lots.

Landfill Fund receivables (5.5%) include landfill charge accounts and land leases. Receivables are billed by the Financial Services Department based upon charge accounts posted to the Waste Works software. Total FY2012 landfill fund billings to date are \$2,288,929, an increase of seven and five-tenths (7.5%) percent for the same period in fiscal year 2011. Total fiscal year tipping fee revenues of \$3,165,116 represent a decrease of two (2%) percent from fiscal year 2011. Outstanding receivables total \$165,554, with less than two-tenths of one percent (0.2%) or \$322 greater than 60 days delinquent.

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Miscellaneous Receivables (9.2%), shown above, are billed by Financial Services and Customer Assistance. These receivables are for various services and/or fees. Amounts due greater than 45 days are sent a second courtesy delinquent notice. After the second notice, the originating departments are notified to consider revoking their ability to charge future services/fees until their account is brought current. Miscellaneous billings include:

General Fund –

- LEC charges, fire district contracts, and Administrative fees for Chapter 100 bonds, Heartland Health and Buchanan County shared expenses for maintenance of the communication system; and PILOT taxes due per Chapter 100 agreements;
- Public Health Department – Birth/Death certificate monthly billings, monthly pound fees for area cities, and Buchanan County Health Contract;
- Parks Department - Hockey Club and Figure Skating Club ice rentals;

SIM & R Fund – Street/utility cuts, culvert pipe purchased for installation, Road & Bridge taxes;

PRCF – Horace Mann monthly leases;

Special Allocation Fund – Buchanan County certified EATS;

Aviation Fund – Monthly hangar leases, land leases, monthly Airport Café lease;

Mass Transit Fund –State of Missouri bus passes purchased;

Payroll Fund – Retiree and Cobra insurance billings.

Business Licenses/Permits and Municipal Court and Parking Citations are also miscellaneous receivables, but not included in the total amount due. Most of these billings are unknown at the time of issuance or billing – business licenses because many are based upon gross receipts which fluctuate from year to year and Court citations because defendants must have their due process in Court.

Business Licenses and Permits By Type Fiscal Year 2012

Type	FY2012		YTD Revenue	
	New	Temporary	FY12	FY11
Liquor licenses	38	84	\$94,851	\$99,379
Alcohol server licenses	1,363	579	\$28,940	\$36,050
Health permits/inspections	75	128	\$91,611	\$95,740
Alarm permits	317	28	\$48,316	\$53,744
Fire inspection permits	56	18	\$31,865	\$34,288
Trade licenses	286	1	\$78,795	\$71,504
Contractor licenses	12	0	\$4,975	\$4,625
Business licenses	785	30	\$867,068	\$813,900
Totals	2,932	868	\$1,246,422	\$1,209,229

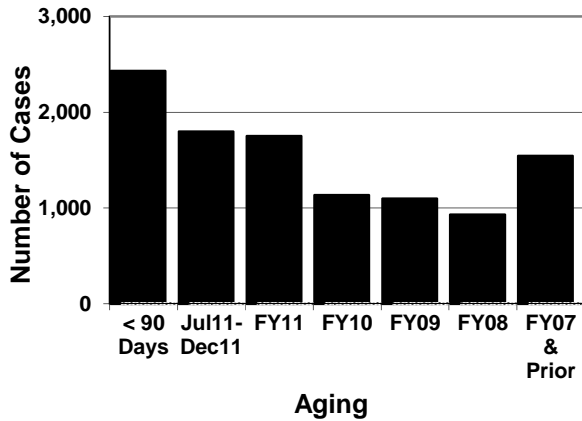
Annual licenses, permits and inspections for business activity are billed and collected by the Customer Assistance Department and recorded in Permit's Plus Software when received. Collection efforts continue for the expired business licenses due on June 30, 2012. To date, these efforts include the original renewal application. Delinquent letters will go out in mid-July, 2012. The final step will be a summons to Municipal Court. A total of 3,800 new and temporary business licenses and permits were since May 1, 2011. As of June 30, 2012, there are 4,752 active business licenses. The distribution of new business permits and licenses issued are broken down by type above.

Municipal Court receivables (shown below) are recorded in the INCODE Court software. As of June 30, 2012, open citations total 11,066, an increase of 385 (3.6%) from the previous quarter. Out of 17,478 cases filed since July 1, 2012, twenty-nine percent (5,116 of the cases) remain open. Cases typically require 45-60 days before the court case is taken up. Court staff issue warrants for failure to appear for

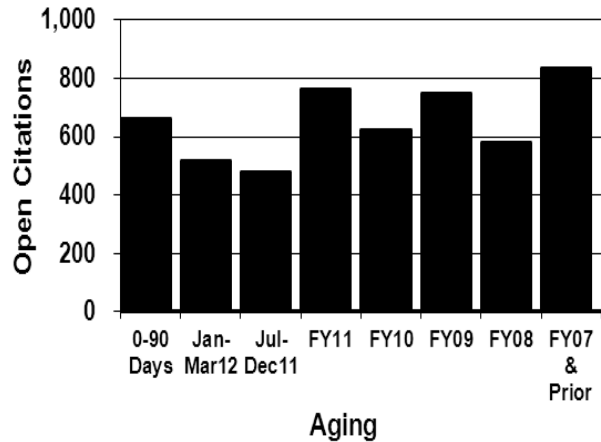
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any case greater than five (5) days past the assigned court date. They also suspend licenses for those failing to appear for traffic violations. A review is also performed on all prior citations with regard to collections and cases are closed in the proper, timely manner.

**Municipal Court Open Cases
As of June 30, 2012**



**Aging Open Parking Citations
as of June 30, 2012**



As of June 30, 2012, court fines and fees collected totaled \$1,178,139, compared to \$1,280,358 for the same period in fiscal year 2011, an eight (8%) percent decrease. City retained Court revenues were \$952,318 compared to \$1,090,565 in fiscal year 2011, a twelve and six-tenths (12.6%) decrease. The citations filed have increased for the first time in three years - totaling 18,226 in FY2012, compared to 16,630 for FY2011. One reason may be the newly activated handheld units now assisting Police officers with the issuance of citations. It takes a great deal of time off the manually written citations.

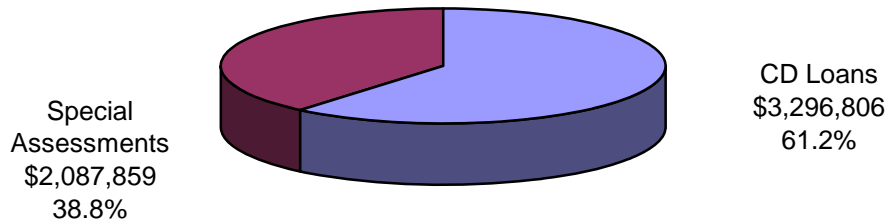
Public Parking receivables (<1%) include monthly parking permits billed for City garages. Other receivables include outstanding parking citations as recorded in the Parking Access database. Parking fine revenue is recognized when received as these amounts due remain uncertain due to requests for dismissal and the possibility of due process in Municipal Court if desired. The aging of these citations is shown in the table above.

A total of 8,515 parking citations have been written this fiscal year – 5,773 by public parking staff and 2,742 written by police officers and fire department staff. This compares to 8,696 citations written over the same period in FY2011. As of June 30, 2012, total parking fine revenues received are \$138,630 of which \$122,824 (88.6%) come from fines remitted directly to the City before penalties apply and from collection letters generated by Financial Services. Municipal Court summons have resulted in the remaining \$15,805 (11.4%). A total of 11,722 collection letters were mailed out this fiscal year. As of June 30, 2012 a total of 5,210 remain open.

The Parking Fund continues to receive supplemental revenue from one half of the motor vehicle fees collected by the Buchanan County Collector and additional \$1 fee added to Ticketmaster events at the Civic Arena.

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Loan & Special Assessment Accounts Receivable As of June 30, 2012



Community Development (C.D.) Loan receivables (61.2%) are low-interest loans made to low and moderate income residents under regulations promulgated by the Federal Department of Housing and Urban Development (HUD). These loans vary in length from 15 to 40 years. Although total loans outstanding are \$3,296,806, less than one percent (0.04%) or \$14,166 are principal and interest past due.

The Accounting Division of the Financial Services Department bills and monitors these accounts. The C.D. Loan Committee, comprised of Financial Services, Community Development and Legal staff, meet monthly to discuss accounts with balance portions greater than 30 days delinquent and decide upon the collection measures to be used from general collection letters to foreclosure if necessary.

CDBG Loan Aging

Aging	Dollars
0-59 Days	\$3,340
> 60 Days	\$10,826
Future	\$3,282,639
Total Due	\$3,296,806

Lien & Special Assessment receivables (38.8%) total \$2,087,859 as of June 30, 2012. These include demolition liens (\$1,092,256), general code violations for weed and trash liens (\$912,099), and street and sewer improvement and use liens (\$83,504).

Aging of Special Assessments - Amount Due			
Period	Dollars	Dollars (%)	#
Apr-Jun12	133,107	6.4%	426
Jan-Mar12	62,852	3.0%	89
Jul11- Dec11	164,938	7.9%	706
FY11	245,204	11.7%	818
FY10	446,430	21.4%	742
FY09	122,243	5.9%	417
FY08	91,692	4.4%	381
FY07	821,392	39.3%	1,973
Total Outstanding	2,087,859	100.0%	5,552

Demolition and weed and trash liens are billed and collected by the Customer Assistance Department, with demolitions having a ten (10) year period in which to pay back the City. Sewer Improvements and Street Special Assessments are billed by the Financial Services Department. Fiscal Year 2012 year-to-date revenues collected for weed and trash liens total \$99,525, compared to \$92,510, an increase of \$7,015 (7.6%) for the same period in fiscal year 2011. A large portion of the increase can be attributed

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to restitution collected for cleanup costs in the Municipal Court summons process. The City requests restitution added to the Court fines and fees for City costs incurred in cleanup of the property.

Accounts are reviewed periodically by Customer Assistance, Property Maintenance and Legal staff to consider additional collection measures if deemed collectable. These measures include a series of collection letters and, if necessary, a lawsuit filed in Buchanan County Circuit Court as a personal debt of property owners.

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PURCHASE ORDERS (CONTRACTS) BETWEEN \$5,000 AND \$25,000 COMMENTARY

The City's purchasing policy allows the City Manager to approve contracts between the amounts of \$5,000 and \$25,000. The following lists those contracts** issued in the fourth quarter of Fiscal Year 2012 between those limits.

4/3/2012	Harshman Machine & Tool	\$ 5,085.00	Fabricate(2) stainless steel shaft sleeves; rebuild hub of impeller; sleeve back head of pump with stainless steel	WPF
4/23/2012	Fagan	8,516.00	Replace (1) Copeland Compressor with an Independent rebuilt compressor	CA
5/2/2012	Advanced Public Safety	5,400.00	(2) SmartExport-Lite-Basic export of data fields from an APS form; Annual Maintenance Agmt	Police
5/3/2012	FTC Equipment LLC	5,595.00	(3) ABS Piranha Grinder Pumps Model S2012, 2HP 3 Phase 460 Volts 1 1/4 Discharge	WPF
5/3/2012	Ed Roehr Safety Products	5,003.90	(4) Taser X26E XDPM Kit; (11) XDPM-Extended Digital Power Magazine; (51) 25 ft XP Green Blast Door/Field Use Taser Cartridges	Police
5/10/2012	Nevco Scoreboard Co	7,835.28	(3) Electronic Scoreboards	Parks
5/11/2012	Action Electric	6,700.00	Replacement of Lab A/C Compressor	WPF
5/11/2012	Siemens Water Technologies	6,298.00	Purchase and Installation of Reverse Osmosis Water System for Lab	WPF
5/17/2012	Bush Refrigeration	7,540.00	Indoor Expandable Walk-In Storage Cooler	Parks
5/17/2012	EnTire Recycling	14,541.50	Unitary Safety Surface Material	Parks
5/17/2012	Car City Motor Co	23,851.00	2012 Dodge Ram 2500 Crew ST	Fire
5/17/2012	MTI Security	19,765.41	Installation of Video Surveillance and Security System at St. Joseph Rec Center	Parks
5/22/2012	Fisher Parking and Security	18,836.00	Replace Ticket Spitter at 5th & Felix Parking Garage	PW
5/31/2012	Pro Tech	6,984.00	(18) Pro-Tech Rapid Response Plate Carrier Systems	Police
6/6/2012	CDW Government Inc.	11,600.00	(25) E-Seek Model 250 Barcode Reader and (25) E Seek USB Smart Cable	Police
6/14/2012	Atcho LLC	6,279.00	(3) Powr-Rib II Competition Volleyball Package	Parks
6/14/2012	American Equipment Co	5,310.00	40 Yard Roll Off Container	Landfill
6/20/2012	Kustom Signals Inc.	16,155.00	(3) G3 Vision 40GB HDD MDC, ICM, Simultaneous Record, GPS, Rear Cam; G3 and G3 Vision Wireless Package	Police
6/25/2012	ADAPCO	12,486.32	(8) Cases Strike Ultra (4 1 Liter Containers per case)	WPF
6/25/2012	Eckards Home Improvements	13,979.00	Supply & Install Heavy Duty Stair Treads and Risers on North, Center and South Stairwells at Patee Market	Health
6/29/2012	World Wide Technology	10,273.05	(70) Microsoft SQL Server Standard User CALS for Accela Software; (1) Microsoft SQL Server Standard Server License for Accela Software	IT

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6/30/2012	GovernmentJobs.Com Inc.	11,500.00	Applicant Tracking System Annual Cost and On Line Training	HR
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** Does not include purchase orders issued for the following:
Community Development Rehab Loan Projects
Gasoline Purchases
Price Agreement Purchases
Work Orders for Professional Services approved by a Master Agreement

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ROUTINE BUDGET TRANSFERS COMMENTARY

Routine Budget Transfers are allowed under "Administrative Code Sec. 2-1052. Budget Transfers. (abridged & supplemented)" The following statement appears on the Routine Budget Transfer Form.

1. There will be no budget transfers without council authorization from/to salary & wage line items from/to other budget line items....Transfers shall be allowed within these line items.

[If the request is transferring from/to salary line items from/to non salary line items....a budget amendment ordinance is required.]

2. There will be no budget transfers without council authorization from/to employee benefits line items from/to other budget line items ...with the exception of uniform allowance, car/mileage allowance and conference/training/travel.

[If this request is transferring from/to benefit line items from/to non benefit line items...a budget amendment ordinance is required.]

3. There will be no transfers without council authorization from capital outlay line items with the exception that once budget approved capital items are purchased and there are funds remaining, these funds can be transferred. Capital items which have not been approved by the council in the budget and which exceed \$5,000, must receive council approval before they are purchased.

[If this request is transferring from a capital line item to any other line item and all budgeted capital items have not been purchased....a budget amendment ordinance is required. (Please indicate if all items have been purchased.)

[If this request is for the purchase of an unbudgeted capital item exceeding \$1,000, even though there are sufficient budgeted funds....you'll need to prepare a budget amendment ordinance.]

The following report reflects routine budget transfers for the fourth quarter FY2012, sorted by Fund and Department. Most transfer forms contain several transactions. This is why there can be several lines of adjustments for each Transfer Number. The transfer number is an ID entered by staff when transfers are processed.

The major reason for the transfer is labeled with a short description. When there are multiple transfers per form, any amount over \$1,000 has a notation of the item being increased.

Non-Ordinance Budget Amendments

<u>Transfer Number</u>	<u>Object</u>	<u>Expenditures Decrease</u>	<u>Object</u>	<u>Expenditures Increase</u>	<u>Comments</u>
GENERAL FUND					
City Clerk					
BT122	1518	(3,900.00)	1448	250.00	DOWNTOWN CID MAIL
			1453	3,400.00	BUDGET & TIF LEGAL NOTIFICATIONS
			1460	80.00	
			1473	170.00	
Municipal Court					
BT102	1265	(600.00)	1365	600.00	INCODE SCANNER
Legal					
BT133	1435	(180.00)	1305	180.00	YEAR END CLEAN UP
BT134	1440	(3,200.00)	1265	3,200.00	TRAVEL
Community Services					
BT101	1448	(115.00)	1365	115.00	TONERS

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BT117	1405	(2,700.00)	1410	2,700.00	PERMIT ARCHIVING
<u>Police</u>					
BT090	1265	(2,634.00)	1365	2,634.00	COPIER REPLACEMENT
	1473	(2,000.00)	1470	2,000.00	GARAGE REPAIRS
	1478	(500.00)	1390	500.00	
BT103	1365	(820.00)	1470	820.00	CLEAN UP NEGATIVE BALANCES
	1498	(1,230.00)	1470	1,230.00	EQUIPMENT RENTAL
	1390	(155.00)	1440	155.00	
	1390	(700.00)	1445	700.00	
	1498	(977.00)	1620	977.00	
	1470	(200.00)	1390	200.00	
	1478	(300.00)	1470	300.00	
	1320	(300.00)	1390	700.00	
	1324	(700.00)	1390	300.00	
	1473	(600.00)	1390	300.00	
	1473	(300.00)	1435	600.00	
	1473	(600.00)	1445	600.00	
BT125	1231	(2,488.00)	1160	425.00	YEAR END CLEAN UP
	1243	(1,250.00)	1220	13.00	
	1243	(127.00)	1227	302.00	
	1110	(425.00)	1231	2,488.00	457 MATCH FOR OFFICERS INELIGIBLE FOR PENSION
	1210	(302.00)	1231	2,854.00	458 MATCH FOR OFFICERS INELIGIBLE FOR PENSION
	1210	(13.00)	1120	2,370.00	PATROL OVERTIME
	1235	(2,854.00)	1210	1,250.00	POLICE PENSION
	1130	(2,370.00)	1227	127.00	
	1235	(222.00)	1210	731.00	
	1235	(377.00)	1227	222.00	
	1235	(731.00)	1231	377.00	
<u>Public Works - STREETS</u>					
BT109	1365	(10,500.00)	1405	12,000.00	TEMPORARY EMPS - SLURRY SEAL
	1390	(1,500.00)			

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Community Services FUND - Demolitions

BT124	1410	(35,000.00)	1498	35,000.00	DEMOLITIONS
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Special Allocation FUND

BT116	5850	(1,022.00)	5850	1,022.00	TUSCANY TIF LEGAL
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Landfill FUND

BT123	1494	<u>(80,000.00)</u>	1355	<u>80,000.00</u>	LANDFILL FUEL
		\$ (161,892.00)		\$ 161,892.00	

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**VENDOR SERVICE CONTRACTS BY DEPARTMENT
COMMENTARY**

The report below lists all of the existing vendor contracts with the City. Unless otherwise noted, they are local vendors. List is in order of current year expiration date.

Service	Service Provider	Orig Contract Periods	Orig Ext Periods	# of Ext. Left	CY Contract Ext Expires	Final Ext Expires	Advertise Date Approx.	Date RFP Due Approx.	Dept
Lawn Mowing for WPC	Mark's Lawn Mowing	1	2	1	Apr-2013	Apr-2014	Jan-2014	Feb-2014	PW
City Cemetery Mowing	Hughes Lawn Service	1	3	3	May-2013	May-2016	Feb-2016	Feb-2016	PH
On Call- Architectural	Riverbluff Architects	1	4	3	Apr-2013	Apr-2016	Dec-2015	Jan-2016	PW
On Call- Architectural	Ellison Auxier Architects	1	4	3	Apr-2013	Apr-2016	Dec-2015	Jan-2016	PW
On Call- Architectural	Goldberg Architects	1	4	3	Apr-2013	Apr-2016	Dec-2015	Jan-2016	PW
On Call- Architectural	Creal Clark & Siefert	1	4	3	Apr-2013	Apr-2016	Dec-2015	Jan-2016	PW
Lawn and Lot Care Services for Transit	Mark's Law Mowing	1	1	0	Apr-2013	Apr-2013	Feb-2013	2/222013	MT
Vending Machine Service	Smith Vending/Acme	1	2	1	Apr-2013	Apr-2014	Feb-2014	Mar-2014	MT
Copier Rental	ProServ	1	3	2	Apr-2013	Apr-2015	Nov-2014	Dec-2014	FS
Postage Machine Lease	Lineage, Inc.	1	3	3	Apr-2013	Apr-2016	Dec-2015	Dec-2015	FS
Transit Pension Trustee Service	US Bank Institutional Trust Roeland Park, KS	1	2	1	May-2013	May-2014	Mar-2014	Apr-2014	MT
On Call - Professional	Burns & McDonnell Engineering Co KCMO	1	4	0	May-2013	May-2013	Feb-2013	Mar-2013	PW
Backfill & Repair of Street Cuts	JD Bishop Construction	1	3	3	May-2013	May-2016	Jan-2016	Feb-2016	PW
Employee Health	Blue Cross Blue Shield of KC	1	2	2	Jun-2013	Jun-2015	Jan-2015	Apr-2015	HR
Recycling Services	RSP, Inc.	2	3	3	Jun-2014	Jun-2017	Feb-2017	Apr-2017	LF
Install Cured In-Place Pipe	Insituform Technologies	1	1	1	Jun-2013	Jun-2013	Mar-2013	Apr-2013	PW
Legal Services Labor and Employment Law	The Lowenbaum Partnership, LLC St. Louis, MO	5	0	0	Jun-2017	Jun-2017	Mar-2017	Apr-2017	L
Lease of Landfill Property for Farming	Bill Bywaters	5	0	0	Jun-2017	Jun-2017	Mar-2017	Apr-2017	LF
Land Lease Agreement Rosecrans Airport	Life Net Air Medical Service	1	4	1	Jun-2013	Jun-2014	Feb-2014	Mar-2014	AV
Police Pension Investment Custodian	Citizens Bank and Trust Maryville, MO	1	4	0	Dec-2012	Dec-2012	Jul-2012	Nov-2012	FS
Banking	Citizen's Bank and Trust	1	4	0	Jun-2013	Jun-2013	Feb-2013	Mar-2013	FS

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Procurement Cards	Commerce Bank Kansas City, MO	1	4	0	Jun-2013	Jun-2013	Feb-2013	Mar-2013	FS
Financial Advisor	Piper Jaffray Leawood, KS	1	4	0	Jun-2013	Jun-2017	Mar-2017	Mar-2017	FS
Police Pension Administrative Svcs	Citizens Bank and Trust Maryville, MO	1	4	0	Dec-2012	Dec-2012	Sep-2012	Oct-2012	FS
Workers' Compensation Third Party Administrator	Thomas McGee, L.C. Kansas City, MO	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2013	Jun-2013	None	None	HR
Workers' Compensation Excess Insurance Greater than \$350,000 per claim	Safety National Casualty Co. Brokered by Thomas McGee, L.C.	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2013	Jun-2013	None	None	HR
Workers' Compensation Bond	Safety National Casualty Co. Brokered by Thomas McGee	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2013	Jun-2013	None	None	HR
Boiler & Machinery Insurance	Chubb CBIZ BCK&W	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2013	Jun-2013	None	None	HR
Airport Liability Insurance	ACE Property & Casualty CBIZ BCK&W	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2013	Jun-2013	None	None	HR
GASB 45 Actuarial Services	Hause Actuarial Solutions Overland Park, KS	1	4	0	Jun-2013	Jun-2017	Feb-2017	Mar-2017	FS
Merchant Card Services	U. S. Bank	1	4	0	Jun-2013	Jun-2013	Feb-2013	Mar-2013	FS
Surveying Services	Midland Surveying	1	4	0	Jul-2012	Jul-2012	Mar-2012	Apr-2012	PW
Flood Insurance	Travelers Cretcher-Lynch & Co. Kansas City, KS	1	Subject to Annual Renewal	Subject to Annual Renewal	Jul-2012	Jul-2012	None	None	HR
Soft Drink Concession - Heritage Softball Complex	Cadbury Schweppes Bottling	1	4	0	Jul-2012	Jul-2012	May-2012	May-2012	PR
Mapping -GIS	Midland GIS Maryville, MO	5	4	0	Jul-2012	Jul-2012	May-2012	May-2012	PW
Temporary Labor	The Staffing Center	1	2	1	Aug-2012	Aug-2013	May-2013	Jun-2013	PR
Landfill Engineering Services	SCS Engineers Overland Park, KS	1	4	3	Aug-2012	Aug-2015	Feb-2015	Mar-2015	PW
Landfill Engineering Services	Aquaterra Environmental, Inc.	1	4	3	Aug-2012	Aug-2015	Feb-2015	Mar-2015	PW
Bridge Design and Structural Analysis Assistance	HDR, Inc. Kansas City, MO	1	4	3	Aug-2012	Aug-2015	Feb-2015	Mar-2015	PW

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City-wide Trash Service	K.I.C., Inc. dba Keep It Clean, Inc.	1	2	2	Sep-2012	Sep-2014	Mar-2014	Apr-2014	FS
Transit Long Term Disability	Todd M. Joe, Broker for Met-Life Stewartsville, MO	2	0	0	Sep-2012	Sep-2012	Jul-2012	Jul-2012	MT
Transit vehicle and General Liability Ins.	Crane Agency, Broker for Travelers Chesterfield, MO	1	0	0	Sep-2012	Sep-2012	Jul-2012	Aug-2012	MT
Asphalt Milling & Overlay	Keller Construction	1	5	4	Oct-2012	Oct-2016	Jul-2016	Aug-2016	PW
Elevator Maintenance and Repair Services	Express Elevator Agency, Missouri	1	2	0	Nov-2012	Nov-2012	Aug-2012	Sep-2012	PW
Realty Services	Reece & Nichols Ide Capital Realty	1	3	0	Dec-2012	Dec-2012	Aug-2012	Sep-2012	CW
Transit Drug Screen	OHS - COMPCARE	3	0	0	Dec-2012	Dec-2012	Oct-2012	Nov-2012	MT
Primary Care for Workers Comp Injuries	OHS - COMPCARE	3	0	0	Dec-2012	Dec-2012	Oct-2012	Nov-2012	MT
Transit Dental Insurance	CBIZ/BCK&W Agent for Delta Dental Insurance	2	0	0	Dec-2012	Dec-2012	Oct-2012	Nov-2012	MT
Property Insurance	Great American Insurance	1	Subject to Annual Renewal	Subject to Annual Renewal	Dec-2012	Dec-2012	None	None	HR
Liability Insurance	CBIZ BCK&W MOPERM; CBIZ BCKW	1	Subject to Annual Renewal	Subject to Annual Renewal	Dec-2012	0	None	None	HR
Uniforms	Walker Towel & Uniform Kansas City, MO	1	1	0	Jan-2013	Jan-2013	Sep-2012	Sep-2012	FS
Professional Engineering Services - WPC	Black & Veatch Corporation Kansas City, MO	1	4	0	Jan-2013	Jan-2013	Aug-2013	Aug-2013	PW
Soft Drink Concessions - Civic Arena	Cadbury Schweppes Bottling	5	0	0	Jan-2013	Jan-2013	Sep-2012	Oct-2012	PR
FAA	ATC & Airway Facilities Sector Office FAA Logistics Branch KCMO	5	0	0	Jan-2013	Sep-2013	Jun-2013	Jul-2013	AV
Softball Officiating Services	St. Joseph Umpires and Scorekeepers Association	1	4	0	Jan-2013	Jan 1, 2013	Nov-2012	Dec-2012	PR
Professional Title Services	First American Title	1	4	2	Feb-2013	Feb-2015	Nov-2015	Nov-2015	PW
Employee Assistance Program	Catholic Charities	3	1 (3 yr period)	0	Feb-2013	Feb-2013	Oct-2012	Nov-2012	HR

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Transportation Planning Services	URS Corporation Minneapolis, MN	1	4	0	Feb-2013	Feb-2013	Oct-2012	Nov-2012	PW
MiHo Property Lease	Reddick Farms, Inc. DeKalb, MO	1	3	0	Apr-2013	Apr-2013	Dec-2012	Dec-2012	PL
Employee Dental	Ameritas Group Lincoln, NE	2	1	0	Jun-2013	Jun-2013	Jan-2013	Feb-2013	HR
TIF Advisory & Bond Counsel (Ec Dvlpmnt)	Williams & Campo, P.C. Lee's Summit, MO King Hershey, P.C. Kansas City, MO	5	0	0	Jun-2013	Jun-2013	Feb-13	Mar-13	L
Legal Services Plannng and Zoning Issues	Williams & Campo, P.C. Lee's Summit, MO	6	0	0	Jun-2013	Jun-2013	Feb-2013	Mar-2013	L
Legal Services Plannng and Zoning Issues	Cunningham, Vogel I& Rost, P.C. St. Louis, MO	6	0	0	Jun-2013	Jun-2013	Feb-2013	Mar-2013	L
Employee Life	EMC National Life Des Moines, IA	3	0	0	Jun-2013	Jun-2013	Feb-2013	Mar-2013	HR
Long Term Disability	CIGNA Overland Park, KS	3	0	0	Jul-2013	Jun-2013	Mar-2013	Mar-2013	HR
Patee Market Snow Removal	A C Lawn Services	3	0	0	Oct-2013	Oct-2013	Aug-2013	Aug-2013	PH
Transit Pension Actuarial Services	CBIZ Benefits & Insurance Cumberland, MD	3	0	0	Dec-2013	Dec-2013	Oct-2013	Nov-2013	MT
Fixed Base Operator	Express Flight, Inc. Gary Patterson Sr	10	0	0	Jan-2014	Jan-2014	None	None	AV
MO. ANG	Drop Zone Land Lease	5	1 (5 Years)	0	Jan-2014	Jan-2014	None	None	AV
Consultant	CBIZ/BCK&W	3	Optional Annual Renewal	Optional Annual Renewal	Jan-2014	Jan-2014	Oct-2013	Nov-2013	HR
Legal Services Regulatory Issues	William D. Steinmeier, P.C. Jefferson City, MO	7	0	0	Jun-2014	Jun-2014	Feb-2014	Mar-2014	L
Utility Related Issued	Cunningham, Vogel & Rost St. Louis, MO	5	0	0	Jun-2014	Jun-2014	Feb-2014	Mar-2014	L
Transit Life & AD&D Insurance	OCHS, Inc. Broker for Minnesota Life St. Paul, MN	3	0	0	Sep-2014	Sep-2014	Jul-2014	Aug-2014	MT
Farmland Lease	Bryan Paden Wathena, KS	5	0	0	Oct-2014	Oct-2014	Jul-2014	Aug-2014	AV
Self-Service Fueling Station at Rosecran	Express Flight, Inc	5	0	0	Jan-2015	Jan-2015	Oct-2014	Oct-2014	AV

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Exclusive, Non-Alcoholic Beverage Sponsorship for Fairview Golf Course Construction and Design Related Issued	Pepsi Beverages Co	5	0	0	May-2015	May-2015	Feb-2015	Feb-2015	PR
	Seigfreid, Bingham, Levy, Selzer & Gee, P.C. Kansas City, MO	5	0	0	Jun-2015	Jun-2015	Feb-2015	Mar-2015	L
Auditing	Cochran, Head & Co.	5	0	0	Jun-2015	Jun-2015	Dec-2014	Jan-2015	FS
Bond Counsel	Gilmore and Bell Kansas City, MO	5	0	0	Jul-2015	Jun-2015	Feb-2015	Mar-2015	FS
Exclusive Beverage Sponsorship - Bode Ice Arena/Sports Complex	7UP/Snapple Group	5	0	0	Aug-2015	Aug-2015	Apr-2015	Apr-2015	PR
Legal Services Environmental Issues	B W Law Group	5	0	0	Jun-2016	Jun-2016	Mar-2016	Mar-2016	L
Airport Café	Michelle McMillian	5	5 (1 Year)	5 (1 Year)	Sep-2016	Sep-2021	May-2021	May-2021	AV
Transit Advertising Signs	Houck Transit Advertising St. Paul, MN	5	0	0	Oct-2016	Oct-2016	Jun-2016	Jul-2016	MT
Transit Management Services	First Transit Cincinnati, OH	5	0	0	Jun-2018	Jun-2018	Jan-2018	Mar-2018	MT
Herzog Contracting Company Land Lease	Flight Department	50	0	0	Jul-2043	Jul-2043	None	None	AV
BMS Land Lease	Dan Bayer 100 N. Airport Rd	99	0	0	Oct-2067	Oct-2067	None	None	AV
C-1 Aircraft Hangar	Bill Brown	Month to Month Lease	0	0	Month to Month Lease	Month to Month Lease	None	None	AV
Drug & Alcohol Testing	Heartland Occupational Medicine St. Joseph, MO	1	Subject to Annual Renewal	Annual Renewal		0	None	None	HR
Work Comp Initial Treatment Services	Heartland Occupational Medicine St. Joseph, MO	1	Subject to Annual Renewal	Annual Renewal		0	None	None	HR
Workers' Compensation Actuary	Towers Perrin - Tillinghast Minneapolis MN	1	Subject to Annual Renewal	Annual Renewal		0	None	None	HR

TIF PROJECT UPDATES
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TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		BUDGET	ACTUAL	BUDGET	ACTUAL	
North Shoppes - Phases 1 & 2 of North County TIF district. Approved August 2003. Developers-Bob Johnson, RED Development, Buchanan County	IDA Issued Bonds - Paid off in 2028	646,000 square foot shopping center. Except for one pad site, center is complete and fully operational. Buchanan County still has several projects to complete - sidewalks, Green Acres cul-de-sac, etc. Reimbursable costs included Northridge Sewer extension, four lane parkway through the development, sidewalks and landscaping throughout the project, façade enhancements, extraordinary grading to prepare the site, stormwater lagoon, Green Acres repaving and cul-de-sac, pedestrian sidewalks on and off-site.	\$24,285,415	\$25,522,391	\$35,884,772	\$38,217,335	\$34,086,629	\$1,114,981	\$1,148,021	\$2,532,000	\$2,443,102	(\$55,857)
				Added a portion of Phase 2 into Phase 1 for Theater		Cover additional County costs in Phases 1 & 2.	RED has been reimbursed \$28,194,202. County has been reimbursed \$6,380,207 and has \$65,424 to be disbursed on a Pay as You Go when all bond payments have been made. City reimbursed \$996,008 for our share of Northridge sewer.		Except for the Taxes Paid Under Protest by Kohl's, Remaining tenants paid Dec11.	Includes City, County and Franchise Tax incremental EATS		Sales tax to date 0.1% over FY2011. Borders closed Apr, 2011.
Stockyards Redevelopment (Triumph Foods,LLC). Approved October 2003.	MDFB Issued Bonds - Paid off in 2025	550,000 square foot pork processing facility. Total investment approximately \$130 million. Fully operational. Current employment - 2,722.	\$7,000,000				\$6,766,097	\$660,763	\$671,089	\$45,840	\$109,472	\$73,958
							Developer has been completely reimbursed the approved \$5,600,000 for property acquisition, demolition, and site improvements. City has been reimbursed \$1,166,097 for improvements to Stockyards Expressway.			Includes City, County and Franchise Tax incremental EATS.	Also includes cafeteria tenant sales taxes, not previously budgeted.	Triumph donates \$100,000 to SJSD for five years; \$25,000 to SJPD for three years; \$50,000 annually to United Way. Keep their headquarters in SJ or pay City \$1 million.
3rd Street Hotel Development (Holiday Inn) Approved January 2004. Developer: HISJ Holdings LLC	Pay-as-you-go 10-12 years to pay out Developer created TDD to help generate revenues.	Renovation of 170-room hotel to regain Holiday Inn franchise; restaurant conversion for nationally franchised restaurant; landscaping improvements; parking & exterior lighting improvements. Completed except for exterior façade improvements.	\$2,700,000				\$1,642,340	\$130,394	\$130,654	\$149,190	\$173,817	\$24,887
			\$2,500,000 certified. \$200,000 withheld for façade.								Includes add'l Hotel/Motel taxes, 1% TDD tax, and 1/2 of (.5%) Downtown CID Sales Tax.	
Tuscany Towers - Phase 1 TIF Plan only Approved September, 2005. Project yet to be approved. Developer: JSC Development	Pay-as-you-go 23 years after revenue generation begins	Phase 1 - development of 175,000 sq feet of restaurant, hotel, bank/office, and lifestyle retail use. Reimbursement for new lift station and extension of force mains along east side of I-29 to Cook, extended to Corinth subdivision; extending water service and other utilities; stormwater system; and US169 road/intersection improvements. Much of the infrastructure work complete. No buildings constructed or tenants announced as yet.	\$5,549,042				\$0	\$0	\$0	\$0	\$0	N/A
									No PILOTS anticipated			

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for Quarter Ended
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TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		BUDGET	ACTUAL	BUDGET	ACTUAL	
EBR/HHS Development Approved October 2005 Developers: EBR Enterprises & HHS Properties	Pay-as-you-go	13.2 acres at intersection of Blackwell Rd & Belt Highway. A mixture of retail and office space. Reimbursable expenses for retaining walls, storm water detention, street lighting, sidewalks, Cronkite Road improvements, landscaping, etc. Three restaurants and office/medical bldg now open. HHS Properties now leasing.	\$3,297,232	\$5,529,620			\$770,808	\$109,450	\$120,172	\$106,780	\$172,303	\$76,245
				Add'l phases plus overages on site work. Approved SO 7045-3/26/07			Costs certified to date - \$4,484,898.42 EBR - \$2,757,896.24 HHS - \$ 1,727,002.18		Taxes Paid Dec11, Distributed to City and Developer in Jan12.		Total EATS above. EBR (70%) - \$120,612; City infrastructure (30%) - \$51,691.	
Uptown Redevelopment District - Project A Approved March 2005 Developer: St. Joseph Redevelopment Corp.	Pay-as-you-go 23 years	Demolition of old Heartland Hospital west in order to provide a developable area. Discussions with developer - demolition costs as well as costs related to developing the plan would be reimbursed, however no formal written agreement exists as yet to this effect. Amount would be approx. \$3,072,071 minus any federal grants received for this phase.	See cell under project status description				\$0	\$0	\$0	\$0	\$0	\$0
									No PILOTS anticipated			No construction on project as yet
Mitchell Avenue Corridor Approved June 2006 Developer: American Family Insurance Company	Pay-as-you-go 23 years	In order to serve an expanded AFI building and to improve access to the entire TIF district, a new gravity flow sewer was installed and improvements to Mitchell Avenue are being completed. Improvements benefit AFI, Mo Western University, and any future development along Mitchell Avenue Corridor.	\$3,974,270	\$5,272,673			Pay As You Go - \$162,673.	\$383,140	\$388,140	\$13,870	\$9,086	\$216
				Approved by SO 7224 on 12/3/07/bond issuance per SO7361 on 5/19/08.			Bonds - \$4,103,755.39				Franchise Tax and EATS Sales tax from cafeteria within American Family facility.	
Uptown Redevelopment - Ryan Block Project Approved December 2006 Developer: Olin Cox	Pay-as-you-go 23 years	The first project within the Frederick Avenue TIF District established under the Uptown Redevelopment umbrella. The developer intends to rehab two buildings, 1137-1141 Frederick into 3300 sq ft of commercial space below and 6,600 sq ft of apartments on top two floors. The bldg at 1125 Frederick will be demolished to provide a parking lot. Reimbursable costs include lot paving, upgrades to renovations, & facade improv.	\$317,767				\$0	\$0	\$249	\$0	\$7	\$256
							No reimbursement requests have been submitted.	No anticipated PILOTS for FY2012.	No activity.		Franchise taxes only on utility usage by upstairs tenants.	No reimbursement request has been submitted.

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TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS			AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND	
			ORIGINAL	1ST AMENDED	2ND AMENDED		3RD AMENDED	BUDGET	ACTUAL	BUDGET		ACTUAL
East Hills Redevelopment Project - TIF Approved Dec, 2007 - Redevelopment Agreement Approved 1/3/08	Currently Pay As You Go Proposed Bond Issuance.	Project to include remodel exterior of JC Penney's, Sears and Dillards. Also includes remodel of three mall entrances, lifestyle center, a new big box store, renovation of existing tenant spaces. Public infrastructure improvements includes traffic signals at Belt & Frederick, Frederick & Sherman. crosswalk signals, upgrade existing right-of-way, public bus stop. The project also will address underground storm water concerns.	Total Reimbursable Costs - \$45,113,678 Per SO7242 passed 1/3/08.	Total Reimbursable Costs - \$46,539,416 TIF - \$30,897,042 CID - \$15,642,374 Per SO7279 passed 2/11/08.			Total CID Revenue - \$2,114,394 Disbursed to date: \$3,736,465 East Hills TIF - \$2,679,268 East Hills CID - \$1,057,197 TIF Costs Certified to Date: \$22,118,296 CID Costs Certified to Date: \$14,796,999	\$534,895	\$564,506	\$279,000	\$486,940	\$237,551 Gordmans & Charming Charlies new tenants. Seasonal tenants out as of Dec 31, 2011. FY2012 first fiscal year in which base surpassed
Cook Road Corridor Redevelopment Project Approved March 24, 2008 Developer: Greystone Partners Land Development, LLC	Sewer Revenue Bonds/ Sewer Connection Fees	Project to include: (1) residential subdivision on approximately 185 acres of land into over 350 single family and townhouse housing units; (2) construction improvements to Cood Road resulting in three-lane section, concrete curb and gutter, stormwater drainage and raised grass medians; (3) construction of sanitary sewer system improvements sewer lines, a new pump station and gravity sewer main and (4) construction of 12 inch water line from Cook Road to Woodbine Road.	\$4,781,786				Sewer Improvements - \$2,378,839.65 Pay As You Go - \$80,500 \$2,463,930.29- Certified to Date	\$35,700	\$49,357	\$0	\$424	\$14,081 Real prperty taxes being received/distributed to Developer. Few homes completed and franchise taxes being received. Other revenue source - \$500 sewer connection fee assessed per property.
Center Building Redevelopment Project Approved January 25, 2010 Developer: Mid-City Partnership, Inc.	Pay As You Go	Project includes development listed at 613 Edmond St. and 119-123 S. 6th St. Renovation includes removal of the 1961 sheet metal façade and the restoration of the remaining exterior building elements. Building encompasses 19,060 sq. ft and will be divided into one 15,250 sq. ft unit for restaurant/banquet facilities with three planned retail/office units at 609, 611 and 613 Edmond St. for a total of 3,810 sq. ft, office/retail space. The Brazilian Steakhouse is currently under construction. To date - Aqua Vital Salon and 2 Trendy LLC have	\$1,355,097				\$14,576 \$1,197,597.00- Certified to Date	\$0	\$11,343	\$11,750	\$6,757	\$6,350 Em Chamas closed. Ground Round opened June, 2012, but lag in sales tax receipts.

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for Quarter Ended
June 30, 2012

TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		BUDGET	ACTUAL	BUDGET	ACTUAL	
Developer Agreement - The Commons Approved July, 2007 Developer: Earthworks Excavation Company	CID Bonds	Project to include development of 612,780 square feet of retail and office space upon 73 acres of land at intersection of Interstate 29 and South 169 Highway. Under construction. Commons Community Improvement District (CID) Cooperation Agreement approved per SO7256 (1/14/08). Yet to establish CID tax rate. Approval of bond issuance approved per SO 7257 (1/14/08). Special Ordinance No. 8124 (12/13/10) amended Developer Agreement to forego calculated base effective	\$6,503,977 City reimburseable \$5,754,977.36 CID tax to pay \$749,000.00 per SO7255 (1/14/08).				\$1,558,135 All approved reimbursable costs have been submitted and approved. As of this date, CID Bonds have not been issued. CID remains inactive.	\$6,112	\$8,091	\$380,500	\$582,419	\$203,898 City Sales Tax EATS Only. FY12 - Base \$250K eliminated per Second Amended Agreement starting July 11.
Developer Agreement - Fountain Creek Approved July, 2008 Developer: SDG Developments, LLC & Partners	Pay As You Go	Mixed Use Project including approximately 68 acres of both commercial and residential development with a projected market value of \$45,000,000 upon development at the intersection of Mason Road and South 22nd Street.	City reimburseable \$1,815,454 per Special Ordinance No. 7420, passed 7/28/08.				\$0	\$751	\$1,553	\$0	\$0	To date residential homes only constructed. No sales tax anticipated yet.
Developer Agreement - Cook Crossings Approved April, 2011 Developer: St. Joseph Partners, LLC	Pay As You Go	Approximately 12.15 acres of commercial use development with a capital investment of \$13.65 million at the intersection of Cook Road and North Belt Highway. Phase I completion date tentatively set as September 30, 2012. Phase 2 completion date tentatively set as October 31, 2012. CID sales tax also to be initiated - 1% sales tax and a special assessment of \$.40 per square foot upon the tenants annually. Distribution 50% of City General Sales taxes	City reimburseable \$900,000, plus interest - SO8195, passed 4/18/11. SO8196, passed 4/18/11				Certified to Date: CID - 5,470,256.02 STRA - \$615,614.73 CID - \$3,600,048 CID Special Assessments - \$1,906,890; STR (.75%) - \$1,290,521.23	\$0	\$0	\$0	\$14,985	Under construction - Dick's and Aldi's open, with Pet Smart opening at end of Aug, 2012. Also receive \$29,480 in CID sales taxes