

CITY OF BERKELEY, MISSOURI

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

CITY OF BERKELEY, MISSOURI

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2015**

Prepared by the Finance Department

CITY OF BERKELEY, MISSOURI
FINANCIAL REPORT

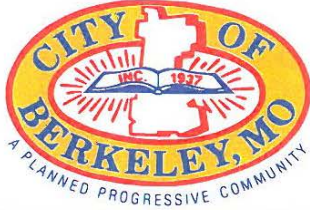
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INTRODUCTORY SECTION

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January 13, 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, 2015, 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, 2015, 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, 2015, 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.

In a continuing effort to improve the local economy, the City is planning for various redevelopment projects. Use of TIF and TDD tools will be necessary to undertake these projects. Upon the completion of this redevelopment, these projects are anticipated to contribute growth to the City's tax revenues.

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 nine (9) years. As a result of this shortfall, the City has a net pension liability for the year ending June 30, 2015.

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, 2014. 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,



City Manager

CITY OF BERKELEY, MISSOURI
PRINCIPAL OFFICIALS
JUNE 30, 2015

MAYOR

Theodore Hoskins

CITY COUNCIL MEMBERS

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

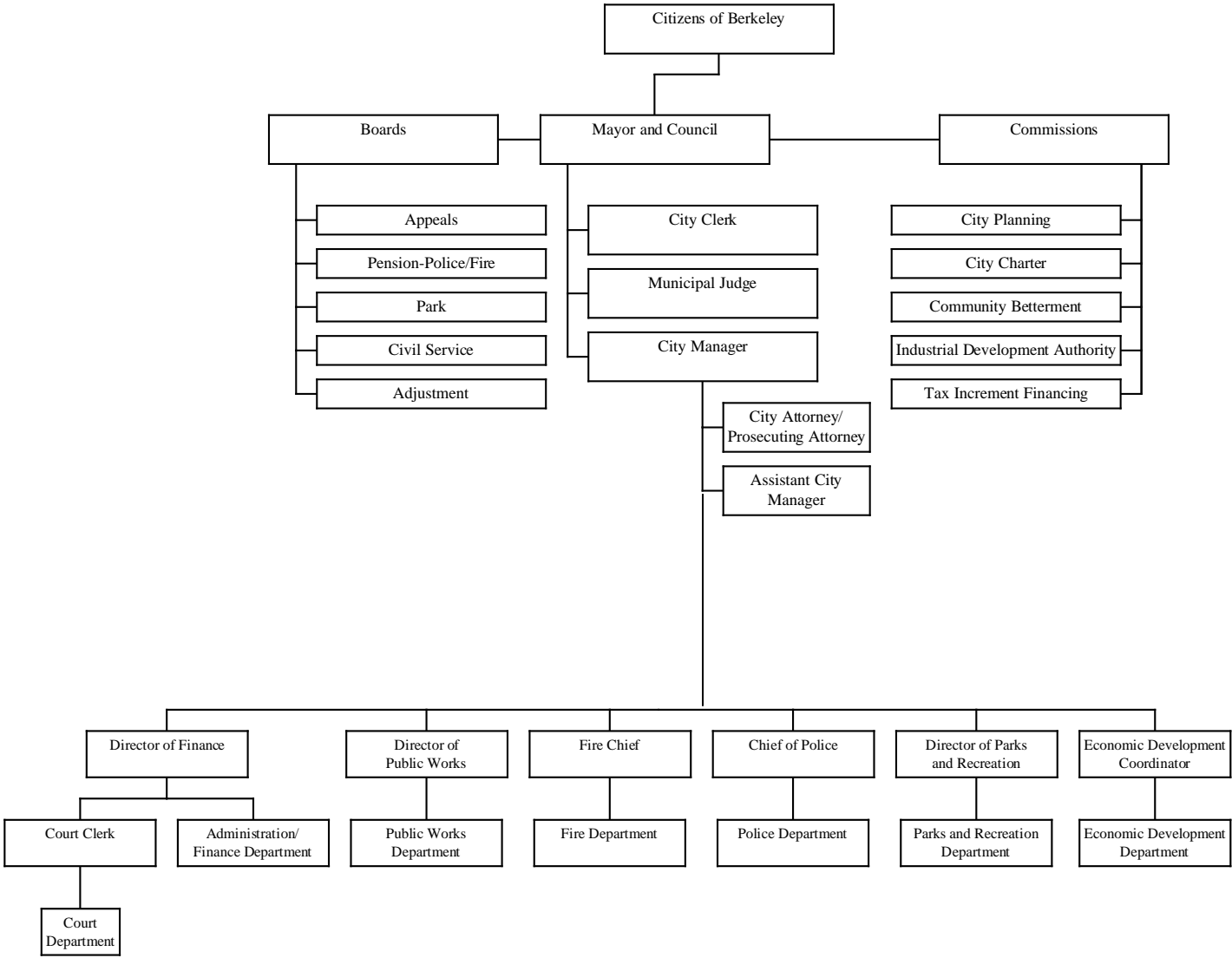
COUNCIL-APPOINTED OFFICIALS

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
Vacant, Fire Chief
Debra M. Irvin, Building Commissioner
Catherine Davis, Assistant Parks & Recreation Director
Daffney Moore, Economic Development Director
Joshua Beeks, 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, 2014

Executive Director/CEO

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

January 13, 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, 2015, 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, 2015, 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 January 13, 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, 2015**

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 \$15,736,330. The City's total assets exceeded its liabilities at the close of the June 30, 2014 fiscal year by \$12,142,088.
- The City's total net position increased by \$1,381,030 and increased by \$803,609 for fiscal years June 30, 2015 and 2014, respectively.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,844,843.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,201,051.

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 they have changed.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two 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, 2015

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, and Parks and Recreation 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 is 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.

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.

CITY OF BERKELEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

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. During the year ended June 30, 2015, the City adopted Governmental Accounting Standards Board Statement (GASB) No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, which resulted in pension related assets, liabilities, outflows and inflows. A condensed version of the statement of net position follows:

Net position. The City's net position was \$15,736,330. The condensed statement of net position for governmental activities was as follows:

| | June 30 | |
|---|----------------------|--------------------|
| | 2015 | 2014 |
| ASSETS | | |
| Current and other assets | \$ 18,773,137 | 11,693,055 |
| Capital assets, net | 14,444,773 | 14,376,053 |
| Total Assets | <u>33,217,910</u> | <u>26,069,108</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows - pension related | <u>8,383,240</u> | <u>-</u> |
| LIABILITIES | | |
| Other liabilities | 1,403,837 | 991,464 |
| Long-term liabilities | 24,330,372 | 12,935,556 |
| Total Liabilities | <u>25,734,209</u> | <u>13,927,020</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows - pension related | <u>130,611</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | 6,658,657 | 6,334,713 |
| Restricted | 10,252,639 | 8,681,265 |
| Unrestricted | <u>(1,174,966)</u> | <u>(2,873,890)</u> |
| Total Net Position | <u>\$ 15,736,330</u> | <u>12,142,088</u> |

**CITY OF BERKELEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

A portion of the City's net position reflects its investment of \$6,658,657 in capital assets (e.g., land, buildings, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Change in net position. The City's total revenues on a government-wide basis were \$13,353,931. Taxes represent 65% of the City's revenues. Charges for services represent 17% and the remaining 18% is investment earnings; operating and capital grants and contributions; and other revenues.

The total cost of all programs and services was \$11,972,901. The City's expenses cover a range of typical city services. The largest program was public safety (police and fire).

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

| | For The Years Ended June 30 | |
|------------------------------------|--|--------------------------|
| | 2015 | 2014 |
| REVENUES | | |
| Program revenues: | | |
| Charges for services | \$ 2,224,260 | 2,290,002 |
| Operating grants and contributions | 950,746 | 825,480 |
| Capital grants and contributions | 1,181,221 | 16,400 |
| General revenues: | | |
| Taxes | 8,711,094 | 8,783,322 |
| Investment income | 15,083 | 3,589 |
| Other | 271,527 | 235,389 |
| Total Revenues | <u>13,353,931</u> | <u>12,154,182</u> |
| EXPENSES | | |
| General government | 2,479,700 | 2,769,915 |
| Public safety | 7,251,355 | 6,156,773 |
| Public works | 1,304,750 | 1,489,985 |
| Parks and recreation | 384,482 | 414,848 |
| Community development | 53,092 | - |
| Interest | 499,522 | 519,052 |
| Total Expenses | <u>11,972,901</u> | <u>11,350,573</u> |
| CHANGE IN NET POSITION | <u>1,381,030</u> | <u>803,609</u> |
| NET POSITON, JULY 1 | 12,142,088 | 11,338,479 |
| RESTATEMENT - PENSION | <u>2,213,212</u> | <u>-</u> |
| NET POSITION, JULY 1, AS RESTATED | <u>14,355,300</u> | <u>11,338,479</u> |
| NET POSITION, JUNE 30 | <u><u>\$ 15,736,330</u></u> | <u><u>12,142,088</u></u> |

**CITY OF BERKELEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

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 \$13,844,843, an increase of \$3,806,091 in comparison with the prior year. Approximately 74% of this amount, \$10,203,374, constitutes restricted fund balance, which is not available for new spending because it has already been restricted: 1) to pay debt service (\$1,189,283), 2) for other restricted purposes (\$3,248,104), 3) for economic development (\$2,863,489), and 4) for building (\$2,902,498).

At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,201,051, while total fund balance was \$3,631,069. The fund balance of the City's General Fund increased by \$2,240,193 during the current fiscal year, primarily due from a combination of an increase in revenues and a decrease in expenditures.

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

- The Fire Equipment Sales Tax Fund increased by \$210,737 from the fund balance at the end of the prior year. This increase is due to an increase in sales tax and a decrease in public safety and debt-related expenditures.
- The Building Fund decreased by \$131,479 from the fund balance at the end of the prior year. This decrease is mainly due to some engineering and architectural expenditures.
- The Economic Development Fund increased by \$557,530 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 \$168,275 from the fund balance at the end of the prior year. This increase is due to a park grant received in the current year that was not received in prior year.

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, 2015, the net position of the Pension Trust Fund totaled \$12,580,089. This represents a decrease of \$510,464 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, 2015**

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues for the City's General Fund of \$10,049,323 were 12% more than anticipated budgeted revenues of \$8,996,355. The City's General Fund expenditures of \$7,231,060 were \$702,533 under the budgeted amount of \$7,933,593 primarily due to the decrease in anticipated salaries in public safety and public works, and the decrease in services and materials used by administration and public works.

The General Fund had a net increase in fund balance of \$2,240,193 for the year ended June 30, 2015.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City invested \$14,444,773 in a broad range of capital assets. Capital assets, net of depreciation, increased for the current fiscal year (including additions and deletions) by \$68,720, mainly due to an increase in additions.

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

| | June 30 | |
|--|----------------------|-------------------|
| | 2015 | 2014 |
| Land | \$ 1,169,484 | 1,169,484 |
| Construction in progress | 417,910 | 35,473 |
| Buildings and improvements | 10,905,211 | 11,477,865 |
| Machinery | 946,345 | 490,009 |
| Furniture and fixtures | 346 | 346 |
| Vehicles | 1,005,477 | 1,202,876 |
| Total Capital Assets, Net Of Depreciation | \$ 14,444,773 | 14,376,053 |

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 2015, the City had outstanding long-term debt obligations for governmental activities in the amount of \$8,067,486 compared to \$8,344,672 in fiscal year 2014. A 3% decrease in total long-term debt outstanding is noted below.

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, 2015**

| | June 30 | |
|----------------------------------|---------------------|------------------|
| | 2015 | 2014 |
| Compensated absences | \$ 281,370 | 303,332 |
| Plus - Premium | 1,116 | 1,340 |
| Certificates of participation | <u>7,785,000</u> | <u>8,040,000</u> |
| Total Outstanding Long-term Debt | <u>\$ 8,067,486</u> | <u>8,344,672</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 2016 total expenditure budget is \$19,783,436, an increase over the 2015 budget appropriation while total revenue is budgeted for \$17,217,823 in 2016. 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, 2015

| | Primary Government | Component Unit |
|---|------------------------------------|---|
| | Governmental Activities | Industrial Development Authority |
| ASSETS | | |
| Cash and investments | \$ 13,570,528 | - |
| Receivables (net): | | |
| Taxes | 1,109,985 | - |
| Court | 333,039 | - |
| Due from pension fund | 18,914 | - |
| Other | 871,763 | 40,000 |
| Prepaid items | 30,823 | - |
| Inventory | 29,989 | - |
| Net pension asset | 2,808,096 | - |
| Capital assets: | | |
| Land and construction in progress | 1,587,394 | - |
| Other capital assets, net of accumulated depreciation | 12,857,379 | - |
| Total Assets | 33,217,910 | 40,000 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows - pension related | 8,383,240 | - |
| LIABILITIES | | |
| Accounts payable and other accrued liabilities | 791,166 | - |
| Accrued salaries and benefits payable | 70,170 | - |
| Unearned revenue | 459,657 | - |
| Accrued interest | 82,844 | - |
| Long-term liabilities: | | |
| Due within one year | 349,462 | - |
| Due in more than one year | 7,718,024 | - |
| Due in more than one year - net pension liability | 16,262,886 | - |
| Total Liabilities | 25,734,209 | - |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows - pension related | 130,611 | - |
| NET POSITION | | |
| Net investment in capital assets | 6,658,657 | - |
| Restricted for: | | |
| Building | 2,912,898 | - |
| Capital projects | 699,188 | 40,000 |
| Debt service | 1,228,148 | - |
| Economic development | 2,863,489 | - |
| Fire equipment | 1,202,468 | - |
| Parks and recreation | 410,825 | - |
| Public safety | 210,508 | - |
| Sewer | 725,115 | - |
| Unrestricted | (1,174,966) | - |
| Total Net Position | \$ 15,736,330 | 40,000 |

CITY OF BERKELEY, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

| FUNCTIONS/PROGRAMS | | | | | Net Revenues (Expenses) And Changes In Net Position | |
|--------------------------------|------------------|----------------------------|--|--|--|--|
| | Program Revenues | | | | Primary Government | Component Unit |
| | Expenses | Charges For Services | Operating Grants And Contributions | Capital Grants And Contributions | Governmental Activities | Industrial Development Authority |
| Governmental Activities | | | | | | |
| General government | \$ 2,479,700 | 639,559 | - | - | (1,840,141) | - |
| Public safety | 7,251,355 | 978,848 | 205,591 | 441,476 | (5,625,440) | - |
| Public works | 1,304,750 | 589,261 | 745,155 | - | 29,666 | - |
| Parks and recreation | 384,482 | 16,592 | - | 739,745 | 371,855 | - |
| Community development | 53,092 | - | - | - | (53,092) | - |
| Interest | 499,522 | - | - | - | (499,522) | - |
| Total Governmental Activities | \$ 11,972,901 | 2,224,260 | 950,746 | 1,181,221 | (7,616,674) | - |
| General Revenues | | | | | | |
| Taxes: | | | | | | |
| Property | | | | | 2,034,396 | - |
| Sales | | | | | 3,735,363 | - |
| Utility | | | | | 2,521,293 | - |
| Business licenses | | | | | 420,042 | - |
| Investment income | | | | | 15,083 | - |
| Other | | | | | 271,527 | - |
| Total General Revenues | | | | | 8,997,704 | - |
| CHANGE IN NET POSITION | | | | | 1,381,030 | - |
| NET POSITION, JULY 1 | | | | | 14,355,300 | 40,000 |
| NET POSITION, JUNE 30 | | | | | \$ 15,736,330 | 40,000 |

See notes to financial statements

CITY OF BERKELEY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

| | General | Fire Equipment Sales Tax | Building | Economic Development | Parks And Recreation | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------------|------------------|-------------------------|-------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ 3,414,427 | 1,165,670 | 2,927,018 | 2,773,108 | 412,951 | 2,877,354 | 13,570,528 |
| Receivables, net of allowances where applicable: | | | | | | | |
| Taxes | 565,556 | 47,059 | - | 94,301 | 272,268 | 130,801 | 1,109,985 |
| Court | 333,039 | - | - | - | - | - | 333,039 |
| Other funds | 11,742 | - | 8,700 | - | - | - | 20,442 |
| Pension fund | 18,914 | - | - | - | - | - | 18,914 |
| Other | 846,032 | - | - | - | - | 25,731 | 871,763 |
| Prepaid items | 20,423 | - | 10,400 | - | - | - | 30,823 |
| Inventory | 29,989 | - | - | - | - | - | 29,989 |
| | <u>5,240,122</u> | <u>1,212,729</u> | <u>2,946,118</u> | <u>2,867,409</u> | <u>685,219</u> | <u>3,033,886</u> | <u>15,985,483</u> |
| Total Assets | | | | | | | |
| | <u>\$ 5,240,122</u> | <u>1,212,729</u> | <u>2,946,118</u> | <u>2,867,409</u> | <u>685,219</u> | <u>3,033,886</u> | <u>15,985,483</u> |
| LIABILITIES | | | | | | | |
| Accounts payable and other accrued liabilities | \$ 349,950 | 10,261 | 33,220 | 3,920 | 259,416 | 134,399 | 791,166 |
| Accrued salaries and benefits payable | 56,106 | - | - | - | 14,064 | - | 70,170 |
| Unearned revenue | 442,657 | - | - | - | - | 17,000 | 459,657 |
| Due to other funds | - | - | - | - | 914 | 19,528 | 20,442 |
| | <u>848,713</u> | <u>10,261</u> | <u>33,220</u> | <u>3,920</u> | <u>274,394</u> | <u>170,927</u> | <u>1,341,435</u> |
| Total Liabilities | | | | | | | |
| | <u>848,713</u> | <u>10,261</u> | <u>33,220</u> | <u>3,920</u> | <u>274,394</u> | <u>170,927</u> | <u>1,341,435</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue: | | | | | | | |
| Court | 333,040 | - | - | - | - | - | 333,040 |
| Property taxes | 282,002 | - | - | - | - | 38,865 | 320,867 |
| Weed/grass cutting | 145,298 | - | - | - | - | - | 145,298 |
| | <u>760,340</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>38,865</u> | <u>799,205</u> |
| Total Deferred Inflows Of Resources | | | | | | | |
| | <u>760,340</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>38,865</u> | <u>799,205</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | 20,423 | - | 10,400 | - | - | - | 30,823 |
| Inventory | 29,989 | - | - | - | - | - | 29,989 |
| Long-term receivable | 272,955 | - | - | - | - | - | 272,955 |
| Restricted for: | | | | | | | |
| Building | - | - | 2,902,498 | - | - | - | 2,902,498 |
| Capital projects | - | - | - | - | - | 699,188 | 699,188 |
| Debt service | - | - | - | - | - | 1,189,283 | 1,189,283 |
| Economic development | - | - | - | 2,863,489 | - | - | 2,863,489 |
| Fire equipment | - | 1,202,468 | - | - | - | - | 1,202,468 |
| Local law enforcement block grant | - | - | - | - | - | 164,320 | 164,320 |
| Parks and recreation | - | - | - | - | 410,825 | - | 410,825 |
| Police training | - | - | - | - | - | 46,188 | 46,188 |
| Sewer lateral | - | - | - | - | - | 725,115 | 725,115 |
| Committed for Ramona Lake | 106,651 | - | - | - | - | - | 106,651 |
| Unassigned | 3,201,051 | - | - | - | - | - | 3,201,051 |
| | <u>3,631,069</u> | <u>1,202,468</u> | <u>2,912,898</u> | <u>2,863,489</u> | <u>410,825</u> | <u>2,824,094</u> | <u>13,844,843</u> |
| Total Fund Balances | | | | | | | |
| | <u>3,631,069</u> | <u>1,202,468</u> | <u>2,912,898</u> | <u>2,863,489</u> | <u>410,825</u> | <u>2,824,094</u> | <u>13,844,843</u> |
| | <u>\$ 5,240,122</u> | <u>1,212,729</u> | <u>2,946,118</u> | <u>2,867,409</u> | <u>685,219</u> | <u>3,033,886</u> | <u>15,985,483</u> |
| Total Liabilities, Deferred Inflows Of Resources, And Fund Balances | | | | | | | |

CITY OF BERKELEY, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

| | |
|---|---------------|
| Total Fund Balances - Governmental Funds | \$ 13,844,843 |
| 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 \$24,869,588 and the accumulated depreciation is \$10,424,815. | 14,444,773 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. | 799,205 |
| 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 | 2,808,096 |
| Net pension liability | (16,262,886) |
| Deferred outflows - pension related | 8,383,240 |
| Deferred inflows - pension related | (130,611) |
| 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 | (281,370) |
| Accrued interest on outstanding debt | (82,844) |
| Certificates of participation outstanding | (7,786,116) |
| Total Net Position Of Governmental Activities | \$ 15,736,330 |

CITY OF BERKELEY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

| | General | Fire Equipment Sales Tax | Building | Economic Development | Parks And Recreation | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------------|------------------|-------------------------|-------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | | |
| Property taxes | \$ 1,764,952 | - | - | - | - | 440,312 | 2,205,264 |
| Sales taxes | 1,531,208 | 304,806 | - | 609,487 | 609,607 | 607,498 | 3,662,606 |
| Hotel/motel fees | 121,144 | - | - | - | - | - | 121,144 |
| Utility taxes | 2,521,293 | - | - | - | - | - | 2,521,293 |
| Licenses, permits, fines, and other fees | 2,389,571 | - | - | - | 16,592 | - | 2,406,163 |
| Intergovernmental | 895,063 | - | - | - | 177,963 | 143,062 | 1,216,088 |
| Sewer lateral fees | - | - | - | - | - | 85,562 | 85,562 |
| Investment income | 1,549 | 1,407 | 2,277 | 1,135 | 118 | 8,597 | 15,083 |
| Other income | 824,543 | - | 40 | - | 200 | 13,784 | 838,567 |
| Total Revenues | <u>10,049,323</u> | <u>306,213</u> | <u>2,317</u> | <u>610,622</u> | <u>804,480</u> | <u>1,298,815</u> | <u>13,071,770</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | 2,101,820 | - | - | - | - | 3,208 | 2,105,028 |
| Public safety | 4,007,211 | 18,361 | - | - | - | 211,465 | 4,237,037 |
| Public works | 1,111,781 | - | - | - | - | - | 1,111,781 |
| Community development | - | - | - | 53,092 | - | - | 53,092 |
| Parks and recreation | - | - | - | - | 284,009 | - | 284,009 |
| Capital outlay | 5,523 | 77,115 | 133,796 | - | 237,141 | 260,411 | 713,986 |
| Contingency expenditures | 4,725 | - | - | - | - | - | 4,725 |
| Debt service: | | | | | | | |
| Debt principal | - | - | - | - | - | 255,000 | 255,000 |
| Interest and other costs | - | - | - | - | - | 501,021 | 501,021 |
| Total Expenditures | <u>7,231,060</u> | <u>95,476</u> | <u>133,796</u> | <u>53,092</u> | <u>521,150</u> | <u>1,231,105</u> | <u>9,265,679</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>2,818,263</u> | <u>210,737</u> | <u>(131,479)</u> | <u>557,530</u> | <u>283,330</u> | <u>67,710</u> | <u>3,806,091</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | 28,430 | - | - | - | - | 956,025 | 984,455 |
| Transfers out | (606,500) | - | - | - | (115,055) | (262,900) | (984,455) |
| Total Other Financing Sources (Uses) | <u>(578,070)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(115,055)</u> | <u>693,125</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 2,240,193 | 210,737 | (131,479) | 557,530 | 168,275 | 760,835 | 3,806,091 |
| FUND BALANCES, JULY 1 | <u>1,390,876</u> | <u>991,731</u> | <u>3,044,377</u> | <u>2,305,959</u> | <u>242,550</u> | <u>2,063,259</u> | <u>10,038,752</u> |
| FUND BALANCES, JUNE 30 | <u>\$ 3,631,069</u> | <u>1,202,468</u> | <u>2,912,898</u> | <u>2,863,489</u> | <u>410,825</u> | <u>2,824,094</u> | <u>13,844,843</u> |

See notes to financial statements

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, 2015

Net Change In Fund Balances - Governmental Funds \$ 3,806,091

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 depreciation totaling (\$958,607) exceeded capital outlays over the capitalization threshold \$606,173 in the current period. (352,434)

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 | (20,322) |
| Donations | 441,476 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 52,247

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 payable | 255,000 | |
| Amortization | 224 | |
| Total | 255,224 | 255,224 |

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 bonds | 1,275 |
| Net pension liability expense | (11,077,118) |
| Deferred outflows - pension related | 8,383,240 |
| Deferred inflows - pension related | (130,611) |

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. 21,962

Change In Net Position Of Governmental Activities \$ 1,381,030

CITY OF BERKELEY, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2015

| | <u>Police And Firemen's Pension Fund</u> | <u>Agency Funds</u> |
|---|--|-------------------------|
| ASSETS | | |
| Cash | \$ 12,728 | - |
| Restricted cash | - | 202,680 |
| Investments: | | |
| Money market funds | 525,182 | - |
| Mutual funds | 12,034,845 | - |
| Accrued interest | 2 | - |
| Other assets | 32,496 | - |
| Total Assets | <u>12,605,253</u> | <u>202,680</u> |
| LIABILITIES | | |
| Accounts payable | 6,250 | - |
| Funds held for others | - | 202,680 |
| Due to General Fund | 18,914 | - |
| Total Liabilities | <u>25,164</u> | <u>202,680</u> |
| NET POSITION - RESTRICTED FOR PENSION BENEFITS | <u>\$ 12,580,089</u> | <u>-</u> |

CITY OF BERKELEY, MISSOURI
STATEMENT OF CHANGE IN FIDUCIARY
NET POSITION - PENSION TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2015

ADDITIONS

| | |
|---|----------------|
| Employer contribution | \$ 198,187 |
| Interest and dividend income | 346,486 |
| Net depreciation in fair value of investments | (129,560) |
| Employee contributions | 172,789 |
| Other income | 48,165 |
| Total Additions | <u>636,067</u> |

DEDUCTIONS

| | |
|------------------|------------------|
| Services | 75,444 |
| Benefit payments | 1,071,087 |
| Total Deductions | <u>1,146,531</u> |

CHANGE IN NET POSITION

(510,464)

NET POSITION FOR PENSION BENEFITS,
JULY 1

13,090,553

**NET POSITION - RESTRICTED FOR
PENSION BENEFITS, JUNE 30**

\$ 12,580,089

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. 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.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 2 years' 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 \$445,968. The allowance for uncollectibles for these receivables is \$289,879. Court receivables total \$1,665,193 with an allowance of \$1,332,154. 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 and improvements, machinery, furniture and 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 fair 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

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. Additionally, there were no infrastructure additions in the current year.

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 and improvements | 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-

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 will sometimes report 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 pension.

In addition to liabilities, the statement of financial position will sometimes report 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 qualifies for reporting in this category. The first item arises under a modified accrual basis of accounting. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, court, and weed/grass cutting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred outflows related to the pension on the government-wide financial statements.

16. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. LAGERS' 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

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

1. Deposits (Continued)

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, 2015, the City's bank balances were entirely insured or collateralized with securities by the City or by its agent in the City's name.

2. Investments

As of June 30, 2015, the City had the following investments:

| <u>Investments</u> | <u>Fair Value</u> | <u>Maturities</u> | | | | <u>Credit Risk</u> | |
|--------------------------------|----------------------|--------------------|---------------------------|--------------------|---------------------|--------------------|---------------------------|
| | | <u>No Maturity</u> | <u>Less Than One Year</u> | <u>1 - 5 Years</u> | <u>6 - 10 Years</u> | | <u>More Than 10 Years</u> |
| Governmental Activities | | | | | | | |
| U.S. Treasuries | \$ 678,068 | - | - | 678,068 | - | - | AAA |
| Money market funds | 10,995,788 | 10,995,788 | - | - | - | - | Not Rated |
| Total Governmental Activities | <u>11,673,856</u> | <u>10,995,788</u> | <u>-</u> | <u>678,068</u> | <u>-</u> | <u>-</u> | |
| Fiduciary Funds | | | | | | | |
| Money market funds | 525,182 | 525,182 | - | - | - | - | Not Rated |
| Mutual funds | 12,034,845 | 12,034,845 | - | - | - | - | N/A |
| Total Fiduciary Funds | <u>12,560,027</u> | <u>12,560,027</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | |
| Total Investments | <u>\$ 24,233,883</u> | <u>23,555,815</u> | <u>-</u> | <u>678,068</u> | <u>-</u> | <u>-</u> | |

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's policy is to minimize risk by disclosing, by amount and issuer, investments in any single issuer that represent more than 5% of the total investments in the category they are reported in.

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

The following is a summary of changes in capital assets:

| | For The Year Ended June 30, 2015 | | | Balance June 30 2015 |
|--|---|------------------|------------------|-------------------------------------|
| | Balance June 30 2014 | Increases | Decreases | |
| Governmental Activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,169,484 | - | - | 1,169,484 |
| Construction in progress | 35,473 | 382,437 | - | 417,910 |
| Total Capital Assets Not Being Depreciated | 1,204,957 | 382,437 | - | 1,587,394 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 15,642,008 | - | - | 15,642,008 |
| Machinery | 3,017,935 | 665,212 | 88,810 | 3,594,337 |
| Furniture and fixtures | 120,957 | - | - | 120,957 |
| Vehicles | 4,129,341 | - | 204,449 | 3,924,892 |
| Total Capital Assets Being Depreciated | 22,910,241 | 665,212 | 293,259 | 23,282,194 |
| Less - Accumulated Depreciation for: | | | | |
| Buildings and improvements | 4,164,143 | 572,654 | - | 4,736,797 |
| Machinery | 2,527,926 | 192,141 | 72,075 | 2,647,992 |
| Furniture and fixtures | 120,611 | - | - | 120,611 |
| Vehicles | 2,926,465 | 193,812 | 200,862 | 2,919,415 |
| Total Accumulated Depreciation | 9,739,145 | 958,607 | 272,937 | 10,424,815 |
| Total Capital Assets Being Depreciated, Net | 13,171,096 | (293,395) | 20,322 | 12,857,379 |
| Total Capital Assets, Net | \$ 14,376,053 | 89,042 | 20,322 | \$ 14,444,773 |

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

| | For The Year Ended June 30 2015 |
|--------------------------------|--|
| Governmental Activities | |
| General government | \$ 329,644 |
| Public safety | 383,725 |
| Public works | 137,865 |
| Parks and recreation | 107,373 |
| Total | \$ 958,607 |

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, 2015 | | | Balance June 30 2015 | Amounts Due Within One Year |
|-------------------------------|---|------------------|-------------------|-------------------------------------|--|
| | Balance June 30 2014 | Additions | Reductions | | |
| Compensated absences | \$ 303,332 | 74,483 | 96,445 | 281,370 | 89,462 |
| Certificates of participation | 8,040,000 | - | 255,000 | 7,785,000 | 260,000 |
| Plus - Premium | 1,340 | - | 224 | 1,116 | - |
| Total Long-term Debt | \$ 8,344,672 | 74,483 | 351,669 | 8,067,486 | 349,462 |

Compensated absences are generally liquidated by the General Fund. Certificates of participation are liquidated by the Debt Service Rent 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 |
|---|----------------------------|-------------------------|--------------------------|
| 2016 | \$ 260,000 | 489,930 | 749,930 |
| 2017 | 270,000 | 482,130 | 752,130 |
| 2018 | 280,000 | 473,355 | 753,355 |
| 2019 | 290,000 | 463,695 | 753,695 |
| 2020 | 300,000 | 453,110 | 753,110 |
| 2021 - 2025 | 1,690,000 | 1,994,625 | 3,684,625 |
| 2026 - 2030 | 2,085,000 | 1,377,350 | 3,462,350 |
| 2031 - 2035 | <u>2,610,000</u> | <u>572,615</u> | <u>3,182,615</u> |
| Total | <u>\$ 7,785,000</u> | <u>6,306,810</u> | <u>14,091,810</u> |

Authorized But Unissued

At June 30, 2015, the City had \$3,000,000 of general obligation bonds authorized but unissued. These general obligation bonds may provide funds for the purpose of constructing, improving, and equipping a police facility and related improvements (see Note M).

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.

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 2014</u> |
|---|-------------------------|
| Retirees and beneficiaries currently receiving benefits | 48 |
| Active employees | 53 |
| Vested terminated employees | <u>4</u> |
| Total | <u>105</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. Currently, this dedicated is not generating nearly enough revenue to support the existing benefit structure.

NOTE E - PENSION PLANS (Continued)

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

Net Pension Liability

The City’s net pension liability was measured as of June 30, 2015, 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, 2015 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 |

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

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 % | 2.84 % |
| Equity | 60 | 6.42 - 7.34 |
| Fixed income | 35 | 4.40 |
| Total | 100 % | |

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 actu-

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)

arial 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 7.5%; the municipal bond rate is 3.80% and the resulting single discount rate is 4.36%.

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|-------------------------------------|--|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances at June 30, 2014 | \$ 18,661,389 | 13,090,553 | 5,570,836 |
| Changes for the year | | | |
| Service cost | 1,091,922 | - | 1,091,922 |
| Interest | 1,227,628 | - | 1,227,628 |
| Assumption changes | 8,933,123 | - | 8,933,123 |
| Contributions - employer | - | 198,187 | (198,187) |
| Contributions - employee | - | 172,789 | (172,789) |
| Net investment income | - | 265,091 | (265,091) |
| Benefit payments, including refunds | (1,071,087) | (1,071,087) | - |
| Administrative expense | - | (75,444) | 75,444 |
| Net Changes | <u>10,181,586</u> | <u>(510,464)</u> | <u>10,692,050</u> |
| Balances at June 30, 2015 | <u>\$ 28,842,975</u> | <u>12,580,089</u> | <u>16,262,886</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 4.36%, 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 (3.36%) or 1% point higher (5.36%) than the current rate.

| | Current Single Discount Rate Assumption | | |
|-----------------------|--|--------------------|------------|
| | 1% Decrease | 1% Increase | |
| Net pension liability | \$ 20,777,667 | 16,262,886 | 12,633,264 |

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, 2015, the City recognized pension expense of \$3,030,804. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Outflows | Inflows | Net Outflows |
|--|-----------------|----------------|---------------------|
| Changes of assumptions | \$ 7,308,919 | - | 7,308,919 |
| Net difference between projected and actual earnings | 550,514 | - | 550,514 |
| Total | \$ 7,859,433 | - | 7,859,433 |

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 | | |
|---|--|--------------|
| 2016 | | \$ 1,761,833 |
| 2017 | | 1,761,833 |
| 2018 | | 1,761,833 |
| 2019 | | 1,761,833 |
| 2020 | | 812,101 |
| Total | | \$ 7,859,433 |

Payable to the Pension Plan

At June 30, 2015, 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.

2015 Valuation

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

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, 2015, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 50 |
| Inactive employees entitled to but not yet receiving benefits | 34 |
| Active employees | <u>42</u> |
| Total | <u>126</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 4.1% of annual covered payroll.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

Actuarial Assumptions

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 3.5% wages inflation, 3% price wage inflation |
| Salary increase | 3.5% to 6.8% including inflation |
| Investment rate of return | 7.25%, net of investment and administrative expenses |

Mortality rates were based on 105% of the 1994 Group Annuity Mortality Table set back zero years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - PENSION PLANS (Continued)

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

| <u>Asset Class</u> | <u>Allocation</u> | <u>Long-term Expected Real Rate Of Return</u> |
|--------------------|-------------------|---|
| Equity | 48.50% | 5.50% |
| Fixed income | 25.00 | 2.25 |
| Real assets | 20.00 | 4.50 |
| Strategic Assets | 6.50 | 7.50 |

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.

| | <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, 2014 | <u>\$ 9,406,331</u> | <u>12,599,495</u> | <u>(3,193,164)</u> |
| Changes for the year | | | |
| Service cost | 168,470 | - | 168,470 |
| Interest | 669,091 | - | 669,091 |
| Difference between expected and actual experience | (188,570) | - | (188,570) |
| Contributions - employer | - | 59,341 | (59,341) |
| Net investment income | - | 240,665 | (240,665) |
| Benefit payments, including refunds | (529,768) | (529,768) | - |
| Administrative expense | - | (10,904) | 10,904 |
| Other changes | - | (25,179) | 25,179 |
| Net Changes | <u>119,223</u> | <u>(265,845)</u> | <u>385,068</u> |
| Balances at June 30, 2015 | <u>\$ 9,525,554</u> | <u>12,333,650</u> | <u>(2,808,096)</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 of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability 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) | (\$1,674,529) | (2,808,096) | (3,758,783) |

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

For the year ended June 30, 2015, the City recognized pension expense of \$51,213. 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> |
|--|--------------------------|-------------------------|----------------------------|
| Difference between expected and actual experience | \$ - | (130,611) | (130,611) |
| Net difference between projected and actual earnings on pension plan investments | <u>523,807</u> | <u>-</u> | <u>523,807</u> |
| Total | <u><u>\$ 523,807</u></u> | <u><u>(130,611)</u></u> | <u><u>393,196</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</u> | | |
|---|--|--------------------------|
| 2016 | | \$ 72,993 |
| 2017 | | 72,993 |
| 2018 | | 116,259 |
| 2019 | | <u>130,951</u> |
| Total | | <u><u>\$ 393,196</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, 2015, the City reported a payable of \$9,884 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 2015</u> |
|---------------------|----------------------|--|
| General | Nonmajor | \$ 28,430 |
| Nonmajor | General | 606,500 |
| Nonmajor | Parks and recreation | 115,055 |
| Nonmajor | Nonmajor | 234,470 |
| Total | | \$ 984,455 |

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, 2015 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 | |
|---|--------------------------|
| 2016 | \$ 27,030 |
| 2017 | 27,030 |
| 2018 | 27,030 |
| 2019 | <u>20,273</u> |
| Total | <u><u>\$ 101,363</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 2014 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 2014 levy was due and collectible within the City's fiscal year ended June 30, 2015.

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 contingencies and lawsuits. The City is involved in a pending lawsuit regarding a collective bargaining agreement. Though, the outcome of this lawsuit is not presently determinable, the potential loss may be material.

NOTE L - RESTRICTED NET POSITION

The government-wide statement of net position reports \$10,252,639 of restricted net position of which \$9,024,491 is restricted by enabling legislation.

NOTE M - SUBSEQUENT EVENTS

On July 28, 2015, the City issued \$3,000,000 of series 2015 general obligation bonds with varying interest rates from 3% - 5% for the purpose of constructing, improving, and equipping a police facility and related improvements.

NOTE N - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, establishes a hierarchy of inputs to valuation techniques used to measure fair value. This statement requires additional analysis of fair value if the volume or level of activity for an asset or liability has significantly decreased. It also requires measurement at acquisition value (an entry price) for donated capital assets, donated works of arts, historical treasures, and similar assets and capital assets received in a service concession arrangement. These assets were previously required to be measured at fair value. There are also disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. GASB 72 will be effective for the year ending June 30, 2016.

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 O - FINES AND COURT COSTS FOR TRAFFIC VIOLATIONS

RSMo 302.341.2 requires an accounting of the percentage of annual fines and court costs for traffic violations, including amended charges from any charged traffic violation, occurring within the City to total general operating revenue, to be included in the annual financial report. At this point in time, the system through which the municipal court would obtain this information is unable to provide the specific information necessary to sepa-

CITY OF BERKELEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE O - FINES AND COURT COSTS FOR TRAFFIC VIOLATIONS (Continued)

rate the annual fines and court costs for traffic violations from total fines and court costs for all violations. During the year, the amount of fines, forfeitures, and court costs of all types, general operating revenue, and related percentage amounted to \$961,685, \$8,510,797, and 11.3%, respectively, which is below the threshold of 30% identified in RSMo 302.341.2.

NOTE P - RESTATEMENT OF NET POSITION

The previous amount of net position has been restated as follows:

| | <u>Governmental Activities</u> |
|---|---|
| Net position, June 30, 2014, as previously reported | \$ 12,142,088 |
| Restatement for GASB 68 implementation: | |
| Net pension asset | 3,193,164 |
| Net pension obligation | <u>(979,952)</u> |
| Net Position, June 30, 2014, As Restated | <u><u>\$ 14,355,300</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, 2015

| | Original And Final Budget | Actual | Over (Under) Budget |
|-------------------------------------|--|------------------|------------------------------------|
| REVENUES | | | |
| Property Taxes | | | |
| Real estate | \$ 900,000 | 1,233,858 | 333,858 |
| Personal property | 500,000 | 452,119 | (47,881) |
| Railroad and utility | 50,000 | 49,871 | (129) |
| Commercial surcharges fees | 20,000 | 29,104 | 9,104 |
| Total Property Taxes | <u>1,470,000</u> | <u>1,764,952</u> | <u>294,952</u> |
| Sales Taxes | <u>1,435,000</u> | <u>1,531,208</u> | <u>96,208</u> |
| Hotel/motel fee | <u>140,000</u> | <u>121,144</u> | <u>(18,856)</u> |
| Utility Taxes | | | |
| Electric | 1,500,000 | 1,563,019 | 63,019 |
| Gas | 350,000 | 388,622 | 38,622 |
| Telephone | 410,000 | 356,609 | (53,391) |
| Water | 120,000 | 144,083 | 24,083 |
| Cable | 50,000 | 68,960 | 18,960 |
| Total Utility Taxes | <u>2,430,000</u> | <u>2,521,293</u> | <u>91,293</u> |
| Licenses | | | |
| Merchants and manufacturers | 485,000 | 420,042 | (64,958) |
| Liquor | 8,500 | 7,411 | (1,089) |
| Animal | 50 | 63 | 13 |
| Vending machine | 1,000 | 30 | (970) |
| Sign | 24,000 | 21,852 | (2,148) |
| Manufacturer fee and ad valorem tax | 535,000 | 610,049 | 75,049 |
| Penalties | - | 154 | 154 |
| Total Licenses | <u>1,053,550</u> | <u>1,059,601</u> | <u>6,051</u> |
| Permits | | | |
| Building | 45,000 | 196,075 | 151,075 |
| Electrical | 18,000 | 36,187 | 18,187 |
| Plumbing | 9,000 | 25,595 | 16,595 |
| Mechanical | 9,500 | 27,854 | 18,354 |
| Occupancy | 14,500 | 21,621 | 7,121 |
| Excavation | 1,000 | 6,508 | 5,508 |
| Demolition | 1,500 | 3,000 | 1,500 |
| Trailer parking | - | 36 | 36 |
| Fence | 500 | 2,093 | 1,593 |
| Sign | 4,000 | 4,968 | 968 |
| Roofing | 15,000 | 12,373 | (2,627) |

(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, 2015

| | Original And Final Budget | Actual | Over (Under) Budget |
|-----------------------------------|--|-------------------|------------------------------------|
| REVENUES (Continued) | | | |
| Permits (Continued) | | | |
| Rental owner | 13,000 | 26,375 | 13,375 |
| Special use | 4,900 | 5,600 | 700 |
| Total Permits | <u>135,900</u> | <u>368,285</u> | <u>232,385</u> |
| Fines and Court Costs | | | |
| Fines, forfeitures, and penalties | 1,300,000 | 876,610 | (423,390) |
| Forfeitures and deposits | 40,000 | 85,075 | 45,075 |
| Total Fines And Court Costs | <u>1,340,000</u> | <u>961,685</u> | <u>(378,315)</u> |
| Intergovernmental | | | |
| Gasoline tax | 205,000 | 237,529 | 32,529 |
| Road and bridge tax | 200,000 | 217,069 | 17,069 |
| Cigarette tax | 24,000 | 23,613 | (387) |
| Motor vehicle fees | 25,000 | 38,704 | 13,704 |
| Grants | - | 378,148 | 378,148 |
| Total Intergovernmental | <u>454,000</u> | <u>895,063</u> | <u>441,063</u> |
| Investment Income | <u>150,000</u> | <u>1,549</u> | <u>(148,451)</u> |
| Other Income | | | |
| Inspections | 55,000 | 66,037 | 11,037 |
| Fire reports | 100 | 160 | 60 |
| Police reports | 5,000 | 9,766 | 4,766 |
| Grass/weed cutting | 55,305 | 51,686 | (3,619) |
| Insurance recoveries | - | 66,246 | 66,246 |
| Northpark-Evans lane recovery | - | 561,782 | 561,782 |
| Other income | 272,500 | 68,866 | (203,634) |
| Total Other Income | <u>387,905</u> | <u>824,543</u> | <u>436,638</u> |
| Total Revenues | <u>8,996,355</u> | <u>10,049,323</u> | <u>1,052,968</u> |
| EXPENDITURES | | | |
| General Government | | | |
| City Council: | | | |
| Salaries and benefits | 54,653 | 14,910 | (39,743) |
| Services | 70,000 | 50,691 | (19,309) |
| Council expenses | 85,200 | 70,916 | (14,284) |
| Total City Council | <u>209,853</u> | <u>136,517</u> | <u>(73,336)</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, 2015

| | Original And Final Budget | Actual | Over (Under) Budget |
|---------------------------------------|--|------------------|------------------------------------|
| EXPENDITURES (Continued) | | | |
| General Government (Continued) | | | |
| Administration: | | | |
| Salaries and benefits | 280,111 | 261,444 | (18,667) |
| Services | 1,137,025 | 1,009,559 | (127,466) |
| Materials and supplies | 7,500 | 4,864 | (2,636) |
| Total Administration | <u>1,424,636</u> | <u>1,275,867</u> | <u>(148,769)</u> |
| City clerk: | | | |
| Salaries and benefits | 54,520 | 54,812 | 292 |
| Services | 15,200 | 11,057 | (4,143) |
| Materials and supplies | 900 | 118 | (782) |
| Capital outlay | - | 333 | 333 |
| Total City Clerk | <u>70,620</u> | <u>66,320</u> | <u>(4,300)</u> |
| Finance: | | | |
| Salaries and benefits | 274,485 | 275,167 | 682 |
| Services | 51,200 | 77,699 | 26,499 |
| Materials and supplies | 1,750 | 1,954 | 204 |
| Total Finance | <u>327,435</u> | <u>354,820</u> | <u>27,385</u> |
| Municipal court: | | | |
| Salaries and benefits | 132,898 | 131,195 | (1,703) |
| Services | 30,300 | 15,556 | (14,744) |
| Materials and supplies | 5,600 | 2,128 | (3,472) |
| Total Municipal Court | <u>168,798</u> | <u>148,879</u> | <u>(19,919)</u> |
| Information technology: | | | |
| Salaries and benefits | 100,442 | 67,798 | (32,644) |
| Services | 49,770 | 36,258 | (13,512) |
| Materials and supplies | 35,900 | 15,694 | (20,206) |
| Capital outlay | 1,000 | - | (1,000) |
| Total Information Technology | <u>187,112</u> | <u>119,750</u> | <u>(67,362)</u> |
| Total General Government | <u>2,388,454</u> | <u>2,102,153</u> | <u>(286,301)</u> |
| Public Safety | | | |
| Police department: | | | |
| Salaries and benefits | 2,251,943 | 2,273,024 | 21,081 |
| Services | 84,050 | 122,474 | 38,424 |
| Materials and supplies | 97,800 | 74,826 | (22,974) |
| Total Police Department | <u>2,433,793</u> | <u>2,470,324</u> | <u>36,531</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, 2015

| | Original And Final Budget | Actual | Over (Under) Budget |
|----------------------------------|--|---------------|------------------------------------|
| EXPENDITURES (Continued) | | | |
| Public Safety (Continued) | | | |
| Fire department: | | | |
| Salaries and benefits | 1,373,202 | 1,269,000 | (104,202) |
| Services | 192,000 | 197,338 | 5,338 |
| Materials and supplies | 50,000 | 70,549 | 20,549 |
| Capital outlay | 6,000 | - | (6,000) |
| Total Fire Department | 1,621,202 | 1,536,887 | (84,315) |
| Total Public Safety | 4,054,995 | 4,007,211 | (47,784) |
| Public Works | | | |
| Public works department: | | | |
| Salaries and benefits | 112,987 | 122,430 | 9,443 |
| Services | 15,400 | 10,808 | (4,592) |
| Materials and supplies | 3,400 | 2,481 | (919) |
| Total Public Works Department | 131,787 | 135,719 | 3,932 |
| Inspections: | | | |
| Salaries and benefits | 200,396 | 170,534 | (29,862) |
| Services | 2,250 | 3,655 | 1,405 |
| Materials and supplies | 6,000 | 4,609 | (1,391) |
| Total Inspections | 208,646 | 178,798 | (29,848) |
| Street maintenance: | | | |
| Salaries and benefits | 291,099 | 208,045 | (83,054) |
| Services | 85,000 | 67,067 | (17,933) |
| Materials and supplies | 229,325 | 195,978 | (33,347) |
| Capital outlay | - | 328 | 328 |
| Total Street Maintenance | 605,424 | 471,418 | (134,006) |
| Central garage: | | | |
| Salaries and benefits | 196,129 | 182,281 | (13,848) |
| Services | 25,875 | 33,376 | 7,501 |
| Materials and supplies | 14,300 | 11,194 | (3,106) |
| Capital outlay | 7,500 | 4,862 | (2,638) |
| Total Central Garage | 243,804 | 231,713 | (12,091) |

(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, 2015

| | <u>Original And Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|---------------------------------------|--|---------------------|------------------------------------|
| EXPENDITURES (Continued) | | | |
| Public Works (Continued) | | | |
| Facility maintenance: | | | |
| Salaries and benefits | 82,263 | 83,832 | 1,569 |
| Services | 4,200 | 3,400 | (800) |
| Materials and supplies | 14,020 | 12,091 | (1,929) |
| Total Facility Maintenance | <u>100,483</u> | <u>99,323</u> | <u>(1,160)</u> |
| Total Public Works | <u>1,290,144</u> | <u>1,116,971</u> | <u>(173,173)</u> |
| Contingency Expenditure | <u>200,000</u> | <u>4,725</u> | <u>(195,275)</u> |
| Total Expenditures | <u>7,933,593</u> | <u>7,231,060</u> | <u>(702,533)</u> |
| REVENUES OVER EXPENDITURES | <u>1,062,762</u> | <u>2,818,263</u> | <u>1,755,501</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 171,702 | 28,430 | (143,272) |
| Transfers out | <u>(606,500)</u> | <u>(606,500)</u> | <u>-</u> |
| Other Financing Sources (Uses) | <u>(434,798)</u> | <u>(578,070)</u> | <u>(143,272)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 627,964</u> | <u>2,240,193</u> | <u>1,612,229</u> |
| FUND BALANCE, JULY 1 | | <u>1,390,876</u> | |
| FUND BALANCE, JUNE 30 | | <u>\$ 3,631,069</u> | |

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FIRE EQUIPMENT SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original And Final Budget | Actual | Over (Under) Budget |
|-----------------------------------|--|---------------------|------------------------------------|
| REVENUES | | | |
| Sales taxes | \$ 202,000 | 304,806 | 102,806 |
| Investment income | 275 | 1,407 | 1,132 |
| Total Revenues | 202,275 | 306,213 | 103,938 |
| EXPENDITURES | | | |
| Public safety | 3,000 | 18,361 | 15,361 |
| Capital outlay | 153,200 | 77,115 | (76,085) |
| Total Expenditures | 156,200 | 95,476 | (60,724) |
| NET CHANGE IN FUND BALANCE | \$ 46,075 | 210,737 | 164,662 |
| FUND BALANCE, JULY 1 | | 991,731 | |
| FUND BALANCE, JUNE 30 | | \$ 1,202,468 | |

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original And Final Budget | Actual | Over (Under) Budget |
|-----------------------------------|--|---------------------|------------------------------------|
| REVENUES | | | |
| Sales taxes | \$ 425,000 | 609,487 | 184,487 |
| Investment income | 500 | 1,135 | 635 |
| Total Revenues | 425,500 | 610,622 | 185,122 |
| EXPENDITURES | | | |
| Salaries and benefits | 68,971 | 46,336 | (22,635) |
| Services | 80,596 | 6,134 | (74,462) |
| Materials and supplies | 635,000 | 622 | (634,378) |
| Capital outlay | 200,000 | - | (200,000) |
| Total Expenditures | 984,567 | 53,092 | (931,475) |
| NET CHANGE IN FUND BALANCE | \$ (559,067) | 557,530 | 1,116,597 |
| FUND BALANCE, JULY 1 | | 2,305,959 | |
| FUND BALANCE, JUNE 30 | | \$ 2,863,489 | |

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PARKS AND RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original And Final Budget | Actual | Over (Under) Budget |
|-----------------------------------|--|-------------------|------------------------------------|
| REVENUES | | | |
| Sales taxes | \$ 420,000 | 609,607 | 189,607 |
| Charges for services | 12,450 | 16,592 | 4,142 |
| Intergovernmental | - | 177,963 | 177,963 |
| Investment income | - | 118 | 118 |
| Other income | 40 | 200 | 160 |
| Total Revenues | 432,490 | 804,480 | 371,990 |
| EXPENDITURES | | | |
| Salaries and benefits | 220,708 | 194,930 | (25,778) |
| Services | 73,700 | 63,547 | (10,153) |
| Materials and supplies | 49,800 | 25,532 | (24,268) |
| Capital outlay | - | 237,141 | 237,141 |
| Total Expenditures | 344,208 | 521,150 | 176,942 |
| REVENUES OVER EXPENDITURES | 88,282 | 283,330 | 195,048 |
| OTHER FINANCING USES | | | |
| Transfers out | (115,055) | (115,055) | - |
| NET CHANGE IN FUND BALANCE | \$ (26,773) | 168,275 | 195,048 |
| FUND BALANCE, JULY 1 | | 242,550 | |
| FUND BALANCE, JUNE 30 | | \$ 410,825 | |

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, 2015

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 TIF Fund, Local Law Enforcement Block Grant Fund, and Pension Tax Fund), Debt Service Funds (except the Debt Service Reserve Fund), and Capital Projects Fund.

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, 2015, the expenditures exceeded appropriations in the following fund: Parks and Recreation Fund, \$176,942, and Sewer Lateral Fund, \$2,120.

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
CHANGE IN NET PENSION LIABILITY AND RELATED
RATIOS - POLICE AND FIRE PENSION RETIREMENT FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | |
|---|-----------------------------|
| Total Pension Liability | |
| Service cost | \$ 1,091,922 |
| Interest on the total pension liability | 1,227,628 |
| Assumption changes | 8,933,123 |
| Benefit payments | <u>(1,071,087)</u> |
| Net Change In Total Pension Liability | 10,181,586 |
| Total Pension Liability Beginning | <u>18,661,389</u> |
| Total Pension Liability Ending (a) | <u><u>\$ 28,842,975</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - employer | \$ 198,187 |
| Contributions - employee | 172,789 |
| Pension plan net investment income | 265,091 |
| Benefit payments | (1,071,087) |
| Pension plan administrative expense | <u>(75,444)</u> |
| Net Change In Plan Fiduciary Net Position | (510,464) |
| Plan Fiduciary Net Position Beginning | <u>13,090,553</u> |
| Plan Fiduciary Net Position Ending (b) | <u><u>\$ 12,580,089</u></u> |
| Net Pension Liability Ending (a-b) | <u><u>\$ 16,262,886</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | |
| | 43.62 % |
| Covered Employee Payroll | \$ 2,677,527 |
| Net Pension Liability as a Percentage of Covered Employee Payroll | |
| | 607.38 % |

Note: Required supplemental information is not available for fiscal years prior to 2015.

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 | | | | | | | | | |
|--|------------------------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Actuarially determined pension contribution | \$ 1,247,121 | 1,337,551 | 1,279,952 | 1,245,038 | 976,809 | 855,227 | 557,893 | 349,203 | 422,883 | 430,898 |
| Contributions in relation to the actuarially determined contribution | 198,187 | 204,885 | 186,654 | 225,619 | 246,418 | 228,800 | 211,259 | 221,851 | 201,789 | 211,516 |
| Contribution Deficiency (Excess) | <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> | <u>219,382</u> |
| Covered Employee Payroll | \$ 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 | 2,882,571 |
| Covered Employee Payroll Contributions as a Percentage of Covered Employee Payroll | 7.40 % | 7.08 | 5.76 | 7.21 | 8.57 | 7.81 | 8.11 | 8.21 | 7.44 | 7.34 |

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 | 2.50% |
| Salary increases | 4% including wage inflation |
| Investment rate of return | 7.5%, net of investment and administrative expenses |
| 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 7.50% to 4.36%.

CITY OF BERKELEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES
IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - LAGERS
FOR THE YEAR ENDED JUNE 30, 2015

Total Pension Liability

| | |
|---|------------|
| Service cost | \$ 168,470 |
| Interest on the total pension liability | 669,091 |
| Difference between expected and actual experience | (188,570) |
| Benefit payments | (529,768) |
| Net Change In Total Pension Liability | 119,223 |

Total Pension Liability Beginning

9,406,331

Total Pension Liability Ending (a)

\$ 9,525,554

Plan Fiduciary Net Position

| | |
|---|-----------|
| Contributions - employer | \$ 59,341 |
| Pension plan net investment income | 240,665 |
| Benefit payments | (529,768) |
| Pension plan administrative expense | (10,904) |
| Other | (25,179) |
| Net Change In Plan Fiduciary Net Position | (265,845) |

Plan Fiduciary Net Position Beginning

12,599,495

Plan Fiduciary Net Position Ending (b)

\$ 12,333,650

Net Pension Liability (Asset) Ending (a-b)

\$ (2,808,096)

Plan Fiduciary Net Position as a Percentage
of the Total Pension Liability (Asset)

(129.48) %

Covered Employee Payroll

\$ 1,465,711

Net Pension Liability (Asset) as a Percentage
of Covered Employee Payroll

(191.59) %

Note: Required supplemental information is not available for fiscal years prior to 2015.

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

| | For The Years Ended June 30 | | | | | | | | | |
|--|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Actuarially determined pension contribution | \$ 58,962 | 101,681 | 103,255 | 114,371 | 94,983 | 9,522 | 9,729 | 8,352 | 12,286 | 12,588 |
| Contributions in relation to the actuarially determined contribution | 58,962 | 70,395 | 53,146 | 46,117 | 29,682 | 9,522 | 9,729 | 8,352 | 12,286 | 12,588 |
| Contribution Deficiency (Excess) | \$ - | 31,286 | 50,109 | 68,253 | 65,301 | - | - | - | - | - |
| Covered Employee Payroll | \$ 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 | 1,798,274 |
| Covered Employee Payroll Contributions as a Percentage of Covered Employee Payroll | 4.10 % | 4.50 | 3.50 | 2.50 | 1.50 | 0.50 | 0.50 | 0.50 | 0.70 | 0.70 |

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28 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 | Level percent of payroll, closed |
| Remaining amortization period | Multiple bases from 14 to 23 years |
| Asset valuation method | 5 years smoothed market; 20% corridor |
| Inflation | 3.5% wage inflation; 3% price inflation |
| Salary increases | 3.5% to 6.8% including wage inflation |
| Investment rate of return | 7.25%, net of investment and administrative expenses |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | 105% of the 1994 Group Annuity Mortality Table set back zero years for men and zero years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement. |

Other information:

Notes: 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.

Tax Increment Financing (TIF) Fund -- The TIF Fund provides funding for all activity related to TIF bonds, intended to stimulate private development by providing financing for necessary public improvements.

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 1/2 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, 2015

| | Police Training | Sewer Lateral | Local Law Enforcement Block Grant | Capital | Debt Service Reserve | Debt Service Rent | Public Building Bonds/Interest Sinking | Total |
|---|----------------------------|--------------------------|--|----------------|-------------------------------------|----------------------------------|---|------------------|
| ASSETS | | | | | | | | |
| Cash and investments | \$ 50,748 | 732,539 | 187,875 | 683,406 | 599,929 | 143,137 | 479,720 | 2,877,354 |
| Receivables: | | | | | | | | |
| Taxes | - | - | - | 91,642 | - | - | 39,159 | 130,801 |
| Other | - | - | - | - | - | 25,731 | - | 25,731 |
| | <u>50,748</u> | <u>732,539</u> | <u>187,875</u> | <u>775,048</u> | <u>599,929</u> | <u>168,868</u> | <u>518,879</u> | <u>3,033,886</u> |
| Total Assets | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts payable and other accrued liabilities | 4,560 | 7,424 | 6,555 | 75,860 | - | - | 40,000 | 134,399 |
| Unearned revenue | - | - | 17,000 | - | - | - | - | 17,000 |
| Due to other funds | - | - | - | - | - | 19,528 | - | 19,528 |
| Total Liabilities | <u>4,560</u> | <u>7,424</u> | <u>23,555</u> | <u>75,860</u> | <u>-</u> | <u>19,528</u> | <u>40,000</u> | <u>170,927</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable revenue - property taxes | - | - | - | - | - | - | 38,865 | 38,865 |
| FUND BALANCES | | | | | | | | |
| Restricted for: | | | | | | | | |
| Capital projects | - | - | - | 699,188 | - | - | - | 699,188 |
| Debt service | - | - | - | - | 599,929 | 149,340 | 440,014 | 1,189,283 |
| Local law enforcement block grant | - | - | 164,320 | - | - | - | - | 164,320 |
| Police training | 46,188 | - | - | - | - | - | - | 46,188 |
| Sewer lateral | - | 725,115 | - | - | - | - | - | 725,115 |
| Total Fund Balances | <u>46,188</u> | <u>725,115</u> | <u>164,320</u> | <u>699,188</u> | <u>599,929</u> | <u>149,340</u> | <u>440,014</u> | <u>2,824,094</u> |
| | | | | | | | | |
| Total Liabilities, Deferred Inflows Of Resources, And Fund Balances | <u>\$ 50,748</u> | <u>732,539</u> | <u>187,875</u> | <u>775,048</u> | <u>599,929</u> | <u>168,868</u> | <u>518,879</u> | <u>3,033,886</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, 2015

| | Tax Increment Financing | Police Training | Sewer Lateral | Local Law Enforcement Block Grant | Pension Tax Fund | Capital | Debt Service Reserve | Debt Service Rent | Public Building Bonds/Interest Sinking | Total |
|---|--|----------------------------|--------------------------|--|---------------------------------|-----------------|-------------------------------------|----------------------------------|---|------------------|
| REVENUES | | | | | | | | | | |
| Property taxes | \$ - | - | - | - | 198,187 | - | - | - | 242,125 | 440,312 |
| Sales taxes | 147 | - | - | - | - | 607,351 | - | - | - | 607,498 |
| Intergovernmental | - | - | - | - | - | - | - | 143,062 | - | 143,062 |
| Sewer lateral fees | - | - | 85,562 | - | - | - | - | - | - | 85,562 |
| Investment income | 2 | 15 | 7,921 | 21 | - | 159 | 27 | - | 452 | 8,597 |
| Other income | 84 | 13,700 | - | - | - | - | - | - | - | 13,784 |
| Total Revenues | <u>233</u> | <u>13,715</u> | <u>93,483</u> | <u>21</u> | <u>198,187</u> | <u>607,510</u> | <u>27</u> | <u>143,062</u> | <u>242,577</u> | <u>1,298,815</u> |
| EXPENDITURES | | | | | | | | | | |
| General government | 3,208 | - | - | - | - | - | - | - | - | 3,208 |
| Public safety | - | 13,278 | - | - | - | - | - | - | - | 13,278 |
| Pension contribution | - | - | - | - | 198,187 | - | - | - | - | 198,187 |
| Capital outlay | - | - | 47,120 | 6,555 | - | 206,736 | - | - | - | 260,411 |
| Debt service: | | | | | | | | | | |
| Debt principal | - | - | - | - | - | - | - | 255,000 | - | 255,000 |
| Interest and other costs | - | - | - | - | - | - | - | 501,021 | - | 501,021 |
| Total Expenditures | <u>3,208</u> | <u>13,278</u> | <u>47,120</u> | <u>6,555</u> | <u>198,187</u> | <u>206,736</u> | <u>-</u> | <u>756,021</u> | <u>-</u> | <u>1,231,105</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(2,975)</u> | <u>437</u> | <u>46,363</u> | <u>(6,534)</u> | <u>-</u> | <u>400,774</u> | <u>27</u> | <u>(612,959)</u> | <u>242,577</u> | <u>67,710</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | - | - | - | - | - | 200,000 | - | 756,025 | - | 956,025 |
| Transfer out | - | - | - | - | - | (262,900) | - | - | - | (262,900) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(62,900)</u> | <u>-</u> | <u>756,025</u> | <u>-</u> | <u>693,125</u> |
| NET CHANGE IN FUND BALANCES | <u>(2,975)</u> | <u>437</u> | <u>46,363</u> | <u>(6,534)</u> | <u>-</u> | <u>337,874</u> | <u>27</u> | <u>143,066</u> | <u>242,577</u> | <u>760,835</u> |
| FUND BALANCES, JULY 1 | <u>2,975</u> | <u>45,751</u> | <u>678,752</u> | <u>170,854</u> | <u>-</u> | <u>361,314</u> | <u>599,902</u> | <u>6,274</u> | <u>197,437</u> | <u>2,063,259</u> |
| FUND BALANCES, JUNE 30 | <u>\$ -</u> | <u>46,188</u> | <u>725,115</u> | <u>164,320</u> | <u>-</u> | <u>699,188</u> | <u>599,929</u> | <u>149,340</u> | <u>440,014</u> | <u>2,824,094</u> |

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, 2015

| | <u>Original And Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|-----------------------------------|--|-------------------------|------------------------------------|
| REVENUES | | | |
| Investment income | \$ 13 | 15 | 2 |
| Other income | <u>19,100</u> | <u>13,700</u> | <u>(5,400)</u> |
| Total Revenues | 19,113 | 13,715 | (5,398) |
| EXPENDITURES | | | |
| Training | <u>18,000</u> | <u>13,278</u> | <u>(4,722)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 1,113</u> | 437 | <u>(676)</u> |
| FUND BALANCE, JULY 1 | | <u>45,751</u> | |
| FUND BALANCE, JUNE 30 | | <u><u>\$ 46,188</u></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, 2015

| | <u>Original And Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|-----------------------------------|--|--------------------------|------------------------------------|
| REVENUES | | | |
| Sewer lateral fees | \$ 85,000 | 85,562 | 562 |
| Investment income | 165 | 7,921 | 7,756 |
| Total Revenues | <u>85,165</u> | <u>93,483</u> | <u>8,318</u> |
| EXPENDITURES | | | |
| Sewer lateral repairs | <u>45,000</u> | <u>47,120</u> | <u>2,120</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 40,165</u> | 46,363 | <u>6,198</u> |
| FUND BALANCE, JULY 1 | | <u>678,752</u> | |
| FUND BALANCE, JUNE 30 | | <u><u>\$ 725,115</u></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, 2015

| | Original And Final Budget | Actual | Over (Under) Budget |
|---|--|---------------|------------------------------------|
| REVENUES | | | |
| Sales taxes | \$ 522,000 | 607,351 | 85,351 |
| Investment income | 100 | 159 | 59 |
| Other income | 13,000 | - | (13,000) |
| Total Revenues | 535,100 | 607,510 | 72,410 |
| EXPENDITURES | | | |
| Capital outlay | 678,200 | 206,736 | (471,464) |
| REVENUES OVER (UNDER) EXPENDITURES | | | |
| | (143,100) | 400,774 | 543,874 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 321,000 | 200,000 | (121,000) |
| Transfers out | (262,900) | (262,900) | - |
| Total Other Financing Sources (Uses) | 58,100 | (62,900) | (121,000) |
| NET CHANGE IN FUND BALANCE | | | |
| | \$ (85,000) | 337,874 | 422,874 |
| FUND BALANCE, JULY 1 | | 361,314 | |
| FUND BALANCE, JUNE 30 | | \$ 699,188 | |

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, 2015

| | <u>Original And Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|---------------------------------------|--|-------------------|------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 143,272 | 143,062 | (210) |
| EXPENDITURES | | | |
| Debt service: | | | |
| Debt principal | 255,000 | 255,000 | - |
| Interest and other costs | 501,025 | 501,021 | (4) |
| Total Expenditures | <u>756,025</u> | <u>756,021</u> | <u>(4)</u> |
| REVENUES UNDER EXPENDITURES | <u>(612,753)</u> | <u>(612,959)</u> | <u>(206)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 756,025 | 756,025 | - |
| Transfers out | (143,272) | - | (143,272) |
| Total Other Financing Sources (Uses) | <u>612,753</u> | <u>756,025</u> | <u>(143,272)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | 143,066 | <u>143,066</u> |
| FUND BALANCE, JULY 1 | | <u>6,274</u> | |
| FUND BALANCE, JUNE 30 | | <u>\$ 149,340</u> | |

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - PUBLIC BUILDING BONDS/INTEREST SINKING FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original And Final Budget | Actual | Over (Under) Budget |
|-----------------------------------|--|---------------|------------------------------------|
| REVENUES | | | |
| Property taxes | \$ 284,000 | 242,125 | (41,875) |
| Investment income | - | 452 | 452 |
| Total Revenues | 284,000 | 242,577 | (41,423) |
| EXPENDITURES | | | |
| | - | - | - |
| REVENUES OVER EXPENDITURES | | | |
| | \$ 284,000 | 242,577 | (41,423) |
| FUND BALANCE, JULY 1 | | 197,437 | |
| FUND BALANCE, JUNE 30 | | \$ 440,014 | |

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, 2015

| | <u>Original And Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|------------------------------------|--|----------------------------|------------------------------------|
| REVENUES | | | |
| Investment income | \$ 900 | 2,277 | 1,377 |
| Other income | - | 40 | 40 |
| Total Revenues | <u>900</u> | <u>2,317</u> | <u>1,417</u> |
| EXPENDITURES | | | |
| Capital outlay | <u>1,050,000</u> | <u>133,796</u> | <u>(916,204)</u> |
| REVENUES UNDER EXPENDITURES | <u>\$ (1,049,100)</u> | <u>(131,479)</u> | <u>917,621</u> |
| FUND BALANCE, JULY 1 | | <u>3,044,377</u> | |
| FUND BALANCE, JUNE 30 | | <u><u>\$ 2,912,898</u></u> | |

CITY OF BERKELEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

| | Balance June 30 2014 | Additions | Deletions | Balance June 30 2015 |
|-------------------------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Municipal Court Bonds Fund | | | | |
| Assets - restricted cash | <u>\$ 288,372</u> | <u>204,637</u> | <u>290,329</u> | <u>202,680</u> |
| Liabilities - funds held for others | <u>\$ 288,372</u> | <u>204,637</u> | <u>290,329</u> | <u>202,680</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. | 69 - 72 |
| Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax. | 73 - 78 |
| 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. | 79 - 82 |
| 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. | 83 - 84 |
| 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. | 85 - 86 |

Sources of Data: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

| | June 30 | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015* |
| Primary government - governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 328,985 | 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 |
| Restricted: | | | | | | | | | | |
| Debt service | 869,429 | 664,141 | 547,236 | 499,073 | 297,552 | 1,005,426 | 906,297 | 746,987 | 839,977 | 1,228,148 |
| Capital projects | - | - | - | - | - | - | 38,008 | 421,615 | 361,314 | 699,188 |
| Special revenue | 1,604,204 | 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 |
| Unrestricted | (2,742,072) | (971,677) | 502,910 | 243,941 | 940,140 | (552,059) | (1,965,756) | (3,342,256) | (2,873,890) | (1,174,966) |
| Total | <u>\$ 60,546</u> | <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> |

*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 | | | | | | | | | |
|--|------------------------------------|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 2,263,038 | 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 |
| Public safety | 5,386,604 | 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 |
| Public works | 1,532,498 | 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 |
| Parks and recreation | 538,044 | 467,363 | 504,999 | 449,385 | 682,170 | 739,517 | 704,570 | 518,407 | 414,848 | 384,482 |
| Community development | - | - | - | 85,768 | 67,143 | 267 | 7,305 | 131,700 | - | 53,092 |
| Interest | 144,051 | 129,476 | 133,756 | 89,387 | 73,805 | 550,943 | 581,897 | 538,904 | 519,052 | 499,522 |
| Total Expenses | <u>9,864,235</u> | <u>9,642,799</u> | <u>9,459,886</u> | <u>10,018,409</u> | <u>10,800,757</u> | <u>12,403,499</u> | <u>13,010,042</u> | <u>12,367,386</u> | <u>11,350,573</u> | <u>11,972,901</u> |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 883,020 | 636,733 | 630,067 | 720,683 | 699,303 | 614,556 | 656,051 | 584,663 | 576,237 | 639,559 |
| Public safety | 1,173,830 | 1,018,006 | 941,430 | 823,728 | 923,286 | 1,099,080 | 1,236,607 | 1,097,476 | 1,287,809 | 978,848 |
| Public works | 271,640 | 346,689 | 318,461 | 253,892 | 422,611 | 440,429 | 419,927 | 409,164 | 409,343 | 589,261 |
| Parks and recreation | 30,427 | 22,618 | 34,081 | 49,417 | 33,035 | 32,134 | 32,536 | 25,956 | 16,613 | 16,592 |
| Operating grants and contributions | 811,888 | 747,049 | 754,396 | 606,391 | 647,190 | 962,941 | 706,619 | 546,979 | 825,480 | 950,746 |
| Capital grants and contributions | 70,084 | - | 248,400 | 505,083 | 7,291,647 | 171,630 | 150,298 | 218,907 | 16,400 | 1,181,221 |
| Total Program Revenues | <u>3,240,889</u> | <u>2,771,095</u> | <u>2,926,835</u> | <u>2,959,194</u> | <u>10,017,072</u> | <u>3,320,770</u> | <u>3,202,038</u> | <u>2,883,145</u> | <u>3,131,882</u> | <u>4,356,227</u> |
| NET EXPENSES | | | | | | | | | | |
| Governmental activities | <u>(6,623,346)</u> | <u>(6,871,704)</u> | <u>(6,533,051)</u> | <u>(7,059,215)</u> | <u>(783,685)</u> | <u>(9,082,729)</u> | <u>(9,808,004)</u> | <u>(9,484,241)</u> | <u>(8,218,691)</u> | <u>(7,616,674)</u> |
| GENERAL REVENUES AND OTHER CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | 2,010,215 | 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 |
| Sales | 2,661,495 | 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 |
| Utility | 1,991,187 | 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 |
| Business licenses | 444,595 | 451,290 | 456,996 | 472,227 | 488,334 | 417,913 | 465,522 | 484,347 | 478,158 | 420,042 |
| Investment income | 39,297 | 70,926 | 67,901 | 50,421 | 125,386 | 131,668 | 3,012 | 2,674 | 3,589 | 15,083 |
| Other | 81,599 | 130,604 | 61,722 | 60,009 | 98,361 | 90,213 | 249,933 | 341,265 | 235,389 | 271,527 |
| Gain on sale of capital assets | - | 364,938 | - | - | 5,769 | - | - | 48,999 | - | - |
| Total General Revenues And Other Changes In Net Position | <u>7,228,388</u> | <u>8,362,683</u> | <u>8,805,483</u> | <u>8,444,702</u> | <u>8,367,378</u> | <u>9,368,020</u> | <u>9,088,149</u> | <u>8,741,934</u> | <u>9,022,300</u> | <u>8,997,704</u> |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | <u>\$ 605,042</u> | <u>1,490,979</u> | <u>2,272,432</u> | <u>1,385,487</u> | <u>7,583,693</u> | <u>285,291</u> | <u>(719,855)</u> | <u>(742,307)</u> | <u>803,609</u> | <u>1,381,030</u> |

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

| | June 30 | | | | | | | | | |
|-------------------------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| | <u>2006</u> | <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> |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ - | - | - | - | - | 80,573 | 18,769 | 26,332 | 46,330 | 323,367 |
| Committed | - | - | - | - | - | - | 11,627 | - | - | 106,651 |
| Unassigned | - | - | - | - | - | 1,113,405 | 246,332 | (23,726) | 1,344,546 | 3,201,051 |
| Reserved | 5,057 | 14,436 | 323,171 | 193,889 | 191,507 | - | - | - | - | - |
| Unreserved | (2,105,356) | (85,775) | 1,066,387 | 1,432,979 | 1,350,309 | - | - | - | - | - |
| Total General Fund | <u>\$ (2,100,299)</u> | <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> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ - | - | - | - | - | - | - | - | - | 10,400 |
| Restricted | - | - | - | - | - | 8,738,083 | 7,808,459 | 8,050,377 | 8,647,876 | 10,203,374 |
| Unassigned | - | - | - | - | - | (89,239) | - | - | - | - |
| Reserved: | | | | | | | | | | |
| Debt service | 654,618 | 622,864 | 517,118 | 477,939 | 276,336 | - | - | - | - | - |
| Encumbrances | 3,975 | 38,601 | 19,968 | 142,969 | 256,371 | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | | | | |
| Special Revenue Funds | 2,056,410 | 1,328,369 | 2,126,194 | 1,875,712 | 5,342,773 | - | - | - | - | - |
| Total All Other Governmental Funds | <u>\$ 2,715,003</u> | <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> |

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 | | | | | | | | | |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| REVENUES | | | | | | | | | | |
| Property taxes | \$ 1,979,396 | 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 |
| Sales taxes | 2,571,311 | 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 |
| Hotel/motel fees | - | - | - | - | - | - | - | 142,940 | 134,634 | 121,144 |
| Utility taxes | 1,991,187 | 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 |
| Licenses, permits, fines, and other fees | 2,701,103 | 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 |
| Intergovernmental | 868,310 | 780,807 | 1,035,573 | 1,009,088 | 5,306,952 | 1,042,555 | 3,874,031 | 891,832 | 752,621 | 1,216,088 |
| Sewer lateral fees | 89,480 | 91,587 | 88,815 | 85,778 | 88,082 | 86,625 | 85,188 | 84,827 | 84,077 | 85,562 |
| Investment income | 42,219 | 75,101 | 67,901 | 50,431 | 4,386 | 3,947 | 3,012 | 2,674 | 3,589 | 15,083 |
| Other income | 308,932 | 356,853 | 267,892 | 270,512 | 367,681 | 349,308 | 350,955 | 309,504 | 419,447 | 838,567 |
| Total Revenues | <u>10,551,938</u> | <u>10,737,898</u> | <u>11,669,507</u> | <u>11,373,505</u> | <u>15,642,043</u> | <u>12,382,808</u> | <u>15,151,237</u> | <u>11,488,746</u> | <u>11,971,505</u> | <u>13,071,770</u> |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 2,223,522 | 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 |
| Public safety | 4,867,707 | 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 |
| Public works | 1,289,121 | 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 |
| Parks and recreation | 390,759 | 377,892 | 417,094 | 364,757 | 562,528 | 613,510 | 528,320 | 468,583 | 285,672 | 284,009 |
| Community development | - | - | - | 83,618 | 69,784 | 267 | 21,295 | 110 | - | 53,092 |
| Contingency | - | - | - | - | - | 77,383 | 63,299 | - | - | 4,725 |
| Capital outlay | 473,301 | 483,697 | 526,397 | 1,715,349 | 2,115,513 | 8,305,099 | 4,839,527 | 396,690 | 275,001 | 713,986 |
| Debt service: | | | | | | | | | | |
| Debt principal | 306,219 | 407,840 | 518,469 | 376,189 | 414,018 | 687,479 | 999,950 | 909,761 | 513,552 | 255,000 |
| Interest and other costs | 107,311 | 293,099 | 128,105 | 81,179 | 71,964 | 433,920 | 573,750 | 598,697 | 520,266 | 501,021 |
| Bond issue costs | - | - | - | - | - | 158,157 | - | - | - | - |
| Total Expenditures | <u>9,657,940</u> | <u>9,819,135</u> | <u>9,535,164</u> | <u>11,391,065</u> | <u>12,348,235</u> | <u>19,812,635</u> | <u>16,908,872</u> | <u>11,569,949</u> | <u>9,985,736</u> | <u>9,265,679</u> |
| REVENUES OVER (UNDER) EXPENDI- TURES | <u>893,998</u> | <u>918,763</u> | <u>2,134,343</u> | <u>(17,560)</u> | <u>3,293,808</u> | <u>(7,429,827)</u> | <u>(1,757,635)</u> | <u>(81,203)</u> | <u>1,985,769</u> | <u>3,806,091</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | - | 1,544,507 | - | 170,000 | 213,093 | 2,031,494 | 675,000 | 671,639 | 715,243 | 984,455 |
| Issuance of capital lease | - | - | - | 88,210 | - | 758,117 | - | - | - | - |
| Issuance of long-term debt | - | - | - | - | - | 9,095,000 | - | - | - | - |
| Sale of capital assets | - | 374,836 | - | - | - | - | - | 48,999 | - | - |
| Premium on issuance of long-term debt | - | - | - | - | - | 2,236 | - | - | - | - |
| Transfers out | - | (1,544,507) | - | (170,000) | (213,093) | (2,031,494) | (675,000) | (671,639) | (715,243) | (984,455) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>374,836</u> | <u>-</u> | <u>88,210</u> | <u>-</u> | <u>9,855,353</u> | <u>-</u> | <u>48,999</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ 893,998</u> | <u>1,293,599</u> | <u>2,134,343</u> | <u>70,650</u> | <u>3,293,808</u> | <u>2,425,526</u> | <u>(1,757,635)</u> | <u>(32,204)</u> | <u>1,985,769</u> | <u>3,806,091</u> |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | 4.5 % | 7.4 | 7.0 | 4.7 | 4.6 | 9.3 | 12.4 | 13.5 | 10.5 | 8.9 |

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 (1) | Utility Gross Receipts Taxes | Other Taxes (2) | Total |
|------------------------|---------------------------|----------------------------|---|----------------------------|--------------|
| 2006 | \$ 1,979,396 | \$ 2,571,311 | \$ 1,991,187 | \$ 868,310 | \$ 7,410,204 |
| 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 |

Notes:

- (1) In 2006, the City began collecting 1/2 cent sales tax for park/storm water activities and a 1/4 cent sales tax for equipment for the municipal fire department.
- (2) 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) |
|--|-----------------------------|-----------------------------|------------------------------|-----------------------------------|-------------------------------|------------------------------|
| 2006 | 1.500 % | 1.850 % | 4.225 % | 7.575 % | \$ 2,571,311 | \$ 102,852,440 |
| 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 |

(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 | | | | |
| 2006 | \$ 129,390,845 | \$ 481,185,738 | \$ 49,121,210 | \$ 147,363,777 | \$ 178,512,055 | 1.165 % | \$ 628,549,515 | 28.4 % |
| 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 |

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

| <u>Fiscal Year</u> | <u>Property Tax Rates</u> | | | | | |
|--------------------|---------------------------|--------------------------|---------------|--------------|--------------|--------------|
| | <u>Direct Rates</u> | <u>Overlapping Rates</u> | | | | <u>Total</u> |
| | <u>City</u> | <u>School District</u> | <u>County</u> | <u>State</u> | <u>Other</u> | |
| 2006 | 1.165 % | 5.04 % | 0.58 % | 0.03 % | 1.724 % | 8.54 % |
| 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 |

Note: Assessed valuation is \$197,265,005. 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 EIGHT YEARS AGO

| Taxpayer | 2015 | | | 2007 | | |
|--|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage Of Total City Assessed Value | Taxable Assessed Value | Rank | Percentage Of Total City Assessed Value |
| The Boeing Company | \$ 57,764,350 | 1 | 29.28 % | \$ 83,529,060 | 1 | 46.55 % |
| Express Scripts, Inc. | 7,342,750 | 2 | 3.72 | - | - | - |
| Hotel St. Louis Natural Bridge LP | 6,687,840 | 3 | 3.39 | 4,403,040 | 4 | 2.45 |
| Enterprise Holdings | 6,461,280 | 4 | 3.28 | 7,036,540 | 2 | 3.92 |
| Tax Advisors Group | 5,224,670 | 5 | 2.65 | - | - | - |
| Ameren | 4,158,142 | 6 | 2.11 | - | - | - |
| Stag Hazelwood, LLC | 3,416,000 | 7 | 1.73 | - | - | - |
| Northpark Partners Hotel LLC | 2,622,190 | 8 | 1.33 | - | - | - |
| McEagle VC, LLC | 2,582,720 | 9 | 1.31 | - | - | - |
| Gallus Biopharmaceuticals | 2,556,180 | 10 | 1.30 | - | - | - |
| 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>\$ 98,816,122</u> | | | <u>\$ 118,470,270</u> | | |
| Total Assessed Value | <u>\$ 197,265,005</u> | | | <u>\$ 179,451,560</u> | | |

Source of Data: St. Louis County

Note: Information prior to 2007 is not available.

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 |
|--------------------|-----------------------|--------------------------------|----------------------------------|--|------------------------------|---|-------------------------------------|--|
| 2006 | \$ 1,997,407 | \$ 1,819,948 | 91.1 % | \$ 170,649 | \$ 1,990,597 | 99.7 % | \$ 212 | 0.0 % |
| 2007 | 2,163,802 | 2,004,424 | 92.6 | 152,153 | 2,156,577 | 99.7 | 602 | 0.0 |
| 2008 | 2,225,495 | 2,097,372 | 94.2 | 121,682 | 2,219,054 | 99.7 | 1,418 | 0.1 |
| 2009 | 2,147,225 | 1,997,164 | 93.0 | 133,672 | 2,130,836 | 99.2 | 2,454 | 0.1 |
| 2010 | 2,178,365 | 2,018,782 | 92.7 | 141,343 | 2,160,125 | 99.2 | 5,143 | 0.2 |
| 2011 | 2,303,926 | 2,219,453 | 96.3 | 66,773 | 2,286,226 | 99.2 | 24,215 | 1.1 |
| 2012 | 2,353,745 | 1,556,998 | 66.1 | 782,703 | 2,339,701 | 99.4 | 29,214 | 1.2 |
| 2013 | 2,294,726 | 1,968,794 | 85.8 | 74,941 | 2,043,735 | 89.1 | 45,936 | 2.0 |
| 2014 | 2,271,066 | 2,058,570 | 90.6 | 49,486 | 2,108,056 | 92.8 | 163,010 | 7.2 |
| 2015 | 2,259,059 | 2,059,295 | 91.2 | - | 2,059,295 | 91.2 | 199,764 | 8.8 |

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 | Certificates Of Participation | TIF Revenue Bonds | TIF Notes Payable | Capital Leases | | | |
| 2006 | \$ 2,380,000 | \$ - | \$ 450,310 | \$ 25,000 | \$ - | \$ 2,855,310 | 1.98 % | \$ 284 |
| 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 |

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

| <u>Fiscal Year</u> | <u>Population</u> | <u>Assessed Value</u> | <u>Gross Bonded Debt</u> | <u>Less - Debt Service Fund</u> | <u>Net Bonded Debt</u> | <u>Ratio Of Net Bonded Debt To Assessed Value</u> | <u>Net Bonded Debt Per Capita</u> |
|--------------------|-------------------|-----------------------|--------------------------|---------------------------------|------------------------|---|-----------------------------------|
| 2006 | 10,063 | \$ 178,512,055 | \$ 2,380,000 | \$ 333,472 | \$ 2,046,528 | 1.1 % | \$ 203.37 |
| 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 | - | - | - | - | - |

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

CITY OF BERKELEY, MISSOURI
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2015

| <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 | \$ 7,786,116 | 100.00 % | \$ 7,786,116 |
| Overlapping: | | | |
| School District - Ferguson R-2 Reorganized | 17,400,000 | 21.47 | 3,735,780 |
| School District - Hazelwood | 249,349,121 | 1.11 | 2,767,775 |
| St. Louis County | 105,615,000 | 1.00 | 1,056,150 |
| | | | <u>7,559,705</u> |
| | | | <u>\$ 15,345,821</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>2006</u> | <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> |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Debt limit | \$ 17,851,206 | 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 |
| Total net debt applicable to limit* | <u>2,046,528</u> | <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> | - | - | - |
| Legal Debt Margin | <u>\$ 15,804,678</u> | <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> |
| Total net debt applicable to the limit as a percentage of debt limit | 11.46 % | 9.26 | 6.13 | 4.84 | 4.32 | 2.75 | 0.97 | - | - | - |

Legal debt margin calculation for fiscal year 2015:

| | |
|---|-----------------------|
| Assessed value | <u>\$ 197,265,005</u> |
| Debt limit (10% of assessed value) | <u>\$ 19,726,501</u> |
| Debt applicable to limit: | |
| General obligation bonds | - |
| Less - Amount set aside for payment of general obligation bonds | - |
| Total Debt Applicable To Limit | <u>-</u> |
| Legal Debt Margin | <u>\$ 19,726,501</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) |
|--|-----------------------|----------------------------|----------------------------------|---------------------------|----------------------------------|
| 2006 | 10,063 | \$ 144,313,483 | \$ 14,341 | 34 | 5.1 % |
| 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 |

Sources of Data:

- (1) St. Louis County Department of Planning
- (2) Missouri Division of Employment Security
- (3) Census Bureau

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

| <u>Employer</u> | <u>Rank</u> | |
|----------------------------|-------------|-------------|
| | <u>2015</u> | <u>2007</u> |
| 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 did not track principal employer information prior to 2007. Also, the City has not tracked number of employees and percentage of total City employment as of fiscal year 2015.

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

| FUNCTIONS/PROGRAMS | For The Years Ended June 30 | | | | | | | | | |
|----------------------------|-----------------------------|------------|------------|------------|------------|------------|------------|------------|-----------|-----------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| General government: | | | | | | | | | | |
| Office of the City Manager | 1 | 1 | 1 | 1 | 1 | 3 | 2 | 2 | 4 | 4 |
| City clerk | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Finance | 9 | 9 | 9 | 11 | 9 | 4 | 3 | 6 | 5 | 5 |
| Legal | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| IT information services | - | - | - | - | - | 2 | 2 | 2 | 1 | 1 |
| Public safety: | | | | | | | | | | |
| Police | 60 | 59 | 57 | 54 | 56 | 58 | 57 | 59 | 43 | 41 |
| Fire | 31 | 31 | 27 | 30 | 27 | 26 | 28 | 28 | 22 | 22 |
| Public works: | | | | | | | | | | |
| Public works | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 2 |
| Inspections | 7 | 7 | 8 | 9 | 7 | 8 | 7 | 2 | 5 | 5 |
| Streets | 14 | 14 | 8 | 7 | 10 | 9 | 9 | 10 | 6 | 6 |
| Central garage | 3 | 3 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 3 |
| Facilities maintenance | 2 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 1 | 2 |
| Parks and recreation: | | | | | | | | | | |
| Parks and recreation | 5 | 6 | 6 | 5 | 5 | 7 | 5 | 4 | 3 | 3 |
| Total | <u>138</u> | <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> |

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

| FUNCTIONS/PROGRAMS | For The Years Ended June 30 | | | | | | | | | |
|--------------------------|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Fire Protection and EMS: | | | | | | | | | | |
| Number of calls answered | 1,695 | 1,665 | 1,959 | 1,889 | 976 | 1,956 | 1,898 | 2,573 | 2,427 | - |
| Police Protection: | | | | | | | | | | |
| Number of law violations | 45,769 | 43,444 | 28,051 | 24,032 | 23,634 | 19,530 | 31,885 | 40,211 | 40,091 | 28,473 |