



## **CITY OF OLIVETTE, MISSOURI**

### **Comprehensive Annual Financial Report For the Year Ended June 30, 2016**

Prepared by: Finance Department

# CITY OF OLIVETTE, MISSOURI

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# CITY OF OLIVETTE, MISSOURI

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## **INTRODUCTORY SECTION**

***CITY OF OLIVETTE, MISSOURI***  
PRINCIPAL CITY OFFICIALS  
JUNE 30, 2016

**CITY COUNCIL MEMBERS**

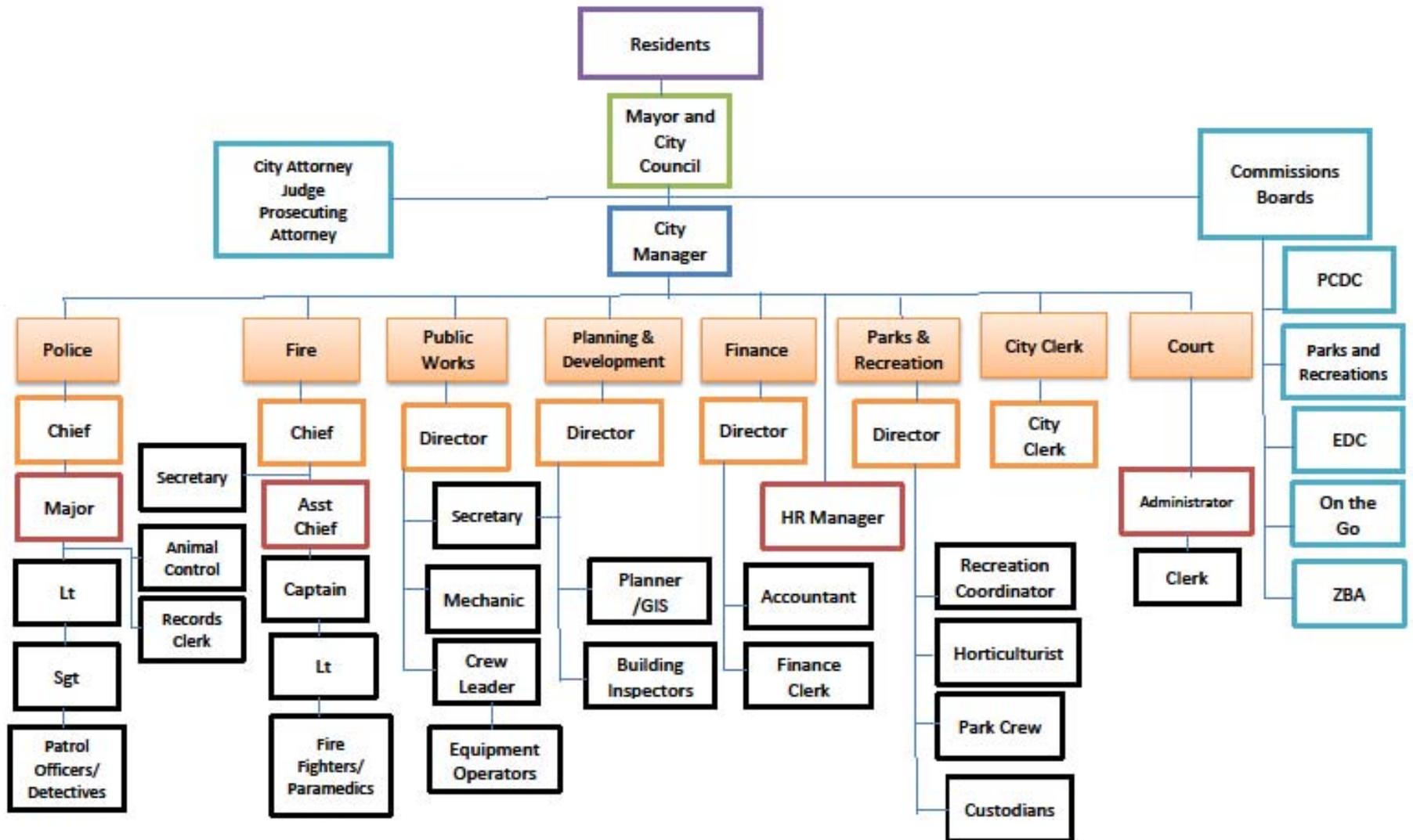
Ruth Springer, Mayor  
J. Gregory Carl, Mayor Pro-Tem  
Suzanne Sierra Sewell  
Missy Waldman  
Maxine Weil

**COUNCIL-APPOINTED OFFICIALS**

Barbara Sondag, City Manager  
Paul Martin, City Attorney  
Sam Alton, Prosecuting Attorney  
Paul D'Agrosa, Municipal Judge

**MANAGEMENT STAFF**

Myra Bennett, City Clerk  
Carlos Trejo, Director of Planning and Community Development  
Bruce McGregor, Public Works Director  
Rick Knox, Chief of Police  
Scott Avery, Fire Chief  
Sarah Runser, Court Administrator  
Beverly Tucker Knight, Director of Parks and Recreation  
Darren Mann, CPA, Finance Director



November 1, 2016

Members of the Olivette City Council and Citizens of Olivette:

The Comprehensive Annual Financial Report of the City of Olivette, Missouri (the City) for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy and the completeness rests with the City. To the best knowledge and belief of management, the data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: (i) introductory, (ii) financial, and (iii) statistical. The introductory section includes this letter of transmittal, the City's organizational structure, and a list of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis, government-wide and fund financial statements, required supplementary information, and other supplemental information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The City defines its financial reporting entity in accordance with the provisions established by the Government Accounting Standards Board (GASB). GASB requirements for inclusion of component units are primarily based on whether the City's governing body has any significant amount of financial accountability for legally separate entities. Based on these criteria, no component units were identified and included in the financial statements include. However, all funds, agencies, boards, commissions and authorities for which the City is financially accountable have been included.

## **PROFILE OF THE CITY**

The City of Olivette is located in central St. Louis County, Missouri. Olivette rests along major arterial roadways that date back to the early 1800's and was officially incorporated in 1930 and since a 1976 vote, is a Home Rule Charter city with a Council-Manager form of government.

The City's location in the sought after Ladue School District and its central location in relation to an international airport, several area job centers, Forest Park, and major interstate roadways truly makes it "...in the center of it all". Single-family homes, townhouses, apartments, duplexes and condominiums offer the City's 7,737 resident's several housing options. Meanwhile, several hundred business along the Olive corridor and in the 4 industrial parks enjoy the close proximity to major roadways. In addition, citizens and businesses alike benefit from nearly 100 acres of parkland and from Police Department accreditation awarded by the Missouri Police Chief's Association, the 5<sup>th</sup> department in the state to receive this recognition. The City has been acknowledged by several local and regional outlets as one of the premier cities in the St. Louis metro area.

The City is located approximately 10 miles west of downtown St. Louis with Interstate 170 serving as an eastern border and Olive Blvd serving as the major business corridor. The City is approximately 1 mile from Lindbergh Blvd/US Hwy 67 to the west, approximately 3 miles from Interstate 270 to the west, two miles from Interstate 64 to the south, and four miles from Interstate 70 to the north. The roughly 2.95 square miles of Olivette are bordered by the city of Overland and an unincorporated area known as Elmwood Park to the north, University City to the east, Ladue to the South, and Creve Coeur to the west.

The City Manager is then responsible for directing, supervising, and monitoring all City departments, personnel and operations, and managing the City in a fiscally prudent manner. The City Manager serves at the pleasure of the City Council who elect a mayor from amongst the five elected Council members.

Olivette is a full service city that provides law enforcement, fire protection, planning and code enforcement, parks and recreation, general administration, infrastructure construction and maintenance (roadways, sidewalks, stormwater systems, snow removal, etc.), street lighting, and solid waste collection and disposal. The City's parks include playgrounds, walking trails, sports fields, and a community center.

Additional information is available on the City's website at [www.olivettemo.com](http://www.olivettemo.com).

## **FACTORS AFFECTING FINANCIAL CONDITION**

**Local Economy.** The City of Olivette continues to be on slow path of growth after an economic slowdown from 2008-2010. The three major revenue contributors are property taxes, sales taxes, and utility taxes with each telling different stories as they relate to City finances. Sales taxes has had better than historic increases due to business opening in the City and a general economic recovery while Property Taxes have maintained slow, steady growth due to Hancock Amendment limitations despite a strong residential housing market within the City. Utility Taxes have suffered from the "cord cutting" phenomenon in addition to an increased adoption of prepaid services which are currently enjoying a taxation loophole within the cellular phone industry. The end of the decline in revenues has not yet been seen with Utility Taxes. Despite the variations in the three major revenues, the outlook remains positive.

In addition to many residential houses being razed and replaced with new builds, the commercial landscape in the city is positive as well with vacancy rate under 10% with regard to all commercial property. The City has exhibited its commitment to investing in the infrastructure and future economic development within the City throughout the past several years. Dielman Industrial Drive was completely reconstructed through the use of a Neighborhood Improvement District which shows the collaboration of business owners and City officials to improve all parties' interests. This is in the process of being repeated on North Price Rd with anticipated completion in late 2016. RFP's were also issued by the City for the redevelopment of the southwest corner of the Olive and Interstate 170 exchange as well as the current City Hall site.

**Long-Term Financial Planning.** Each year the City updates its five-year capital improvement plan for major capital expenditures. The major revenue sources funding the plan include the ½% stormwater/parks sales tax, ½% capital improvements sales tax, and the road and bridge levy on property taxes. Long term planning currently illustrates needs greater than revenue supplied which recognizes the City's limitations and the difficult decisions facing Administration, Council, and citizens. Several pieces of the long-term planning problems have been solved including a 2014 vote to issue debt for the new City Center to house public safety and administrative functions, the use of federal grants to reconstruct Old Bonhomme Rd, as well as the aforementioned North Price Rd reconstruction. This illustrates the ability of the City to overcome funding hurdles to solve long-term problems. However, difficult decisions still lie ahead with the first step toward addressing the problems remaining to educate decision makers and citizens.

**Relevant Financial Policies.** The City follows informal policy to maintain a general fund balance of at least 40% of annual expenditures. This policy was established to maintain all services in the event that a significant event would slow, stop or permanently hinder revenue sources. Administration feels this is also an appropriate amount of time to react to the negative aspects of an event that threatens future revenue.

Formal investment and procurement policies have been established to protect city funds and ensure a fair vendor environment in addition to complying with statutory requirements.

## **SIGNIFICANT EVENTS AND ACCOMPLISHMENTS**

During the 2016 fiscal year, the City followed through with several significant projects that reflect many years of work and continue to look forward toward the next set of projects. A brief summary of accomplishments include:

- Continued work on Old Bonhomme Rd which was in need of repairs and updates for motorists and pedestrians with an anticipated completion in late 2016.
- Continued work on North Price Rd through the use of a special district with anticipated completion in the fall of 2016.
- Groundbreaking and construction of the 38,000 square foot City Center using a \$13.5 million bond issue to house public safety and administrative operations. Anticipated completion is early 2017.
- Application and expected approval to reconstruct Dielman Rd from the southern boundary of the city to just north of Old Bonhomme Rd through the use of federal matching funds.
- Redevelopment efforts at the Olive and I170 interchange and the former City Hall site with the selection of a developers and the exploration of options at those sites.
- Hosting of the 2<sup>nd</sup> annual Turkey Trot which resulted in over \$6,000 being raised for a local food pantry.

In addition, the City maintains accreditation within the police department from the Missouri Police Chiefs Association, a recognition first given in 2010 and then again in 2013. Another analysis of department policies and practices is scheduled to appear in late 2016 with the expectation to maintain the accreditation. The Fire Department has begun their accreditation process as well while the City Clerk holds the highest clerk credential with the International Institute of Municipal Clerks. The Finance Department has submitted the budget to The Government Finance Officers Association of the United States and Canada (GFOA) with the intention of receiving the Distinguished Presentation Award to the City for its annual budget for the fiscal year beginning July 1, 2016.

This Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016 is also submitted to the Government Finance Officers Association (GFOA) for consideration of a Certificate of Achievement for Excellence in Financial Reporting, the first submission the City has made for this award. This prestigious award recognizes conformance with the highest standards for preparation of state and local government financial reports. These achievements are examples of progress in each of the City departments toward accomplishing the ultimate goal of the best use of tax dollars for citizens.

## **FINANCIAL INFORMATION**

The City's accounting system is designed around the following basic principles:

1. The City finances are comprised of "funds" which in many ways act as subsidiaries would in the private sector. A fund is an accounting entity with a complete set of self-balancing accounting records which are established to accomplish a specific purpose.
2. Internal controls exist within the accounting system to ensure safety of assets from misappropriation, unauthorized use or disposition, and to maintain the accuracy of financial reporting. These internal controls are established to be consistent with sound management practices based on the cost/benefit of the controls imposed.
3. In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions. The annual appropriation ordinance gives the City its legal authority to spend the adopted amount for the City's governmental and expendable trust fund types. Management requires that each Department Director stay within their departmental budgets. Finance monitors the budget for any cost overruns and notifies the Department Director and the City Manager. The Finance Department continually strives to provide accurate and timely financial information, as well as maintain an adequate system of controls in order to meet its responsibility of sound financial management.

## **ACKNOWLEDGMENTS**

This report would not have been possible without the assistance of City staff who compile information, perform day to day operations, and provide assistance on statistical information contained within this report. The amount of time and effort expended by all participants to complete this document is significant. The staff's commitment to providing the information in this report is necessary and appreciated as the City begins on a path toward improved financial reporting.

None of this would have been accomplished without the leadership of the City Council and City Manager who remain committed to a just, transparent, and responsible City government for the citizens of Olivette.

Respectfully submitted,



Darren Mann, CPA  
Finance Director

## INDEPENDENT AUDITORS' REPORT



The Honorable Mayor and Members of the City Council  
*CITY OF OLIVETTE, MISSOURI*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Olivette, Missouri, as of and for the year ended June 30, 2016, and related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Olivette, Missouri, as of June 30, 2016, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in Net Pension Liability, Schedule of Actuarially Determined Contributions and Schedules of Annual Dollar-weighted Rate of Return on Investments and Schedule of Funding Progress - Other Post-Employment Benefits pages 4 through 12 and 42 through 48, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Olivette, Missouri's basic financial statements. The introductory section, combining and nonmajor fund financial statements, individual fund statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and nonmajor fund financial statements and individual fund statements are 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 statement and, accordingly, we do not express an opinion of provide any assurance on them.

*Botz Deal & Company*

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November 1, 2016

**CITY OF OLIVETTE, MISSOURI  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

The discussion and analysis of the City of Olivette’s financial performance provides an overview and analysis of the City’s financial activities for the fiscal year ended June 30, 2016. It is intended to serve as an introduction to the government-wide statements, fund statements, and notes and should be read in conjunction with the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- Expanded financial statement reporting for Fiscal Year 2016 to coincide with the City’s first ever application for Comprehensive Annual Financial Report (CAFR) certificate of achievement from the Government Finance Officers Association (GFOA).
- Project to increase transparency and outreach initiated through implementation of completely new and redesigned website.
- Strategic attempts to address aging assets concerns including fiscal year 2016 replacement of five vehicles through outright purchases and lease/purchase arrangements. In addition, roadway projects in nearly all stages - from application to maintenance efforts to near completion - are funded and underway.
- Work continues on City Center to house administration and public safety functions for the City.
- \$103,645 increase in fund balance in the General Fund with ending cash reserves to cover roughly six months of city operating expenditures.
- Positive fund balance reporting in Fire Operations Fund for first time since fiscal year 2006.
- \$1,025,891 increase in government-wide net position.
- Pension changes in effect for the second year have continued to cause setbacks with unrestricted net position on the government-wide statements. Lower than expected investment earnings and mandated changes to the mortality tables caused liability increases that in turn leave a negative \$2.4 million in unrestricted net position. Despite these changes in reporting, the health of the pension remains unchanged when using previous actuarial valuation metrics.

**REPORT LAYOUT**

This report consists of Management’s Discussion and Analysis (MD & A), government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first two statements are highly condensed and present a government-wide view of the City’s finances in complying with the Governmental Accounting Standards Board (GASB No. 34). Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as police, public works, parks and recreation, planning, inspection and zoning, municipal courts and general government administration. The City currently does not have any business-type activities. All activities are consolidated within the government-wide statements and reported on the accrual basis of accounting. Therefore they appear similar to private sector reporting. The government-wide statements can offer a broad perspective of the City’s overall financial condition with positive or negative indicators over time.

**Basic Financial Statements**

**Statement of Net Position (Page 13):**

- |  |  |
|--|--|
| -Focus on resources available for future operations                  | -Snapshot view of the assets and liabilities with the difference representing net position |
| -Accrual basis of accounting   | -Net position separated into restricted and unrestricted amounts                           |
| -Capital assets reported net of depreciation and pension assets held | -Long term debt, vacation and sick accruals in addition to pension liabilities             |

## **Basic Financial Statements (continued)**

### **Statement of Activities (Page 14):**

- Focus on the cost of city programs and reliance on other revenue and general taxation
- Accrual basis of accounting
- Summary analysis to determine the extent to which programs are subsidized by general revenue opposed to self-supporting

### **Fund Financial Statements (Page 15):**

- Focus on major governmental funds
- Modified accrual basis of accounting
- Budgetary comparisons for the General Funds provided as required supplementary information on pages 44
- Each major fund presented in separate column as a self-balancing set of accounts
- Non-major funds combined and labeled "Other Non-Major Funds" and presented as supplementary information on page 49
- Budgetary comparisons for other budgeted funds provided as supplemental information on beginning on page 51

### **Other Important Information:**

- The notes to the financial statements provide additional required disclosures and essential information to assist readers in understanding the City's financial condition
- The Pension Trust Fund on page 19 is considered a fiduciary fund and is not reported on the government-wide financial statements because those resources are not available to support City programs.
- The Performance Bond Fund on page 19 is considered an agency fund and is not reported on the government-wide financial statements because those resources are not available to support City programs.

## **THE CITY AS A WHOLE**

### **Government-wide Financial Analysis**

The City's combined net position is \$8,577,189 as of June 30, 2016. This analysis focuses on the net assets (table 1) and changes in general revenues (table 2) and significant expenses of the City's governmental activities.

The City's net position consist of its investment in capital assets, less any related debt used to acquire those assets that is still outstanding, restricted and unrestricted balances. The City uses these capital assets to provide services to citizens and due to their nature, are not available for future spending.

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**Governmental-wide Financial Analysis** (continued)

**Table 1**

	<b>June 30, 2016</b>	<b>June 30, 2015</b>	<b>Increase (Decrease)</b>
<b>Assets</b>			
Current and other assets	\$ 18,111,620	\$ 20,400,582	\$ (2,288,962)
Capital assets, net	10,710,698	5,537,446	5,173,252
Total assets	<u>28,822,318</u>	<u>25,938,028</u>	<u>2,884,290</u>
<b>Deferred Outflows of Resources</b>	<u>2,386,903</u>	<u>235,000</u>	<u>2,151,903</u>
<b>Liabilities</b>			
Current liabilities	7,785,498	4,164,533	3,620,965
Long-term liabilities	14,846,534	14,389,677	456,857
Total liabilities	<u>22,632,032</u>	<u>18,554,210</u>	<u>4,077,822</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>67,523</u>	<u>(67,523)</u>
<b>Net position</b>			
Invested in capital assets	6,779,302	4,276,173	2,503,129
Restricted net position	4,165,027	3,920,008	245,019
Unrestricted	(2,367,140)	(644,883)	(1,722,254)
Total net position	<u>\$ 8,577,189</u>	<u>\$ 7,551,298</u>	<u>\$ 1,025,891</u>

Government-wide activities increased the City's net position by \$1,025,891 over the last year. Assets during that time period grew by nearly \$2.9 million and liabilities by over \$4 million. The majority of changes for the year ended June 30, 2016 took place due to three factors. First is the construction of the new City Center which resulted in the shift in assets from current assets to capital assets as bond funds are used to pay for construction. Second is the reconstruction of North Price Rd through the NID process where construction costs result in an increase in capital assets which is offset by the issuance of temporary debt creating an increase long-term liabilities. The final factor is the recording of pension related liabilities which resulted in an increase in pension liability as well as an increase in deferred outflows as actuarial assumption differences are amortized. This is the second year of implementation of pension reporting standards and are coinciding with other factors such low investment returns and mortality table updates to create large pension liability numbers. Aside from these factors, government wide net position increased just over \$1 million for the year as illustrated and discussed on the following page.

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**Governmental-wide Financial Analysis** (continued)

**Table 2**

	<b>2016</b>	<b>2015</b>	<b>Increase (Decrease)</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 1,227,552	\$ 1,319,652	\$ (92,100)
Capital grants & contributions	1,063,336	754,252	309,084
General revenues			
Taxes	8,471,655	8,375,508	96,147
Interest income	71,983	18,867	53,116
Miscellaneous	78,329	105,842	(27,513)
Transfers	493	556	(63)
Total revenues	<u>10,913,348</u>	<u>10,574,677</u>	<u>338,671</u>
<b>Expenses</b>			
Administrative	1,217,825	1,318,972	(101,147)
Public safety	5,629,894	5,108,802	521,092
Public works	1,691,521	1,567,296	124,225
Parks and recreation	923,597	903,706	19,891
Public health	66,840	55,937	10,903
Interest and fiscal charges	357,780	279,566	78,214
Total expenses	<u>9,887,457</u>	<u>9,234,279</u>	<u>653,178</u>
<b>Change in net position</b>	1,025,891	1,340,398	(314,507)
Net assets, beginning of year	7,551,298	9,456,398	(1,905,100)
Prior period adjustment	-	(3,245,498)	3,245,498
<b>Net position, end of year</b>	<u>\$ 8,577,189</u>	<u>\$ 7,551,298</u>	<u>\$ 1,025,891</u>

Total fiscal year 2016 revenue shown above in Table 2 of \$10,913,348, an increase of \$338,671 from fiscal year 2015 revenues. Government wide revenues remained steady if grants are excluded due to their inherent requirement of matching of expenditures, with an increase of only \$29,586 or .2% for the year.

The fiscal year 2016 expenses increased \$653,178 from fiscal year 2015 expenditures due to an increase in grant expenditures and pension expense. Public safety and public works expenditure changes are due to the recording of higher pension expenses along with salary and related personnel costs. Interest and fiscal charges increased as payments continue on bonds for the Dielman NID, 2014 GO Bonds and temporary financing for the North Price Rd reconstruction.

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**Governmental Funds Analysis**

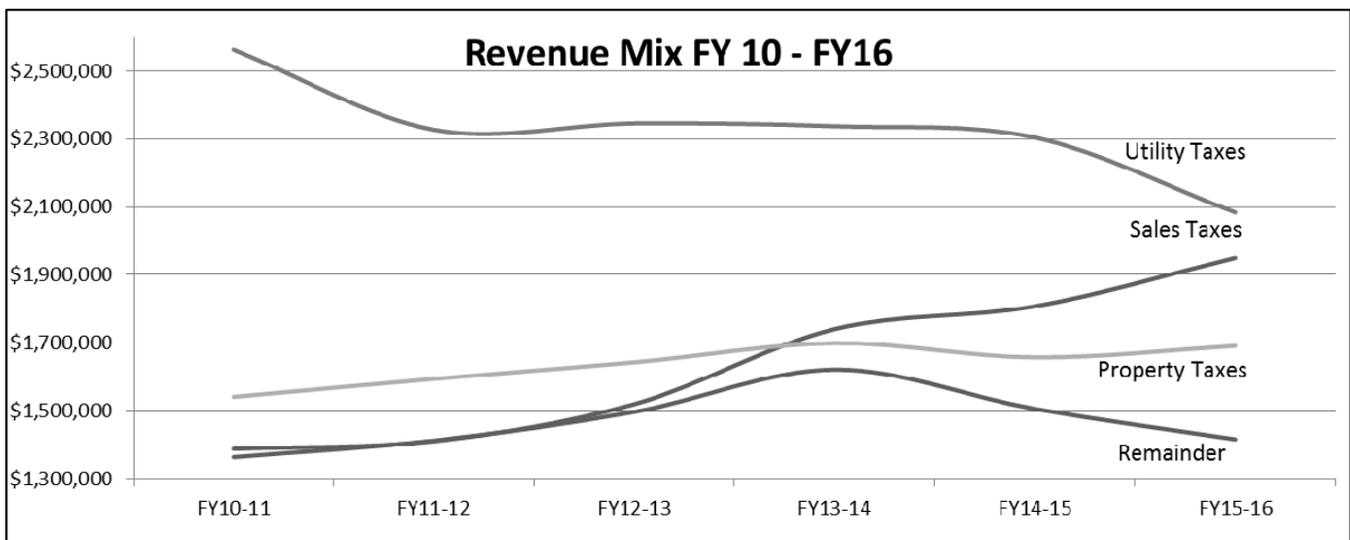
Switching from full accrual method government-wide reporting to modified accrual method governmental fund reporting, the following table presents the amount of revenues in the General Fund from various sources for the fiscal year ending June 30, 2016.

**Table 3**

	2016	2015	Increase (Decrease)	Percentage Change
<b>General Fund:</b>				
Taxes	\$ 5,399,337	\$ 5,446,438	\$ (47,101)	-0.9%
Licenses and permits	424,024	396,444	27,580	7.0%
Fines and court costs	302,970	339,011	(36,041)	-10.6%
Intergovernmental	326,572	322,307	4,265	1.3%
Investment income	23,227	1,757	21,470	1222.0%
Charges for service	500,558	584,197	(83,639)	-14.3%
Miscellaneous	86,587	116,935	(30,348)	-26.0%
<b>Total</b>	<b>\$ 7,063,275</b>	<b>\$ 7,207,089</b>	<b>\$ (143,814)</b>	<b>-2.0%</b>

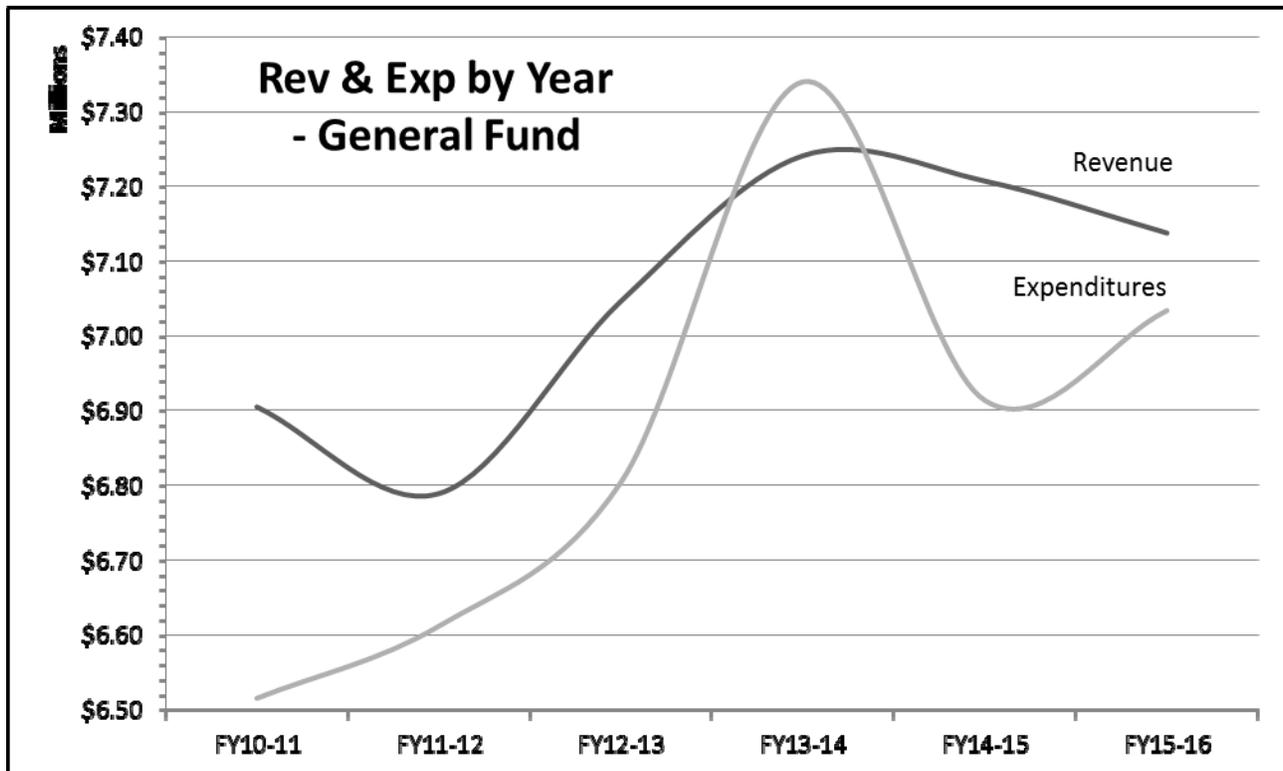
Total General Fund revenue decreased another 2.0% over the past year after a 2.3% decrease last fiscal year. Over the past several years, budgeting and long-term policy discussions have reiterated the need to address the decrease in revenue sources. Even though Sales Taxes showed continued strength once again for fiscal year 2016, the factors that result in the decrease remain largely the same as last year which were the steady decline of utility tax receipts from telecom remittances, lower enrollment in youth sports and recreation usage, and decreased collection on ambulance transports. This was somewhat offset by increases in intergovernmental revenues and investment income but increases haven't been able to overcome the magnitude and frequency of decreases in other areas.

The chart below illustrates revenues broken into four main categories, each provide roughly a quarter of revenue. Only sales tax has shown marked increases while other sources are flat or declining:



## Governmental Funds Analysis (continued)

The chart below illustrates the recovery of revenues following the recessionary dip that resulted in lower sales and property taxes and now the decrease because of lower charges for services, court revenue, and utility taxes. It also shows the flexibility and conservative budgeting to match those revenue sources with one outlier for future task force costs in fiscal year 2014. Fiscal year 2015 decreases were not due to economic conditions, but rather the removal of grant revenue and expenditures to their own respective fund to show true ongoing operations versus one-time or non-operational expenditures. Fiscal year 2016 is the first time we see the culmination of several ongoing declines that were not compensated for by sales taxes and the result is 1.5% spread between revenue and expenditures. Unfortunately, the budget for fiscal year 2017 does not show any major shifts in the declining revenue trend.



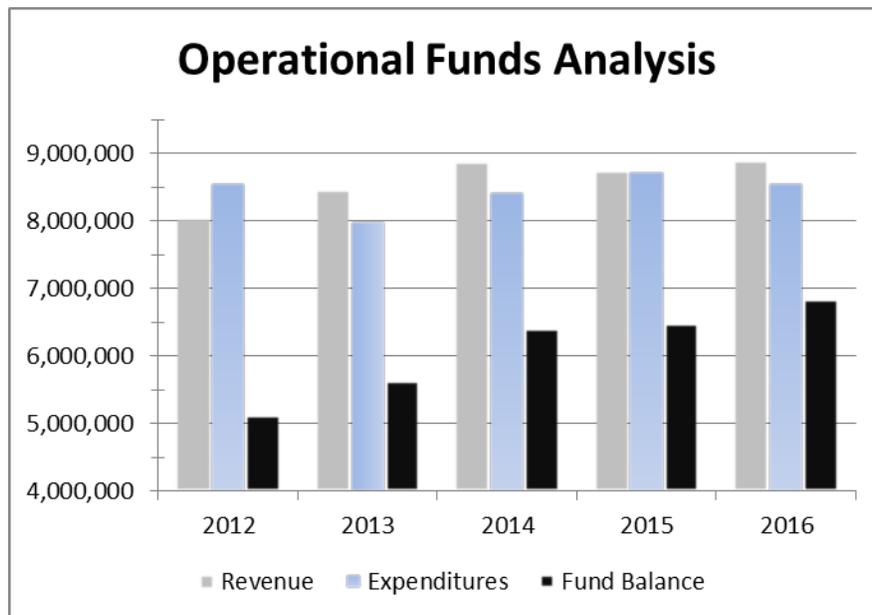
Property taxes, sales taxes, and utility gross receipts taxes provide the foundation that the City uses to provide services and represents roughly 75% of City revenue. On the residential side, the City of Olivette continues to be a desirable place to live and build as evidenced by new construction and improving assessed valuations. In addition, sales taxes have shown recovery to peak levels prior to the recession. Despite these positive factors, revenue within the City of Olivette appears at a plateau as we look forward. On the commercial side of property tax, valuations haven't recovered from the recessionary wave as well as expected and have provided a solid foundation for development discussions. Meanwhile, residential property taxes receipts are limited to inflation by state statute despite improving assessed valuations. Utility gross receipts remain in decline due for the most part to telephone gross receipts and in the most recent year due to mild weather. The remaining 25% of revenue are showing signs of continued decline in a variety of areas but are led by lower youth sports enrollment and lower revenue generated per transport in relation to the ambulance service.

Meanwhile, the demands for services have remained steady during the recession and continue into the recovery. With a continued goal of producing balanced budgets, this potential outlook of wavering revenues has placed continued emphasis on department heads' ownership and accountability to their budgets. With this ownership and further engagement in the budgeting process, limited budgets can be managed in a more effective way to produce better results for the citizens.

## Governmental Funds Analysis (continued)

One piece of the financial picture not presented in the City of Olivette's General Fund is the fact that around 20% of the operational revenues and expenditures occur outside of the General Fund. Therefore, additional funds must be considered to get a full picture of City operations. Fortunately the special revenue funds that provide the additional 20% are funded by revenue sources that have shown positive growth. The Capital Improvements fund is considered an operational fund because of the street maintenance department and with revenue through sales and property tax components. The Fire Operations Fund's revenue is through a dedicated sales tax and contains personnel expenditures for three firefighter/paramedics. Finally, the Stormwater/Parks Fund's revenue is a dedicated sales tax and contains the parks maintenance department expenditures. Those four funds make up the operational departments of the City and when graphed, present a slightly different picture.

The chart below presents the revenue, expenditures, and fund balance of the four operational funds over the last five years. Revenues exceed expenditures in four of the most recent five years with 2016 revenue exceeding expenditures by approximately \$336,000. Fund balance has maintained a steady increase throughout the five years due to conservative budgeting leading to personnel costs not meeting full budget expectations and also through the lack of use of budgeted capital project appropriations. Revenue decreased from 2014 to 2015 due to the removal of grants to their own, non-operational fund. Then, in 2012 the fund balance increased despite expenditures being in excess of revenues due to the debt proceeds in relation to the Dielman NID project which are classified as "other financing sources".



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## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of the end of the fiscal year 2016, the City had \$13,940,535 invested in a broad range of capital assets. As a full service municipality, the City has equipment to support police and fire departments, public works equipment, buildings, and park facilities. This amount represents a net increase (including additions and deductions) of \$5,436,285 or 64% over the prior fiscal year. In progress projects account for the majority of the additions with \$3.5 million in costs associated with the City Center, \$1.1 million with the North Price Rd reconstruction, and the remaining \$650,000 in increases for reconstruction costs on the Old Bonhomme Road project.

**Table 4**

	June 30, 2016	June 30, 2015	Increase (Decrease)
Land	\$ 2,020,039	\$ 2,020,039	\$ -
Construction in progress	6,747,814	1,497,260	5,250,554
Buildings and improvements	1,068,429	1,068,429	-
Infrastructure	974,137	974,137	-
Equipment	1,344,962	1,336,012	8,950
Vehicles	1,785,154	1,608,373	176,781
<b>Total</b>	<b>\$13,940,535</b>	<b>\$ 8,504,250</b>	<b>\$ 5,436,285</b>

The most significant addition to capital assets this year outside of construction in progress for the City Center, North Price Rd reconstruction, and Old Bonhomme Rd reconstruction was the addition five vehicles in the parks, streets, police, and fire department. Page 31 contains a table of Capital Asset activity for the year.

### Debt

At the end of the fiscal year on June 20, 2016, the City had debt of \$14,020,517 outstanding. This amount consists of \$12,315,000 in Series 2014 General Obligation Bonds to be repaid by a levy on all real and personal property within the City. Another \$635,000 is for repayment of the Dielman NID Limited General Obligation Bonds expected to be repaid by the landowners within the district receiving the improvements. Another \$959,038 is for temporary financing of the North Price NID that is also expected to be repaid by landowners within the district. The remaining \$111,479 consists of capital leases for equipment. See page 34 for a break down in table form.

## THE CITY'S FUNDS

At the close of the City's fiscal year on June 30, 2016, the governmental funds of the City reported a combined fund balance of \$15,804,965, a decrease of \$3,250,629. This ending balance includes an increase in the City's General Fund balance of \$103,645 and another increase in the Fire Operations Fund of 147,477. Increases were offset by a decrease of \$257,948 in the North Price NID fund and another decrease of \$3,388,551 of the New Facility fund as construction continues on the building.

### General Fund Budgetary Highlights

For the fiscal year ending June 30, 2016, actual revenues on a budgetary basis were \$7,063,275 compared to the budget amount of \$7,205,365. A large portion of the \$142,090 negative variance was due to lower utility tax receipts that expected as a result of sliding telecom remittances along with mild weather lowering utility tax remittances. Another major contributor to the negative variance was lower than expected youth sports enrollment and medical transport revenue. These were offset by positive variances in investment income and miscellaneous categories. On the other hand, expenditures for the fiscal year ended June 30, 2016 resulted in a \$337,988 positive variance with budgetary basis expenditures of \$7,010,777 compared to the final budget amount of \$7,348,765. Once again, personnel and related expenditures are attributed to nearly all the variance due to vacancies of positions.

## **ECONOMIC FACTORS AND IMPACT ON CURRENT AND FUTURE FISCAL PROJECTS**

Many of the items highlighted above in the discussion of the City's finances come down to two factors that will continue to dominate the discussions around policy: Aging assets and the risk of declining revenues.

The economic factors that are within the control of the City are being actively considered and acted upon through economic development efforts that are largely off the financial statements at this point. The selection of a preferred developer has set the process in motion at Olive & I170 while the release of proposal requests for what will be the former City Hall site and adjacent properties is an active attempt on the City's part to both increase property and sales taxes while keeping citizens desires in mind. Addressing declining revenues is the first step in being proactive with addressing one problem and thereby providing the resources for addressing aging equipment and buildings.

Aging equipment and infrastructure needs are currently in the process of being addressed with the City Center to house the majority of City departments, the reconstruction of two of the four industrial park roads, and also reconstruction of Old Bonhomme Rd. Also, plans for reconstruction of the southern half of Dielman Rd controlled by the City with the help of federal grants sets the future for addressing another infrastructure concern. Other projects that address some aging equipment facility needs are the upcoming parks master plan, construction of a parks maintenance facility, and replacement of the Community Center roof which were approved with the fiscal year end 2017 budget. However, evidence provided by the Capital Improvement Plan indicates that needs are greater than apparent sources on both the small scale and large ticket items. One of the more costly items are streets that were dedicated with the 1997 NID project that are approaching critical points where expensive preservation projects need to be completed in order to prevent the streets from entering a stage where reconstruction is the only option.

Efforts have been made to keep the public abreast on the state of City finances through monthly financial reporting and annual budgets, capital improvement plans, and financial statements. Current and historic documents are available on the new and completely redesigned City website along with audio recordings of monthly financial reports which occur during public council meetings. Additional information on upcoming City events and the status of projects can be found there as well at: [www.olivettemo.com](http://www.olivettemo.com).

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT TEAM**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact:

Darren Mann, CPA  
Director of Finance  
City of Olivette, Missouri  
9473 Olive Boulevard, Olivette, MO 63132  
Email: [dmann@olivettemo.com](mailto:dmann@olivettemo.com)  
Phone: 314-993-0444

## **BASIC FINANCIAL SECTION**

**CITY OF OLIVETTE, MISSOURI**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 7,704,258
Taxes receivable:	
Property	105,236
Other	1,478,890
Receivables:	
Accounts	16,960
Intergovernmental	282,579
Interest	18,474
Inventory	10,140
Cash and investments - restricted	8,495,083
Capital assets - net	
Nondepreciable	8,767,853
Depreciable	1,942,845
TOTAL ASSETS	28,822,318
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related deferred outflows	2,386,903
<b>LIABILITIES</b>	
Accounts and retainage payable	1,107,531
Accrued wages	286,228
Other liabilities	56,779
Interest payable	113,655
Net pension liability	6,221,305
Noncurrent liabilities:	
Due in one year	1,930,216
Due in more than one year	12,916,318
TOTAL LIABILITIES	22,632,032
<b>NET POSITION</b>	
Net investment in capital assets	6,779,302
Restricted:	
Capital projects	1,286,028
Debt service	1,118,899
Local parks and storm water	1,104,760
Sanitary sewer lateral program	651,061
Pension contributions	4,279
Unrestricted	(2,367,140)
TOTAL NET POSITION	\$ 8,577,189

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

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

<b>Functions/Programs</b>	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Position
<b>Governmental Activities</b>		Charges for Service	Capital Grants and Contributions	Governmental Activities
Administrative	\$ 1,217,825	\$ 274,553	\$ -	\$ (943,272)
Public safety	5,629,894	460,099	40,695	(5,129,100)
Public works	1,691,521	217,021	1,022,641	(451,859)
Parks and recreation	923,597	275,879	-	(647,718)
Public health	66,840	-	-	(66,840)
Interest and fiscal charges	357,780	-	-	(357,780)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 9,887,457</b>	<b>\$ 1,227,552</b>	<b>\$ 1,063,336</b>	<b>(7,596,569)</b>
Taxes:				
Sales				2,990,910
Utility				2,004,664
Property				3,354,776
Franchise				120,368
Other				937
Interest income				71,983
Other miscellaneous revenue				78,329
Transfer				493
<b>TOTAL GENERAL REVENUES</b>				<b>8,622,460</b>
<b>CHANGE IN NET POSITION</b>				<b>1,025,891</b>
<b>NET POSITION - BEGINNING OF YEAR</b>				<b>7,551,298</b>
<b>NET POSITION - END OF YEAR</b>				<b>\$ 8,577,189</b>

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

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

	General Fund	Dielman Neighborhood Improvement District Fund	Capital Improvement Fund	New Facility Fund	North Price Neighborhood Improvement District Fund	Other Non-major Funds	Total
<b>ASSETS AND OTHER DEBITS</b>							
Cash and investments	\$ 4,076,858	\$ 55,626	\$ 1,221,448	\$ -	\$ 74,841	\$ 2,275,485	\$ 7,704,258
Taxes receivable:							
Property	84,815	-	-	20,421	-	-	105,236
Other	493,652	750,881	84,704	-	-	149,653	1,478,890
Receivables:							
Accounts	16,960	-	-	-	-	-	16,960
Intergovernmental	-	-	-	-	-	282,579	282,579
Interest	-	-	-	18,474	-	-	18,474
Due from other funds	209,518	-	-	-	-	-	209,518
Inventory	10,140	-	-	-	-	-	10,140
Restricted cash and investments	-	-	12,959	8,482,124	-	-	8,495,083
<b>TOTAL ASSETS</b>	<u>\$ 4,891,943</u>	<u>\$ 806,507</u>	<u>\$ 1,319,111</u>	<u>\$ 8,521,019</u>	<u>\$ 74,841</u>	<u>\$ 2,707,717</u>	<u>\$ 18,321,138</u>
<b>LIABILITIES</b>							
Accounts and retainage payable	\$ 54,756	\$ -	\$ 20,096	\$ 312,335	\$ 351,245	\$ 369,099	\$ 1,107,531
Due to other funds	-	-	-	-	-	209,518	209,518
Accrued wages	255,962	-	12,987	-	-	17,279	286,228
Other liabilities	56,779	-	-	-	-	-	56,779
<b>TOTAL LIABILITIES</b>	<u>367,497</u>	<u>-</u>	<u>33,083</u>	<u>312,335</u>	<u>351,245</u>	<u>595,896</u>	<u>1,660,056</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue:							
Property taxes	84,815	-	-	20,421	-	-	105,236
Special assessments	-	750,881	-	-	-	-	750,881
<b>TOTAL DEFERRED INFLOWS     OF RESOURCES</b>	<u>84,815</u>	<u>750,881</u>	<u>-</u>	<u>20,421</u>	<u>-</u>	<u>-</u>	<u>856,117</u>
<b>FUND BALANCES:</b>							
Fund balances:							
Nonspendable	10,140	-	-	-	-	-	10,140
Restricted:							
Debt service	-	55,626	-	291,971	-	-	347,597
Capital improvements	-	-	1,286,028	7,896,292	-	-	9,182,320
Local parks and stormwater	-	-	-	-	-	1,104,760	1,104,760
Sewer lateral repairs	-	-	-	-	-	651,061	651,061
Pension	-	-	-	-	-	4,279	4,279
Fire operations	-	-	-	-	-	8,011	8,011
Assigned:							
Encumbrances	26,338	-	-	-	-	-	26,338
Equipment replacement	-	-	-	-	-	343,710	343,710
Unassigned	4,403,153	-	-	-	(276,404)	-	4,126,749
<b>TOTAL FUND BALANCES</b>	<u>4,439,631</u>	<u>55,626</u>	<u>1,286,028</u>	<u>8,188,263</u>	<u>(276,404)</u>	<u>2,111,821</u>	<u>15,804,965</u>
<b>TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 4,891,943</u>	<u>\$ 806,507</u>	<u>\$ 1,319,111</u>	<u>\$ 8,521,019</u>	<u>\$ 74,841</u>	<u>\$ 2,707,717</u>	<u>\$ 18,321,138</u>

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

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

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

Total fund balance per balance sheet	\$ 15,804,965
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,710,698
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	856,117
Pension related items, net pension liability (\$6,221,305) and deferred outflows (\$2,386,903) are not due and payable in the current period, therefore are not reported in the funds.	(3,834,402)
Accrued interest is recorded in the statement of net position that do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(113,655)
Long-term liabilities, including bonds payable, capital leases, OPEB obligation, accrued vacation and accrued sick leave are not due and payable in the current period and therefore, are not reported in the funds.	<u>(14,846,534)</u>
Net position of governmental activities	<u><u>\$ 8,577,189</u></u>

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

**CITY OF OLIVETTE, MISSOURI**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Dielman Neighborhood Improvement District Fund	Capital Improvement Fund	New Facility Fund	North Price Neighborhood Improvement District Fund	Other Non-major Funds	Total
<b>REVENUES</b>							
Taxes	\$ 5,399,337	\$ -	\$ 494,606	\$ 1,018,535	\$ -	\$ 1,562,337	\$ 8,474,815
Special assessments	-	53,835	-	-	-	-	53,835
Licenses and permits	424,024	-	-	-	-	-	424,024
Fines and court costs	302,970	-	-	-	-	-	302,970
Intergovernmental	326,572	-	247,250	-	-	489,514	1,063,336
Investment income	23,227	-	-	46,461	-	2,295	71,983
Charges for service	500,558	-	-	-	-	-	500,558
Miscellaneous	86,587	-	-	-	-	-	86,587
<b>TOTAL REVENUES</b>	<u>7,063,275</u>	<u>53,835</u>	<u>741,856</u>	<u>1,064,996</u>	<u>-</u>	<u>2,054,146</u>	<u>10,978,108</u>
<b>EXPENDITURES</b>							
Current:							
Administrative	982,563	-	-	11,578	-	563,453	1,557,594
Public safety	4,572,719	-	-	-	-	171,312	4,744,031
Public works	900,386	-	470,708	-	-	-	1,371,094
Parks and recreation	434,920	-	-	-	-	336,699	771,619
Public health	54,633	-	-	-	-	-	54,633
Capital outlay	88,718	-	306,346	3,557,116	1,116,083	698,899	5,767,162
Debt service:							
Principal, interest and fiscal charges	-	47,858	38,521	884,853	8,790	-	980,022
<b>TOTAL EXPENDITURES</b>	<u>7,033,939</u>	<u>47,858</u>	<u>815,575</u>	<u>4,453,547</u>	<u>1,124,873</u>	<u>1,770,363</u>	<u>15,246,155</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	29,336	5,977	(73,719)	(3,388,551)	(1,124,873)	283,783	(4,268,047)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from the issuance of debt	-	-	-	-	866,925	-	866,925
Assets purchased with capital lease	-	-	150,000	-	-	-	150,000
Transfers in (out)	74,309	-	(111,944)	-	-	38,128	493
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>74,309</u>	<u>-</u>	<u>38,056</u>	<u>-</u>	<u>866,925</u>	<u>38,128</u>	<u>1,017,418</u>
<b>NET CHANGE IN FUND BALANCE</b>	103,645	5,977	(35,663)	(3,388,551)	(257,948)	321,911	(3,250,629)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>4,335,986</u>	<u>49,649</u>	<u>1,321,691</u>	<u>11,576,814</u>	<u>(18,456)</u>	<u>1,789,910</u>	<u>19,055,594</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,439,631</u>	<u>\$ 55,626</u>	<u>\$ 1,286,028</u>	<u>\$ 8,188,263</u>	<u>\$ (276,404)</u>	<u>\$ 2,111,821</u>	<u>\$ 15,804,965</u>

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

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

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

Change in fund balance-total governmental funds	\$ (3,250,629)
Revenues that do not provide current financial resources are not included in the fund financial statements.	(56,995)
The acquisition of capital assets requires the use of current financial resources but has no effect on net position.	5,488,249
The cost of capital assets is allocated over their estimated useful lives and is reported as depreciation expense in the statement of activities.	(306,739)
The net effect of transactions involving capital asset disposals.	(8,258)
Interest is reported as an expenditure when due in the governmental funds but is accrued in the statement of activities.	3,721
Expenses not payable from current financial resources are not expenditures in the fund statements but are expenses on the statement of activities including net other post employment benefit obligation and accrued compensated absences.	(58,453)
The proceeds from the issuance of long-term debt is an other financing source in the fund financial statements, however it is a liability in the government-wide statements and has no affect on net position.	(1,016,925)
Pension expenditures are reported as a decrease in fund balance in the governmental funds. In the statement of activities pension expense is the current service cost of providing pension benefits to employees.	(386,601)
Payment of bond principal and capital lease payments are expenditures in the governmental funds, but the payments reduce long-term liabilities in the statement of net position.	<u>618,521</u>
Change in net position of governmental activities	<u><u>\$ 1,025,891</u></u>

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

***CITY OF OLIVETTE, MISSOURI***  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2015 AND JUNE 30, 2016**

	December 31, 2015	June 30, 2016
	Pension Trust Fund	Agency Fund
<b>CURRENT ASSETS</b>		
Cash	\$ 2,286	\$ 295,294
Investments:		
Equity mutual funds	11,093,467	-
Fixed income funds	4,794,234	-
Annuity contracts	2,212,448	-
Preferred stock funds	491,214	-
<b>TOTAL ASSETS</b>	<b>18,593,649</b>	<b>\$ 295,294</b>
 <b>CURRENT LIABILITIES</b>		
Deposits held	-	295,294
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>\$ 295,294</b>
 <b>NET POSITION</b>		
Restricted for pension	<b>\$ 18,593,649</b>	

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

***CITY OF OLIVETTE, MISSOURI***  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	December 31, 2015
	Pension Trust Fund
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 235,000
Employee	168,437
Total Contributions	403,437
Investment earnings:	
Interest and dividends	112,779
Investment return	(27,598)
Total investment earnings	85,181
TOTAL ADDITIONS	488,618
<b>DEDUCTIONS</b>	
Distributions	1,507,762
Administrative expenses	1,700
TOTAL DEDUCTIONS	1,509,462
<b>CHANGE IN NET POSITION</b>	(1,020,844)
<b>NET POSITION - BEGINNING OF YEAR</b>	19,614,493
<b>NET POSITION - END OF YEAR</b>	\$ 18,593,649

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

***CITY OF OLIVETTE, MISSOURI***  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Olivette, Missouri (the City) was incorporated in 1930 under the provisions of the Missouri State Statutes. In 1976, the City voters approved a Home Rule Charter which established a council-manager form of government, governed by a policy making body of five council members, including the mayor. The City's major operations include fire and police protection, street maintenance and improvements, five parks, recreation programs, and general administrative services. The significant accounting policies applied by the City in the preparation of the accompanying financial statements are summarized below:

**A. REPORTING ENTITY**

The City applies the criteria set forth in GASB Statement No. 61, *The Financial Reporting Entity* (GASB 61), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The City presently has no component units included within its reporting entity.

**B. BASIC FINANCIAL STATEMENTS**

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements.

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the Primary Government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated.

*Government-Wide Financial Statements* - The reporting model includes financial statements prepared using full accrual accounting for all the City's activities. This approach includes not just current assets and liabilities, but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter. As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements. Government-wide financial statements include the following:

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

B. **BASIC FINANCIAL STATEMENTS** - continued

*Statement of Net Position* -The statement of net position is designed to display the financial position of the Primary Government (governmental and business-type activities). The City reports capital assets in the government-wide statement of net position and reports depreciation expense in the statement of activities. The net position of the City is broken down into three categories 1) net investment in capital assets, 2) restricted; and 3) unrestricted.

*Statement Activities* - The statement of activities reports expenses and revenues in a format that focuses on the cost of each of the City's functions. The expense of individual functions is compared to the revenue generated directly by the function. Accordingly, the City has recorded capital assets and certain other long-term assets and liabilities in the statement of net position and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of revenues, expenses and changes in net position. The City has elected to implement the requirements of GASB 34 related to infrastructure assets from January 1, 2004 forward.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenue includes: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund based financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, Dielman Neighborhood Improvement District Fund, Capital Improvement Fund, New Facility Fund and North Price Neighborhood Improvement District Fund. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. The City in general considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION** - continued

For the governmental funds financial statements, the City considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The City reports the following major governmental funds:

**General Fund** - The City's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the City except those required to be accounted for in other specialized funds.

**Dielman Neighborhood Improvement District Fund** - The fund is used to collect taxes used to pay the debt service on the Neighborhood Improvement District Bonds.

**Capital Improvement Fund** - The fund is used to account for taxes to be used for the construction, repair and maintenance of streets, roads, and bridges.

**New Facility Fund** - The fund is used to track proceeds from the Series 2014 General Obligation Bond issue and collect resources restricted for the repayment of the Series 2014 General Obligation Bonds.

**North Price Neighborhood Improvement District Fund** - The fund is used to collect taxes used to pay the debt service on the Neighborhood Improvement District Bonds.

The other governmental funds of the City are considered nonmajor. They are special revenue funds and capital projects funds, which account for specific revenue sources that are legally restricted to expenditures for specific a purpose.

Additionally, the City reports the following fund type:

**Fiduciary Funds** - The City uses these funds to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governments. The Pension Trust Fund accounts for the assets of the City's retirement plan. Agency Funds are used to account for escrow deposit held by the City in an agency capacity.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

D. **CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads, sidewalks, traffic lights, street lights, sewer lines and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Infrastructure assets with an initial cost of \$50,000 or more are also capitalized and depreciated. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized. As allowed by GASB 34, the government-wide financial statements do not reflect infrastructure assets completed prior to March 1, 2004.

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

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	20 - 40 years
Infrastructure	25 years
Equipment	5 - 20 years
Vehicles	5 - 20 years

E. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could vary from the estimates that management uses.

F. **INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

G. **COMPENSATED ABSENCES**

Under terms of the City's personnel policy, employees are granted vacation time based on length of service. Vacation time accrued during one fiscal year may be carried over and used only in the subsequent fiscal year. Upon termination, the employee is paid for unused vacation or is required to repay the City for used and unearned vacation of the current year. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. Upon retirement and 20 years of service, an employee is eligible to receive payment for half of unused sick leave. The City has recognized a liability in the government-wide statements for accrued vacation and sick leave since current financial resources will not be used to relieve this liability. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee retirements and resignations prior to the fiscal year-end.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

H. **LONG-TERM LIABILITIES**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Initial-issue 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 unamortized portion of applicable premium or discount. Bond issuance costs, including underwriters' discount, are expensed when incurred. Amortization of bond premiums or discounts are included in interest expense.

I. **INVENTORIES AND PREPAID ITEMS**

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the General Fund consists of gasoline and diesel held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. **NET POSITION AND FUND EQUITY**

In government-wide financial statements net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Investment in capital assets represents capital assets less accumulated depreciation less outstanding principal on related debt.

Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments). All other net position is considered unrestricted. As of June 30, 2016, all restricted net position was restricted by enabling legislation. It is the City's policy to use restricted net position before unrestricted net position.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable** - Resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

**Restricted** - Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

**Committed** - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making (ordinance), and that remain binding unless removed in the same manner.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

J. **NET POSITION AND FUND EQUITY** - continued

**Assigned** - Resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or an official to which the City Council has delegated the authority to assign amounts for specific purposes. The City Council has currently not delegated this authority to anyone.

**Unassigned** - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The City would typically use restricted fund balances first, followed by committed resources and assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first.

K. **CASH**

The City pools the cash of all funds, except for funds held for court bonds, escrow deposits and any other deposits required to be held in a separate account. Interest income earned on pooled cash and investments is allocated to the various funds as required. Interest income on restricted cash and investments is credited directly to the related fund.

L. **INVESTMENTS**

The City's investments are carried at fair value. The City is authorized to invest funds not immediately needed for the purposes to which the funds are applicable, in obligations of the United States Treasury, United States Government Agencies, Repurchase Agreements and Certificates of Deposit.

The Pension Trust Fund is also authorized to invest in corporate stocks, common or preferred bonds and mortgages, real or personal property and other evidence of indebtedness or ownership, excluding any debt of the City itself and individual insurance policies.

M. **PENSION**

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 City of Olivette Salaried Employees Pension Plan (the Pension Plan) and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. **CASH AND TEMPORARY INVESTMENTS**

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified by RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. As of June 30, 2016, the carrying amount of the City's bank deposits totaled \$12,146,177 with bank balances of \$13,366,462, which includes cash reported in the Agency Fund. The balances were covered by federal depository insurance or collateralized by securities held by the pledging financial institution but not in the City's name.

3. **PROPERTY TAX**

The City's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are levied on September 1 and payable by December 31. A lien is placed on the property on January 1 and is then subject to interest and penalties. The adjusted assessed value at January 1, 2015, upon which the 2015 levy was based on real, personal and public utility property, was \$247,346,233.

The City's tax rate was levied as follows:

	Real Estate		Personal
	Residential	Commercial	Property
General Fund	\$ .623	\$ .754	\$ .771
Pension Fund	.227	.248	.250
Debt Service	.420	.420	.420
Road and Bridge	.105	.105	.105

4. **INVESTMENTS**

**General Government**

Statutes authorize the City to invest excess funds in the following: obligations of the United States Treasury, United States Government Agencies, Repurchase Agreements, Certificates of Deposit, Banker's Acceptance and Commercial Paper. The City's investment policy does not include Banker's Acceptance or Commercial Paper. Certificates of deposit are considered bank deposits and are reported in footnote 2.

The City's Pension Trust Fund has an investment policy designed to provide benefits as anticipated through a carefully planned and executed investment program designed to achieve a reasonable long-term total return consistent with the level of risk assumed. To achieve this return, professional investment managers are employed by the Plan to monitor the Plan's assets. The Plan invests in equities and bonds through use of mutual funds.

4. **INVESTMENTS** - continued

**General Government** - continued

Interest Rate Risk: It is the City's policy to structure its investment portfolios so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City also invests operating funds primarily in short-term securities. The investment policy limits maturities to 5 years and limits the weighted average maturity to 3 years. Information about the sensitivity of the fair values of the City's investment (including investments held by the bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Fair Value	Less than one year	1 - 2 years	2 - 5 years	S&P Credit Rating
Certificates of deposit	\$ 6,194,684	\$ 6,194,684	\$ -	\$ -	N/A
U.S. Treasuries Agency of U.S. Government	1,101,160	1,101,160	-	-	AA+
	<u>2,948,696</u>	<u>2,948,696</u>	<u>-</u>	<u>-</u>	AA+
Total	<u>\$ 10,244,540</u>	<u>\$ 10,244,540</u>	<u>\$ -</u>	<u>\$ -</u>	

Concentration of Credit Risk: It is the City's policy that investments shall be diversified to minimize the risk of loss resulting from over concentrations of assets in specific maturity, specific issuer or specific class of securities. The maximum invested by security type and issuer shall be:

U.S. Treasuries and securities having principal and/or interest guaranteed by the U.S. government	100%
Collateralized time and demand deposits	100
U.S. Government agencies and sponsored enterprises	60
Collateralized repurchase agreements	50
U.S. Government agency callable securities	30

At June 30, 2016, there are no investments in any one issuer (other than investments explicitly guaranteed by the U.S. Government and pooled investments) that represent 5% or more of the total City's governmental activities or Pension Trust Fund:

Custodial Credit Risk: For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In the case of deposits, the risk is that in the event of a bank failure, the City's deposits may not be returned to it. It is the City's policy to pre-qualify financial institutions, broker/dealers, intermediaries and advisors with which the City will do business. The City also diversifies its portfolio so that potential losses on individual securities would be minimized. All investments held for governmental activities are either insured by the FDIC or in investments guaranteed by the U.S Government.

4. **INVESTMENTS** - continued

**Fiduciary Fund-Pension Trust Fund**

The City's investment policy for its City of Olivette Salaried Employees Pension Plan (the Pension Plan) is designed to conform to Missouri State Statutes and the investment goals of the City. The performance objective is to meet or exceed the Pension Plan's actuarial return assumption of 7.25% on a fiscal-year basis over a rolling five-year period with a level of risk deemed appropriate by the Board of Trustee.

The Pension Trust Fund's investments at December 31, 2015 is shown in the following table. The Pension Plan Fund reports its investments at fair value.

Investment Type	Fair Value	Less than one year	1 - 2 years	2 - 5 years	S&P Credit Rating
Equity mutual funds	\$ 11,093,467	\$ -	\$ -	\$ -	N/A
Preferred stock mutual fund	491,214	-	-	-	N/A
Fixed income funds	4,794,234	4,794,234	-	-	Not rated
Annuity contracts	2,212,448	-	-	-	N/A
Total	<u>\$ 18,591,363</u>	<u>\$ 4,794,234</u>	<u>\$ -</u>	<u>\$ -</u>	

**Interest Rate Risk for Pension Trust Fund:** The Investment Policy Statement governing the Pension Trust Fund does not address interest rate risk. The investing guidelines of the Pension Plan are based upon a long-term investment horizon that includes the requirement to have adequate liquid funds to meet benefit payments as they come due.

**Custodial Credit Risk for Investments for Pension Trust Fund:** For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pension Plan does not have an investment policy for custodial credit risk. Investments in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Credit Risk for Investments for Pension Trust Fund:** Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Plan does not have an investment policy for credit risk but relies on the prudent expert to make credit risk determinations.

**Concentration of Credit Risk for investments for Pension Trust Fund:** The Pension Plan investment policy limits investments in a single security to 5% of the portfolio's overall assets. In addition, the Pension Plan may hold no more than 10% of total Pension Plan assets in a money market fund, cash vehicle or cash-equivalent vehicle. As of December 31, 2015, the Pension Plan did not hold more than 5% of total assets in a single security.

5. **FAIR VALUE MEASUREMENTS**

The City of Olivette, Missouri categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2016:

U.S. Treasury Securities and U.S. Government Agency Securities are valued at quoted prices (Level 1).

Market Indexed Certificates of Deposits and Market Linked Certificates of deposits are valued based upon a matrix or model pricing method (Level 2).

Equity Mutual Funds are valued using the net asset value at the close of business each day multiplied the number of shares held by the City at the close of business. (Level 1).

Separate Accounts are valued at the net asset value at the close of business each day multiplied by the number of shares held by the City at the close of business. (Level 1).

6. **INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Due to/from other funds at June 30, 2016 are as follows:

	<u>DUE FROM</u>	<u>DUE TO</u>
General Fund	\$ 209,518	\$ -
Nonmajor funds - Fire Operations Fund	-	209,518

The outstanding balances between funds results from the General Fund paying expenses charged to the Fire Operations Fund.

Interfund transfers for the period ending June 30, 2016 are as follows:

	<u>TRANSFER IN</u>	<u>TRANSFER OUT</u>
General Fund	\$ 74,309	\$ -
Capital Improvement Fund	-	111,944
Nonmajor funds:		
Grants Fund	100,528	-
Local Parks/Storm Water Fund	-	34,400
Sewer Lateral Fund	-	28,000
Agency Fund	-	493

Transfers were made to the General Fund from the Sewer Lateral Fund and the Local Parks/Storm Water Fund to reimburse the General Fund for administrative functions including accounting, human resources and director level time. Transfers from the Performance Bond Agency Fund consist of the interest earnings on funds held. Finally, transfers were made to the Grants Fund from the General Fund and Capital Improvements Fund for matching provisions of grants awarded and expended.

6. **CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended June 30, 2016 is as follows:

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>DELETIONS AND TRANSFERS</u>	<u>BALANCE, END OF YEAR</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,020,039	\$ -	\$ -	\$ 2,020,039
Construction in process	<u>1,497,260</u>	<u>5,520,554</u>	<u>-</u>	<u>6,747,814</u>
Total capital assets, not being depreciated	<u>3,517,299</u>	<u>5,250,554</u>	<u>-</u>	<u>8,767,853</u>
Capital assets, being depreciated:				
Buildings and improvements	1,068,429	-	-	1,068,429
Equipment	1,336,012	19,785	( 10,835)	1,344,962
Vehicles	1,608,373	217,910	( 41,129)	1,785,154
Infrastructure	<u>974,137</u>	<u>-</u>	<u>-</u>	<u>974,137</u>
Total capital assets, being depreciated	<u>4,986,951</u>	<u>237,695</u>	<u>(51,964)</u>	<u>5,172,682</u>
Less accumulated depreciation for:				
Buildings and improvements	( 769,412)	( 37,943)	-	( 807,355)
Equipment	(1,070,650)	( 48,643)	10,835	(1,108,458)
Vehicles	( 990,364)	(181,186)	32,871	(1,138,679)
Infrastructure	<u>( 136,378)</u>	<u>( 38,967)</u>	<u>-</u>	<u>( 175,345)</u>
Total accumulated depreciation	<u>(2,966,804)</u>	<u>(306,739)</u>	<u>43,706</u>	<u>(3,229,837)</u>
Total capital assets, being depreciated, net	<u>2,020,147</u>	<u>( 69,044)</u>	<u>( 8,258)</u>	<u>1,942,845</u>
Total governmental Activities	<u>\$ 5,537,446</u>	<u>\$ 5,181,510</u>	<u>\$ ( 8,258)</u>	<u>\$ 10,710,698</u>

Depreciation expense was charged to functions/programs of the Primary Government as follows:

Governmental activities:

Administrative	\$ 4,508
Public safety	145,001
Public works	93,250
Parks and recreation	<u>63,980</u>
Total depreciation expense-governmental activities	<u>\$ 306,739</u>



7. **LONG-TERM DEBT** - continued

**North Price Road Improvement Project Temporary Financing Loan (Special Assessment)**

In January 2015, the City secured temporary financing up to \$1,000,000 for improvements to North Price Road. The temporary loan matures January 1, 2017, at which point the City is expected to secure long-term financing. Debt service payments will be paid from the North Price Neighborhood Improvement District Fund. The property owners will not be assessed for the improvements until the project is completed and the bonds are issued. The temporary notes bear interest of 3.6%. At June 30, 2016, the balance is as follows:

North Price Road Loan \$ 959,038

All outstanding principal will be repaid within one year.

**Neighborhood Improvement District Limited General Obligation Bonds (Special Assessment)**

In October 2012, the City Council authorized the issuance of \$730,000 in Neighborhood Improvement District Limited General Obligation Bonds. The bonds are to be repaid through special assessment revenues collected from the residents within the City's Neighborhood Improvement District. Debt service payments have historically been paid from the Dielman Neighborhood Improvement District Fund. The bonds bear interest at rates ranging from 0.75% to 2.40% and mature on March 1, 2032. At June 30, 2016, the balance is as follows:

Limited General Obligation Bonds -  
Dielman Industrial Park NID - 2012 \$ 635,000

The annual debt service requirements to maturity on the limited general obligation bonds are as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$ 35,000	\$ 12,330	\$ 47,330
2018	35,000	11,944	46,944
2019	35,000	11,560	46,560
2020	35,000	11,176	46,176
2021	35,000	10,597	45,597
2022	40,000	10,020	50,020
2023	40,000	9,360	49,360
2024	40,000	8,560	48,560
2025	40,000	7,760	47,760
2026	40,000	6,960	46,960
2027	40,000	6,080	46,080
2028	40,000	5,200	45,200
2029	45,000	4,320	49,320
2030	45,000	3,240	48,240
2031	45,000	2,160	47,160
2032	45,000	1,080	46,080
<b>TOTAL</b>	<b>\$ <u>635,000</u></b>	<b>\$ <u>122,347</u></b>	<b>\$ <u>757,347</u></b>

7. **LONG-TERM DEBT** - continued

In September 2015, the City purchased vehicles and equipment through a State and Municipal Lease/Purchase Agreement. The cost of the items purchased totaled \$137,041. Accumulated depreciation totaled \$27,408 as of June 30, 2016. Debt service payments have historically been paid from the Capital Improvement Fund. The City will make annual payments of \$38,521 from the Capital Improvement Fund through September 30, 2018. At June 30, 2016, the balance is as follows:

Lease Purchase \$ 111,479

The annual debt service requirements to maturity on the State and Municipal Lease/Purchase Agreement are as follows:

	<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
2017	\$ 36,491	\$	2,030	\$	38,521
2018	37,156		1,365		38,521
2019	<u>37,832</u>		<u>689</u>		<u>38,521</u>
TOTAL	<u>\$ 111,479</u>	\$	<u>4,084</u>	\$	<u>115,563</u>

A summary of changes in long-term liabilities is as follows:

	<u>BALANCE, BEGINNING OF YEAR</u>		<u>ADDITIONS</u>		<u>REDUCTIONS</u>		<u>BALANCE, END OF YEAR</u>		<u>DUE WITHIN ONE YEAR</u>
Governmental activities:									
Neighborhood Improvement									
District Limited General									
Obligation Bonds	\$ 670,000	\$	-	\$	( 35,000)	\$	635,000	\$	35,000
General Obligation									
Bonds – Series 2014	12,860,000		-		( 545,000)		12,315,000		555,000
North Price Road									
Improvement Loan	92,113		866,925		-		959,038		959,038
Capital leases	-		150,000		( 38,521)		111,479		36,491
Net OPEB obligation	187,091		29,506		-		216,597		-
Accrued sick leave	256,399		81,761		-		338,160		73,427
Accrued comp time	40,062		-		( 1,311)		38,751		38,751
Accrued vacation	<u>284,012</u>		<u>232,509</u>		<u>( 284,012)</u>		<u>232,509</u>		<u>232,509</u>
Subtotal Governmental									
Activities	<u>\$ 14,389,677</u>	\$	<u>1,128,192</u>	\$	<u>( 671,335)</u>	\$	<u>14,846,534</u>	\$	<u>1,930,216</u>

Liabilities for accrued compensated absences, pension contribution and other post-employment benefits have historically been liquidated by the General Fund.

8. **RISK MANAGEMENT**

The City is exposed to various risks of loss related to tort; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City, along with various other local municipal governments, participates in insurance trusts for workers' compensation, property and casualty and health insurance (St. Louis Area Insurance Trust - SLAIT). The purpose of the trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment to cover estimated claims payable and reserves for claims for each entity. The members of the trust have no legal interest in the assets, liabilities or fund balances of the insurance trust. However, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the trusts should the trusts cease operations at some future date. The City's premiums payments to the trust were \$1,012,608 for the fiscal year ending June 30, 2016.

The City also purchases commercial insurance to cover risks related to travel, public official liability, earthquakes and employees blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

9. **DEFICIT FUND BALANCE**

The North Price NID Fund had deficit fund balances of \$276,404 at June 30, 2016. In the North Price NID Fund, the deficit is the result of expenditures exceeding draws on the temporary financing loan.

10. **COMMITMENTS**

Beginning in July 2006, the City entered into a participation agreement with other municipalities for centralized dispatching services from East Central Dispatch Center. The contract is renewed annually. Payments are estimated to be \$175,000 for fiscal year-ending June 30, 2017.

The City has contracted with a vendor to provide trash service to City residents through June 30, 2017. Fee increases are tied to the Consumer Price index with a cap of 2% and a floor of 1%. There is no minimum billing requirement outlined in the agreement.

In November 2013, the City signed an agreement with a company to provide telephone and internet services for three years through November 2016. The City pays a minimum monthly fee of \$1,924.

11. **EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Expenditures exceeded appropriations in the following functional expenditure categories:

	Expenditures	Appropriations	Expenditures Over Appropriations
Pension Fund	\$ 562,086	\$ 548,000	\$ 14,086
New Facility Fund	4,453,547	2,012,000	2,441,547
North Price Neighborhood Improvement District Fund	1,124,873	943,000	181,873

## 12. DEFINED BENEFIT PENSION PLAN

### Plan Description

The City of Olivette Salaried Employees Pension Plan (the Pension Plan) is a single-employer defined benefit pension plan controlled by the provisions of Ordinance #686 adopted October 14, 1964. The plan is governed by the City of Olivette which is responsible for the management of plan assets. The City of Olivette has hired Principal Financial Advisors, Inc. and BMO Harris Financial Advisors to manage plan assets. The City has retained Marquette and Associates to recommend an investment strategy for the plan assets. The Plan provides for retirement benefits, early and deferred retirement, termination and death benefits to members and beneficiaries. The Pension Plan does not issue a separate standalone financial statement.

Employees become eligible to participate in the plan after completion of six months of full-time employment. Employees attaining the latter of age 58 or completion of five years of service are entitled to annual benefits of their highest average monthly compensation for the five consecutive years out of the ten last compensating years prior to retirement date. All benefits vest after five years of credited service. At full retirement employees receive 2.0% of average monthly compensation times credited service. The Plan permits early retirement at the completion of five years of credited service and attainment of age 50. The employee receives a benefit reduced by 6.67% for each year up to five that the early retirement date precedes normal retirement date.

### Plan Investments

The investment objective is to provide retirement benefits to participants of the Pension Plan and to their beneficiaries. The investment policy is intended to be in accordance with fiduciary requirements under Missouri law. The performance objective of the Pension Plan is to meet or exceed the actuarial return assumption of 7.25% on a fiscal-year basis over a rolling five-year period with a level of risk deemed appropriate by the Board of Trustees.

The investment policy requires the Pension Plan to maintain an asset allocation as deemed appropriate by the Trustees, upon the advice of the investment consultant. The Trustees have adopted the following asset allocation:

	<u>Minimum</u>		<u>Target</u>		<u>Maximum</u>	
Fixed income	20	%	30	%	50	%
U.S. Equity						
Large-Cap	10		20		30	
Mid-Cap	5		10		15	
Small-Cap	5		10		15	
Non-U.S. Equity	10		20		30	
Real Estate	5		10		15	
Alternative	0		0		10	
Cash or cash equivalents	0		0		30	

12. **DEFINED BENEFIT PENSION PLAN** - continued

As of January 1, 2016, (the end of the most recent plan year), the pension plan's membership consists of:

Active employees	48
Retirees and beneficiaries currently received benefits	56
Terminated employees entitled to benefits, but not yet receiving them	<u>24</u>
TOTAL	<u>128</u>

**Funding Policies**

Active members were required to contribute 5% of wages to the Plan. Any remaining obligation with respect to the Pension Plan shall be paid by the City. Contributions recognized in the actuarial valuation for the Plan year ended January 1, 2016 were \$403,598, which consisted of \$235,000 from the City and \$168,598 from employees. The actuarially required contribution was \$601,508. Actual contributions for the Plan year represented 7.2% of covered payroll.

The City has levied taxes on real estate and personal property to fund its pension plan. The 2015 tax levy per \$100 of assessed value for the pension is as follows:

Residential real estate	\$.227
Commercial real estate	.248
Personal property	.250

**Net Pension Liability**

The City's net pension liability was measured as of January 1, 2016, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date.

**Actuarial Assumptions**

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Rate:	
Pre-retirement	RP2014 Healthy Employee set back 4 years for females
Post-retirement	RP2014 Healthy Annuitant set back 4 years for females
Investment Rate of Return	7.25%
Projected Salary Increases	4.0% (includes 1.0% merit component)
Inflation	2.75%

Effective with the January 1, 2016 valuation the mortality rate was changed to RP2014 Healthy Employee for males set back 4 years for females from the RP2000 set back 4 years for females for pre-retirement lives. The mortality rate was changed to the RP2014 Healthy Annuitant for males set back 4 years for females for post-retirement lives. In addition, projected salary increases were reduced from 4.5% to 4.0% and the merit component was reduced from 1.75% to 1.0%.

12. **DEFINED BENEFIT PENSION PLAN** - continued

The following are Cost-of-Living Adjustments:

Retirement Date	Maximum Annual	Maximum Lifetime
Prior to May 25, 1999	4 %	50 %
May 26, 1999 to September 12, 2000	3	35
September 13, 2000 to January 1, 2005	2	20
January 2, 2005 to January 1, 2010	2	25
January 2, 2010 to present	-	-

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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 adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Allocation	Assumed Geometric Real Return
Domestic Equity	47 %	6.0 %
International Equity	5	6.0
Fixed Income	33	1.5
Real Estate	8	4.5
Cash Equivalents	7	0.0
Total	100 %	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that the City's contributions will increase 2.75% per year from the 2015 estimated level. The employee population is assumed to remain level. The discount rate calculation is based on a municipal bond rate of 2.7%, which is derived from the 20 year average yield to maturity of AA rated bonds as of January 2016, as determined by Morgan Stanley. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make 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 payments to determine the total pension liability.

12. **DEFINED BENEFIT PENSION PLAN** - continued

**Changes in Net Pension Liability**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2014	\$ 23,229,769	\$ 19,614,493	\$ 3,615,276
Changes for the year:			
Service cost	241,498	-	241,498
Interest	1,629,502	-	1,629,502
Changes in assumptions	1,041,477	-	1,041,477
Differences between expected and actual experience	180,470	-	180,470
Contributions - employer	-	235,000	(235,000)
Contributions - employee	-	168,437	(168,437)
Net investment income	-	85,181	(85,181)
Benefit payments including refunds of employee contributions	(1,507,762)	(1,507,762)	-
Administrative expense	-	(1,700)	1,700
Net Changes	<u>1,585,185</u>	<u>(1,020,844)</u>	<u>2,606,029</u>
Balances as of December 31, 2015	<u>\$ 24,814,954</u>	<u>\$ 18,593,649</u>	<u>\$ 6,221,305</u>

**Sensitivity Of The Net Pension Liability**

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 if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's net pension liability	\$ 9,082,765	\$ 6,221,305	\$ 3,812,851

**Pension Expense And Deferred Outflows of Resources and Deferred Inflows Of Resources Related to the Pension**

For the year-ended June 30, 2016, the city recognized pension expense of \$906,600. At June 30, 2015, the City reported deferred outflow of resources and deferred inflows of resources related to the Pension Plan from the following:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 111,182	\$ -
Changes in assumptions	771,661	-
City contributions subsequent to the measurement date	520,000	-
Net differences between projected and actual earnings on pension plan investments	984,060	-
Total	<u>\$ 2,386,903</u>	<u>\$ -</u>

12. **DEFINED BENEFIT PENSION PLAN** - continued

The June 30, 2015 balance of \$520,000, reported as deferred outflows of resources resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. The deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2017	\$	550,482
2018		550,482
2019		507,265
2020		258,678

13. **OTHER POST EMPLOYMENT BENEFITS**

**Plan Description and Provisions** - The City of Olivette is a single-employer other post employment plan that provides its retirees with access to healthcare (medical and dental). The retiree must pay the full premium of such coverage, but the employer is responsible for any implicit subsidy arising from actual claims being higher than premium amounts. The Plan does not issue a separate stand-alone financial report. Benefits under the Plan are established by ordinance and may be changed by the passage of an ordinance. The City funds these benefits on a pay as you go basis.

At July 1, 2016, the date of the last actuarial valuation, the Plan covered the following number of participants for medical coverage:

Active participants	63
Retirees and beneficiaries currently receiving benefits	<u>3</u>
Total Plan Participants	<u><u>66</u></u>

Valuations are performed using the Projected Unit Credit (PUC) Funding Method. Under the PUC Funding Method the Normal Cost is based exclusively on plan liabilities. The PUC Funding Method allocates the projected benefit of each participant over the participant's period of service. The valuation assumes 7% inflation on health insurance premiums rate in 2016 graded down 1% each year until an ultimate rate of 4.5% is reached in eight years and uses the RP2014 Healthy Employee Table for males, set back 4 years for females for pre-retirement and the RP2014 Healthy Annuitant Table for males, set back 4 years for females for post-retirement life expectancies.

**Net OPEB Obligation**

The City's annual OPEB cost of the current plan year is as follows:

Annual required contribution (actuarially computed)	\$ 44,310
Interest on net OPEB obligation	5,613
Adjustment to annual required contribution	<u>(12,573)</u>
Annual OPEB cost	37,350
Contributions made	<u>(7,844)</u>
Increase in net OPEB obligation	29,506
Net OPEB obligation - beginning of year	<u>187,091</u>
Net OPEB obligation - end of year	<u>\$ 216,597</u>

13. **OTHER POST EMPLOYMENT BENEFITS** - continued

**Trend Information - Other Post Employment Benefits**

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage Contribution	Net OPEB Obligation
2016	\$ 37,350	21.0 %	\$ 216,597
2015	51,746	41.2	187,091
2014	74,403	63.1	156,704

**Funded Status and Funding Progress** - As of July 1, 2016, the most recent actuarial valuation available, the plan was not funded. The actuarial accrued liability for benefits was \$321,679, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$321,679. The covered payroll (annual payroll of active employees covered by the plan) was \$4,156,881, and the ratio of the UAAL to the covered payroll was 7.7%.

The schedule of funding progress is presented as RSI following the notes to the financial statements.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectation and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

14. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 1, 2016, the date the financial statements were available to be issued.

15. **NEW ACCOUNTING PRONOUNCEMENTS**

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

This report does not incorporate GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, GASB Statement No. 77, Tax Abatement Disclosures, GASB Statement No. 78, Pensions Provided through Certain Multiple Employer Defined Benefit Pensions plans and GASB Statement No. 79, Certain External Investment Pools and Pool Participants. The City will adopt and implement these statements at the required time.

**REQUIRED SUPPLEMENTARY INFORMATION**

***CITY OF OLIVETTE, MISSOURI***  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS AS OF DECEMBER 31**

	<u>2015</u>	<u>2014</u>
<u>Total Pension Liability</u>		
Service cost	\$ 241,498	\$ 209,105
Interest	1,629,502	1,642,454
Changes in benefit terms	-	-
Difference between expected and actual experience	180,470	(509,225)
Changes in assumptions	1,041,477	-
Benefit payments, including refunds	<u>(1,507,762)</u>	<u>(1,534,178)</u>
Net change in total pension liability	1,585,185	(191,844)
Total pension liability - beginning of year	<u>23,229,769</u>	<u>23,421,613</u>
Total pension liability - end of year	<u><u>\$ 24,814,954</u></u>	<u><u>\$ 23,229,769</u></u>
<u>Plan Fiduciary Net Position</u>		
Contributions - employer	\$ 235,000	\$ 1,001,748
Contributions - employee	168,437	151,888
Net investment income	85,181	1,428,273
Benefit payments, including refunds	(1,507,762)	(1,534,178)
Administrative expenses	<u>(1,700)</u>	<u>(2,040)</u>
Net change in plan fiduciary net position	(1,020,844)	1,045,691
Plan fiduciary net position - beginning of year	<u>19,614,493</u>	<u>18,568,802</u>
Plan fiduciary net position - end of year	<u><u>\$ 18,593,649</u></u>	<u><u>\$ 19,614,493</u></u>
Net pension liability - end of year	<u><u>\$ 6,221,305</u></u>	<u><u>\$ 3,615,276</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u>74.9%</u>	<u>84.4%</u>
Covered employee payroll	<u><u>\$ 3,256,893</u></u>	<u><u>\$ 2,874,888</u></u>
Net pension liability as a percentage of covered payroll	<u>191.0%</u>	<u>125.8%</u>

Note: The above information is not available for years prior to the implementation of GASB 67.

**CITY OF OLIVETTE, MISSOURI**  
 REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF ACTUARIALLY DETERMINED CONTRIBUTION AND  
 SCHEDULE OF ANNUAL DOLLAR-WEIGHTED RATE OF RETURN

SCHEDULE OF ACTUARIALLY DETERMINED CONTRIBUTION

<u>Year Ended</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Employer</u> <u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Employee</u> <u>Payroll</u>	<u>Contributions As</u> <u>A Percentage</u> <u>Of Covered</u> <u>Employee Payroll</u>
2006	\$ 343,514	\$ 479,730	\$ (136,216)	\$ 2,708,300	17.71 %
2007	113,708	248,086	(134,378)	2,890,508	8.58
2008	118,505	496,280	(377,775)	2,928,155	16.95
2009	1,283,973	452,710	831,263	2,847,284	15.90
2010	990,350	678,723	311,627	2,741,672	24.76
2011	869,154	550,099	319,055	2,655,603	20.71
2012	954,121	529,586	424,535	2,553,305	20.74
2013	862,559	462,479	400,080	2,780,303	16.63
2014	635,670	540,000	95,670	2,874,888	18.78
2015	601,508	235,000	366,508	3,256,893	7.22

SCHEDULE OF ANNUAL DOLLAR-WEIGHTED RATE OF RETURN

The following is the annual dollar-weighted rate of return net of expenses:

<u>Year Ended</u> <u>December 31,</u>	
2006	11.86 %
2007	9.48
2008	(34.23)
2009	11.50
2010	14.51
2011	1.29
2012	13.60
2013	16.42
2014	7.71
2015	0.45

***CITY OF OLIVETTE, MISSOURI***  
 REQUIRED SUPPLEMENTAL INFORMATION - CONTINUED  
 SCHEDULE OF ACTUARIALLY DETERMINED CONTRIBUTION AND  
 SCHEDULE OF ANNUAL DOLLAR-WEIGHTED RATE OF RETURN

**Notes to Schedule**

Valuation Date: January 1, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost
Amortization method	Entry age normal cost , 20 year open
Asset valuation method	Market value
Inflation	2.75%
Salary increases	4.0%, which includes 1.0% merit component
Investment return	7.25%
Retirement age	58 years of age and 5 years of credited service
Mortality	Pre-Retirement RP2014 Health Employee Table, set back 4 years for females
	Post-Retirement RP2014 Healthily Annuitant Table, set back 4 years for females

Cost of living provisions

Retirements prior to May 25, 1999	Annual max 4%; Lifetime max 50%
Retirements between May 26, 1999 and September 12, 2000	Annual max 3%; Lifetime max 35%
Retirements between September 12, 2000 and January 1, 2005	Annual max 2%; Lifetime max 20%
Retirements between January 1, 2005 and January 1, 2010	Annual max 2%; Lifetime max 25%
Retirements after January 1, 2010	No cost of living provision

**CITY OF OLIVETTE, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POST EMPLOYMENT BENEFITS**  
**SCHEDULES OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Annual</u> <u>Contribution</u>	<u>Percentage</u> <u>Funded</u>
2014	\$ 74,403	\$ 47,000	63.2 %
2015	53,620	21,359	39.8
2016	44,310	7,844	17.7

**SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	<u>Unfunded</u> <u>(AAL)</u> <u>(UAAL)</u> <u>(2)-(1)</u>	<u>Funded</u> <u>Ratio</u> <u>(1)/(2)</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>Percentage of</u> <u>Covered</u> <u>Payroll</u> <u>(2)-(1)/5</u>
7/1/2012	\$ -	\$ 715,939	\$ 715,939	0.0 %	\$ 2,655,603	27.0 %
7/1/2014	-	421,500	421,500	0.0	2,780,303	15.2
7/1/2016	-	321,679	321,679	0.0	4,156,881	7.7

The historical trend information about the Plan is presented to help the user assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other entities.

**CITY OF OLIVETTE, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 5,483,000	\$ 5,483,000	\$ 5,399,337	\$ (83,663)
Licenses and permits	412,115	412,115	424,024	11,909
Fines and court costs	312,500	312,500	302,970	(9,530)
Intergovernmental	320,400	320,400	326,572	6,172
Investment income	6,500	6,500	23,227	16,727
Charges for service	612,850	612,850	500,558	(112,292)
Miscellaneous	58,000	58,000	86,587	28,587
<b>TOTAL REVENUES</b>	<u>7,205,365</u>	<u>7,205,365</u>	<u>7,063,275</u>	<u>(142,090)</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	1,053,853	1,053,853	976,901	76,952
Public safety	4,715,802	4,715,802	4,572,719	143,083
Public works	889,208	889,208	882,886	6,322
Parks and recreation	538,767	530,917	434,920	95,997
Public health	57,985	57,985	54,633	3,352
Capital outlay	13,150	101,000	88,718	12,282
<b>TOTAL EXPENDITURES</b>	<u>7,268,765</u>	<u>7,348,765</u>	<u>7,010,777</u>	<u>337,988</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(63,400)	(143,400)	52,498	195,898
<b>OTHER FINANCING SOURCES</b>				
Transfer in (out)	63,400	143,400	74,309	(69,091)
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>126,807</u>	<u>\$ 126,807</u>
<b>FUND BALANCES -</b>				
<b>BEGINNING OF YEAR</b>	<u>4,335,986</u>	<u>4,335,986</u>	<u>4,286,486</u>	
<b>FUND BALANCES -</b>				
<b>END OF YEAR</b>	<u>\$ 4,335,986</u>	<u>\$ 4,335,986</u>	4,413,293	

Explanation of difference between budgetary and GAAP fund balances:

Encumbrances for equipment and supplies ordered but not received are not reported for GAAP purposes until received.	<u>26,338</u>
GAAP fund balance end of year	<u>\$ 4,439,631</u>

***CITY OF OLIVETTE, MISSOURI***  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016

**1. BUDGETARY INFORMATION**

On or before April 1, the City Manager submits to the City Council a proposed operating budget for the City for the fiscal year commencing on the following July 1. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by ordinance after public hearings are held to obtain taxpayer comments. Primary budgetary control is at the fund level. Any transfers of budgeted amounts from one department to another require approval of the City Council. The City's budgets are prepared on the modified accrual basis of accounting.

Unencumbered appropriations lapse at year-end.

**SUPPLEMENTARY INFORMATION**

**CITY OF OLIVETTE, MISSOURI**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	Special Revenue Funds					Capital Projects Fund	Total
	Grants Fund	Fire Operations Fund	Local Parks/ Storm Water Fund	Sewer Lateral Fund	Pension Fund	Equipment Replacement Fund	
<b>ASSETS AND OTHER DEBITS</b>							
Cash and investments	\$ 70,645	\$ 174,317	\$ 1,027,973	\$ 654,561	\$ 4,279	\$ 343,710	\$ 2,275,485
Other taxes receivable	-	49,884	99,769	-	-	-	149,653
Intergovernmental receivable	282,579	-	-	-	-	-	282,579
<b>TOTAL ASSETS</b>	<b>\$ 353,224</b>	<b>\$ 224,201</b>	<b>\$ 1,127,742</b>	<b>\$ 654,561</b>	<b>\$ 4,279</b>	<b>\$ 343,710</b>	<b>\$ 2,707,717</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 353,224	\$ -	\$ 12,375	\$ 3,500	\$ -	\$ -	\$ 369,099
Due to other funds	-	209,518	-	-	-	-	209,518
Accrued wages payable	-	6,672	10,607	-	-	-	17,279
<b>TOTAL LIABILITIES</b>	<b>353,224</b>	<b>216,190</b>	<b>22,982</b>	<b>3,500</b>	<b>-</b>	<b>-</b>	<b>595,896</b>
<b>FUND BALANCES:</b>							
Fund balances:							
Restricted:							
Local parks/storm water projects	-	-	1,104,760	-	-	-	1,104,760
Sewer lateral repairs	-	-	-	651,061	-	-	651,061
Pension	-	-	-	-	4,279	-	4,279
Fire operations	-	8,011	-	-	-	-	8,011
Assigned:							
Equipment replacement	-	-	-	-	-	343,710	343,710
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>8,011</b>	<b>1,104,760</b>	<b>651,061</b>	<b>4,279</b>	<b>343,710</b>	<b>2,111,821</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 353,224</b>	<b>\$ 224,201</b>	<b>\$ 1,127,742</b>	<b>\$ 654,561</b>	<b>\$ 4,279</b>	<b>\$ 343,710</b>	<b>\$ 2,707,717</b>

***CITY OF OLIVETTE, MISSOURI***  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds					Capital Projects Fund	Total
	Grants Fund	Fire Operations Fund	Local Parks/ Storm Water Fund	Sewer Lateral Fund	Pension Fund	Equipment Replacement Fund	
<b>REVENUES</b>							
Taxes	\$ -	\$ 290,939	\$ 581,879	\$ 136,600	\$ 552,919	\$ -	\$ 1,562,337
Intergovernmental	489,514	-	-	-	-	-	489,514
Investment income	-	-	-	2,295	-	-	2,295
<b>TOTAL REVENUES</b>	<b>489,514</b>	<b>290,939</b>	<b>581,879</b>	<b>138,895</b>	<b>552,919</b>	<b>-</b>	<b>2,054,146</b>
<b>EXPENDITURES</b>							
Current:							
Administrative	-	-	-	1,367	562,086	-	563,453
Public safety	27,850	143,462	-	-	-	-	171,312
Parks and recreation	-	-	336,699	-	-	-	336,699
Capital outlay	562,192	-	75,288	61,419	-	-	698,899
<b>TOTAL EXPENDITURES</b>	<b>590,042</b>	<b>143,462</b>	<b>411,987</b>	<b>62,786</b>	<b>562,086</b>	<b>-</b>	<b>1,770,363</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(100,528)</b>	<b>147,477</b>	<b>169,892</b>	<b>76,109</b>	<b>(9,167)</b>	<b>-</b>	<b>283,783</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer out	100,528	-	(34,400)	(28,000)	-	-	38,128
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>147,477</b>	<b>135,492</b>	<b>48,109</b>	<b>(9,167)</b>	<b>-</b>	<b>321,911</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>-</b>	<b>(139,466)</b>	<b>969,268</b>	<b>602,952</b>	<b>13,446</b>	<b>343,710</b>	<b>1,789,910</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 8,011</b>	<b>\$ 1,104,760</b>	<b>\$ 651,061</b>	<b>\$ 4,279</b>	<b>\$ 343,710</b>	<b>\$ 2,111,821</b>

**CITY OF OLIVETTE, MISSOURI**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**DIELMAN NEIGHBORHOOD IMPROVEMENT DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGET ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Special assessments	\$ 45,000	\$ 45,000	\$ 53,835	\$ 8,835
EXPENDITURES				
Debt Service	47,857	47,857	47,857	\$ -
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,857)	(2,857)	5,977	<u>\$ 8,834</u>
FUND BALANCES - BEGINNING OF YEAR	<u>49,649</u>	<u>49,649</u>	<u>49,649</u>	
FUND BALANCES - END OF YEAR	<u>\$ 46,792</u>	<u>\$ 46,792</u>	<u>\$ 55,626</u>	

**CITY OF OLIVETTE, MISSOURI**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	BUDGET ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 475,000	\$ 475,000	\$ 494,606	\$ 19,606
Intergovernmental	250,000	250,000	247,250	(2,750)
TOTAL REVENUES	725,000	725,000	741,856	16,856
EXPENDITURES				
Current:				
Public works	571,464	571,464	470,708	100,756
Capital outlay	290,025	290,025	306,346	(16,321)
Debt Service	43,511	43,511	38,521	4,990
TOTAL EXPENDITURES	905,000	905,000	815,575	89,425
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(180,000)	(180,000)	(73,719)	(106,281)
OTHER FINANCING SOURCES				
Assets purchased with capital lease	150,000	150,000	150,000	-
Transfer in (out)	-	(30,000)	(111,944)	81,944
TOTAL OTHER FINANCING SOURCES	150,000	120,000	38,056	81,944
NET CHANGE IN FUND BALANCE	(30,000)	(60,000)	(35,663)	\$ 24,337
FUND BALANCES - BEGINNING OF YEAR	1,321,691	1,321,691	1,258,686	
FUND BALANCES - END OF YEAR	\$ 4,335,986	\$ 4,335,986	1,223,023	

Explanation of difference between budgetary and GAAP fund balances:

Encumbrances for equipment and supplies ordered but not received are not reported for GAAP purposes until received.

63,005

GAAP fund balance end of year

\$ 1,286,028

**CITY OF OLIVETTE, MISSOURI**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**NEW FACILITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGET ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Taxes	\$ 941,000	\$ 941,000	\$ 1,018,535	\$ 77,535
Investment income	51,000	51,000	46,461	(4,539)
<b>TOTAL REVENUES</b>	<u>992,000</u>	<u>992,000</u>	<u>1,064,996</u>	<u>72,996</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	-	-	11,578	(11,578)
Capital outlay	1,012,000	1,012,000	3,557,116	(2,545,116)
Debt Service	1,000,000	1,000,000	884,853	115,147
<b>TOTAL EXPENDITURES</b>	<u>2,012,000</u>	<u>2,012,000</u>	<u>4,453,547</u>	<u>(2,441,547)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,020,000)	(1,020,000)	(3,388,551)	<u>\$ (2,368,551)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>11,576,814</u>	<u>11,576,814</u>	<u>11,576,814</u>	
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 10,556,814</u>	<u>\$ 10,556,814</u>	<u>\$ 8,188,263</u>	

**CITY OF OLIVETTE, MISSOURI**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**NORTH PRICE NEIGHBORHOOD IMPROVEMENT DISTRICT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGET ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital outlay	943,000	943,000	1,116,083	(173,083)
Debt Service	-	-	8,790	(8,790)
TOTAL EXPENDITURES	<u>943,000</u>	<u>943,000</u>	<u>1,124,873</u>	<u>(181,873)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(943,000)	(943,000)	(1,124,873)	(181,873)
OTHER FINANCING SOURCES				
Transfer in (out)	<u>1,943,000</u>	<u>1,943,000</u>	<u>866,925</u>	<u>(1,076,075)</u>
NET CHANGE IN FUND BALANCE	1,000,000	1,000,000	(257,948)	<u>\$ (1,257,948)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>(18,456)</u>	<u>(18,456)</u>	<u>(18,456)</u>	
FUND BALANCES - END OF YEAR	<u>\$ 981,544</u>	<u>\$ 981,544</u>	<u>\$ (276,404)</u>	

**CITY OF OLIVETTE, MISSOURI**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GRANTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGET ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 2,130,000	\$ 2,130,000	\$ 489,514	\$ (1,640,486)
EXPENDITURES				
Current:				
Public safety	25,000	25,000	27,850	(2,850)
Capital outlay	2,105,000	2,105,000	562,192	1,542,808
TOTAL EXPENDITURES	<u>2,130,000</u>	<u>2,130,000</u>	<u>590,042</u>	<u>1,539,958</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(100,528)	(100,528)
OTHER FINANCING SOURCES				
Transfer in (out)	<u>-</u>	<u>-</u>	<u>100,528</u>	<u>100,528</u>
NET CHANGE IN FUND BALANCE	-	-	-	<u>\$ -</u>
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**CITY OF OLIVETTE, MISSOURI**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**FIRE OPERATIONS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGET ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes	\$ 280,000	\$ 280,000	\$ 290,939	\$ 10,939
EXPENDITURES				
Current:				
Public safety	224,591	224,591	143,462	81,129
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	55,409	55,409	147,477	<u>\$ 92,068</u>
FUND BALANCES - BEGINNING OF YEAR	<u>(139,466)</u>	<u>(139,466)</u>	<u>(139,466)</u>	
FUND BALANCES - END OF YEAR	<u>\$ (84,057)</u>	<u>\$ (84,057)</u>	<u>\$ 8,011</u>	

**CITY OF OLIVETTE, MISSOURI**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**LOCAL PARKS/STORM WATER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	BUDGET ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 562,000	\$ 562,000	\$ 581,879	\$ 19,879
EXPENDITURES				
Current:				
Public works	80,000	80,000	-	80,000
Parks and recreation	392,405	392,405	336,699	55,706
Capital outlay	64,225	64,225	75,288	(11,063)
TOTAL EXPENDITURES	536,630	536,630	411,987	124,643
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,370	25,370	169,892	144,522
OTHER FINANCING SOURCES				
Transfer in (out)	(34,400)	(74,900)	(34,400)	40,500
NET CHANGE IN FUND BALANCE	(9,030)	(49,530)	135,492	\$ 185,022
FUND BALANCES - BEGINNING OF YEAR	969,265	969,265	969,265	
FUND BALANCES - END OF YEAR	\$ 960,235	\$ 919,735	1,076,507	

Explanation of difference between budgetary and GAAP fund balances:

Encumbrances for equipment and supplies ordered but not received are not reported for GAAP purposes until received.	28,250
GAAP fund balance end of year	\$ 1,104,757

**CITY OF OLIVETTE, MISSOURI**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**SEWER LATERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGET ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Taxes	\$ 135,000	\$ 135,000	\$ 136,600	\$ 1,600
Investment income	720	720	2,295	1,575
<b>TOTAL REVENUES</b>	<u>135,720</u>	<u>135,720</u>	<u>138,895</u>	<u>3,175</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	1,336	1,336	1,367	(31)
Capital outlay	75,000	75,000	61,419	13,581
<b>TOTAL EXPENDITURES</b>	<u>76,336</u>	<u>76,336</u>	<u>62,786</u>	<u>13,550</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	59,384	59,384	76,109	16,725
<b>OTHER FINANCING SOURCES</b>				
Transfer in (out)	<u>(28,000)</u>	<u>(28,000)</u>	<u>(28,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	31,384	31,384	48,109	<u>\$ 16,725</u>
<b>FUND BALANCES -</b>				
BEGINNING OF YEAR	<u>602,952</u>	<u>602,952</u>	<u>602,952</u>	
<b>FUND BALANCES -</b>				
END OF YEAR	<u>\$ 634,336</u>	<u>\$ 634,336</u>	<u>\$ 651,061</u>	

**CITY OF OLIVETTE, MISSOURI**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**PENSION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	BUDGET ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 558,000	\$ 558,000	\$ 552,919	\$ (5,081)
EXPENDITURES				
Current:				
Administrative	548,000	548,000	562,086	(14,086)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,000	10,000	(9,167)	\$ (19,167)
FUND BALANCES - BEGINNING OF YEAR	13,446	13,446	13,446	
FUND BALANCES - END OF YEAR	\$ 23,446	\$ 23,446	\$ 4,279	

***CITY OF OLIVETTE, MISSOURI***  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS</b>				
Cash	<u>\$ 242,949</u>	<u>\$ 574,935</u>	<u>\$ 279,551</u>	<u>\$ 295,294</u>
 <b>LIABILITIES</b>				
Deposits held	<u>\$ 242,949</u>	<u>\$ 574,935</u>	<u>\$ 279,551</u>	<u>\$ 295,294</u>

**STATISTICAL SECTION**

## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

Sources: Unless otherwise noted, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF OLIVETTE, MISSOURI**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities:										
Investment in capital assets	\$ 6,779,302	\$ 4,276,173	\$ 2,970,264	\$ 1,967,098	\$ 1,681,139	\$ 1,901,598	\$ 1,838,207	\$ 1,873,165	\$ 1,791,861	\$ 1,855,339
Restricted	-	-	-	4,558,924	3,292,276	2,950,160	3,012,003	2,602,149	2,582,471	2,386,402
Capital Projects	1,286,028	1,321,691	1,753,889	-	-	-	-	-	-	-
Debt Service	1,118,899	1,012,654	902,485	-	-	-	-	-	-	-
Local Parks and Stormwater	1,104,760	969,265	871,337	-	-	-	-	-	-	-
Sanitary Sewer Lateral Program	651,061	602,952	614,910	-	-	-	-	-	-	-
Pension contributions	4,279	13,446	-	-	-	-	-	-	-	-
Unrestricted	(2,367,140)	(644,886)	2,343,513	2,757,950	2,788,963	2,646,908	1,994,518	2,632,532	2,168,417	1,031,358
Total Governmental Activities, Net Position	<u>\$ 8,577,189</u>	<u>\$ 7,551,295</u>	<u>\$ 9,456,398</u>	<u>\$ 9,283,972</u>	<u>\$ 7,762,378</u>	<u>\$ 7,498,666</u>	<u>\$ 6,844,728</u>	<u>\$ 7,107,846</u>	<u>\$ 6,542,749</u>	<u>\$ 5,273,099</u>

Source: Basic Financial Statements

Note: Detail of restricted net position not available for years prior to 2014.

**CITY OF OLIVETTE, MISSOURI**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>EXPENSES</b>										
Governmental activities:										
Administrative	\$1,217,825	\$1,318,972	\$1,593,493	\$1,359,463	\$1,397,329	\$1,299,561	\$1,604,709	\$1,361,855	\$1,326,074	\$1,301,592
Public safety	5,629,894	5,108,802	5,165,468	5,089,952	4,929,810	4,612,351	5,027,165	4,482,322	4,536,734	4,468,689
Public works	1,691,521	1,567,296	1,496,657	1,415,929	1,481,698	1,626,064	1,897,508	1,780,774	1,803,862	1,698,256
Parks and recreations	923,597	903,706	903,999	885,062	878,789	876,306	994,731	965,163	945,568	924,521
Public health	66,840	55,937	47,431	45,463	49,902	44,954	43,696	41,176	44,822	38,762
Interest on long-term debt	357,780	279,566	26,136	104,171	21,449	37,579	37,097	64,535	73,069	111,296
Total governmental activities expenses	9,887,457	9,234,279	9,233,184	8,900,040	8,758,977	8,496,815	9,604,906	8,695,825	8,730,129	8,543,116
<b>PROGRAM REVENUE</b>										
Governmental activities:										
Charges for services:										
Administrative	274,553	258,826	255,582	272,603	261,647	246,370	252,814	322,001	311,119	303,170
Public safety	460,099	510,701	482,050	490,381	471,659	368,835	287,977	313,521	461,183	371,981
Public works	217,021	222,984	269,793	212,623	149,033	210,696	163,857	177,444	185,319	160,612
Parks and recreations	275,879	327,141	351,623	374,011	383,723	395,128	407,546	415,503	427,652	432,988
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,063,336	754,252	71,323	95,470	18,446	27,887	34,654	70,847	23,063	196,336
Total governmental activities program revenue	2,290,888	2,073,904	1,430,371	1,445,088	1,284,508	1,248,916	1,146,848	1,299,316	1,408,336	1,465,087
<b>NET EXPENSES</b>	(7,596,569)	(7,160,375)	(7,802,813)	(7,454,952)	(7,474,469)	(7,247,899)	(8,458,058)	(7,396,509)	(7,321,793)	(7,078,029)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes:										
Sales	2,990,910	2,776,482	2,688,868	2,372,044	2,192,833	2,150,596	2,438,823	2,444,822	2,628,754	2,608,481
Utility	2,004,664	2,183,105	2,246,264	2,310,362	2,291,890	15,580	19,766	2,246,832	2,580,173	1,686,718
Property	3,354,776	3,293,723	2,621,565	3,382,700	2,471,773	4,970,993	5,036,676	2,518,137	2,451,273	2,365,180
Franchise	120,368	121,531	118,759	66,240	71,960	69,902	74,804	73,370	77,329	78,332
Other	937	667	284,102	722,428	600,573	589,191	555,089	579,732	601,078	644,049
Contributed capital assets	-	-	-	-	-	-	-	-	50,000	-
Investment income	71,983	18,867	357	513	586	1,262	6,869	64,973	143,170	184,589
Transfers	493	556	-	524	568	807	846	3,344	8,157	5,251
Other miscellaneous revenue	78,329	105,842	146,190	110,433	107,998	103,506	62,067	58,859	55,013	34,676
Gain (Loss) on disposal of assets	-	-	-	-	-	-	-	(29,426)	(3,504)	2,556
Total governmental activities	8,622,460	8,500,773	8,106,105	8,965,244	7,738,181	7,901,837	8,194,940	7,960,643	8,591,443	7,609,832
<b>CHANGES IN NET POSITION</b>	\$1,025,891	\$1,340,398	\$ 303,292	\$1,510,292	\$ 263,712	\$ 653,938	\$ (263,118)	\$ 564,134	\$1,269,650	\$ 531,803

Soure: Basic Financial Statements

**CITY OF OLIVETTE, MISSOURI**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Fund:</b>										
Non-spendable	\$ 10,140	\$ 14,127	\$ 23,041	\$ 29,141	\$ 24,555	\$ 23,616	\$ -	\$ -	\$ -	\$ -
Assigned	26,338	49,550	1,647	-	-	-	-	-	-	-
Unassigned/Unreserved	4,403,153	4,272,309	3,951,027	3,293,038	2,998,492	2,782,066	2,148,311	2,095,263	2,187,287	1,385,589
<b>Total General Fund</b>	<b>\$ 4,439,631</b>	<b>\$ 4,335,986</b>	<b>\$ 3,975,715</b>	<b>\$ 3,322,179</b>	<b>\$ 3,023,047</b>	<b>\$ 2,805,682</b>	<b>\$ 2,148,311</b>	<b>\$ 2,095,263</b>	<b>\$ 2,187,287</b>	<b>\$ 1,385,589</b>
<b>All Other Governmental Funds:</b>										
Restricted/Reserved	\$ -	\$ -	\$ -	\$ 3,664,681	\$ 3,292,276	\$ 2,950,160	\$ 539,632	\$ 1,738,108	\$ 1,723,347	\$ 2,346,593
Debt Service	347,597	207,938	52,527	-	-	-	-	-	-	-
Capital Improvements	9,182,320	12,740,216	1,753,889	-	-	-	-	-	-	-
Parks and Stormwater	1,104,760	969,265	871,337	-	-	-	-	-	-	-
Sewer Lateral Repairs	651,061	602,952	614,910	-	-	-	-	-	-	-
Fire Operations	8,011	-	-	-	-	-	-	-	-	-
Pension	4,279	13,446	31,692	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned										
Equipment Replacement	343,710	343,710	343,710	-	-	-	-	-	-	-
Unassigned	(276,404)	(157,922)	(182,557)	(189,161)	(162,355)	(126,047)	-	-	-	-
Unreserved										
Designated	-	-	-	-	-	-	1,613,218	540,602	560,409	618,103
Undesignated	-	-	-	-	-	-	859,153	740,234	799,918	(49,579)
<b>Total all other governmental funds</b>	<b>\$11,365,334</b>	<b>\$14,719,605</b>	<b>\$ 3,485,508</b>	<b>\$ 3,475,520</b>	<b>\$ 3,129,921</b>	<b>\$ 2,824,113</b>	<b>\$ 3,012,003</b>	<b>\$ 3,018,944</b>	<b>\$ 3,083,674</b>	<b>\$ 2,915,117</b>

(1) Implemented GASB 54 in Fiscal Year 2011

Note: Detailed for restricted accounts is not available for years prior to 2014.

**CITY OF OLIVETTE, MISSOURI**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Taxes and special assessments	\$ 8,528,650	\$ 8,401,892	\$ 8,015,254	\$ 7,771,709	\$ 7,391,523	\$ 7,760,777	\$ 8,193,501	\$ 7,807,802	\$ 8,395,926	\$ 7,363,312
Licenses, permits, and inspection fees	424,024	396,444	419,501	428,041	363,820	352,141	357,012	450,078	439,462	423,597
Fines and court costs	302,970	339,011	282,012	283,289	309,123	283,259	287,542	312,821	460,033	369,681
Intergovernmental	1,063,336	754,252	71,323	95,470	18,446	27,887	34,654	70,847	23,063	196,336
Investment income	71,983	18,867	357	513	586	1,261	6,869	64,943	143,170	184,589
Charges for services	500,558	584,197	657,535	638,288	593,118	585,628	467,640	465,570	485,778	475,473
Miscellaneous	86,587	116,948	169,244	355,343	350,753	103,506	62,067	69,644	68,835	39,525
Total revenues	<u>10,978,108</u>	<u>10,611,611</u>	<u>9,615,226</u>	<u>9,572,653</u>	<u>9,027,369</u>	<u>9,114,459</u>	<u>9,409,285</u>	<u>9,241,705</u>	<u>10,016,267</u>	<u>9,052,513</u>
<b>Expenditures</b>										
<b>Current:</b>										
Administrative	1,557,594	1,534,933	1,582,224	1,301,972	1,339,107	1,232,147	1,501,390	1,360,596	1,294,646	1,265,189
Public safety	4,744,031	4,927,998	4,744,610	4,678,473	4,575,299	4,296,429	4,592,969	4,600,878	4,455,090	4,406,194
Public works	1,371,094	1,350,210	1,337,862	1,225,121	1,244,205	1,397,841	1,644,942	1,683,035	1,591,109	1,586,970
Parks and recreation	771,619	810,611	765,248	753,052	762,958	743,070	844,380	854,002	852,947	874,697
Public health	54,633	55,937	47,431	44,868	49,902	44,954	43,696	41,176	44,822	38,762
Capital outlay	5,767,162	3,025,830	614,705	427,005	1,131,947	765,450	351,290	462,915	412,962	461,390
<b>Debt service:</b>										
Principal, interest, and fiscal	980,022	885,375	167,124	1,227,955	335,852	458,572	385,357	399,194	402,593	404,365
Total expenditures	<u>15,246,155</u>	<u>12,590,894</u>	<u>9,259,204</u>	<u>9,658,446</u>	<u>9,439,270</u>	<u>8,938,463</u>	<u>9,364,024</u>	<u>9,401,796</u>	<u>9,054,169</u>	<u>9,037,567</u>
<b>Revenues over (under) expenditures</b>	<u>(4,268,047)</u>	<u>(1,979,283)</u>	<u>356,022</u>	<u>(85,793)</u>	<u>(411,901)</u>	<u>175,996</u>	<u>45,261</u>	<u>(160,091)</u>	<u>962,098</u>	<u>14,946</u>
<b>Other Financing Sources (Uses)</b>										
Debt proceeds	1,016,925	13,592,113	-	730,000	934,506	292,678	-	-	-	-
Bond discount	-	(19,018)	-	-	-	-	-	-	-	-
Transfers in (out)	493	-	-	524	568	807	846	3,344	8,157	5,251
Total other financing sources (uses)	<u>1,017,418</u>	<u>13,573,095</u>	<u>-</u>	<u>730,524</u>	<u>935,074</u>	<u>293,485</u>	<u>846</u>	<u>3,344</u>	<u>8,157</u>	<u>5,251</u>
<b>Net change in fund balances</b>	<u>\$(3,250,629)</u>	<u>\$11,593,812</u>	<u>\$ 356,022</u>	<u>\$ 644,731</u>	<u>\$ 523,173</u>	<u>\$ 469,481</u>	<u>\$ 46,107</u>	<u>\$ (156,747)</u>	<u>\$ 970,255</u>	<u>\$ 20,197</u>
<b>Debt service as a percentage of noncapital expenditures</b>	10.0%	10.2%	2.0%	15.3%	4.2%	5.9%	4.5%	4.7%	4.9%	4.9%

Sources: Basic Financial Statements  
(1) Implemented GASB 54 in 2011

**CITY OF OLIVETTE, MISSOURI**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

FUNCTIONS/PROGRAMS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Administrative	\$ 274,553	\$ 258,826	\$ 255,582	\$ 272,603	\$ 261,647	\$ 246,370	\$ 252,814	\$ 322,001	\$ 311,119	\$ 303,170
Public safety	460,099	510,701	482,050	490,381	471,659	368,835	287,977	313,521	461,183	371,981
Public works	217,021	222,984	269,793	212,623	149,033	210,696	163,857	177,444	185,319	160,612
Parks and recreation	275,879	327,141	351,623	374,011	383,723	395,128	407,546	415,503	427,652	432,988
Total Governmental Activities	<u>\$ 1,227,552</u>	<u>\$ 1,319,652</u>	<u>\$ 1,359,048</u>	<u>\$ 1,349,618</u>	<u>\$ 1,266,062</u>	<u>\$ 1,221,029</u>	<u>\$ 1,112,194</u>	<u>\$ 1,228,469</u>	<u>\$ 1,385,273</u>	<u>\$ 1,268,751</u>

**CITY OF OLIVETTE, MISSOURI**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Property (1)	Sales and Use (2)	Franchise and Public Service	Total
2016	\$ 3,412,708	\$ 2,990,910	\$ 2,125,031	\$ 8,528,649
2015	3,320,774	2,776,482	2,304,636	8,401,892
2014	2,652,229	2,998,002	2,365,023	8,015,254
2013	2,985,977	2,682,357	2,346,526	8,014,860
2012	2,814,027	2,507,790	2,327,623	7,649,440
2011	2,744,674	2,473,064	2,563,653	7,781,391
2010	2,679,144	2,761,327	2,677,363	8,117,834
2009	2,754,961	2,801,525	2,302,399	7,858,885
2008	2,806,487	2,948,731	2,640,708	8,395,926
2007	2,664,035	2,955,858	1,743,419	7,363,312

- 1) Includes road and bridge tax and sewer lateral fees.
- 2) The City participates in the county-wide sales tax sharing pool and a point of sale sharing; sales tax is not the City's own source of revenue.

**CITY OF OLIVETTE, MISSOURI**  
**SALES TAX REVENUES BY TYPE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	General 1% (1)	Cigarette *	State Motor Fuel *	Stormwater /Parks 1/2% (2)	Capital Improvement 1/2% (3)	Fire Operations 1/4% (4)	Use Tax	Total
2016	\$1,356,043	\$ -	\$ -	\$ 581,879	\$ 494,606	\$ 290,939	\$ 267,443	\$ 2,990,910
2015	1,281,488	-	-	549,592	466,998	274,797	203,607	2,776,482
2014	1,249,241	21,341	287,793	534,837	455,393	267,421	181,976	2,998,002
2013	1,077,504	22,568	276,601	460,301	391,284	230,151	223,947	2,682,356
2012	1,010,696	21,796	280,039	432,977	368,108	216,518	177,656	2,507,790
2011	1,011,972	22,268	284,514	429,457	365,127	214,729	144,997	2,473,064
2010	1,252,101	26,773	280,868	451,023	383,475	225,512	141,574	2,761,326
2009	1,144,186	24,272	276,735	484,526	254,821	242,263	217,602	2,644,405
2008	1,124,258	24,861	295,121	539,295	457,932	269,667	237,597	2,948,731
2007	1,110,397	25,932	321,444	525,090	450,533	262,758	259,704	2,955,858

\* - No longer determined to be sales tax revenue due to distribution method

1) The 1% general sales tax is received from St. Louis County according to the redistribution agreement based on Olivette's designation as a Point-of-Sale(POS) type "A" city. The formula for distribution involves a redistribution pool for other areas of the County based on per capita sales tax amounts. The amounts shown are net of the redistribution and annexation adjustments.

2) The Stormwater/Parks sales tax was approved in April of 2002 with all collections retained by the City.

3) The Capital Improvement sales tax was approved in November of 1995 and is subject to a 15% sharing provision. The amounts shown are net of sharing provisions.

4) The Fire Operations sales tax was approved in November of 2001 with all collections retained by the City.

**CITY OF OLIVETTE, MISSOURI**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Real Property	Personal Property	Railroads and Utilities	Assessed Value	Estimated Actual Value	Total Direct Tax Rate
2016	\$ 214,533,280	\$ 29,901,690	\$ 2,911,263	\$ 247,346,233	\$ 1,052,040,685	1.270
2015	201,516,170	27,606,690	2,659,601	231,782,461	980,833,760	1.334
2014	199,792,200	26,448,260	2,697,927	228,938,387	971,210,996	0.914
2013	207,424,840	26,925,960	2,650,515	237,001,315	1,010,799,929	0.869
2012	207,149,460	24,206,630	2,593,483	233,949,573	1,005,530,863	0.852
2011	213,256,500	25,862,810	2,401,227	241,520,537	1,030,065,091	0.817
2010	213,991,150	27,750,900	2,346,356	244,088,406	1,029,684,866	0.779
2009	219,051,130	28,476,900	2,092,615	249,620,645	1,055,404,527	0.779
2008	217,486,900	29,875,920	2,164,624	249,527,444	1,044,372,266	0.779
2007	173,586,770	28,430,140	2,123,504	204,140,414	840,748,519	0.945

(1) Source: St. Louis County Assessor

**CITY OF OLIVETTE, MISSOURI**  
**PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)**  
**FOR THE LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City of Olivette										
General Fund	\$ 0.6230	\$ 0.6700	\$ 0.6700	\$ 0.6380	\$ 0.6360	\$ 0.5970	\$ 0.5730	\$ 0.5730	\$ 0.5730	\$ 0.6950
Pension	0.2270	0.2440	0.2440	0.2310	0.2160	0.2200	0.2060	0.2060	0.2060	0.2500
Debt Service	0.4200	0.4200	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1.2700</b>	<b>\$ 1.3340</b>	<b>\$ 0.9140</b>	<b>\$ 0.8690</b>	<b>\$ 0.8520</b>	<b>\$ 0.8170</b>	<b>\$ 0.7790</b>	<b>\$ 0.7790</b>	<b>\$ 0.7790</b>	<b>\$ 0.9450</b>
Overlapping governments:										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
County General	0.2060	0.2090	0.2000	0.2000	0.2000	0.2000	0.1900	0.1900	0.1900	0.1900
County Health	0.1380	0.1400	0.1400	0.1400	0.1400	0.1400	0.1500	0.1500	0.1500	0.1650
County Park Maintenance	0.0490	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0350
County Bond Retirement	0.0190	0.0190	0.0280	0.0280	0.0280	0.0280	0.0280	0.0630	0.0630	0.0630
County Road and Bridge	0.1030	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
St. Louis Community College	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136	0.2013	0.2003	0.2233
Special School District	1.2348	1.2609	1.2400	1.0123	1.0125	0.9950	0.9384	0.9184	0.9084	0.8235
Metro Zoo Park and Museum	0.2777	0.2797	0.2797	0.2684	0.2671	0.2546	0.2493	0.2344	0.2330	0.2611
St. Louis County Library	0.2460	0.2500	0.2500	0.1730	0.1630	0.1565	0.1400	0.1400	0.1400	0.1500
Ladue School District	3.5339	3.7000	3.6300	3.6300	3.1000	3.1000	2.9800	2.9800	2.9800	2.9800
Metro Sewer District	0.0876	0.0879	0.0874	0.0635	0.0818	0.0790	0.0000	0.0000	0.0667	0.0687
Sewer - Deer Creek	0.0830	0.0860	0.0860	0.0840	0.0840	0.0810	0.0000	0.0000	0.0600	0.0600
Sheltered Workshop	0.0880	0.0900	0.0890	0.0840	0.0840	0.0790	0.0740	0.0690	0.0700	0.0820
<b>Total Overlapping Governments</b>	<b>6.3136</b>	<b>6.5275</b>	<b>6.4351</b>	<b>6.0882</b>	<b>5.5654</b>	<b>5.5160</b>	<b>5.1483</b>	<b>5.1311</b>	<b>5.2464</b>	<b>5.2366</b>
Combined Residential rate	7.5836	7.8615	7.3491	6.9572	6.4174	6.3330	5.9273	5.9101	6.0254	6.1816
Combined commercial rates	7.8456	7.9715	7.4571	7.1082	6.5334	6.4472	5.9923	6.0071	6.0074	6.2196
Combined personal property rate	7.8497	7.8805	7.4391	7.1012	6.5884	6.5535	6.1953	6.1831	6.2924	6.3206

(1) Source - St. Louis County Assessor (rates stated per \$100 assessed valuation)

Commencing in 2003, Missouri State Law required entities to calculate a separate tax rate for residential real estate, agricultural real estate, commercial real estate, and personal property. The breakdown of residential rate code 117AK presented with commercial rates not materially different and presented as a total.

**CITY OF OLIVETTE, MISSOURI**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Property Taxpayer	2016			2007		
	Taxable Assessed Valuation	Rank	Percent Of Total City Taxable Assessed Value	Assessed Valuation	Rank	Percent Of Total City Taxable Assessed Value
Murphy Group Holdings Inc.	\$ 2,969,410	1	1.20 %			
Bonhomme Village Apartments Associates LLC	2,880,740	2	1.16	\$ 2,269,360	3	0.92 %
Intelligrated Systems Inc	2,844,260	3	1.15			
9666 Partners LLC	2,540,480	4	1.03			
Pingree 2000 Real Estate Holdings LLC	2,219,610	5	0.90			
OL2 CBI Exit LLC	2,107,390	6	0.85			
US Bank NA	1,874,720	7	0.76			
Malibu Midwest LLC	1,520,830	8	0.61			
Paynecrest Electric Inc	1,372,570	9	0.55			
PPM Baur LLC	1,366,560	10	0.55			
Dielman LLC				2,391,560	1	0.97
Olive Corporate LLC				2,304,000	2	0.93
Olivette Associates A Mo LTD Partnership				1,908,730	4	0.77
Duke Realty LP AN IN LT				1,718,100	5	0.69
US Bank NA				1,540,760	6	0.62
North Price Partnership LLP				1,461,630	7	0.59
Nuvox Communications				1,419,880	8	0.57
Alvey Inc				1,345,640	9	0.54
Stag II St Louis LLC				1,333,900	10	0.54
Totals	<u>\$21,696,570</u>		<u>8.76 %</u>	<u>\$17,693,560</u>		<u>7.14 %</u>

Source: St. Louis County Assessor

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

<u>Fiscal Year</u>	<u>Net Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Collected As Current</u>	<u>Delinquent Tax Collections (Refunds)</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent of Levy</u>
2016	\$3,275,061	\$3,214,249	98.1 %	\$ (5,429)	\$3,208,820	98.0 %
2015	3,172,988	3,109,865	98.0	15,992	3,125,857	98.5
2014	2,172,059	2,151,401	99.0	45,057	2,196,458	101.1
2013	2,170,667	2,132,617	98.2	964	2,133,581	98.3
2012	2,081,077	2,044,596	98.2	33,170	2,077,766	99.8
2011	2,070,082	2,015,123	97.3	7,888	2,023,011	97.7
2010	1,992,315	1,961,937	98.5	66,933	2,028,870	101.8
2009	2,049,426	1,967,487	96.0	35,911	2,003,398	97.8
2008	1,993,396	1,964,015	98.5	93,567	2,057,582	103.2
2007	1,968,547	1,907,078	96.9	14,290	1,921,368	97.6

1) Source: St. Louis County Collector's office

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

<u>Governmental Activities</u>						
<u>Fiscal Year</u>	<u>Notes Payable</u>	<u>Capital Lease</u>	<u>General Obligation Bonds</u>	<u>Total Debt - Governmental Activities</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita</u>
2016	\$ 959,038	\$ 111,479	\$12,950,000	\$14,020,517	3.7 %	\$1,787
2015	92,113	-	13,530,000	13,622,113	3.6	1,736
2014	-	60,710	705,000	765,710	0.2	98
2013	-	178,699	730,000	908,699	0.2	117
2012	-	300,966	-	300,966	0.1	39
2011	-	425,410	185,000	610,410	0.2	79
2010	-	319,151	475,000	794,151	0.2	103
2009	-	387,689	755,000	1,142,689	0.5	154
2008	-	444,764	1,040,000	1,484,764	0.6	200
2007	-	501,740	1,320,000	1,821,740	0.8	245

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

1) See Demographics and Economics Statistics Table.

**CITY OF OLIVETTE, MISSOURI**  
**DIRECT AND OVERLAPPING**  
**GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2016**

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable To City Of Olivette (2)</u>	<u>Amount Applicable To City Of Olivette</u>
Direct:			
City of Olivette	\$ 12,950,000	100.00 %	\$ 12,950,000
City direct debt (3)	1,070,517	100.00	1,070,517
Overlapping:			
St. Louis County	101,690,000	1.09	1,108,421
Ladue School District	148,719,976	16.41	<u>24,404,948</u>
			<u><u>\$ 39,533,886</u></u>

Source: Bond amounts were provided by the representative taxing districts or from records available through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"). Assessments were provided by the respective taxing districts or the St. Louis County Collector.

(1) Excludes overlapping taxing districts with assessed valuations applicable to the City that are less than 1%.

(2) Estimated based on 2015 real and personal property assessment roll as of December 31, 2015.

(3) Capital lease and notes payable debt not classified as general obligation

**CITY OF OLIVETTE, MISSOURI**  
**LEGAL DEBT MARGIN INFORMATION**  
**FOR THE LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt limit	\$24,734,623	\$23,178,246	\$22,893,839	\$23,700,132	\$23,394,957	\$24,152,054	\$24,408,841	\$24,962,065	\$24,952,744	\$20,414,041
Net debt applicable to limit	<u>12,950,000</u>	<u>13,530,000</u>	<u>705,000</u>	<u>730,000</u>	-	<u>185,000</u>	<u>475,000</u>	<u>755,000</u>	<u>1,040,000</u>	<u>1,320,000</u>
Legal Debt Margin	<u><u>\$37,684,623</u></u>	<u><u>\$36,708,246</u></u>	<u><u>\$23,598,839</u></u>	<u><u>\$24,430,132</u></u>	<u><u>\$23,394,957</u></u>	<u><u>\$24,337,054</u></u>	<u><u>\$24,883,841</u></u>	<u><u>\$25,717,065</u></u>	<u><u>\$25,992,744</u></u>	<u><u>\$21,734,041</u></u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	52.36%	58.37%	3.08%	3.08%	0.00%	0.77%	1.95%	3.02%	4.17%	6.47%

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

**CITY OF OLIVETTE, MISSOURI**  
**DEMOGRAPHICS AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate(1)</u>
2016	7,845	43.7	\$ 376,442,325	\$ 47,985	5.1 %
2015	7,845	43.7	376,442,325	47,985	5.6
2014	7,845	43.7	376,442,325	47,985	6.5
2013	7,737	41.8	379,066,578	48,994	7.6
2012	7,737	41.8	371,933,064	48,072	7.5
2011	7,737	41.8	369,836,337	47,801	8.9
2010	7,737	41.8	341,774,238	44,174	9.6
2009	7,438	42.1	240,835,002	32,379	10.3
2008	7,438	42.1	240,835,002	32,379	6.3
2007	7,438	42.1	240,835,002	32,379	5.5

NOTE: 2015 and 2016 city specific data for population, median age, and per capital income are not availab

Source: US Census Bureau, US Bureau of Labor Statistics, and Missouri Dept. of Economic

(1) - June St. Louis, MO-IL MSA

**CITY OF OLIVETTE, MISSOURI**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND SEVEN YEARS AGO**

<u>Employer</u>	<u>2016</u>			<u>2009 *</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Enterprise Fleet Management	653	1	11.14 %			
US Bank	463	2	7.90	458	3	9.80 %
Intelligrated Systems	300	3	5.12			
The Murphy Company	248	4	4.23			
HDIS, Inc.	243	5	4.15	121	8	2.59
Medical West Respiratory Se	147	6	2.51			
PayneCrest Electric, Inc.	100	7	1.71	300	4	6.42
Lutheran Family and Childre	94	8	1.60			
BECS Technology, Inc.	82	9	1.40			
American HomeCare Manag	77	10	1.31			
Allied Industrial Equipment	77	10	1.31			
AT&T Operations				529	1	11.32
Waste Management				517	2	11.06
Monsanto Company				176	5	3.77
Excel Home Care, Inc.				161	6	3.44
Veolia Environmental Services				130	7	2.78
Alpha Care, Inc				107	9	2.29
Allied Waste				100	10	2.14
	<u>2,484</u>		42.38 %	<u>2,599</u>		55.61 %

\* Information prior to 2009 not available

**Source:** Business License Applications

**CITY OF OLIVETTE, MISSOURI**  
**PRINCIPAL EMPLOYMENT BY BUSINESS CATEGORY**  
**CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees *</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees *</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Real Estate, Rental, and Leasing	689	1	11.8 %	77	10	1.5 %
Construction	642	2	11.0			
Retail Trade	593	3	10.1	392	7	7.7
Professional, Scientific, and Technical Services	588	4	10.0	686	3	13.6
Finance and Insurance	532	5	9.1			
Manufacturing	520	6	8.9	676	4	13.4
Wholesale Trade	515	7	8.8	704	2	13.9
Health Care and Social Assistance	502	8	8.6	532	5	10.5
Accommodation and Food Service	293	9	5.0	257	8	5.1
Other services (except public administration)	229	10	3.9	118	8	2.3
Information (publishing and data management)				1,113	1	22.0
Administrative Support and Waste Management				457	6	9.0
All others	<u>758</u>		12.9	<u>49</u>		1.0
	<u><u>5,103</u></u>			<u><u>5,061</u></u>		

\* Information from business license applications.

**CITY OF OLIVETTE, MISSOURI**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Administrative:</b>										
Legislative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	4.0
Finance	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Police:</b>										
Officers	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Animal Control	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Fire:</b>										
Officers	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Civilians	0.5	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Public works:</b>										
Street maintenance	5.0	4.0	4.0	4.0	4.0	4.0	5.5	5.5	5.5	5.5
Fleet Mechanic	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
<b>Parks and Recreation:</b>										
Community Center	2.5	2.5	2.5	2.5	2.5	2.5	1.0	2.0	2.0	2.0
Recreation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Parks Maintenance	4.5	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0	5.0
Municipal court	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0

1) Source: Annual budget document

**CITY OF OLIVETTE, MISSOURI**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Police-patrol:										
Calls for Service	12,316	11,824	12,824	*	*	*	*	*	10,330	9,867
Auto Accidents	276	237	247	*	*	*	*	*	289	277
Violations Written	2,988	3,027	3,578	*	*	*	*	*	3,673	3,904
Arrests	377	442	423	*	*	*	*	*		
Fire/EMS:										
Fire Calls	460	428	369	290	350	412	404	510	483	648
Medical Calls	820	768	796	779	805	806	762	722	760	723
Court:										
Cases Heard	3,126	3,664	3,879	3,641	3,717	3,544	3,344	*	3,876	3,524
Warrants Issued	491	427	409	392	319	283	328	*	400	358
Parks and Recreation:										
Community Center Reservations	2,004	2,670	2,017	*	*	*	*	*	*	*
Youth sports participants	1,297	1,403	1,963	2,727	2,746	2,880	3,108	2,853	3,040	3,014
Public works:										
Snow Events	5	6	14	7	4	12	8	6	6	3
Planning and building:										
Building Permits Issued	196	165	192	*	*	*	*	*	380	416
Inspections Performed	3,163	3,534	3,163	*	*	*	*	*	2,490	2,752

\* - Information not available

**CITY OF OLIVETTE, MISSOURI**  
**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	6	6	6	6	6	6	6	6	6	6
Animal control vehicle	1	1	1	1	1	1	1	1	1	1
<b>Fire:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Fire engines	2	2	2	2	2	2	2	2	2	2
Ambulances	1	1	1	1	1	1	1	1	1	1
<b>Public Works:</b>										
Street maint/snow removal vehicles	8	8	8	8	8	8	8	8	8	8
Lane Miles Maintained	43	43	43	43	43	43	43	43	43	43
<b>Parks and recreation:</b>										
Community centers	1	1	1	1	1	1	1	1	1	1
Number of parks	5	5	5	5	5	5	5	5	5	5
Acres of parks	90	90	90	90	90	90	90	90	90	90
Number of multi-use trails	5	5	5	5	5	5	5	5	5	5
Miles of multi-use trails	9	9	9	9	9	9	9	9	9	9