

CITY OF BERKELEY, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

CITY OF BERKELEY, MISSOURI

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2016**

Prepared by the Finance Department

CITY OF BERKELEY, MISSOURI

FINANCIAL REPORT

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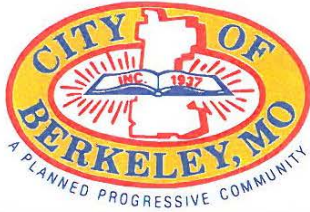
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INTRODUCTORY SECTION

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December 29, 2016

To the Honorable Mayor, Members of the City Council,
and Citizens of the City of Berkeley

The Comprehensive Annual Financial Report (CAFR) of the City of Berkeley, Missouri (the City) for the fiscal year ended June 30, 2016, is hereby submitted. This CAFR was prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of licensed Certified Public Accountants.

This CAFR is the City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this CAFR. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformance with GAAP.

This internal control structure is designed to provide a reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits require estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements were audited by Hochschild, Bloom & Company LLP, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2016, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall Financial Statement presentation. The Independent Auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

The City's Finance Department prepared this report. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

PROFILE OF THE CITY

The City is a community of approximately 9,000 residents located five (5) miles northwest of the western city limits of the City of St. Louis, Missouri. The City is located on the eastern edge of Lambert-St. Louis International Airport and is bisected by Highway I-170. The City extends just south of Highway I-70 and extends northward nearly to Highway I-270. The City covers 4.92 square miles and is bordered by the City of Hazelwood on the north; the Cities of Ferguson, Kinloch, and Cool Valley to the east; Bel Ridge and St. John to the south; and Woodson Terrace and Lambert-St. Louis International Airport to the west. The North Hanley stop of the Metro-Link light rail mass transit system is located in the City.

The City was incorporated in 1937 as a charter city under Missouri statute. The City now operates as a Home Rule Charter City, with a Council/Manager form of government. The charter was approved by the citizens of the City in 1957 and amended in 1960, 1963, 1972, and 1986.

Under the Home Rule Charter, the City has seven (7) City Council Members. Five (5) are elected from the City's five (5) wards and the Mayor and one (1) Councilperson-at-large are elected by the entire City. Under the Charter, the Mayor is referred to as a Councilman and all further references to the City Council include the Mayor. All elected officials serve four (4) year terms.

The City Manager is appointed by the City Council and serves at the pleasure of the elected body. The City Manager is responsible for directing, supervising, and monitoring all City departments, personnel, and operations. The City Manager is charged with managing the City in a fiscally prudent and proficient manner on a day-to-day basis and reports directly to the City Council.

The City is comprised of nine (9) departments: (i) Administration, (ii) City Clerk, (iii) Finance, (iv) Municipal Court, (v) Information Technology, (vi) Police Protection, (vii) Fire Protection, (viii) Public Works, and (ix) Parks and Recreation. Department Directors report directly to the City Manager, while supervisors report to their respective department heads.

The City Council directly controls the appointed positions of the City Manager, Municipal Judge, and City Clerk. The City Attorney is appointed by the City Manager, with the approval of the City Council. All other employees serve under a performance based personnel system established by the City Charter. The City Manager, the Chief Administrative Officer of the City, serves at the pleasure of the Mayor and City Council and is directed to carry out all matters of

policy decided by the City Council. The City Clerk is the City's chief record keeper and, in addition to recording all minutes of Council proceedings and preparing City Council agenda, notifications, etc., will perform such other duties as required by the City. The City Attorney is the City's chief legal counsel, also serving at the pleasure of the elected body. The City Attorney is responsible for providing legal guidance to the Mayor, City Council, and City Manager.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the Finance Director. These requests are then used as a starting point for developing a proposed budget. The Finance Director presents this proposed budget to the City Manager for review. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. This comparison is presented as part of the financial statements for the governmental funds.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. The economic condition and outlook of the City continues to remain fairly stable. The City's housing stock, geographic location, and variety of services have kept real estate marketable. Commercial vacancies are still modest and while the potential for further retail and industrial development continues to appear to be favorable within the next five (5) years.

The City's tax structure relies primarily on all sales taxes and utility taxes. Utility tax receipts, property taxes, and sales tax receipts are expected to remain stable in the coming year.

Long-term financial planning. The City continues to evaluate the City's transportation system. Several projects are in the planning stages. Partial funding for these is anticipated to come from grant funding.

Relevant financial policies. The City maintains budgetary controls to ensure legal provisions included in the annual budget are approved by the City Council. The City seeks to stabilize operating revenues and expenditures while maintaining the level of service to its citizens.

Major initiatives. The City will be considering other projects, such as realignment of major streets, future commercial development, and renovation of other City facilities.

The City has implemented a risk management program. As part of this comprehensive plan, various control techniques, including employee accident prevention training, safety meetings, and departmental first aid training, have been implemented to minimize accident-related losses.

Pension. The City sponsors a single-employer defined benefit pension plan for its full-time police officers and firemen. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. The City has been unable to fully fund its annual required contribution to the pension plan as determined by the actuary for the last ten (10) years. As a result of this shortfall, the City has a net pension liability for the year ending June 30, 2016.

The City also provides pension benefits for its non-uniformed employees. These benefits are provided through Missouri Local Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. The City paid 100% of the required contribution, as determined by LAGERS.

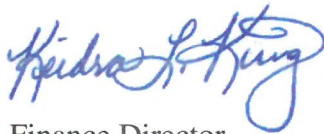
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2015. This was the 17th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a Certificate of Achievement.

The preparation of this CAFR would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this CAFR. Credit also must be given to the Mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Heidi L. King". The signature is fluid and cursive, with the first name "Heidi" and last name "King" being clearly legible.

Finance Director

CITY OF BERKELEY, MISSOURI
PRINCIPAL OFFICIALS
JUNE 30, 2016

MAYOR

Thoedore Hoskins

CITY COUNCIL MEMBERS

Emmalene Mitchell, Ward I
Brenda Williams, Ward II
Lee Etta Hoskins, Ward III
Louvenia Mathison, Ward IV
Patricia Kirkland, Ward V
Ralph McDaniel, Councilperson-at-Large

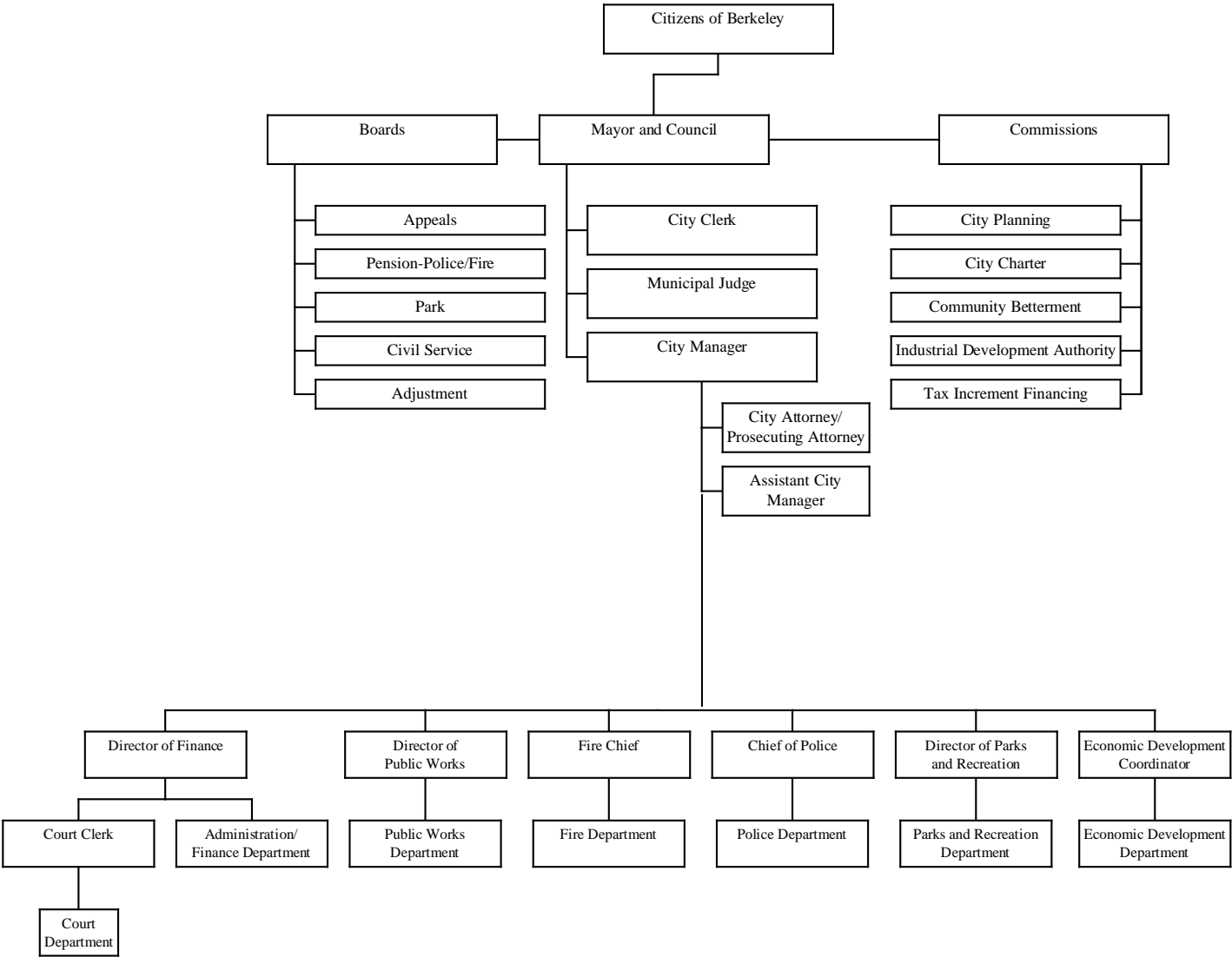
COUNCIL-APPOINTED OFFICIALS

Abdul Kaba-Abdullah, City Manager
Donnell Smith, City/Prosecuting Attorney
Deanna L. Jones, City Clerk
Jennifer H. Fisher, Municipal Judge

MANAGEMENT STAFF

Frank McCall, Jr., Chief of Police
James Linhardt, Fire Chief
Debra M. Irvin, Building Commissioner
Keidra L. King, Director of Finance

CITY OF BERKELEY, MISSOURI
ORGANIZATION CHART





Government Finance Officers Association

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

Presented to

**City of Berkeley
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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FINANCIAL SECTION

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Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITOR'S REPORT

December 29, 2016

Honorable Mayor and Members of City Council
CITY OF BERKELEY, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF BERKELEY, MISSOURI** (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

- ☐ 15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 636-532-9525, Fax 636-532-9055
- ☐ 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information and introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such infor-

mation directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF BERKELEY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2016

This section of the City of Berkeley, Missouri's (the City) financial report presents an easily readable analysis of the City's financial activities based on currently known facts, decisions, and conditions. We encourage readers to consider the information presented here in conjunction with additional information, which is furnished in our letter of transmittal. For a comprehensive understanding of the financial statements, please review the City's financial statements, including the footnotes that follow the management's discussion and analysis (MD&A).

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City's total assets and deferred outflows exceeded its liabilities and deferred inflows for the most recent fiscal year by \$21,570,035. This amount at June 30, 2015 was \$15,736,330.
- The City's total net position increased by \$5,936,019 and \$1,381,030 for fiscal years June 30, 2016 and 2015, respectively.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,943,374.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,517,735.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-wide financial statements. The first set of financial statements are the government-wide statements which report information about the City as a whole using accounting methods similar to those used by private-sector businesses. The two government-wide statements, statement of net position and statement of activities, report the City's net position and how it has changed.

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Increases and decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating. The statement of net position also provides information on unrestricted and restricted net position and net investment in capital assets.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of timing of related cash flows.

The statement of activities presents the various functions of the City and the degree by which they are supported by charges for services, federal and state grants, tax revenues, and investment income.

CITY OF BERKELEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

The governmental activities of the City include general government, public safety, public works, parks and recreation, and community development as well as interest and fiscal charges.

Fund financial statements. The second set of statements are fund financial statements, which provide information about groupings of related accounts which are used to maintain control over resources for specific activities or objectives. The City uses fund accounting to demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the City's most significant funds -- not the City as a whole. The funds of the City can be divided into the following two categories: 1) governmental funds and 2) fiduciary funds. It should be noted that the City does not have any proprietary funds.

Governmental funds. Governmental funds tell how general governmental services were financed in the short-term as well as what financial resources remain available for future spending to finance City programs.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The City maintains several individual governmental funds according to their type (General, Special Revenue, Capital Projects, and Debt Service Funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Equipment Sales Tax Fund, Building Fund, Economic Development Fund, Parks and Recreation Fund and the Project Fund, which are considered to be major funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of individuals or units outside of the City. The City is the trustee or fiduciary responsible for assets, which can be used only for the trust beneficiaries per trust arrangements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The City's Pension Trust Fund and municipal court bond amounts are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

CITY OF BERKELEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

Notes to financial statements. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplemental information. In addition to the basic financial statements and notes to financial statements, this report presents required supplemental information concerning the City's budgetary comparisons for the General Fund, Fire Equipment Sales Tax Fund, Parks and Recreation Fund, Economic Development Fund, and pension schedules.

Other supplemental information. The combining and individual fund statements provide fund level detail for all nonmajor governmental funds and the other major funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City presents its financial statements under the reporting model required by the Governmental Accounting Standards Board. The City's net position was \$21,570,035. The condensed statement of net position for governmental activities was as follows:

	June 30	
	2016	2015
ASSETS		
Current and other assets	\$ 21,607,944	18,773,137
Capital assets, net	15,143,546	14,444,773
Total Assets	<u>36,751,490</u>	<u>33,217,910</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pensions	<u>8,182,040</u>	<u>8,383,240</u>
 LIABILITIES		
Other liabilities	1,043,482	1,403,837
Long-term liabilities	15,742,264	24,330,372
Total Liabilities	<u>16,785,746</u>	<u>25,734,209</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to pensions	<u>6,577,749</u>	<u>130,611</u>
 NET POSITION		
Net investment in capital assets	7,589,396	6,658,657
Restricted	10,872,424	10,252,639
Unrestricted	<u>3,108,215</u>	<u>(1,174,966)</u>
Total Net Position	<u><u>\$ 21,570,035</u></u>	<u><u>15,736,330</u></u>

A portion of the City's net position reflects its investment of \$7,589,396 in capital assets (e.g., land, buildings, infrastructure, and equipment) less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The in-

CITY OF BERKELEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

crease in current and other assets is primarily due to proceeds from a new bond issue. The decrease in long-term liabilities and the increase in deferred inflows are related to changes in the pension actuarial amounts.

Change in net position. The City's total revenues on a government-wide basis were \$12,173,042. Taxes represent 72% of the City's revenues. Charges for services represent 15% and the remaining 13% is investment earnings; operating and capital grants and contributions; and other revenues. Changes in grants and contributions were generally related to Northpark.

The total cost of all programs and services was \$6,237,023. The City's expenses cover a range of typical city services. The significant fluctuations in public safety expenses are related to changes in the pension actuarial amounts which affected public safety expense amounts significantly.

The condensed statement of activities for governmental activities was as follows:

	For The Years Ended June 30	
	2016	2015
REVENUES		
Program revenues:		
Charges for services	\$ 1,790,335	2,224,260
Operating grants and contributions	743,085	950,746
Capital grants and contributions	536,256	1,181,221
General revenues:		
Taxes	8,803,041	8,711,094
Investment income	47,127	15,083
Other	253,198	271,527
Total Revenues	<u>12,173,042</u>	<u>13,353,931</u>
EXPENSES		
General government	2,574,683	2,479,700
Public safety	848,255	7,251,355
Public works	1,583,531	1,304,750
Parks and recreation	526,317	384,482
Community development	11,289	53,092
Interest	692,948	499,522
Total Expenses	<u>6,237,023</u>	<u>11,972,901</u>
CHANGE IN NET POSITION	<u>5,936,019</u>	<u>1,381,030</u>
NET POSITON, JULY 1	15,736,330	12,142,088
RESTATEMENT	<u>(102,314)</u>	<u>2,213,212</u>
NET POSITION, JULY 1 AS RESTATED	<u>15,634,016</u>	<u>14,355,300</u>
NET POSITION, JUNE 30	<u>\$ 21,570,035</u>	<u>15,736,330</u>

CITY OF BERKELEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus on the City's governmental funds is to provide information and balances of available spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,943,374, an increase of \$4,200,845 in comparison with the prior year. Approximately 75% of this amount, \$13,546,859, constitutes restricted fund balance, which is not available for new spending because it has already been restricted: 1) to pay debt service (\$945,796), 2) for economic development (\$3,468,085), 3) for building (\$2,886,670), 4) other capital projects (\$3,648,272), and 5) for other restricted purposes (\$2,598,036).

At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,517,735, while total fund balance was \$4,541,282. The fund balance of the City's General Fund increased by \$1,012,527 during the current fiscal year, primarily due from a combination of a decrease in transfers out to other funds and a decrease in spending.

Changes in fund balances for other major governmental funds can be described as follows:

- The Fire Equipment Sales Tax Fund decreased by \$459,182 from the fund balance at the end of the prior year. This decrease is due to an increase in capital outlay.
- The Building Fund decreased by \$26,228 from the fund balance at the end of the prior year. This decrease is mainly due to an increase in capital outlay.
- The Economic Development Fund increased by \$604,596 from the fund balance at the end of the prior year. This increase is due to an increase in sales tax and conservative spending.
- The Parks and Recreation Fund increased by \$313,869 from the fund balance at the end of the prior year. This increase is due to an increase in park grants.
- The Project Fund increased by \$2,728,469 due to the issuance of new debt. This is a new fund in the current year for expenditures related to the City's new police station.

Fiduciary funds. The City maintains fiduciary funds for the assets of the uniformed personnel through the Police and Firemen's Pension Fund. As of the end of the current fiscal year ending June 30, 2016, the net position of the Pension Trust Fund totaled \$11,890,389. This represents a decrease of \$689,700 in total net position over the last fiscal year primarily due to the decrease in the fair value of the Pension Trust Fund's investments and benefit payments exceeding additions to the Plan.

CITY OF BERKELEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues for the City's General Fund of \$8,745,330 were less than anticipated budgeted revenues of \$8,855,535 primarily due to lower than expected court fines being offset by better than expected taxes and permit fees. The City's General Fund expenditures of \$7,343,116 were \$917,444 under the budgeted amount of \$8,260,560 primarily due to the decrease in anticipated expenditures in public safety.

The General Fund had a net increase in fund balance of \$1,012,527 for the year ended June 30, 2016.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City invested \$15,143,546 in a broad range of capital assets. Capital assets, net of depreciation, increased for the current fiscal year (including additions and deletions) by \$698,773, mainly due to an increase in street projects and construction in progress on the City's new police station.

Capital assets net of depreciation for governmental activities was as follows:

	June 30	
	2016	2015
Land	\$ 1,169,484	1,169,484
Construction in progress	405,761	417,910
Buildings, improvements, and infrastructure	11,113,246	10,905,211
Machinery	875,491	946,345
Furniture and fixtures	346	346
Vehicles	<u>1,579,218</u>	<u>1,005,477</u>
Total Capital Assets, Net Of Depreciation	<u>\$ 15,143,546</u>	<u>14,444,773</u>

All depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

Additional information on the City's capital assets can be found in Note C.

Long-term debt. At the end of the fiscal year 2016, the City had outstanding long-term debt obligations for governmental activities in the amount of \$10,588,765 compared to \$8,067,486 in fiscal year 2015. A 24% increase in total long-term debt outstanding is due to the issuance of general obligation bonds.

The City's governmental activities outstanding long-term debt obligations are as follows:

CITY OF BERKELEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

	June 30	
	2016	2015
Compensated absences	\$ 306,146	281,370
Certificates of participation premium	892	1,116
Bond premium	56,727	-
General obligation bonds	2,700,000	-
Certificates of participation	<u>7,525,000</u>	<u>7,785,000</u>
Total Outstanding Long-term Debt	<u>\$ 10,588,765</u>	<u>8,067,486</u>

Additional information on the City's long-term debt can be found in Note D.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal year 2017 total expenditure budget is \$21,072,115, an increase over the 2016 budget appropriation of \$18,396,713 while total revenue is budgeted for \$13,484,178 in 2017. The difference is the amount to be used from available fund balances.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Berkeley
Keidra L. King, Finance Director
8425 Airport Road
Berkeley, MO 63134

The City reports the Industrial Development Authority (IDA) as a discretely presented component unit. Complete financial statements of the IDA can be obtained from their administrative office of the City at 8425 Airport Road, Berkeley, MO 63134.

CITY OF BERKELEY, MISSOURI
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government	Component Unit Industrial Development Authority
	Governmental Activities	
ASSETS		
Cash and investments	\$ 17,662,791	-
Receivables (net):		
Taxes	1,031,494	-
Court	328,022	-
Other	718,815	40,000
Prepaid items	13,825	-
Inventory	39,643	-
Net pension asset	1,813,354	-
Capital assets:		
Land and construction in progress	1,575,245	-
Other capital assets, net of accumulated depreciation	13,568,301	-
Total Assets	<u>36,751,490</u>	<u>40,000</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pensions	<u>8,182,040</u>	<u>-</u>
LIABILITIES		
Accounts payable and other accrued liabilities	389,444	-
Accrued salaries and benefits payable	98,278	-
Unearned revenue	442,657	-
Accrued interest	113,103	-
Long-term liabilities:		
Due within one year	561,571	-
Due in more than one year	10,027,194	-
Due in more than one year - net pension liability	5,153,499	-
Total Liabilities	<u>16,785,746</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to pensions	<u>6,577,749</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	7,589,396	-
Restricted for:		
Building	2,886,670	-
Capital projects	919,803	40,000
Debt service	999,830	-
Economic development	3,468,085	-
Fire equipment	743,286	-
Parks and recreation	724,694	-
Public safety	361,449	-
Sewer	768,607	-
Unrestricted	<u>3,108,215</u>	<u>-</u>
Total Net Position	<u>\$ 21,570,035</u>	<u>40,000</u>

CITY OF BERKELEY, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

					Net Revenues (Expenses) And Changes In Net Position	
					Primary Government	Component Unit
					Governmental Activities	Industrial Development Authority
		Program Revenues				
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions		
FUNCTIONS/PROGRAMS						
Governmental Activities						
General government	\$ 2,574,683	589,948	-	-	(1,984,735)	-
Public safety	848,255	366,367	90,949	88,248	(302,691)	-
Public works	1,583,531	809,748	651,636	37,428	(84,719)	-
Parks and recreation	526,317	24,272	500	410,580	(90,965)	-
Community development	11,289	-	-	-	(11,289)	-
Interest and other fiscal charges	692,948	-	-	-	(692,948)	-
Total Governmental Activities	<u>\$ 6,237,023</u>	<u>1,790,335</u>	<u>743,085</u>	<u>536,256</u>	<u>(3,167,347)</u>	<u>-</u>
General Revenues						
Taxes:						
Property					2,059,615	-
Sales					3,784,121	-
Utility					2,498,432	-
Business licenses					460,873	-
Investment income					47,127	-
Other					253,198	-
Total General Revenues					<u>9,103,366</u>	<u>-</u>
CHANGE IN NET POSITION					5,936,019	-
NET POSITION, JULY 1					<u>15,634,016</u>	<u>40,000</u>
NET POSITION, JUNE 30					<u>\$ 21,570,035</u>	<u>40,000</u>

CITY OF BERKELEY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	General	Fire Equipment Sales Tax	Building	Economic Development	Parks And Recreation	Project	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and investments	\$ 4,464,875	699,367	2,886,670	3,377,589	673,998	2,742,888	2,817,404	17,662,791
Receivables, net of allowances where applicable:								
Taxes	650,857	45,617	-	91,233	91,234	-	152,553	1,031,494
Court	328,022	-	-	-	-	-	-	328,022
Other	604,836	88,248	-	-	-	-	25,731	718,815
Prepaid items	13,825	-	-	-	-	-	-	13,825
Inventory	39,643	-	-	-	-	-	-	39,643
Total Assets	<u>\$ 6,102,058</u>	<u>833,232</u>	<u>2,886,670</u>	<u>3,468,822</u>	<u>765,232</u>	<u>2,742,888</u>	<u>2,995,688</u>	<u>19,794,590</u>
LIABILITIES								
Accounts payable and other accrued liabilities	\$ 171,967	89,946	-	737	21,609	14,419	90,766	389,444
Accrued salaries and benefits payable	79,349	-	-	-	18,929	-	-	98,278
Unearned revenue	442,657	-	-	-	-	-	-	442,657
Total Liabilities	<u>693,973</u>	<u>89,946</u>	<u>-</u>	<u>737</u>	<u>40,538</u>	<u>14,419</u>	<u>90,766</u>	<u>930,379</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue:								
Court	328,022	-	-	-	-	-	-	328,022
Property taxes	362,761	-	-	-	-	-	54,034	416,795
Weed/grass cutting	176,020	-	-	-	-	-	-	176,020
Total Deferred Inflows Of Resources	<u>866,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,034</u>	<u>920,837</u>
FUND BALANCES								
Nonspendable:								
Prepaid items	13,825	-	-	-	-	-	-	13,825
Inventory	39,643	-	-	-	-	-	-	39,643
Restricted for:								
Building	-	-	2,886,670	-	-	-	-	2,886,670
Capital projects	-	-	-	-	-	2,728,469	919,803	3,648,272
Debt service	-	-	-	-	-	-	945,796	945,796
Economic development	-	-	-	3,468,085	-	-	-	3,468,085
Fire equipment	-	743,286	-	-	-	-	-	743,286
Local law enforcement block grant	-	-	-	-	-	-	166,843	166,843
Parks and recreation	-	-	-	-	724,694	-	-	724,694
Police	144,767	-	-	-	-	-	49,839	194,606
Sewer lateral	-	-	-	-	-	-	768,607	768,607
Committed for Ramona Lake	52,931	-	-	-	-	-	-	52,931
Assigned for subsequent year's budget	772,381	-	-	-	-	-	-	772,381
Unassigned	3,517,735	-	-	-	-	-	-	3,517,735
Total Fund Balances	<u>4,541,282</u>	<u>743,286</u>	<u>2,886,670</u>	<u>3,468,085</u>	<u>724,694</u>	<u>2,728,469</u>	<u>2,850,888</u>	<u>17,943,374</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 6,102,058</u>	<u>833,232</u>	<u>2,886,670</u>	<u>3,468,822</u>	<u>765,232</u>	<u>2,742,888</u>	<u>2,995,688</u>	<u>19,794,590</u>

CITY OF BERKELEY, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total Fund Balances - Governmental Funds	\$ 17,943,374
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$26,608,234 and the accumulated depreciation is \$11,464,688.	15,143,546
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	920,837
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension asset	1,813,354
Net pension liability	(5,153,499)
Deferred outflows related to pensions	8,182,040
Deferred inflows related to pensions	(6,577,749)
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued compensated absences	(306,146)
Accrued interest on outstanding debt	(113,103)
Certificates of participation outstanding	(7,525,892)
General obligation bonds outstanding	<u>(2,756,727)</u>
Total Net Position Of Governmental Activities	<u><u>\$ 21,570,035</u></u>

CITY OF BERKELEY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General	Fire Equipment Sales Tax	Building	Economic Development	Parks And Recreation	Project	Other Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	\$ 1,714,481	-	-	-	-	-	448,512	2,162,993
Sales taxes	1,526,879	306,862	-	613,531	612,286	-	631,296	3,690,854
Hotel/motel fees	142,071	-	-	-	-	-	-	142,071
Utility taxes	2,498,432	-	-	-	-	-	-	2,498,432
Licenses, permits, fines, and other fees	2,001,776	-	-	-	24,272	-	-	2,026,048
Intergovernmental	711,002	88,248	-	-	401,905	-	164,097	1,365,252
Sewer lateral fees	-	-	-	-	-	-	81,432	81,432
Investment income	3,044	1,652	4,452	2,354	238	3,623	31,764	47,127
Other income	147,645	-	-	-	401	-	4,532	152,578
Total Revenues	8,745,330	396,762	4,452	615,885	1,039,102	3,623	1,361,633	12,166,787
EXPENDITURES								
Current:								
General government	2,192,910	-	-	-	-	-	-	2,192,910
Public safety	3,876,258	28,906	-	-	-	-	200,196	4,105,360
Public works	1,264,506	-	-	-	-	-	-	1,264,506
Community development	-	-	-	10,834	-	-	-	10,834
Parks and recreation	-	-	-	-	348,674	-	-	348,674
Capital outlay	9,442	827,038	30,680	455	376,559	225,721	491,876	1,961,771
Debt service:								
Debt principal	-	-	-	-	-	-	560,000	560,000
Interest and other costs	-	-	-	-	-	-	556,384	556,384
Bond issue costs	-	-	-	-	-	109,146	-	109,146
Total Expenditures	7,343,116	855,944	30,680	11,289	725,233	334,867	1,808,456	11,109,585
REVENUES OVER (UNDER) EXPENDITURES	1,402,214	(459,182)	(26,228)	604,596	313,869	(331,244)	(446,823)	1,057,202
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	480,000	480,000
Transfers out	(473,617)	-	-	-	-	-	(6,383)	(480,000)
Insurance recoveries	83,930	-	-	-	-	-	-	83,930
Proceeds on bond issue	-	-	-	-	-	3,000,000	-	3,000,000
Premium on bond issue	-	-	-	-	-	59,713	-	59,713
Total Other Financing Sources (Uses)	(389,687)	-	-	-	-	3,059,713	473,617	3,143,643
NET CHANGE IN FUND BALANCES	1,012,527	(459,182)	(26,228)	604,596	313,869	2,728,469	26,794	4,200,845
FUND BALANCES, JULY 1	3,528,755	1,202,468	2,912,898	2,863,489	410,825	-	2,824,094	13,742,529
FUND BALANCES, JUNE 30	\$ 4,541,282	743,286	2,886,670	3,468,085	724,694	2,728,469	2,850,888	17,943,374

CITY OF BERKELEY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net Change In Fund Balances - Governmental Funds	\$ 4,200,845
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold of \$1,755,752 exceeded depreciation of \$1,052,577.	703,175
The net effect of contributed assets and various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.	
Cost of disposals, net of accumulated depreciation	(4,402)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	121,632
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also the governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement activities. This amount is the effect of these differences in the treatment of long-term debt and related items.	
Repayments:	
Certificates of participation	260,000
General obligation bonds	300,000
Amortization	3,210
Issuance of debt	(3,000,000)
Bond premium on long-term debt	(59,713)
Total	(2,496,503)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Accrued interest on long-term debt	(30,259)
Pension expense	3,466,307
In the governmental funds, personnel costs are measured by the amount of financial resources used, which does not include the increase in accrued compensated absences. These expenses are recorded in the statement of activities.	
	(24,776)
Change In Net Position Of Governmental Activities	<u>\$ 5,936,019</u>

CITY OF BERKELEY, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Police And Firemen's Pension Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash	\$ 170,796	-
Restricted cash	-	251,759
Investments:		
Money market funds	408,466	-
Mutual funds	11,267,553	-
Other assets	43,574	-
Total Assets	<u>11,890,389</u>	<u>251,759</u>
LIABILITIES		
Funds held for others	<u>-</u>	<u>251,759</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 11,890,389</u></u>	<u><u>-</u></u>

CITY OF BERKELEY, MISSOURI
STATEMENT OF CHANGE IN FIDUCIARY
NET POSITION - PENSION TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2016

ADDITIONS

Employer contribution	\$ 199,306
Interest and dividend income	300,990
Net depreciation in fair value of investments	(306,375)
Employee contributions	135,375
Other income	245
Total Additions	<u>329,541</u>

DEDUCTIONS

Services:	
Actuarial fee	26,096
Investment counseling fee	7,147
Legal fee	13,239
Trust fee	18,750
Other	1,776
Total Services	<u>67,008</u>
Benefit payments	952,233
Total Deductions	<u>1,019,241</u>

CHANGE IN NET POSITION (689,700)

NET POSITION FOR PENSION BENEFITS,
JULY 1 12,580,089

NET POSITION - RESTRICTED FOR
PENSION BENEFITS, JUNE 30 \$ 11,890,389

CITY OF BERKELEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF BERKELEY, MISSOURI** (the City) was incorporated in 1937. The City operates under the Council/Manager form of government. The Council consists of seven members, one of whom is the Mayor. The Mayor and one other Council member are elected at-large; the other five are representatives elected from each ward. The Council functions under a constitutional charter originally approved by the citizens of the City in 1957.

The accounting and financial reporting policies of the City conform to accounting principles generally accepted in the United States of America as applied to governmental entities. The following is a summary of the more significant policies:

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City.

The members of the governing board of Industrial Development Authority (IDA) are appointed by the Mayor. Although the City cannot “impose its will” on the IDA, the City provides a material subsidy to the IDA primarily to finance the operations of the organization, if any. The financial activity of the IDA is included in the City’s financial statements as a discretely presented component unit. Complete financial information of the IDA can be obtained from their administrative offices of the City at 8425 Airport Road, Berkeley, MO 63134.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted interest earnings, and other items not properly included among program revenues are reported instead as general revenues.

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

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Police and Firemen's Pension Fund in the fiduciary fund financial statements, including the Agency Funds in the fiduciary fund financial statement, have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

General Fund -- The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Fire Equipment Sales Tax Fund -- The Fire Equipment Sales Tax Fund accounts for the receipts of the City's ¼ cent sales tax. These receipts are to be used for equipment for the Municipal Fire Department.

Building Fund -- The Building Fund provides funding for payment of costs for the construction of the City's Municipal Improvements.

Economic Development Fund -- The Economic Development Fund is used to account for economic development sales tax, which is required to be used for economic development within the City.

Parks and Recreation Fund -- The Parks and Recreation Fund accounts for the receipts of the City's ½ cent sales tax. These receipts are to be used for park and stormwater activities.

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Project Fund -- The Project Fund accounts for the payment of costs related to the construction of a new police station.

Additionally, the City reports the following fiduciary fund types:

Police and Firemen's Pension Fund -- The Pension Trust Fund is used to account for assets held in a trustee capacity for the City's eligible employees.

Agency Funds -- Agency Funds account for the assets held by the City as an agent for individuals, private organizations, or other governmental units. Agency Funds are accounted for and reported similar to the governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of the Municipal Court Bond Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

4. Cash and Investments

The City pools the cash of all funds, except for monies in certain restricted and special funds. The cash and investments balance in each fund represents the fund's equity share of the City's cash and investment pool. The City's investments are carried at fair value. Interest income earned on pooled cash and investments is allocated to the various funds based on their respective participation. Interest income on restricted cash and investments is credited directly to the related fund.

The City is authorized to invest funds not immediately needed for the purposes to which the funds are applicable in obligations of the U.S. Treasury, U.S. government agencies, repurchase agreements, certificates of deposit, bankers' acceptances, and commercial paper. The Pension Trust Fund is also authorized to invest in corporate common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership, but excluding any debt of the City itself and individual insurance policies.

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Compensated Absences

Vacations accrue to employees based on months of continuous service. An employee can carry over into the next year up to one year's worth of earned vacation days. Upon departure of employment from the City, an employee is entitled to payment for accrued vacation. Vacation expense is not accrued in the respective governmental types as it is earned since it is not expected to be paid from current available resources. Sick leave accrues based upon continuous months of service with the City and may accumulate up to 100 days. Accumulated sick leave will not be paid upon termination of service. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

6. Allowance

Other receivables include weed/grass cutting receivable totaling \$482,335. The allowance for uncollectibles for these receivables is \$313,517. Court receivables total \$1,640,109 with an allowance of \$1,312,087. Trash receivables total \$119,759, all of which is considered uncollectible.

7. Prepaid Items

Certain payments to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items in the government-wide and the fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

8. Inventories

Inventories of the General Fund are adjusted to periodic physical counts and are valued at cost utilizing the first-in, first-out method of valuation. Inventories consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

9. Capital Assets

Capital assets, which include buildings, improvements, machinery, furniture, fixtures, vehicles, and infrastructure assets (e.g., streets, sidewalks, roads, bridges, and similar items), are reported in the governmental activities columns in the government-wide financial statements, net of accumulated depreciation. Capital assets are charged to expenditures as purchased in the fund financial statements. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated acquisition value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life of greater than three years. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Capital Assets (Continued)

the capacity of an asset, are capitalized. Other costs for repairs and maintenance are expensed as incurred.

The City has elected not to record the historical cost of infrastructure placed in service prior to July 1, 2003.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position and is provided on the straight-line basis over the estimated useful lives as follows:

Assets	Years
Buildings, improvements and infrastructure	10 - 25
Machinery	5 - 10
Furniture and fixtures	5 - 10
Vehicles	5 - 10

10. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as other financing sources (uses) in the governmental fund types.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

13. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Since appropriations lapse at year-end, outstanding encumbrances are reappropriated in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments. Encumbrances do not constitute current year expenditures or liabilities. There were no encumbrances outstanding at year-end.

14. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the City Council, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose as determined by the City Manager to which the City Council has designated authority through passage of ordinances.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been de-

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance Policies (Continued)

pleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

15. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows related to the pensions reported on the statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first item arises under a modified accrual basis of accounting. The governmental funds report unavailable revenues from various sources reported on the governmental funds balance sheet. The City also has deferred inflows of resources related to the pensions reported on the statement of net position.

16. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit pension plans (the Plans) and additions to/ deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE B - CASH AND INVESTMENTS

1. Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. As of June 30, 2016, the carrying amount of cash deposits

CITY OF BERKELEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

1. Deposits (Continued)

amounted to \$3,687,464 and the bank balance totaled \$4,181,682. The bank balance amount insured by FDIC was \$504,659, the amount covered by pledged securities was \$3,552,174, and \$124,849 was unsecured.

2. Investments

As of June 30, 2016, the City had the following investments:

Investments	Fair Value	No Maturity	Maturities				Credit Risk
			Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	
Governmental Activities							
U.S. Treasuries	\$ 694,420	-	-	694,420	-	-	N/A
Money market funds	13,680,425	13,680,425	-	-	-	-	Not Rated
Total Governmental Activities	14,374,845	13,680,425	-	694,420	-	-	
Fiduciary Funds							
Money market funds	408,466	408,466	-	-	-	-	Not Rated
Mutual funds	11,267,553	11,267,553	-	-	-	-	N/A
Total Fiduciary Funds	11,676,019	11,676,019	-	-	-	-	
Total Investments	\$ 26,050,864	25,356,444	-	694,420	-	-	

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy is to minimize credit risk by prequalifying the financial institutions with which the City does business and diversifying the portfolio so that potential losses on individual securities will be minimized.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy is to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements and investing operating funds primarily in shorter term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City minimizes concentration of credit risk by diversifying the investment portfolio.

CITY OF BERKELEY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represent 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt). Defined benefit plans are required to disclose investments in any one issuer that represent 5% or more of total plan net position with the same exemptions as above. At June 30, 2016, the City had the following investment concentrations:

<u>Investments</u>	<u>Fair Value</u>	<u>Percent Of Total Investments</u>
Governmental Activities		
Money market funds	\$ 13,680,425	95.17 %
		<u>Percent Of Total Plan Net Position</u>
Fiduciary Funds		
Vanguard Developed Markets Index	\$ 1,498,858	12.83 %
Vanguard Emerging Markets Stock Index	548,922	4.70
Vanguard Small Cap Index Fund	1,330,915	11.39
Vanguard Large Cap Index Fund	3,571,031	30.56
Pimco Total Return Fund Institutional Class	3,738,769	31.99
Pimco All Asset Fund Institutional Class	579,058	4.96

3. Fair Value Measurements

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities.

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

3. Fair Value Measurements (Continued)

The City has the following recurring fair value measurements:

		June 30, 2016		
	Total	Level 1	Level 2	Level 3
Governmental Activities				
Investments by fair value level:				
Government securities:				
U.S. Treasury notes	\$ 694,420	694,420	-	-
Money market funds	13,680,425	13,680,425	-	-
Total Investments	<u>\$ 14,374,845</u>	<u>14,374,845</u>	<u>-</u>	<u>-</u>
Fiduciary Fund				
Investments by fair value level:				
Money market funds	\$ 408,466	408,466	-	-
Mutual funds:				
Equity	6,949,726	6,949,726	-	-
Fixed income	3,738,769	3,738,769	-	-
Balanced	579,058	579,058	-	-
Total Investments	<u>\$ 11,676,019</u>	<u>11,676,019</u>	<u>-</u>	<u>-</u>

NOTE C - CAPITAL ASSETS

The following is a summary of changes in capital assets:

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended June 30, 2016			
	Balance June 30 2015	Increases	Decreases
Governmental Activities			Balance June 30 2016
Capital assets not being depreciated:			
Land	\$ 1,169,484	-	1,169,484
Construction in progress	417,910	631,615	643,764
Total Capital Assets Not Being Depreciated	1,587,394	631,615	643,764
Capital assets being depreciated:			
Buildings, improvements and infrastructure	15,642,008	839,811	17,106
Machinery	3,594,337	125,678	-
Furniture and fixtures	120,957	-	-
Vehicles	3,924,892	802,412	-
Total Capital Assets Being Depreciated	23,282,194	1,767,901	17,106
Less - Accumulated Depreciation for:			
Buildings, improvements and infrastructure	4,736,797	627,374	12,704
Machinery	2,647,992	196,532	-
Furniture and fixtures	120,611	-	-
Vehicles	2,919,415	228,671	-
Total Accumulated Depreciation	10,424,815	1,052,577	12,704
Total Capital Assets Being Depreciated, Net	12,857,379	715,324	4,402
Total Capital Assets, Net	\$ 14,444,773	1,346,939	648,166
	<u>\$ 14,444,773</u>	<u>1,346,939</u>	<u>648,166</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	For The Year Ended June 30 2016
Governmental Activities	
General government	\$ 307,661
Public safety	457,490
Public works	131,436
Parks and recreation	155,990
Total	<u>\$ 1,052,577</u>

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT

Long-term debt activity was as follows:

	For The Year Ended June 30, 2016			Amounts
	Balance June 30 2015	Additions	Reductions	Due Within One Year
Compensated absences	\$ 281,370	62,983	38,207	306,146
Certificates of participation	7,785,000	-	260,000	7,525,000
General obligation bonds	-	3,000,000	300,000	2,700,000
Certificates of participation premium	1,116	-	224	892
Bond premium	-	59,713	2,986	56,727
Total Long-term Debt	<u>\$ 8,067,486</u>	<u>3,122,696</u>	<u>601,417</u>	<u>10,588,765</u>

Compensated absences are generally liquidated by the General Fund. Certificates of participation are liquidated by the Debt Service Rent Fund and general obligation bonds are liquidated by the 2015 Bonds Debt Service Fund.

Certificates of Participation

In July 2010 the City issued \$9,095,000 in Certificates of Participation (Series 2010) to provide funds for the construction of a new City Hall and fire station. The certificates are due in varying amounts through May 1, 2035 with interest at 2.0% to 7.1%.

Aggregate maturities required on the certificates of participation are as follows:

For The Years Ending June 30	Principal	Interest	Total
2017	\$ 270,000	489,930	749,930
2018	280,000	482,130	752,130
2019	290,000	473,355	753,355
2020	300,000	463,695	753,695
2021	310,000	453,110	753,110
2022 - 2026	1,760,000	1,994,625	3,684,625
2027 - 2031	2,180,000	1,377,350	3,462,350
2032 - 2035	<u>2,135,000</u>	<u>572,615</u>	<u>3,182,615</u>
Total	<u>\$ 7,525,000</u>	<u>6,306,810</u>	<u>14,091,810</u>

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

General Obligation Bonds

The City issued \$3,000,000 of General Obligation Bonds (Series 2015) to provide funds for the purpose of constructing, improving, and equipping a police facility and related improvements. The bonds are due in varying amounts through 2035 with interest at 3% to 5%.

Aggregate maturities required on the general obligation bonds are as follows:

For The Years Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 250,000	98,244	348,244
2018	100,000	85,744	185,744
2019	105,000	82,744	187,744
2020	110,000	79,594	189,594
2021	110,000	76,294	186,294
2022 - 2026	610,000	328,963	938,963
2027 - 2031	725,000	219,113	944,113
2032 - 2035	<u>690,000</u>	<u>70,600</u>	<u>760,600</u>
Total	<u>\$ 2,700,000</u>	<u>1,041,296</u>	<u>3,741,296</u>

NOTE E - PENSION PLANS

The City maintains a single-employer, defined benefit pension plan (Police and Firemen's Pension Fund of the City of Berkeley, Missouri) which covers all full-time police and firemen and participates in the state-wide Missouri Local Government Retirement System (LAGERS), an agent multiple-employer, defined benefit pension plan which covers all of the other City full-time employees.

1. Police and Firemen's Pension Fund of the City of Berkeley, Missouri (the Plan)

General Information about the Plan

Plan Description

The Plan is a single-employer, defined benefit pension plan that covers all of the City's full-time police and firemen employees. The Plan was created and is governed by City ordinance. The Plan does not issue a separate stand-alone financial report. The financial information is included as a Trust Fund in the City's basic financial statements. Information about the Plan is provided in a summary plan description.

NOTE E - PENSION PLANS (Continued)

1. Police and Firemen's Pension Fund of the City of Berkeley, Missouri (the Plan) (Continued)

Benefits Provided

All full-time police and firemen of the City are eligible to participate in the Plan. Monthly benefit payments are determined by application of a benefit ratio to participant's final average salary for the full five years preceding retirement. In determining the benefit ratio, a participant may receive credit for a maximum of 25 year's employment. The Plan also provides for disability and surviving spouse benefits. Benefits in the Plan vest after 10 years of service.

Employees Covered by Benefit Terms

Membership in the Plan is comprised of the following:

<u>Group</u>	<u>June 30 2016</u>
Retirees and beneficiaries currently receiving benefits	47
Active employees	49
Vested terminated employees	<u>6</u>
Total	<u><u>102</u></u>

Contributions

The Plan is funded, in accordance with City ordinances, by taxes levied for such purpose and contributions by participants based on 6% of compensation. The City ordinances governing the Plan do not require the funding of pension costs accrued by other than taxes levied for such purposes. The City assesses a tax of \$0.11 per \$100 of assessed valuation for its contribution to the Plan. In April 2016, the voters approved an additional tax of \$0.33 per \$100 of assessed valuation for the contribution to the Plan, which is reflected in the actuarial valuation.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The liability for this debt is liquidated by the Pension Tax Fund.

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increase	4%, including inflation
Investment rate of return	7.5%, net of investment expense

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - PENSION PLANS (Continued)

1. Police and Firemen's Pension Fund of the City of Berkeley, Missouri (the Plan) (Continued)

Mortality rates are based in the RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA for healthy participants.

All cost of living adjustments after July 1, 2015 were eliminated. 2/3 rather than 100% of employee contributions made to the Plan after December 31, 2016 will be refunded upon termination or retirement. The benefit multiplier is 2%, rather than 2.5% for years if service earned after December 31, 2016 for those retiring with less than 20 years of service.

The long-term expected rate of return on pension plan investments was determined using a model method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Diversified/GTAA	5.0 %	0.39 %
Equity	60.0	3.62 - 4.87
Fixed income	<u>35.0</u>	1.91
Total	<u><u>100.0 %</u></u>	

Discount Rate

The Plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the Plan's fiduciary net position is not projected to be sufficient.

For the purpose of this valuation, the expected rate of return on pension plan investments is 7% and the resulting single discount rate is 7%.

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - PENSION PLANS (Continued)

1. Police and Firemen's Pension Fund of the City of Berkeley, Missouri (the Plan) (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2015	<u>\$ 28,842,975</u>	<u>12,580,089</u>	<u>16,262,886</u>
Changes for the year			
Service cost	415,597	-	415,597
Interest	1,146,696	-	1,146,696
Effect of plan changes	(4,454,007)	-	(4,454,007)
Effect of economic/demographic gains or losses	(2,265,283)	-	(2,265,283)
Changes of assumptions	(5,689,857)	-	(5,689,857)
Contributions - employer	-	199,306	(199,306)
Contributions - employee	-	135,375	(135,375)
Net investment income	-	(5,140)	5,140
Benefit payments, including refunds	(952,233)	(952,233)	-
Administrative expense	-	(67,008)	67,008
Net Changes	<u>(11,799,087)</u>	<u>(689,700)</u>	<u>(11,109,387)</u>
Balances at June 30, 2016	<u>\$ 17,043,888</u>	<u>11,890,389</u>	<u>5,153,499</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% point lower (6%) or 1% point higher (8%) than the current rate.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net pension liability	\$ 6,992,239	5,153,499	3,604,982

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - PENSION PLANS (Continued)

1. Police and Firemen's Pension Fund of the City of Berkeley, Missouri (the Plan) (Continued)

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

For the year ended June 30, 2016, the City recognized an actuarial net pension benefit of \$3,522,888 due to the effect of plan changes and changes of assumptions. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Differences between expected and actual experience	\$ -	(1,812,226)	(1,812,226)
Changes of assumptions	5,684,715	(4,551,886)	1,132,829
Net difference between projected and actual earnings	<u>1,151,637</u>	<u>-</u>	<u>1,151,637</u>
Total	<u><u>\$ 6,836,352</u></u>	<u><u>(6,364,112)</u></u>	<u><u>472,240</u></u>

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

<u>For The Years Ending June 30</u>	
2017	\$ 355,493
2018	355,493
2019	355,491
2020	<u>(594,237)</u>
Total	<u><u>\$ 472,240</u></u>

Payable to the Pension Plan

At June 30, 2016, the City did not have a payable for outstanding contributions to this pension plan.

NOTE E - PENSION PLANS (Continued)

2. Missouri Local Government Employees Retirement System (LAGERS)

Plan Description

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

Benefits Provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

2016 Valuation

Benefit multiplier	1.6% for life, plus 0.4% to age 65
Final average salary	3 years
Member contributions	Noncontributory for employees

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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	31
Active employees	<u>36</u>
Total	<u><u>123</u></u>

NOTE E - PENSION PLANS (Continued)

2. Missouri Local Government Employees Retirement System (LAGERS) (Continued)

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rate is 3% of annual covered payroll.

Net Pension Liability (Asset)

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

Actuarial Assumptions

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

Inflation	3.25% wage inflation, 2.5% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

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

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

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

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding ex-

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - PENSION PLANS (Continued)

2. Missouri Local Government Employees Retirement System (LAGERS) (Continued)

pected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Equity	43.0%	5.00%
Fixed income	26.0	3.00
Real assets	21.0	3.25
Strategic Assets	10.0	5.60

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balances at June 30, 2015	<u>\$ 9,525,554</u>	<u>12,333,650</u>	<u>(2,808,096)</u>
Changes for the year			
Service cost	152,848	-	152,848
Interest	673,844	-	673,844
Difference between expected and actual experience	(205,353)	-	(205,353)
Change of assumptions	326,263	-	326,263
Contributions - employer	-	41,712	(41,712)
Net investment income	-	(39,337)	39,337
Benefit payments, including refunds	(623,389)	(623,389)	-
Administrative expense	-	(9,670)	9,670
Other	-	(39,845)	39,845
Net Changes	<u>324,213</u>	<u>(670,529)</u>	<u>994,742</u>
Balances at June 30, 2016	<u><u>\$ 9,849,767</u></u>	<u><u>11,663,121</u></u>	<u><u>(1,813,354)</u></u>

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - PENSION AND PLANS (Continued)

2. Missouri Local Government Employees Retirement System (LAGERS) (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1% point lower (6.25%) or 1% point higher (8.25%) than the current rate.

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
Net pension liability (asset)	(\$580,556)	(1,813,354)	(2,836,405)

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

For the year ended June 30, 2016, the City recognized pension expense of \$297,599. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Differences in experience	\$ -	(213,637)	(213,637)
Assumption changes	223,996	-	223,996
Net difference between projected and actual earnings on pension plan investments	<u>1,121,692</u>	<u>-</u>	<u>1,121,692</u>
Total	<u><u>\$ 1,345,688</u></u>	<u><u>(213,637)</u></u>	<u><u>1,132,051</u></u>

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

**For The
Years Ending
June 30**

2017	\$ 293,101
2018	336,367
2019	320,373
2020	<u>182,210</u>
Total	<u><u>\$ 1,132,051</u></u>

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - PENSION AND PLANS (Continued)

2. Missouri Local Government Employees Retirement System (LAGERS) (Continued)

Payable to Pension Plan

At June 30, 2016, the City reported a payable of \$6,650 for the outstanding amount of contributions to the pension plan.

NOTE F - DEFERRED COMPENSATION PLAN

The City offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City makes contributions into the plan on behalf of certain employees. The plan permits employees to defer a portion of their salary until future years. The plan is administered by unrelated financial institutions. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City's 457 deferred compensation plan is excluded from the City's assets because it is held in trust.

NOTE G - INTERFUND TRANSFERS

Interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>For The Year Ended June 30 2016</u>
Nonmajor	General	\$ 473,617
Nonmajor	Nonmajor	6,383
Total		<u>\$ 480,000</u>

Interfund transfers may be used to: 1) move revenues from the fund that ordinance or budget required to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected to other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

NOTE H - OPERATING LEASES

The City leases equipment under certain operating lease agreements with items in excess of one year. Rental expense for the year ended June 30, 2016 was \$27,030.

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - OPERATING LEASES (Continued)

Minimum future lease payments are as follows:

**For The
Years Ending
June 30**

2017	\$ 27,030
2018	27,030
2019	<u>20,273</u>
Total	<u><u>\$ 74,333</u></u>

NOTE I - PROPERTY TAXES

The City's property tax is levied each October based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are billed in November, due and collectible on December 31, and delinquent after December 31. Liens are placed on property for delinquent taxes on the January 1 following the due date.

Taxes levied for 2015 are recorded as receivables, net of estimated uncollectible amounts; however, revenue recognition on all property tax receivables not collected within 60 days after year-end is deferred on the fund financial statements and recognized as revenue in the government-wide financial statements. The 2015 levy was due and collectible within the City's fiscal year ended June 30, 2016.

All property tax assessment, billing, and collection functions are handled by the St. Louis County government. Taxes collected are remitted to the City by the St. Louis County Collector (the County Collector) in the month subsequent to the actual collection date. Taxes held by the County Collector, if any, are included in municipal taxes receivable in the accompanying fund financial statements.

NOTE J - RISK MANAGEMENT

The City carries commercial insurance for its risks of loss, including property, general umbrella, and public officials' liability insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE K - CONTINGENCIES

The City may be subject to various lawsuits. Though, the outcome of these lawsuits are not presently determinable, the City believes that the resolution of these matters will not have a material adverse effect of the financial condition of the City.

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE L - RESTRICTED NET POSITION

The government-wide statement of net position reports \$10,872,424 of restricted net position of which \$9,873,594 is restricted by enabling legislation.

NOTE M - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 77 (GASB 77), *Tax Abatement Disclosures*, requires governments that enter into tax abatement agreements to disclose brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients, the gross dollar amount of taxes abated during the period, and commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. GASB 77 will be effective for the year ending June 30, 2017.

NOTE N - RESTATEMENTS

The previous amounts of net position and fund balance have been restated as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>
Net position/fund balance, June 30, 2015, as previously reported	\$ 15,736,330	3,631,069
Restatement for Northpark agreement receivable	<u>(102,314)</u>	<u>(102,314)</u>
Net Position, June 30, 2015, As Restated	<u><u>\$ 15,634,016</u></u>	<u><u>3,528,755</u></u>

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Property Taxes				
Real estate	\$ 1,100,000	1,100,000	1,205,166	105,166
Personal property	400,000	400,000	426,110	26,110
Railroad and utility	50,000	50,000	54,880	4,880
Commercial surcharges fees	18,000	18,000	28,325	10,325
Total Property Taxes	1,568,000	1,568,000	1,714,481	146,481
Sales Taxes	1,490,000	1,490,000	1,526,879	36,879
Hotel/motel fee	135,000	135,000	142,071	7,071
Utility Taxes				
Electric	1,500,000	1,500,000	1,580,277	80,277
Gas	350,000	350,000	320,383	(29,617)
Telephone	350,000	350,000	393,222	43,222
Water	145,000	145,000	136,574	(8,426)
Cable	60,000	60,000	67,976	7,976
Total Utility Taxes	2,405,000	2,405,000	2,498,432	93,432
Licenses				
Merchants and manufacturers	485,000	485,000	460,873	(24,127)
Liquor	7,500	7,500	5,402	(2,098)
Animal	50	50	8	(42)
Vending machine	800	800	30	(770)
Sign	4,000	4,000	7,393	3,393
Manufacturer fee and ad valorem tax	575,000	575,000	577,103	2,103
Penalties	-	-	12	12
Total Licenses	1,072,350	1,072,350	1,050,821	(21,529)
Permits				
Building	70,000	70,000	210,086	140,086
Electrical	30,000	30,000	75,622	45,622
Plumbing	15,000	15,000	68,684	53,684
Mechanical	20,000	20,000	110,742	90,742
Occupancy	15,500	15,500	33,882	18,382
Excavation	5,000	5,000	5,461	461
Demolition	3,000	3,000	2,608	(392)
Trailer parking	35	35	-	(35)
Fence	1,200	1,200	2,568	1,368
Sign	24,000	24,000	18,957	(5,043)
Roofing	12,000	12,000	29,350	17,350

(Continued)

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES (Continued)				
Permits (Continued)				
Rental owner	24,000	24,000	26,335	2,335
Special use	4,800	4,800	6,150	1,350
Total Permits	224,535	224,535	590,445	365,910
Fines and Court Costs				
Fines, forfeitures, and penalties	900,000	900,000	360,268	(539,732)
Forfeitures and deposits	75,000	75,000	242	(74,758)
Total Fines And Court Costs	975,000	975,000	360,510	(614,490)
Intergovernmental				
Gasoline tax	200,000	200,000	238,603	38,603
Road and bridge tax	200,000	200,000	186,036	(13,964)
Cigarette tax	23,000	23,000	26,711	3,711
Motor vehicle fees	30,000	30,000	39,575	9,575
Grants	110,000	110,000	220,077	110,077
Total Intergovernmental	563,000	563,000	711,002	148,002
Investment Income	1,500	1,500	3,044	1,544
Other Income				
Inspections	60,000	60,000	86,370	26,370
Fire reports	150	150	260	110
Police reports	7,000	7,000	10,615	3,615
Grass/weed cutting	200,000	200,000	20,577	(179,423)
Northpark-Evans lane recovery	120,000	120,000	9,175	(110,825)
Other income	34,000	34,000	20,648	(13,352)
Total Other Income	421,150	421,150	147,645	(273,505)
Total Revenues	8,855,535	8,855,535	8,745,330	(110,205)
EXPENDITURES				
General Government				
City Council:				
Salaries and benefits	19,210	19,210	15,654	(3,556)
Services	72,900	72,900	55,371	(17,529)
Council expenses	135,500	210,600	138,820	(71,780)
Total City Council	227,610	302,710	209,845	(92,865)

(Continued)

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
EXPENDITURES (Continued)				
General Government (Continued)				
Administration:				
Salaries and benefits	290,326	270,326	238,807	(31,519)
Services	913,275	908,275	1,029,071	120,796
Materials and supplies	6,700	6,700	9,070	2,370
Total Administration	<u>1,210,301</u>	<u>1,185,301</u>	<u>1,276,948</u>	<u>91,647</u>
City clerk:				
Salaries and benefits	56,162	56,162	56,345	183
Services	28,270	28,270	28,063	(207)
Materials and supplies	1,050	1,050	319	(731)
Capital outlay	800	800	280	(520)
Total City Clerk	<u>86,282</u>	<u>86,282</u>	<u>85,007</u>	<u>(1,275)</u>
Finance:				
Salaries and benefits	274,434	274,334	216,328	(58,006)
Services	85,500	85,500	118,671	33,171
Materials and supplies	2,400	2,400	2,967	567
Total Finance	<u>362,334</u>	<u>362,234</u>	<u>337,966</u>	<u>(24,268)</u>
Municipal court:				
Salaries and benefits	141,864	141,864	140,857	(1,007)
Services	14,000	14,000	9,694	(4,306)
Materials and supplies	4,200	4,200	1,642	(2,558)
Total Municipal Court	<u>160,064</u>	<u>160,064</u>	<u>152,193</u>	<u>(7,871)</u>
Information technology:				
Salaries and benefits	63,768	63,768	63,096	(672)
Services	50,150	50,150	40,921	(9,229)
Materials and supplies	25,800	25,800	27,214	1,414
Capital outlay	1,000	1,000	-	(1,000)
Total Information Technology	<u>140,718</u>	<u>140,718</u>	<u>131,231</u>	<u>(9,487)</u>
Total General Government	<u>2,187,309</u>	<u>2,237,309</u>	<u>2,193,190</u>	<u>(44,119)</u>
Public Safety				
Police department:				
Salaries and benefits	2,345,877	2,295,877	2,160,041	(135,836)
Services	120,600	120,600	157,387	36,787
Materials and supplies	86,800	86,800	54,984	(31,816)
Total Police Department	<u>2,553,277</u>	<u>2,503,277</u>	<u>2,372,412</u>	<u>(130,865)</u>

(Continued)

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
EXPENDITURES (Continued)				
Public Safety (Continued)				
Fire department:				
Salaries and benefits	1,413,751	1,413,751	1,321,661	(92,090)
Services	205,266	205,266	121,775	(83,491)
Materials and supplies	119,909	119,909	60,410	(59,499)
Capital outlay	9,000	9,000	4,339	(4,661)
Total Fire Department	1,747,926	1,747,926	1,508,185	(239,741)
Total Public Safety	4,301,203	4,251,203	3,880,597	(370,606)
Public Works				
Public works department:				
Salaries and benefits	126,105	126,105	125,793	(312)
Services	12,250	12,250	3,986	(8,264)
Materials and supplies	6,900	6,900	892	(6,008)
Total Public Works Department	145,255	145,255	130,671	(14,584)
Inspections:				
Salaries and benefits	248,896	248,896	230,767	(18,129)
Services	44,975	44,975	30,559	(14,416)
Materials and supplies	7,750	7,750	16,742	8,992
Total Inspections	301,621	301,621	278,068	(23,553)
Street maintenance:				
Salaries and benefits	348,024	348,024	247,795	(100,229)
Services	123,600	123,600	101,478	(22,122)
Materials and supplies	246,300	246,300	171,444	(74,856)
Total Street Maintenance	717,924	717,924	520,717	(197,207)
Central garage:				
Salaries and benefits	211,499	211,499	181,765	(29,734)
Services	48,300	48,300	32,942	(15,358)
Materials and supplies	15,300	15,300	9,754	(5,546)
Capital outlay	7,500	7,500	4,823	(2,677)
Total Central Garage	282,599	282,599	229,284	(53,315)

(Continued)

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
EXPENDITURES (Continued)				
Public Works (Continued)				
Facility maintenance:				
Salaries and benefits	104,274	104,274	85,218	(19,056)
Services	7,200	7,200	23,692	16,492
Materials and supplies	13,175	13,175	1,679	(11,496)
Total Facility Maintenance	124,649	124,649	110,589	(14,060)
Total Public Works	1,572,048	1,572,048	1,269,329	(302,719)
Contingency Expenditure	200,000	200,000	-	(200,000)
Total Expenditures	8,260,560	8,260,560	7,343,116	(917,444)
REVENUES OVER EXPENDITURES	594,975	594,975	1,402,214	807,239
OTHER FINANCING SOURCES (USES)				
Transfers out	(356,555)	(360,000)	(473,617)	113,617
Insurance recoveries	-	-	83,930	83,930
Total Other Financing Sources (Uses)	(356,555)	(360,000)	(389,687)	29,687
NET CHANGE IN FUND BALANCE	<u>\$ 238,420</u>	<u>234,975</u>	1,012,527	<u>777,552</u>
FUND BALANCE, JULY 1			3,528,755	
FUND BALANCE, JUNE 30			<u>\$ 4,541,282</u>	

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - FIRE EQUIPMENT SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 250,000	250,000	306,862	56,862
Intergovernmental	-	-	88,248	88,248
Investment income	800	800	1,652	852
Total Revenues	<u>250,800</u>	<u>250,800</u>	<u>396,762</u>	<u>145,962</u>
EXPENDITURES				
Public safety	27,672	27,672	28,906	1,234
Capital outlay	834,500	834,500	827,038	(7,462)
Total Expenditures	<u>862,172</u>	<u>862,172</u>	<u>855,944</u>	<u>(6,228)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (611,372)</u></u>	<u><u>(611,372)</u></u>	(459,182)	<u><u>152,190</u></u>
FUND BALANCE, JULY 1			<u>1,202,468</u>	
FUND BALANCE, JUNE 30			<u><u>\$ 743,286</u></u>	

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Sales taxes	\$ 550,000	550,000	613,531	63,531
Investment income	1,500	1,500	2,354	854
Total Revenues	<u>551,500</u>	<u>551,500</u>	<u>615,885</u>	<u>64,385</u>
EXPENDITURES				
Salaries and benefits	-	-	10,303	10,303
Services	73,000	73,000	531	(72,469)
Materials and supplies	700,000	700,000	-	(700,000)
Capital outlay	200,000	200,000	455	(199,545)
Total Expenditures	<u>973,000</u>	<u>973,000</u>	<u>11,289</u>	<u>(961,711)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (421,500)</u></u>	<u><u>(421,500)</u></u>	604,596	<u><u>1,026,096</u></u>
FUND BALANCE, JULY 1			<u>2,863,489</u>	
FUND BALANCE, JUNE 30			<u><u>\$ 3,468,085</u></u>	

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - PARKS AND RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 550,000	550,000	612,286	62,286
Charges for services	16,450	16,450	24,272	7,822
Intergovernmental	370,000	370,000	401,905	31,905
Investment income	250	250	238	(12)
Other income	-	-	401	401
Total Revenues	<u>936,700</u>	<u>936,700</u>	<u>1,039,102</u>	<u>102,402</u>
EXPENDITURES				
Salaries and benefits	250,731	250,731	217,643	(33,088)
Services	136,300	136,300	83,796	(52,504)
Materials and supplies	63,900	63,900	47,235	(16,665)
Capital outlay	404,250	404,250	376,559	(27,691)
Total Expenditures	<u>855,181</u>	<u>855,181</u>	<u>725,233</u>	<u>(129,948)</u>
REVENUES OVER EXPENDITURES	81,519	81,519	313,869	232,350
OTHER FINANCING USES				
Transfers out	<u>(128,375)</u>	<u>(128,375)</u>	-	128,375
NET CHANGE IN FUND BALANCE	<u>\$ (46,856)</u>	<u>(46,856)</u>	313,869	<u>360,725</u>
FUND BALANCE, JULY 1			<u>410,825</u>	
FUND BALANCE, JUNE 30			<u>\$ 724,694</u>	

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

Budgets and Budgetary Accounting

The budget is required to include proposed expenditures and the means of financing them, using the modified accrual basis of accounting. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds (except for the Pension Tax Fund), Debt Service Funds (except the Debt Service Reserve Fund), and Capital Projects Funds.

The City Council is required to follow these procedures in establishing the budgetary data reflected in the financial statements:

- a. Preliminary budget proposals are to be submitted by the department heads prior to February 28 for the fiscal year commencing the following July 1. These departmental proposals are to be reviewed by the Finance Director in March. From the departmental budget proposals, the Finance Director is to prepare the proposed operating budget of the City, which is to be submitted to the City Council for review and approval. The City Council is to review the proposed budget with each department head in informal sessions held during May.
- b. At one of the semi-monthly City Council meetings in June, a public hearing is to be held providing an opportunity for citizens to comment on the proposed budget before final approval by the City Council.
- c. Prior to June 27 the budget is to be formally approved through passage of a motion by the City Council.
- d. The City Council is to exercise control over the budget at the functional level of expenditures grouped by character. For financial statement presentation purposes, the budget to actual comparison of expenditures is to be by character. Adjustments to the budget must be approved by the City Council, except as previously authorized in the Charter or by ordinance.
- e. Although it is City Council's policy to control expenditures by function and character within each fund, the unfavorable variances by function or by character are not considered a violation of the City ordinances. The City ordinances relative to budgetary control embrace the Missouri State Statutes, which allow a city to appropriate funds to the extent the city has resources on hand at the beginning of the fiscal year and those anticipated to be received during the fiscal year.
- f. Budgets are adopted on a basis generally consistent with accounting principles generally accepted in the United States of America except that the other financing source and related capital outlay of capital leases and debt issues in the year the City enters into the agreement are not budgeted.
- g. Any subsequent change or amendment to the adopted budget, as determined necessary by administration or City Council, must be adopted by City Council action through a supplemental appropriation.
- h. Appropriations lapse at the end of each fiscal year.

For the year ended June 30, 2016, the expenditures exceeded appropriations in the following funds: Local Law Enforcement Block Grant, \$17,952; Debt Service Rent Fund, \$96; and 2015 Bonds Debt Service Fund, \$62,913.

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
CHANGES IN NET PENSION LIABILITY AND RELATED
RATIOS - POLICE AND FIRE PENSION RETIREMENT FUND
FOR THE YEARS ENDED JUNE 30

	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service cost	\$ 415,597	1,091,922
Interest on the total pension liability	1,146,696	1,227,628
Effect of plan changes	(4,454,007)	-
Effect of liability gains or losses	(2,265,283)	-
Changes of assumptions	(5,689,857)	8,933,123
Benefit payments, including refunds	<u>(952,233)</u>	<u>(1,071,087)</u>
Net Change In Total Pension Liability	(11,799,087)	10,181,586
 Total Pension Liability Beginning	 <u>28,842,975</u>	 <u>18,661,389</u>
 Total Pension Liability (a)	 <u><u>\$ 17,043,888</u></u>	 <u><u>28,842,975</u></u>
 Plan Fiduciary Net Position		
Contributions - employer	\$ 199,306	198,187
Contributions - employee	135,375	172,789
Pension plan net investment income	(5,140)	265,091
Benefit payments, including refunds	(952,233)	(1,071,087)
Administrative expense	<u>(67,008)</u>	<u>(75,444)</u>
Net Change In Plan Fiduciary Net Position	(689,700)	(510,464)
 Plan Fiduciary Net Position Beginning	 <u>12,580,089</u>	 <u>13,090,553</u>
 Plan Fiduciary Net Position, Ending (b)	 <u><u>\$ 11,890,389</u></u>	 <u><u>12,580,089</u></u>
 Net Pension Liability (a-b)	 <u><u>\$ 5,153,499</u></u>	 <u><u>16,262,886</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 69.76 %	 43.62
 Covered Employee Payroll	 \$ 2,126,465	 2,677,527
 Net Pension Liability as a Percentage of Covered Employee Payroll	 242.35 %	 607.38

Notes:

Information is not available for fiscal years prior to 2015. Additional years will be displayed as it becomes available. For the 2016 valuation, the effect of plan changes includes the change in authorized tax rate from \$0.11 to \$0.33 per \$100 of assessed value approved by the voters in April 2016. All cost of living adjustments after July 1, 2015 were eliminated. 2/3 rather than 100% of employee contributions made to the Plan after December 31, 2016 will be refunded upon termination or retirement. Finally, the benefit multiplier is 2%, rather than 2.5% for years of service earned after December 31, 2016 for those retiring with less than 20 years of service.

CITY OF BERKELEY, MISSOURI

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF PENSION CONTRIBUTIONS - POLICE AND FIRE PENSION RETIREMENT FUND
LAST TEN FISCAL YEARS

	For The Years Ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined pension contribution	\$ 1,060,472	1,247,121	1,337,551	1,279,952	1,245,038	976,809	855,227	557,893	349,203	422,883
Contributions in relation to the actuarially determined contribution	199,306	198,187	204,885	186,654	225,619	246,418	228,800	211,259	221,851	201,789
Contribution Deficiency	<u>\$ 861,166</u>	<u>1,048,934</u>	<u>1,132,666</u>	<u>1,093,298</u>	<u>1,019,419</u>	<u>730,391</u>	<u>626,427</u>	<u>346,634</u>	<u>127,352</u>	<u>221,094</u>
Covered Employee Payroll	\$ 2,126,465	2,677,527	2,894,850	3,240,279	3,129,585	2,875,145	2,930,156	2,605,208	2,700,880	2,711,323
Contributions as a Percentage of Covered Employee Payroll	9.37 %	7.40	7.08	5.76	7.21	8.57	7.81	8.11	8.21	7.44

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Aggregate cost method
Asset valuation method	5 years smoothed market; 80% - 120% corridor
Inflation	2.5%
Salary increases	4% including wage inflation
Investment rate of return	7.5%, net of investment expense
Retirement age	55 with 10 years of service
Mortality	RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA for healthy participates

Other information:

Assumption changes are reflected in the total pension liability as of July 1, 2014. The assumption change was due to a decrease in the discount rate. It went from 7.5% to 4.36%.

Assumption changes are reflected in the total pension liability as of July 1, 2015. The assumption change was due to an increase in the discount rate from 4.36% to 7%.

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES
IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - LAGERS
FOR THE YEARS ENDED JUNE 30

	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service cost	\$ 152,848	168,470
Interest on the total pension liability	673,844	669,091
Difference between expected and actual experience	(205,353)	(188,570)
Changes of assumptions	326,263	-
Benefit payments, including refunds	<u>(623,389)</u>	<u>(529,768)</u>
Net Change In Total Pension Liability	324,213	119,223
 Total Pension Liability Beginning	 <u>9,525,554</u>	 <u>9,406,331</u>
 Total Pension Liability (a)	 <u><u>\$ 9,849,767</u></u>	 <u><u>9,525,554</u></u>
 Plan Fiduciary Net Position		
Contributions - employer	\$ 41,712	59,341
Pension plan net investment income	(39,337)	240,665
Benefit payments, including refunds	(623,389)	(529,768)
Administrative expense	(9,670)	(10,904)
Other	<u>(39,845)</u>	<u>(25,179)</u>
Net Change In Plan Fiduciary Net Position	(670,529)	(265,845)
 Plan Fiduciary Net Position Beginning	 <u>12,333,650</u>	 <u>12,599,495</u>
 Plan Fiduciary Net Position, Ending (b)	 <u><u>\$ 11,663,121</u></u>	 <u><u>12,333,650</u></u>
 Net Pension Liability (Asset) (a-b)	 <u><u>\$ (1,813,354)</u></u>	 <u><u>(2,808,096)</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 118.41 %	 129.48
 Covered Employee Payroll	 \$ 1,263,694	 1,465,711
 Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	 (143.50) %	 (191.59)

Note: Information is not available for fiscal years prior to 2015. Additional years will be displayed as it becomes available.

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF PENSION CONTRIBUTIONS - LAGERS
LAST TEN FISCAL YEARS

	For The Years Ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined pension contribution	\$ 41,712	58,962	101,681	103,255	114,371	94,983	9,522	9,729	8,352	12,286
Contributions in relation to the actuarially determined contribution	41,712	58,962	70,395	53,146	46,117	29,682	9,522	9,729	8,352	12,286
Contribution Deficiency (Excess)	\$ -	-	31,286	50,109	68,253	65,301	-	-	-	-
Covered Employee Payroll	\$ 1,263,694	1,438,108	1,564,329	1,518,450	1,844,685	1,978,810	1,904,411	1,945,739	1,670,448	1,755,085
Contributions as a Percentage of Covered Employee Payroll	3.30 %	4.10	4.50	3.50	2.50	1.50	0.50	0.50	0.50	0.70

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 29, 2016 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	Level percent of payroll, closed
Remaining amortization period	Multiple bases from 13 to 22 years
Asset valuation method	5 years smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables for post-retirement mortality were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

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

There were no benefit changes during the year.

OTHER SUPPLEMENTAL INFORMATION SECTION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of special revenue sources (other than special assessment, expendable trust, or major capital projects) that are legally restricted to expenditures for special purposes.

Police Training Fund -- The Police Training Fund provides funding for necessary in-service training for police department personnel.

Sewer Lateral Fund -- The Sewer Lateral Fund provides funding for all sewer lateral projects in the City.

Local Law Enforcement Block Grant (LLEBG) Fund -- The LLEBG Fund accounts for Local Law Enforcement Block Grants and related expenditures.

Pension Tax Fund -- The Pension Tax Fund is used to account for property tax revenue for contributions to the Police and Firemen's Pension Fund.

CAPITAL PROJECTS FUNDS

Capital Fund -- The Capital Fund provides funding for all capital improvement projects relating to the construction, maintenance, and repair of physical infrastructure, primarily financed through the City's ½ cent sales tax for capital improvements.

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Police Training	Sewer Lateral	Local Law Enforcement Block Grant	Capital	Debt Service Reserve	Debt Service Rent	2015 Bonds Debt Service	Total
ASSETS								
Cash and investments	\$ 49,839	776,757	166,843	860,520	599,009	-	364,436	2,817,404
Receivables:								
Taxes	-	-	-	95,927	-	-	56,626	152,553
Other	-	-	-	-	-	25,731	-	25,731
Total Assets	<u>\$ 49,839</u>	<u>776,757</u>	<u>166,843</u>	<u>956,447</u>	<u>599,009</u>	<u>25,731</u>	<u>421,062</u>	<u>2,995,688</u>
LIABILITIES								
Accounts payable and other accrued liabilities	\$ -	8,150	-	36,644	-	5,972	40,000	90,766
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	-	54,034	54,034
FUND BALANCES								
Restricted for:								
Capital projects	-	-	-	919,803	-	-	-	919,803
Debt service	-	-	-	-	599,009	19,759	327,028	945,796
Local law enforcement block grant	-	-	166,843	-	-	-	-	166,843
Police training	49,839	-	-	-	-	-	-	49,839
Sewer lateral	-	768,607	-	-	-	-	-	768,607
Total Fund Balances	<u>49,839</u>	<u>768,607</u>	<u>166,843</u>	<u>919,803</u>	<u>599,009</u>	<u>19,759</u>	<u>327,028</u>	<u>2,850,888</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 49,839</u>	<u>776,757</u>	<u>166,843</u>	<u>956,447</u>	<u>599,009</u>	<u>25,731</u>	<u>421,062</u>	<u>2,995,688</u>

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Police Training	Sewer Lateral	Local Law Enforcement Block Grant	Pension Tax Fund	Capital	Debt Service Reserve	Debt Service Rent	2015 Bonds Debt Service	Total
REVENUES									
Property taxes	\$ -	-	-	199,306	-	-	-	249,206	448,512
Sales taxes	-	-	-	-	631,296	-	-	-	631,296
Intergovernmental	-	-	20,207	-	-	-	143,890	-	164,097
Sewer lateral fees	-	81,432	-	-	-	-	-	-	81,432
Investment income	9	24,940	268	-	363	5,463	-	721	31,764
Other income	4,532	-	-	-	-	-	-	-	4,532
Total Revenues	4,541	106,372	20,475	199,306	631,659	5,463	143,890	249,927	1,361,633
EXPENDITURES									
Public safety	890	-	-	-	-	-	-	-	890
Pension contribution	-	-	-	199,306	-	-	-	-	199,306
Capital outlay	-	62,880	17,952	-	411,044	-	-	-	491,876
Debt service:									
Debt principal	-	-	-	-	-	-	260,000	300,000	560,000
Interest and other costs	-	-	-	-	-	-	493,471	62,913	556,384
Total Expenditures	890	62,880	17,952	199,306	411,044	-	753,471	362,913	1,808,456
REVENUES OVER (UNDER) EXPENDITURES	3,651	43,492	2,523	-	220,615	5,463	(609,581)	(112,986)	(446,823)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	480,000	-	480,000
Transfer out	-	-	-	-	-	(6,383)	-	-	(6,383)
Total Other Financing Sources (Uses)	-	-	-	-	-	(6,383)	480,000	-	473,617
NET CHANGE IN FUND BALANCES	3,651	43,492	2,523	-	220,615	(920)	(129,581)	(112,986)	26,794
FUND BALANCES, JULY 1	46,188	725,115	164,320	-	699,188	599,929	149,340	440,014	2,824,094
FUND BALANCES, JUNE 30	\$ 49,839	768,607	166,843	-	919,803	599,009	19,759	327,028	2,850,888

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - POLICE TRAINING FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Investment income	\$ -	-	9	9
Other income	17,000	17,000	4,532	(12,468)
Total Revenues	17,000	17,000	4,541	(12,459)
EXPENDITURES				
Training	11,850	11,850	890	(10,960)
NET CHANGE IN FUND BALANCE	<u>\$ 5,150</u>	<u>5,150</u>	3,651	<u>(1,499)</u>
FUND BALANCE, JULY 1			<u>46,188</u>	
FUND BALANCE, JUNE 30			<u>\$ 49,839</u>	

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - SEWER LATERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Sewer lateral fees	\$ 85,000	85,000	81,432	(3,568)
Investment income	12,000	12,000	24,940	12,940
Total Revenues	<u>97,000</u>	<u>97,000</u>	<u>106,372</u>	<u>9,372</u>
EXPENDITURES				
Sewer lateral repairs	<u>40,000</u>	<u>63,000</u>	<u>62,880</u>	<u>(120)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 57,000</u></u>	<u><u>34,000</u></u>	43,492	<u><u>9,492</u></u>
FUND BALANCE, JULY 1			<u>725,115</u>	
FUND BALANCE, JUNE 30			<u><u>\$ 768,607</u></u>	

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 80,000	80,000	20,207	(59,793)
Investment income	-	-	268	268
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>20,475</u>	<u>(59,525)</u>
EXPENDITURES				
Capital outlay	<u>-</u>	<u>-</u>	<u>17,952</u>	<u>17,952</u>
NET CHANGE IN FUND BALANCE	<u>\$ 80,000</u>	<u>80,000</u>	2,523	<u>(77,477)</u>
FUND BALANCE, JULY 1			<u>164,320</u>	
FUND BALANCE, JUNE 30			<u>\$ 166,843</u>	

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 550,000	550,000	631,296	81,296
Investment income	200	200	363	163
Total Revenues	550,200	550,200	631,659	81,459
EXPENDITURES				
Capital outlay	710,200	710,200	411,044	(299,156)
REVENUES OVER (UNDER) EXPENDITURES	(160,000)	(160,000)	220,615	380,615
OTHER FINANCING SOURCES (USES)				
Transfers in	321,000	-	-	-
Transfers out	(125,000)	(125,000)	-	125,000
Total Other Financing Sources (Uses)	196,000	(125,000)	-	125,000
NET CHANGE IN FUND BALANCE	<u>\$ 36,000</u>	<u>(285,000)</u>	220,615	<u>505,615</u>
FUND BALANCE, JULY 1			<u>699,188</u>	
FUND BALANCE, JUNE 30			<u>\$ 919,803</u>	

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE RENT FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 140,000	140,000	143,890	3,890
EXPENDITURES				
Debt service:				
Debt principal	260,000	260,000	260,000	-
Interest and other costs	493,375	493,375	493,471	96
Total Expenditures	753,375	753,375	753,471	96
REVENUES UNDER EXPEN- DITURES	(613,375)	(613,375)	(609,581)	3,794
OTHER FINANCING SOURCES				
Transfers in	613,375	613,375	480,000	(133,375)
NET CHANGE IN FUND BALANCE	\$ -	-	(129,581)	(129,581)
FUND BALANCE, JULY 1			149,340	
FUND BALANCE, JUNE 30			\$ 19,759	

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - 2015 BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 284,250	284,250	249,206	(35,044)
Investment income	700	700	721	21
Total Revenues	<u>284,950</u>	<u>284,950</u>	<u>249,927</u>	<u>(35,023)</u>
EXPENDITURES				
Debt service:				
Debt principal	300,000	300,000	300,000	-
Interest and other costs	-	-	62,913	62,913
Total Expenditures	<u>300,000</u>	<u>300,000</u>	<u>362,913</u>	<u>62,913</u>
NET CHANGE IN FUND BALANCE	<u>\$ (15,050)</u>	<u>(15,050)</u>	(112,986)	<u>(97,936)</u>
FUND BALANCE, JULY 1			<u>440,014</u>	
FUND BALANCE, JUNE 30			<u>\$ 327,028</u>	

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 3,000	3,000	4,452	1,452
EXPENDITURES				
Capital outlay	<u>1,500,000</u>	<u>1,500,000</u>	<u>30,680</u>	<u>(1,469,320)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,497,000)</u>	<u>(1,497,000)</u>	(26,228)	<u>1,470,772</u>
FUND BALANCE, JULY 1			<u>2,912,898</u>	
FUND BALANCE, JUNE 30			<u>\$ 2,886,670</u>	

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Investment income	\$ 3,000	3,000	3,623	623
EXPENDITURES				
Capital outlay	3,500,000	3,500,000	225,721	(3,274,279)
Debt service:				
Cost of issuance	-	-	109,146	109,146
Total Expenditures	3,500,000	3,500,000	334,867	(3,165,133)
REVENUES OVER EXPENDITURES	(3,497,000)	(3,497,000)	(331,244)	3,165,756
OTHER FINANCING SOURCES				
Transfers in	500,000	-	-	-
Proceeds from bond issue	3,000,000	3,000,000	3,000,000	-
Premium on bond issue	-	-	59,713	59,713
Total Other Financing Sources	3,500,000	3,000,000	3,059,713	59,713
NET CHANGE IN FUND BALANCE	\$ 3,000	(497,000)	2,728,469	3,225,469
FUND BALANCE, JULY 1			-	
FUND BALANCE, JUNE 30			\$ 2,728,469	

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Balance June 30 2015	Additions	Deletions	Balance June 30 2016
Municipal Court Bonds Fund				
Assets - restricted cash	<u>\$ 202,680</u>	<u>103,187</u>	<u>54,108</u>	<u>251,759</u>
Liabilities - funds held for others	<u>\$ 202,680</u>	<u>103,187</u>	<u>54,108</u>	<u>251,759</u>

STATISTICAL SECTION

CITY OF BERKELEY, MISSOURI

STATISTICAL SECTION OVERVIEW

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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	73 - 76
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	77 - 82
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	83 - 86
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	87 - 88
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	89 - 91

CITY OF BERKELEY, MISSOURI
NET POSITION BY COMPONENT - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS

	June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015*	2016
Primary government -										
governmental activities:										
Net investment in										
capital assets	\$ 492,091	627,649	2,152,519	3,851,767	5,110,519	6,238,082	6,604,996	6,334,713	6,658,657	7,589,396
Restricted:										
Debt service	664,141	547,236	499,073	297,552	1,005,426	906,297	746,987	839,977	1,228,148	999,830
Capital projects	-	-	-	-	-	38,008	421,615	361,314	699,188	919,803
Special revenue	1,366,970	2,146,162	2,313,911	7,606,789	7,417,653	6,864,155	6,907,137	7,479,974	8,325,303	8,952,791
Unrestricted	(971,677)	502,910	243,941	940,140	(552,059)	(1,965,756)	(3,342,256)	(2,873,890)	(1,174,966)	3,108,215
Total	<u>\$ 1,551,525</u>	<u>3,823,957</u>	<u>5,209,444</u>	<u>12,696,248</u>	<u>12,981,539</u>	<u>12,080,786</u>	<u>11,338,479</u>	<u>12,142,088</u>	<u>15,736,330</u>	<u>21,570,035</u>

*GASB 68 implemented in fiscal year ending 2015.

CITY OF BERKELEY, MISSOURI
CHANGE IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS

	For The Years Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES										
Governmental activities:										
General government	\$ 2,118,462	2,004,454	2,353,260	2,422,323	2,607,613	2,952,438	2,807,958	2,769,915	2,479,700	2,574,683
Public safety	5,481,464	5,438,788	5,376,071	5,908,013	6,544,031	6,930,162	6,897,288	6,156,773	7,251,355	848,255
Public works	1,446,034	1,377,889	1,664,538	1,647,303	1,961,128	1,833,670	1,473,129	1,489,985	1,304,750	1,583,531
Parks and recreation	467,363	504,999	449,385	682,170	739,517	704,570	518,407	414,848	384,482	526,317
Community development	-	-	85,768	67,143	267	7,305	131,700	-	53,092	11,289
Interest	129,476	133,756	89,387	73,805	550,943	581,897	538,904	519,052	499,522	692,948
Total Expenses	9,642,799	9,459,886	10,018,409	10,800,757	12,403,499	13,010,042	12,367,386	11,350,573	11,972,901	6,237,023
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	636,733	630,067	720,683	699,303	614,556	656,051	584,663	576,237	639,559	589,948
Public safety	1,018,006	941,430	823,728	923,286	1,099,080	1,236,607	1,097,476	1,287,809	978,848	366,367
Public works	346,689	318,461	253,892	422,611	440,429	419,927	409,164	409,343	589,261	809,748
Parks and recreation	22,618	34,081	49,417	33,035	32,134	32,536	25,956	16,613	16,592	24,272
Operating grants and contributions	747,049	754,396	606,391	647,190	962,941	706,619	546,979	825,480	950,746	743,085
Capital grants and contributions	-	248,400	505,083	7,291,647	171,630	150,298	218,907	16,400	1,181,221	536,256
Total Program Revenues	2,771,095	2,926,835	2,959,194	10,017,072	3,320,770	3,202,038	2,883,145	3,131,882	4,356,227	3,069,676
NET EXPENSES										
Governmental activities	(6,871,704)	(6,533,051)	(7,059,215)	(783,685)	(9,082,729)	(9,808,004)	(9,484,241)	(8,218,691)	(7,616,674)	(3,167,347)
GENERAL REVENUES AND OTHER CHANGE IN NET POSITION										
Governmental activities:										
Taxes:										
Property	2,156,411	2,240,009	2,152,031	2,102,243	2,400,337	2,410,836	1,896,712	2,241,577	2,034,396	2,059,615
Sales	3,261,099	3,210,106	3,395,747	3,064,922	3,572,335	3,473,229	3,389,439	3,449,820	3,735,363	3,784,121
Utility	1,927,415	2,768,749	2,314,267	2,482,363	2,755,554	2,485,617	2,578,498	2,613,767	2,521,293	2,498,432
Business licenses	451,290	456,996	472,227	488,334	417,913	465,522	484,347	478,158	420,042	460,873
Investment income	70,926	67,901	50,421	125,386	131,668	3,012	2,674	3,589	15,083	47,127
Other	130,604	61,722	60,009	98,361	90,213	249,933	341,265	235,389	271,527	253,198
Gain on sale of capital assets	364,938	-	-	5,769	-	-	48,999	-	-	-
Total General Revenues And Other Changes In Net Position	8,362,683	8,805,483	8,444,702	8,367,378	9,368,020	9,088,149	8,741,934	9,022,300	8,997,704	9,103,366
CHANGE IN NET POSITION										
Governmental activities	\$ 1,490,979	2,272,432	1,385,487	7,583,693	285,291	(719,855)	(742,307)	803,609	1,381,030	5,936,019

CITY OF BERKELEY, MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS -
MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS

	June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ -	-	-	-	80,573	18,769	26,332	46,330	323,367	53,468
Restricted	-	-	-	-	-	-	-	-	-	144,767
Committed	-	-	-	-	-	11,627	-	-	106,651	52,931
Assigned	-	-	-	-	-	-	-	-	-	772,381
Unassigned	-	-	-	-	1,113,405	246,332	(23,726)	1,344,546	3,201,051	3,517,735
Reserved	14,436	323,171	193,889	191,507	-	-	-	-	-	-
Unreserved	(85,775)	1,066,387	1,432,979	1,350,309	-	-	-	-	-	-
Total General Fund	<u>\$ (71,339)</u>	<u>1,389,558</u>	<u>1,626,868</u>	<u>1,541,816</u>	<u>1,193,978</u>	<u>276,728</u>	<u>2,606</u>	<u>1,390,876</u>	<u>3,631,069</u>	<u>4,541,282</u>
 All Other Governmental Funds										
Nonspendable	\$ -	-	-	-	-	-	-	-	10,400	-
Restricted	-	-	-	-	8,738,083	7,808,459	8,050,377	8,647,876	10,203,374	13,402,092
Unassigned	-	-	-	-	(89,239)	-	-	-	-	-
Reserved:										
Debt service	622,864	517,118	477,939	276,336	-	-	-	-	-	-
Encumbrances	38,601	19,968	142,969	256,371	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	<u>1,328,369</u>	<u>2,126,194</u>	<u>1,875,712</u>	<u>5,342,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 1,989,834</u>	<u>2,663,280</u>	<u>2,496,620</u>	<u>5,875,480</u>	<u>8,648,844</u>	<u>7,808,459</u>	<u>8,050,377</u>	<u>8,647,876</u>	<u>10,213,774</u>	<u>13,402,092</u>

Notes:
GASB 54 was implemented in 2011.

CITY OF BERKELEY, MISSOURI
CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS -
MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS

	For The Years Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Property taxes	\$ 2,178,971	2,265,030	2,147,856	2,104,516	2,342,287	2,435,677	1,875,085	2,158,838	2,205,264	2,162,993
Sales taxes	3,090,101	3,046,264	3,233,445	2,894,468	3,399,807	3,346,183	3,278,423	3,359,148	3,662,606	3,690,854
Hotel/motel fees	-	-	-	-	-	-	142,940	134,634	121,144	142,071
Utility taxes	1,927,415	2,768,749	2,314,267	2,482,363	2,755,554	2,485,617	2,578,498	2,613,767	2,521,293	2,498,432
Licenses, permits, fines, and other fees	2,237,063	2,129,283	2,262,128	2,393,595	2,402,725	2,570,574	2,324,963	2,445,384	2,406,163	2,026,048
Intergovernmental	780,807	1,035,573	1,009,088	5,306,952	1,042,555	3,874,031	891,832	752,621	1,216,088	1,365,252
Sewer lateral fees	91,587	88,815	85,778	88,082	86,625	85,188	84,827	84,077	85,562	81,432
Investment income	75,101	67,901	50,431	4,386	3,947	3,012	2,674	3,589	15,083	47,127
Other income	356,853	267,892	270,512	367,681	349,308	350,955	309,504	419,447	838,567	152,578
Total Revenues	10,737,898	11,669,507	11,373,505	15,642,043	12,382,808	15,151,237	11,488,746	11,971,505	13,071,770	12,166,787
EXPENDITURES										
Current:										
General government	2,080,198	1,819,984	2,130,373	2,339,822	2,291,378	2,529,575	2,444,783	2,338,051	2,105,028	2,192,910
Public safety	4,984,566	4,899,661	5,043,292	5,293,830	5,667,529	5,804,183	5,501,516	4,760,714	4,237,037	4,105,360
Public works	1,191,843	1,225,454	1,596,308	1,480,776	1,577,913	1,548,973	1,249,809	1,292,480	1,111,781	1,264,506
Parks and recreation	377,892	417,094	364,757	562,528	613,510	528,320	468,583	285,672	284,009	348,674
Community development	-	-	83,618	69,784	267	21,295	110	-	53,092	10,834
Contingency	-	-	-	-	77,383	63,299	-	-	4,725	-
Capital outlay	483,697	526,397	1,715,349	2,115,513	8,305,099	4,839,527	396,690	275,001	713,986	1,961,771
Debt service:										
Debt principal	407,840	518,469	376,189	414,018	687,479	999,950	909,761	513,552	255,000	560,000
Interest and other costs	293,099	128,105	81,179	71,964	433,920	573,750	598,697	520,266	501,021	556,384
Bond issue costs	-	-	-	-	158,157	-	-	-	-	109,146
Total Expenditures	9,819,135	9,535,164	11,391,065	12,348,235	19,812,635	16,908,872	11,569,949	9,985,736	9,265,679	11,109,585
REVENUES OVER (UNDER) EXPENDI- TURES										
	918,763	2,134,343	(17,560)	3,293,808	(7,429,827)	(1,757,635)	(81,203)	1,985,769	3,806,091	1,057,202
OTHER FINANCING SOURCES (USES)										
Transfers in	1,544,507	-	170,000	213,093	2,031,494	675,000	671,639	715,243	984,455	480,000
Insurance recoveries	-	-	-	-	-	-	-	-	-	83,930
Issuance of capital lease	-	-	88,210	-	758,117	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	9,095,000	-	-	-	-	3,000,000
Sale of capital assets	374,836	-	-	-	-	-	48,999	-	-	-
Premium on issuance of long-term debt	-	-	-	-	2,236	-	-	-	-	59,713
Transfers out	(1,544,507)	-	(170,000)	(213,093)	(2,031,494)	(675,000)	(671,639)	(715,243)	(984,455)	(480,000)
Total Other Financing Sources (Uses)	374,836	-	88,210	-	9,855,353	-	48,999	-	-	3,143,643
NET CHANGE IN FUND BALANCES										
	\$ 1,293,599	2,134,343	70,650	3,293,808	2,425,526	(1,757,635)	(32,204)	1,985,769	3,806,091	4,200,845
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	7.4 %	7.0	4.7	4.6	9.3	12.4	13.5	10.5	8.9	11.9

CITY OF BERKELEY, MISSOURI
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS -
MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS

Fiscal Year	Property Taxes	Sales Taxes	Utility Gross Receipts Taxes	Other Taxes (1)	Total
2007	\$ 2,178,971	\$ 3,090,101	\$ 1,927,415	\$ 780,807	\$ 7,977,294
2008	2,265,030	3,046,264	2,768,749	1,004,801	9,084,844
2009	2,147,856	3,233,445	2,314,267	637,405	8,332,973
2010	2,104,516	2,894,468	2,482,363	661,305	8,142,652
2011	2,342,287	3,399,807	2,755,554	657,986	9,155,634
2012	2,435,677	3,346,183	2,485,617	555,154	8,822,631
2013	1,875,085	3,278,423	2,578,498	490,055	8,222,061
2014	2,158,838	3,359,148	2,613,767	511,642	8,643,395
2015	2,205,264	3,662,606	2,521,293	516,915	8,906,078
2016	2,162,993	3,690,854	2,498,432	490,925	8,843,204

Notes:

(1) Other taxes include cigarette, gasoline, automobile sales, and road and bridge.

The City participates in the county-wide sales tax sharing pool and a point of sale sharing; therefore, sales tax is not the City's own source of revenue.

CITY OF BERKELEY, MISSOURI
SALES TAX RATES AND TAXABLE SALES
LAST TEN FISCAL YEARS

For The Years Ended June 30	City Direct Rate	St. Louis County	State Of Missouri	Direct And Overlapping	Sales Tax Revenues	Taxable Sales (1)
2007	1.500 %	1.850 %	4.225 %	7.575 %	\$ 3,090,101	\$ 123,604,040
2008	1.500	1.850	4.225	7.575	3,046,264	121,850,560
2009	1.500	2.100	4.225	7.825	3,233,445	129,337,800
2010	2.000	2.200	4.225	8.425	2,894,468	96,482,267
2011	2.000	2.700	4.225	8.925	3,399,807	103,791,807
2012	2.000	2.700	4.225	8.925	3,346,183	98,801,928
2013	2.000	2.888	4.225	9.113	3,278,423	99,714,970
2014	2.000	2.888	4.225	9.113	3,359,148	107,349,342
2015	2.000	2.888	4.225	9.113	3,662,606	115,312,714
2016	2.000	2.888	4.225	9.113	3,690,854	113,317,196

(1) Taxable sales reported by the Missouri Department of Revenue. State law prohibits the disclosure of specific taxpayer information.

Notes:

The City participates in the county-wide sales tax sharing pool, which is generally distributed based on population.

The City's direct rate is made up of the following:

0.500% Capital improvements sales tax

0.500% Parks and stormwater sales tax effective 2006

0.250% Fire equipment sales tax effective 2006

0.250% Local option sales tax effective 2006

0.500% Economic development sales tax effective 2010

CITY OF BERKELEY, MISSOURI
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Personal Property		Total Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value	Ratio Of Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2007	\$ 129,131,292	\$ 482,422,517	\$ 50,320,268	\$ 150,960,804	\$ 179,451,560	1.274 %	\$ 633,383,321	28.3 %
2008	154,415,058	586,276,353	59,172,156	196,088,100	213,587,214	1.202	782,364,453	27.3
2009	153,396,053	545,520,727	66,026,712	210,814,371	219,422,765	1.139	756,335,098	29.0
2010	146,963,170	556,391,912	64,644,727	184,984,812	211,607,897	1.145	741,376,724	28.5
2011	148,166,886	612,188,173	61,661,604	145,736,394	209,828,490	1.214	757,924,567	27.7
2012	169,101,914	589,362,366	48,578,798	162,220,062	217,680,712	1.220	751,582,428	29.0
2013	145,742,063	532,880,404	51,144,934	153,434,802	196,886,997	1.197	686,315,206	28.7
2014	141,498,348	519,061,905	50,331,038	150,993,114	191,829,386	1.186	670,055,019	28.6
2015	140,454,059	504,721,575	56,810,946	170,432,838	197,265,005	1.232	675,154,413	29.2
2016	137,075,722	493,846,756	54,618,851	163,856,553	191,694,573	1.253	657,703,309	29.1

Source of Data: St. Louis County Assessor. Property is assessed as of January 1. Taxes levied become due and payable on November 1 and delinquent after December 31.

CITY OF BERKELEY, MISSOURI
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS -
PER \$100 OF ASSESSED VALUE
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax Rates											
	Direct Rates		Overlapping Rates						Total			
	City		School District		County		State			Other		
2007	1.274	%	5.04	%	0.58	%	0.03	%	1.724	%	8.65	%
2008	1.202		5.04		0.58		0.03		1.724		8.58	
2009	1.139		5.04		0.58		0.03		1.724		8.51	
2010	1.145		5.02		0.58		0.03		1.724		8.50	
2011	1.214		5.02		0.58		0.03		1.976		8.82	
2012	1.220		5.02		0.58		0.03		1.976		8.83	
2013	1.197		5.04		0.64		0.03		2.222		9.13	
2014	1.186		5.04		0.52		0.03		2.266		9.04	
2015	1.232		5.54		0.52		0.03		2.289		9.61	
2016	1.253		5.54		0.61		0.03		2.193		9.63	

Note: Assessed valuation is \$191,694,573. City direct rate is the real estate residential rate.

Source of Data: St. Louis County Assessor

CITY OF BERKELEY, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage Of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Assessed Value
The Boeing Company	\$ 62,608,870	1	32.66 %	\$ 83,529,060	1	46.55 %
Express Scripts, Inc.	10,144,310	2	5.29	-	-	-
Hotel St. Louis Natural Bridge LP	7,724,990	3	4.03	4,403,040	4	2.45
Enterprise Holdings	6,779,400	4	3.54	7,036,540	2	3.92
Tax Advisors Group	5,538,210	5	2.89	-	-	-
Ameren	4,619,764	6	2.41	-	-	-
Stag Hazelwood, LLC	3,169,730	7	1.65	-	-	-
Patheon Biologics, LLC	2,989,540	8	1.56	-	-	-
Northpark Partners Hotel LLC	2,812,330	9	1.47	-	-	-
MHS Travel & Charter Inc.	2,763,860	10	1.44	-	-	-
Centocor	-	-	-	6,950,710	3	3.87
Thomson Professional and Regulatory Inc.	-	-	-	3,986,320	5	2.22
Hazelwood Distribution Center LLC	-	-	-	2,914,560	6	1.62
Supervalu Holdings, Inc.	-	-	-	2,876,890	7	1.60
Southwest Airlines Company	-	-	-	2,421,390	8	1.35
First Industrial LP	-	-	-	2,208,000	9	1.23
Graham Packaging Company	-	-	-	2,143,760	10	1.19
Total	<u>\$ 109,151,004</u>			<u>\$ 118,470,270</u>		
Total Assessed Value	<u>\$ 191,694,573</u>			<u>\$ 179,451,560</u>		

Source of Data: St. Louis County

CITY OF BERKELEY, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections/ Adjustments	Total Tax Collections	Total Collections As Percent Of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent Of Current Levy
2007	\$ 2,163,802	\$ 2,004,424	92.6 %	\$ (56)	\$ 2,004,368	92.6 %	\$ 602	- %
2008	2,225,495	2,097,372	94.2	2	2,097,374	94.2	1,418	0.1
2009	2,147,225	1,997,164	93.0	125	1,997,289	93.0	2,454	0.1
2010	2,178,365	2,018,782	92.7	(2,962)	2,015,820	92.5	5,143	0.2
2011	2,303,926	2,219,453	96.3	(1,496)	2,217,957	96.3	24,215	1.1
2012	2,353,745	1,556,998	66.1	(7,251)	1,549,747	65.8	29,214	1.2
2013	2,294,726	1,968,794	85.8	8,115	1,976,909	86.2	45,936	2.0
2014	2,271,066	2,058,570	90.6	9,540	2,068,110	91.1	163,010	7.2
2015	2,259,059	2,059,295	91.2	37,996	2,097,291	92.8	199,764	8.8
2016	2,306,933	2,010,812	87.2	-	2,010,812	87.2	296,121	12.8

Source of Data: St. Louis County Assessor

Data for delinquent tax collection, excluding penalties and interest, is not available by levy year.

CITY OF BERKELEY, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

For The Years Ended June 30	Governmental Activities					Total Primary Government	Percentage Of Personal Income	Per Capita
	General Obligation Bonds (1)	Certificates Of Participation (1)	TIF Revenue Bonds	TIF Notes Payable	Capital Leases			
2007	\$ 2,070,000	\$ -	\$ 423,094	\$ 25,000	\$ -	\$ 2,518,094	1.74 %	\$ 250
2008	1,750,000	-	224,625	25,000	-	1,999,625	1.39	199
2009	1,420,000	-	191,820	25,000	74,823	1,711,643	1.19	170
2010	1,080,000	-	134,528	25,000	58,097	1,297,625	0.90	129
2011	730,000	8,777,012	134,528	25,000	798,735	10,465,275	8.13	1,166
2012	370,000	8,536,788	-	25,000	533,313	9,465,101	7.35	1,054
2013	-	8,291,564	-	-	263,552	8,555,116	6.64	953
2014	-	8,041,340	-	-	-	8,041,340	6.25	896
2015	-	7,786,116	-	-	-	7,786,116	6.05	867
2016	2,756,727	7,525,892	-	-	-	10,282,619	7.99	1,145

(1) Presented net of related premium

CITY OF BERKELEY, MISSOURI
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value	Gross Bonded Debt (1)	Less - Debt Service Fund	Net Bonded Debt	Ratio Of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
2007	10,063	\$ 179,451,560	\$ 2,070,000	\$ 408,812	\$ 1,661,188	0.9 %	\$ 165.08
2008	10,063	213,587,214	1,750,000	440,295	1,309,705	0.6	130.15
2009	10,063	219,422,765	1,420,000	357,699	1,062,301	0.5	105.57
2010	10,063	211,607,897	1,080,000	165,312	914,688	0.4	90.90
2011	8,978	209,828,490	730,000	152,545	577,455	0.3	64.32
2012	8,978	217,680,712	370,000	158,866	211,134	0.1	23.52
2013	8,978	196,886,997	-	-	-	-	-
2014	8,978	191,829,386	-	-	-	-	-
2015	8,978	197,265,005	-	-	-	-	-
2016	8,978	191,694,573	2,756,727	327,028	2,429,699	1.3	270.63

Sources of Data: St. Louis County Assessor, U.S. Census Bureau, and U.S. Department of Commerce

(1) Presented net of related premium

CITY OF BERKELEY, MISSOURI
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2016

<u>Name Of Governmental Unit</u>	<u>Total Debt Outstanding</u>	<u>Governmental Unit's Applicable Percentage</u>	<u>Share Of Debt</u>
Direct:			
City of Berkeley	\$ 10,282,619	100.00 %	<u>\$ 10,282,619</u>
Overlapping:			
School District - Ferguson R-2 Reorganized	24,290,000	21.47	5,215,063
School District - Hazelwood	238,249,121	1.11	2,644,565
St. Louis County	536,103,459	1.00	<u>5,361,035</u>
			<u>13,220,663</u>
Total			<u><u>\$ 23,503,282</u></u>

Sources of Data: Information was obtained by contacting the Taxing Jurisdiction and the St. Louis County Collector's office. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

CITY OF BERKELEY, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 17,945,156	21,358,721	21,942,277	21,160,790	20,982,849	21,768,071	19,688,700	19,182,939	19,726,501	19,169,457
Total net debt applicable to limit*	<u>1,661,188</u>	<u>1,309,705</u>	<u>1,062,301</u>	<u>914,688</u>	<u>577,455</u>	<u>211,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,429,699</u>
Legal Debt Margin	<u>\$ 16,283,968</u>	<u>20,049,016</u>	<u>20,879,976</u>	<u>20,246,102</u>	<u>20,405,394</u>	<u>21,556,937</u>	<u>19,688,700</u>	<u>19,182,939</u>	<u>19,726,501</u>	<u>16,739,758</u>
Total net debt applicable to the limit as a percentage of debt limit	9.26 %	6.13	4.84	4.32	2.75	0.97	-	-	-	12.67

Legal debt margin calculation for fiscal year 2016:

Assessed value	<u>\$ 191,694,573</u>
Debt limit (10% of assessed value)	<u>\$ 19,169,457</u>
Debt applicable to limit:	
General obligation bonds	2,756,727
Less - Amount set aside for payment of general obligation bonds	<u>327,028</u>
Total Debt Applicable To Limit	<u>2,429,699</u>
Legal Debt Margin	<u>\$ 16,739,758</u>

*Under Article VI, Sections 26(b) and 26(c) of the Missouri Constitution, the City, by a vote of 2/3 of the qualified electors thereof voting thereon, may incur general obligation bonded indebtedness for City purposes in an amount not to exceed 10% of the assessed valuation of taxable tangible property within the City as ascertained by the last completed assessment for state or county purposes. Under Section 26(d) of said Article VI, the City may incur general obligation indebtedness not exceeding in the aggregate an additional 10% of the aforesaid assessed valuation "for the purpose of acquiring rights-of-way, constructing, extending, and improving sanitary or storm sewer systems" and under Section 26(e) of said Article IV, additional general obligation indebtedness may be incurred for "purchasing or construction, waterworks, electric, or other light plants to be owned exclusively by the City, provided that the total general obligation indebtedness of the City shall not exceed 20% of the assessed valuation."

CITY OF BERKELEY, MISSOURI
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

For The Years Ended June 30	Population (1)	Personal Income	Per Capita Income	Median Age (3)	Unemployment Rate (2)
2007	10,063	\$ 144,313,483	\$ 14,341	34	5.2 %
2008	10,063	144,313,483	14,341	34	5.4
2009	10,063	144,313,483	14,341	34	11.6
2010	10,063	144,313,483	14,341	34	9.1
2011	8,978	128,753,498	14,341	42	8.8
2012	8,978	128,753,498	14,341	42	7.1
2013	8,978	128,753,498	14,341	42	7.1
2014	8,978	128,753,498	14,341	31	7.1
2015	8,978	128,753,498	14,341	33	5.8
2016	8,978	128,753,498	14,341	33	5.4

Sources of Data:

- (1) St. Louis County Department of Planning
- (2) US Department of Labor
- (3) Census Bureau

CITY OF BERKELEY, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	Rank	
	2016	2007
The Boeing Company	1	1
Cott Beverages	2	-
Univar USA, Inc.	3	2
John Henry Foster Co.	4	5
ESI	5	-
RBD St. Louis, LLC	6	7
Mueller Machine & Tool Co.	7	6
Signature Flight Support	8	-
Enterprise Leasing	9	-
Smurfit Stone, Inc.	10	4
Graham Packaging Company	-	3
Metalflex Sales, Inc.	-	8
Skinner & Kennedy Company	-	9
JBM Electronics Company	-	10

Notes: Data based on merchant license information. The City does not track number of employees and percentage of total City employment.

CITY OF BERKELEY, MISSOURI
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government:										
Office of the City Manager	1	1	1	1	3	2	2	4	4	3
City clerk	1	1	1	1	1	1	1	1	1	1
Finance	9	9	11	9	4	3	6	5	5	5
Legal	3	3	3	3	3	3	3	3	3	3
IT information services	-	-	-	-	2	2	2	1	1	1
Public safety:										
Police	59	57	54	56	58	57	59	43	41	44
Fire	31	27	30	27	26	28	28	22	22	22
Public works:										
Public works	2	2	2	2	2	1	1	2	2	2
Inspections	7	8	9	7	8	7	2	5	5	7
Streets	14	8	7	10	9	9	10	6	6	7
Central garage	3	3	3	3	2	3	3	3	3	4
Facilities maintenance	1	2	2	2	3	3	3	1	2	4
Parks and recreation:										
Parks and recreation	6	6	5	5	7	5	4	3	3	3
Total	<u>137</u>	<u>127</u>	<u>128</u>	<u>126</u>	<u>128</u>	<u>124</u>	<u>124</u>	<u>99</u>	<u>98</u>	<u>106</u>

Source of data: Payroll reports.

CITY OF BERKELEY, MISSOURI
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fire Protection and EMS:										
Number of calls answered	1,665	1,959	1,889	976	1,956	1,898	2,573	2,427	2,353	2,473
Police Protection:										
Number of law violations (1)	43,444	28,051	24,032	23,634	19,530	31,885	40,211	40,091	28,473	-

Sources of data: Fire and police dispatch systems.

(1) Police information is incomplete for 2016 due to lack of information from the data source.

CITY OF BERKELEY, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government:										
Municipal service (city hall)	1	1	1	1	1	2	2	2	2	2
Vehicles	4	4	4	4	4	4	4	3	3	3
Public safety:										
Fire stations	2	2	2	2	2	3	3	3	3	3
Police stations	1	1	1	1	1	1	1	1	1	1
Vehicles (1)	-	-	-	-	-	-	-	-	43	43
Public works:										
Vehicles (1)	-	-	-	-	-	-	-	-	42	42
Parks and recreation:										
Number of parks	10	10	10	10	10	10	10	10	10	10
Ball diamonds	3	3	3	3	3	3	3	3	3	3
Tennis courts	6	6	6	6	6	6	6	6	6	6
Vehicles (1)	-	-	-	-	-	-	-	-	6	6
Streets:										
Miles of streets	41	41	41	41	41	41	41	41	41	41

Source: Various city departments.

(1) Vehicle information is not available for years prior to 2015 due to lack of data.