

CITY OF BUTLER, MISSOURI

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
MARCH 31, 2018**

CITY OF BUTLER, MISSOURI

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CITY OF BUTLER, MISSOURI

Principal Officials

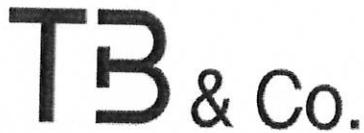
MAYOR/CITY COUNCIL

Jim Henry Mayor
David Brown Council Member – Ward 1
Jim Garnett Council Member – Ward 1
Mike Irick Council Member – Ward 2
Gayle Stark Council Member – Ward 2
Jeff Hall Council Member – Ward 3
Craig Irwin Council Member – Ward 3
Gayle Cook Council Member – Ward 4
Carolyn Jett Council Member – Ward 4

ADMINISTRATION

Casey Koehn City Administrator
Corey Snead City Clerk

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



TROUTT, BEEMAN & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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, (the City), as of and for the year ended March 31, 2018, 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'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.

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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, 2018, 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 on pages 40 through 44 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 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. 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's basic financial statements. The accompanying Budgetary Comparison Schedule – Capital Projects 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 basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri

August 31, 2018

CITY OF BUTLER, MISSOURI
STATEMENT OF NET POSITION
MARCH 31, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 1,440,296	61,060	\$ 1,501,356
Cash and investments-restricted	424,318	2,191,295	2,615,613
Taxes receivable, net	328,027	-	328,027
Accounts receivable	108,051	792,448	900,499
Other assets			
Other receivables	566	19,921	20,487
Inventories	31,488	587,126	618,614
Prepaid expenses	15,132	10,088	25,220
Net pension asset	28,049	-	28,049
Capital assets:			
Land	753,831	119,145	872,976
Construction in process	37,320	-	37,320
Buildings and land improvements	4,233,086	1,601,332	5,834,418
Furniture and equipment	2,742,827	5,908,227	8,651,054
Infrastructure	4,239,411	17,196,688	21,436,099
Less: accumulated depreciation	(5,188,577)	(14,451,510)	(19,640,087)
Total capital assets	<u>6,817,898</u>	<u>10,373,882</u>	<u>17,191,780</u>
Total assets	<u>9,193,825</u>	<u>14,035,820</u>	<u>23,229,645</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related amounts	278,280	106,262	384,542
Total assets and deferred outflows of resources	<u>9,472,105</u>	<u>14,142,082</u>	<u>23,614,187</u>
LIABILITIES			
Accounts payable and accrued expenses	179,271	382,603	561,874
Salaries and benefits payable	121,148	58,751	179,899
Liabilities payable from restricted assets	-	198,135	198,135
Other liabilities	1,890	7,583	9,473
Long-term liabilities:			
Due within one year:			
Bonds, capital leases, and contracts	328,833	621,575	950,408
Accrued interest	2,923	31,613	34,536
Due in more than one year:			
Net pension liability	-	26,578	26,578
Bonds, capital leases, and contracts	1,273,602	3,600,710	4,874,312
Total liabilities	<u>1,907,667</u>	<u>4,927,548</u>	<u>6,835,215</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	12,667	12,667
Pension-related amounts	176,696	35,308	212,004
Property taxes	15,959	-	15,959
Total deferred inflows of resources	<u>192,655</u>	<u>47,975</u>	<u>240,630</u>
NET POSITION			
Net investment in capital assets	5,186,860	7,387,895	12,574,755
Restricted for:			
Cemetery perpetual care	385,799	-	385,799
Debt service	-	664,684	664,684
Fire protection	58,251	-	58,251
Parks and recreation	299,055	-	299,055
Street	491,364	-	491,364
Unrestricted	<u>950,454</u>	<u>1,113,980</u>	<u>2,064,434</u>
Total net position	<u>\$ 7,371,783</u>	<u>\$ 9,166,559</u>	<u>\$ 16,538,342</u>
Total liabilities, deferred inflows and net position	<u>\$ 9,472,105</u>	<u>\$ 14,142,082</u>	<u>\$ 23,614,187</u>

See accompanying notes.

CITY OF BUTLER, MISSOURI
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED MARCH 31, 2018

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Primary government:						
Governmental activities:						
General government						
Police	\$ 859,850	\$ 28,502	\$ -	\$ (831,348)	\$ -	\$ (831,348)
Fire department	928,429	89,638	-	(838,791)	-	(838,791)
Street	195,879	11,795	-	(184,084)	-	(184,084)
Emergency management	304,932	-	178,214	(126,718)	-	(126,718)
Cemetery	39,160	-	20,545	(18,615)	-	(18,615)
Parks	128,411	36,481	-	(91,930)	-	(91,930)
Shop	339,403	-	-	(339,403)	-	(339,403)
Recreation and aquatics	66,492	-	-	(66,492)	-	(66,492)
Municipal court	145,626	82,518	-	(82,534)	-	(82,534)
Airport	77,546	6,652	-	(138,974)	-	(138,974)
Interest on long-term debt	45,661	28,631	-	(21,361)	-	(21,361)
Total governmental activities	<u>3,296,441</u>	<u>284,217</u>	<u>198,759</u>	<u>(45,661)</u>	<u>(45,661)</u>	<u>(45,661)</u>
Business-type activities:						
Water, sewer, electric, and trash	7,204,342	7,249,726	-	(2,785,911)	-	(2,785,911)
Total business-type activities	<u>7,204,342</u>	<u>7,249,726</u>	<u>-</u>	<u>(2,785,911)</u>	<u>-</u>	<u>(2,785,911)</u>
Total primary government	<u>\$ 10,500,783</u>	<u>\$ 7,533,943</u>	<u>\$ 198,759</u>	<u>\$ 27,554</u>	<u>\$ 45,384</u>	<u>\$ 45,384</u>
General revenues:						
Taxes:						
Property taxes, levied for general purpose	245,399	-	-	245,399	-	245,399
Property taxes, levied for specific purpose	14,984	-	-	14,984	-	14,984
Franchise taxes and other taxes	191,728	-	-	191,728	-	191,728
Sales taxes	-	-	-	-	-	-
Investment earnings	2,295,406	-	-	2,295,406	-	2,295,406
Miscellaneous	1,208	-	-	1,208	-	1,208
Transfers	38,550	-	-	38,550	-	38,550
Change in net position	(392,341)	-	-	(392,341)	-	(392,341)
Total general revenues and transfer	<u>2,394,934</u>	<u>-</u>	<u>-</u>	<u>543,661</u>	<u>-</u>	<u>2,938,595</u>
Net position - beginning	<u>(390,977)</u>	<u>-</u>	<u>-</u>	<u>589,045</u>	<u>-</u>	<u>198,068</u>
Net position - ending	<u>\$ 7,371,783</u>	<u>-</u>	<u>-</u>	<u>\$ 8,577,514</u>	<u>-</u>	<u>16,340,274</u>
						<u>\$ 16,538,342</u>

See accompanying notes.

CITY OF BUTLER, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2018

	General Fund	Transportation Tax Fund	Park Fund	Airport Fund	Capital Projects	Fire Protection	Total Governmental Funds
ASSETS							
Pooled cash and investments	\$ 427,741	\$ 548,221	\$ 246,726	\$ 76,287	\$ 96,123	\$ 45,198	\$ 1,440,296
Cash and investments-restricted	424,048	-	117	-	153	-	424,318
Taxes receivable, net	158,372	52,212	52,212	-	52,178	13,053	328,027
Accounts receivable	108,051	-	-	-	-	-	108,051
Other receivables	566	-	-	-	-	-	566
Inventories	31,488	-	-	-	-	-	31,488
Prepays	15,132	-	-	-	-	-	15,132
Total assets	\$ 1,165,398	\$ 600,433	\$ 299,055	\$ 76,287	\$ 148,454	\$ 58,251	\$ 2,347,878
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 69,949	\$ 108,246	-	\$ 1,076	\$ -	\$ -	\$ 179,271
Salaries and benefits payable	120,325	823	-	-	-	-	121,148
Deferred revenue	15,959	-	-	-	-	-	15,959
Other liabilities	1,890	-	-	-	-	-	1,890
Total liabilities	208,123	109,069	-	1,076	-	-	318,268
Fund balances:							
Nonspendable:							
Prepaid expenditures	15,132	-	-	-	-	-	15,132
Inventories	31,488	-	-	-	-	-	31,488
Cemetery perpetual care	385,799	-	-	-	-	-	385,799
Restricted:							
Parks and recreation	-	-	299,055	-	-	-	299,055
Fire protection	-	-	-	-	-	58,251	58,251
Street	-	491,364	-	-	-	-	491,364
Assigned to:							
Capital outlay	-	-	-	-	148,454	-	148,454
Airport	-	-	-	75,211	-	-	75,211
Unassigned	524,856	-	-	-	-	-	524,856
Total fund balances	957,275	491,364	299,055	75,211	148,454	58,251	2,029,610
Total liabilities and fund balances	\$ 1,165,398	\$ 600,433	\$ 299,055	\$ 76,287	\$ 148,454	\$ 58,251	\$ 2,347,878

See accompanying notes.

CITY OF BUTLER, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
MARCH 31, 2018

Fund balances - total governmental funds	\$ 2,029,610
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.	6,817,898
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(2,923)
Net pension asset is not a current financial use and therefore not reported in the fund financial statements	28,049
Deferred pension inflows and outflows are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position:	
Inflows	(176,696)
Outflows	<u>278,280</u>
	101,584
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>(1,602,435)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 7,371,783</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, 2018

	General Fund	Transportation Tax Fund	Park Fund	Airport Fund	Capital Projects	Fire Protection	Total Governmental Funds
REVENUES							
Taxes	\$ 1,174,237	\$ 361,533	\$ 361,759	\$ -	\$ 364,384	\$ 90,254	\$ 2,352,167
Licenses and permits	15,647	-	-	-	-	-	15,647
Intergovernmental	226,313	-	-	-	-	-	226,313
Charges for services	149,679	-	-	28,631	-	-	178,310
Fees and fines	90,260	-	-	-	-	-	90,260
Investment earnings	997	22	22	-	153	14	1,208
Payments in lieu of taxes	395,350	-	-	-	-	-	395,350
Other	38,350	-	-	200	-	-	38,550
Total revenues	2,090,833	361,555	361,781	28,831	364,537	90,268	3,297,805
EXPENDITURES							
Current:							
Current expenditures:							
General government	567,343	-	-	-	3,790	-	571,133
Police	880,740	-	-	-	-	-	880,740
Fire department	168,376	-	-	-	-	-	168,376
Street	-	214,885	-	-	-	-	214,885
Emergency management	39,160	-	-	-	-	-	39,160
Cemetery	128,411	-	-	-	-	-	128,411
Parks	269,710	-	-	-	-	-	269,710
Shop	66,492	-	-	-	-	-	66,492
Recreation and aquatics	165,052	-	-	-	-	-	165,052
Municipal court	145,626	-	-	-	-	-	145,626
Airport	-	-	-	15,907	-	-	15,907
Capital outlay	71,723	100,802	-	-	-	6,015	178,540
Debt service:							
Principal	86,604	-	207,700	-	110,883	168,747	573,934
Interest and other charges	2,331	-	27,518	-	14,475	1,572	45,896
Total expenditures	2,591,568	315,687	235,218	15,907	129,148	176,334	3,463,862
Excess (deficiency) of revenues over expenditures	(500,735)	45,868	126,563	12,924	235,389	(86,066)	(166,057)
OTHER FINANCING SOURCES (USES)							
Transfers in	159,577	-	-	-	-	-	159,577
Transfers out	-	-	(124,000)	-	(427,918)	-	(551,918)
Total other financing sources and uses	159,577	-	(124,000)	-	(427,918)	-	(392,341)
Net change in fund balances	(341,158)	45,868	2,563	12,924	(192,529)	(86,066)	(558,398)
Fund balances - beginning	1,298,433	445,496	296,492	62,287	340,983	144,317	2,588,008
Fund balances - ending	\$ 957,275	\$ 491,364	\$ 299,055	\$ 75,211	\$ 148,454	\$ 58,251	\$ 2,029,610

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, 2018

Net change in fund balances - total governmental funds: (558,398)

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 threshhold, exceeded depreciation in the current period:

Capital outlay	178,540
Capital outlay expensed	(12,405)
Depreciation expense	<u>(341,741)</u>
	<u>(175,606)</u>

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:

Repayment of principal	<u>573,934</u>
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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	235
Pension expense	<u>(231,142)</u>
	<u>(230,907)</u>

Change in net position of governmental activities	<u>\$ (390,977)</u>
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**CITY OF BUTLER, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND
MARCH 31, 2018**

Utility Fund	
ASSETS:	
Current assets:	
Pooled cash and investments	\$ 61,060
Cash and investments-restricted	2,191,295
Receivables:	
Billed	513,710
Unbilled	278,738
Other receivables	19,921
Inventories	587,126
Prepaid expenses	10,088
Total current assets	<u>3,661,938</u>
Non-current assets,	
Capital assets:	
Land and improvements	119,145
Infrastructure	17,196,688
Buildings	1,601,332
Equipment and furniture	5,908,227
Total capital assets at cost	<u>24,825,392</u>
Less accumulated depreciation	<u>(14,451,510)</u>
Capital assets, net	<u>10,373,882</u>
	14,035,820
DEFERRED OUTFLOWS OF RESOURCES,	
Pension--related amounts	<u>106,262</u>
Total assets and deferred outflows of resources	<u>14,142,082</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	382,603
Salaries and benefits payable	58,751
Accrued interest payable	31,613
Meter deposits	198,135
Other payables	7,583
Bonds, notes, and capital leases payable	621,575
Total current liabilities	<u>1,300,260</u>
Non-current liabilities,	
Net pension liability	26,578
Bonds, notes, and capital leases payable	<u>3,600,710</u>
	<u>4,927,548</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred revenue	12,667
Pension--related amounts	<u>35,308</u>
Total deferred inflows of resources	<u>47,975</u>
Total liabilities and deferred inflows of resources	<u>4,975,523</u>
NET POSITION:	
Net investment in capital assets	7,387,895
Restricted for debt service	664,684
Unrestricted	<u>1,113,980</u>
Total net position	<u>9,166,559</u>
Total liabilities, deferred inflows, and net position	<u>\$ 14,142,082</u>

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, 2018

	<u>Utility Fund</u>
REVENUES,	
Charges for services	<u>\$ 7,249,726</u>
	<u>7,249,726</u>
OPERATING EXPENSES:	
Personnel services	1,041,560
Contractual services	4,129,502
Materials and supplies	178,949
Maintenance and repairs	263,711
Insurance	81,751
Utilities	225,727
Interfund charges for support services	395,346
Depreciation and amortization	650,004
Administration	<u>58,401</u>
	<u>7,024,951</u>
Operating income	<u>224,775</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest income	95,731
Miscellaneous income	55,589
Interest expense	<u>(179,391)</u>
	<u>(28,071)</u>
Net income before transfers	196,704
Transfers in	<u>392,341</u>
Increase in net position	589,045
Net position - beginning	<u>8,577,514</u>
Net position - ending	<u>\$ 9,166,559</u>

See accompanying notes.

CITY OF BUTLER, MISSOURI

**STATEMENT OF CASH FLOWS -- PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES:

Received from customers	\$ 7,284,115
Payments to employees and fringe benefits	(1,556,351)
Payments for operations	<u>(4,790,208)</u>
Net cash provided by operating activities	<u>937,556</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES,

Transfers in	392,341
Net cash provided by noncapital financing activities	<u>392,341</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(103,442)
Principal paid on capital debt and leases	(1,246,776)
Interest paid on capital debt and leases	<u>(179,391)</u>
Net cash used by capital and related financing activities	<u>(1,529,609)</u>

CASH FLOWS FROM INVESTING ACTIVITIES,

Investment income	<u>95,731</u>
Net decrease in cash and cash equivalents	(103,981)
Cash and cash equivalents, Beginning of the year	<u>2,356,336</u>
Cash and cash equivalents, End of the year	<u>\$ 2,252,355</u>

Reconciliation of operating income to net cash provided by operating activities:

Operating income	<u>\$ 224,775</u>
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Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation and amortization expense	650,004
Nonoperating revenues	55,589
Changes in assets and liabilities:	
Receivables, net	38,506
Inventories	11,494
Pension	(18,111)
Prepaid items	(2,034)
Accounts payable and accrued liabilities	(21,742)
Meter deposits	<u>(925)</u>

Total adjustments	<u>712,781</u>
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Net cash provided by operating activities	<u>\$ 937,556</u>
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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 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 fund is as follows:

The 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 Fund. 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 fund. 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, 2018, 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, 2018. All accounts receivable are stated net of allowances for doubtful accounts.

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):

Capital Assets (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, 2018, the carrying amount of the City's cash on hand, demand deposits, and certificates of deposit in financial institutions was \$617, \$2,453,321, 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, 2018, the City's investments consisted of the following:

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Investment Rating</u>
Money market	\$ 153	\$ 153	NA
Guaranteed investment contracts	409,260	409,260	NA
SRF reserve	<u>1,236,298</u>	<u>1,236,298</u>	NA
	<u><u>\$ 1,645,711</u></u>	<u><u>\$ 1,645,711</u></u>	

Interest Rate Risk:

Interest rate risk is the risk that changes in 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, 2018, the City had the following investments and maturities:

	Investment maturities (in years)			
	Value	Less than one	1-5	>5
Investment type:				
Money market	\$ 153	\$ 153	\$ -	\$ -
Guaranteed investment contracts	409,260	-	-	409,260
SRF reserve	<u>1,236,298</u>	<u>-</u>	<u>-</u>	<u>1,236,298</u>
	<u><u>\$ 1,645,711</u></u>	<u><u>\$ 153</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,645,558</u></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, 2018, the carrying value of deposits and investments are summarized as follows:

Investments:

Money markets	\$ 153
Guaranteed investment contracts	409,260
SRF reserve	<u>1,236,298</u>
Total investments	<u>1,645,711</u>

Certificates of deposit	11,658
Cash on hand	617
Deposits	<u>2,458,983</u>
	<u>2,471,258</u>
	<u>\$ 4,116,969</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	\$ 1,501,356
Restricted cash	<u>2,615,613</u>
	<u><u>\$ 4,116,969</u></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 \$7,500 for the Utility Fund.

4. CAPITAL ASSETS:

Capital asset activity for the year ended March 31, 2018, consisted of the following:

	Balance 4/1/2017	Increases	Decreases	Balance 3/31/2018
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 753,831	\$ -	\$ -	\$ 753,831
Construction in progress	<u>8,717</u>	<u>28,603</u>	<u>-</u>	<u>37,320</u>
Total capital assets not being depreciated	<u><u>762,548</u></u>	<u><u>28,603</u></u>	<u><u>-</u></u>	<u><u>791,151</u></u>
Capital assets being depreciated:				
Buildings and land improvements	4,233,086	-	-	4,233,086
Furniture and equipment	135,251	13,961	-	149,212
Heavy equipment	1,417,600	118,571	-	1,536,171
Vehicles	1,052,444	5,000	-	1,057,444
Infrastructure	4,239,411	-	-	4,239,411
Total capital assets being depreciated	<u>11,077,792</u>	<u>137,532</u>	<u>-</u>	<u>11,215,324</u>
Less accumulated depreciation:				
Buildings and land improvements	1,549,873	86,710	-	1,636,583
Furniture and equipment	54,555	13,571	-	68,126
Heavy equipment	1,177,330	35,796	-	1,213,126
Vehicles	522,123	78,003	-	600,126
Infrastructure	1,542,955	127,661	-	1,670,616
Total accumulated depreciation	<u>4,846,836</u>	<u>341,741</u>	<u>-</u>	<u>5,188,577</u>
Total capital assets being depreciated, net	<u><u>6,230,956</u></u>	<u><u>(204,209)</u></u>	<u><u>-</u></u>	<u><u>6,026,747</u></u>
Governmental activities capital assets, net	<u><u>\$ 6,993,504</u></u>	<u><u>\$ (175,606)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,817,898</u></u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS (Continued):

Capital asset activity for the year ended March 31, 2018, consisted of the following (Continued):

	<u>Balance</u> <u>4/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>3/31/2018</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 119,145	\$ -	\$ -	\$ 119,145
Total capital assets not being depreciated	<u>119,145</u>	<u>-</u>	<u>-</u>	<u>119,145</u>
Capital assets being depreciated:				
Buildings and land improvements	1,601,332	-	-	1,601,332
Furniture and equipment	4,811,412	-	-	4,811,412
Heavy equipment	628,448	75,800	-	704,248
Vehicles	364,925	27,642	-	392,567
Infrastructure	<u>17,196,688</u>	<u>-</u>	<u>-</u>	<u>17,196,688</u>
Total capital assets being depreciated	<u>24,602,805</u>	<u>103,442</u>	<u>-</u>	<u>24,706,247</u>
Less accumulated depreciation:				
Buildings and land improvements	1,132,417	23,724	-	1,156,141
Furniture and equipment	3,190,802	197,227	-	3,388,029
Heavy equipment	333,909	27,849	-	361,758
Vehicles	330,140	5,933	-	336,073
Infrastructure	<u>8,814,238</u>	<u>395,271</u>	<u>-</u>	<u>9,209,509</u>
Total accumulated depreciation	<u>13,801,506</u>	<u>650,004</u>	<u>-</u>	<u>14,451,510</u>
Total capital assets being depreciated, net	<u>10,801,299</u>	<u>(546,562)</u>	<u>-</u>	<u>10,254,737</u>
Business-type activities capital assets, net	<u>\$ 10,920,444</u>	<u>\$ (546,562)</u>	<u>\$ -</u>	<u>\$ 10,373,882</u>

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

Government activities:	
General government	\$ 24,499
Police	38,666
Fire	61,912
Airport	61,639
Streets	85,332
Parks	<u>69,693</u>
Total depreciation expense, governmental	<u>\$ 341,741</u>

Business-type activities:	
Water	\$ 306,650
Sewer	147,122
Electric	<u>196,232</u>
	<u>\$ 650,004</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN:

General Information about the Pension Plan

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

Benefits provided: LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

2017 Valuation

Benefit Multiplier: 1.25% for life, plus .75% to age 65

Final Average Salary: 3 years

Member Contributions: 0%

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

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	9
Active employees	48
	<hr/>
	92
	<hr/>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued):

Contributions: The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 12.9% General, 9% Police, and 4% Fire of annual covered payroll.

Net Pension Liability: The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial assumptions: The total pension liability in the February 28, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage 2.5% price
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

Mortality rates were based on the RP-2014 mortality table for males and females for healthy retirees, disabled retiree, and employees, adjusted for mortality improvement back to the observation period base year of 2006.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.00%	4.81%
Fixed Income	28.50%	1.72%
Real Assets	23.50%	3.42%

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued):

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

Changes in the Net Pension Liability (Asset):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2016	\$ 5,498,839	\$ 5,241,068	\$ 257,771
Changes for the year:			
Service Cost	157,499	-	157,499
Interest	394,459	-	394,459
Change of benefit terms	-	-	-
Difference between expected and actual experience	55,585	-	55,585
Changes of assumptions	-	-	-
Contributions - employer	-	219,128	(219,128)
Contributions - employee	-	-	-
Net investment income	-	629,515	(629,515)
Benefit payments, including refunds	(275,639)	(275,639)	-
Administrative expense	-	(7,079)	7,079
Other changes	-	25,221	(25,221)
Net changes	331,904	591,146	(259,242)
Balances at 6/30/2017	\$ 5,830,743	\$ 5,832,214	\$ (1,471)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
Total Pension Liability (TPL)	\$ 6,645,568	\$ 5,830,743	\$ 5,158,647
Plan Fiduciary Net Position	<u>5,832,214</u>	<u>5,832,214</u>	<u>5,832,214</u>
Net Position Liability/(Asset) (NPL)	<u>\$ 813,354</u>	<u>\$ (1,471)</u>	<u>\$ (673,567)</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued):

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

For the year ended March 31, 2018, the employer recognized pension expense of \$219,128. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 48,232	\$ (212,014)
Differences in assumptions	92,421	-
Excess (deficit) investment returns	150,290	-
Contributions subsequent to the measurement date*	151,385	-
Total	\$ 442,328	\$ (212,014)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending March 31, 2018.

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

Year Ending	Net Deferred Outflows of Resources
2017	\$ 54,804
2018	55,501
2019	481
2020	(40,908)
2021	9,051
Thereafter	-
	\$ 78,929

Payable to the Pension Plan

At March 31, 2018, the City reported a liability of \$0 for the outstanding amount of contributions to the pension plan required for the year ended March 31, 2018.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT:

Changes in long-term debt of the City for the year ended March 31, 2018, consisted of the following:

Governmental Activities					
	Balance April 1, 2017	Additions	Retirements	Balance March 31, 2018	Amounts Due Within One Year
Certificates of participation	\$ 1,865,000	\$ -	\$ 310,000	\$ 1,555,000	\$ 320,000
Notes payable	86,604	-	86,604	-	-
Capital leases	<u>224,765</u>	<u>-</u>	<u>177,330</u>	<u>47,435</u>	<u>8,833</u>
	2,176,369	-	573,934	1,602,435	328,833
Other liabilities,					
Compensated absences	<u>67,651</u>	<u>77,351</u>	<u>67,651</u>	<u>77,351</u>	<u>77,351</u>
	<u>\$ 2,244,020</u>	<u>\$ 77,351</u>	<u>\$ 641,585</u>	<u>\$ 1,679,786</u>	<u>\$ 406,184</u>

Business-Type Activities					
	Balance April 1, 2017	Additions	Retirements	Balance March 31, 2018	Amounts Due Within One Year
Revenue bonds	\$ 2,985,000	\$ -	\$ 495,000	\$ 2,490,000	\$ 520,000
SRF loan	1,486,370	-	250,072	1,236,298	-
Capital lease	<u>997,691</u>	<u>-</u>	<u>501,704</u>	<u>495,987</u>	<u>101,575</u>
	5,469,061	-	1,246,776	4,222,285	621,575
Other liabilities,					
Net pension	138,594	26,578	138,594	26,578	-
Compensated absences	<u>29,064</u>	<u>37,456</u>	<u>29,064</u>	<u>37,456</u>	<u>37,456</u>
	<u>\$ 5,636,719</u>	<u>\$ 64,034</u>	<u>\$ 1,414,434</u>	<u>\$ 4,286,319</u>	<u>\$ 659,031</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.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued):

Total City debt at March 31, 2018, consisted of the following:

Governmental funds:

\$2,450,000, Series 2015, refunding certificates of participation, issued for the construction of the aquatic center, due in annual installments of \$185,000 to \$330,000, through March 1, 2024; interest at 0.85% to 3%	<u>\$ 1,555,000</u>
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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%	<u>\$ 1,055,000</u>
--	---------------------

\$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%	<u>1,435,000</u>
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Total Revenue Bonds	<u>2,490,000</u>
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State Revolving Fund loan	<u>1,236,298</u>
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Total Proprietary fund	<u>\$ 3,726,298</u>
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Aggregate annual principal and interest payments applicable to long-term debt are:

Years ending March 31,	Principal	Interest	Revenue Bonds
2019	\$ 520,000	\$ 112,475	\$ 632,475
2020	550,000	84,750	634,750
2021	580,000	56,500	636,500
2022	605,000	26,875	631,875
2023	<u>235,000</u>	<u>5,875</u>	<u>240,875</u>
	<u>\$ 2,490,000</u>	<u>\$ 286,475</u>	<u>\$ 2,776,475</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued):

Years ending March 31,	Principal	Interest	Certificates of Participation
2019	\$ 320,000	\$ 35,075	\$ 355,075
2020	325,000	29,475	354,475
2021	330,000	23,300	353,300
2022	215,000	15,875	230,875
2023	180,000	10,500	190,500
2024	<u>185,000</u>	<u>5,500</u>	<u>190,500</u>
	<u><u>\$ 1,555,000</u></u>	<u><u>\$ 119,725</u></u>	<u><u>\$ 1,674,725</u></u>

Bond Reserve Accounts:

Under the Series 2001C 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, 2018, the City was in compliance with these requirements.

Under the Series 2001C 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, 2018, the City was in compliance with these requirements.

Rates and fees established and charged were sufficient to satisfy the bond covenant responsibilities for the sewer fund for the year ended March 31, 2018.

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>	\$	307,837
Fire truck and ambulance	\$	307,837
Utility system improvements		<u>1,360,000</u>
Total assets acquired	\$	1,667,837

The future minimum lease payments and the present value of the remaining minimum lease payments as of March 31, 2018, are as follows:

<u>Years Ending March 31,</u>	<u>General Fund</u>	<u>Proprietary Fund</u>
2019	\$ 12,356	\$ 114,594
2020	10,830	114,594
2021	10,158	114,594
2022	9,966	114,594
2023	<u>10,603</u>	<u>72,435</u>
	53,913	530,811
Less: amount representing interest	<u>6,478</u>	<u>34,824</u>
Present value of future minimum lease payments	\$ 47,435	\$ 495,987

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. RESTRICTED CASH:

Restricted cash and investments at March 31, 2018, consisted of the following:

Account	General Fund	Park Fund	Capital Projects Fund	Utility Fund	Total
Municipal court	\$ 2,128	\$ -	\$ -	\$ -	\$ 2,128
Park	168	-	-	-	168
Fire	6,239	-	-	-	6,239
Police	15,745	-	-	-	15,745
Cemetery	388,364	-	-	-	388,364
Construction	11,404	-	-	290,313	301,717
Reserve for debt service	-	117	153	1,900,982	1,901,252
	<u>\$ 424,048</u>	<u>\$ 117</u>	<u>\$ 153</u>	<u>\$ 2,191,295</u>	<u>\$ 2,615,613</u>

9. TAX REVENUES:

The tax revenue, including interest and penalties collected thereon, for the year ended March 31, 2018, is as follows:

Type	General Fund	Special Revenue Funds
Property	\$ 260,383	\$ -
Franchise	191,728	-
City sales	722,126	-
Capital improvement	-	364,384
Park sales	-	361,759
Transportation sales	-	361,533
Fire protection	-	90,254
PILOTS	<u>395,350</u>	<u>-</u>
	<u>\$ 1,569,587</u>	<u>\$ 1,177,930</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, 2017, was as follows:

Real estate	\$ 34,760,099
Personal property	<u>7,928,977</u>
	<u>\$ 42,689,076</u>

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2017 was as follows:

General Fund	\$ 0.6013
Parks and Recreation Fund	0.0281
Lake	<u>0.0122</u>
	<u>\$ 0.6416</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.

11. INTERFUND TRANSACTIONS:

Transfers during the year ended March 31, 2018, were as follows:

	Transfers In	Transfers Out
General Fund	\$ 159,577	\$ -
Special Revenue Fund:		
Parks Fund	-	124,000
Capital Projects Fund	-	427,918
Proprietary Fund,		
Utility Fund	392,341	-
	<u>\$ 551,918</u>	<u>\$ 551,918</u>

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

11. INTERFUND TRANSACTIONS (Continued):

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.

12. INTERGOVERNMENTAL REVENUE:

Intergovernmental revenue during the year ended March 31, 2018, consisted of the following:

	General Fund
State:	
Department of Transportation,	
Airport	\$ 27,554
Department of Revenue:	
Motor Vehicle Fuel Tax	170,463
Motor Vehicle Fees	7,751
Other State Grants	<u>20,545</u>
	<u><u>\$ 226,313</u></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 \$2,776,475. Principal and interest paid for the current year is \$634,753.

CITY OF BUTLER, MISSOURI

NOTES TO FINANCIAL STATEMENTS

15. EVALUATION OF SUBSEQUENT EVENTS:

In April 2018, the City issued debt in the amount of \$1,660,000 to refinance old debt and for project costs. The City has evaluated subsequent events through August 31, 2018, the date which the financial statements were available to be issued.

CITY OF BUTLER, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last 3 Fiscal Years

Fiscal year ending June 30,

	2017	2016	2015
Total Pension Liability			
Service Cost	\$ 157,499	\$ 154,178	\$ 142,131
Interest on the Total Pension Liability	394,459	373,501	339,897
Benefit Changes	-	-	473,696
Difference between expected and actual experience	55,585	(173,541)	(276,981)
Assumption Changes	-	165,509	-
Benefit Payments	(275,639)	(190,271)	(251,027)
Refunds	-	-	-
Net Change in Total Pension Liability	331,904	329,376	427,716
Total Pension Liability beginning	5,498,839	5,169,463	4,741,747
Total Pension Liability ending	\$ 5,830,743	\$ 5,498,839	\$ 5,169,463
 Plan Fiduciary Net Position			
Contributions-employer	\$ 219,128	\$ 214,126	\$ 176,141
Contributions-employee	-	-	-
Pension Plan Net Investment income (loss)	629,515	(18,120)	99,053
Benefit Payments	(275,639)	(190,271)	(251,027)
Refunds	-	-	-
Pension Plan Administrative expense	(7,079)	(6,813)	(7,829)
Other	25,221	6,072	(88,670)
Net Change in Plan Fiduciary Net Position	591,146	4,994	(72,332)
Plan Fiduciary Net Position beginning	5,241,068	5,236,074	5,308,406
Plan Fiduciary Net Position ending	\$ 5,832,214	\$ 5,241,068	\$ 5,236,074
 Employer Net Pension (Asset) Liability	\$ (1,471)	\$ 257,771	\$ (66,611)
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability (asset)	100.03%	95.31%	101.29%
 Covered Employee Payroll	\$ 1,782,001	\$ 1,766,038	\$ 1,698,989
Employer's Net Pension (Asset) Liability as a percentage of covered employee payroll	-0.08%	14.60%	-3.92%

Notes to schedule:

Only three years are being shown. As other years come available, they will be included until 10 years of data is shown.

CITY OF BUTLER, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 209,996	\$ 208,731	\$ 216,935	\$ 163,498	\$ 112,265	\$ 112,277	\$ 114,585	\$ 119,473	\$ 74,536	\$ 74,344
Contributions in relation to the actuarially determined contribution	209,996	208,731	216,935	163,499	110,825	112,277	110,533	96,100	74,536	74,345
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (1)	\$ 1,440	\$ -	\$ 4,052	\$ 23,373	\$ -	\$ (1)
Covered-employee payroll	\$ 1,782,001	\$ 1,766,038	\$ 1,698,989	\$ 1,648,484	\$ 1,736,140	\$ 1,738,145	\$ 1,815,287	\$ 1,823,793	\$ 1,750,950	\$ 1,567,883
Contributions as a percentage of covered-employee payroll	11.78%	11.82%	12.77%	9.92%	6.38%	6.46%	6.09%	5.27%	4.26%	4.74%
Valuation date	2/28/2017									

Notes

The roll-forward of total pension liability from February 28, 2017 to June 30, 2017 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumption used to determine contribution rates:

Actuarial cost method Entry age normal and modified terminal funding
 Amortization method A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years.
 Remaining amortization period 15 years
 Asset valuation method 5 year smoothed market; 20% corridor
 Inflation 3.25% wage inflation; 2.5% price inflation
 Salary increases 3.25% to 6.55% including wage inflation
 Investment rate of return 7.25%, net of investment expenses
 Retirement age Experience-based table of rate that are specific to the type of eligibility condition
 Mortality RP-2014 mortality tables for males and females, adjusted for improvement back to the observation period base year of 2006. The base year for males and females was established to be 2017.
 Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale.

Other information

None

CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual Amounts, Budgetary Basis		Variance with Final Budget
	Original		Final		
REVENUES:					
Taxes	\$ 1,347,360		\$ 1,352,360	\$ 1,174,237	\$ (178,123)
Licenses and permits	16,150		16,150	15,647	(503)
Intergovernmental	195,500		726,324	226,313	(500,011)
Charges for services	173,400		171,900	149,679	(22,221)
Fees and fines	124,350		122,850	90,260	(32,590)
Investment earnings	380		440	997	557
Payments in lieu of taxes	397,000		395,350	395,350	-
Other	122,100		212,100	38,350	(173,750)
	2,376,240		2,997,474	2,090,833	(906,641)
EXPENDITURES:					
Current:					
General government	482,454		629,220	567,343	61,877
Police	926,907		908,522	880,740	27,782
Fire department	218,424		174,474	168,376	6,098
Emergency management	11,150		37,005	39,160	(2,155)
Cemetery	157,889		131,963	128,411	3,552
Parks	288,391		440,283	269,710	170,573
Shop	68,251		68,910	66,492	2,418
Recreation and aquatics	173,397		168,111	165,052	3,059
Municipal Court	131,586		124,723	145,626	(20,903)
Capital outlay	20,000		480,300	71,723	408,577
Debt service:					
Principal	13,560		52,379	86,604	(34,225)
Interest and other charges	1,193		988	2,331	(1,343)
	2,493,202		3,216,878	2,591,568	625,310
Deficiency of revenues over expenditures	(116,962)		(219,404)	(500,735)	(281,331)
OTHER FINANCING SOURCES:					
Transfers in	118,000		124,000	159,577	35,577
Net change in fund balances	\$ 1,038		\$ (95,404)	(341,158)	\$ (245,754)
Fund balances - beginning				1,298,433	
Fund balances - ending				\$ 957,275	

CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
TRANSPORTATION TAX FUND
FOR THE YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 360,000	\$ 360,000	\$ 361,533	\$ 1,533
Investment earnings	<u>10</u>	<u>-</u>	<u>22</u>	<u>22</u>
	360,010	360,000	361,555	1,555
EXPENDITURES:				
Current,				
Street	290,023	267,232	214,885	52,347
Capital outlay	<u>61,500</u>	<u>92,500</u>	<u>100,802</u>	<u>(8,302)</u>
	351,523	359,732	315,687	44,045
Revenues over expenditures	<u>8,487</u>	<u>268</u>	<u>45,868</u>	<u>45,600</u>
Net change in fund balances	<u>\$ 8,487</u>	<u>\$ 268</u>	45,868	\$ 45,600
Fund balances - beginning			<u>445,496</u>	
Fund balances - ending			<u>\$ 491,364</u>	

CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
PARK FUND
FOR THE YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 360,000	\$ 360,000	\$ 361,759	\$ 1,759
Investment earnings	10	-	22	22
	360,010	360,000	361,781	1,781
EXPENDITURES:				
Current,				
Debt service:				
Principal	223,434	207,700	207,700	-
Interest and other charges	17,680	27,966	27,518	448
	241,114	235,666	235,218	448
Excess of revenues over expenditures	118,896	124,334	126,563	2,229
OTHER FINANCING USES,				
Transfers out	<u>(118,000)</u>	<u>(124,000)</u>	<u>(124,000)</u>	<u>-</u>
Net change in fund balances	\$ 896	\$ 334	2,563	\$ 2,229
Fund balances - beginning			296,492	
Fund balances - ending			<u>\$ 299,055</u>	

CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
AIRPORT FUND
FOR THE YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual Amounts, Budgetary Basis		Variance with Final Budget
	Original	Final	Original	Final	
REVENUES:					
Charges for services	\$ 12,580	\$ 27,780	\$ 28,631	\$ 28,831	\$ 851
Other	<u>100</u>	<u>100</u>	<u>200</u>	<u>100</u>	
	12,680	27,880	28,831		951
EXPENDITURES:					
Current, Airport	11,675	27,875	15,907		11,968
Excess of revenues over expenditures	<u>1,005</u>	<u>5</u>	<u>12,924</u>		<u>12,919</u>
Net change in fund balances	<u>\$ 1,005</u>	<u>\$ 5</u>	12,924	<u>\$ 12,919</u>	
Fund balances - beginning			<u>62,287</u>		
Fund balances - ending			<u>\$ 75,211</u>		

CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
FIRE PROTECTION
FOR THE YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Taxes	\$ 90,000	\$ 90,000	\$ 90,254	\$ 254
Investment earnings	- - -	- - -	14	14
	90,000	90,000	90,268	268
EXPENDITURES:				
Current,				
Fire	12,500	7,000	-	7,000
Capital outlay	10,000	16,700	6,015	10,685
Debt service:				
Principal	66,236	193,096	168,747	24,349
Interest and other charges	- - -	- - -	1,572	(1,572)
	88,736	216,796	176,334	40,462
Excess (deficiency) of revenues over expenditures	1,264	(126,796)	(86,066)	40,730
Net change in fund balances	<u>\$ 1,264</u>	<u>\$ (126,796)</u>	<u>(86,066)</u>	<u>\$ 40,730</u>
Fund balances - beginning			144,317	
Fund balances - ending			<u>\$ 58,251</u>	

CITY OF BUTLER, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
CAPITAL PROJECTS
FOR THE YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 360,000	\$ 360,000	\$ 364,384	\$ 4,384
Investment earnings	<u>-</u>	<u>-</u>	<u>153</u>	<u>153</u>
	360,000	360,000	364,537	4,537
EXPENDITURES:				
Current:				
General government	750	<u>-</u>	3,790	(3,790)
Capital outlay	115,000	415,734	<u>-</u>	415,734
Debt service:				
Principal	205,684	210,661	110,883	99,778
Interest and other charges	<u>35,364</u>	<u>31,220</u>	<u>14,475</u>	<u>16,745</u>
	356,798	657,615	129,148	528,467
Excess (deficiency) of revenues over expenditures	<u>3,202</u>	<u>(297,615)</u>	<u>235,389</u>	<u>533,004</u>
OTHER FINANCING USES,				
Transfers out	<u>-</u>	<u>-</u>	<u>(427,918)</u>	<u>(427,918)</u>
Net change in fund balances	\$ 3,202	\$ (297,615)	(192,529)	\$ 105,086
Fund balances - beginning			340,983	
Fund balances - ending			\$ 148,454	