

# City of Union, Missouri Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014



**City of Union**

**500 East Locust Street**

**Union, Missouri 63084**

**(p) 636.583.3600**

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**[www.unionmissouri.org](http://www.unionmissouri.org)**



***CITY OF UNION, MISSOURI***

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***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

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FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014

PREPARED BY THE FINANCE OFFICER

**CITY OF UNION, MISSOURI**  
**FINANCIAL REPORT**

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**FINANCIAL REPORT**

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**SECTION I**  
**INTRODUCTORY SECTION**

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# City of Union

500 EAST LOCUST STREET  
UNION, MISSOURI 63084  
PHONE: 636-583-3600  
FAX: 636-583-4091

October 31, 2014

To the Honorable Mayor, Board  
of Aldermen, and Citizens  
of Union:

State law and local ordinances require that all general-purpose local governments publish a complete set of financial statements presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to the requirement, we hereby issue the comprehensive annual financial report (CAFR) of the City of Union, Missouri (the City) for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Hochschild, Bloom & Company LLP, a firm of licensed certified public accountants. The goal of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2014, are free of material misstatements. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon its audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis

(MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

### **Profile of the Government**

Incorporated in 1888, the City is the county seat and the second largest City in Franklin County. The City covers approximately 8 square miles. The City's population grew 31.6% over the last decade, increasing from 7,757 in 2000 to 10,204 in 2010. The City of Union has the most growth in Franklin County. The City is located 45 minutes southwest of the City of St. Louis, Missouri. The City is located in Franklin County with easy access to Interstate Highway 44.

The City is a fourth class city and is governed under the Mayor - Aldermen - City Administrator form of government. The legislative body is comprised of the Mayor and eight member Board of Aldermen. Two aldermen are elected from each of the City's four wards to serve two year terms, one half of which expires annually. The Mayor is elected to serve a four-year term.

The City provides its citizens with typical services, such as street maintenance and construction, police protection, code enforcement, engineering and planning, facilities inspections, and parks and recreation. These services are financed from general revenues of the City. The City also provides water, sewer, and sanitation services derived from revenues from user fees.

The annual budget serves as a foundation for the City's financial planning and control. All of the departments of the City are required to submit requests for appropriation to the Finance Officer who uses these requests as a starting point for development of a proposed budget. The Finance Officer and City Administrator present a proposed budget to the Mayor and Board of Aldermen who hold work sessions prior to adopting a budget by June 30. The budget is prepared by fund, broken down further by department, programs, or projects within the department, then object of expenditures within programs and finally, line items within the objects. Transfers of appropriations between departments, however, require approval of the board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriate annual budget has been adopted. For the General Fund, Park Fund, and Transportation Tax Fund, the comparison is presented on required supplemental information. For other governmental funds that have an adopted budget, comparison schedules are found in other supplemental information.

### **Local Economy**

Once a sleepy rural town 45 minutes southwest of St. Louis, over the past 10 years the City of Union has experienced unprecedented growth in the residential, commercial, and industrial sectors providing a diversified and stable economy. With the addition of a large number of homes, commercial growth has occurred throughout the city.

Residential growth has been spurred by a low cost of living, proximity to St. Louis County and overall quality of life. In addition to an award winning school district, Union is also home to East Central College, a community college of approximately 4,000 students. The college also

offers continuing education courses and the cultural opportunities (opera, theatre, art shows, athletics, etc.) of a much larger community.

Since its beginning, Union has hosted the seat of Franklin County Government and for many years the 20<sup>th</sup> Judicial Court Circuit. During office hours, the downtown is bustling with government and court activity. Commercial growth has also occurred due to Franklin County Government investing over \$12 million in the downtown area within the past 5 years with the construction of a Government Center and Judicial Center.

Union's local economy continues to grow stronger following a recession that hit the entire nation. Housing starts have continued to increase over the past few years. Construction of single family and apartment housing is occurring throughout the City. Oakview Village, a 55 and older villa community, is open to new residents. The first phase of the Oakview Village contains 47 units with another 43 proposed in phase 2. Overall the City of Union issued 123 single family dwelling permits in 2013; outpacing ALL Franklin County communities. Over the past 6 months, inquiries from national retailers have increased dramatically. While attending the International Council of Shopping Center convention, several retailers/developers shared their interest in Union. Union's industrial employment continues to grow through employment expansions; Pharma Tech, Immaculate Baking Co., and ADB, continues to hire additional employees. Since late 2013, the numbers of industrial inquiries have increased with several potential prospects interested in locating in the City of Union. One large industry (150+ employees) has taken an option on 30-acres in the Union Corporate Center.

Between 2007 and 2010, the City has experienced a slow but steady decrease in sales tax of approximately 2%. For the year ended June 30, 2014, the sales tax increased approximately 5.12%. The City is confident and has evaluated its position and has made certain changes in its budget. In addition, the City maintains a conservative approach in spending and anticipates some economic recovery in the next fiscal year or two.

### **Major Initiatives**

Again in 2013-2014, the City continued to improve its facilities and infrastructure to serve its citizens. This includes the following projects:

The Denmark Road project consists of improvements from Denmark Road from Progress Parkway to St. Andrews Drive. This project includes shoulders, sidewalks and resurfacing of the roadway. This project is expected to be completed in the Fall 2014.

The grading of the Veterans Memorial Park was completed in 2013.

Installation of a new energy efficient HVAC system at City Hall and in the auditorium; it was completed in 2014.

Construction of a new well in east part of town, this project was completed in August 2014.

## **Long-term Financial Planning**

The City's new comprehensive plan, water study and the trailnet study are completed. These plans will be helpful with long range planning purposes to accomplish goals and objectives for the City. Although the Board of Aldermen has not formally adopted a long-term financial plan, administration does establish strategic goals and objectives for long-range planning purposes. The City is starting to work on a five-year capital improvement plan in 2014. This plan will help project costs and estimating revenues for the next five years enables the city to prioritize and prepare for its future capital needs more effectively.

The City adopted a Fund Balance policy on May 9, 2011 in accordance with GASB 54. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels, raising taxes and fees due to temporary revenue shortfalls or unexpected expenditures. The policy states the City will maintain a reserve level with a minimum 25% of projected annual operating expenditures in the General Fund. As of June 30, 2014, the unreserved fund balance in the General Fund is in compliance with the City's policy. City management also tries to maintain a 25% reserve in its enterprise funds for future debt service requirements. This reserve is not set by ordinance/resolution.

## **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in financial reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This award has been received since 2009. 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 GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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 of Achievement.

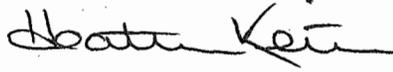
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the various departments' of the City. We would like to express our appreciation to all members of the various departments' who assisted and contributed to the preparation.

We would also like to thank our auditors, Hochschild, Bloom & Company LLP, for their help in formulating this report. Our sincere gratitude is extended to you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectively submitted,



Russell Rost  
City Administrator



Heather Keith  
Finance Officer

**PRINCIPAL OFFICIALS**

**MAYOR**

Mike Livengood

**WARD 1**

Robert Schmuke  
Jim Albrecht

**WARD 2**

Dale Schmuke  
Vicki Jo Hooper

**WARD 3**

Paul Arand  
Dustin Bailey

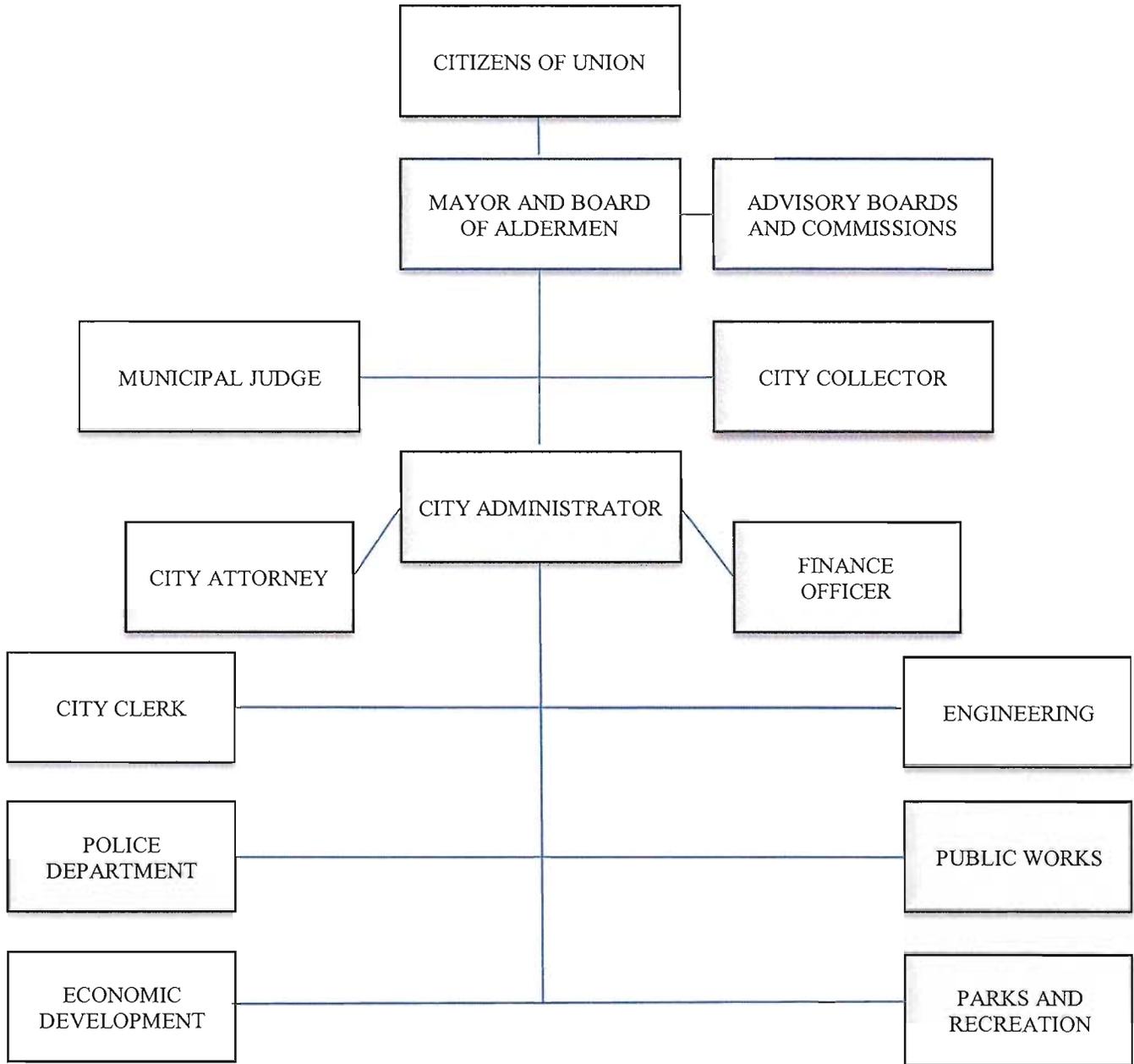
**WARD 4**

David Pope  
Karen Erwin

**OTHER CITY OFFICIALS**

Russell Rost - City Administrator  
Heather Keith - Finance Officer  
Jonita Copeland - City Clerk  
Jonathan Zimmermann - City Engineer  
Norman Brune - Chief of Police  
Harold Lampkin - Public Works Director  
Joseph Graves - Economic Development Director  
Kevin Arand - Parks and Recreation Director  
Russell Rost - Emergency Management Director  
Tim Melenbrink - City Attorney  
Terry Copeland - City Collector  
A. David Arand - Municipal Judge

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Union  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

A handwritten signature in black ink, which appears to read "Jeffrey R. Egan".

Executive Director/CEO

**SECTION II**  
**FINANCIAL SECTION**

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

## **INDEPENDENT AUDITOR'S REPORT**

October 31, 2014

Honorable Mayor and Board of Aldermen  
**CITY OF UNION, MISSOURI**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF UNION, MISSOURI** (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

#### **Auditor's Responsibility**

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

- 15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information and introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such 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 October 31, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

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This section of the City of Union, Missouri (the City) annual financial report presents our review of the City's financial performance during the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follows this section.

**FINANCIAL HIGHLIGHTS**

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$52,648,872. The City has unrestricted net position totaling \$11,709,101.
- General revenues for governmental activities were \$5,771,650 which included \$5,650,357 (97.9%) in sales, property, franchise, and other taxes. Property taxes accounted for \$1,115,757 (19.3%) of general revenues.
- Expenses from the various functions of governmental activities was \$7,080,083. General government was \$1,850,323 (26.1%), public safety was \$1,537,825 (21.7%), street department was \$1,780,407 (25.1%), refuse collection and other was \$719,926 (10.2%), culture and recreation was \$770,646 (10.9%), planning and development was \$327,350 (4.6%), and building maintenance was \$93,606 (1.3%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,557,161. Of this amount \$864,415 is unassigned, \$135,613 is nonspendable, \$1,160,530 is restricted, \$2,511,326 is committed, and \$4,885,277 is assigned.
- At the end of the current fiscal year, fund balance for the General Fund was \$8,200,932 or 105.5% of total General Fund expenditures. Of this amount \$868,993 is unassigned, \$100,613 is nonspendable, \$2,511,326 is committed, and \$4,720,000 is assigned.
- The City's total debt decreased \$406,756 during the current fiscal year.

**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 consist 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.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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 deteriorating.

**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

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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 government, public safety, street, refuse collection and other, culture and recreation, planning and development, and building maintenance.

The business-type activities of the City include water and sewer.

The government-wide financial statements can be found on pages 15 and 16 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 three categories: 1) governmental funds 2) proprietary funds, and 3) fiduciary 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 financial statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City'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 City's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Park Fund, and Transportation Tax Fund, all of which are considered to be major funds. 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 is provided in the form of combining statements in the other supplemental information section in this report.

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

**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

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The governmental funds financial statements can be found on pages 17 through 20 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations.

The proprietary fund financial statements can be found on pages 21 through 23 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 City maintains one Agency Fund, a fiduciary fund type, to account for Police Evidence account under a custodial agreement. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The fiduciary fund financial statements can be found on page 24.

**Notes to 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 financial statements can be found on pages 25 through 44 of this report.

**Required supplemental information.** In addition to the basic financial statements and accompanying notes, certain required supplemental information can be found on pages 46 through 52 of this report.

**Other supplemental information.** The combining and individual fund statements provide fund level detail for all nonmajor governmental funds and Agency Funds. Combining and individual fund statements and schedules can be found on pages 54 through 59 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - 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*. Therefore, a comparative analysis of government-wide data is also included in this report.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, the net position of \$52,648,872 increased in 2014 by approximately 4.5% as compared to the previous year.

The largest portion of the City's net position, \$38,318,772 in 2014 (an increase of approximately 6.4% from 2013) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is 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

**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed version of the statement of net position follows:

	<b>June 30</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>						
Current and other assets	\$10,341,741	10,132,039	5,566,548	5,827,137	15,908,289	15,959,176
Capital assets, net	<u>21,635,231</u>	<u>19,463,972</u>	<u>23,439,071</u>	<u>23,482,958</u>	<u>45,074,302</u>	<u>42,946,930</u>
Total Assets	<u>31,976,972</u>	<u>29,596,011</u>	<u>29,005,619</u>	<u>29,310,095</u>	<u>60,982,591</u>	<u>58,906,106</u>
<b>DEFERRED OUT- FLOWS OF RESOURCES</b>						
	<u>-</u>	<u>-</u>	<u>248,773</u>	<u>253,529</u>	<u>248,773</u>	<u>253,529</u>
<b>LIABILITIES</b>						
Long-term liabilities	281,891	264,543	7,354,316	7,759,144	7,636,207	8,023,687
Other liabilities	<u>639,173</u>	<u>530,077</u>	<u>307,112</u>	<u>241,064</u>	<u>946,285</u>	<u>771,141</u>
Total Liabilities	<u>921,064</u>	<u>794,620</u>	<u>7,661,428</u>	<u>8,000,208</u>	<u>8,582,492</u>	<u>8,794,828</u>
<b>NET POSITION</b>						
Net investment in capital assets	21,635,231	19,463,972	16,683,541	16,789,109	38,318,772	36,253,081
Restricted	1,379,599	1,479,671	1,241,400	1,192,258	2,620,999	2,671,929
Unrestricted	<u>8,041,078</u>	<u>7,857,748</u>	<u>3,668,023</u>	<u>3,582,049</u>	<u>11,709,101</u>	<u>11,439,797</u>
Total Net Position	<u>\$31,055,908</u>	<u>28,801,391</u>	<u>21,592,964</u>	<u>21,563,416</u>	<u>52,648,872</u>	<u>50,364,807</u>

An additional portion of the City's net position, \$2,620,999 in 2014, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

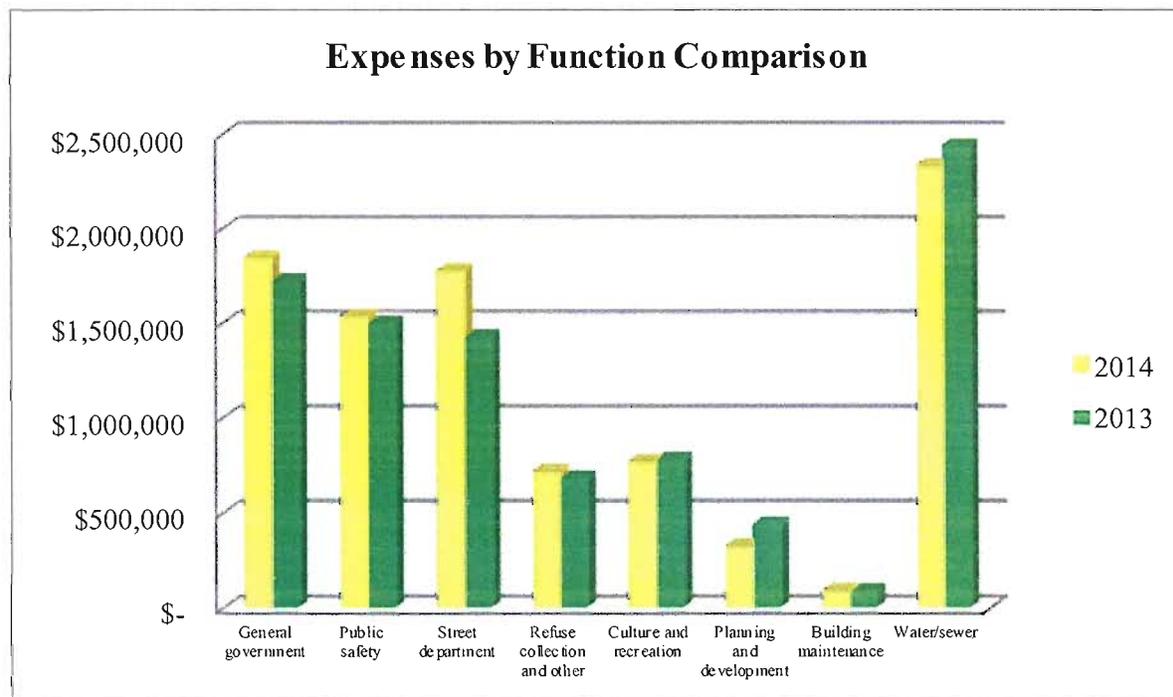
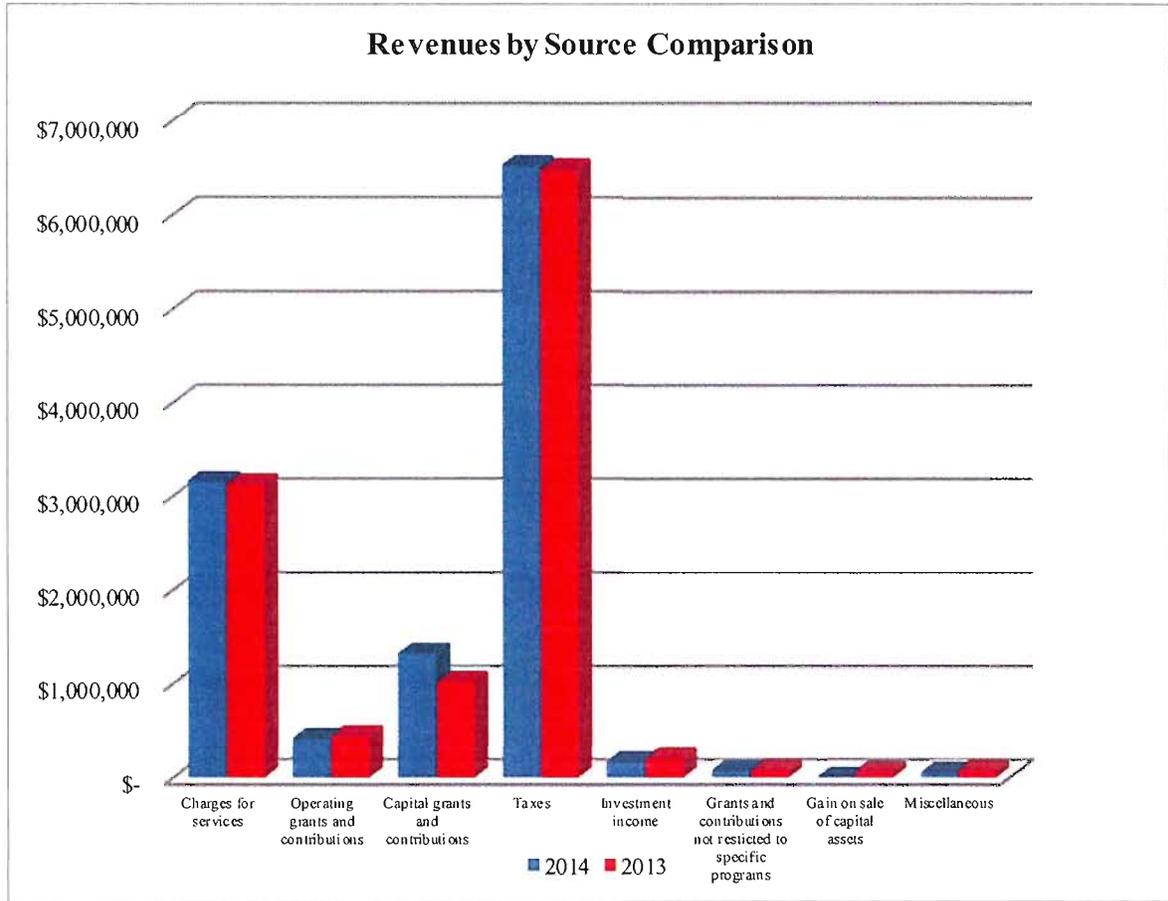
The remaining category of the City's net position represents an unrestricted net position balance of \$11,709,101 in 2014 which may be used to meet the City's ongoing obligations to citizens and creditors.

A condensed version of the statement of activities follows:

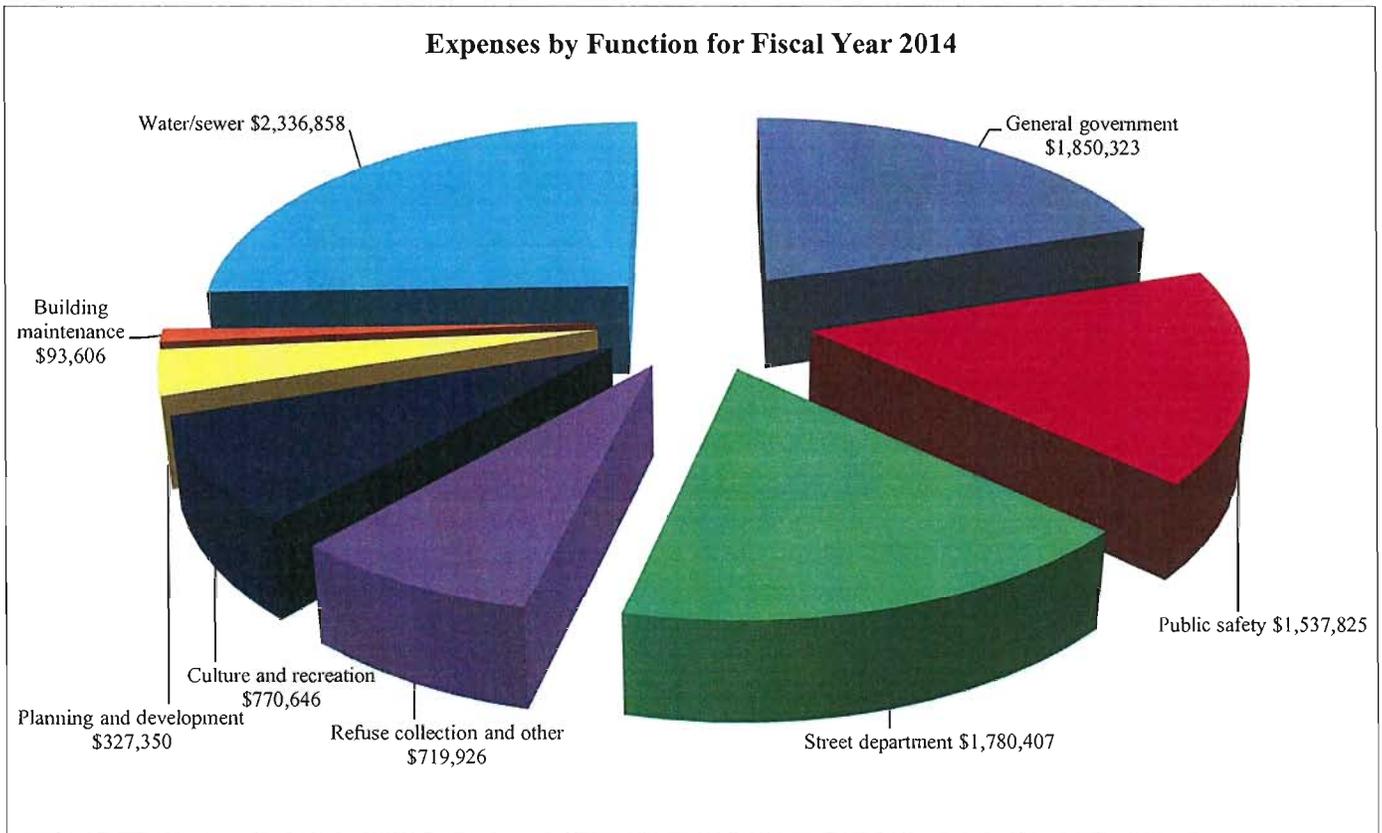
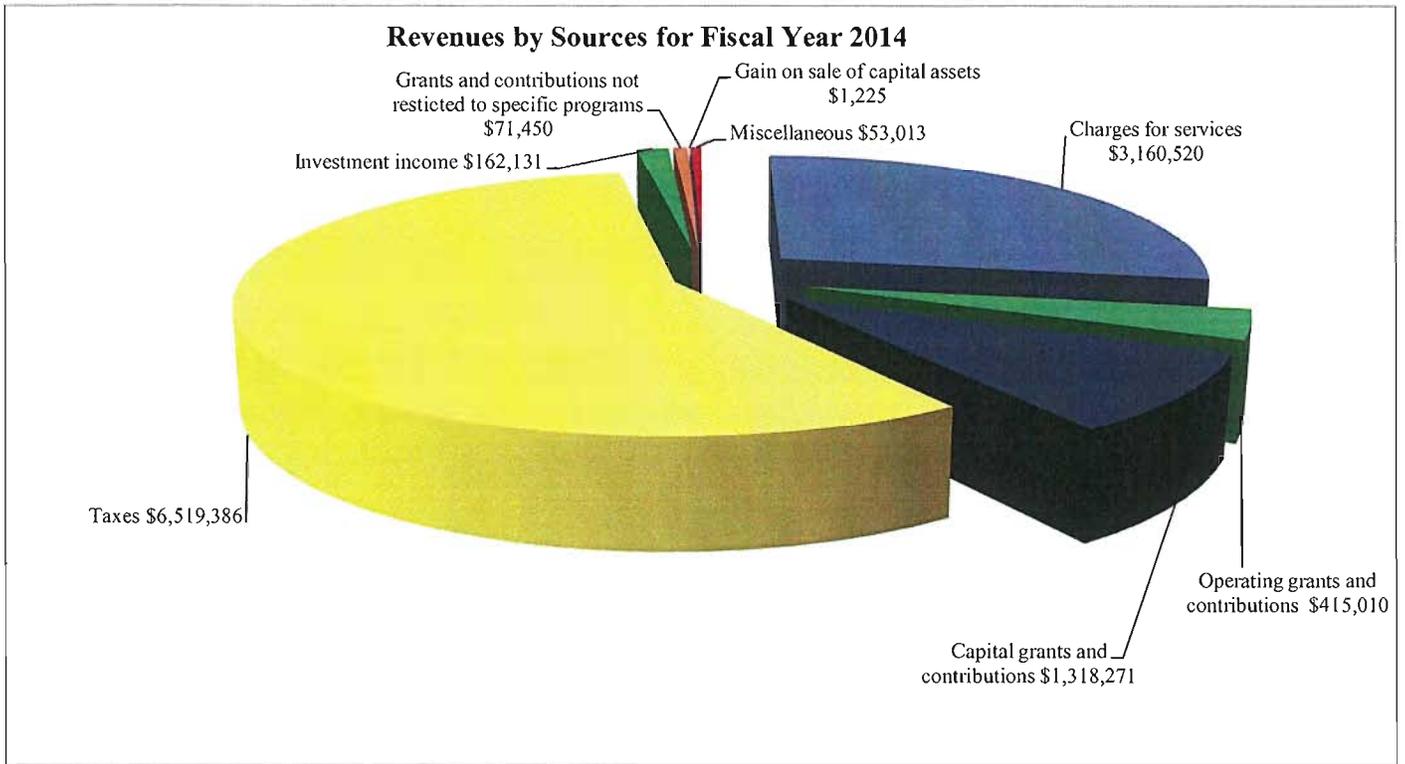
**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>For The Years Ended June 30</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 1,304,025	1,262,668	1,856,495	1,874,208	3,160,520	3,136,876
Operating grants and contributions	415,010	446,878	-	-	415,010	446,878
Capital grants and contributions	1,318,271	1,027,181	-	-	1,318,271	1,027,181
General revenues:						
Taxes	5,650,357	5,656,870	869,029	826,940	6,519,386	6,483,810
Investment income	103,809	127,053	58,322	69,261	162,131	196,314
Grants and contributions not restricted to specific programs	-	-	71,450	79,655	71,450	79,655
Gain on sale of capital assets	1,225	64,840	-	-	1,225	64,840
Miscellaneous	16,259	24,319	36,754	55,006	53,013	79,325
<b>Total Revenues</b>	<u>8,808,956</u>	<u>8,609,809</u>	<u>2,892,050</u>	<u>2,905,070</u>	<u>11,701,006</u>	<u>11,514,879</u>
<b>EXPENSES</b>						
General government	1,850,323	1,728,837	-	-	1,850,323	1,728,837
Public safety	1,537,825	1,506,263	-	-	1,537,825	1,506,263
Street department	1,780,407	1,432,954	-	-	1,780,407	1,432,954
Refuse collection and other	719,926	685,319	-	-	719,926	685,319
Culture and recreation	770,646	783,062	-	-	770,646	783,062
Planning and development	327,350	443,223	-	-	327,350	443,223
Building maintenance	93,606	91,195	-	-	93,606	91,195
Water/sewer	-	-	2,336,858	2,443,427	2,336,858	2,443,427
<b>Total Expenses</b>	<u>7,080,083</u>	<u>6,670,853</u>	<u>2,336,858</u>	<u>2,443,427</u>	<u>9,416,941</u>	<u>9,114,280</u>
<b>EXCESS BEFORE TRANSFERS</b>	1,728,873	1,938,956	555,192	461,643	2,284,065	2,400,599
<b>TRANSFERS</b>	<u>525,644</u>	<u>-</u>	<u>(525,644)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	2,254,517	1,938,956	29,548	461,643	2,284,065	2,400,599
<b>NET POSITION, JULY 1</b>	<u>28,801,391</u>	<u>26,862,435</u>	<u>21,563,416</u>	<u>21,101,773</u>	<u>50,364,807</u>	<u>47,964,208</u>
<b>NET POSITION, JUNE 30</b>	<u>\$31,055,908</u>	<u>28,801,391</u>	<u>21,592,964</u>	<u>21,563,416</u>	<u>52,648,872</u>	<u>50,364,807</u>

**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**



**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**



**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

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**Change in net position.** In 2014 the City's total revenues on the government-wide basis was \$11,701,006, an increase of \$186,127 as compared to 2013.

While the total revenues increased \$186,127 (1.6%) from last year, total expenses increased by \$302,661 (3.3%) from last year. The increase in revenues was due to the increase of contributed capital assets. The increase in expenses was due to more expenses in the street department. As a result, the change in net position had a decrease of \$116,534 (4.9%).

**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. You can think of the City's net position (the difference between assets and liabilities) as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors such as changes in the City's property tax base, the amount of snow during the winter seasons, etc., to assess the overall health of the City.

**General Fund.** At the end of year 2014, the unassigned fund balance of the General Fund was \$868,993 while the total fund balance was \$8,200,932. As a measure of the General Fund liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfer out. Unassigned fund balance represents (10.4%) of total General Fund expenditures and transfers out of \$595,203, while total fund balance represents (98%) of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund increased by \$215,020 (2.7%) from the prior year fund balance. The changes of the current year's fund balance are mainly due to revenues generating more income than expected while expenditures were carefully monitored due to economic concerns.

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

- Park Fund decreased by \$178,038. This decrease was a result of using the portion of fund balance for the grading of the Veterans Memorial Park. At the end of June 30, 2014, the nonspendable fund balance was \$35,000, the assigned fund balance was \$88,378, and total fund balance was \$123,378.
- Transportation Tax Fund increased by \$81,803. This increase was a result of increased sales tax. At the end of June 30, 2014, the restricted fund balance and total fund balance was \$1,160,530.

**Proprietary funds.** Changes in net position for the major proprietary funds can be described as follows:

- Water and Sewer Fund increased \$29,548. This increase was a result of increasing revenues. At the end of June 30, 2014, total net position is \$21,592,964.

**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Final results for any given year will generally differ from that year's adopted budget. The final revised budget of the City's General Fund for 2014 was \$7,970,850, which differs from the original adopted budget of \$6,980,128 by \$990,722. These supplemental appropriations are summarized as follows:

- Areas of increase in the General Fund includes road projects being completed in the 2013-2014 budget year.
- Increase in pay raises, employee benefits, fuel, and insurance.

**CAPITAL ASSETS**

The City has invested in a broad range of capital assets, including roads, buildings, machinery and equipment, water and sewer lines, and automobiles and trucks. With the implementation of GASB 34, the City adopted a Capital Assets Policy setting a capital asset amount of \$2,500 or greater with an estimated life of at least two years to be implemented. The City has elected not to retroactively report infrastructure constructed prior to July 1, 2003. These items include the following:

	<b>June 30</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Land	\$ 2,824,945	2,288,776	574,708	574,708	3,399,653	2,863,484
Construction in progress	1,148,149	370,135	885,033	258,940	2,033,182	629,075
Buildings	683,654	775,741	119,856	125,329	803,510	901,070
Infrastructure	15,919,535	15,320,483	19,987,205	20,536,094	35,906,740	35,856,577
Machinery and equipment	<u>1,058,948</u>	<u>708,837</u>	<u>1,872,269</u>	<u>1,987,887</u>	<u>2,931,217</u>	<u>2,696,724</u>
	<u>\$21,635,231</u>	<u>19,463,972</u>	<u>23,439,071</u>	<u>23,482,958</u>	<u>45,074,302</u>	<u>42,946,930</u>

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

**LONG-TERM DEBT**

At the end of the fiscal year 2014, the City had outstanding long-term debt obligations for governmental and business-type activities in the amount of \$7,329,938 compared to \$7,736,694 in fiscal year 2013. Of this amount, \$3,470,000 is certificates of participation, \$3,260,000 is revenue bonds, and \$599,938 is capital leases. The City's total debt decreased \$406,756 during the current fiscal year.

**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

The City's governmental and business-type activities debt is detailed below:

	<b>June 30</b>	
	<b>Business-type Activities</b>	
	<b>2014</b>	<b>2013</b>
2013A & B certificates of participation	\$3,470,000	3,670,000
2010A & B revenue bonds	3,260,000	3,410,000
Capital lease obligation	599,938	656,694
Total	<b>\$7,329,938</b>	<b>7,736,694</b>

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

During the preparation of the budget for the ensuring fiscal year, the City took into consideration of the current economic conditions. Following are the assumptions made in preparing the City's budget for the 2014-2015 fiscal year:

- Slight increase in sales tax
- Health insurance premium increase
- Reduction in state and federal monies
- Increase in property tax rate
- Low interest rates

The Denmark Road project consists of improvements from Denmark Road from Progress Parkway to St. Andrews Drive and provides shoulders, sidewalks and resurfacing of the roadway. This project is expected to be completed in the Fall 2014.

A construction of a new well east part of town, this project was completed in July 2014.

The Veterans Memorial Park project consists of a consultant fee for the cost estimate and start the funding process for the park.

The Judith Spring Road Bridge project includes replacement of the bridge.

The Prairie Dell Phase 1 project consists of improvements along Prairie Dell Road from Hwy 50 to Prairie Dell Plaza Drive and provides a center landscaped island and lighting, storm sewers and provide a widening and resurfacing of the roadway.

The City's new comprehensive plan, water study and the trailnet study are completed. These plans will be helpful with long range planning purposes to accomplish goals and objectives for the City. Although the Board of Aldermen has not formally adopted a long-term financial plan, administration does establish strategic goals and

**CITY OF UNION, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

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objectives for long-range planning purposes. The City is starting to work on a five-year capital improvement plan in 2014. This plan will help project costs and estimating revenues for the next five years enables the city to prioritize and prepare for its future capital needs more effectively.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Officer, 500 East Locust Street, Union, MO 63084.

**CITY OF UNION, MISSOURI**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 8,675,203	3,240,870	11,916,073
Accounts receivable	706,859	401,509	1,108,368
Property taxes receivable, net of allowance	93,435	-	93,435
Court fines receivable	51,449	-	51,449
Grants receivable	669,139	-	669,139
Accrued interest receivable	1,606	-	1,606
Inventory	-	168,734	168,734
Prepaid items	135,613	86,000	221,613
Restricted assets:			
Cash	8,437	1,669,435	1,677,872
Capital assets:			
Land and construction in progress	3,973,094	1,459,741	5,432,835
Other capital assets, net of accumulated depreciation	17,662,137	21,979,330	39,641,467
Total Assets	<u>31,976,972</u>	<u>29,005,619</u>	<u>60,982,591</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>248,773</u>	<u>248,773</u>
<b>LIABILITIES</b>			
Accounts payable	553,021	101,714	654,735
Retainage payable	-	7,028	7,028
Accrued wages	62,973	9,063	72,036
Accrued expenses	14,742	37,539	52,281
Accrued interest payable	-	49,368	49,368
Customer deposits payable	-	102,400	102,400
Court bonds payable	8,437	-	8,437
Noncurrent liabilities:			
Due within one year	109,408	473,066	582,474
Due in more than one year	36,469	6,881,250	6,917,719
Due in more than one year - net pension obligation	136,014	-	136,014
Total Liabilities	<u>921,064</u>	<u>7,661,428</u>	<u>8,582,492</u>
<b>NET POSITION</b>			
Net investment in capital assets	21,635,231	16,683,541	38,318,772
Restricted for:			
Park improvements	142,170	-	142,170
Street improvements	1,160,530	-	1,160,530
Cemetery maintenance	76,899	-	76,899
Water and sewer improvements	-	1,183,581	1,183,581
Debt service	-	57,819	57,819
Unrestricted net position	<u>8,041,078</u>	<u>3,668,023</u>	<u>11,709,101</u>
Total Net Position	<u>\$ 31,055,908</u>	<u>21,592,964</u>	<u>52,648,872</u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenues (Expenses) And Changes In Net Position		
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 1,850,323	122,774	-	-	(1,727,549)	-	(1,727,549)
Public safety	1,537,825	254,751	35,611	-	(1,247,463)	-	(1,247,463)
Street department	1,780,407	12,574	379,399	1,318,271	(70,163)	-	(70,163)
Refuse collection and other	719,926	736,780	-	-	16,854	-	16,854
Culture and recreation	770,646	175,487	-	-	(595,159)	-	(595,159)
Planning and development	327,350	1,659	-	-	(325,691)	-	(325,691)
Building maintenance	93,606	-	-	-	(93,606)	-	(93,606)
Total Governmental Activities	7,080,083	1,304,025	415,010	1,318,271	(4,042,777)	-	(4,042,777)
<b>Business-type Activities</b>							
Water/sewer	2,336,858	1,856,495	-	-	-	(480,363)	(480,363)
Total Primary Government	<u>\$ 9,416,941</u>	<u>3,160,520</u>	<u>415,010</u>	<u>1,318,271</u>	<u>(4,042,777)</u>	<u>(480,363)</u>	<u>(4,523,140)</u>
<b>General Revenues</b>							
Taxes:							
Sales					2,608,141	869,029	3,477,170
Property					1,115,757	-	1,115,757
Franchise					1,632,039	-	1,632,039
Other					294,420	-	294,420
Investment income					103,809	58,322	162,131
Grants and contributions not restricted to specific programs					-	71,450	71,450
Gain on sale of capital assets					1,225	-	1,225
Miscellaneous					16,259	36,754	53,013
<b>Transfers</b>					525,644	(525,644)	-
Total General Revenues And Transfers					<u>6,297,294</u>	<u>509,911</u>	<u>6,807,205</u>
<b>CHANGE IN NET POSITION</b>					2,254,517	29,548	2,284,065
<b>NET POSITION, JULY 1</b>					<u>28,801,391</u>	<u>21,563,416</u>	<u>50,364,807</u>
<b>NET POSITION, JUNE 30</b>					<u>\$ 31,055,908</u>	<u>21,592,964</u>	<u>52,648,872</u>

See notes to financial statements

**CITY OF UNION, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<b>General Fund</b>	<b>Park Fund</b>	<b>Transportation Tax Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 7,438,107	140,295	1,019,902	76,899	8,675,203
Accounts receivable	566,231	-	140,628	-	706,859
Property taxes receivable, net of allowance	74,643	18,792	-	-	93,435
Court fines receivable	51,449	-	-	-	51,449
Grants receivable	669,139	-	-	-	669,139
Accrued interest receivable	1,606	-	-	-	1,606
Due from other funds	4,578	-	-	-	4,578
Prepaid items	100,613	35,000	-	-	135,613
Restricted assets:					
Cash	8,437	-	-	-	8,437
Total Assets	<u>\$ 8,914,803</u>	<u>194,087</u>	<u>1,160,530</u>	<u>76,899</u>	<u>10,346,319</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 518,073	34,948	-	-	553,021
Wages payable	48,344	14,629	-	-	62,973
Court bonds payable	8,437	-	-	-	8,437
Accrued liabilities	12,402	2,340	-	-	14,742
Due to other funds	-	-	-	4,578	4,578
Total Liabilities	<u>587,256</u>	<u>51,917</u>	<u>-</u>	<u>4,578</u>	<u>643,751</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue:					
Property taxes	75,166	18,792	-	-	93,958
Court fines	51,449	-	-	-	51,449
Total Deferred Inflows Of Resources	<u>126,615</u>	<u>18,792</u>	<u>-</u>	<u>-</u>	<u>145,407</u>
<b>Fund Balances</b>					
Nonspendable	100,613	35,000	-	-	135,613
Restricted	-	-	1,160,530	-	1,160,530
Committed	2,511,326	-	-	-	2,511,326
Assigned	4,720,000	88,378	-	76,899	4,885,277
Unassigned	868,993	-	-	(4,578)	864,415
Total Fund Balances	<u>8,200,932</u>	<u>123,378</u>	<u>1,160,530</u>	<u>72,321</u>	<u>9,557,161</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 8,914,803</u>	<u>194,087</u>	<u>1,160,530</u>	<u>76,899</u>	<u>10,346,319</u>

**CITY OF UNION, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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Total Fund Balances - Governmental Funds	\$ 9,557,161
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 \$30,719,375 and the accumulated depreciation is \$9,084,144.	21,635,231
Certain obligations are not financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension obligation	(136,014)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	145,407
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:	
Compensated absences	<u>(145,877)</u>
Total Net Position Of Governmental Activities	<u><u>\$ 31,055,908</u></u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>	<u>Park Fund</u>	<u>Transportation Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 4,921,837	268,651	869,380	-	6,059,868
Fines and forfeitures	128,137	-	-	-	128,137
Licenses and permits	99,252	-	-	-	99,252
Charges for services	839,105	167,292	-	-	1,006,397
Intergovernmental	1,111,810	-	-	-	1,111,810
Investment income	88,277	2,149	12,423	960	103,809
Rental income	22,970	-	-	-	22,970
Miscellaneous	41,928	10,627	-	-	52,555
Total Revenues	<u>7,253,316</u>	<u>448,719</u>	<u>881,803</u>	<u>960</u>	<u>8,584,798</u>
<b>EXPENDITURES</b>					
Current:					
General government	2,515,187	-	-	-	2,515,187
Public safety	1,474,488	-	-	-	1,474,488
Street department	1,025,890	-	-	-	1,025,890
Refuse collection and other	719,926	-	-	-	719,926
Culture and recreation	-	673,652	-	-	673,652
Planning and development	303,949	-	-	-	303,949
Building maintenance	65,589	-	-	-	65,589
Capital outlay	1,664,933	548,308	-	-	2,213,241
Total Expenditures	<u>7,769,962</u>	<u>1,221,960</u>	<u>-</u>	<u>-</u>	<u>8,991,922</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(516,646)</u>	<u>(773,241)</u>	<u>881,803</u>	<u>960</u>	<u>(407,124)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	1,225	-	-	1,225	2,450
Transfers in	1,325,644	595,203	-	-	1,920,847
Transfers out	(595,203)	-	(800,000)	-	(1,395,203)
Total Other Financing Sources (Uses)	<u>731,666</u>	<u>595,203</u>	<u>(800,000)</u>	<u>1,225</u>	<u>528,094</u>
<b>NET CHANGES IN FUND BALANCES</b>	215,020	(178,038)	81,803	2,185	120,970
FUND BALANCES, JULY 1	<u>7,985,912</u>	<u>301,416</u>	<u>1,078,727</u>	<u>70,136</u>	<u>9,436,191</u>
<b>FUND BALANCES, JUNE 30</b>	<u><u>\$ 8,200,932</u></u>	<u><u>123,378</u></u>	<u><u>1,160,530</u></u>	<u><u>72,321</u></u>	<u><u>9,557,161</u></u>

See notes to financial statements

**CITY OF UNION, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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Net Change In Fund Balances - Governmental Funds \$ 120,970

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$3,177,445) exceeded depreciation (\$1,248,258) in the current period. 1,929,187

The net effect of various transactions involving capital assets:  
 Contributed capital assets 242,072

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (20,364)

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 available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available.

Accrued compensated absence liability (14,813)  
 Net pension obligation (2,535)

Change In Net Position Of Governmental Activities \$ 2,254,517

**CITY OF UNION, MISSOURI**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**JUNE 30, 2014**

	<u>Business-type Activities - Enterprise Fund Water/Sewer</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash investments	\$ 3,240,870
Accounts receivable	401,509
Inventory	168,734
Prepaid items	86,000
Total Current Assets	<u>3,897,113</u>
<b>Noncurrent Assets</b>	
Cash and cash investments - restricted	1,669,435
Land and construction in progress	1,459,741
Other capital assets, net of accumulated depreciation	21,979,330
Total Noncurrent Assets	<u>25,108,506</u>
Total Assets	<u>29,005,619</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	<u>248,773</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	101,714
Retainage payable	7,028
Accrued wages	9,063
Accrued expenses	37,539
Accrued interest payable	49,368
Accrued compensated absences - current	18,283
Capital lease - current	59,783
Debt payable - current	395,000
Total Current Liabilities	<u>677,778</u>
<b>Noncurrent Liabilities</b>	
Customer deposits payable	102,400
Accrued compensated absences	6,095
Capital leases payable	540,155
Debt payable, net	6,335,000
Total Noncurrent Liabilities	<u>6,983,650</u>
Total Liabilities	<u>7,661,428</u>
<b>NET POSITION</b>	
Net investment in capital assets	16,683,541
Restricted for debt service	57,819
Restricted for water and sewer improvements	1,183,581
Unrestricted	3,668,023
Total Net Position	<u>\$ 21,592,964</u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Business-type Activities - Enterprise Fund Water/Sewer</b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water	\$ 1,063,065
Sewer	793,430
Total Operating Revenues	1,856,495
<b>OPERATING EXPENSES</b>	
Depreciation	685,420
Water	733,549
Sewer	583,403
Total Operating Expenses	2,002,372
<b>OPERATING LOSS</b>	(145,877)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Taxes	869,029
Investment income	58,322
Intergovernmental	71,450
Miscellaneous	36,754
Loss on disposal of capital assets	(41,681)
Interest expense and fiscal charges	(292,805)
Total Nonoperating Revenues (Expenses)	701,069
<b>NET INCOME BEFORE TRANSFERS</b>	555,192
<b>TRANSFERS OUT</b>	(525,644)
<b>CHANGE IN NET POSITION</b>	29,548
<b>NET POSITION, JULY 1</b>	21,563,416
<b>NET POSITION, JUNE 30</b>	\$ 21,592,964

See notes to financial statements

**CITY OF UNION, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Business-type Activities - Enterprise Fund Water/Sewer</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	
<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$ 1,835,350
Payments to suppliers	(630,087)
Payments to employees	(619,476)
Other receipts	36,754
Net Cash Provided By Operating Activities	<u>622,541</u>
<b>Cash flows from noncapital financing activities:</b>	
Taxes	869,029
Payments to other funds	(525,644)
Intergovernmental	71,450
Net Cash Provided By Noncapital Financing Activities	<u>414,835</u>
<b>Cash flows from capital and related financing activities:</b>	
Interest paid on bonds	(290,460)
Payments on capital lease payable	(56,756)
Payments on bonds payable	(350,000)
Acquisition and construction of capital assets	(683,214)
Net Cash Used In Capital And Related Financing Activities	<u>(1,380,430)</u>
<b>Cash flows provided by investing activities:</b>	
Investment income	<u>58,322</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(284,732)
CASH AND CASH EQUIVALENTS, JULY 1	<u>5,195,037</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 4,910,305</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating loss	<u>\$ (145,877)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	685,420
Miscellaneous receipts	36,754
(Increase) decrease in:	
Accounts receivable	(25,364)
Inventory	1,221
Increase (decrease) in:	
Accounts payable	50,722
Retainage payable	7,028
Accrued wages	1,280
Accrued compensated absences	1,928
Accrued expenses	5,210
Customer deposits payable	4,219
Total Adjustments	<u>768,418</u>
Net Cash Provided By Operating Activities	<u>\$ 622,541</u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND**  
**JUNE 30, 2014**

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**ASSETS**

Cash

\$ 7,763

**LIABILITIES**

Due to others

\$ 7,763

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The **CITY OF UNION, MISSOURI** (the City) was incorporated under the provisions of the State of Missouri. The City operates under a Mayor-Council form of government. The City's major operations include public safety (police), streets, sanitation, culture, and recreation, public improvements, planning and development, and general administrative services. Other services include utilities operations.

The accounting and financial reporting policies of the City conform to accounting principles generally accepted in the United States of America as applicable 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**

In the government-wide financial statements (i.e., the statement of net position and the statement of activities) the effect of interfund activity has been removed from the 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 not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

**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 the proprietary fund financial statements.

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.

**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 accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, 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** -- This fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Park Fund** -- This fund is a Special Revenue Fund used to account for taxes and park programs revenue and for the activities related to the parks department.

**Transportation Tax Fund** -- This fund is a Special Revenue Fund used to account for gasoline excise and commercial vehicle taxes legally restricted for street improvements.

The City reports the following major proprietary fund:

**Water/Sewer Fund** -- This fund is used to account for operations of the City's water and sewer departments.

Additionally, the City reports the following fiduciary fund type:

**Agency Funds** -- Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governments. Agency Funds do not have a measurement focus, although they do have a basis of accounting.

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Fund are charges for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**4. Cash and Investments**

For cash flow statement purposes, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that all investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for equity and debt securities. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

**5. Allowance for Uncollectible Accounts**

Property taxes receivables are shown net of an allowance for uncollectible accounts of \$51,428 and \$12,857 in the General and Park Funds, respectively.

**6. Inventory**

Inventory in the proprietary fund are valued at cost (first-in, first-out) and the expense is recognized when inventory items are consumed in operations.

**7. 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 as expenditures when consumed rather than purchased. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**8. Due To/From Other Funds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from”, are considered “available spendable resources”, and are subject to elimination upon consolidation.

**9. Restricted Assets**

Certain resources set aside for the repayment of utility customer deposits, court bond deposits, and trustee accounts restricted for debt service are classified as restricted assets on the balance sheet because their use is limited to repayment of deposits and debt service liabilities.

**10. Capital Assets**

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$2,500 or betterments with a 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. Infrastructure acquired prior to the implementation of GASB 34 has not been reported.

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.

Depreciation is being computed on the straight-line method, using asset lives as follows:

<b>Assets</b>	<b>Years</b>
Buildings	20 - 50
Infrastructure	10 - 50
Machinery and equipment	3 - 25

**11. Compensated Absences**

City employees generally earn vacation monthly based upon their length of service to the City. Regular full-time employees who are separated from service are compensated for vacation accrued up to the date of separation. Comp time accrued is also paid upon the date of separation. All vacation pay and comp time is accrued when incurred in the government-wide and proprietary fund financial statements. Sick leave is accumulated based on length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination, therefore, no liability is reported for sick leave.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**12. Long-term Liabilities**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discount are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

**13. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has 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 revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts have become available.

**14. Fund Balance Policies**

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

**Nonspendable** -- The portion of a governmental fund's fund balances that are not in a spendable form, required, or contractually required to be maintained intact.

**Restricted** -- The portion of a governmental fund's fund balances that are subject to external enforceable legal restrictions.

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**14. Fund Balance Policies (Continued)**

**Committed** -- The portion of a governmental fund's fund balances with self-imposed constraints or limitations by formal action (ordinance) 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 designated officials to which the Board of Aldermen has designated authority. Intent can be expressed by the Board of Aldermen in the form of a motion. Action by the Board of Aldermen must occur prior to year-end.

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

When an expenditure is incurred in governmental funds which may be paid using either restricted or unrestricted resources, the City's policy is to pay the expenditure from the restricted fund balance and then from less restrictive classification - committed, assigned, and then unassigned fund balances.

The fund balance details by classification are listed below:

Fund Balances	June 30, 2014			
	General Fund	Park Fund	Transportation Tax Fund	Nonmajor Governmental Funds
Nonspendable:				
Prepays	\$ 100,613	35,000	-	-
Restricted for:				
Street department	-	-	1,160,530	-
Committed to:				
Parks and recreation	666,326	-	-	-
Capital projects	1,845,000	-	-	-
Assigned to:				
General government:				
Municipal court	50,000	-	-	-
Incidental	1,120,000	-	-	-
City Clerk	100,000	-	-	-
City Administrator	150,000	-	-	-
Other	80,000	-	-	-
Public safety	1,450,000	-	-	-
Street department	700,000	-	-	-
Refuse collection and other	680,000	-	-	-
Planning and development:				
Engineering	150,000	-	-	-
Economic development	50,000	-	-	-
Building maintenance	190,000	-	-	-
Cemetery	-	-	-	76,899
Parks and recreation	-	88,378	-	-
Unassigned	868,993	-	-	(4,578)
Total Fund Balances	<u>\$ 8,200,932</u>	<u>123,378</u>	<u>1,160,530</u>	<u>72,321</u>

**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 a rolling beginning fund balance of not less than 25% of annual operating expenditures for the current fiscal year. Should the balance fall below the 25%, the City will identify a plan to restore the fund balance to its targeted amount as part of the budget proposal.

**15. Equity in Pooled Cash and Investments**

The City maintains the majority of its cash and investments in a pooled cash and investments account. As a control, the City also maintains separate accounting records for each fund, so that in the accompanying financial statements, equity in pooled cash and investments reflects each fund's share of such accounts.

**16. Grant Revenue**

Resources received by the City from other governments are accounted for within applicable funds based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the fund's measurement objective.

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as unearned revenue or amounts receivable from the grantor.

**17. Interfund Transactions**

In the fund financial statements, the City has the following types of transactions among funds:

**Transfers** -- Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

**18. Property Taxes**

The City's property taxes are levied each October 1 based on the assessed valuation for all real and personal property located in the City as of the previous January 1. Taxes are due upon receipt of billing and become delinquent after December 31. Liens are placed on property for delinquent taxes on January 1 following the due date.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**18. Property Taxes (Continued)**

The Franklin County Assessor establishes assessed values and the City tax collector makes collections. The assessed value at January 1, 2013 upon which the 2013 levy was based for \$166,528,520.

The City's tax rate was levied at \$0.70 per \$100 of assessed valuation of which \$0.5641 is used for general governmental services and \$0.1359 is used for park services.

**19. Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**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 amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of June 30, 2014, 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.

**2. Investments**

As of June 30, 2014, the City had the following investments:

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

**Investments Policies**

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	
<b>Governmental Funds</b>					
Certificates of deposit	\$ 4,034,358	-	2,000,000	2,034,358	N/A
Cash deposits	4,649,282				
Total Governmental Funds Cash And Investments	<u>\$ 8,683,640</u>				
<b>Proprietary Funds</b>					
Cash deposits	<u>\$ 4,910,305</u>	-	-	-	

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with its investment policy, the City minimizes credit risk by 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. In accordance with its investment policy, the City minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, therefore avoiding the need to sell securities on the open market prior to maturity and investing in primarily 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. In accordance with its investment policy, the City minimizes concentration of credit risk by diversifying the investment portfolio.

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

**For The Year Ended June 30, 2014**

	<b>Balance June 30 2013</b>	<b>Transfers And Additions</b>	<b>Transfers And Deletions</b>	<b>Balance June 30 2014</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,288,776	536,169	-	2,824,945
Construction in progress	370,135	1,966,130	1,188,116	1,148,149
Total Capital Assets Not Being Depreciated	<u>2,658,911</u>	<u>2,502,299</u>	<u>1,188,116</u>	<u>3,973,094</u>
Capital assets being depreciated:				
Buildings	2,353,144	-	-	2,353,144
Infrastructure	19,370,466	1,507,993	-	20,878,459
Machinery and equipment	2,959,187	597,341	41,850	3,514,678
Total Capital Assets Being Depreciated	<u>24,682,797</u>	<u>2,105,334</u>	<u>41,850</u>	<u>26,746,281</u>
Less - Accumulated depreciation for:				
Buildings	1,577,403	92,087	-	1,669,490
Infrastructure	4,049,983	908,941	-	4,958,924
Machinery and equipment	2,250,350	247,230	41,850	2,455,730
Total Accumulated Depreciation	<u>7,877,736</u>	<u>1,248,258</u>	<u>41,850</u>	<u>9,084,144</u>
Total Capital Assets Being Depreciated, Net	<u>16,805,061</u>	<u>857,076</u>	<u>-</u>	<u>17,662,137</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 19,463,972</u>	 <u>3,359,375</u>	 <u>1,188,116</u>	 <u>21,635,231</u>

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS (Continued)**

**For The Year Ended June 30, 2014**

	<b>Balance June 30 2013</b>	<b>Transfers And Additions</b>	<b>Transfers And Deletions</b>	<b>Balance June 30 2014</b>
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 574,708	-	-	574,708
Construction in progress	258,940	642,431	16,338	885,033
Total Capital Assets Not Being Depreciated	<u>833,648</u>	<u>642,431</u>	<u>16,338</u>	<u>1,459,741</u>
Capital assets being depreciated:				
Buildings	251,400	-	-	251,400
Infrastructure	25,690,644	16,338	66,286	25,640,696
Machinery and equipment	3,622,202	40,782	74,054	3,588,930
Total Capital Assets Being Depreciated	<u>29,564,246</u>	<u>57,120</u>	<u>140,340</u>	<u>29,481,026</u>
Less - Accumulated depreciation for:				
Buildings	126,071	5,473	-	131,544
Infrastructure	5,154,550	523,547	24,606	5,653,491
Machinery and equipment	1,634,315	156,400	74,054	1,716,661
Total Accumulated Depreciation	<u>6,914,936</u>	<u>685,420</u>	<u>98,660</u>	<u>7,501,696</u>
Total Capital Assets Being Depreciated, Net	<u>22,649,310</u>	<u>(628,300)</u>	<u>41,680</u>	<u>21,979,330</u>
Business-type Activities Capital Assets, Net	<u>\$ 23,482,958</u>	<u>14,131</u>	<u>58,018</u>	<u>23,439,071</u>

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

	<b>For The Year Ended June 30, 2014</b>
<b>Governmental Activities</b>	
General government	\$ 4,888
Public safety	60,864
Street department	1,031,534
Culture and recreation	125,874
Planning and development	4,281
Building maintenance	<u>20,817</u>
Total	<u>\$1,248,258</u>
<b>Business-type Activities</b>	
Water/Sewer Facility	<u>\$685,420</u>

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Individual interfund assets and liabilities are as follows:

**Due from/to other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>June 30 2014</u>
General Fund	Nonmajor Fund - Stormwater Management	<u>\$4,578</u>

Interfund balances are due to negative cash balances and are expected to be repaid during the fiscal year ending June 30, 2015.

Individual interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>June 30 2014</u>
General Fund	Transportation Tax Fund	\$ 800,000
General Fund	Water/Sewer Fund	525,644
Park Fund	General Fund	<u>595,203</u>
Total		<u>\$1,920,847</u>

Interfund transfers were used to: 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

**NOTE E - RESTRICTED NET POSITION**

The government-wide statement of net position reports \$2,620,999 of restricted net position, of which \$2,563,180 is restricted by enabling legislation.

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT**

Long-term debt consisted of the following:

	<u>June 30</u> <u>2014</u>
<b>Business-type Activities</b>	
2010A & B taxable combined waterworks and sewerage system revenue bonds of \$3,705,000 used for constructing waterworks and sewerage system improvements. Interest rates range from 2% to 5.95%, maturity October 1, 2030.	\$3,260,000
\$2,370,000 certificates of participation, under the terms of the refinancing agreement Series 2013A, due in annual installments through October 1, 2026; interest payable at 1.75% to 3.05%.	2,370,000
\$1,300,000 taxable certificates of participation, under the terms of the refinancing agreement Series 2013B, due in annual installments through October 1, 2018; interest payable at 0.45% to 2.1%.	<u>1,100,000</u>
Total	<u>\$6,730,000</u>

**Prior year defeasance of debt.** In prior years, the government defeased general obligation public improvement bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2014 \$3,135,000 of defeased bonds remain outstanding.

Annual principal and interest for business-type activities are as follows:

<u>For The</u> <u>Years Ended</u> <u>June 30</u>	<u>Certificates Of Participation</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 240,000	75,408	155,000	167,935
2016	240,000	73,188	155,000	163,285
2017	245,000	70,030	160,000	157,160
2018	250,000	65,880	165,000	149,441
2019	255,000	61,118	170,000	141,485
2020 - 2024	1,345,000	219,142	920,000	574,119
2025 - 2029	895,000	40,664	1,060,000	300,931
2030 - 2031	-	-	<u>475,000</u>	<u>28,411</u>
Total	<u>\$3,470,000</u>	<u>605,430</u>	<u>3,260,000</u>	<u>1,682,768</u>

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT (Continued)**

The following is a summary of the City's long-term debt transactions:

	<b>For The Year Ended June 30, 2014</b>			<b>Balance June 30 2014</b>	<b>Amounts Due Within One Year</b>
	<b>Balance June 30 2013</b>	<b>Additions</b>	<b>Reductions</b>		
<b>Governmental Activities</b>					
Compensated absences	\$ 131,064	122,259	107,446	145,877	109,408
<b>Business-type Activities</b>					
Certificates of participation	\$ 3,670,000	-	200,000	3,470,000	240,000
Revenue bonds	3,410,000	-	150,000	3,260,000	155,000
Capital lease obligation	656,694	-	56,756	599,938	59,783
Total Bonds And Capital					
Leases	7,736,694	-	406,756	7,329,938	454,783
Compensated absences	22,450	11,626	9,698	24,378	18,283
 Total Business-type Activities	 \$ 7,759,144	 11,626	 416,454	 7,354,316	 473,066

Compensated absences are generally liquidated by the General Fund. Certificates of participation, revenue bonds, and capital leases are liquidated by the appropriate related fund.

The City has entered into a capital lease agreement as lessee for financing the acquisition of water/sewer facilities.

The asset acquired through the capital lease is as follows:

	<b><u>June 30, 2014</u></b>
<b>Asset:</b>	
Infrastructure	\$914,863
Less - Accumulated depreciation	<u>311,053</u>
 Total	 <u>\$603,810</u>

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

**NOTE F - LONG-TERM DEBT (Continued)**

<u>For The Years</u> <u>Ended June 30</u>	<u>Business-type</u> <u>Activities</u>
2015	\$ 90,000
2016	90,000
2017	90,000
2018	90,000
2019	90,000
2020 - 2023	<u>292,500</u>
Total Minimum Lease Payments	742,500
Less - Imputed interest	<u>142,562</u>
Present Value Of Minimum Lease Payments	<u>\$599,938</u>

**NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN**

**1. Plan Description and Provisions**

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

LAGERS was created and is governed by state statute, Section RSMo 70.600-70.755. As such, it is 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 supplementary 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 to contribute at an actuarially determined rate; the current rates are 14.1% (general) and 15.4% (police) 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.

**NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)**

**3. Annual Pension Cost (APC)**

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

Annual required contribution	\$384,884
Interest on NPO	9,677
Adjustment to annual required contribution	<u>(10,221)</u>
APC	384,340
Actual contributions	<u>381,805</u>
Increase in NPO	2,535
NPO, beginning of year	<u>133,479</u>
NPO, End Of Year	<u>\$136,014</u>

The required contribution was determined as part of the February 29, 2012 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit; d) pre-retirement mortality based on 75% of the RP-2000 combined Healthy table set back zero years for men and zero years for women; and e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero 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 at February 29, 2012 was 30 years for the General division and 16 years for the Police division.

**Three-Year Trend Information**

<u>For The Years Ended June 30</u>	<u>APC</u>	<u>Percentage Of APC Contributed</u>	<u>NPO</u>
2014	\$384,340	99.3%	\$136,014
2013	375,430	91.3	133,479
2012	353,697	89.4	100,996

**NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)**

**3. Annual Pension Cost (APC) (Continued)**

**Schedule of Funding Progress**

<b>For The Valuation Years Ended February 28/29</b>	<b>Actuarial Value Of Assets</b>	<b>Entry Age Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>
2014	\$8,737,476	\$9,277,484	\$ 540,008
2013	7,598,163	8,665,290	1,067,127
2012	7,190,182	8,429,425	1,239,243

<b>For The Valuation Years Ended February 28/29</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL As A Percentage Of Covered Payroll</b>
2014	94%	\$2,661,137	20%
2013	88	2,533,426	42
2012	85	2,489,166	50

Note: The above assets and AAL 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, MO.

**NOTE H - RISK MANAGEMENT**

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a statewide governmental self-insurance pool which provides property, liability, and workers' compensation coverages to its participating members in a single comprehensive multiline package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30, 2014.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE H - RISK MANAGEMENT (Continued)**

could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$213,264 for MIRMA's fiscal year ended June 30, 2014. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

**NOTE I - COMMITMENTS**

The City had commitments for engineering and construction services totaling \$119,780 at June 30, 2014.

**NOTE J - SEGMENT INFORMATION**

The City maintains two departments for the Water/Sewer Fund. Segment information is as follows:

	<b>Condensed Statement Of Net Position</b>		
	<b>June 30, 2014</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>ASSETS</b>			
Current and other assets	\$ 1,205,649	2,691,464	3,897,113
Restricted assets	102,400	1,567,035	1,669,435
Capital assets	6,911,933	16,527,138	23,439,071
Total Assets	8,219,982	20,785,637	29,005,619
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	-	248,773	248,773
<b>LIABILITIES</b>			
Current liabilities	143,734	534,044	677,778
Noncurrent liabilities	648,650	6,335,000	6,983,650
Total Liabilities	792,384	6,869,044	7,661,428
<b>NET POSITION</b>			
Net investment in capital assets	6,311,995	10,371,546	16,683,541
Restricted	-	1,241,400	1,241,400
Unrestricted	1,115,603	2,552,420	3,668,023
Total Net Position	\$ 7,427,598	14,165,366	21,592,964

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE J - SEGMENT INFORMATION (Continued)**

<b>Condensed Statement Of Revenues, Expenses, And Changes In Net Position For The Year Ended June 30, 2014</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>	\$ 1,063,065	793,430	1,856,495
DEPRECIATION	218,802	466,618	685,420
<b>OTHER OPERATING EXPENSES</b>	<u>733,549</u>	<u>583,403</u>	<u>1,316,952</u>
OPERATING INCOME (LOSS)	<u>110,714</u>	<u>(256,591)</u>	<u>(145,877)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes	-	869,029	869,029
Investment income	13,075	45,247	58,322
Intergovernmental	-	71,450	71,450
Miscellaneous	33,481	3,273	36,754
Loss on disposal of capital assets	-	(41,681)	(41,681)
Interest expense and fiscal charges	<u>(32,749)</u>	<u>(260,056)</u>	<u>(292,805)</u>
Total Nonoperating Revenues (Expenses)	<u>13,807</u>	<u>687,262</u>	<u>701,069</u>
<b>TRANSFERS</b>	<u>536,702</u>	<u>(1,062,346)</u>	<u>(525,644)</u>
CHANGE IN NET POSITION	661,223	(631,675)	29,548
NET POSITION, JULY 1	<u>6,766,375</u>	<u>14,797,041</u>	<u>21,563,416</u>
<b>NET POSITION, JUNE 30</b>	<u><u>\$ 7,427,598</u></u>	<u><u>14,165,366</u></u>	<u><u>21,592,964</u></u>

<b>Condensed Statement Of Cash Flows For The Year Ended June 30, 2014</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Net cash provided by (used in):			
Operating activities	\$ 367,046	255,495	622,541
Noncapital financing activities	536,702	(121,867)	414,835
Capital and related financing activities	(704,477)	(675,953)	(1,380,430)
Investing activities	<u>13,075</u>	<u>45,247</u>	<u>58,322</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	212,346	(497,078)	(284,732)
CASH AND CASH EQUIVALENTS, JULY 1	<u>777,345</u>	<u>4,417,692</u>	<u>5,195,037</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u><u>\$ 989,691</u></u>	<u><u>3,920,614</u></u>	<u><u>4,910,305</u></u>

**NOTE K - RELATED PARTY TRANSACTIONS**

The City has entered into transactions with a company owned by an Alderman. The expenses totaled \$1,950 for the year ended June 30, 2014.

**NOTE L - DEFICIT BALANCE**

The Stormwater Management Fund had a deficit fund balance of \$4,578. This deficit will be offset by future revenues.

**NOTE M - FINES AND COURT COSTS FOR TRAFFIC VIOLATIONS**

RSMo 302.341.2 requires an accounting of the percentage of annual fines and court costs for traffic violations, including amended charges from any charged traffic violation, occurring within the City to total general operating revenue, to be included in the annual financial report. At this point in time, the City's court system is unable to provide the specific information necessary to separate the annual fines and court costs for traffic violations from total fines and court costs for all violations. During the year, the amount of fines, forfeitures and court costs of all types, general operating revenue, and related percent amounted to \$128,137, \$5,762,107, and 2.22%, respectively, which is below the threshold of 30% identified in RSMo 302.341.2.

**NOTE N - SUBSEQUENT EVENT**

On September 30, 2014 the City purchased real estate for \$270,000.

**NOTE O - FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, will require the City to record UAAL on the government-wide statement of net position. UAAL equals the difference between the total pension liability and the value of the assets set aside in a pension plan to pay benefits. GASB 68 may also require changes to the projection of benefit payments and the rate used to discount the projected benefit payments. GASB 68 will be effective for the City for the year ending June 30, 2015.

**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

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**CITY OF UNION, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
Taxes	\$ 4,759,150	4,912,556	4,921,837	9,281
Fines and forfeitures	157,500	128,075	128,137	62
Licenses and permits	87,800	87,800	99,252	11,452
Charges for services	750,000	825,555	839,105	13,550
Intergovernmental	916,238	1,113,018	1,111,810	(1,208)
Investment income	100,000	88,275	88,277	2
Rental income	20,000	20,000	22,970	2,970
Miscellaneous	28,145	27,865	41,928	14,063
Total Revenues	<u>6,818,833</u>	<u>7,203,144</u>	<u>7,253,316</u>	<u>50,172</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Mayor and board:				
Personnel services	40,446	40,446	33,490	(6,956)
General services	18,750	18,750	13,526	(5,224)
Total Mayor And Board	<u>59,196</u>	<u>59,196</u>	<u>47,016</u>	<u>(12,180)</u>
City clerk:				
Personnel services	102,534	102,934	102,801	(133)
Supplies and materials	2,500	2,500	2,398	(102)
General services	15,600	15,600	15,185	(415)
Maintenance and repairs	22,200	22,200	21,430	(770)
Total City Clerk	<u>142,834</u>	<u>143,234</u>	<u>141,814</u>	<u>(1,420)</u>
City collector:				
Personnel services	-	4	4	-
City administrator:				
Personnel services	177,066	179,636	179,544	(92)
Supplies and materials	4,500	4,500	4,134	(366)
General services	10,750	10,750	9,685	(1,065)
Maintenance and repairs	550	550	-	(550)
Total City Administrator	<u>192,866</u>	<u>195,436</u>	<u>193,363</u>	<u>(2,073)</u>
City attorney:				
General services	32,500	32,000	31,480	(520)

**(Continued)**

**CITY OF UNION, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
General government (Continued):				
Municipal court:				
Personnel services	41,582	41,582	41,400	(182)
Supplies and materials	1,250	1,250	936	(314)
General services	18,750	24,340	22,900	(1,440)
Maintenance and repairs	100	-	-	-
Total Municipal Court	<u>61,682</u>	<u>67,172</u>	<u>65,236</u>	<u>(1,936)</u>
Incidental:				
Personnel services	980,000	968,320	968,307	(13)
Supplies and materials	11,200	11,200	10,200	(1,000)
General services	350,950	1,045,045	1,040,147	(4,898)
Maintenance and repairs	7,500	7,500	4,772	(2,728)
Total Incidental	<u>1,349,650</u>	<u>2,032,065</u>	<u>2,023,426</u>	<u>(8,639)</u>
Legals and elections:				
General service	<u>16,500</u>	<u>16,500</u>	<u>12,848</u>	<u>(3,652)</u>
Total General Government	<u>1,855,228</u>	<u>2,545,607</u>	<u>2,515,187</u>	<u>(30,420)</u>
Public safety:				
Personnel services	1,284,311	1,291,111	1,283,937	(7,174)
Supplies and materials	14,500	23,360	16,491	(6,869)
General services	71,960	71,960	54,288	(17,672)
Maintenance and repairs	123,006	128,006	119,772	(8,234)
Capital outlay	<u>53,995</u>	<u>53,995</u>	<u>44,105</u>	<u>(9,890)</u>
Total Public Safety	<u>1,547,772</u>	<u>1,568,432</u>	<u>1,518,593</u>	<u>(49,839)</u>
Street department:				
Personnel services	386,707	386,707	372,208	(14,499)
Supplies and materials	103,600	123,800	113,449	(10,351)
General services	26,800	26,800	17,671	(9,129)
Maintenance and repairs	537,900	537,900	522,562	(15,338)
Capital outlay	<u>1,324,417</u>	<u>1,554,940</u>	<u>1,548,281</u>	<u>(6,659)</u>
Total Street Department	<u>2,379,424</u>	<u>2,630,147</u>	<u>2,574,171</u>	<u>(55,976)</u>

(Continued)

**CITY OF UNION, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Refuse collection and other:				
Cemetery:				
General services	150	150	9	(141)
Maintenance and repairs	26,500	26,500	10,024	(16,476)
Total Cemetery	<u>26,650</u>	<u>26,650</u>	<u>10,033</u>	<u>(16,617)</u>
Sanitation:				
General services	<u>670,400</u>	<u>709,930</u>	<u>709,893</u>	<u>(37)</u>
Total Refuse Collection And Other	<u>697,050</u>	<u>736,580</u>	<u>719,926</u>	<u>(16,654)</u>
Planning and development:				
Engineering services:				
Personnel services	164,378	165,078	164,982	(96)
Supplies and materials	10,980	10,980	9,449	(1,531)
General services	2,800	2,800	1,413	(1,387)
Maintenance and repairs	4,500	4,930	4,574	(356)
Total Engineering Services	<u>182,658</u>	<u>183,788</u>	<u>180,418</u>	<u>(3,370)</u>
Economic development:				
Personnel services	102,451	102,911	102,484	(427)
Supplies and materials	3,000	3,000	2,467	(533)
General services	22,450	19,750	16,489	(3,261)
Maintenance and repairs	2,750	2,750	2,091	(659)
Capital outlay	97,362	97,362	66,047	(31,315)
Total Economic Develop- ment	<u>228,013</u>	<u>225,773</u>	<u>189,578</u>	<u>(36,195)</u>
Total Planning And De- velopment	<u>410,671</u>	<u>409,561</u>	<u>369,996</u>	<u>(39,565)</u>

**(Continued)**

**CITY OF UNION, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Building maintenance:				
Personnel services	41,423	41,423	40,657	(766)
Supplies and materials	4,600	4,600	4,344	(256)
General services	17,100	17,100	15,221	(1,879)
Maintenance and repairs	10,900	10,900	5,367	(5,533)
Capital outlay	15,960	6,500	6,500	-
Total Building Maintenance	89,983	80,523	72,089	(8,434)
Total Expenditures	6,980,128	7,970,850	7,769,962	(200,888)
 <b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(161,295)	(767,706)	(516,646)	251,060
 <b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	1,500	1,500	1,225	(275)
Transfers in	800,000	1,325,644	1,325,644	-
Transfers out	(595,203)	(595,203)	(595,203)	-
Total Other Financing Sources (Uses)	206,297	731,941	731,666	(275)
 <b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 45,002</b>	<b>(35,765)</b>	<b>215,020</b>	<b>250,785</b>
 <b>FUND BALANCE, JULY 1</b>			<b>7,985,912</b>	
 <b>FUND BALANCE, JUNE 30</b>			<b>\$ 8,200,932</b>	

**CITY OF UNION, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - PARK FUND - SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Taxes	\$ 257,000	257,000	268,651	11,651
Charges for services	202,000	168,950	167,292	(1,658)
Intergovernmental	500	1,000	-	(1,000)
Investment income	1,900	1,400	2,149	749
Miscellaneous	12,000	9,100	10,627	1,527
Total Revenues	473,400	437,450	448,719	11,269
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	704,623	725,093	673,652	(51,441)
Capital outlay	590,485	591,975	548,308	(43,667)
Total Expenditures	1,295,108	1,317,068	1,221,960	(95,108)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(821,708)	(879,618)	(773,241)	106,377
<b>OTHER FINANCING SOURCES</b>				
Transfers in	595,203	595,203	595,203	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (226,505)</b>	<b>(284,415)</b>	<b>(178,038)</b>	<b>106,377</b>
FUND BALANCE, JULY 1			301,416	
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 123,378</b>	

**CITY OF UNION, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**TRANSPORTATION TAX FUND - SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Taxes	\$ 830,000	869,360	869,380	20
Investment income	12,000	12,000	12,423	423
Total Revenues	842,000	881,360	881,803	443
<b>OTHER FINANCING USES</b>				
Transfers out	(800,000)	(800,000)	(800,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 42,000</b>	<b>81,360</b>	81,803	<b>443</b>
<b>FUND BALANCE, JULY 1</b>			1,078,727	
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 1,160,530</b>	

**CITY OF UNION, MISSOURI  
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO  
SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

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**Budgetary Data**

The City follows the procedures outlined below in establishing the budgetary data reflected in the financial statements:

- a. Prior to July 1, the Finance Officer submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Prior to July 1, the budget is legally enacted through passage of an ordinance.
- c. Budgets are adopted on a basis generally consistent with accounting principles generally accepted in the United States of America except Enterprise Funds which include capital outlay as an expense.
- d. Current year budget includes amendments.
- e. Budget amendments at the department level must be approved by the Board of Aldermen. The City Administrator may authorize transfers of appropriations within a department.

**OTHER SUPPLEMENTAL INFORMATION SECTION**

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**CITY OF UNION, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<u>Special Revenue</u>		<u>Total</u>
	<u>Cemetery Fund</u>	<u>Stormwater Management Fund</u>	
<b>ASSETS</b>			
Cash and investments	<u>\$ 76,899</u>	<u>-</u>	<u>76,899</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Due to other funds	<u>\$ -</u>	<u>4,578</u>	<u>4,578</u>
<b>Fund Balances</b>			
Assigned	76,899	-	76,899
Unassigned	-	(4,578)	(4,578)
Total Fund Balances	<u>76,899</u>	<u>(4,578)</u>	<u>72,321</u>
Total Liabilities And Fund Balances	<u>\$ 76,899</u>	<u>-</u>	<u>76,899</u>

**CITY OF UNION, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Special Revenue</u>		<u>Total</u>
	<u>Cemetery Fund</u>	<u>Stormwater Management Fund</u>	
<b>REVENUES</b>			
Investment income	\$ 960	-	960
<b>EXPENDITURES</b>	-	-	-
<b>REVENUES OVER EXPENDITURES</b>	960	-	960
<b>OTHER FINANCING SOURCES</b>			
Sale of capital assets	1,225	-	1,225
<b>NET CHANGES IN FUND BALANCES</b>	2,185	-	2,185
FUND BALANCES, JULY 1	74,714	(4,578)	70,136
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 76,899</u>	<u>(4,578)</u>	<u>72,321</u>

**CITY OF UNION, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**CEMETERY FUND - SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Investment income	\$ 1,000	960	(40)
<b>OTHER FINANCING SOURCES</b>			
Sale of capital assets	<u>500</u>	<u>1,225</u>	<u>725</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,500</u>	2,185	<u>685</u>
<b>FUND BALANCE, JULY 1</b>		<u>74,714</u>	
<b>FUND BALANCE, JUNE 30</b>		<u>\$ 76,899</u>	

**CITY OF UNION, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**STORMWATER MANAGEMENT FUND - SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Investment income	\$ 1,000	-	-	-
Miscellaneous	1,000	-	-	-
Total Revenues	2,000	-	-	-
<b>EXPENDITURES</b>				
	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
FUND BALANCE, JULY 1			(4,578)	
<b>FUND BALANCE, JUNE 30</b>			<b>\$ (4,578)</b>	

**CITY OF UNION, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENSES, AND CHANGE IN NET POSITION -**  
**BUDGET AND ACTUAL - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>OPERATING REVENUES</b>				
Charges for services:				
Water	\$ 1,068,000	1,053,800	1,063,065	9,265
Sewer	787,000	787,000	793,430	6,430
Total Operating Revenues	<u>1,855,000</u>	<u>1,840,800</u>	<u>1,856,495</u>	<u>15,695</u>
<b>OPERATING EXPENSES</b>				
Depreciation	-	685,520	685,420	(100)
Water	821,727	828,977	733,549	(95,428)
Sewer	1,228,127	1,228,762	583,403	(645,359)
Total Operating Expenses	<u>2,049,854</u>	<u>2,743,259</u>	<u>2,002,372</u>	<u>(740,887)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(194,854)</u>	<u>(902,459)</u>	<u>(145,877)</u>	<u>756,582</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Taxes	830,000	830,000	869,029	39,029
Investment income	60,000	55,220	58,322	3,102
Intergovernmental	77,630	71,440	71,450	10
Miscellaneous	66,000	34,480	36,754	2,274
Loss on disposal of capital assets	-	(41,680)	(41,681)	1
Interest expense and fiscal charges	(251,413)	(294,733)	(292,805)	(1,928)
Total Nonoperating Revenues (Expenses)	<u>782,217</u>	<u>654,727</u>	<u>701,069</u>	<u>46,342</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	587,363	(247,732)	555,192	802,924
TRANSFERS OUT	<u>-</u>	<u>(525,644)</u>	<u>(525,644)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 587,363</u>	<u>(773,376)</u>	29,548	<u>802,924</u>
NET POSITION, JULY 1			<u>21,563,416</u>	
<b>NET POSITION, JUNE 30</b>			<u>\$ 21,592,964</u>	

**CITY OF UNION, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY**  
**NET POSITION - AGENCY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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	<b>Balance June 30 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30 2014</b>
<b>POLICE EVIDENCE ACCOUNT</b>				
<b>ASSETS</b>				
Cash	\$ 7,664	329	230	7,763
<b>LIABILITIES</b>				
Due to others	\$ 7,664	329	230	7,763

**SECTION III**  
**STATISTICAL INFORMATION SECTION**

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This part of the City's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall financial health.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	61 - 65
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	66 - 71
<b>Debt Capacity</b>	
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.	72 - 74
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	75 - 78
<b>Operating Information</b>	
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.	79 - 80
<b>Bond Annual Report</b>	
These schedules contain information regarding City finances, the water and sewer system, and the debt of the City.	81 - 85

Sources: Unless otherwise noted, the information in these schedules is derived from the CAFRs for the relevant year.

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

	June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental Activities</b>										
Net investment in capital assets	\$21,635,231	19,463,972	18,304,918	17,653,232	16,321,346	14,001,754	11,862,875	4,910,623	1,834,521	719,883
Restricted	1,379,599	1,479,671	1,359,364	1,191,705	1,531,227	1,947,624	4,637,719	2,076,840	711,290	660,220
Unrestricted	8,041,078	7,857,748	7,198,153	6,525,788	6,121,098	5,699,764	4,533,001	3,892,677	5,006,153	3,991,252
Total Governmental Activities Net Position	<u>\$ 31,055,908</u>	<u>28,801,391</u>	<u>26,862,435</u>	<u>25,370,725</u>	<u>23,973,671</u>	<u>21,649,142</u>	<u>21,033,595</u>	<u>10,880,140</u>	<u>7,551,964</u>	<u>5,371,355</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$16,683,541	16,789,109	16,858,850	17,347,435	16,395,600	15,633,177	14,816,373	13,230,426	10,139,687	8,274,947
Restricted	1,241,400	1,192,258	1,566,063	1,604,313	916,044	1,215,391	1,116,280	866,074	1,160,032	859,113
Unrestricted	3,668,023	3,582,049	2,876,798	1,707,939	1,406,527	881,091	717,635	1,127,733	554,647	1,455,902
Total Business-type Activities Net Position	<u>\$ 21,592,964</u>	<u>21,563,416</u>	<u>21,301,711</u>	<u>20,659,687</u>	<u>18,718,171</u>	<u>17,729,659</u>	<u>16,650,288</u>	<u>15,224,233</u>	<u>11,854,366</u>	<u>10,589,962</u>
<b>Primary Government</b>										
Net investment in capital assets	\$38,318,772	36,253,081	35,163,768	35,000,667	32,716,946	29,634,931	26,679,248	18,141,049	11,974,208	8,994,830
Restricted	2,620,999	2,671,929	2,925,427	2,796,018	2,447,271	3,163,015	5,753,999	2,942,914	1,871,322	1,519,333
Unrestricted	11,709,101	11,439,797	10,074,951	8,233,727	7,527,625	6,580,855	5,250,636	5,020,410	5,560,800	5,447,154
Total Primary Government Net Position	<u>\$ 52,648,872</u>	<u>50,364,807</u>	<u>48,164,146</u>	<u>46,030,412</u>	<u>42,691,842</u>	<u>39,378,801</u>	<u>37,683,883</u>	<u>26,104,373</u>	<u>19,406,330</u>	<u>15,961,317</u>

Source: Basic financial statements.

GASB 34 was implemented in 2005.

For fiscal year 2011 GASB 54 was implemented.

GASB 63 and 65 were implemented in 2013.

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

	For The Years Ended June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>EXPENSES</b>										
<b>Governmental Activities</b>										
General government	\$ 1,850,323	1,728,837	1,750,622	1,704,662	1,570,872	1,512,762	1,409,039	1,318,463	1,209,771	1,120,103
Public safety	1,537,825	1,506,263	1,472,750	1,439,221	1,449,950	1,495,039	1,352,696	1,158,425	1,092,411	985,320
Street department	1,780,407	1,432,954	1,454,059	1,408,636	1,229,372	1,696,109	916,981	733,879	602,777	569,234
Refuse collection and other	719,926	685,319	654,684	629,811	592,645	512,651	489,344	455,528	435,822	433,317
Culture and recreation	770,646	783,062	815,708	806,043	769,928	748,890	716,764	646,279	590,671	594,940
Planning and development	327,350	443,223	424,311	467,831	438,776	405,875	468,972	377,899	286,525	244,625
Building maintenance	93,606	91,195	88,191	98,971	89,991	100,942	84,915	78,277	70,398	58,993
Interest and fiscal charges	-	-	-	-	27,938	327,304	134,636	147,184	215,311	216,877
Total Governmental Activities Expenses	7,080,083	6,670,853	6,660,325	6,555,175	6,169,472	6,799,572	5,573,347	4,915,934	4,503,686	4,223,409
<b>Business-type Activities</b>										
Water/sewer	2,336,858	2,443,427	2,377,714	2,074,655	1,911,378	1,994,739	1,837,237	1,671,242	1,414,645	1,378,748
Total Primary Government Expenses	9,416,941	9,114,280	9,038,039	8,629,830	8,080,850	8,794,311	7,410,584	6,587,176	5,918,331	5,602,157
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities</b>										
Charges for services:										
General government	122,774	130,513	118,259	101,071	129,462	104,800	145,709	134,165	245,323	186,800
Public safety	254,751	220,525	252,748	233,018	192,358	179,989	163,715	177,447	145,883	111,622
Street department	12,574	11,500	274	-	5,105	642	1,651	5,895	-	-
Refuse collection and other	736,780	702,390	667,132	643,247	603,578	499,050	473,582	444,972	418,900	393,426
Culture and recreation	175,487	190,601	228,111	226,439	217,506	213,116	237,257	203,906	211,525	202,111
Planning and development	1,659	7,139	1,397	70	711	16,272	-	941	-	-
Operating grants and contributions	415,010	446,878	360,839	354,900	383,815	426,906	458,802	374,997	-	-
Capital grants and contributions	1,318,271	1,027,181	540,529	1,480,900	1,198,805	508,810	6,508,952	2,301,269	313,304	39,833
Total Governmental Activities Program Revenues	3,037,306	2,736,727	2,169,289	3,039,645	2,731,340	1,949,585	7,989,668	3,643,592	1,334,935	933,792
<b>Business-type Activities</b>										
Charges for services:										
Water/sewer	1,856,495	1,874,208	1,878,594	1,808,937	1,783,723	1,810,401	1,899,237	1,826,753	1,801,907	1,638,626
Operating grants and contributions	-	-	-	-	-	-	22,351	-	-	-
Capital grants and contributions	-	-	97,081	693,237	229,045	58,120	680,401	1,197,277	-	-
Total Business-type Activities Program Revenues	1,856,495	1,874,208	1,975,675	2,502,174	2,012,768	1,868,521	2,601,989	3,024,030	1,801,907	1,638,626
Total Primary Government Program Revenues	4,893,801	4,610,935	4,144,964	5,541,819	4,744,108	3,818,106	10,591,657	6,667,622	3,136,842	2,572,418

(Continued)

**CITY OF UNION, MISSOURI**  
**CHANGES IN NET POSITION (Continued)**  
**LAST NINE FISCAL YEARS**

	For The Years Ended June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>NET REVENUES (EXPENSES)</b>										
Governmental activities	(4,042,777)	(3,934,126)	(4,491,036)	(3,515,530)	(3,438,132)	(4,849,987)	2,416,321	(1,272,342)	(3,168,751)	(3,289,617)
Business-type activities	(480,363)	(569,219)	(402,039)	427,519	101,390	(126,218)	764,752	1,352,788	387,262	259,878
Total Primary Government Net Revenues (Expenses)	<u>(4,523,140)</u>	<u>(4,503,345)</u>	<u>(4,893,075)</u>	<u>(3,088,011)</u>	<u>(3,336,742)</u>	<u>(4,976,205)</u>	<u>3,181,073</u>	<u>80,446</u>	<u>(2,781,489)</u>	<u>(3,029,739)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
<b>Governmental Activities</b>										
Taxes:										
Sales	2,608,141	2,480,898	2,608,141	2,402,085	2,327,690	2,378,862	2,523,912	2,391,467	2,284,329	2,194,395
Property	1,115,757	1,100,576	1,115,757	1,073,319	1,056,084	1,007,328	974,171	907,026	843,656	756,917
Franchise	1,632,039	1,579,086	1,632,039	1,472,202	1,338,241	1,215,314	1,385,504	998,653	921,519	853,945
Other	294,420	496,310	294,420	222,428	275,591	384,789	338,589	260,541	519,366	637,131
Investment income	103,809	127,053	103,809	125,950	139,420	196,484	234,887	223,812	132,041	72,374
Gain on sale of assets	1,225	64,840	1,225	108,083	1,625	94,746	1,947,996	38,320	710,886	-
Rental income	-	-	-	-	-	71,911	56,183	51,761	-	-
Miscellaneous	16,259	24,319	16,259	31,153	624,010	454,700	18,174	326,989	20,652	149,219
Transfers	525,644	-	525,644	525,644	525,644	(338,600)	257,718	(1,009,448)	(11,806)	(7,243)
Total Governmental Activities General Revenues And Other Changes In Net Position	<u>6,297,294</u>	<u>5,873,082</u>	<u>6,297,294</u>	<u>5,960,864</u>	<u>6,288,305</u>	<u>5,465,534</u>	<u>7,737,134</u>	<u>4,189,121</u>	<u>5,420,643</u>	<u>4,656,738</u>
<b>Business-type Activities</b>										
Sales taxes	869,029	826,940	869,029	800,671	775,930	792,580	840,905	796,675	637,320	365,725
Investment income	58,322	69,261	58,322	92,604	46,675	45,092	47,548	56,841	49,342	24,538
Grants and contributions not restricted to specific programs	71,450	79,655	81,308	41,430	-	-	-	-	-	-
Miscellaneous	36,754	55,006	60,423	56,656	64,517	29,317	30,568	17,414	178,674	154,805
Transfers	(525,644)	-	(525,644)	(525,644)	(525,644)	338,600	(257,718)	1,009,448	11,806	7,243
Total Business-type Activities General Revenues And Other Changes In Net Position	<u>509,911</u>	<u>1,030,862</u>	<u>543,438</u>	<u>465,717</u>	<u>361,478</u>	<u>1,205,589</u>	<u>661,303</u>	<u>1,880,378</u>	<u>877,142</u>	<u>552,311</u>
Total Primary Government General Revenues And Other Changes In Net Position	<u>6,807,205</u>	<u>6,903,944</u>	<u>6,840,732</u>	<u>6,426,581</u>	<u>6,649,783</u>	<u>6,671,123</u>	<u>8,398,437</u>	<u>6,069,499</u>	<u>6,297,785</u>	<u>5,209,049</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	2,254,517	1,938,956	1,806,258	2,445,334	2,850,173	615,547	10,153,455	2,916,779	2,251,892	1,367,121
Business-type activities	29,548	461,643	141,399	893,236	462,868	1,079,371	1,426,055	3,233,166	1,264,404	812,189
Total Primary Government	<u>\$ 2,284,065</u>	<u>2,400,599</u>	<u>1,947,657</u>	<u>3,338,570</u>	<u>3,313,041</u>	<u>1,694,918</u>	<u>11,579,510</u>	<u>6,149,945</u>	<u>3,516,296</u>	<u>2,179,310</u>

Source: Basic financial statements.  
GASB 34 was implemented in 2005.  
For fiscal year 2011 GASB 54 was implemented.

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

	June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>General Fund</b>										
Reserved	\$ -	-	-	-	131,912	144,600	73,124	113,447	70,114	75,523
Unreserved	-	-	-	-	6,000,991	5,529,031	4,409,421	3,791,645	3,672,232	2,983,652
Nonspendable	100,613	89,764	89,500	100,000	-	-	-	-	-	-
Committed	2,511,326	2,218,000	3,211,500	2,615,000	-	-	-	-	-	-
Assigned	4,720,000	4,700,000	3,350,000	3,250,000	-	-	-	-	-	-
Unassigned	868,993	978,148	606,003	602,675	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 8,200,932</b>	<b>7,985,912</b>	<b>7,257,003</b>	<b>6,567,675</b>	<b>6,132,903</b>	<b>5,673,631</b>	<b>4,482,545</b>	<b>3,905,092</b>	<b>3,742,346</b>	<b>3,059,175</b>
<b>Park Fund</b>										
Reserved	\$ -	-	-	-	33,662	28,355	13,500	14,000	22,188	21,290
Unreserved	-	-	-	-	23,986	491,344	453,865	404,518	257,738	187,967
Nonspendable	35,000	37,500	37,500	35,000	-	-	-	-	-	-
Assigned	88,378	263,916	263,091	178,446	-	-	-	-	-	-
<b>Total Park Fund</b>	<b>\$ 123,378</b>	<b>301,416</b>	<b>300,591</b>	<b>213,446</b>	<b>57,648</b>	<b>519,699</b>	<b>467,365</b>	<b>418,518</b>	<b>279,926</b>	<b>209,257</b>
<b>Transportation Tax Fund</b>										
Unreserved	\$ -	-	-	-	725,344	684,254	1,377,085	503,800	404,077	325,993
Restricted	1,160,530	1,078,727	987,060	842,110	-	-	-	-	-	-
<b>Total Transportation Tax Fund</b>	<b>\$ 1,160,530</b>	<b>1,078,727</b>	<b>987,060</b>	<b>842,110</b>	<b>725,344</b>	<b>684,254</b>	<b>1,377,085</b>	<b>503,800</b>	<b>404,077</b>	<b>325,993</b>
<b>2000 Certificates Of Participation Fund</b>										
Reserved	\$ -	-	-	-	-	-	-	-	410,481	-
Unreserved	-	-	-	-	-	-	-	-	267,988	-
<b>Total 2000 Certificates Of Participation Fund</b>	<b>\$ -</b>	<b>-</b>	<b>678,469</b>	<b>-</b>						
<b>2006B Certificates Of Participation Fund</b>										
Reserved	\$ -	-	-	-	227,502	227,500	227,814	227,500	-	-
Unreserved	-	-	-	-	295,134	297,984	2,344,595	504,997	-	-
<b>Total 2006B Certificates Of Participation Fund</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>522,636</b>	<b>525,484</b>	<b>2,572,409</b>	<b>732,497</b>	<b>-</b>	<b>-</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	-	-	-	-	-	-	208,647	208,507	563,807
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	145,703	140,352	135,085	122,682	81,405	45,878
Capital Projects Funds	-	-	-	-	-	-	-	-	299,186	291,627
Debt Service Funds	-	-	-	-	79,896	77,835	85,775	90,696	93,620	233,038
Assigned	76,899	74,714	71,713	136,149	-	-	-	-	-	-
Unassigned	(4,578)	(4,578)	(4,578)	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 72,321</b>	<b>70,136</b>	<b>67,135</b>	<b>136,149</b>	<b>225,599</b>	<b>218,187</b>	<b>220,860</b>	<b>422,025</b>	<b>682,718</b>	<b>1,134,350</b>

Source: Basic financial statements.

GASB 34 was implemented in 2005.

For fiscal year 2011 GASB 54 was implemented. See Note A-14 of the notes to financial statements.

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

For The Years Ended June 30

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>REVENUES</b>										
Taxes	\$6,059,868	6,033,921	5,628,461	5,429,442	5,324,980	5,265,651	5,501,547	4,892,028	4,568,870	4,442,387
Fines and forfeitures	128,137	139,622	167,352	145,259	112,758	111,930	128,722	134,838	145,883	111,622
Licenses and permits	99,252	106,492	96,899	80,384	90,640	102,739	144,464	132,872	200,545	146,068
Charges for services	1,006,397	939,849	944,377	918,383	865,901	759,292	680,594	631,525	586,172	557,244
Intergovernmental	1,111,810	1,079,341	561,638	583,357	1,124,971	461,186	696,473	100,090	41,553	39,833
Investment income	103,809	127,053	122,852	125,950	139,420	196,484	234,887	223,812	132,041	72,376
Rental income	22,970	23,905	21,360	20,421	36,701	71,911	56,183	51,761	43,492	39,327
Miscellaneous	52,555	76,690	465,267	63,106	659,360	514,586	97,135	154,957	82,816	62,299
Total Revenues	8,584,798	8,526,873	8,008,206	7,366,302	8,354,731	7,483,779	7,540,005	6,321,883	5,801,372	5,471,156
<b>EXPENDITURES</b>										
General government	2,515,187	1,685,363	1,850,752	1,652,222	1,570,176	1,506,064	1,395,844	1,306,823	1,197,458	1,103,574
Public safety	1,474,488	1,432,260	1,360,128	1,336,848	1,363,023	1,429,339	1,239,194	1,048,852	1,034,736	947,302
Street department	1,025,890	595,350	1,115,223	923,210	720,193	600,529	523,690	439,864	437,740	429,985
Refuse collection and other	719,926	685,319	654,684	629,811	592,645	512,651	489,344	455,528	435,822	433,317
Culture and recreation	673,652	654,695	706,866	690,242	682,274	1,803,051	587,083	528,041	503,763	463,890
Planning and development	303,949	295,725	277,659	309,874	285,952	253,080	278,800	332,099	282,536	217,576
Building maintenance	65,589	70,629	72,213	75,025	72,569	80,988	67,445	54,394	54,450	49,248
Stormwater management	-	-	71,602	14,777	-	-	-	-	-	-
Capital outlay	2,213,241	2,349,780	1,175,516	1,226,190	1,905,086	1,788,263	1,713,852	873,900	678,903	744,214
Debt service:										
Principal	-	-	-	-	1,095,250	1,795,000	270,000	210,000	614,947	145,000
Interest and fiscal charges	-	-	-	-	27,938	66,319	112,124	79,000	215,311	218,156
Bond issue costs	-	-	-	-	-	-	-	68,651	-	-
Total Expenditures	8,991,922	7,769,121	7,284,643	6,858,199	8,315,106	9,835,284	6,677,376	5,397,152	5,455,666	4,752,262
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(407,124)	757,752	723,563	508,103	39,625	(2,351,505)	862,629	924,731	345,706	718,894
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of capital assets	2,450	66,650	128,846	109,783	3,250	95,846	1,974,898	316,579	724,861	2,850
Capital lease	-	-	-	-	-	-	43,087	21,518	-	-
Note payable	-	-	-	-	-	1,095,250	-	-	-	-
Issuance of certificates of participation	-	-	-	-	-	-	-	2,275,000	-	-
Payment to escrow agent	-	-	-	-	-	-	-	(2,626,507)	-	-
Bond discount	-	-	-	-	-	-	-	(15,100)	-	-
Transfers in	1,920,847	1,068,000	1,016,500	1,015,000	1,069,500	2,734,829	995,555	2,232,235	2,352,682	1,178,753
Transfers out	(1,395,203)	(1,068,000)	(1,016,500)	(1,015,000)	(1,069,500)	(3,073,429)	(737,837)	(3,241,683)	(2,364,488)	(1,185,996)
Total Other Financing Sources (Uses)	528,094	66,650	128,846	109,783	3,250	852,496	2,275,703	(1,037,958)	713,055	(4,393)
<b>NET CHANGES IN FUND BALANCES</b>	\$ 120,970	824,402	852,409	617,886	42,875	(1,499,009)	3,138,332	(113,227)	1,058,761	714,501
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	17.6 %	25.1	7.4	7.6	17.4	9.1

Source: Basic financial statements.

GASB 34 was implemented in 2005.

For fiscal year 2011 GASB 54 was implemented.

**CITY OF UNION, MISSOURI**  
**PROGRAM REVENUES BY FUNCTIONS/PROGRAMS**  
**LAST TEN FISCAL YEARS**

FUNCTIONS/PROGRAMS	June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Primary Government</b>										
<b>Governmental Activities</b>										
General government	\$ 122,774	122,774	118,259	101,071	129,462	104,800	145,709	134,165	517,074	186,800
Public safety	290,362	292,310	273,857	286,204	295,769	369,044	340,771	332,037	187,436	151,455
Street department	1,710,244	1,402,786	880,533	1,778,114	1,482,449	722,870	6,778,374	2,520,718	-	-
Refuse collection and other	736,780	736,780	667,132	643,247	603,578	499,050	473,582	444,972	418,900	393,426
Culture and recreation	175,487	201,589	228,111	230,939	219,371	237,549	251,232	210,759	211,525	202,111
Planning and development	1,659	1,659	1,397	70	711	16,272	-	941	-	-
Total Governmen- tal Activities	<u>3,037,306</u>	<u>2,757,898</u>	<u>2,169,289</u>	<u>3,039,645</u>	<u>2,731,340</u>	<u>1,949,585</u>	<u>7,989,668</u>	<u>3,643,592</u>	<u>1,334,935</u>	<u>933,792</u>
<b>Business-type Activities</b>										
Water/sewer	<u>1,856,495</u>	<u>1,874,208</u>	<u>1,975,675</u>	<u>2,502,174</u>	<u>2,012,768</u>	<u>1,868,521</u>	<u>2,601,989</u>	<u>3,024,030</u>	<u>1,801,907</u>	<u>1,638,626</u>
Total Primary Government	<u>\$ 4,893,801</u>	<u>4,632,106</u>	<u>4,144,964</u>	<u>5,541,819</u>	<u>4,744,108</u>	<u>3,818,106</u>	<u>10,591,657</u>	<u>6,667,622</u>	<u>3,136,842</u>	<u>2,572,418</u>

Source: Basic financial statements.

GASB 34 was implemented in 2005.

**CITY OF UNION, MISSOURI**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST NINE FISCAL YEARS**

<b>Fiscal Year</b>	<b>Sales Taxes</b>	<b>Property Taxes</b>	<b>Franchise Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2014	\$ 2,608,141	\$ 1,145,869	\$ 1,632,039	\$ 673,819	\$ 6,059,868
2013	2,480,898	1,477,627	1,579,086	496,310	6,033,921
2012	2,492,053	1,062,033	1,473,767	600,608	5,628,461
2011	2,402,085	1,035,513	1,472,202	519,642	5,429,442
2010	2,327,690	1,090,725	1,338,241	568,324	5,324,980
2009	2,378,862	997,214	1,215,314	674,261	5,265,651
2008	2,523,912	945,460	1,385,504	646,671	5,501,547
2007	2,391,467	907,026	998,653	594,882	4,892,028
2006	2,284,329	843,656	921,519	519,366	4,568,870
2005	2,194,395	756,917	853,945	637,131	4,442,388

Source: Required supplemental information and basic financial statements.

GASB 34 was implemented in 2005.

**CITY OF UNION, MISSOURI**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Calendar Year	Real Estate			Assessed		Personal Property	
		Residential Property	Commercial Property	Agricultural Property	Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2014	2013	\$ 75,746,784	\$ 51,827,926	\$ 1,748,840	\$ 129,323,550	\$ 575,203,220	\$ 30,683,386	\$ 102,277,953
2013	2012	80,476,030	53,340,027	1,489,762	135,305,819	602,660,320	29,236,561	97,455,203
2012	2011	79,389,683	52,131,019	1,516,901	133,037,603	593,390,713	28,921,814	86,765,442
2011	2010	79,960,246	53,557,035	1,559,335	135,076,616	601,203,593	26,400,183	79,200,549
2010	2009	78,452,987	50,862,259	1,546,562	130,861,808	584,742,034	28,169,432	84,508,296
2009	2008	77,384,338	49,068,689	1,435,266	127,888,293	572,586,193	28,549,025	85,647,075
2008	2007	74,756,189	47,180,068	1,647,990	123,584,247	554,624,589	27,987,390	83,962,170
2007	2006	62,528,100	43,971,403	1,241,911	107,741,414	476,855,156	29,007,786	87,023,358
2006	2005	58,141,116	42,080,582	967,100	101,188,798	445,566,859	25,386,219	76,158,657
2005	2004	46,894,294	35,837,738	1,129,441	83,861,473	368,217,013	23,512,252	70,536,756

Fiscal Year	Calendar Year	Railroad And Utility		Total		Total Direct Tax Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2014	2013	\$ 6,521,584	\$ 22,345,194	\$ 166,528,520	\$ 699,826,367	\$ 0.7000	23.8 %
2013	2012	5,745,131	17,802,475	170,287,511	717,917,998	0.6707	23.7
2012	2011	5,332,187	16,527,233	167,291,604	696,683,388	0.6683	24.0
2011	2010	4,668,891	14,458,562	166,145,690	694,862,704	0.6559	23.9
2010	2009	5,370,843	16,644,781	164,402,083	685,895,111	0.6500	24.0
2009	2008	4,382,683	13,562,416	160,820,001	671,795,684	0.6390	23.9
2008	2007	4,453,221	13,775,317	156,024,858	652,362,076	0.6360	23.9
2007	2006	4,161,403	12,875,367	140,910,603	576,753,881	0.6560	24.4
2006	2005	3,989,071	12,353,230	130,564,088	534,078,746	0.6550	24.4
2005	2004	3,870,789	11,966,055	111,244,514	450,719,824	0.6940	24.7

Notes: Assessments are determined by the Assessor of Franklin County as of January 1. Property has an assessed value to estimated actual value as follows: commercial real estate 32%, residential real estate 19%, agricultural real estate 12%, and personal property 33-1/3%.

Source: Franklin County Assessor

**CITY OF UNION, MISSOURI**  
**PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

	<b>June 30</b>									
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
City of Union:										
General Fund	\$0.564	0.541	0.538	0.529	0.524	0.515	0.513	0.529	0.528	0.559
Union Park Fund	0.136	0.130	0.130	0.127	0.126	0.124	0.123	0.127	0.127	0.135
Total City Of Union	0.700	0.671	0.668	0.656	0.650	0.639	0.636	0.656	0.655	0.694
Overlapping governments:										
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Franklin County	0.941	0.903	0.910	0.090	0.881	0.884	0.884	0.894	0.936	0.946
Union Fire Protection District	0.138	0.130	0.273	0.269	0.269	0.269	0.268	0.279	0.279	0.293
Union Ambulance District	0.177	0.168	0.168	0.165	0.165	0.166	0.165	0.172	0.172	0.180
Union School District	3.750	3.750	3.750	3.700	3.700	3.700	3.510	3.470	3.470	3.470
East Central College	0.454	0.440	0.439	0.433	0.433	0.435	0.431	0.447	0.447	0.437
The Franklin County Library District	0.083	0.078	0.078	0.076	0.076	0.092	0.091	0.096	0.096	0.100

Source: Franklin County Assessor (rates stated per \$100 assessed valuation)

**CITY OF UNION, MISSOURI**  
**PRINCIPAL TAXPAYERS**  
**CURRENT YEAR AND FIVE YEARS AGO**

<b>Taxpayer</b>	<b>2014</b>			<b>2009</b>		
	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>
Esselte Pendaflex Corp.	\$ 3,601,387	1	2.13 %	\$ 3,812,169	1	2.44 %
Wal-Mart Supercenter	1,751,005	2	1.03	1,904,742	2	1.22
Black Creek Corporation	1,266,098	3	0.75	864,783	6	0.16
Union Housing Association LP	1,143,800	4	0.68	1,140,336	4	0.73
D R G Plastics	1,136,381	5	0.67	1,161,894	3	0.74
Bequette Properties LLC	1,103,933	6	0.65	669,599	9	0.43
MHB LLC	1,103,891	7	0.65	1,113,712	5	0.71
United Bank of Union	934,204	8	0.55	806,838	7	0.52
Franklin Co. Medical Outreach	750,397	9	0.43	696,304	8	0.45
MO Natural Gas	724,422	10	0.43	-	-	-
Jelco Realty	-	-	-	666,113	10	0.43
<b>Total</b>	<b>\$ 13,515,518</b>		<b>7.97 %</b>	<b>\$ 12,836,490</b>		<b>7.83 %</b>

Source: Franklin County IT Department - five years of data is what the County has on record.

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

<b>Fiscal Year</b>	<b>Tax Levy Year</b>	<b>Net Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent Collected As Current</b>	<b>Delinquent Tax Collections (1)</b>	<b>Total Tax Collections</b>	<b>Total Collections As Percent Of Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes As Percent Of Levy</b>
2014	2013	\$ 1,121,360	\$ 1,079,064	96.2 %	\$ 61,893	\$ 1,140,957	101.7 %	\$ 42,296	3.77 %
2013	2012	1,101,864	1,015,714	92.2	57,210	1,072,924	97.4	86,150	7.82
2012	2011	1,085,033	976,278	90.0	59,212	1,035,490	95.4	108,755	10.02
2011	2010	1,061,052	939,777	88.6	138,001	1,077,778	101.6	121,275	11.43
2010	2009	1,037,528	926,243	89.3	86,171	1,012,414	97.6	111,285	10.73
2009	2008	1,005,337	895,015	89.0	104,438	999,453	99.4	110,322	10.97
2008	2007	965,544	842,659	87.3	92,112	934,771	96.8	122,885	12.73
2007	2006	897,501	797,497	88.9	187,721	985,218	109.8	100,004	11.14
2006	2005	830,814	655,009	78.8	83,840	738,849	88.9	175,805	21.16
2005	2004	747,925	663,536	88.7	78,060	741,596	99.2	84,389	11.28

Source: The City's tax database and Franklin County Collector's Office

(1) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year. The City is working with the County to obtain this information and more time is needed to make system updates to track this information.

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

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage Of Personal Income (1)	Per Capita (1)
	Capital Lease Obligations	Certificates Of Participation	Loan Payable	Capital Lease Obligation	Certificates Of Participation	Revenue Bonds			
2014	\$ -	\$ -	\$ -	\$ 599,938	\$ 3,470,000	\$ 3,260,000	\$ 7,329,938	- %	\$ 693
2013	-	-	-	656,694	3,670,000	3,410,000	7,736,694	-	740
2012	-	-	-	710,576	3,465,000	3,560,000	7,735,576	-	758
2011	-	-	-	761,730	3,620,000	3,705,000	8,086,730	-	793
2010	-	-	-	810,294	3,770,000	-	4,580,294	-	472
2009	14,020	-	1,095,250	856,399	3,910,000	-	5,875,669	-	N/A
2008	34,407	1,795,000	-	900,169	4,045,000	-	6,774,576	1.98	700
2007	43,376	2,065,000	-	941,723	4,615,000	-	7,665,099	2.50	810
2006	71,030	2,345,000	-	981,173	790,000	-	4,187,203	1.45	450
2005	29,236	2,860,000	-	1,018,625	1,305,000	-	5,212,861	2.02	600

(1) See Demographics and Economic Statistics Table

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

**CITY OF UNION, MISSOURI**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2014**

---

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
East Central College	\$ 15,166,577	11.00 %	\$ 1,668,323
Union School District	32,347,051	45.00	14,556,173
	47,513,628		16,224,496
City direct debt	-	100.00 %	-
Total Direct And Overlapping Debt	<u>\$ 47,513,628</u>		<u>\$ 16,224,496</u>

Source: Information was obtained by contacting the taxing jurisdiction.

The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

**CITY OF UNION, MISSOURI**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**LAST TEN FISCAL YEARS**

	Fiscal Years Ended June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessed Value	\$ 166,528,520	170,287,511	167,291,604	166,145,690	164,402,083	160,820,001	156,024,858	140,910,603	130,564,088	111,244,514
Debt limit - 10% of total assessed valuation	\$ 16,652,852	17,028,751	16,729,160	16,614,569	16,440,208	16,082,000	15,602,486	14,091,060	13,056,409	11,124,451
Amount of debt subject to limit:										
Total bonded debt	-	-	-	-	-	-	-	-	-	-
Less - Amounts available in Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Total Amount Of Debt Subject To Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 16,652,852	17,028,751	16,729,160	16,614,569	16,440,208	16,082,000	15,602,486	14,091,060	13,056,409	11,124,451

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 UNION, MISSOURI**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Median Household Income (2)</b>	<b>Personal Income</b>	<b>Per Capita Income (3)</b>	<b>Public School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2014	10,577	\$ 41,452	N/A	N/A	3,075	6.4 %
2013	10,456	45,871	N/A	\$ 35,811	3,150	7.5
2012	10,258	52,267	N/A	34,762	3,161	8.6
2011	10,204	49,034	N/A	N/A	3,018	10.2
2010	9,714	N/A	N/A	N/A	3,054	10.5
2009	N/A	N/A	N/A	N/A	3,025	9.3
2008	9,684	49,064	\$341,302,896	35,244	3,001	6.1
2007	9,468	45,998	306,829,476	32,407	2,935	4.9
2006	9,309	N/A	289,696,080	31,120	2,912	5.2
2005	8,693	N/A	257,512,739	29,623	2,885	5.6

Sources:

- (1) U.S. Census
- (2) Regional Commerce and Growth Figures
- (3) U.S. Bureau of Economic Analysis
- (4) Missouri Department of Elementary and Secondary Education
- (5) U.S. Department of Labor Statistics (not seasonally adjusted)

**CITY OF UNION, MISSOURI**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND TEN YEARS AGO**

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment</u>
Tops Slt, Inc. (Esselte)	538	1	10.37 %	374	2	9.92 %
Union RXI School District	377	2	10.18	384	1	10.18
Franklin County Government	345	3	9.12	330	3	8.75
Buddeez (American Plastics)	250	4	6.18	-	-	-
Silgan Plastic Containers	231	5	6.12	159	6	4.22
Wal-Mart Supercenter	230	6	6.10	277	4	7.34
East Central College	209	7	5.59	175	5	4.64
Climate Express	150	8	3.98	-	-	-
Spartan Showcase	105	9	3.15	133	7	3.53
Sunset Health Care	100	10	2.65	93	9	2.47
The Children's Factory	-	-	-	96	8	2.55
Pharma Tech Industries				75	10	1.99
<b>Total</b>	<u>2,535</u>		<u>63.44 %</u>	<u>2,096</u>		<u>55.59 %</u>

Source: The City's business license database

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

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Administration Department:										
City administrator	1	1	1	1	1	1	1	1	1	1
Administrative assistant	1	1	1	1	1	1	1	1	1	1
City clerk	1	1	1	1	1	1	1	1	1	1
Deputy city clerk/accounting clerk	1	1	1	1	1	1	1	1	1	1
Finance officer	1	1	1	1	1	1	1	-	-	-
Custodian	1	1	1	1	1	1	1	1	1	1
City attorney	1	1	1	1	1	1	1	1	1	1
City collector	1	1	1	1	1	1	1	1	1	1
Engineering Department:										
City engineer	1	1	1	1	1	1	1	1	1	1
Engineering assistant	1	1	1	1	1	1	1	1	1	1
Building inspector	1	1	1	1	1	1	1	1	1	1
Economic Development Department:										
Economic director	1	1	1	1	1	1	1	1	1	1
Assistant	1	1	1	1	1	1	1	1	1	1
Parks and Recreation Department:										
Parks and recreation director	1	1	1	1	1	1	1	1	1	1
Recreation coordinator	1	1	1	1	1	1	1	1	1	1
Assistant	-	-	-	-	-	-	-	-	-	1
Maintenance - foreman	1	1	1	1	1	1	1	1	1	1
Maintenance	3	2	2	2	2	2	2	2	2	2
Public works department:										
Public works director	1	1	1	1	1	1	1	1	1	1
Street foreman	1	1	1	1	1	1	1	1	1	1
Street field foreman	1	1	1	1	1	1	-	-	-	-
Street laborer II	2	4	3	3	3	4	4	4	4	4
Street laborer III	1	-	-	-	-	-	-	-	-	-
Street equipment operator II	1	-	-	-	-	-	-	-	-	-
Street equipment operator IV	-	2	2	2	2	1	2	2	2	2
Street equipment operator III	2	-	1	1	1	1	1	1	1	1
Street mechanic	2	2	2	2	2	1	1	1	1	1

(Continued)

**CITY OF UNION, MISSOURI**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS (Continued)**  
**LAST TEN FISCAL YEARS**

FUNCTIONS/PROGRAMS (Continued)	Full-Time Equivalent Employees As Of June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Water/Wastewater Department:										
Water/Wastewater foreman	1	1	1	1	1	1	1	1	1	1
Field foreman	1	1	1	1	1	1	-	-	-	-
Class C operator II	1	1	1	1	1	1	-	-	-	-
Water/Distribution operator	3	2	2	2	1	1	1	1	1	1
Water/Wastewater apprentice	2	3	3	3	4	4	6	6	6	6
Utility billing clerk	1	1	1	1	1	1	1	1	1	1
Accounting clerk	1	1	1	1	1	1	1	1	1	1
Police:										
Police chief	1	1	1	1	1	1	1	1	1	1
Lt. assistant police chief	1	1	1	1	1	1	1	1	1	1
Police sergeant	4	4	4	4	4	4	4	4	4	4
Detective sergeant	1	1	1	1	1	-	-	-	-	-
Detective	1	1	1	1	1	2	2	1	1	1
Corporal	1	1	1	1	1	-	-	-	-	-
School resource officer	3	2	2	2	2	2	1	1	1	1
Parking control officer	1	1	1	1	1	1	1	1	1	1
Patrol officer	8	9	9	9	9	10	9	9	9	9
Police clerks	2	2	2	2	2	2	2	2	2	2
Municipal Court Department:										
Municipal court clerk	1	1	1	1	1	1	1	1	1	1
Municipal judge	1	1	1	1	1	1	1	1	1	1

Source: City payroll department records

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

FUNCTIONS/PROGRAMS	June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police - patrol:										
Arrests	816	1,063	746	787	705	665	475	610	550	600
Traffic citations	1,720	1,972	2,141	2,857	1,733	1,573	1,416	1,810	1,715	1,843
Crime reports	3,342	3,418	3,291	3,633	4,034	3,991	3,846	4,187	3,723	3,541
Accident reports	505	509	447	493	521	520	548	458	349	382
Public works:										
Road repair - tons of mix	2,310	1,485	1,858	1,543	1,686	1,453	955	1,868	2,452	3,078
Traffic control signs serviced	232	245	293	202	294	97	88	253	128	103
Storm sewer grates and lids inspected	1,080	1,160	1,134	1,130	1,069	921	1,082	967	795	725
Parks:										
Acres mowed and maintained	187	187	187	187	187	187	187	187	187	187
Trees and shrubs planted	6	-	10	-	8	4	3	25	100	N/A
Engineering/building inspection:										
Rezoning applications	-	-	1	-	1	3	2	-	4	4
Building permits issued	238	230	197	190	194	147	253	280	275	302
Water permits issued	50	89	74	58	50	42	80	94	123	166
Sewer permits issued	43	82	73	55	48	36	74	83	104	159
Finance and administration:										
Business licenses issued	653	658	667	694	655	583	684	639	607	578
Payroll checks issued	3,952	4,034	4,245	4,002	4,102	4,015	3,769	3,424	3,601	3,583
Accounts payable processed	2,064	2,087	2,209	2,459	2,216	2,598	2,494	2,302	2,308	2,376
Requests for public records	9	3	2	2	4	3	2	3	3	2
Liquor licenses issued	36	87	57	62	50	46	45	36	33	30

Source: City records - various departments listed

**CITY OF UNION, MISSOURI**  
**CAPITAL ASSETS STATISTICS BY FUNCTIONS/PROGRAMS**  
**LAST TEN FISCAL YEARS**

FUNCTIONS/PROGRAMS	June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	11	11	10	10	13	13	12	10	10	9
Public works:										
Miles of streets	88.10	88.10	87.96	87.96	87.59	87.10	87.10	86.67	84.96	83.53
Traffic lights and signals	-	-	1	2	2	2	2	2	2	2
Miles of sanitary sewer line	76.80	76.80	76.60	76.28	75.55	74.68	74.68	74.07	71.36	69.13
Number of meters	4,742	4,238	4,161	4,017	3,905	3,975	3,975	4,054	3,794	3,631
Miles of water line	83.92	83.92	83.76	83.74	83.14	82.60	82.60	82.37	80.49	78.45
Number of pumping stations	16	16	16	15	16	16	14	13	12	12
Parks and recreation:										
Number of parks	5	5	5	5	5	5	5	5	5	5
Acres of parks	178	178	178	178	178	178	178	178	178	178
Tennis courts	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Volleyball courts	2	2	2	2	2	2	2	2	-	-
Basketball courts	4	4	4	4	4	4	4	4	4	4
Baseball/softball fields	9	9	9	9	9	9	9	9	9	9
Playgrounds	5	5	5	5	5	5	5	5	4	4
Soccer fields	5	5	5	5	5	5	5	5	5	5

Source: City finance department records

Note: No capital asset indicators are available for the Engineering/Building Inspector and Administration functions.

**CITY OF UNION, MISSOURI**  
**STATISTICAL INFORMATION**

**BOND ANNUAL REPORT**

Name of Issuer: City of Union, Missouri

Name of Issue(s)/Date of Issuance:

\$3,655,000

Taxable Combined Waterworks and Sewerage System Revenue Bonds  
(Recovery Zone Economic Development Bonds - Direct Pay)  
Series 2010A

Date of Issuance: September 29, 2010

\$50,000

Taxable Combined Waterworks and Sewerage System Revenue Bonds  
Series 2010B

Date of Issuance: September 29, 2010

\$2,370,000

Refunding Certificates of Participation (City of Union, Missouri, Lessee)  
Series 2013A

Date of Issuance: March 21, 2013

\$1,300,000

Taxable Refunding Certificates of Participation (City of Union, Missouri, Lessee)  
Series 2013B

Date of Issuance: March 21, 2013

Date of Report: October 31, 2014

Relating to CUSIP Nos.:

<b>Series 2010A Bonds</b>	<b>Series 2010B Bonds</b>	<b>Series 2013A Certificates</b>	<b>Series 2013B Certificates</b>
907097 BF5	907097 BK4	907096 BH3	907096 BS9
907097 BG3		907096 BJ9	907096 BT7
907097 BH1		907096 BK6	907096 BU4
907097 BJ7		907096 BL4	907096 BV2
		907096 BM2	907096 BW0
		907096 BN0	907096 BX8
		907096 BP5	
		907096 BQ3	
		907096 BR1	

**CITY OF UNION, MISSOURI**  
**STATISTICAL INFORMATION**

**AUDITED FINANCIAL STATEMENTS OF THE CITY**

The Audited Financial Statements for the fiscal year ended June 30, 2014 have been filed and are available on the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

**ANNUAL FINANCIAL INFORMATION AND OPERATING DATA**

**A. FINANCIAL INFORMATION CONCERNING THE CITY - *Sources of Revenue.***

**Sources of Revenue**

**General.** The City finances its General Fund through the sales tax, local property tax levy, various other taxes, a variety of license and permit fees, and other miscellaneous sources as indicated below for the 2014 fiscal year:

<u>Source</u>	<u>2014</u>	<u>Percent Of Total</u>
Taxes	\$4,921,837	57.4%
Fines and forfeitures	128,137	1.5
Licenses and permits	99,252	1.2
Charges for services	839,105	9.8
Intergovernmental	1,111,810	13.0
Investment income	88,277	1.0
Rental income	22,970	0.3
Miscellaneous	41,928	0.5
Sale of capital assets	1,225	-
Transfers in	<u>1,325,644</u>	15.5
Total Revenues	<u>\$8,580,185</u>	

Source: City's budget for the fiscal year ending June 30, 2014

**Capital Improvement Sales Taxes.** The following table shows the amount of revenues received by the City from its capital improvement sales taxes and the rate of increase or decrease for the following fiscal years:

<u>Fiscal Year</u>	<u>Amount Collected</u>	<u>Percent Change</u>
2010	\$775,930	(2.1%)
2011	800,672	3.2
2012	830,707	3.8
2013	826,940	(0.045)
2014	869,029	5.1

**CITY OF UNION, MISSOURI**  
**STATISTICAL INFORMATION**

**B. THE SYSTEM - Customers and Usage.**

**Customers and Usage**

*Existing Customers.* Currently, the total number of active customers of the System is 4,160. The System services all residential and commercial facilities in the City. The following table sets forth the total number of customers of the System for the following years:

<u>Year</u>	<u>Total Number Of Customers</u>	<u>Percentage Increase</u>
2010	4,049	0.50%
2011	4,090	1.01
2012	4,160	1.71
2013	4,198	0.91
2014	4,381	4.36

*Water Sales.* The following table sets forth the total sales of water by the City during the last five calendar years:

<u>Year</u>	<u>Gallons Sold</u>
2010	286,628,935
2011	287,218,470
2012	292,626,330
2013	296,434,290
2014	290,086,901

*Largest System Customers.* The following table shows the total gallons used by and amount billed to the largest customers of the System for the fiscal year ended June 30, 2014:

<u>Customer</u>	<u>Type Business</u>	<u>Gallons Used</u>	<u>Dollar Billing</u>
1. East Central College	College	6,286,100	\$30,788
2. Sunset Nursing Home	Nursing home	5,898,000	31,834
3. Silgan Plastics	Mfg - Food containers	4,451,500	18,054
4. Union R-XI School District	Public school	3,585,160	23,750
5. Gateway Extrusions Ltd	Mfg - Aluminum extrusion services	2,997,000	16,615
6. TOPS STL	Mfg/Distributor - Filing supplies	2,629,500	15,228
7. One Independence Drive LLC	Restaurant	2,600,000	14,864
8. Fast Trip	Car wash	2,562,000	14,383
9. #1 Laundromat	Laundry mat	2,126,500	11,895
10. Havin Material Service	Construction material	1,700,950	5,697

**CITY OF UNION, MISSOURI**  
**STATISTICAL INFORMATION**

**Water and Sewer Rates**

The following table shows the current monthly water rates:

<b>Consumption</b>	<b>Current Rates Rate Per 1,000 Gallons</b>
First 2,000 gallons	\$6.70 minimum
2,001 - 35,000 gallons	3.05
Over 35,001 gallons	2.95

Currently, the City charges \$2.65 minimum plus \$2.35 per 1,000 gallons per month for sewer service. Sewer services are not provided outside of the City limits. The City charges \$19.10 flat rate per unit for sewer only customers.

Rates for water and sewer service are reviewed prior to the beginning of each fiscal year to determine whether an increase in rates is required.

**Billing and Collection**

The following table shows the amounts billed for service and amounts collected by the City for the last five fiscal years:

<b>Water System</b>			
<b>Year</b>	<b>Amount Billed</b>	<b>Amount Collected</b>	<b>Percentage Collected</b>
2010	\$944,349	\$958,725	100.0%
2011	945,103	945,016	99.9
2012	985,294	985,252	99.9
2013	978,170	961,552	98.3
2014	976,947	962,768	98.5

<b>Sewer System</b>			
<b>Year</b>	<b>Amount Billed</b>	<b>Amount Collected</b>	<b>Percentage Collected</b>
2010	\$770,370	\$780,182	100.0%
2011	771,356	769,855	99.8
2012	791,880	790,339	99.8
2013	699,657	783,675	100.0
2014	792,698	787,675	99.4

**CITY OF UNION, MISSOURI**  
**STATISTICAL INFORMATION**

**Historic Debt Service Coverage Table**

The table below sets forth the historic revenues and expenses of the System, revenues from the City's two one-quarter of one percent capital improvement sales taxes and debt service coverage:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Operating Revenues	\$1,783,723	1,808,937	1,878,594	1,874,208	1,856,495
Non-Operating Revenues	111,192	552,179	229,129	124,267	95,076
Capital Improvement Sales Tax Revenue	775,930	800,671	830,707	826,940	869,029
Operating Expenses <sup>(1)</sup>	<u>(1,147,630)</u>	<u>(1,180,618)</u>	<u>(1,342,969)</u>	<u>(1,325,837)</u>	<u>(1,316,952)</u>
Revenue Available For Debt Service	<u>\$1,523,215</u>	<u>1,981,169</u>	<u>1,595,461</u>	<u>1,499,578</u>	<u>1,503,648</u>
Debt Service Requirements <sup>(2)</sup>	\$423,048	\$484,461	\$619,135	\$585,451	\$619,962
Debt Service Coverage	3.60x	4.09x	2.58x	2.56x	2.29x

<sup>(1)</sup> Excludes depreciation and amortization expenses.

<sup>(2)</sup> Debt service requirements for fiscal year ending 2010 includes the actual debt service on the Series 2006A Certificates and a \$90,000 annual lease payment on a City capital lease. Debt service requirements for fiscal year ending 2011 includes the actual debt service on the Series 2010A Bonds, the Series 2010B Bonds, the Series 2006A Certificates and a \$90,000 annual lease payment on a City capital lease. Debt service requirements for fiscal year ending 2012 includes the actual debt service on the Series 2010A Bonds, the Series 2010B Bonds, the Series 2006A Certificates and a \$90,000 annual lease payment on a City capital lease. The debt service figure for the Series 2010A Bonds is net of the interest rate subsidy received from the United States Treasury on each payment date equal to 45% of the amount of each interest payment said bonds. Debt service requirements for fiscal year ending 2013 includes the actual debt service on the Series 2010A Bonds, the Series 2006A Certificates and a \$90,000 annual lease payment on a City capital lease. The City refinanced the 2006A bonds in March of 2013. The debt service figure for the Series 2010A Bonds is net of the interest rate subsidy received from the United States Treasury on each payment date equal to 45% of the amount of each interest payment said bonds

**C. DEBT STRUCTURE OF THE CITY - Revenue Obligations.**

**Revenue Obligations**

In 2010, the City issued the Series 2010A Bonds and Series 2010B Bonds to provide funds to improve and expand the System. The Series 2010B Bonds are no longer outstanding. The Series 2010A Bonds are currently outstanding in the aggregate principal amount of \$3,410,000.

In 2013, the City refinanced the Series 2006A Bonds. The Series 2013A Bonds are currently outstanding in the aggregate principal amount of \$2,370,000 and the Series 2013B Bonds are currently outstanding in the aggregate principal amount of \$1,300,000.