

CITY OF BUTLER, MISSOURI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2015

CITY OF BUTLER, MISSOURI

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CITY OF BUTLER, MISSOURI

Principal Officials

MAYOR/CITY COUNCIL

Don Malan..... Mayor
Brad Vermaas Council Member
Brian Phillips Council Member
Thom Burg Council Member
Gayle Stark Council Member
Craig Irwin..... Council Member
Terry Agnew..... Council Member
Gayle Cook Council Member
Carolyn Jett..... Council Member

ADMINISTRATION

Corey Snead City Clerk
Casey Koehn..... City Administrator

Independent Certified Public Accountants Troutt, Beeman & Co., P.C.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Members of the
City Council
City of Butler, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Butler, Missouri, as of March 31, 2015, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Butler, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Butler, Missouri, as of March 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance 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 budgetary comparison information 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 budgetary comparison schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

The City has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Butler, Missouri's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Trout, Beema & Co PC

Harrisonville, Missouri

October 14, 2015

CITY OF BUTLER, MISSOURI
STATEMENT OF NET POSITION
MARCH 31, 2015

	<u>Primary Government</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Pooled cash and investments	\$ 1,430,968	\$ -	\$ 1,430,968
Cash and investments-restricted	407,364	2,674,152	3,081,516
Taxes receivable, net	326,804	-	326,804
Accounts receivable	21,863	902,960	924,823
Other receivables	-	30,302	30,302
Other assets	-	46,066	46,066
Inventories	23,380	572,828	596,208
Prepaid expenses	9,174	6,116	15,290
Capital assets:			
Land	753,831	119,145	872,976
Construction in process	125,345	-	125,345
Buildings and land improvements	4,233,086	1,601,332	5,834,418
Furniture and equipment	2,281,107	5,625,632	7,906,739
Infrastructure	3,963,244	17,196,688	21,159,932
Less: accumulated depreciation	<u>(4,189,375)</u>	<u>(12,480,605)</u>	<u>(16,669,980)</u>
Total capital assets	<u>7,167,238</u>	<u>12,062,192</u>	<u>19,229,430</u>
Total assets	<u>9,386,791</u>	<u>16,294,616</u>	<u>25,681,407</u>
LIABILITIES			
Bank overdraft	-	84,910	84,910
Accounts payable and accrued expenses	205,336	559,898	765,234
Salaries and benefits payable	89,990	53,018	143,008
Liabilities payable from restricted assets	-	180,840	180,840
Other liabilities	3,037	12,398	15,435
Long-term liabilities:			
Due within one year:			
Bonds, capital leases, and contracts	336,111	646,205	982,316
Accrued interest	5,869	57,000	62,869
Due in more than one year,			
Bonds, capital leases, and contracts	<u>2,362,674</u>	<u>6,606,827</u>	<u>8,969,501</u>
Total liabilities	<u>3,003,017</u>	<u>8,201,096</u>	<u>11,204,113</u>
DEFERRED INFLOWS			
Property taxes	17,763	-	17,763
NET POSITION			
Net investment in capital assets	4,468,454	6,759,381	11,227,835
Restricted for:			
Cemetery perpetual care	367,153	-	367,153
Debt service	-	419,312	419,312
Fire protection	78,041	-	78,041
Parks and recreation	250,459	-	250,459
Street	220,010	-	220,010
Unrestricted	<u>981,894</u>	<u>914,827</u>	<u>1,896,721</u>
Total net position	<u>\$ 6,366,011</u>	<u>\$ 8,093,520</u>	<u>\$ 14,459,531</u>

See accompanying notes.

CITY OF BUTLER, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2015

Functions/Programs	Charges for			Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Services	Operating Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Primary Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 548,161	\$ 32,333	\$ -	\$ 36,050	\$ (479,778)	\$ -	\$ (479,778)	
Police	974,445	128,536	-	-	(845,909)	-	(845,909)	
Fire department	284,242	13,419	168,936	-	(270,823)	-	(270,823)	
Street	324,106	-	-	-	(155,170)	-	(155,170)	
Emergency management	17,042	-	-	-	(17,042)	-	(17,042)	
Cemetery	134,734	-	-	-	(97,948)	-	(97,948)	
Parks	361,016	-	-	-	(361,016)	-	(361,016)	
Shop	55,015	-	-	-	(55,015)	-	(55,015)	
Recreation and aquatics	154,462	73,041	-	-	(81,421)	-	(81,421)	
Municipal court	122,608	14,172	-	-	(108,436)	-	(108,436)	
Airport	43,619	23,289	-	235,002	214,672	-	214,672	
Interest on long-term debt	85,048	-	-	-	(85,048)	-	(85,048)	
Total governmental activities	3,104,498	321,576	168,936	271,052	(2,342,934)	-	(2,342,934)	
Business-type activities:								
Water, sewer, electric, and trash	7,976,273	7,506,805	-	-	-	(469,468)	(469,468)	
Total business-type activities	7,976,273	7,506,805	-	-	-	(469,468)	(469,468)	
Total primary government	\$ 11,080,771	\$ 7,828,381	\$ 168,936	\$ 271,052	(2,342,934)	(469,468)	(2,812,402)	
General revenues:								
Taxes:								
Property taxes, levied for general purposes					247,443	-	247,443	
Property taxes, levied for specific purposes					14,584	-	14,584	
Franchise taxes and other taxes					250,127	-	250,127	
Sales taxes					2,592,250	-	2,592,250	
Investment earnings					566	105,431	105,997	
Miscellaneous					35,236	40,140	75,376	
Transfers					(86,224)	86,224	-	
Total general revenues and transfers					3,053,982	231,795	3,285,777	
Change in net position					711,048	(237,673)	473,375	
Net position - beginning					5,654,963	8,331,193	13,986,156	
Net position - ending					6,366,011	8,093,520	14,459,531	

See accompanying notes.

CITY OF BUTLER, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2015

	General Fund	Transportation Tax Fund	Park Fund	Airport Fund	Capital Projects	Fire Protection	Total Governmental Funds
ASSETS							
Pooled cash and investments	\$ 702,815	\$ 191,548	\$ 200,578	\$ 29,220	\$ 206,683	\$ 100,124	\$ 1,430,968
Cash and investments-restricted	407,247	-	117	-	-	-	407,364
Taxes receivable, net	165,076	49,765	49,764	-	49,757	12,442	326,804
Accounts receivable	21,863	-	-	-	-	-	21,863
Inventories	23,380	-	-	-	-	-	23,380
Prepays	9,174	-	-	-	-	-	9,174
Total assets	\$ 1,329,555	\$ 241,313	\$ 250,459	\$ 29,220	\$ 256,440	\$ 112,566	\$ 2,219,553
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 144,099	\$ 17,068	\$ -	\$ 692	\$ 8,952	\$ 34,525	\$ 205,336
Salaries and benefits payable	85,755	4,235	-	-	-	-	89,990
Deferred revenue	17,763	-	-	-	-	-	17,763
Other liabilities	3,037	-	-	-	-	-	3,037
Total liabilities	250,654	21,303	-	692	8,952	34,525	316,126
Fund balances:							
Nonspendable:							
Prepaid expenditures	9,174	-	-	-	-	-	9,174
Inventories	23,380	-	-	-	-	-	23,380
Cemetery perpetual care	367,153	-	-	-	-	-	367,153
Restricted:							
Parks and recreation	-	-	250,459	-	-	-	250,459
Fire protection	-	-	-	-	-	78,041	78,041
Street	-	220,010	-	-	-	-	220,010
Assigned to:							
Capital outlay	-	-	-	-	247,488	-	247,488
Airport	-	-	-	28,528	-	-	28,528
Unassigned	679,194	-	-	-	-	-	679,194
Total fund balances	1,078,901	220,010	250,459	28,528	247,488	78,041	1,903,427
Total liabilities and fund balances	\$ 1,329,555	\$ 241,313	\$ 250,459	\$ 29,220	\$ 256,440	\$ 112,566	\$ 2,219,553

See accompanying notes.

CITY OF BUTLER, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
MARCH 31, 2015

Fund balances - total governmental funds	\$ 1,903,427
Amounts reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	7,167,238
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(5,869)
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the government-wide statements, Bonds and capital leases	<u>(2,698,785)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 6,366,011</u>

See accompanying notes.

CITY OF BUTLER, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2016

	General Fund	Transportation Tax Fund	Park Fund	Airport Fund	Capital Projects	Fire Protection	Total Governmental Funds
REVENUES							
Taxes	\$ 1,227,021	\$ 357,436	\$ 357,435	\$ -	\$ 355,252	\$ 89,177	\$ 2,386,321
Licenses and permits	14,224	-	-	-	-	-	14,224
Intergovernmental	439,988	-	-	-	-	-	439,988
Charges for services	154,564	-	-	23,289	-	-	177,853
Fees and fines	129,499	-	-	-	-	-	129,499
Investment earnings	536	11	11	-	-	8	566
Payments in lieu of taxes	718,083	-	-	-	-	-	718,083
Other	34,240	721	-	275	-	-	35,236
Total revenues	<u>2,718,155</u>	<u>358,168</u>	<u>357,446</u>	<u>23,564</u>	<u>355,252</u>	<u>89,185</u>	<u>3,901,770</u>
EXPENDITURES							
General government	526,560	-	-	-	-	-	526,560
Police	941,288	-	-	-	-	-	941,288
Fire department	238,031	-	-	-	-	-	238,031
Street	1,853	248,218	-	-	-	-	250,071
Emergency management	17,042	-	-	-	-	-	17,042
Cemetery	134,734	-	-	-	-	-	134,734
Parks	287,483	-	-	-	-	-	287,483
Shop	55,015	-	-	-	-	-	55,015
Recreation and aquatics	154,462	-	-	-	-	-	154,462
Municipal court	122,608	-	-	-	-	-	122,608
Airport	-	-	-	17,983	-	-	17,983
Capital outlay	273,465	28,286	-	-	1,039,699	42,931	1,384,381
Debt service:							
Principal	22,794	-	180,000	-	43,620	30,760	277,174
Interest and other charges	2,651	-	61,185	-	17,803	4,516	86,155
Total expenditures	<u>2,777,986</u>	<u>276,504</u>	<u>241,185</u>	<u>17,983</u>	<u>1,101,122</u>	<u>78,207</u>	<u>4,492,987</u>
Excess (deficiency) of revenues over expenditures	(59,831)	81,664	116,261	5,581	(745,870)	10,978	(591,217)
OTHER FINANCING SOURCES (USES)							
Issuance of long-term debt	-	-	-	-	946,434	-	946,434
Transfers in	118,580	9,790	-	-	-	-	128,370
Transfers out	-	-	(100,000)	-	(114,594)	-	(214,594)
Total other financing sources and uses	<u>118,580</u>	<u>9,790</u>	<u>(100,000)</u>	<u>-</u>	<u>831,840</u>	<u>-</u>	<u>860,210</u>
Net change in fund balances	58,749	91,454	16,261	5,581	85,970	10,978	268,993
Fund balances - beginning	1,020,152	128,556	234,198	22,947	161,518	67,063	1,634,434
Fund balances - ending	<u>\$ 1,078,901</u>	<u>\$ 220,010</u>	<u>\$ 250,459</u>	<u>\$ 28,528</u>	<u>\$ 247,488</u>	<u>\$ 78,041</u>	<u>\$ 1,903,427</u>

See accompanying notes.

CITY OF BUTLER, 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 MARCH 31, 2015**

Net change in fund balances - total governmental funds: \$ 268,993

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. This is the amount by which capital outlays, which are over the capitalization threshold, exceeded depreciation in the current period:

Capital outlay	1,402,952
Depreciation expense	<u>(292,745)</u>
	1,110,207

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Net Position reports repayment as a reduction to long-term liabilities. This is the amount by which repayments exceed proceeds:

Other financing sources-issuance of debt	(946,434)
Repayment of principal	<u>277,350</u>
	(669,084)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds,

Accrued interest not reflected on governmental funds	<u>932</u>
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Change in net position of governmental activities	<u>\$ 711,048</u>
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**CITY OF BUTLER, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND
MARCH 31, 2015**

	<u>Utility Fund</u>
ASSETS:	
Current assets:	
Cash and investments-restricted	\$ 2,674,152
Receivables:	
Billed	610,809
Unbilled	292,151
Other assets	46,066
Other receivables	30,302
Inventories	572,828
Prepaid expenses	6,116
Total current assets	4,232,424
Non-current assets,	
Capital assets:	
Land and improvements	119,145
Infrastructure	17,196,688
Buildings	1,601,332
Equipment and furniture	5,625,632
Total capital assets at cost	24,542,797
Less accumulated depreciation	(12,480,605)
Capital assets, net	12,062,192
	16,294,616
LIABILITIES:	
Current liabilities:	
Bank overdraft	84,910
Accounts payable	559,898
Salaries and benefits payable	53,018
Accrued interest payable	57,000
Customer deposits	180,840
Other payables	12,398
Bonds, notes, and capital leases payable	646,205
Total current liabilities	1,594,269
Non-current liabilities,	
Bonds, notes, and capital leases payable	6,606,827
	8,201,096
NET POSITION:	
Net investment in capital assets	6,759,381
Restricted for debt service	419,312
Unrestricted	914,827
	\$ 8,093,520

See accompanying notes.

CITY OF BUTLER, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION --
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Utility Fund
REVENUES,	
Charges for services	\$ 7,506,805
	<u>7,506,805</u>
 OPERATING EXPENSES:	
Personnel services	977,310
Contractual services	4,327,142
Materials and supplies	195,463
Maintenance and repairs	380,660
Insurance	123,722
Utilities	212,777
Interfund charges for support services	718,082
Depreciation and amortization	648,614
Administration	122,589
	<u>7,706,359</u>
 Operating loss	<u>(199,554)</u>
 NON-OPERATING REVENUES (EXPENSES):	
Interest income	105,431
Miscellaneous income	40,140
Interest expense	(269,914)
	<u>(124,343)</u>
 Net loss before transfers	<u>(323,897)</u>
 Transfers in	<u>86,224</u>
 Decrease in net position	<u>(237,673)</u>
 Net position - beginning, as restated	<u>8,331,193</u>
 Net position - ending	<u>\$ 8,093,520</u>

See accompanying notes.

CITY OF BUTLER, MISSOURI

STATEMENT OF CASH FLOWS -- PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from customers	\$ 7,442,043
Payments to employees and fringe benefits	(6,230,027)
Payments for operations	<u>(649,210)</u>
Net cash provided by operating activities	<u>562,806</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES,	
Transfers in	<u>86,224</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(104,395)
Principal paid on capital debt and leases	(835,154)
Interest paid on capital debt and leases	<u>(269,914)</u>
Net cash used by capital and related financing activities	<u>(1,209,463)</u>
CASH FLOWS FROM INVESTING ACTIVITIES,	
Investment income	<u>105,431</u>
Net decrease in cash and cash equivalents	(455,002)
Cash and cash equivalents, Beginning of the year	<u>3,044,244</u>
Cash and cash equivalents, End of the year	<u>\$ 2,589,242</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ (199,554)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	648,614
Nonoperating revenues	40,140
Changes in assets and liabilities:	
Receivables, net	(64,762)
Inventories	35,692
Prepaid items	1,552
Accounts payable and accrued liabilities	95,494
Meter deposits	<u>5,630</u>
Total adjustments	<u>762,360</u>
Net cash provided by operating activities	<u>\$ 562,806</u>

See accompanying notes.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Butler, Missouri (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

Reporting Entity: The City of Butler, Missouri, located in Bates County, Missouri, is a third class city in which citizens elect the mayor at large and eight council members by wards, two from each ward. The City operates under a Council-City Administrator form of government and provides such services as public safety, streets, parks and recreation, planning, and general administrative services. The City Administrator is the chief administrative officer of the City. The accompanying financial statements present the City's primary government and any component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). Management has considered all potential component units and has determined there are no entities outside of the primary government that should be blended into or discretely presented with the City's financial statements.

The accounting and reporting policies of the City conform to generally accepted accounting principles applicable to local governments. With regard to FASB pronouncements issued after November 30, 1989, for its proprietary fund activities, the City has elected not to adopt any of those pronouncements. The City has also refrained from implementing FASB pronouncements issued after November 30, 1989.

Government-Wide and Fund Financial Statements: The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City. *Governmental activities*, which are normally supported by taxes and governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Government-Wide and Fund Financial Statements (Continued):

Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds include other Special Revenue and Capital Projects funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented with Combining and Individual Fund Statements and Schedules.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims, and judgments are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):

The government reports the following major governmental funds:

The General Fund is the primary operating fund. Expenditures from this fund provide basic City services, such as police protection, planning, inspection, engineering, animal control, civil defense, municipal court, and overall basic services such as finance and data processing, personnel, and general administration of the City. Revenue sources include taxes, which include property taxes, sales taxes, and franchise taxes. Other revenues include other fees and licenses, and revenue gathered from the municipal court and investment earnings.

The Transportation Tax Fund accounts for the operation and maintenance of streets, curbs, etc.

The Parks and Storm Water Fund accounts for taxes collected and expended for improvements to the City's parks and pool.

The Airport Fund accounts for the operations and maintenance of the City's airport.

The Capital Projects Fund accounts for resources restricted for the construction and acquisition of capital projects.

The Fire Protection Sales Tax Fund accounts for sales taxes collected for the operations of fire protection for the City.

Proprietary fund level financial statements are used to account for activities, which are similar to those found in the private-sector. The measurement focus is upon determination of net income, financial position, and cash flows. The City's proprietary funds are as follows:

Utility Fund accounts for the provision of water, sewer, electric, and sanitation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing, collection, and related debt service.

On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity, i.e., charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Net Position Classifications: In the government-wide and proprietary fund financial statements, equity is shown as net position and classified into three components:

Net investment in capital assets - These amounts consist of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent bond or other debt proceeds.

Restricted net position - These amounts consist of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Unrestricted net position - These amounts consist of all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Equity: In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fund Equity (Continued):

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Alderman—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Alderman removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Alderman and the City Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balance include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Budgets: The reported budgetary data represents the final approved budget after amendments as adopted by the City Council. Annual operating budgets are adopted for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. Missouri law requires budgets to be adopted for all governmental funds. The City prepares its budgets on the cash basis of accounting for its governmental funds and the accrual basis for its proprietary funds. The City Council did not amend the budget during the year. The City Council has performed the following procedures in establishing the City's budget:

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Budgets (Continued):

- (1) Prior to February 28, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to April 1, the budget is legally enacted through the passage of an ordinance.
- (4) The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. This constitutes the City's legal level of budgetary control.
- (5) Appropriations lapse at year-end, but may be reappropriated in the following fiscal year.

Pooled Cash, Investments, and Restricted Assets: State statutes authorize the City to invest in banking institutions and obligations of municipalities, repurchase agreements, U.S. government agency obligations, and obligations of the U.S. Treasury. Cash resources of the individual governmental fund types are combined to form a pool of cash and investments. At March 31, 2015, the City's cash was deposited in demand accounts, certificates of deposit, Federal Home Loan Bank Notes, Federal National Mortgage Notes, Federal Home Loan Mortgage Corporation Notes, and U.S. Treasury Obligations. Investments with maturities of less than one year are stated at cost, which approximates fair value. All investments are stated at cost, which approximates fair value. Interest income on pooled cash and investments is allocated based upon each fund's respective average cash balance.

Assets are restricted for court bonds, debt service reserve requirements, and refunding customer meter deposits.

Statement of Cash Flows: A statement of cash flows has been presented in accordance with Governmental Accounting Standards Board Statement 9 for the Proprietary Fund. For purposes of the statement of cash flows, demand deposits, and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Accounts Receivable: Accounts receivable for water, sewer, electric, and sanitation services are accounted for in the Utility Fund and include billed amounts as well as an accrual for the earned but unbilled services from the previous billing date through March 31, 2015. All accounts receivable are stated net of allowances.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Interfund Receivables and Payables: Transactions between funds that are representative of cash overdrafts from pooled cash and investing are reported as interfund receivables or payables.

Interfund Transactions: During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services and construct assets. Legally authorized transfers are treated as transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Inventory: Inventory, which consists principally of maintenance supplies, gasoline, and oil, is valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased.

Deferred Outflows/Inflows of Resources: In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources, or expenses/expenditures, until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources, or revenues, until that time.

Capital Assets: Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable government or business-type activities columns in the government-wide statements. Capital assets are defined as assets with a cost of \$5,000 or more. Capital assets are recorded at historical cost if purchased or constructed, or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is computed using the straight-line method over the following estimated lives:

Major Assets

Buildings	40 years
Plant, structure, and lines	50-60 years
Infrastructure	50 years
Equipment and vehicles	3-10 years

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

GASB Statement 34 requires the reporting and depreciation of the new infrastructure expenditures effective with the beginning of the implementation year.

Compensated Absences: Accumulated vacation and sick leave, that is expected to be liquidated with expendable available financial resources, is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Long-Term Obligations: Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Encumbrances: Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control. Encumbrances outstanding at year-end, if any, are reported as reservations of fund balance for subsequent year expenditures. When expenditures are incurred in subsequent years relating to amounts previously encumbered, such amounts are, if material, reappropriated in the year expended.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS:

At March 31, 2015, the carrying amount of the City's cash on hand, demand deposits, and certificates of deposit in financial institutions was \$617, \$2,147,310, and \$11,658, respectively. The bank balances of demand deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the City. All deposits were held by a qualified depository.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

At March 31, 2015, the City's investments consisted of the following:

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Investment Rating</u>
Guaranteed investment contracts	\$ 317,768	\$ 317,768	NA
SRF reserve	<u>1,950,221</u>	<u>1,950,221</u>	NA
	<u>\$ 2,267,989</u>	<u>\$ 2,267,989</u>	

Interest Rate Risk

Interest rate risk is the risk that changes interest rates that will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk. However, the City does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yield amounts. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk of investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize demand deposits with securities held by the financial institution's agent and in the City's name.

At March 31, 2015, the City had the following investments and maturities:

	<u>Investment maturities (in years)</u>			
	<u>Value</u>	<u>Less than one</u>	<u>1-5</u>	<u>>5</u>
Investment type:				
Guaranteed investment contracts	\$ 317,768	\$ -	\$ -	\$ 317,768
SRF reserve	<u>1,950,221</u>	<u>-</u>	<u>-</u>	<u>1,950,221</u>
	<u>\$ 2,267,989</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,267,989</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer.

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, and certificates of deposit. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by statutes and approved by the State. The City may purchase any investments allowed by the State Treasurer. These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (b) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The City's general credit risk policy is to apply to prudent person rule: Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probability safety of their capital, as well as the probable income to be derived.

At March 31, 2015, the carrying value of deposits and investments are summarized as follows:

Investments:	
Guaranteed investment contracts	\$ 317,768
SRF reserve	<u>1,950,221</u>
 Total investments	 2,267,989
 Certificates of deposit	 11,658
Cash on hand	617
Deposits	<u>2,147,310</u>
	 <u>2,159,585</u>
	 <u>\$ 4,427,574</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

Deposits and investments of the City are reflected in the government-wide financial statements as follows:

Government-wide statement of net assets:	
Pooled cash and investments	\$ 1,346,058
Restricted cash	<u>3,081,516</u>
	<u>\$ 4,427,574</u>

3. ACCOUNTS RECEIVABLE:

As a result of providing water, electric, waste water, and sanitation services to its citizens, the City has extended credit to them. Accounts receivable are presented net of allowance for doubtful accounts of \$45,500 for the Utility Fund.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS:

Capital asset activity for the year ended March 31, 2015, consisted of the following:

	<u>Balance 4/1/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 3/31/2015</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 753,831	\$ -	\$ -	\$ 753,831
Construction in progress	<u>82,010</u>	<u>43,335</u>	<u>-</u>	<u>125,345</u>
Total capital assets not being depreciated	<u>835,841</u>	<u>43,335</u>	<u>-</u>	<u>879,176</u>
Capital assets being depreciated:				
Buildings and land improvements	4,224,134	8,952	-	4,233,086
Furniture and equipment	105,635	29,616	-	135,251
Heavy equipment	1,344,400	43,900	-	1,388,300
Vehicles	682,276	75,280	-	757,556
Infrastructure	<u>2,761,375</u>	<u>1,201,869</u>	<u>-</u>	<u>3,963,244</u>
Total capital assets being depreciated	<u>9,117,820</u>	<u>1,359,617</u>	<u>-</u>	<u>10,477,437</u>
Less accumulated depreciation:				
Buildings and land improvements	1,284,304	88,519	-	1,372,823
Furniture and equipment	23,492	7,306	-	30,798
Heavy equipment	1,056,417	42,535	-	1,098,952
Vehicles	337,334	46,087	-	383,421
Infrastructure	<u>1,195,083</u>	<u>108,298</u>	<u>-</u>	<u>1,303,381</u>
Total accumulated depreciation	<u>3,896,630</u>	<u>292,745</u>	<u>-</u>	<u>4,189,375</u>
Total capital assets being depreciated, net	<u>5,221,190</u>	<u>1,066,872</u>	<u>-</u>	<u>6,288,062</u>
Governmental activities capital assets, net	<u>\$ 6,057,031</u>	<u>\$ 1,110,207</u>	<u>\$ -</u>	<u>\$ 7,167,238</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS (Continued):

Capital asset activity for the year ended March 31, 2015, consisted of the following (Continued):

	<u>Balance 4/1/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 3/31/2015</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 119,145	\$ -	\$ -	\$ 119,145
Construction in progress	<u>18,446</u>	<u>-</u>	<u>18,446</u>	<u>-</u>
Total capital assets not being depreciated	<u>137,591</u>	<u>-</u>	<u>18,446</u>	<u>119,145</u>
Capital assets being depreciated:				
Buildings and land improvements	1,601,332	-	-	1,601,332
Furniture and equipment	4,688,571	122,841	-	4,811,412
Heavy equipment	449,295	-	-	449,295
Vehicles	364,925	-	-	364,925
Infrastructure	<u>17,196,688</u>	<u>-</u>	<u>-</u>	<u>17,196,688</u>
Total capital assets being depreciated	<u>24,300,811</u>	<u>122,841</u>	<u>-</u>	<u>24,423,652</u>
Less accumulated depreciation:				
Buildings and land improvements	1,061,246	23,724	-	1,084,970
Furniture and equipment	2,611,407	184,942	-	2,796,349
Heavy equipment	266,459	21,118	-	287,577
Vehicles	311,698	6,872	-	318,570
Infrastructure	<u>7,581,181</u>	<u>411,958</u>	<u>-</u>	<u>7,993,139</u>
Total accumulated depreciation	<u>11,831,991</u>	<u>648,614</u>	<u>-</u>	<u>12,480,605</u>
Total capital assets being depreciated, net	<u>12,468,820</u>	<u>(525,773)</u>	<u>-</u>	<u>11,943,047</u>
Business-type activities capital assets, net	<u>\$ 12,606,411</u>	<u>\$ (525,773)</u>	<u>\$ 18,446</u>	<u>\$ 12,062,192</u>

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

Government activities:	
General government	\$ 21,602
Police	33,157
Fire	46,211
Airport	44,207
Streets	74,035
Parks	<u>73,533</u>
Total depreciation expense, governmental	<u>\$ 292,745</u>
Business-type activities:	
Water	\$ 298,388
Sewer	151,392
Electric	<u>198,834</u>
	 <u>\$ 648,614</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN:

Plan Description: The City of Butler participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by state statute, section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the general assembly. The plan is qualified under Internal Revenue Code Section 401(a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to LAGERS, PO Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

Funding Status: Full-time employees of the City of Butler do not contribute to the pension plan. The June 30th statutorily required contribution rates are 9.4% (General), 11.5% (Police), and 9.6% (Fire) of annual covered payroll. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO):

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 122,988
Interest on net pension obligation	1,015
Adjustment to annual required contribution	<u>(1,576)</u>
Annual pension cost	122,427
Actual contributions	<u>123,480</u>
Increase (decrease) in NPO	(1,053)
NPO beginning of year	<u>13,999</u>
NPO end of year	<u>\$ 12,946</u>

The annual required contribution (ARC) was determined as part of the February 29, 2012 and February 28, 2013, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued):

Annual Pension Cost (APC) and Net Pension Obligation (NPO) (Continued):

Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 29, 2012, was 15 years for the General division, 24 years for the Police division, and 30 years for the Fire division. The amortization period as of February 28, 2013, was 14 years for the General division, 12 years for the Police division, and 30 years for the Fire division.

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2012	\$ 108,442	100.1%	\$ 14,174
2013	\$ 111,557	100.2%	\$ 13,999
2014	\$ 122,427	100.9%	\$ 12,946

6. LONG-TERM DEBT:

Changes in long-term debt of the City for the year ended March 31, 2015, consisted of the following:

	<u>Governmental Activities</u>				
	<u>Balance April 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31, 2015</u>	<u>Amounts Due Within One Year</u>
Certificates of participation	\$ 1,630,000	\$ -	\$ 180,000	\$ 1,450,000	\$ 185,000
Notes payable	155,132	946,434	58,714	1,042,852	40,234
Capital leases	<u>244,569</u>	<u>-</u>	<u>38,636</u>	<u>205,933</u>	<u>110,877</u>
	2,029,701	946,434	277,350	2,698,785	336,111
Other liabilities, Compensated absences	<u>58,691</u>	<u>64,238</u>	<u>58,691</u>	<u>64,238</u>	<u>64,238</u>
	<u>\$ 2,088,392</u>	<u>\$ 1,010,672</u>	<u>\$ 336,041</u>	<u>\$ 2,763,023</u>	<u>\$ 400,349</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued):

Business-Type Activities					
	Balance April 1, 2014	Additions	Retirements	Balance March 31, 2015	Amounts Due Within One Year
Revenue bonds	\$ 4,325,000	\$ -	\$ 425,000	\$ 3,900,000	\$ 445,000
SRF loan	2,167,804	-	217,583	1,950,221	-
Capital lease	1,595,382	-	192,571	1,402,811	201,205
	8,088,186	-	835,154	7,253,032	646,205
Other liabilities, Compensated absences	25,953	33,506	25,953	33,506	33,506
	<u>\$ 8,114,139</u>	<u>\$ 33,506</u>	<u>\$ 861,107</u>	<u>\$ 7,286,538</u>	<u>\$ 679,711</u>

The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund. The liability for compensated absences has been calculated using the vesting method, which leaves amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Total City debt at March 31, 2015, consisted of the following:

Governmental funds:

\$2,295,000, Series 2010, refunding certificates of participation, issued for the construction of the aquatic center, due in annual installments of \$155,000 to \$235,000, through March 1, 2022; interest at 1.75% to 4%	\$ 1,450,000
\$946,434, loan issued for street improvements, due in monthly installments of \$9,459, through May 2024, interest at 2.95%	910,519
\$24,940, Energy Loan System with MO DNR, issued for energy improvements, due in semi-annual installments of \$3,225, through February 2017, interest at 0%	12,040
\$165,613, Energize MO Loan with DNR, issued for energy improvements, due in semi-annual installments of \$10,000, through August 2022, interest at 2%	<u>120,293</u>
Total governmental funds	<u>\$ 2,492,852</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued):

Proprietary fund:

\$3,000,000, Series 2001A Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program), due in annual installments of \$95,000 to \$235,000, through July 1, 2022; interest at 3% to 5%	\$ 1,565,000
\$5,000,000, Series 2001B Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program), due in annual installments of \$160,000 to \$385,000, through July 1, 2021; interest at 3% to 5%	2,335,000
State Revolving Fund loan	<u>1,950,221</u>
Total Proprietary fund	<u>\$ 5,850,221</u>

Aggregate annual principal and interest payments applicable to long-term debt are:

<u>Years ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Revenue Bonds</u>
2016	\$ 445,000	\$ 190,278	\$ 635,278
2017	470,000	165,687	635,687
2018	495,000	139,753	634,753
2019	520,000	112,475	632,475
2020	550,000	84,750	634,750
2021-2023	<u>1,420,000</u>	<u>89,250</u>	<u>1,509,250</u>
	<u>\$ 3,900,000</u>	<u>\$ 782,193</u>	<u>\$ 4,682,193</u>

<u>Years ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Note Payable</u>
2016	\$ 110,877	\$ 28,078	\$ 138,955
2017	113,044	25,052	138,096
2018	110,498	22,008	132,506
2019	113,636	18,870	132,506
2020	116,822	15,816	132,638
2021-2022	<u>477,975</u>	<u>29,459</u>	<u>507,434</u>
	<u>\$ 1,042,852</u>	<u>\$ 139,283</u>	<u>\$ 1,182,135</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued):

Years ending March 31,	Principal	Interest	Certificates of Participation
2016	\$ 185,000	\$ 53,238	\$ 238,238
2017	190,000	47,688	237,688
2018	195,000	41,512	236,512
2019	205,000	34,688	239,688
2020	215,000	27,000	242,000
2021-2022	<u>460,000</u>	<u>27,800</u>	<u>487,800</u>
	<u>\$ 1,450,000</u>	<u>\$ 231,926</u>	<u>\$ 1,681,926</u>

Bond Reserve Accounts:

Under the Series 2001A Combined Waterworks/Sewerage System Revenue Bonds (State Revolving Fund Program), the City is required to deposit monies into a debt service account sufficient to meet maturity dates of principal and interest. Further, after providing funds for current operations and principal and interest, excess funds will be deposited at a rate of \$12,500 annually into a depreciation and replacement account until a balance of \$81,900 is reached.

At March 31, 2015, the City was in compliance with these requirements.

Under the Series 2001B Combined Waterworks/Sewerage System Revenue Bonds (State Revolving Fund Program), the City is required to deposit monies into a debt service account sufficient to meet maturity dates of principal and interest. Further, after providing funds for current operations and principal and interest, excess funds will be deposited at a rate of \$37,200 annually into a depreciation and replacement account until a balance of \$72,100 is reached.

At March 31, 2015, the City was in compliance with these requirements.

Rates and fees established and charged were sufficient to satisfy bond covenant responsibilities for the sewer fund for the year ended March 31, 2015.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

7. CAPITAL LEASES:

The City has entered into lease agreements for financing capital equipment. The lease agreements qualify as capital leases for accounting purposes, therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

<u>Asset</u>		
Fire truck	\$	164,230
Utility system improvements		1,360,000
Total assets acquired	\$	1,524,230

The future minimum lease payments and the present value of the remaining minimum lease payments as of March 31, 2015, are as follows:

<u>Years Ending March 31,</u>	<u>General Fund</u>	<u>Proprietary Fund</u>
2016	\$ 45,241	\$ 250,870
2017	45,240	245,761
2018	45,240	251,454
2019	45,239	246,796
2020	9,964	248,051
2021-2023	30,534	339,278
	221,458	1,582,210
Less: amount representing interest	15,525	179,399
Present value of future minimum lease payments	\$ 205,933	\$ 1,402,811

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. RESTRICTED CASH:

Restricted cash and investments at March 31, 2015, consisted of the following:

<u>Account</u>	<u>General Fund</u>	<u>Park Fund</u>	<u>Utility Fund</u>	<u>Total</u>
Municipal court	\$ 498	\$ -	\$ -	\$ 498
Park	168	-	-	168
Fire	5,249	-	-	5,249
Police	11,902	-	-	11,902
Cemetery	369,718	-	-	369,718
Construction	19,712	-	304,619	324,331
Reserve for debt service	-	117	2,369,533	2,369,650
	<u>\$ 407,247</u>	<u>\$ 117</u>	<u>\$ 2,674,152</u>	<u>\$ 3,081,516</u>

9. TAX REVENUES:

The tax revenue, including interest and penalties collected thereon, for the year ended March 31, 2015, is as follows:

<u>Type</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Property	\$ 262,027	\$ -
Franchise	250,127	-
City sales	714,867	-
Capital improvement	-	355,252
Park sales	-	357,435
Transportation sales	-	357,436
Fire protection	-	89,177
PILOTS	718,083	-
	<u>\$ 1,945,104</u>	<u>\$ 1,159,300</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

9. TAX REVENUES (Continued):

The assessed valuation of the tangible property for the purpose of local taxation as of May 31, 2014, was as follows:

Real estate	\$ 34,226,218
Personal property	<u>8,546,509</u>
	<u>\$ 42,772,727</u>

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2014 was as follows:

General Fund	\$ 0.6000
Parks and Recreation Fund	0.0280
Lake	<u>0.0122</u>
	<u>\$ 0.6402</u>

Property taxes may attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1 and are due and payable at that time. All unpaid taxes levied by November 1 become delinquent January 1 of the following year.

10. RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation, and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and no significant losses in the past three fiscal years.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

11. INTERFUND TRANSACTIONS:

Transfers during the year ended March 31, 2015, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 118,580	\$ -
Special Revenue Fund:		
Parks	-	100,000
Transportation	9,790	-
Capital Projects Fund	-	114,594
Proprietary Fund, Utility Fund	<u>86,224</u>	<u>-</u>
	<u>\$ 214,594</u>	<u>\$ 214,594</u>

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

12. INTERGOVERNMENTAL REVENUE:

Intergovernmental revenue during the year ended March 31, 2015, consisted of the following:

	<u>General Fund</u>
State:	
Department of Transportation, Airport	\$ 235,002
Department of Revenue:	
Motor Vehicle Fuel Tax	161,995
Motor Vehicle Fees	6,941
Other State Grants	<u>36,050</u>
	<u>\$ 439,988</u>

13. DEFERRED COMPENSATION PLAN:

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional.

Employees may contribute up to 25% of their annual base salary to a maximum limit of \$17,500 per year. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Investments are managed by the plan's trustee, and the choice of the investment option(s) is made by the participants.

The City does not make a contribution for either full-time or part-time employees participating in the plan.

14. PLEDGED REVENUES:

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the Series 2001A and 2001B bonds that were issued in the amount of \$8,000,000. Proceeds from the bonds were used to fund the infrastructure for the water and sewer system. The bonds are payable from the water and sewer fund net revenues and are payable through 2023. The total interest and principal remaining to be paid on the bonds is \$4,682,193. Principal and interest paid for the current year is \$638,660.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

15. HOUSE BILL 103:

House Bill 103 amending Section 302.341.2 RSMo became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of annual general operating revenue from fines and court costs for traffic violation. Total police fines and court costs revenues for the fiscal year, which include fines and court costs related to traffic violations, summed to \$128,371. "Annual general operating revenue of the city" is not defined in the amended statute and may or may not include various sources of City's revenues. However, the City's general tax revenue alone totaled \$1,227,021. Using the general sales tax and total fines and court costs as the "annual general operating revenue," the City's total police fines and court costs revenues are only 9.4% of this total "annual general operating revenue," which is substantially below the 30% threshold requirement of the amended statute. This demonstrates at a minimum that the City did not exceed the percentage requirement regardless of how "annual general operating revenue" is calculated.

16. EVALUATION OF SUBSEQUENT EVENTS:

The City has evaluated subsequent events through October 14, 2015, the date which the financial statements were available to be issued.

In May 2015, the City issued Certificates of Participation to refinance outstanding lease obligations and to reimburse the City for expenditures in connection with the street improvement project.

CITY OF BUTLER, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION

1. MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM:

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>
02/29/2012	\$ 2,351,882	\$ 2,632,813	\$ 280,931
02/28/2013	\$ 2,651,500	\$ 2,790,988	\$ 139,488
02/28/2014	\$ 2,721,375	\$ 2,864,229	\$ 142,854
02/28/2014#	\$ 2,721,375	\$ 2,931,320	\$ 209,945

<u>Actuarial Valuation Date</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percent of Covered Payroll</u>
02/29/2012	89%	\$ 1,748,809	16%
02/28/2013	95%	\$ 1,732,052	8%
02/28/2014	95%	\$ 1,749,654	8%
02/28/2014#	93%	\$ 1,749,654	12%

#After benefit changes

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuation, please contact the LAGERS office in Jefferson City.

2. BUDGETARY DATA:

The City's prepares its budget on the cash basis of accounting for governmental funds.

**CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 1,277,360	\$ 1,277,360	\$ 1,236,004	\$ (41,356)
Licenses and permits	14,160	14,160	14,224	64
Intergovernmental	847,326	847,326	439,988	(407,338)
Charges for services	173,250	173,250	154,564	(18,686)
Fees and fines	123,480	123,480	126,918	3,438
Investment earnings	381	381	536	155
Payments in lieu of taxes	744,000	744,000	718,083	(25,917)
Other	18,085	18,085	34,240	16,155
	<u>3,198,042</u>	<u>3,198,042</u>	<u>2,724,557</u>	<u>(473,485)</u>
Accrual adjustments	-	-	(6,402)	(6,402)
	<u>3,198,042</u>	<u>3,198,042</u>	<u>2,718,155</u>	<u>(479,887)</u>
EXPENDITURES:				
General government	755,058	755,058	519,445	235,613
Police	974,914	974,914	941,288	33,626
Fire department	231,864	231,864	238,031	(6,167)
Street	-	-	1,853	(1,853)
Emergency management	19,900	19,900	17,042	2,858
Cemetery	140,787	140,787	134,734	6,053
Parks	251,643	251,643	287,483	(35,840)
Shop	59,630	59,630	55,015	4,615
Recreation and aquatics	169,801	169,801	154,462	15,339
Municipal Court	128,311	128,311	122,608	5,703
Capital outlay	542,414	542,414	273,465	268,949
Debt service:				
Principal	15,270	15,270	22,794	(7,524)
Interest and other charges	-	-	2,651	(2,651)
	<u>3,289,592</u>	<u>3,289,592</u>	<u>2,770,871</u>	<u>518,721</u>
Accrual adjustments	-	-	7,115	(7,115)
	<u>3,289,592</u>	<u>3,289,592</u>	<u>2,777,986</u>	<u>511,606</u>
Excess (deficiency) of revenues over expenditures	(91,550)	(91,550)	(59,831)	31,719
OTHER FINANCING SOURCES,				
Transfers in	100,000	100,000	118,580	18,580
Net change in fund balances	<u>\$ 8,450</u>	<u>\$ 8,450</u>	58,749	<u>\$ 50,299</u>
Fund balances - beginning			<u>1,020,152</u>	
Fund balances - ending			<u>\$ 1,078,901</u>	

**CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
TRANSPORTATION TAX FUND
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 350,000	\$ 350,000	\$ 364,066	\$ 14,066
Investment earnings	10	10	11	1
Other	-	-	721	721
	<u>350,010</u>	<u>350,010</u>	<u>364,798</u>	<u>14,788</u>
Accrual adjustments	-	-	(6,630)	(6,630)
	<u>350,010</u>	<u>350,010</u>	<u>358,168</u>	<u>8,158</u>
EXPENDITURES:				
Street	271,667	271,667	246,839	24,828
Capital outlay	71,000	71,000	28,286	42,714
	<u>342,667</u>	<u>342,667</u>	<u>275,125</u>	<u>67,542</u>
Accrual adjustments	-	-	1,379	(1,379)
	<u>342,667</u>	<u>342,667</u>	<u>276,504</u>	<u>66,163</u>
Revenues over expenditures	<u>7,343</u>	<u>7,343</u>	<u>81,664</u>	<u>74,321</u>
OTHER FINANCING SOURCES,				
Transfers in	-	-	9,790	9,790
Net change in fund balances	<u>\$ 7,343</u>	<u>\$ 7,343</u>	91,454	<u>\$ 84,111</u>
Fund balances - beginning			<u>128,556</u>	
Fund balances - ending			<u>\$ 220,010</u>	

**CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
PARK FUND
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 350,000	\$ 350,000	\$ 364,066	\$ 14,066
Investment earnings	<u>10</u>	<u>10</u>	<u>11</u>	<u>1</u>
	350,010	350,010	364,077	14,067
Accrual adjustments	<u>-</u>	<u>-</u>	<u>(6,631)</u>	<u>(6,631)</u>
	<u>350,010</u>	<u>350,010</u>	<u>357,446</u>	<u>7,436</u>
EXPENDITURES,				
Debt service:				
Principal	190,000	190,000	180,000	10,000
Interest and other charges	<u>58,000</u>	<u>58,000</u>	<u>61,185</u>	<u>(3,185)</u>
	<u>248,000</u>	<u>248,000</u>	<u>241,185</u>	<u>6,815</u>
Excess of revenues over expenditures	102,010	102,010	116,261	14,251
OTHER FINANCING USES,				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,010</u>	<u>\$ 2,010</u>	16,261	<u>\$ 14,251</u>
Fund balances - beginning			<u>234,198</u>	
Fund balances - ending			<u>\$ 250,459</u>	

**CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
AIRPORT FUND
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 26,800	\$ 26,800	\$ 23,289	\$ (3,511)
Other	<u>100</u>	<u>100</u>	<u>275</u>	<u>175</u>
	<u>26,900</u>	<u>26,900</u>	<u>23,564</u>	<u>(3,336)</u>
 EXPENDITURES,				
Current, Airport	<u>26,825</u>	<u>26,825</u>	<u>17,983</u>	<u>8,842</u>
	<u>26,825</u>	<u>26,825</u>	<u>17,983</u>	<u>8,842</u>
Net change in fund balances	<u>\$ 75</u>	<u>\$ 75</u>	5,581	<u>\$ 5,506</u>
Fund balances - beginning			<u>22,947</u>	
Fund balances - ending			<u>\$ 28,528</u>	

**CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
FIRE PROTECTION
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 82,000	\$ 82,000	\$ 90,442	\$ 8,442
Investment earnings	-	-	8	8
	82,000	82,000	90,450	8,450
Accrual adjustments	-	-	(1,265)	(1,265)
	<u>82,000</u>	<u>82,000</u>	<u>89,185</u>	<u>7,185</u>
EXPENDITURES:				
Capital outlay	154,250	154,250	42,931	111,319
Debt service:				
Principal	66,224	66,224	30,760	35,464
Interest and other charges	-	-	4,516	(4,516)
	220,474	220,474	78,207	142,267
Accrual adjustments	-	-	-	-
	<u>220,474</u>	<u>220,474</u>	<u>78,207</u>	<u>142,267</u>
Excess (deficiency) of revenues over expenditures	<u>(138,474)</u>	<u>(138,474)</u>	<u>10,978</u>	<u>149,452</u>
OTHER FINANCING SOURCES,				
Proceeds from capital lease	<u>140,000</u>	<u>140,000</u>	-	<u>140,000</u>
Net change in fund balances	<u>\$ 1,526</u>	<u>\$ 1,526</u>	10,978	<u>\$ 149,452</u>
Fund balances - beginning			<u>67,063</u>	
Fund balances - ending			<u>\$ 78,041</u>	

**CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
CAPITAL PROJECTS
FOR THE YEAR ENDED MARCH 31, 2015**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 350,000	\$ 350,000	\$ 360,183	\$ 10,183
Investment earnings	-	-	-	-
	350,000	350,000	360,183	10,183
Accrual adjustments	-	-	(4,931)	(4,931)
	350,000	350,000	355,252	5,252
EXPENDITURES:				
Current,				
Capital outlay	1,546,295	1,546,295	1,039,699	506,596
Debt service:				
Principal	-	-	43,620	(43,620)
Interest and other charges	-	-	17,803	(17,803)
	1,546,295	1,546,295	1,101,122	445,173
Excess of revenues over expenditures	(1,196,295)	(1,196,295)	(745,870)	450,425
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of long-term debt	1,200,000	1,200,000	946,434	(253,566)
Transfers out	-	-	(114,594)	(114,594)
Total other financing sources	1,200,000	1,200,000	831,840	(368,160)
Net change in fund balances	\$ 3,705	\$ 3,705	85,970	\$ 82,265
OTHER FINANCING SOURCES,				
Fund balances - beginning			161,518	
Fund balances - ending			\$ 247,488	