

Comprehensive Annual Financial Report

For Fiscal Year Ended
March 31, 2015



Rock Hill Nature Trail Bridge

Photo by Jennifer Yackley

City of Rock Hill, Missouri

CITY OF ROCK HILL, MISSOURI

Comprehensive Annual Financial Report
For The Fiscal Year Ended March 31, 2015



Prepared by:
Jennifer Yackley, City Administrator
and
Sandra Stephens, Treasurer

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CITY OF ROCK HILL, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CITY OF ROCK HILL, MISSOURI
PRINCIPAL CITY OFFICIALS

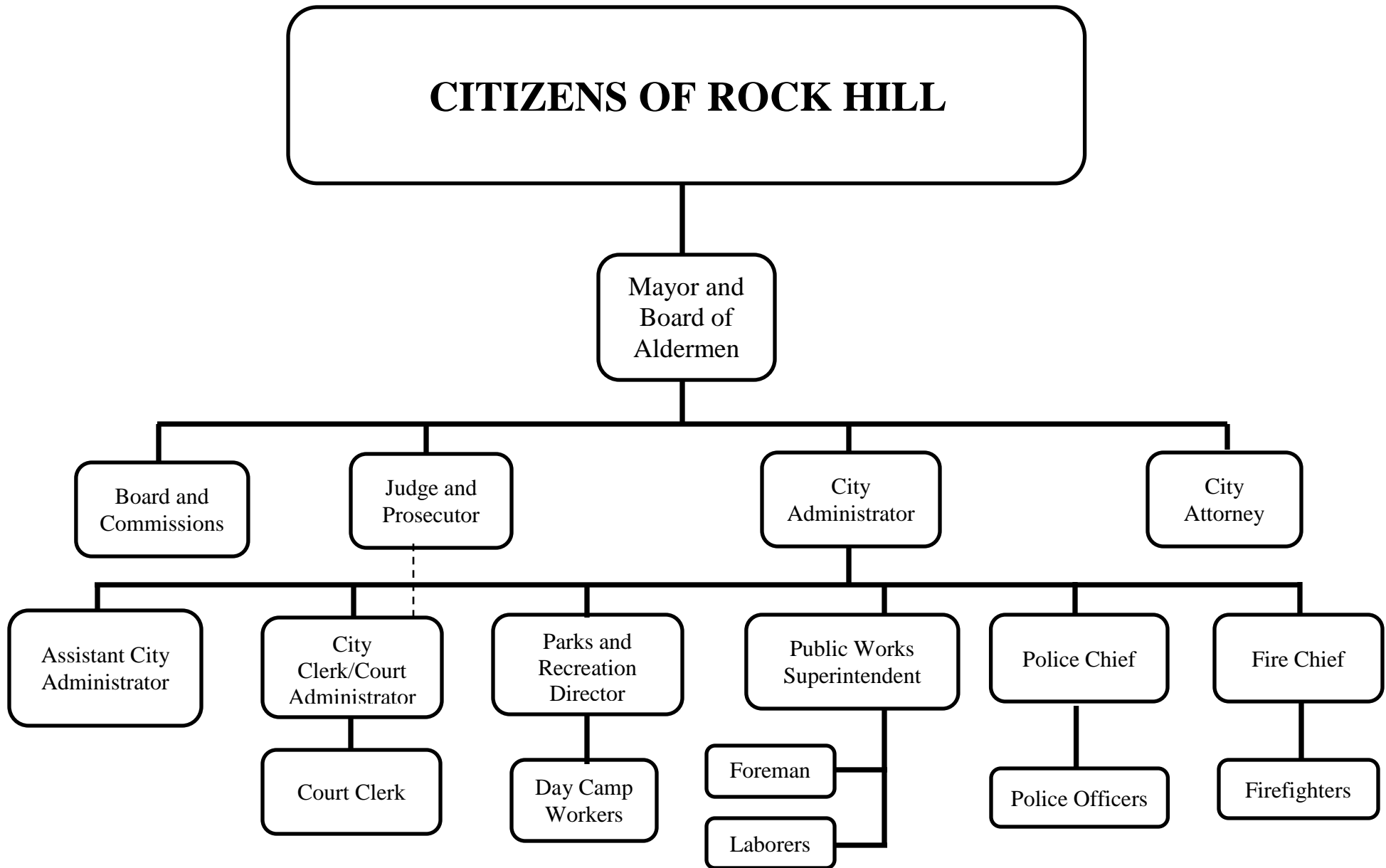
Elected Officials (As of Report Date)

<u>Position</u>	<u>Name</u>	<u>Term</u>
Mayor	Edward Mahan	4/14 – 4/18
Alderman Ward 1	Philip Sherry	4/14 – 4/16
Alderman Ward 1	Edward Johnson	4/13 – 4/15
Alderman Ward 2	James Killion, IV	4/14 – 4/16
Alderwoman Ward 2	Chris Graber	4/13 – 4/15
Alderman Ward 3	Robert Weider	4/14 – 4/16
Alderwoman Ward 3	Mary Wofford	4/13 – 4/15

Appointed Officials and Department Heads

<u>Position</u>	<u>Name</u>
City Administrator	Jennifer Yackley
Treasurer	Sandra Stephens
City Clerk/Court Administrator	Amy Perrin
City Attorney	Paul Martin
City Prosecutor	Stephen Jianakoplos
Judge	Mark Levitt
Police Chief	Donald Wickenhauser
Fire Chief	Kevin Halloran
Park and Recreation Director	Al Hayden
Public Works Superintendent	Ron Meyer

**CITY OF ROCK HILL, MISSOURI
ORGANIZATION CHART**





Government Finance Officers Association

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

Presented to

**City of Rock Hill
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2014

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is fluid and cursive.

Executive Director/CEO

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CITY OF ROCK HILL

320 W. Thornton • Rock Hill, MO 63119 • (314) 968-1410 • Fax (314) 968-4843

September 1, 2015

The Honorable Mayor Edward Mahan,
Members of the Board of Aldermen, and the
Citizens of the City of Rock Hill, Missouri

We hereby present this Comprehensive Annual Financial Report (CAFR) for fiscal year ended March 31, 2015, for the City of Rock Hill, Missouri (the City) for your review. This report was prepared using U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by an independent firm of licensed certified public accountants.

This report is the City's management representations concerning the finances of the City and, therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report. The City's Administration Department prepared this report and believes that the financial statements, supporting schedules, and statistical information fairly present the financial position of the City. We further believe that all presented data is accurate in all aspects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs. To provide a reasonable basis for making these representations management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with GAAP. This internal control structure is designed to provide a reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits require estimates and judgments by management.

The City's financial statements have been audited by Fick, Eggemeyer & Williamson Certified Public Accountants PC, a firm of licensed, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended March 31, 2015, are free of material misstatement. Based on their audit, they concluded that there was a reasonable basis for rendering an unqualified opinion of the financial statements for the year ended March 31, 2015. They also concluded that the financial statements are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Profile of the City

The City is located in St. Louis County and is approximately three miles west of the City of St. Louis, Missouri. The City covers approximately 1.1 square mile and serves 4,635 residents.

The City was incorporated in 1929 as a fourth class city under Missouri statute. The City operates under a mayor-board-administrator form of government. The Board of Aldermen is comprised of six aldermen and a mayor. Two aldermen are elected from each of the City's three wards and serve two-year terms. The mayor, elected at large to serve a four-year term, is the presiding officer of the Board of Aldermen. The Mayor may vote in the event of a tie vote by the Board of Aldermen. In addition, one alderman is elected as Board President to act in the Mayor's behalf during his absence. The Board of Aldermen is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing the City Administrator and the City Clerk. The City Administrator is responsible for carrying out the policies and ordinances of the Board and for overseeing the day-to-day operations of the City.

The City has approximately 30 full-time and 10 seasonal employees and provides a range of municipal services including general administration, police protection, fire protection, municipal court, planning and zoning, public works, and parks and recreation.

The annual budget serves as the foundation for the City's financial planning and control. All of the departments of the City are required to submit requests for funds to the City Administrator who uses these requests as the basis for a proposed budget. The City Treasurer develops estimates of revenues for the upcoming fiscal year which are also incorporated into the proposed budget. The City Administrator, along with department heads, presents the proposed budget to the Mayor and Board of Aldermen who hold work sessions in addition to board meetings and adopt a budget by April 1. The budget is prepared by fund, department (e.g., police), and line item (e.g., office supplies). The City Administrator has authority to transfer funds between line items within individual departments. Transfers of funds between departments require the approval of the Board of Aldermen. Budget-to-actual comparisons are provided in this report for each individual fund for which an annual budget was adopted. For the General Fund, this comparison is presented as part of the financial statements for the governmental funds.

Factors Affecting Financial Condition

The information presented in this report is best understood within a broader economic context.

Local Economy. The City is a suburban community located in St. Louis County with easy access to Interstate 64. The City has a mix of commercial, industrial, and residential property.

The City has a variety of housing within its borders. The majority of the housing was constructed post-World War II. However, new homes continue to be constructed on the remaining lots scattered throughout the City.

The City has a commercial corridor along Manchester Road that stretches most of the length of the City. Additionally, there are two industrial areas north and south of Manchester at Rock Hill Industrial Court.

Long-term Financial Planning and Major Initiatives. In recent years the City has improved the General Fund unassigned fund balance to \$1,775,668. The policy goal is to maintain a General Fund balance of 30% of operating expenditures so that City services are not adversely impacted by fluctuating economic conditions. The City receives its primary revenue from sales and utility taxes at 40% and 26% of revenues, respectively.

The Board of Aldermen has approved two Tax Increment Financing (TIF) projects in the last fifteen years designed to improve sales tax revenues for the City. The first TIF is the McKnight Crossing development and was completed in 1999 with 40,000 square feet of retail and commercial space. December 1, 2012, the McKnight Crossing TIF revenue bonds were retired in full and the TIF district was terminated. The second TIF includes 46 acres split north and south of Manchester Road west of the McKnight intersection. The project is being done in two phases. Phase one (SW TIF), Market at McKnight, has 127,300 square feet of retail space and was substantially completed in 2008. Market at McKnight is 80% leased with the newest tenants, Katie's Pizza & Pasta and Health from Within both opening in November 2013. During this past year, the Market at McKnight demolished 6,184 square feet in order to construct 8,252 square feet of new tenant space. The new tenant space adjoins vacant tenant space to the west and creates a new tenant space totaling 26,807 square feet. The new space will be occupied by Lucky's Market.

Phase two (NW TIF) was delayed due to the economic downturn in late 2008. The phase two site was reduced from 21.7 acres to 2.29 acres. This reduction removed the residential properties from the redevelopment area while leaving the corner commercial properties in the TIF area. In 2013 the city amended the TIF area to accommodate the development of a CVS Pharmacy. The pharmacy was completed and opened in April 2014. These projects will lead to increased sales tax revenue for the City so that it can maintain the current level of municipal services.

One of the City's major initiatives continues to be completing the street repair work. A successful 2003 street bond ballot initiative lead to \$3 million dollars of work. In April 2011 voters approved an additional \$3.5 million in street bonds to do additional work. Those bonds were issued in July 2011 and will provide the City with street bond project funds for the next three years. The 2014 summer construction season saw the completion of street reconstruction on Cottonwood, Hillcrest, Remington and Twinbrook. The Metropolitan St. Louis Sewer District completed their sewer work during 2014. The City engineer has been working on the designs to repair Plainfield during the year. The city anticipated bidding the Plainfield project in the fall of 2015.

Financial Policies. The City contracts with the City of Kirkwood for all of the duties associated with the City's Finance Department. This arrangement gives the City access to a larger Finance Department Staff while still maintaining the level of professionalism and financial knowledge. The partnership has resulted in a reorganized budget, streamlined processing for court bonds and a review of financial policies.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended March 31, 2014. This was the fifth year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a

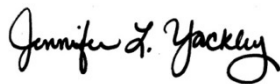
government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the City Treasurer. We would like to express our appreciation to all members of the various City departments who assisted in the preparation of this report. We would also like to thank our auditors, Fick, Eggemeyer & Williamson Certified Public Accounts PC, for their help in preparing this report. Credit also must be given to the Mayor and the Board of Aldermen for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Jennifer Yackley
City Administrator



Sandra Stephens
City Treasurer



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Alderman
City of Rock Hill, Missouri

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rock Hill, Missouri, as of March 31, 2015, and the respective changes in financial position, 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 the management's discussion and analysis, budgetary comparison information schedule of changes in net pension liability and ratios and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rock Hill, Missouri's basic financial statements. The introductory section, other supplemental information and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2015, on our consideration of the City of Rock Hill, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rock Hill, Missouri's internal control over financial reporting and compliance.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA
Saint Louis, Missouri
September 1, 2015

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

As management of the City of Rock Hill, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2015. We encourage readers to consider the information presented here along with the City's financial statements, including footnotes that follow this Management Discussion and Analysis (MD&A).

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the liabilities of the City exceeded its assets for the most recent fiscal year by \$13,157,141. The City has an unrestricted deficit of net position totaling \$20,979,903 primarily due to \$18,812,199 in Tax Increment Financing (TIF) notes outstanding and interest payable on these notes of \$2,839,613, at year-end for infrastructure assets not owned by the City.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,182,442.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,775,668.
- The City's total long-term debt decreased \$224,983 during the current fiscal year primarily due to normal debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplemental information and other supplemental information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City in a manner similar to a private-sector business. Note that the government-wide financial statements exclude fiduciary fund activities.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or declining.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administration, police services, fire services, public works, parks and recreation, housing, and judicial. The City does not operate any business-type activities.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. The City has no proprietary (enterprise or internal service) funds.

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

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

The City maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the following major funds: General Fund, SW TIF Fund, Debt Service, the General Capital Projects Fund, and the Infrastructure Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements in the other supplemental information section of this report.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental funds financial statements can be found on pages 13 through 16 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds (which the City has none). The statement of fiduciary net position and statement of changes in fiduciary net position - Pension Trust Fund can be found on pages 17 and 18 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19 through 42 of this report.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

Required supplemental information. In addition to the basic financial statements and accompanying notes, certain required supplemental information can be found on pages 42 through 49 of this report.

Other supplemental information. The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplemental information. Combining and individual fund statements can be found on pages 50 through 59 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

The City's combined net position (deficiency) increased to (\$13,157,141) from a deficit of (\$13,282,827) or 0.9% in the most recent fiscal year.

The City's condensed statement of net position follows:

	March 31,		2015 Change	
	2015	2014 Restated	Amount	Percent
ASSETS				
Current and other assets	\$ 5,444,109	\$ 5,768,618	\$ (324,509)	(5.6) %
Capital assets, net	9,278,367	8,704,472	573,895	6.5
Total Assets	14,722,476	14,473,090	249,386	1.7
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	75,687	86,630	(10,943)	(12.6)
LIABILITIES				
Current liabilities	2,989,491	2,435,666	553,825	22.7
Long-term liabilities	24,965,813	25,406,881	(441,068)	(1.7)
Total Liabilities	27,955,304	27,842,547	112,757	0.4
NET POSITION				
Net investment in capital assets	5,145,780	5,143,471	2,309	0.1
Restricted	2,676,982	2,437,373	239,609	9.8
Unrestricted (deficit)	(20,979,903)	(20,863,671)	(116,232)	(0.6)
Total Net Position	\$ (13,157,141)	\$ (13,282,827)	\$ 125,686	0.9 %

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

A portion of the City's net position, \$5,145,780 in 2015, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$2,676,982 in 2015, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations or other governments, or restrictions imposed by law through constitutional provisions or legislation.

The remaining category of the City's net position represents a deficit unrestricted net position balance of \$20,979,903 in 2015. This deficit is comprised of \$671,909 in unrestricted net position from operations and an unrestricted net position deficit resulting from the balance of \$18,812,199 in TIF notes outstanding and interest payable on these notes of \$2,839,613 at year-end for infrastructure assets not owned by the City. The TIF notes are limited obligations of the City and are funded only by incremental revenues generated within the TIF district.

CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015

Governmental activities. Governmental activities increased the City's net position by \$125,686. Key elements of this are as follows:

	For The Years Ended March 31,		2015 Change	
	2015	2014 Restated	Amount	Percent
REVENUES				
Program revenues:				
Charges for services	\$ 792,961	\$ 782,313	\$ 10,648	1.4 %
Operating grants and contributions	332,642	333,694	(1,052)	(0.3)
Capital grants and contributions	57,602	117,479	(59,877)	(51.0)
Total Program Revenues	1,183,205	1,233,486	(50,281)	(4.1)
General Revenues:				
Taxes	4,005,059	4,105,532	(100,473)	(2.4)
Investment income	14,899	21,064	(6,165)	(29.3)
Decrease in net pension liability	216,085	-	216,085	100.0
Other	50,614	24,130	26,484	109.8
Total Revenues	4,286,657	4,150,726	135,931	3.3
EXPENSES				
Administration	749,246	818,819	(69,573)	(8.5)
Fire department	988,973	1,075,281	(86,308)	(8.0)
Housing department	45,168	49,795	(4,627)	(9.3)
Municipal court	156,804	158,376	(1,572)	(1.0)
Parks and recreation	231,874	146,359	85,515	58.4
Police department	1,002,792	963,025	239,767	4.1
Public works	674,002	785,776	(111,774)	(14.2)
Interest on long-term debt	1,495,317	2,000,744	(505,427)	(25.3)
Total Expenses	5,344,176	5,998,175	(653,999)	(10.9)
CHANGE IN NET POSITION	125,686	(613,963)	739,649	120.4
NET POSITION, APRIL 1	(13,282,827)	(11,723,994)	(1,558,833)	(13.3)
PRIOR PERIOD ADJUSTMENT	-	(944,870)	944,870	100.00
NET POSITION, MARCH 31	<u>\$ (13,157,141)</u>	<u>\$(13,282,827)</u>	<u>\$ 125,686</u>	0.9 %

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At March 31, 2015, the City's combined fund balance was \$5,182,442, a decrease of \$318,823 from 2014. 34% of the total amount (\$1,775,668) constitutes unassigned fund balance, which is available for spending at the City's discretion

During the year ended March 31, 2015, the fund balance in the City's General Fund decreased by \$400,043 or 17.5% from the prior year fund balance. The decrease was primarily due to an interfund transfer of \$497,012 restricted for parks and stormwater for the purpose of establishing a special revenue fund, the Park Fund.

The SW TIF Fund decreased by \$62,823 due to the associated debt service payment paid April 2014 using receipts from 2014.

The Debt Service Fund decreased by \$869,153 due to bond proceeds being expended for street improvements.

The General Capital Projects Fund decreased by \$232,336 due primarily to an interfund transfer of \$333,264 restricted for street constructions, improvements or maintenance for the purpose of establishing a new capital improvement fund, the Infrastructure Capital Projects Fund.

The Infrastructure Capital Projects Fund had a positive change in fund balance of \$826,454 primarily due to the interfund transfer of \$333,264 to establish the fund and a transfer of \$300,000 from the Park Fund for stormwater improvements related to street projects.

Fiduciary funds. The City maintains an Agency Fund for monies received and held for municipal court appearance bonds.

The City also maintains a fiduciary fund for the assets of the uniformed personnel through the Uniformed Employee Pension Trust Fund. As of the end of the current fiscal year ending March 31, 2015, the net position of the Pension Trust Fund totaled \$747,897. This is a decrease of \$1,263,542 that is attributed to the City's implementation of the Governmental Accounting Standards Board (GASB) Statement 67 and 68. Statement 68 requires pension trust funds to report the net pension liability. As of March 31, 2015, the City's Pension Trust Fund had a net pension liability of \$1,338,355.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City has invested, net of accumulated depreciation, \$9,278,367 at March 31, 2015 in a broad range of capital assets, including park facilities, roads, buildings, equipment, automobiles, trucks, and infrastructure. This amount represents a net increase for the current fiscal year (including additions and deductions) of \$573,895. The City purchased capital assets totaling \$919,999 during the fiscal year ended March 31, 2015. The City's capital assets, net of accumulated depreciation, consisted of:

	March 31,		2015 Change	
	2015	2014	Amount	Percent
Land	\$ 282,639	\$ 282,639	\$ -	0.0 %
Construction in progress	305,752	1,003,830	(698,078)	(69.4)
Buildings and improvements	337,374	361,818	(24,444)	(6.8)
Vehicles	271,840	379,056	(107,216)	(28.3)
Equipment	101,955	110,977	(9,022)	(8.1)
Infrastructure	7,978,807	6,566,152	1,412,655	21.5
Total	\$ 9,278,367	\$ 8,704,472	\$ 573,895	6.6 %

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

Long-term debt. The following is a summary of long-term debt:

	March 31,		2015 Change	
	2015	2014	Amount	Percent
General obligation bonds	\$ 4,643,570	\$ 4,866,465	\$ (222,895)	(4.6) %
Tax increment revenue notes	18,812,199	18,812,199	-	0.0
Capital leases	16,783	40,060	(23,277)	(58.1)
Compensated absences	154,906	133,717	21,189	15.8
Total	\$ 23,627,458	\$ 23,852,441	\$ (224,983)	0.9 %

Additional information on the City's long-term debt can be found in Note G in the notes to financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City adjusted various revenue and expenditure accounts in the General Fund during the fiscal year. Revenues were \$43,978 under the final budget of \$3,091,055 primarily due to decreases in telecommunications gross receipts and fines and court costs. Expenditures were \$215,157 below the final budget of \$3,165,265 due to various decreases in expenditures.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- For the fiscal year ended March 31, 2016, the City revenue budget increased for the General Fund to account for a modest increase in sales taxes and fines and cost. Since the budget's adoption, fines and costs revenues have declined due to the passage of Missouri Senate Bill Number 5, which limits the City from receiving revenue from minor traffic violations to 12.5% of the general fund revenue. Revenues in excess of the 12.5% will sent to the state to be distributed to the schools of the county.
- General Fund expenditure budget increased before transfers less than 1% compared to Fiscal Year 2015 final budget. The expenditure budget included a 2.5% increase in salaries for City employees.
- The Debt Service Fund is budgeted to use the remaining 2011 bond proceeds of \$456,225 during Fiscal Year 2016.
- The Mayor and Board of Aldermen are finalizing the work on a long-term financial plan. The adoption of the long-term financial plan was postponed to Fiscal Year 2016 to allow for the completion of the plan. The City expects to receive the following benefits from the long-term financial plan: 1) Maintain stable tax rates for residents; 2) Balance budgets that allow for the timely funding of the Uniformed Employee Pension Fund; 3) Ensure City capital funds remain stable and able to provide the funding for continued street improvements and the construction of a new city hall facility. 4) Financial flexibility; 5) Improved service planning for the residents; 6) Sustainable growth; and 7) Manage low or no revenue growth.
- The liability for the Uniformed Employee Pension Fund continues to be an on-going issue. The City contributions into the Plan have averaged 75% of the Actuarial Required Contribution (ARC) for the past five years. The funded ratio has increased from 49.8% in Fiscal Year 2012 to approximately 60% in Fiscal Year 2015 as a result of investment returns and City contributions. Based on the actuary's recommendation the City will research a contribution policy that better reflects the fact that the Plan is frozen and the number of active participants is declining. The financial issues related to this pension fund will be addressed in the long-term financial plan discussed above.

REQUESTS FOR INFORMATION

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

City of Rock Hill
320 W. Thornton Ave.
Rock Hill, MO 63119

CITY OF ROCK HILL, MISSOURI
STATEMENT OF NET POSITION
MARCH 31, 2015

	Governmental Activities
ASSETS:	
Cash and investments.....	\$ 4,865,472
Receivables, net:	
Property tax.....	113,989
Municipal taxes.....	324,732
Intergovernmental.....	33,565
Other.....	85,515
Prepaid items.....	20,836
Capital assets:	
Land and construction in progress.....	588,391
Other capital assets, net of accumulated depreciation.....	8,689,976
TOTAL ASSETS.....	\$ 14,722,476
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding.....	75,687
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	75,687
LIABILITIES:	
Accounts payable.....	41,778
Accrued payroll.....	63,545
Accrued interest.....	2,853,655
Plan deposits.....	5,800
Unearned revenue.....	24,713
Noncurrent liabilities:	
Due within one year.....	321,577
Due in more than one year.....	23,305,881
Due in more than one year - net pension liability.....	1,338,355
TOTAL LIABILITIES.....	27,955,304
NET POSITION:	
Net investment in capital assets.....	\$ 5,145,780
Restricted for:	
Capital projects.....	1,625,836
Debt services.....	254,979
Parks and stormwater.....	392,257
Police training.....	16,356
Sewer lateral.....	32,763
Tax increment financing.....	354,791
Unrestricted (deficit).....	(20,979,903)
TOTAL NET POSITION.....	\$ (13,157,141)

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

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Change In Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Administration.....	\$ 749,246	\$ 218,092	\$ -	\$ -	\$ (531,154)
Fire department.....	988,973	-	-	-	(988,973)
Housing department.....	45,168	-	-	-	(45,168)
Municipal court.....	156,804	547,833	-	-	391,029
Parks and recreation.....	231,874	11,351	-	-	(220,523)
Police department.....	1,002,792	15,685	465	26,131	(960,511)
Public works.....	674,002	-	332,177	31,471	(310,354)
Interest on long-term debt.....	1,495,317	-	-	-	(1,495,317)
Total Governmental Activities.....	<u>\$ 5,344,176</u>	<u>792,961</u>	<u>332,642</u>	<u>57,602</u>	<u>(4,160,971)</u>
General Revenues					
Taxes:					
<u>Property taxes levied for:</u>					
General purposes.....					305,419
Debt service.....					338,119
<u>Sales tax levied for:</u>					
General purposes.....					896,214
Fire Protection.....					195,650
Capital Improvement.....					347,282
Park and stormwater.....					394,065
Cigarette taxes.....					22,705
Franchise fees.....					74,138
TIF revenues.....					654,075
Utility gross receipts.....					777,392
Investment income.....					14,899
Gain on sale of capital assets.....					210
Decrease in net pension liability.....					216,085
Other revenues.....					50,404
Total General Revenues.....					<u>4,286,657</u>
CHANGE IN NET POSITION.....					125,686
NET POSITION, APRIL 1 (RESTATED).....					(13,282,827)
NET POSITION, MARCH 31.....					<u>\$ (13,157,141)</u>

CITY OF ROCK HILL, MISSOURI
BALANCE SHEET-GOVERNMENTAL FUNDS
MARCH 31, 2015

	General Fund	SW TIF Fund	Debt Service Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and investments							
Held by trustee.....	\$ -	\$ 445,592	\$ -	\$ -	\$ -	\$ -	\$ 445,592
Unrestricted.....	1,619,234	91,121	701,288	372,378	818,958	816,901	4,419,880
Receivables (net):							
Property tax.....	49,601	1,108	63,128	-	-	152	113,989
Municipal taxes.....	239,898	38,933	-	44,886	-	1,015	324,732
Intergovernmental.....	3,784	-	-	-	29,781	-	33,565
Other.....	32,771	-	-	-	2,428	50,316	85,515
Prepaid items.....	20,836	-	-	-	-	-	20,836
Advances to other funds.....	91,612	-	-	-	-	-	91,612
TOTAL ASSETS.....	2,057,736	576,754	764,416	417,264	851,167	868,384	5,535,721
LIABILITIES:							
Accounts payable.....	37,525	-	-	3,349	-	904	41,778
Accrued payroll.....	58,388	-	-	-	-	5,157	63,545
Plan deposits.....	5,800	-	-	-	-	-	5,800
Unearned revenue.....	-	-	-	-	24,713	-	24,713
Advances from other funds.....	-	-	-	66,612	-	25,000	91,612
Total Liabilities.....	101,713	-	-	69,961	24,713	31,061	227,448
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue-property taxes.....	44,586	-	57,636	-	-	288	102,510
Unavailable revenue-court receipts.....	23,321	-	-	-	-	-	23,321
Total Deferred Inflows of Resources.....	67,907	-	57,636	-	-	288	125,831
FUND BALANCES:							
Nonspendable:							
Long-term interfund advances.....	91,612	-	-	-	-	-	91,612
Prepaid items.....	20,836	-	-	-	-	-	20,836
Restricted for:							
Capital projects.....	-	-	452,079	347,303	826,454	-	1,625,836
Debt service.....	-	-	254,701	-	-	-	254,701
Parks and stormwater.....	-	-	-	-	-	392,257	392,257
Police training.....	-	-	-	-	-	16,356	16,356
Sewer lateral.....	-	-	-	-	-	32,763	32,763
Tax increment financing.....	-	576,754	-	-	-	395,659	972,413
Unassigned.....	1,775,668	-	-	-	-	-	1,775,668
Total Fund Balances.....	1,888,116	576,754	706,780	347,303	826,454	837,035	5,182,442
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 2,057,736	\$ 576,754	\$ 764,416	\$ 417,264	\$ 851,167	\$ 868,384	\$ 5,535,721

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

Total Fund Balances - Governmental Funds..... \$ 5,182,442

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$11,686,631 and the accumulated depreciation is \$2,408,264..... 9,278,367

Net pension liabilities are not financial resources and, therefore, are not reported in the governmental funds..... (1,338,355)

Some revenues are not available soon enough to pay for current expenditures and are not reported as revenues in the governmental funds..... 125,831

Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Accrued compensation absences.....	(154,906)
Accrued interest payable.....	(2,853,655)
Lease payable.....	(16,783)
Bonds payable.....	(4,555,000)
Tax increment financing notes.....	(18,812,199)
Deferred amount on refunding.....	75,687
Unamortized bond premium.....	(88,570)

Total Net Position of Governmental Activities..... \$ (13,157,141)

CITY OF ROCK HILL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2015

	General Fund	SW TIF Fund	Debt Service Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property tax.....	\$ 277,595	\$ 265,475	\$ 312,901	\$ -	\$ -	\$ 4,031	\$ 860,002
Gross receipts taxes.....	851,530	-	-	-	-	-	851,530
Sales tax.....	1,091,864	379,909	-	347,282	-	398,437	2,217,492
Licenses, permits, fines and fees.....	760,854	-	-	-	-	-	760,854
Intergovernmental.....	22,705	-	-	25,081	304,265	-	352,051
Investment income.....	12,189	13	2,697	-	-	11,341	26,240
Miscellaneous.....	30,340	-	4,439	-	18,150	74,357	127,286
Total Revenues.....	<u>3,047,077</u>	<u>645,397</u>	<u>320,037</u>	<u>372,363</u>	<u>322,415</u>	<u>488,166</u>	<u>5,195,455</u>
EXPENDITURES							
Current:							
Administration.....	560,858	7,105	318	167,247	-	-	735,528
Fire department.....	891,390	-	-	-	-	-	891,390
Housing department.....	44,851	-	-	-	-	-	44,851
Municipal court.....	154,698	-	-	-	-	-	154,698
Parks and recreation.....	-	-	-	-	-	206,517	206,517
Police department.....	907,199	-	-	-	-	13,701	920,900
Public works.....	387,787	-	-	-	-	-	387,787
Capital outlay.....	3,325	-	803,102	78,360	129,225	45,882	1,059,894
Debt services:							
Principal.....	-	-	215,000	23,276	-	-	238,276
Interest and fiscal agent fees.....	-	701,115	170,770	2,762	-	-	874,647
Total Expenditures.....	<u>2,950,108</u>	<u>708,220</u>	<u>1,189,190</u>	<u>271,645</u>	<u>129,225</u>	<u>266,100</u>	<u>5,514,488</u>
REVENUES OVER(UNDER)							
EXPENDITURES.....	<u>96,969</u>	<u>(62,823)</u>	<u>(869,153)</u>	<u>100,718</u>	<u>193,190</u>	<u>222,066</u>	<u>(319,033)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in.....	-	-	-	-	633,264	497,012	1,130,276
Transfers out.....	(497,012)	-	-	(333,264)	-	(300,000)	(1,130,276)
Sale of capital assets.....	-	-	-	210	-	-	210
Total Other Financing Sources(Uses).....	<u>(497,012)</u>	<u>-</u>	<u>-</u>	<u>(333,054)</u>	<u>633,264</u>	<u>197,012</u>	<u>210</u>
NET CHANGE IN FUND							
BALANCE.....	<u>(400,043)</u>	<u>(62,823)</u>	<u>(869,153)</u>	<u>(232,336)</u>	<u>826,454</u>	<u>419,078</u>	<u>(318,823)</u>
FUND BALANCES, APRIL 1.....	<u>2,288,159</u>	<u>639,577</u>	<u>1,575,933</u>	<u>579,639</u>	<u>-</u>	<u>417,957</u>	<u>5,501,265</u>
FUND BALANCES, MARCH 31.....	<u>\$ 1,888,116</u>	<u>\$ 576,754</u>	<u>\$ 706,780</u>	<u>\$ 347,303</u>	<u>\$ 826,454</u>	<u>\$ 837,035</u>	<u>\$ 5,182,442</u>

CITY OF ROCK HILL, 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 - Governmental Funds..... \$ (318,823)

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

Capital outlays are reported in the governmental funds as expenditures, however, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$919,999) exceeded depreciation (\$346,104) in the current period..... 573,895

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt.

Repayments during the current year:

Bonds payable.....	215,000
Capital leases.....	23,277
Amortization of premiums on debt issuance.....	7,895
Amortization of deferred charges on refunding.....	(10,943)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Increase in deferred revenues.....	58,111
------------------------------------	--------

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes of these items are:

Increase in accrued compensated absences.....	(21,189)
Increase in accrued interest payable.....	(617,622)
Decrease in net pension liability.....	216,085

Change in Net Position of Governmental Activities..... \$ 125,686

CITY OF ROCK HILL, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
MARCH 31, 2015

	Pension Trust Fund	Agency Fund
ASSETS		
Cash.....	\$ -	6,710
Investments, at fair value:		
Mutual funds.....	1,956,343	-
Money market funds.....	129,306	-
Accrued interest and dividends.....	603	-
Net pension asset.....	31,493	-
TOTAL ASSETS.....	2,117,745	6,710
DEFERRED OUTFLOWS OF RESOURCES		
Difference between actual and expected.....	13,846	-
Changes in assumptions.....	423	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	14,269	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	2,132,014	6,710
LIABILITIES		
Deposits held for others.....	-	6,710
Net pension liability.....	1,338,355	-
TOTAL LIABILITIES.....	1,338,355	6,710
DEFERRED INFLOWS OF RESOURCES		
Net difference between projected and actual earnings.....	45,762	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	45,762	-
NET POSITION		
Restricted for pension benefits.....	\$ 747,897	\$ -

CITY OF ROCK HILL, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Pension Trust Fund
ADDITIONS	
Investment income	
Interest and dividends.....	\$ 31,109
Net appreciation in fair value of investments.....	145,588
Total Investment Income.....	<u>176,697</u>
Employer contributions.....	150,000
Change in actuarial calculated net pension liability.....	<u>216,085</u>
Total Additions.....	<u>542,782</u>
DEDUCTIONS	
Benefits paid.....	250,752
Fees paid.....	<u>1,132</u>
Total Deductions.....	<u>251,884</u>
CHANGE IN NET POSITION.....	290,898
NET POSITION RESTRICTED FOR PENSION, APRIL 1 (RESTATED).....	<u>456,999</u>
NET POSITION RESTRICTED FOR PENSION, MARCH 31.....	<u><u>\$ 747,897</u></u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF ROCK HILL, MISSOURI** (the City) was incorporated on April 29, 1929. The City operates under a Mayor-Board of Alderman-Administrator form of government and provides the following services: public safety (police and fire), public works, parks and recreation, housing, judicial, and general administrative services.

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

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City. The City does not currently have any component units.

2. Government-wide and Fund Financial Statements

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

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

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

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

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

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

General Fund – The General Fund accounts for all activities except those required to be accounted for in another fund. Revenues in this fund are derived from taxes, fees, and other sources that are used for general ongoing government services such as police, fire, public works, and administration.

SW TIF Fund – The SW TIF Fund is used to account for tax increment financing revenue from the SW redevelopment area.

Debt Service Fund – The Debt Service Fund is used to account for property tax revenues levied for the repayment of long-term debt principal, interest, related costs, and capital expenditures related to the street bonds.

General Capital Projects Fund – The General Capital Projects Fund is used to account for revenues derived from capital improvement sales taxes and grants to be used for the acquisition, construction, improvements, or maintenance for City equipment, vehicles or facilities.

Infrastructure Capital Projects Fund – The Infrastructure Capital Projects Fund is used to account for revenues derived from motor vehicle taxes, road and bridge taxes, and grants to be used for the constructions, improvements, or maintenance of infrastructure relating to streets and sidewalks.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following fund types

Pension Trust Fund – The Pension Trust Fund is used to account for assets held in a trustee capacity for the City’s eligible employees.

Agency Fund – The Agency Fund (Court Bond) is used to account for assets held by the City for court appearance bonds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of income.

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

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

4. Cash and Investments

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. The City invests all temporary cash surpluses in certificates of deposit with various banks as authorized by Missouri state statute. Pension Funds may also invest in mutual funds. Investments are stated at fair value.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and court fines and cost. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements, net of accumulated depreciation. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The City has elected not to record the historical cost of infrastructure placed in service prior to April 1, 2004.

Depreciation is being computed on the straight-line method with no depreciation in the year placed in service, using asset lives as follows:

Assets	Years
Buildings and improvements	10 - 40
Vehicles	5 - 7
Equipment	7 - 25
Infrastructure	40

7. Compensated Absences

The City accrues compensated absences when vested. The current and noncurrent portions are recorded in the government-wide financial statements.

Vacation benefits accrue to employees based on their anniversary date of employment and are limited to a maximum of ten days over the employee's yearly entitlement. Upon leaving employment of the City, an employee is entitled to payment for accrued vacation.

Compensatory time accrues to a maximum of 240 hours for Fire Fighters, 80 hours for Police Officers, and 40 hours for all other employees.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Compensated Absences (Continued)

Sick leave accrues to a maximum of 648 hours for Fire Fighters and 480 hours for all other employees. Upon leaving employment of the City, an employee is not entitled to payment for accrued sick leave.

8. Long-term Obligations

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

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

9. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, based on the assessed value of the property. Taxes are levied in October and are due and payable on or before December 31.

Property tax revenue is recognized to the extent it is collected within 60 days after year-end in the fund financial statements. Property taxes not collected within 60 days of year-end are deferred for fund financial statements but are recognized as revenue in the government-wide financial statements.

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

10. Allowance

Taxes and bonds receivable are shown net of an allowance for uncollectible accounts of \$23,321.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Advances and Due To/From Other Funds

Noncurrent portions of long-term interfund loans receivable (reported in “advances to” asset accounts) are equally offset by a fund balance nonspendable account which indicates that they do not constitute “available spendable resources.” Current portions of long-term interfund loans receivable (reported in “due from” asset accounts) are considered “available spendable resources” and are subject to elimination upon consolidation.

12. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are recorded in the government-wide financial statements and in the fund financial statements if they expire within 30 days.

13. Use of Estimates

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

14. Fund Balance Policies

The City’s policy is to report the fund balance in the following categories, when applicable, listed from the most restrictive to the least restrictive:

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

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

Committed – The portion of fund balance with constraints or limitations by formal action of the Board of Aldermen, the highest level of decision-making authority.

Assigned – The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the Board of Aldermen has designated authority.

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

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted – restricted, committed, assigned, and then unassigned.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance Policies (Continued)

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unassigned fund balance of not less than 25% of annual operating expenditures for the fiscal year.

15. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

NOTE B – CASH AND INVESTMENTS

1. Deposits

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

As of March 31, 2015, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE B – CASH AND INVESTMENTS (Continued)

2. Investments

As of March 31, 2015, the City held the following investments:

Investments	Fair Value	No Maturity	Maturities		Credit Risk
			Less Than One Year	1 – 5 Years	
Primary Government					
Money market funds	\$4,876,336	\$4,876,336	\$ -	\$ -	Not rated
Fiduciary Funds					
Mutual funds	1,956,343	1,956,343	-	-	N/A
Money market funds	129,306	129,306	-	-	Not rated
Total Fiduciary Funds					
Investments	2,085,649	2,085,649	-	-	
Total Investments	\$6,961,985	\$6,961,985	\$ -	\$ -	

3. Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy states that they minimize credit risk by prequalifying the financial institutions, brokers/dealers, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's investment policy states that they minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing primarily in shorter term securities.

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

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE C – Capital Assets

The following is a summary of changes in capital assets:

	For The Year Ended March 31, 2015		
	Balance March 31, 2014	Additions	Balance March 31, 2015
Capital assets not being depreciated:			
Land	\$ 282,639	\$ -	\$ 282,639
Construction in progress	1,003,830	136,190	305,752
Total Capital Assets Not Being Depreciated	1,286,469	136,190	588,391
Capital assets being depreciated:			
Buildings and improvements	576,136	-	576,136
Vehicles	1,196,409	-	1,196,409
Equipment	308,990	7,019	316,009
Infrastructure	7,398,628	1,611,058	9,009,686
Total Capital Assets Being Depreciated	9,480,163	1,618,077	11,098,240
Less-Accumulated depreciation for:			
Buildings and improvements	214,318	24,444	238,762
Vehicles	817,353	107,216	924,569
Equipment	198,013	16,041	214,054
Infrastructure	832,476	198,403	1,030,869
Total Accumulated Depreciation	2,062,160	346,104	2,408,264
Total Capital Assets Being Depreciated, Net	7,418,003	1,271,973	8,689,976
Capital Assets, Net	<u>\$ 8,704,472</u>	<u>\$ 1,408,163</u>	<u>\$ 9,278,367</u>

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

	For The Year Ended March 31, 2015
Administration	\$ 13,763
Fire department	65,030
Parks department	17,508
Police department	22,764
Public works	227,039
Total	<u>\$ 346,104</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE D – EMPLOYEE RETIREMENT SYSTEMS

Missouri Local Government Employees Retirement System

1. Plan Description

The City's employees participate 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 statute, Section 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 it is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

2. Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 2.9% (general), 11.5% (police), and 11.9% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

3. Annual Pension Cost (APC)

The City's annual pension cost and net pension obligation (NPO) for the current year were as follows:

Annual required contribution	\$ 134,439
Interest on NPO	-
Adjustment to annual required contribution	-
Annual Pension Cost	<u>134,439</u>
Actual contributions	<u>134,439</u>
Increase in NPO	-
NPO, beginning of year	<u>-</u>
NPO, end of year	<u><u>-</u></u>

The annual required contribution was determined as part of the February 28, 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, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75%

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE D – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

3. Annual Pension Cost (APC) (Continued)

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 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 an open basis. The amortization period as of February 28, 2012 was 14 years for the General division, 26 years for the Police division and 25 years for the Fire division. The amortization period as of February 29, 2013 was 20 years for the General division, 24 years for the Police division and 24 years for the Fire division.

Three-year Trend Information

For the Years Ended March 31	Annual Pension Costs (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 134,439	100.0%	\$ -
2013	129,790	100.0	-
2012	133,078	100.0	-

Schedule of Funding Progress

For The Actuarial Valuation Years Ended February 28/29	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded AAL
2014	\$ 1,832,166	\$ 1,970,295	\$ 138,129
2013	1,913,522	2,079,715	166,193
2012	1,662,316	1,892,187	229,871

For The Actuarial Valuation Years Ended February 28/29	Funded Ratio	Annual Covered Payroll	Unfunded AAL As A Percentage of Covered Payroll
2014	93%	\$ 1,526,293	9%
2013	92	1,506,118	11
2012	88	1,524,245	15

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE D – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

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 valuations, please contact the LAGERS office in Jefferson City.

Pension Plan for the Uniformed Employees of the City of Rock Hill

1. Plan Summary

Plan description: The Uniformed Employees' Pension Plan (the Plan), is a closed, single-employer, defined benefit pension plan administered by the City of Rock Hill covering all full-time employees of the Police and Fire Departments of the City hired before October 28, 2003. The Plan was created and governed by ordinance in accordance with state statutes. The Plan may be amended under the provisions of the original ordinance.

Plan administration: Management of the Plan is vested in the Uniformed Employees' Pension Board, which consists of five members—the Mayor and City Treasurer, who serves as ex-officio members, two elected by plan members, one appointed by the Mayor.

Plan membership: As of May 1, 2014 (the most recent actuarial valuation date), membership in the Plan is comprised of the following:

Retirees and beneficiaries currently receiving benefits	17
Vested terminated employees	4
Active employees	8
	<hr/> 29 <hr/>

Benefits provided: Covered employees are vested in their Accrued Monthly Pension Benefit after 5 or more years of vesting service.

Covered employees who have attained the age of 60 years and have 20 years of vesting service shall be eligible for normal retirement benefits. Covered employees who have attained the age of 50 years and have 10 years of vesting service shall be eligible for early retirement benefits.

Participants who had not started receiving benefits by May 1, 2003 shall be eligible to receive 30% of their final average monthly compensation reduced by 1/20th for each year of benefit service at normal retirement less than 20 years plus a temporary benefit of 20% of final average monthly compensation reduced 1/20th for each year of benefit service at normal retirement less than 20 years. This temporary benefit shall be payable only until the participant reaches age 62.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE D – EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Plan Summary (Continued)

Participants who were age 50 or had 15 years of service as of April 30, 2003 shall be eligible for 50% of their final average monthly compensation reduced by 1/20th for each year of benefit service at normal retirement less than 20 years.

Participants who were not age 50 or had 15 years of service as of April 30, 2003 and former participants who began receiving benefits prior to May 1, 2003 shall be eligible for 40% of their final average monthly compensation reduced 1/20th for each year of benefit service at normal retirement less than 20 years plus a temporary benefit of 10% of final average monthly compensation reduced 1/20th for each year of benefit service at normal retirement less than 20 years. This temporary benefit shall be payable only until the participant reaches age 62.

Final average compensation is defined as the participant's highest average five consecutive completed plan years' earnings prior to retirement or termination. Years of benefit service is defined as the number of full years of continuous service from the date of hire. The monthly normal retirement pension is payable for the life of the participant with 120 payments guaranteed.

Contributions: As of March 31, 2015, the City did not have a formal contribution policy. Annual contributions made to the Plan over the last five years averaged 76% of the Actuarial Required Contribution (ARC). Based on the actuary's recommendation, the City will research a contribution policy that better reflects the facts that the Plan is frozen and the number of active participants is declining.

2. Investments

Investment policy: The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Uniformed Employees' Pension Plan Board. Plan assets are managed with a long-term object of achieving the ability to pay all benefit and expense obligations provided through the Plan. The following is the Uniformed Employees' Pension Plan Board's adopted asset allocation policy as amended April 9, 2015:

<u>Asset Class</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Money Market	2%	4%	6%
Fixed Income	26%	31%	50%
Large Cap	25%	35%	40%
Small/Mid Cap	10%	15%	20%
International	10%	15%	20%

Rate of return: For the year ended March 31, 2015, the annual money weighted rate of return on the pension plan investments, net of pension plan investment expense, was 9.27 percent. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE D – EMPLOYEE RETIREMENT SYSTEMS (Continued)

3. Net Pension Liability

The City's net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability in the March 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Beginning</u>	<u>Ending</u>
Discount Rate	6.35%	6.40%
Investment Rate of Return	6.40%	6.40%
Salary Increases, including inflation	6.50%	6.50%
Inflation	3.00%	3.00%
Mortality		
Pre-Retirement	RP-2000 Mortality Table projected to valuation date by Scale AA	
Post-Retirement	RP-2000 Mortality Table projected to valuation date by Scale AA	
Termination Rates	None	
Disability Rates	None	
Retirement Rates	100% retirement at age 60	

Expected long-term rate of return: The expected long-term rate of return was developed using the Black-Litterman Method by the Plan's financial advisor. Long-term capital market return assumptions were developed for each individual asset class included in the Plan. The return assumptions for each asset class are developed by combining historical equilibrium returns with the financial advisor's subjective views. These individual asset class return assumptions are then multiplied by the pension plan's target asset allocation to each individual class, which results in producing a long-term expected rate of return of 6.4 percent for the Plan. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large cap	35%	8.15%
Small/Mid cap	15	9.10
International	10	8.80
Emerging markets	5	10.25
US fixed income	26	2.60
Global fixed income	5	2.35
Cash	4	0.20
Total	<u>100%</u>	

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE D – EMPLOYEE RETIREMENT SYSTEMS (Continued)

3. Net Pension Liability (Continued)

Discount rate: Discount rate may or may not be equal to the expected long-term rate of return. Assets and liabilities were projected into the future (assuming 75% of the required contributions are deposited) to determine if there is a point at which the assets are unable to pay benefits. The projections show that this occurs in the year 2052. Therefore, expected benefit payments due after that date are discounted using the yield on 20 year municipal bonds as required by the Governmental Accounting Standards Board (GASB.) The rates used for the 20 year municipal bonds are 4.35 percent and 3.51 percent for fiscal years beginning 4/1/2014 and 4/1/2015, respectively. Rates used are from the Board of Governors of the Federal Reserve System released of Selected Interest Rates – H15. These rates can be reviewed at this site: <http://www.federalreserve.gov/releases/h15/data.htm>.

Due to the rate only affecting present values of benefit payments expected to be paid after 2051, there is very little effect on the overall liabilities on the Plan. The resulting effective interest rates are 6.35 percent and 6.40 percent for the fiscal years ending 3/31/2014 and 3/31/2015, respectively.

Changes in net pension liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 03/31/2014	\$ 3,440,879	\$ 1,886,439	\$ 1,554,440
Changes for the year			
Service Cost	10,075	-	10,075
Interest	210,136	-	210,136
Actuarial (Gain)/Los	13,846	-	13,846
Plan Amendments	-	-	-
Assumption Changes	423	-	423
Contribution – Employer	-	275,000	(275,000)
Net investment income	-	175,565	(175,565)
Benefit payments	(250,752)	(250,752)	-
Changes in Net Pension Liability	(16,272)	199,813	(216,085)
Balance at 03/31/2015	<u>\$ 3,424,607</u>	<u>\$ 2,086,252</u>	<u>\$ 1,338,355</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE D – EMPLOYEE RETIREMENT SYSTEMS (Continued)

3. Net Pension Liability (Continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.40 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.40 percent) or 1-percentage-point higher (7.40 percent) than the current rate:

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
City's net pension liability	\$ 1,677,626	\$ 1,338,355	\$ 1,048,683

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

For the year ended March 31, 2015, the City recognized pension expense of \$90,408. At March 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,846	\$ -
Net difference between projected and actual earnings on pension investment	-	45,762
Changes of assumptions	423	-
Total	<u>\$ 14,269</u>	<u>\$ 45,762</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE D – EMPLOYEE RETIREMENT SYSTEMS (Continued)

4. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year ended March 31,

2016	\$ (3,848)
2017	(3,848)
2018	(5,491)
2019	(9,152)
2020	(9,152)
Thereafter	(2)

5. Payable to the Pension Plan

At March 31, 2015, the City had no payable for contributions to the Plan.

NOTE E – RISK MANAGEMENT

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

The City is a member of the St. Louis Area Insurance Trust (SLAIT), which is a not-for-profit, self-insurance risk pool formed by various St. Louis County municipalities to cover worker's compensation, health insurance, and general liability matters. The purpose of this trust is to distribute the cost of self-insurance over similar entities. In addition to insurance protection, the program provides risk management services with emphasis in loss control, claims administration, and management information services. SLAIT is fully funded by its member participants and employs an outside service company to process all claims.

SLAIT requires an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of SLAIT have no legal interest in the assets, liabilities, or fund balances of SLAIT. However, the City is contingently liable to fund its pro rata share if any deficit incurred by SLAIT should SLAIT cease operation at some future date.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE F – COMMITMENTS AND CONTINGENCIES

The City receives various grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The City is not aware of any noncompliance with federal or state provisions that might require the City to provide reimbursement.

All Missouri entities, which have collected confiscation funds, may be required to remit part or all of these funds to other governmental entities. There is no information presently available to project the impact, if any, on the City's financial position.

NOTE G – LONG-TERM DEBT

Long-term debt consists of the following:

General Obligation Bonds

	March 31, 2015
Series 2011 general obligation bonds of \$3,500,000 used for street improvements, due in annual installments through March 1, 2031, interest payable at 2% to 4.5%.	\$3,310,000
Series 2010 general obligation bonds of \$1,750,000 used for advance refunding of the 2002 issue for street improvements, due in annual installments through March 1, 2022, interest payable at 1% to 4%.	1,245,000
Total General Obligation Bonds	<u>\$4,555,000</u>

Debt Service requirements for the bonds are as follows:

For The Years Ended March 31,	General Obligation Bonds		
	Principal	Interest	Total
2016	\$ 220,000	\$ 165,834	\$ 385,834
2017	225,000	159,034	384,034
2018	230,000	153,659	383,659
2019	240,000	147,609	387,609
2020	245,000	138,918	383,918
2021-2025	1,380,000	564,937	1,944,937
2026-2030	1,640,000	299,550	1,939,550
2031	375,000	16,875	391,875
Total	<u>\$ 4,555,000</u>	<u>\$ 1,646,416</u>	<u>\$ 6,201,416</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE G – LONG-TERM DEBT (Continued)

Tax Increment Revenue Notes

During 2011, the City issued \$19,112,595 of Tax Increment Revenue Notes, Series 2011, to refund the Tax Increment Revenue Notes, Series 2006, which were used to pay for a portion of the redevelopment project costs in connection with the “NW/SW Redevelopment Project – RPA1”, to pay accrued interest on the 2006 notes, and for eligible transportation project costs. The tax increment revenue notes are considered a special limited obligation of the City. The City will make principal and interest payments on the tax increment revenue notes based on the incremental payments in lieu of taxes (PILOTS) and economic activity tax (EATS).

Since annual repayment amounts for the tax increment revenue notes will be determined based on future revenues, a schedule of debt service requirements to maturity cannot be established. The notes have been issued to an aggregate of \$19,112,595.

	For the Year Ended March 31, 2015				Amounts Due Within One Year
	Balance March 31, 2014	Additions	Reductions	Balance March 31, 2015	
General Obligation bonds	\$ 4,770,000	\$ -	\$ 215,000	\$ 4,555,000	\$ 220,000
Plus – Premium	96,465	-	7,895	88,570	-
Tax increment revenue notes	18,812,199	-	-	18,812,199	-
Capital leases	40,060	-	23,277	16,783	8,637
Compensated absences	133,717	91,579	70,390	154,906	92,940
Total	\$23,852,441	\$ 91,579	\$ 316,562	\$23,627,458	\$ 321,577

The general obligation bonds are to be liquidated by the Street Bond Fund. The tax increment revenue notes are to be liquidated by the SW TIF Fund. The capital leases are to be liquidated by the Capital Projects Fund. The compensated absences are to be liquidated by the General Fund.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE H – LEASE OBLIGATIONS

1. Capital Leases

The City entered into lease agreements for the acquisition of two police cars, a fire command vehicle, and a backhoe. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

	March 31, 2015
Vehicles	\$144,442
Less – Accumulated depreciation	<u>115,552</u>
Net Book Value	<u>\$ 28,890</u>

A schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments as of March 31, 2015 are as follows:

For The Years Ended March 31,	Amount
2016	\$ 8,637
2017	<u>8,637</u>
	17,274
Less – Amount representing interest	<u>491</u>
Present Value of Minimum Lease Payments	<u>\$ 16,783</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE H – LEASE OBLIGATIONS (Continued)

2. Operating Leases

In 2011, the City entered into an operating lease agreement for an administration building. The lease term runs from June 2011 through May 2018 and requires escalating monthly payments of \$4,557 to \$5,165.

In 2013, the City entered into an operating lease agreement for a Fire Barn. The lease agreement runs from August 2013 through August 2015, and there are three optional 1-year extensions. The initial 2-year term required a one-time payment of \$57,850.

<u>For The Years Ended March 31,</u>	<u>Amount</u>
2016	\$ 74,347
2017	80,562
2018	89,978
2019	10,330
	<u>\$ 255,217</u>

Lease expenditures for the fiscal year ended March 31, 2015 were \$58,233.

NOTE I – RECONCILIATION OF INTERFUND TRANSACTIONS

1. Interfund Transfers

	<u>Transfers From</u>	<u>Transfers To</u>	<u>Net Transfers</u>
Major Funds			
General Fund.....	\$ (497,012)	\$ -	\$ 497,012)
General Capital Projects Fund.....	(333,264)	-	(333,264)
Infrastructure Capital Projects Fund.....		633,264	633,264
Non-major Funds			
Park Fund.....	(300,000)	497,012	197,012
Total.....	<u>\$ (1,130,276)</u>	<u>\$1,130,276</u>	<u>\$ -</u>

The transfers from the General Fund and the General Capital Projects Fund were for the purpose of establishing a new special revenue fund, the Park Fund, and a new capital projects fund, the Infrastructure Capital Projects Fund. The transfer from the Park Fund was used to move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them primarily for operating or capital purposes.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE I – RECONCILIATION OF INTERFUND TRANSACTIONS (Continued)

2. Advances From/To Other Funds

Individual interfund assets and liabilities balances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>March 31, 2015</u>
General Fund	Capital Projects Fund	\$ 66,612
General Fund	Sewer Lateral Fund	25,000
Total Advances		<u>\$ 91,612</u>

The first amount payable to the General Fund relates to a loan to the Capital Projects Fund to help finance the acquisition of a fire truck. The balance will be repaid in annual installments through the fiscal year ending March 31, 2018. The second amount payable to the General fund relates to a loan to the Sewer Lateral Fund to stabilize the fund, and sewer lateral receipts are to be received in the fiscal year ending March 31, 2016.

NOTE J – UNRESTRICTED NET POSITION DEFICIT

The government-wide statement of net position reflects an unrestricted net position deficit of (\$20,979,903). This total is comprised of \$685,951 in unrestricted net position from operations and an unrestricted net position deficit resulting from the issuance of tax increment revenue notes in the amount of \$18,812,199 and interest payable on these notes of \$2,839,613, which is for development not owned by the City.

The City's responsibility to repay the tax increment revenue bonds and notes extends only to the incremental revenues generated by the TIF district. The tax increment revenue notes are a special limited obligation of the City and are not used in calculating the City's debt limit.

NOTE K – RESTRICTED NET POSITION

The government-wide statement of net position reports \$2,676,982 of restricted net assets, of which 100% is restricted by enabling legislation.

NOTE L – TAX INCREMENT REVENUES PLEDGED

The City has pledged a portion of future tax revenues to repay tax increment revenue notes issued to finance certain improvements in the City. The notes are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. Incremental taxes were projected to produce 100% of the debt service requirements over the life of the notes. Total principal remaining on the notes is reported in Note G. For the current year, interest paid excluding total incremental tax revenues was \$701,115.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE M – MUNICIPAL COURT TRAFFIC VIOLATIONS FINES AND COSTS

Missouri House Bill No. 103 amending RSMo Section 302.341.2 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 costs for traffic violations. All fines and costs from traffic violations in excess of 30% of the City’s “annual general operating revenue” is required to be remitted to the director of the department of revenue for annual distribution to the schools of the county. “Annual general operating revenue of the City” is defined by the Missouri State Auditor as revenue that is not required by the enacting ordinance law or Constitution to be used only for a designated purpose and can be used to pay any bill or obligation of the City. This includes, but is not limited to, general sales tax, general property tax, and fees from certain licenses and permits, interest, fines, and penalties. “General Operation Revenues” does not include, among other items, designated sales or use taxes, user fees, grant funds or other revenue designated by law, ordinance, or Constitution, for a specific purpose.

Total court fines and costs (all case types).....	\$ 537,097
Total general operating revenue of the City.....	<u>2,849,912</u>
 Court fines and costs as a percentage of total general operating revenue of the City.....	 <u>18.5%</u>

NOTE N – FEDERAL FORFEITURE ACTIVITY

For the year ended March 31, 2015, the City had a beginning balance of \$3,868, no revenues, and expenditures of \$3,868, for a zero ending balance in the Asset Forfeiture Fund.

NOTE O – PRIOR PERIOD ADJUSTMENTS

Beginning net position restricted for pension was adjusted as follows:

Statement of Changes in Fiduciary Net Position – Pension Trust Fund:

	<u>Pension Trust Fund</u>
Record net pension liability as required by GASB 68.....	<u>\$ 1,554,440</u>
Total.....	<u><u>\$ 1,554,440</u></u>

Government-Wide Financial Statements of Activities:

Net position, as originally reported.....	\$ (12,337,957)
Record net pension liability adjusted by net pension obligation for FY2014 in compliance with GASB 68.....	<u>(944,870)</u>
Net Position, April 1, Restated.....	<u><u>\$ (13,282,817)</u></u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE P – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 1, 2015, the date which the financial statements were available for issue and there are no events to note.

**REQUIRED SUPPLEMENTARY
INFORMATION – BUDGETARY
COMPARISON INFORMATION**

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CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 311,000	\$ 311,000	\$ 277,595	\$ (33,405)
Gross Receipt Taxes:				
Cable television.....	65,000	65,000	74,138	9,138
Electric.....	335,000	335,000	323,265	(11,735)
Gas.....	175,000	175,000	194,888	19,888
Telephone.....	220,000	220,000	193,134	(26,866)
Water.....	63,000	63,000	66,105	3,105
Total Gross Receipts Taxes.....	858,000	858,000	851,530	(6,470)
Sales Tax:				
County sales tax.....	885,000	885,000	896,214	11,214
Fire sales tax.....	182,000	182,000	195,650	13,650
Total Sales Tax.....	1,067,000	1,067,000	1,091,864	24,864
Licenses, permits, fines and fees:				
Auto personal property.....	13,400	13,400	13,391	(9)
Building permits.....	18,000	18,000	15,218	(2,782)
Liquor.....	9,650	9,650	9,780	130
Merchants' licenses.....	189,800	189,800	179,413	(10,387)
Fines and court costs.....	575,000	575,000	543,052	(31,948)
Total Licenses and Permits.....	805,850	805,850	760,854	(44,996)
Intergovernmental:				
Cigarette tax.....	22,705	22,705	22,705	-
Investment Income.....	10,300	10,300	12,189	1,889
Miscellaneous:				
Grant income.....	6,100	6,100	1,515	(4,585)
Miscellaneous.....	10,100	10,100	28,825	18,725
Total Miscellaneous.....	16,200	16,200	30,340	14,140
Total Revenues.....	3,091,055	3,091,055	3,047,077	(43,978)

(Continued)

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES				
Current:				
Administration:				
Personnel services.....	309,889	459,889	364,184	(95,705)
Contracted services.....	145,296	145,296	163,112	17,816
Operating expenditures.....	125,668	38,468	33,562	(4,906)
Capital outlay.....	2,000	2,000	1,872	(128)
Total Administration.....	582,853	645,653	562,730	(82,923)
Fire Department:				
Personnel services.....	786,773	827,773	834,082	6,309
Contracted services.....	84,400	58,400	50,494	(7,906)
Operating expenditures.....	7,900	7,900	6,814	(1,086)
Capital outlay.....	500	500	678	178
Total Fire Department.....	879,573	894,573	892,068	(2,505)
Housing Department:				
Personnel services.....	39,411	39,411	41,749	2,338
Contracted services.....	19,530	19,530	2,531	(16,999)
Operating expenditures.....	1,575	1,575	571	(1,004)
Total Housing.....	60,516	60,516	44,851	(15,665)
Municipal Court:				
Personnel services.....	134,316	134,316	130,069	(4,247)
Contracted services.....	24,200	24,200	21,032	(3,168)
Operating expenditures.....	3,800	3,800	3,597	(203)
Capital outlay.....	760	760	555	(205)
Total Municipal Court.....	163,076	163,076	155,253	(7,823)
Police Department:				
Personnel services.....	845,230	845,230	805,318	(39,912)
Contracted services.....	126,740	102,762	93,147	(9,615)
Operating expenditures.....	9,452	9,452	8,734	(718)
Capital outlay.....	900	900	220	(680)
Total Police Department.....	982,322	958,344	907,419	(50,925)

(Continued)

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Public Works				
Personnel services.....	286,623	286,623	225,885	(60,738)
Contracted services.....	106,535	87,535	101,447	13,912
Operating expenditures.....	68,945	68,945	60,455	(8,490)
Total Public Works.....	462,103	443,103	387,787	(55,316)
Total Expenditures.....	3,130,443	3,165,265	2,950,108	(215,157)
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>(39,388)</u>	<u>(74,210)</u>	<u>96,969</u>	<u>171,179</u>
OTHER FINANCING SOURCES				
(USES)				
Transfer in	23,760	23,760	-	(23,760)
Transfer out	<u>(510,000)</u>	<u>(510,000)</u>	<u>(497,012)</u>	<u>12,988</u>
Total Other Financing Sources (Uses).....	<u>(486,240)</u>	<u>(486,240)</u>	<u>(497,012)</u>	<u>(10,772)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ (525,628)</u>	<u>\$ (560,450)</u>	<u>(400,043)</u>	<u>\$ 160,407</u>
FUND BALANCE, APRIL 1.....			<u>2,288,159</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 1,888,116</u>	

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-SW TIF FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 420,000	\$ 420,000	\$ 265,475	\$ (154,525)
Sales Tax.....	220,000	220,000	255,953	35,953
TDD Sales Tax.....	97,000	97,000	123,956	26,956
Investment Income.....	-	-	13	13
Total Revenues.....	<u>737,000</u>	<u>737,000</u>	<u>645,397</u>	<u>(91,603)</u>
EXPENDITURES				
Current:				
Administration.....	-	-	7,105	7,105
Debt service:				
Interest.....	<u>737,000</u>	<u>737,000</u>	<u>701,115</u>	<u>(35,885)</u>
Total Expenditures.....	<u>737,000</u>	<u>737,000</u>	<u>708,220</u>	<u>(28,780)</u>
NET CHANGE IN FUND BALANCE.....	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(62,823)</u>	<u><u>\$ (62,823)</u></u>
FUND BALANCE, APRIL 1.....			<u>639,577</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 576,754</u></u>	

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-DEBT SERVICE FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 365,000	\$ 365,000	\$ 312,901	\$ (52,099)
Investment Income.....	5,000	5,000	2,697	(2,303)
Miscellaneous.....	500	500	4,439	3,939
Total Revenues.....	<u>370,500</u>	<u>370,500</u>	<u>320,037</u>	<u>(50,463)</u>
EXPENDITURES				
Current:				
Administrative.....	-	-	318	318
Capital outlay.....	595,000	820,000	803,102	(16,898)
Debt service:				
Principal.....	215,000	215,000	215,000	-
Interest and fiscal charges.....	171,134	171,134	170,770	(364)
Total Expenditures.....	<u>981,134</u>	<u>1,206,134</u>	<u>1,189,190</u>	<u>(16,944)</u>
NET CHANGE IN FUND BALANCE.....	<u><u>\$ (610,634)</u></u>	<u><u>\$ (835,634)</u></u>	<u>(869,153)</u>	<u><u>\$ (33,519)</u></u>
FUND BALANCE, APRIL 1.....			<u>1,575,933</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 706,780</u></u>	

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION – NOTES TO
SCHEDULE OF REVENUES, EXPNEDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

1. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data:

- a. Formal budgetary integration is employed as a management control device during the year. This budget is adopted on a basis consistent with the City's basis of accounting described previously.
- b. Unused appropriations lapse at the end of the year.
- c. Budget amounts may include budget amendments that were made during the year, if any.
- d. Board approval is required for budget amendments.
- e. The legal level of budgetary control is at the department level.
- f. A budget is adopted for the General Fund, SW TIF Fund, NW TIF Fund, Street Bond Fund, Sewer Lateral Fund, Police Training Fund, Asset Forfeiture Fund, and Capital Projections Fund.
- g. The issuance of long-term refunding debt and proceeds of capital leases and related expenditures are not budgeted.

2. Legal Compliance – Budgets

The following is a listing of expenditures at the legal level control which exceeded budget appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
INFRASTRUCTURE CAPITAL PROJECTS FUND:			
Capital Outlay.....	\$ 126,826	\$ 129,225	\$ 2,399

The expenditures over budget were financed by the Infrastructure Capital Projects Fund's revenues in excess of final budget.

**REQUIRED SUPPLEMENTARY
INFORMATION – FIDUCIARY**

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CITY OF ROCK HILL, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
FISCAL YEAR ENDED MARCH 31, 2015

	<u>TOTAL</u>
Total Pension Liability (TPL)	
Service Cost.....	\$ 10,075
Interest on Total Pension Liability.....	210,136
Change in Benefit Terms.....	-
Assumption Changes.....	423
Experience Gains/Losses.....	13,846
Benefit Payments.....	<u>(250,752)</u>
Net Change in Total Pension Liability.....	(16,272)
 Total Pension Liability-April 1.....	 <u>3,440,879</u>
 Total Pension Liability-March 31.....	 <u><u>\$ 3,424,607</u></u>
 Plan Fiduciary Net Position (FNP)	
Contributions - employer.....	275,000
Net Investment Income.....	175,565
Benefit Payments.....	(250,752)
Administrative Expenses.....	-
Other.....	-
Net Change in Plan Fiduciary Net Position.....	<u>199,813</u>
 Total Pension Liability-April 1.....	 <u>1,886,439</u>
 Total Pension Liability-March 31.....	 <u><u>\$ 2,086,252</u></u>
 Net Pension Liability-March 31.....	 <u><u>\$ 1,338,355</u></u>
 Plan fiduciary net position as a percentage of the	
total pension liability.....	60.92%
 Covered-employee payroll.....	 \$ 350,990
 Net pension liability as of a percentage	
of covered-employee payroll.....	381.31%

Notes to Schedule:

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING MARCH 31,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarial Determined Contributions.....	\$ 199,227	\$ 251,551	\$ 251,551	\$ 293,522	\$ 293,522	\$ 260,954	\$ 260,954	\$ 236,769	\$ 236,769	\$ 129,450
Actual Contributions Deposited.....	<u>275,000</u>	<u>-</u>	<u>210,325</u>	<u>216,269</u>	<u>280,000</u>	<u>142,000</u>	<u>237,000</u>	<u>236,769</u>	<u>-</u>	<u>-</u>
Annual Contribution Deficiency/(Excess).....	<u>\$ (75,773)</u>	<u>\$ 251,551</u>	<u>\$ 41,226</u>	<u>\$ 77,253</u>	<u>\$ 13,522</u>	<u>\$ 118,954</u>	<u>\$ 23,954</u>	<u>\$ -</u>	<u>\$ 236,769</u>	<u>\$ 129,450</u>
Covered-employee Payroll.....	\$ 350,990	\$ 478,997	\$ 478,997	\$ 490,972	\$ 490,972	\$ 520,298	\$ 520,298	\$ 508,211	\$ 508,211	\$ -
Contributions as a Percentage of										
Covered-employee Payroll.....	78.35%	0.00%	43.91%	44.05%	57.03%	27.29%	45.55%	46.59%	0.00%	0.00%

Notes to Schedule

Valuation date:

Actuarially determined contributions are calculated biennially as of April 30.

Methods and assumptions used to determine contribution rates:

The Level Dollar Aggregate Fund Method has been used to determine the annual contributions amounts for Fiscal Years 2006 through 2015.

Under this method, the Normal Cost is the normal cost per active participant multiplied by the number of active participants. The normal cost per active participant is the present value of projected benefits less the actuarial value of the assets, divided by the total present value of \$1 per year for every year of a participant's anticipated future service, determined as of the participant's attained age.

ACTUARIAL ASSUMPTIONS

Assumptions for Active Employees:

Investment Return.....	6.00%
Mortality of Employees.....	None
Salary Increases.....	0.00%
Termination Rates.....	None
Disablement Rates.....	None
Retirement Age.....	60

Assumptions for Retired Employees:

Investment Return.....	6.00%
Mortality of Employees.....	IRS Combined Static Mortality Table projected to valuation date.

**OTHER SUPPLEMENTARY
INFORMATION**

NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds maintained by the City are as follows:

Police Training Fund - Used to account for police training revenues from the municipal court costs and the payment of training and travel for the police department.

Asset Forfeiture Fund - Used to account for proceeds from the City's portion of seized assets as required by the United States Attorney General's Guidelines on Seized and Forfeited Property.

Sewer Lateral - Used to account for the sewer lateral insurance fees restricted specifically for repairs of broken single-family and condominium residential sewer laterals.

NW TIF Fund – Used to account for activities of the City's NW redevelopment area tax increment financing district.

CITY OF ROCK HILL, MISSOURI
OTHER SUPPLEMENTAL INFORMATION-COMBINING
BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2015

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Park Fund	Police Training Fund	Asset Forfeiture Fund	Sewer Lateral Fund	NW TIF Fund	
ASSETS						
Cash and investments.....	\$ 349,105	\$ 16,356	\$ -	\$ 56,660	\$ 394,780	\$ 816,901
Receivables (net):						
Property tax	-	-	-	-	152	152
Municipal taxes	-	-	-	-	1,015	1,015
Other receivables.....	49,213	-	-	1,103	-	50,316
TOTAL ASSETS.....	\$ 398,318	\$ 16,356	\$ -	\$ 57,763	\$ 395,947	\$ 868,384
Liabilities						
Accounts payable.....	\$ 904	\$ -	\$ -	\$ -	\$ -	\$ 904
Wages payable.....	5,157	-	-	-	-	5,157
Advances from other funds.....	-	-	-	25,000	-	25,000
Total Liabilities.....	6,061	-	-	25,000	-	31,061
Deferred Outflows of Resources						
Unavailable revenue-property taxes	\$ -	\$ -	\$ -	\$ -	\$ 288	\$ 288
Total Deferred Outflows of Resources	-	-	-	-	288	288
Fund Balances						
Restricted for:						
Parks and stormwater.....	392,257	-	-	-	-	392,257
Police training.....	-	16,356	-	-	-	16,356
Sewer lateral.....	-	-	-	32,763	-	32,763
Tax increment financing.....	-	-	-	-	395,659	395,659
Total Fund Balances	392,257	16,356	-	32,763	395,659	837,035
TOTAL LIABILITIES FUND BALANCES.....	\$ 398,318	\$ 16,356	\$ -	\$ 57,763	\$ 395,947	\$ 868,384

CITY OF ROCK HILL, MISSOURI
OTHER SUPPLEMENTAL INFORMATION-COMBINING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2015

	Special Revenue Funds					
	Park Fund	Police Training Fund	Asset Forfeiture Fund	Sewer Lateral Fund	NW TIF Fund	Total Governmental Funds
REVENUES						
Property tax.....	\$ -	\$ -	\$ -	\$ -	\$ 4,031	\$ 4,031
Sales tax.....	394,065	-	-	-	4,372	398,437
Park and recreation programs.....	11,341	-	-	-	-	11,341
Miscellaneous.....	10	14,965	-	59,382	-	74,357
Total Revenues.....	<u>405,416</u>	<u>14,965</u>	<u>-</u>	<u>59,382</u>	<u>8,403</u>	<u>488,166</u>
EXPENDITURES						
Current:						
Park and recreation.....	206,517	-	-	-	-	206,517
Police department.....	-	13,701	-	-	-	13,701
Capital outlay.....	3,654	-	3,868	38,360	-	45,882
Total Expenditures.....	<u>210,171</u>	<u>13,701</u>	<u>3,868</u>	<u>38,360</u>	<u>-</u>	<u>266,100</u>
REVENUES OVER(UNDER) EXPENDITURES	<u>195,245</u>	<u>1,264</u>	<u>(3,868)</u>	<u>21,022</u>	<u>8,403</u>	<u>222,066</u>
OTHER FINANCING SOURCES (USES)						
Transfers in.....	497,012	-	-	-	-	497,012
Transfers out.....	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>
Total Other Financing Sources (Uses).....	<u>197,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,012</u>
NET CHANGE IN FUND BALANCES.....	<u>392,257</u>	<u>1,264</u>	<u>(3,868)</u>	<u>21,022</u>	<u>8,403</u>	<u>419,078</u>
FUND BALANCES, APRIL 1.....	<u>-</u>	<u>15,092</u>	<u>3,868</u>	<u>11,741</u>	<u>387,256</u>	<u>417,957</u>
FUND BALANCES, MARCH 31.....	<u>\$ 392,257</u>	<u>\$ 16,356</u>	<u>\$ -</u>	<u>\$ 32,763</u>	<u>\$ 395,659</u>	<u>\$ 837,035</u>

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-PARK FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Sales tax - parks/stormwater.....	\$ 364,000	\$ 364,000	\$ 394,065	\$ 30,065
Intergovernmental:				
Grant income.....	4,000	4,000	-	(4,000)
Park and recreation programs.....	9,200	9,200	9,156	(44)
Fall Festival.....	7,200	7,200	2,185	(5,015)
Miscellaneous revenue.....	-	-	10	10
Total Revenues.....	<u>384,400</u>	<u>384,400</u>	<u>405,416</u>	<u>21,016</u>
EXPENDITURES				
Personnel services.....	200,433	200,433	190,779	(9,654)
Contracted services.....	9,222	9,222	5,381	(3,841)
Operating expenditures.....	20,000	20,000	10,357	(9,643)
Capital outlay.....	32,100	32,100	3,654	(28,446)
Total Expenditures.....	<u>261,755</u>	<u>261,755</u>	<u>210,171</u>	<u>(51,584)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>122,645</u>	<u>122,645</u>	<u>195,245</u>	<u>72,600</u>
OTHER FINANCING SOURCES (USES)				
Transfer in.....	510,000	510,000	497,012	(12,988)
Transfer out.....	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total Other Financing Sources (Uses).....	<u>210,000</u>	<u>210,000</u>	<u>197,012</u>	<u>(12,988)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 332,645</u>	<u>\$ 332,645</u>	<u>392,257</u>	<u>\$ 59,612</u>
FUND BALANCE, APRIL 1.....			<u>-</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 392,257</u>	

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-POLICE TRAINING FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Miscellaneous.....	\$ 15,500	\$ 15,500	\$ 14,965	\$ (535)
EXPENDITURES				
Current:				
Police department.....	15,500	15,500	13,701	(1,799)
NET CHANGE IN FUND BALANCE.....	<u>\$ -</u>	<u>\$ -</u>	1,264	<u>\$ 1,264</u>
FUND BALANCE, APRIL 1.....			<u>15,092</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 16,356</u>	

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-ASSET FORFEITURE FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Licenses, permits, fines and fees.....	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Police department - capital outlay.....	3,230	3,868	3,868	-
NET CHANGE IN FUND BALANCE.....	\$ (3,230)	\$ (3,868)	(3,868)	\$ -
FUND BALANCE, APRIL 1.....			3,868	
FUND BALANCE, MARCH 31.....			\$ -	

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-SEWER LATERAL FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Miscellaneous.....	\$ 53,000	\$ 53,000	\$ 59,382	\$ 6,382
EXPENDITURES				
Current:				
Capital Outlay.....	40,000	40,000	38,360	(1,640)
NET CHANGE IN FUND BALANCE.....	<u>\$ 13,000</u>	<u>\$ 13,000</u>	21,022	<u>\$ 8,022</u>
FUND BALANCE, APRIL 1.....			<u>11,741</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 32,763</u>	

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-NW TIF FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 2,900	\$ 2,900	\$ 4,031	\$ 1,131
Sales Tax.....	36,000	36,000	4,372	(31,628)
Total Revenues.....	<u>38,900</u>	<u>38,900</u>	<u>8,403</u>	<u>(30,497)</u>
EXPENDITURES				
Current:				
Administration.....	220,900	220,900	-	(220,900)
Debt service:.....				
Interest.....	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Total Expenditures.....	<u>222,400</u>	<u>222,400</u>	<u>-</u>	<u>(222,400)</u>
NET CHANGE IN FUND BALANCE.....	<u><u>\$ (183,500)</u></u>	<u><u>\$ (183,500)</u></u>	8,403	<u><u>\$ 191,903</u></u>
FUND BALANCE, APRIL 1.....			<u>387,256</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 395,659</u></u>	

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GENERAL CAPITAL PROJECTS FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Sales tax - capital improvement.....	\$ 324,000	\$ 324,000	\$ 347,282	\$ 23,282
Intergovernmental:				
Grant income.....	9,000	9,000	25,081	16,081
Total Revenues.....	<u>333,000</u>	<u>333,000</u>	<u>372,363</u>	<u>39,363</u>
EXPENDITURES				
Administration.....	-	176,450	167,247	(9,203)
Capital outlay.....	122,400	175,600	78,360	(97,240)
Debt Service:				
Principal.....	24,323	24,323	23,276	(1,047)
Interest.....	1,556	1,556	2,762	1,206
Total Expenditures.....	<u>148,279</u>	<u>377,929</u>	<u>271,645</u>	<u>(106,284)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>184,721</u>	<u>(44,929)</u>	<u>100,718</u>	<u>145,647</u>
OTHER FINANCING SOURCES (USES)				
Transfer out.....	(311,170)	(311,170)	(333,264)	(22,094)
Sale of capital assets.....	-	-	210	210
Total Other Financing Sources (Uses).....	<u>(311,170)</u>	<u>(311,170)</u>	<u>(333,054)</u>	<u>(21,884)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ (126,449)</u>	<u>\$ (356,099)</u>	<u>(232,336)</u>	<u>\$ 123,763</u>
FUND BALANCE, APRIL 1.....			<u>579,639</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 347,303</u>	

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION-SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-INFRASTRUCTURE CAPITAL PROJECTS FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental:				
Gasoline tax.....	\$ 118,000	\$ 118,000	\$ 122,140	\$ 4,140
Motor vehicle tax.....	52,000	52,000	59,426	7,426
Road and bridge.....	95,000	95,000	91,228	(3,772)
Grant income.....	16,000	16,000	31,471	15,471
Miscellaneous revenue.....	-	-	18,150	18,150
Total Revenues.....	<u>281,000</u>	<u>281,000</u>	<u>322,415</u>	<u>41,415</u>
EXPENDITURES				
Capital outlay.....	<u>112,750</u>	<u>126,826</u>	<u>129,225</u>	<u>2,399</u>
Total Expenditures.....	<u>112,750</u>	<u>126,826</u>	<u>129,225</u>	<u>2,399</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>168,250</u>	<u>154,174</u>	<u>193,190</u>	<u>39,016</u>
OTHER FINANCING SOURCES (USES)				
Transfer in.....	<u>587,410</u>	<u>587,410</u>	<u>633,264</u>	<u>45,854</u>
Total Other Financing Sources (Uses).....	<u>587,410</u>	<u>587,410</u>	<u>633,264</u>	<u>45,854</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 755,660</u>	<u>\$ 741,584</u>	<u>826,454</u>	<u>\$ 84,870</u>
FUND BALANCE, APRIL 1.....			<u>-</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 826,454</u>	

CITY OF ROCK HILL, MISSOURI
OTHER SUPPLEMENTAL INFORMATION-STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES-AGENCY FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Balance March 31, 2014	Additions	Deductions	Balance March 31, 2015
COURT BONDS				
ASSETS				
Cash - restricted.....	\$ 8,192	\$ 22,590	\$ 24,072	\$ 6,710
Liabilities				
Deposits payable.....	\$ 8,192	\$ 23,060	\$ 24,542	\$ 6,710

CITY OF ROCK HILL, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	61
Revenue Capacity These schedules contain to help the reader assess the City's most significant local revenue sources.	68
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	73
Demographic and Economic These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	78
Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	80

Sources: Unless otherwise noted, the information in this section is derived from the comprehensive annual financial reports for the relevant year. Prior to fiscal year ended March 31, 2007, the City presented its financial statements on the cash basis of accounting.

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CITY OF ROCK HILL, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	For The Years Ended March 31,									
	2015	2014 Restated	2013	2012 Restated	2011	2010	2009	2008	2007	2006
Governmental Activities										
Net investment in capital assets.....	\$ 5,145,780	\$ 5,143,471	\$ 4,840,917	\$ 4,208,402	\$ 2,457,784	\$ 2,054,591	\$ 1,225,261	\$ 1,736,653	\$ 936,930	\$ 789,170
Restricted.....	2,676,982	2,437,373	2,209,690	5,196,270	1,623,477	1,049,064	795,665	489,787	674,895	304,265
Unrestricted (deficit).....	(20,979,903)	(20,863,671)	(18,774,601)	(21,271,210)	(13,415,543)	(12,691,709)	(12,384,732)	(12,680,248)	(11,310,855)	(7,633,826)
Total Governmental Activities Net Position.....	<u>\$ (13,157,141)</u>	<u>\$ (13,282,827)</u>	<u>\$ (11,723,994)</u>	<u>\$ (11,866,538)</u>	<u>\$ (9,334,282)</u>	<u>\$ (9,588,054)</u>	<u>\$ (10,363,806)</u>	<u>\$ (10,453,808)</u>	<u>\$ (9,699,030)</u>	<u>\$ (6,540,391)</u>

Source: Basic Financial Statements

GASB 65 was implemented in 2013

GASB 67 and 68 was implemented in 2015

CITY OF ROCK HILL, MISSOURI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

For The Years Ended March 31,										
	2015	2014 Restated	2013	2012 Restated	2011	2010	2009	2008	2007	2006
EXPENSES										
Administration.....	\$ 749,246	\$ 1,763,689	\$ 841,141	\$ 897,961	\$ 1,032,427	\$ 707,580	\$ 897,594	\$ 831,720	\$ 944,833	\$ 985,619
Fire department.....	988,973	1,075,281	970,839	894,295	800,864	833,474	783,028	735,159	715,554	812,094
Housing department.....	45,168	49,795	35,535	75,067	85,105	84,045	83,589	82,019	56,859	79,883
Municipal court.....	156,804	158,376	144,443	124,764	122,836	152,125	150,167	152,929	155,356	146,994
Parks and recreation.....	231,874	146,359	136,525	126,532	130,224	118,781	150,181	121,133	129,643	143,272
Police department.....	1,002,792	963,025	969,445	939,677	864,021	857,755	918,182	867,216	974,993	1,120,582
Public works.....	674,002	785,776	720,896	605,242	626,795	543,215	587,699	512,210	523,213	819,166
Economic development.....	-	-	25,982	3,545,333	-	-	268,923	1,266,583	3,628,898	6,435,596
Interest on long-term debt.....	1,495,317	2,000,744	1,527,335	1,513,982	1,265,037	1,254,762	1,241,446	1,378,350	761,408	599,786
Total Expenses.....	5,344,176	6,943,045	5,372,141	8,722,853	4,927,309	4,551,737	5,080,809	5,947,319	7,890,757	11,142,992
PROGRAM REVENUES										
Charges for services: ^a										
Administration.....	218,092	231,516	193,375	184,877	208,906	218,618	234,162	238,826	244,643	269,043
Municipal court.....	547,833	525,694	-	-	-	-	-	-	-	-
Parks and recreation.....	11,351	10,453	9,823	10,571	7,612	9,491	5,485	10,995	17,660	25,825
Police department.....	15,685	14,650	660,923	424,683	436,811	446,940	544,176	506,678	434,629	478,157
Public works.....	-	-	54,471	54,516	55,754	55,883	53,444	54,691	54,060	53,860
Operating grants and contributions.....	332,642	333,694	273,754	283,439	287,645	282,792	285,105	300,016	408,578	279,311
Capital grants and contributions.....	57,602	117,479	403,918	983,179	-	238,391	5,160	151,300	-	-
Total Program Revenues.....	1,183,205	1,233,486	1,596,264	1,941,265	996,728	1,252,115	1,127,532	1,262,506	1,159,570	1,106,196
NET REVENUES (EXPENSES).....	(4,160,971)	(5,709,559)	(3,775,877)	(6,781,588)	(3,930,581)	(3,299,622)	(3,953,277)	(4,684,813)	(6,731,187)	(10,036,796)

CITY OF ROCK HILL, MISSOURI
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	For The Years Ended March 31,									
	2015	2014 Restated	2013	2012 Restated	2011	2010	2009	2008	2007	2006
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Taxes: ^b										
Property	643,538	656,942	1,092,999	1,096,846	1,366,855	1,262,535	1,218,117	838,915	760,051	589,630
Sales.....	1,833,211	1,776,909	1,983,516	2,200,157	1,874,108	1,824,338	1,830,656	1,983,143	1,958,597	1,778,192
TIF revenues.....	654,075	771,889	-	-	-	-	-	-	-	-
Utility gross receipts.....	777,392	810,886	861,544	849,723	833,792	914,252	813,280	931,999	664,372	631,957
Other taxes.....	96,843	88,906	22,705	23,027	22,705	22,705	22,746	22,705	22,705	22,705
Investment income.....	14,899	21,064	26,345	26,621	24,105	19,033	30,843	49,898	28,987	10,964
Other revenues.....	50,404	24,130	19,850	40,815	55,941	32,511	127,637	103,375	137,836	83,951
Gain on sale of capital assets.....	210	-	-	12,143	6,847	-	-	-	-	1,327,677
Decrease in net pension liability.....	216,085	-	-	-	-	-	-	-	-	-
Total General Revenues.....	4,286,657	4,150,726	4,006,959	4,249,332	4,184,353	4,075,374	4,043,279	3,930,035	3,572,548	4,445,076
PRIOR PERIOD ADJUSTMENT										
CASH TO ACCRUAL BASIS.....	-	-	-	-	-	-	-	-	-	277,846
CHANGES IN NET POSITION.....	\$ 125,686	\$ (1,558,833)	\$ 231,082	\$ (2,532,256)	\$ 253,772	\$ 775,752	\$ 90,002	\$ (754,778)	\$ (3,158,639)	\$ (5,313,874)

Source: Basic Financial Statements

NOTES:

^aEffective FY2014 court fines and cost are being reported as a Municipal Court program revenue. Past fiscal years court fines and cost were reported as a Police program revenue.

^bEffective FY2014, general revenues are reported in greater detail: 1) Property and sales taxes are now defined by purpose of the levy; 2) Franchise fees were removed from the category Utility to be reported individually; 3) TIF revenues were removed from the categories of property and sales taxes to be reported individually and 4) Cigarette taxes were removed from the category Other to be reported individually. The change in presentation was done to provide more detail information for the Board of Aldermen and other financial users.

CITY OF ROCK HILL, MISSOURI
PROGRAM REVENUES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	For the Years Ended March 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
Administration.....	\$ 218,092	\$ 231,516	\$ 193,375	\$ 184,877	\$ 214,615	\$ 218,618	\$ 234,162	\$ 238,826	\$ 244,643	\$ 269,043
Fire department.....	-	700	-	237,500	-	61,682	5,160	-	-	-
Municipal court.....	547,833	525,694	-	-	-	-	-	-	-	-
Parks and recreation.....	11,351	17,354	136,373	33,971	7,612	9,491	5,485	162,295	136,523	25,825
Police department.....	42,281	20,302	664,842	434,419	438,010	456,909	547,467	507,688	434,629	478,157
Public works.....	363,648	437,920	601,674	1,050,498	336,491	505,415	335,258	353,697	343,775	333,171
Total Governmental Activities....	<u>\$ 1,183,205</u>	<u>\$ 1,233,486</u>	<u>\$ 1,596,264</u>	<u>\$ 1,941,265</u>	<u>\$ 996,728</u>	<u>\$ 1,252,115</u>	<u>\$ 1,127,532</u>	<u>\$ 1,262,506</u>	<u>\$ 1,159,570</u>	<u>\$ 1,106,196</u>

Source: Basic Financial Statements

CITY OF ROCK HILL, MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

For The Years Ended March 31,										
	2015	2014	2013	2012 Restated	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable.....	\$ 112,448	\$ 135,414	\$ 132,688	\$ 139,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	-	497,012	330,027	105,189	-	-	-	-	-	-
Assigned - Subsequent year's budget.....	-	28,616	-	195,647	-	-	-	-	-	-
Unassigned.....	1,775,668	1,627,117	1,684,658	1,737,329	-	-	-	-	-	-
Reserved.....	-	-	-	-	-	6,375	-	47,771	272,174	-
Unreserved.....	-	-	-	-	2,421,465	2,526,544	2,381,441	1,676,434	914,353	248,545
Total General Fund.....	<u>\$ 1,888,116</u>	<u>\$ 2,288,159</u>	<u>\$ 2,147,373</u>	<u>\$ 2,177,279</u>	<u>\$ 2,421,465</u>	<u>\$ 2,532,919</u>	<u>\$ 2,381,441</u>	<u>\$ 1,724,205</u>	<u>\$ 1,186,527</u>	<u>\$ 248,545</u>
All other governmental funds										
Restricted for:										
Capital projects.....	\$ 1,625,836	\$ 1,852,384	\$ 2,407,988	\$ 3,512,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service.....	254,701	303,188	373,795	434,858	-	-	-	-	-	-
Law enforcement.....	-	3,868	8,034	-	-	-	-	-	-	-
Parks and stormwater.....	392,257	-	-	-	-	-	-	-	-	-
Police training.....	16,356	15,092	12,223	4,605	-	-	-	-	-	-
Sewer Lateral.....	32,763	11,741	4,084	22,043	-	-	-	-	-	-
Tax Increment Financing.....	972,413	1,026,833	1,081,487	1,116,590	-	-	-	-	-	-
Reserved:.....	-	-	-	-	87,223	87,342	87,335	88,576	92,818	88,548
Unreserved, reported in:										
Capital Projects Funds.....	-	-	-	-	317,198	(41,346)	-	-	-	-
Special Revenue Funds.....	-	-	-	-	1,524,415	1,309,809	1,021,314	515,677	385,912	268,403
Total All Other Governmental Funds.....	<u>\$ 3,294,326</u>	<u>\$ 3,213,106</u>	<u>\$ 3,887,611</u>	<u>\$ 5,091,081</u>	<u>\$ 1,928,836</u>	<u>\$ 1,355,805</u>	<u>\$ 1,108,649</u>	<u>\$ 604,253</u>	<u>\$ 478,730</u>	<u>\$ 356,951</u>

Source: Basic Financial Statements

NOTES: GASB 54 was implemented in 2012.

CITY OF ROCK HILL, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	For The Years Ended March 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES:										
Property taxes.....	\$ 860,002	\$ 1,056,616	\$ 1,091,603	\$ 1,155,633	\$ 1,368,825	\$ 1,295,109	\$ 1,172,574	\$ 806,708	\$ 736,411	\$ 589,630
Gross receipts taxes.....	851,530	877,088	861,544	849,723	833,792	914,252	813,280	931,999	664,372	631,957
Sales tax.....	2,217,492	2,158,184	1,983,516	2,200,157	1,874,108	1,824,338	1,830,656	1,983,143	1,958,597	1,778,160
Licenses, permits, fines and fees.....	760,854	772,181	819,150	600,294	636,952	661,038	779,645	742,936	652,085	683,634
Intergovernmental.....	352,051	295,796	690,358	1,256,402	303,442	303,975	304,252	317,399	312,420	302,048
Investment income.....	26,240	26,285	26,345	26,621	24,105	19,033	30,843	49,898	28,987	10,964
Miscellaneous.....	127,286	222,095	109,746	126,758	129,932	336,483	195,325	325,683	355,606	227,202
Total Revenues.....	<u>5,195,455</u>	<u>5,408,245</u>	<u>5,582,262</u>	<u>6,215,588</u>	<u>5,171,156</u>	<u>5,354,228</u>	<u>5,126,575</u>	<u>5,157,766</u>	<u>4,708,478</u>	<u>4,223,595</u>
EXPENDITURES:										
Administration.....	735,528	676,900	785,039	807,756	900,424	696,273	827,509	767,125	621,512	891,707
Fire department.....	891,390	867,379	866,722	818,660	792,533	819,402	770,806	737,679	674,597	796,835
Housing department.....	44,851	48,673	35,205	79,631	85,522	82,790	83,911	78,184	56,646	78,230
Municipal court.....	154,698	166,321	141,896	123,489	117,830	155,965	157,459	154,126	144,851	146,994
Parks and recreation.....	206,517	117,095	122,187	115,751	119,522	111,847	110,631	113,762	122,886	139,773
Police department.....	920,900	938,699	970,295	910,874	852,300	849,745	882,540	836,600	943,711	1,124,094
Public works.....	387,787	461,299	523,286	459,138	442,792	419,425	438,321	407,531	423,816	554,498
Economic development.....	-	-	25,982	3,545,333	-	-	268,923	1,266,583	3,628,898	-
Capital outlay.....	1,059,894	1,410,542	2,105,651	2,126,698	297,412	832,718	1,092,450	971,296	206,343	2,031,751
Debt service:										
Principal.....	238,276	247,985	414,959	674,478	258,914	163,923	635,391	268,750	285,000	4,050,000
Interest.....	874,647	1,007,431	836,458	855,252	682,677	824,821	445,315	269,659	169,355	279,033
Interest-refunding.....	-	-	-	3,967,262	-	-	-	-	-	-
Advance refunding escrow.....	-	-	-	-	170,000	-	-	-	-	-
Bond issuance costs.....	-	-	-	77,176	43,834	-	-	-	-	-
Total Expenditures.....	<u>5,514,488</u>	<u>5,942,324</u>	<u>6,827,680</u>	<u>14,561,498</u>	<u>4,763,760</u>	<u>4,956,909</u>	<u>5,713,256</u>	<u>5,871,295</u>	<u>7,277,615</u>	<u>10,092,915</u>
REVENUES OVER (UNDER)										
EXPENDITURES.....	<u>(319,033)</u>	<u>(534,079)</u>	<u>(1,245,418)</u>	<u>(8,345,910)</u>	<u>407,396</u>	<u>397,319</u>	<u>(586,681)</u>	<u>(713,529)</u>	<u>(2,569,137)</u>	<u>(5,869,320)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in.....	1,130,276	33,455	-	-	-	141,221	205,418	171,950	311,294	24,702
Transfers out.....	(1,130,276)	(33,455)	-	-	-	(141,221)	(205,418)	(171,950)	(311,294)	(24,702)
Sale of capital assets.....	210	361	8,000	12,143	10,347	1,315	1,449,866	-	-	5,523,202
Issuance of long-term debt.....	-	-	-	22,757,037	1,750,000	-	298,447	1,376,730	3,628,898	-
Refunding of long-term debt.....	-	-	-	(11,600,000)	(1,752,194)	-	-	-	-	-
Premium of long-term debt.....	-	-	-	74,209	46,028	-	-	-	-	-
Total Other Financing Sources (Uses).....	<u>210</u>	<u>361</u>	<u>8,000</u>	<u>11,243,389</u>	<u>54,181</u>	<u>1,315</u>	<u>1,748,313</u>	<u>1,376,730</u>	<u>3,628,898</u>	<u>5,523,202</u>
PRIOR PERIOD ADJUSTMENT										
CASH TO ACCRUAL BASIS.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,604</u>
NET CHANGES IN FUND BALANCES.....	<u>\$ (318,823)</u>	<u>\$ (533,718)</u>	<u>\$ (1,237,418)</u>	<u>\$ 2,897,479</u>	<u>\$ 461,577</u>	<u>\$ 398,634</u>	<u>\$ 1,161,632</u>	<u>\$ 663,201</u>	<u>\$ 1,059,761</u>	<u>\$ (49,514)</u>
Debt service as a percentage of noncapital expenditures.....	24.2%	26.3%	26.0%	44.8%	25.6%	24.0%	23.0%	10.9%	6.4%	51.8%

Source: Basic Financial Statements

CITY OF ROCK HILL, MISSOURI
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

For The Years Ended March 31,	Property Tax	Sales Tax	Gross Receipts Taxes	Other	Total
2015	\$ 860,002	\$ 2,217,492	\$ 851,530	\$ 352,051	\$ 4,281,075
2014	1,056,616	2,158,184	877,088	295,796	4,387,684
2013	1,091,603	1,983,516	861,544	690,358	4,627,021
2012	1,155,633	2,200,157	849,723	1,256,402	5,461,915
2011	1,368,825	1,874,108	833,792	303,442	4,380,167
2010	1,295,109	1,824,338	914,252	303,975	4,337,674
2009	1,172,574	1,830,656	813,280	304,252	4,120,762
2008	806,708	1,983,143	931,999	317,399	4,039,249
2007	736,411	1,958,597	664,372	312,420	3,671,800
2006	589,630	1,778,160	631,957	302,048	3,301,795

Source: Basic Financial Statements

CITY OF ROCK HILL, MISSOURI
ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>For The Years Ended December 31,</u>	<u>Residential Real Property</u>	<u>Commercial Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax</u>	<u>Estimated Actual Value</u>
2014	\$ 61,666,940	\$ 27,653,768	\$ 12,232,848	\$ 101,553,556	0.669 *	\$ 447,683,081
2013	61,726,670	29,035,621	12,075,586	102,837,877	0.668 *	451,843,907
2012	61,525,190	26,849,342	11,587,164	99,961,696	0.681 *	442,485,952
2011	61,950,700	26,313,520	10,307,790	98,572,010	0.658 *	439,212,528
2010	61,755,690	27,140,590	11,341,980	100,238,260	0.719 *	443,873,634
2009	61,737,790	26,987,790	12,156,200	100,881,780	0.635 *	445,744,828
2008	66,653,560	27,805,080	12,470,920	106,929,560	0.564 *	475,115,587
2007	66,301,250	22,690,750	11,677,570	100,669,570	0.550 *	454,898,755
2006	54,071,080	18,186,640	11,928,430	84,186,150	0.605 *	377,206,750
2005	53,764,470	17,435,760	11,775,130	82,975,360	0.578 *	372,786,568

Source: St. Louis County Assessor

*Commencing in 2003, Missouri State Law required the City to calculate a separate tax rate for residential real estate, agricultural real estate, commercial real estate, and personal property. The tax rate stated above for each year 2005 through 2014 reflects a re-blended rate for the various types of taxable property.

CITY OF ROCK HILL, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS^a
LAST TEN CALENDAR YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
City of Rock Hill.....	0.6690	0.6680	0.6810	0.6580	0.7190	0.6350	0.5640	0.5500	0.6050	0.5780
Overlapping governments:										
State of Missouri.....	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Roads and Bridges.....	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
St. Louis County.....	0.4180	0.4180	0.4180	0.4180	0.4180	0.4180	0.4530	0.4530	0.4530	0.4530
St. Louis Community College.....	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136	0.2013	0.2003	0.2233	0.2231
Special School District.....	1.2609	1.2400	0.1012	1.0125	0.9950	0.9384	0.9184	0.9084	0.8235	0.8399
Metro Zoo.....	0.2797	0.2797	0.2684	0.2671	0.2546	0.2493	0.2344	0.2330	0.2611	0.2654
Sheltered Workshop.....	0.0900	0.0890	0.0840	0.0840	0.0790	0.0740	0.0690	0.0700	0.0820	0.0820
Rock Hill Library.....	0.2910	0.2900	0.2850	0.2700	0.2670	0.2590	0.2390	0.2410	0.2970	0.2630
Metro Sewer District*.....	0.0879	0.0874	0.0635	0.0818	0.0790	-	-	0.0667	0.0687	0.0686
Deer Creek Sewer*.....	0.0860	0.0860	0.0840	0.0840	0.0810	-	-	0.0600	0.0600	0.0600
Webster Groves School District.....	5.8584	5.8576	5.7588	5.7555	5.5775	4.8612	4.6149	4.5669	5.2660	5.2361

Source: St. Louis County Collector (rates stated per \$100 assessed valuation)

^a Property tax rates reported in this schedule are the residential property tax rates.

*Effective with 2008, all Metropolitan St. Louis Sewer District (MSD) district-wide and sub-district taxes have been reduced to zero. This is due to the implementation of the new impervious area stormwater rate.

CITY OF ROCK HILL, MISSOURI
PRINCIPAL TAXPAYERS
CURRENT CALENDAR YEAR AND NINE YEARS AGO

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Market at McKnight (Novus).....	\$ 4,801,540	1	4.73%	\$ 573,980	8	0.69%
Stanford Court Apartments, LLC.....	2,092,980	2	2.06%	1,540,510	1	1.86%
McKnight Development, LLC.....	1,368,440	3	1.35%	1,382,370	2	1.67%
Missouri American Water Co.....	1,359,750	4	1.34%	921,540	5	1.11%
Refrigeration Supplies Inc.....	1,197,930	5	1.18%	502,840	9	0.61%
Colonial Square Associates.....	1,017,820	6	1.00%	863,170	6	1.04%
Rock Hill Partnership.....	797,540	7	0.79%	1,228,190	3	1.48%
900 Rock Hill Partners LLC.....	774,720	8	0.76%	-		-
Waltrust Properties, INC.....	763,550	9	0.75%	-		-
GBC Enterpirses, LLC.....	682,080	10	0.67%	804,150	7	0.97%
Eighteen Investments.....	-		-	1,113,700	4	1.34%
Keebler Krossing Inc.....	-		-	498,060	10	0.60%
	<u>\$ 14,856,350</u>		<u>14.63%</u>	<u>\$ 9,428,510</u>		<u>11.37%</u>

Source: St. Louis County Assessor

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

Fiscal Year	Tax Levy Year	Net Tax Levy	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections	Total Tax Collections^a	Total Collections As Percent of Levy	Outstanding Delinquent Taxes^b	Outstanding Delinquent Taxes As of Levy
2015	2014	\$ 662,669	\$ 570,141	86.04%	\$ -	\$ 570,141	86.04%	\$ 92,528	13.96%
2014	2013	666,551	547,842	82.19%	79,347	627,189	94.09%	89,008	13.35%
2013	2012	643,595	501,623	77.94%	60,826	562,449	87.39%	18,981	2.95%
2012	2011	606,765	519,267	85.58%	123,456	642,723	105.93%	5,817	0.96%
2011	2010	607,736	500,923	82.42%	106,057	620,062	102.03%	1,060	0.17%
2010	2009	604,250	500,832	82.88%	110,147	591,742	97.93%	3,533	0.58%
2009	2008	575,947	491,519	85.34%	88,435	573,805	99.63%	18	0.00%
2008	2007	552,458	468,435	84.79%	55,922	526,348	95.27%	17	0.00%
2007	2006	514,537	460,202	89.44%	84,065	551,199	107.13%	20	0.00%
2006	2005	500,603	440,755	88.04%	55,448	467,118	93.31%	57	0.01%

Source: St. Louis County Collector's office.

^a Includes penalties and interest.

^b As of March 31, 2015

CITY OF ROCK HILL, MISSOURI
SALES TAX REVENUES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

For The Years Ended March 31,	Regular Sales Tax	Capital Improvement	Stormwater and Parks	Fire Protection	Transportation Development District	Total
2015	\$ 1,057,857	\$ 385,139	\$ 433,693	\$ 216,847	\$ 123,956	\$ 2,217,492
2014	1,000,445	370,397	414,038	207,020	166,284	2,158,184
2013	966,890	345,855	382,967	191,677	96,127	1,983,516
2012	951,598	358,375	395,955	198,084	296,145	2,200,157
2011	950,050	348,880	383,407	191,771	-	1,874,108
2010	986,739	304,262	355,055	178,282	-	1,824,338
2009	934,370	326,086	379,462	190,738	-	1,830,656
2008	990,243	359,992	421,942	210,966	-	1,983,143
2007	981,733	354,087	415,442	207,335	-	1,958,597
2006	897,465	319,696	374,011	186,988	-	1,778,160

Source: Basic Financial Statements

The sales tax rate in the City is 8.425%, which includes 4.225% for the State of Missouri, 1.7% for St. Louis County, and 2.5% as the City's direct rate which is detailed above.

Given the limited number of businesses, it would not be possible to break out sales tax information on industries because of the confidentiality of individual businesses.

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

For The Years Ended March 31,	Governmental Activities					Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Tax Increment Revenue Bonds	Tax Increment Revenue Notes	Certificates of Participation	Capital Leases			
2015	\$ 4,555,000	\$ -	\$ 18,812,199	\$ -	\$ 16,783	\$ 23,383,982	16.0%	\$ 5,045
2014	4,770,000	-	18,812,199	-	40,060	23,622,259	16.1%	5,096
2013	4,980,000	-	18,812,199	-	78,044	23,870,243	16.6%	5,150
2012	5,185,000	173,400	18,812,199	-	114,603	24,285,202	17.3%	5,240
2011	1,725,000	310,100	11,600,000	-	27,543	13,662,643	11.6%	2,948
2010	2,075,000	373,200	11,600,000	-	63,357	14,111,557	11.9%	3,082
2009	2,205,000	373,200	11,600,000	-	97,280	14,275,480	12.0%	3,097
2008	2,330,000	373,200	11,331,077	476,750	101,397	14,612,424	12.2%	3,140
2007	2,450,000	513,200	10,064,494	476,750	-	13,504,444	11.3%	2,902
2006	2,565,000	683,200	6,435,596	476,750	-	10,160,546	8.4%	2,167

Source: Basic Financial Statements

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

^a See Demographics and Economic Statistics Table.

CITY OF ROCK HILL, MISSOURI
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

For The Years Ended March 31,	General Obligation Bonds	Percentage of Estimated Actual Value of Property^a	Per Capita^b
2015	\$ 4,555,000	1.0%	\$ 983
2014	4,770,000	1.1%	1,029
2013	4,980,000	1.1%	1,074
2012	5,185,000	1.2%	1,119
2011	1,725,000	0.4%	372
2010	2,075,000	0.5%	453
2009	2,205,000	0.5%	478
2008	2,330,000	0.5%	501
2007	2,450,000	0.7%	527
2006	2,565,000	0.7%	547

Source: Basic Financial Statements

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

^a See Assessed and Estimated Actual Value of Taxable Property Table.

^b See Demographics and Economic Statistics Table.

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

	<u>March 31,</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt limit.....	\$ 10,155,356	\$ 10,283,788	\$ 9,996,170	\$ 9,857,201	\$ 10,023,826	\$ 10,088,178	10,692,956	10,066,957	8,418,615	8,297,536
Net debt applicable to debt limit.....	<u>4,555,000</u>	<u>4,770,000</u>	<u>4,980,000</u>	<u>5,185,000</u>	<u>1,725,000</u>	<u>2,075,000</u>	<u>2,205,000</u>	<u>2,330,000</u>	<u>2,450,000</u>	<u>2,565,000</u>
Legal Debt Margin.....	<u>\$ 5,600,356</u>	<u>\$ 5,513,788</u>	<u>\$ 5,016,170</u>	<u>\$ 4,672,201</u>	<u>\$ 8,298,826</u>	<u>\$ 8,013,178</u>	<u>\$ 8,487,956</u>	<u>\$ 7,736,957</u>	<u>\$ 5,968,615</u>	<u>\$ 5,732,536</u>
Legal debt margin as a percentage of the debt limit.....	44.85%	46.38%	49.82%	52.60%	17.21%	20.57%	20.62%	23.15%	29.10%	30.91%

Source: Basic Financial Statements

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

CITY OF ROCK HILL, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF MARCH 31, 2015

Name Of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Louis County.....	\$ 105,615,000	0.5%	\$ 528,075
Webster Groves School District.....	78,618,280	17.0%	13,365,108
Subtotal, Overlapping Debt.....	184,233,280		13,893,183
City of Rock Hill			
General obligation bonds.....	\$ 4,555,000	100.0%	\$ 4,555,000
Tax increment financing notes.....	18,812,199	100.0%	18,812,199
Capital leases.....	16,783	100.0%	16,783
Subtotal, Direct Debt.....	23,383,982		23,383,982
Total Direct And Overlapping Debt.....	<u>\$ 207,617,262</u>		<u>\$ 37,277,165</u>

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

CITY OF ROCK HILL, MISSOURI
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Tax Increment Financing Revenue Bonds and Notes

For The Years Ended March 31,	Property Tax	Sales Tax	Investment Income	Less Operating Expenditures	Net Available Revenues	Debt Service		Coverage ^a
						Principal	Interest	
2015	\$ 265,475	\$ 379,909	\$ 13	\$ 7,105	\$ 638,292	\$ -	\$ 701,115	91.04%
2014	376,433	381,156	8	4,027	753,570	-	825,648	91.27%
2013	427,518	317,089	29	7,144	737,492	173,400	653,310	89.21%
2012	535,204	538,782	33	9,948	1,064,071	437,096	709,687	92.79%
2011	544,651	315,675	26	37,487	822,865	63,100	616,286	121.12%
2010	682,873	180,381	31	3,602	859,683	-	718,685	119.62%
2009	108,217	39,488	1,362	2,926	146,141	-	126,441	115.58%
2008	109,885	46,326	6,705	4,389	158,527	140,000	18,444	100.05%
2007	106,057	46,226	3,958	-	156,241	170,000	14,219	84.81%
2006	105,057	48,489	3,522	1,402	155,666	135,000	24,063	97.86%

Source: Basic Financial Statements

^a Coverage made with funds from previous years used for principal and interest payments.

CITY OF ROCK HILL, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

For The Years Ended March 31,	Population^a	Median Household Income^b	Personal Income^a	Per Capita Income^a	Webster Groves School District Enrollment	Unemployment Rate^b
2015	4,635	\$ 52,652	\$ 146,498,445	\$ 31,607	4,706	5.6
2014	4,635	53,144	146,498,445	31,607	4,578	7.7
2013	4,635	56,827	143,615,475	30,985	4,327	7.3
2012	4,635	58,232	140,694,400	30,263	4,508	7.4
2011	4,635	47,869	117,886,104	25,803	4,248	9.4
2010	4,579	47,869	118,151,937	25,803	4,175	9.6
2009	4,609	47,869	118,926,027	25,803	4,192	8.6
2008	4,653	47,869	120,061,359	25,803	4,132	5.5
2007	4,653	47,869	120,061,359	25,803	4,068	4.4
2006	4,689	47,869	120,990,267	25,803	4,068	4.2

^a **Source:** U.S. Bureau of Census

^b **Source:** Missouri Department of Economic Development

**CITY OF ROCK HILL, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2015			2006		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Woodward Cleaning & Restoration, Inc....	220	1	5.3% %	NA	NA	NA
Webster Groves School District.....	104	2	2.5%			
Hacienda Mexican Restaurant.....	98	3	2.4%			
ARCO/Murray Corporate Services, Inc.....	97	4	2.3%			
W. Schiller & Co., Inc.....	67	5	1.6%			
Millman Lumber Co.....	67	5	1.6%			
RSI Kitchen and Bath.....	45	6	1.1%			
Bandana's BBQ.....	41	7	1.0%			
Stein Mart.....	40	8	1.0%			
Goddard School.....	37	9	0.9%			
City of Rock Hill	33	10	0.8%			
	<u>849</u>		<u>20.4%</u>	<u>NA</u>		<u>NA</u>

Source: The above named companies

Note: Employment figures prior to 2008 cannot be obtained by the City.

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

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of March 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government:										
Administration.....	2	2	2	3	3	3	3	3	3	4
Fire department.....	10.0	9.5	9	10	10	10	10	10	10	10
Housing department.....	1	1	1	1	1	1	1	1	1	1
Municipal court.....	2	2	2	1	1	1	2	2	2	2
Parks and recreation.....	1	1	1	1	1	1	1	1	3	3
Police department.....	11.8	11.5	12	10	10	10	10	10	10	10
Public works.....	6	6	6	5	5	5	5	5	5	7

Source: City payroll records

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

FUNCTIONS/PROGRAMS	As Of March 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police department:										
Average number of calls per month.....	443	450	436	400	497	477	443	422	462	NA
Average number of arrests per month.....	27	25	27	40	23	20	25	24	27	23
Number of crime incidences reported.....	1043	517	468	540	532	420	540	568	612	625
Fire department:										
Average number of fire calls per month.....	87	80	76	75	84	76	74	64	78	70
Housing/building inspections:										
Number of permits:										
Building (decks, porches, roofs, garages)	10	13	17	19	25	22	25	6	3	NA
Driveways.....	3	7	4	15	6	12	8	10	3	20
Fences.....	29	26	9	24	20	17	18	22	3	NA
Residential.....	203	197	98	148	151	172	142	201	276	NA
Commercial.....	86	88	45	78	59	83	63	152	111	287
Cost of construction ^a :										
Building (decks, porches, roofs, garages)	70,344	54,000	150,984	85,350	155,915	183,521	82,605	8,150	5,921	NA
Driveways.....	45,500	40,500	17,713	73,600	25,778	41,965	24,000	30,000	9,000	NA
Fences.....	90,833	51,000	9,400	44,200	49,486	28,538	27,000	33,000	4,500	NA
Residential.....	2,030,342	1,065,111	3,482,112	1,019,311	389,811	1,464,143	878,368	1,962,143	3,126,924	3,790,743
Commercial.....	5,280,222	4,987,191	1,160,862	7,350,637	651,143	1,799,744	1,672,746	2,259,882	9,523,704	9,970,704
Finance and administration:										
Business licenses issued (August 1).....	71	67	67	68	65	64	55	60	67	65
Merchant licenses issued (August 1).....	94	94	100	104	101	118	105	104	101	99
Liquor licenses issued (July 1).....	17	19	15	17	16	15	15	18	15	14

Source: City records - various departments listed

^a Estimates based on data provided by applicants

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

FUNCTIONS/PROGRAMS	As Of March 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Parks and recreation:										
Number of parks.....	7	7	7	7	7	7	7	7	7	7
Acres of parks.....	12	12	12	12	12	12	12	12	12	12
Number of tennis courts.....	6	6	6	6	6	6	6	6	6	6
Miles of trails.....	1	1	1	1	1	1	1	1	1	1
Number of ball fields.....	2	2	2	2	2	2	2	2	2	2
Fire department:										
Vehicles (including fire trucks).....	3	3	3	3	3	3	4	4	4	4
Police department:										
Vehicles.....	6	6	6	6	7	8	8	8	8	8
Public works:										
Vehicles.....	6	5	5	5	5	6	6	6	7	6
Area of City (square miles).....	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Miles of streets.....	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5
Number of streets.....	87	87	87	87	87	87	87	88	88	88
Number of street lights.....	327	327	327	327	327	325	335	335	335	335
Housing/building inspector:										
Vehicles.....	-	-	1	1	1	1	2	1	1	1
Other City owned property:										
Public works facility.....	1	1	1	1	1	1	1	1	1	1
City hall facilities (buildings).....	-	-	-	-	-	-	-	-	-	2
Park/pre-school building.....	-	-	1	1	1	1	1	1	1	1
Other property (parcels).....	3	3	3	3	3	3	3	8	8	8

Source: City records - various departments listed