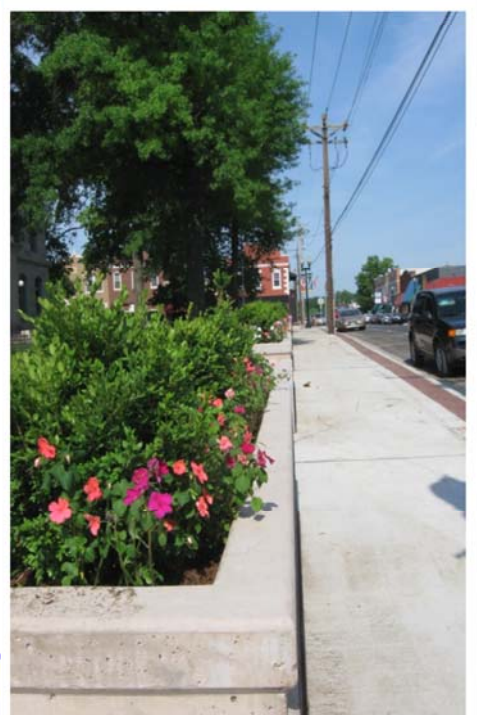


*City of Union, Missouri*  
*Comprehensive Annual Financial*  
*Report*  
*For the Fiscal Year Ended June 30, 2015*



***CITY OF UNION, MISSOURI***

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***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

---

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015

PREPARED BY THE FINANCE OFFICER

# CITY OF UNION, MISSOURI

## FINANCIAL REPORT

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# CITY OF UNION, MISSOURI

## 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

December 17, 2015

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, 2015.

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, 2015, 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, 2015, are fairly presented in conformity 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 10 years with the construction of a Government Center and Judicial Center.

Over the past year the City has continued to see growth in its industrial, residential, and commercial areas. New single family homes and villa communities are adding to the City's current residential housing. In 2015 there were 163 new residential permits, 3 commercial projects, and 3 industrial projects. There are currently 3 industrial construction prospects which are expected to begin/complete construction in 2016. As the new projects are completed and new job opportunities are created the City anticipates continued growth in all three areas.

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, 2015, the sales tax increased approximately 5.64%. 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 2014 - 2015, the City continued to improve its facilities and infrastructure to serve its citizens. This includes the following projects:

The Prairie Road Phase 1 project consists of improvements from Highway 50 to Prairie Dell Plaza Drive. This project includes center landscaped island and lighting, storm sewers, and provide widening and resurfacing of the roadway. This project is expected to be completed in the fall 2015.

The Veterans Memorial Park financing was completed in late 2014.

Installation of new front steps and heating system at City Hall.

Repairs to various curb, gutter, and sidewalk maintenance.

### **Long-term Financial Planning**

The City's new five-year capital improvement plan, comprehensive plan, and water study are completed. These plans will be helpful with long range planning purposes to accomplish goals and objectives for the City. The City completed work on a five-year capital improvement plan in 2015. This plan will help project costs and estimate revenues for the next five years. It 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, 2015, 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, 2014. 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 accounting principles generally accepted in the United States of America and applicable legal requirements.

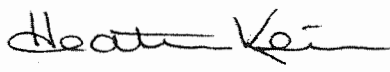
The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another Certificate of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

# **CITY OF UNION, MISSOURI**

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## **INTRODUCTORY**

### **PRINCIPAL OFFICIALS**

#### **MAYOR**

Mike Livengood

#### **WARD 1**

Robert Schmuke  
Jim Albrecht

#### **WARD 2**

Dale Schmuke  
Vicki Jo Hooper

#### **WARD 3**

Paul Arand  
Dustin Bailey

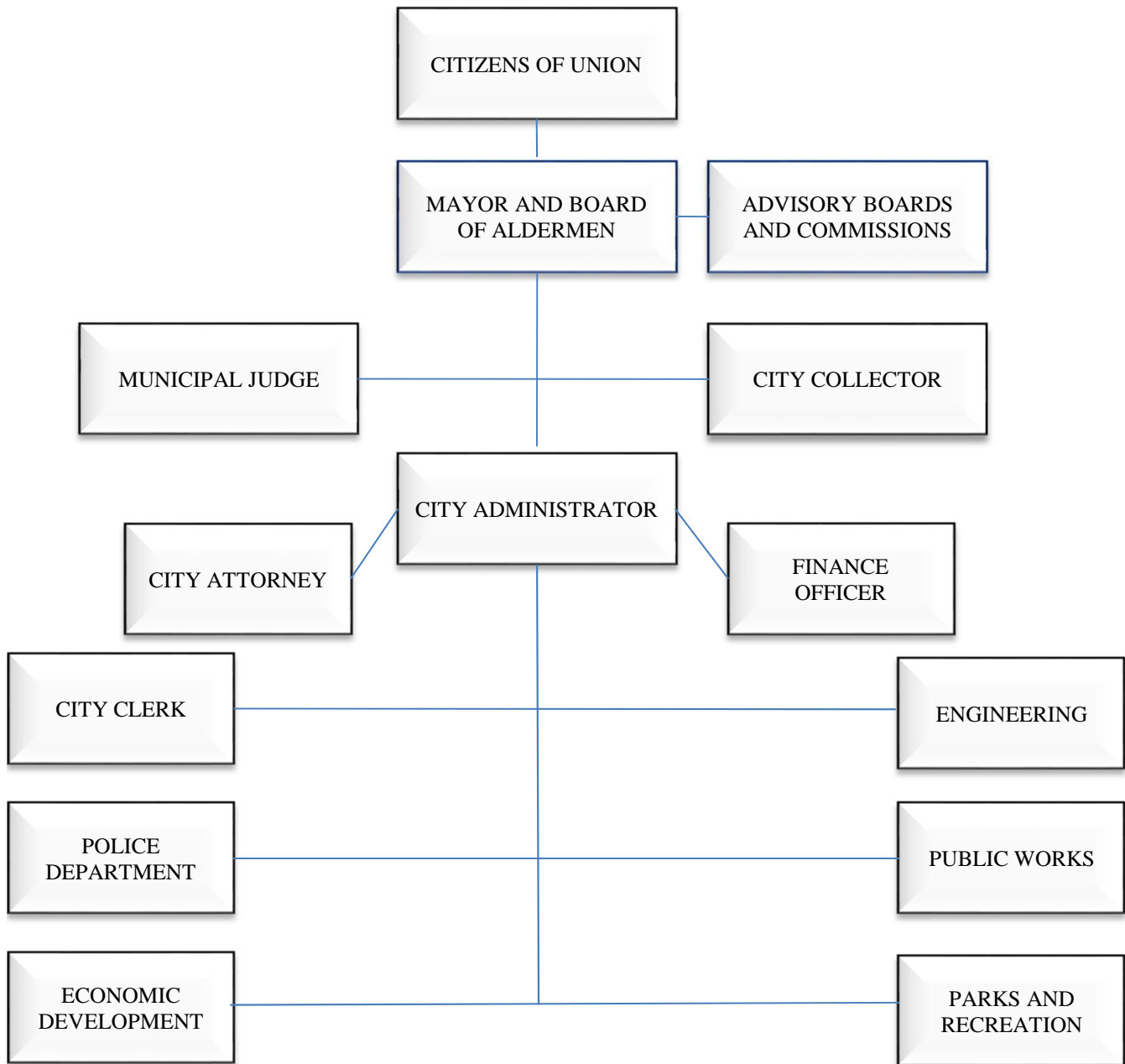
#### **WARD 4**

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  
James Schmieder - Economic Development Director/Assistant City Administrator  
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, 2014**

Executive Director/CEO

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

---



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

## **INDEPENDENT AUDITOR'S REPORT**

December 17, 2015

Honorable Mayor and the 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, 2015, 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

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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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required 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 infor-



mation 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 December 17, 2015 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.

*Hochschild, Bloom & Company LLP*  
**CERTIFIED PUBLIC ACCOUNTANTS**

# **CITY OF UNION, MISSOURI**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **FOR THE YEAR ENDED JUNE 30, 2015**

---

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, 2015. 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 \$57,297,783. The City has unrestricted net position totaling \$14,178,510.
- General revenues for governmental activities were \$6,579,727 which included \$5,962,027 (90.6%) in sales, property, franchise, and other taxes. Property taxes accounted for \$1,147,858 (17.4%) of general revenues.
- Expenses from the various functions of governmental activities was \$7,072,714. General government was \$1,716,889 (24.3%), public safety was \$1,504,173 (21.3%), street was \$1,715,515 (24.3%), refuse collection and other was \$692,069 (9.8%), culture and recreation was \$860,273 (12.2%), planning and development was \$307,401 (4.3%), and building maintenance was \$128,228 (1.8%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,363,975. Of this amount \$359,739 is unassigned, \$135,016 is nonspendable, \$4,800,200 is restricted, \$3,002,000 is committed, and \$4,986,419 is assigned.
- At the end of the current fiscal year, fund balance for the General Fund was \$8,259,755 or 114.7% of total General Fund expenditures. Of this amount \$359,739 is unassigned, \$105,016 is nonspendable, \$3,002,000 is committed, and \$4,793,000 is assigned.
- The City's total debt increased \$3,135,218 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.

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

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

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.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. It should be noted that the City does not have any 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.

**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

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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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.

**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.

**Supplemental information.** In addition to the basic financial statements and accompanying notes, certain required and other supplemental information can be found after the basic financial statements.

**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.

During the year ended June 30, 2015, the City adopted Governmental Accounting Standards Board Statement (GASB) No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, which resulted in pension related assets, outflows and inflows.

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 \$57,297,783 increased in 2015 by approximately 8.8% as compared to the previous year.

The largest portion of the City's net position, \$40,188,050 in 2015 (an increase of approximately 4.9% from 2014) 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 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:

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	June 30					
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>						
Current and other assets	\$15,544,112	10,341,741	6,211,034	5,566,548	21,755,146	15,908,289
Capital assets, net	<u>23,519,793</u>	<u>21,635,231</u>	<u>23,226,823</u>	<u>23,439,071</u>	<u>46,746,616</u>	<u>45,074,302</u>
Total Assets	<u>39,063,905</u>	<u>31,976,972</u>	<u>29,437,857</u>	<u>29,005,619</u>	<u>68,501,762</u>	<u>60,982,591</u>
<b>DEFERRED OUT- FLOWS OF RESOURCES</b>	<u>552,628</u>	<u>-</u>	<u>313,572</u>	<u>248,773</u>	<u>866,200</u>	<u>248,773</u>
<b>LIABILITIES</b>						
Long-term liabilities	3,727,703	281,891	6,422,457	7,354,316	10,150,160	7,636,207
Other liabilities	<u>567,610</u>	<u>639,173</u>	<u>826,238</u>	<u>307,112</u>	<u>1,393,848</u>	<u>946,285</u>
Total Liabilities	<u>4,295,313</u>	<u>921,064</u>	<u>7,248,695</u>	<u>7,661,428</u>	<u>11,544,008</u>	<u>8,582,492</u>
<b>DEFERRED IN- FLOWS OF RESOURCES</b>	<u>469,677</u>	<u>-</u>	<u>56,494</u>	<u>-</u>	<u>526,171</u>	<u>-</u>
<b>NET POSITION</b>						
Net investment in capital assets	23,457,748	21,635,231	16,730,302	16,683,541	40,188,050	38,318,772
Restricted	1,590,863	1,379,599	1,340,360	1,241,400	2,931,223	2,620,999
Unrestricted	<u>9,802,932</u>	<u>8,041,078</u>	<u>4,375,578</u>	<u>3,668,023</u>	<u>14,178,510</u>	<u>11,709,101</u>
Total Net Position	<u>\$34,851,543</u>	<u>31,055,908</u>	<u>22,446,240</u>	<u>21,592,964</u>	<u>57,297,783</u>	<u>52,648,872</u>

An additional portion of the City's net position, \$2,931,223 in 2015, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations 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 \$14,178,510 in 2015 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, 2015**

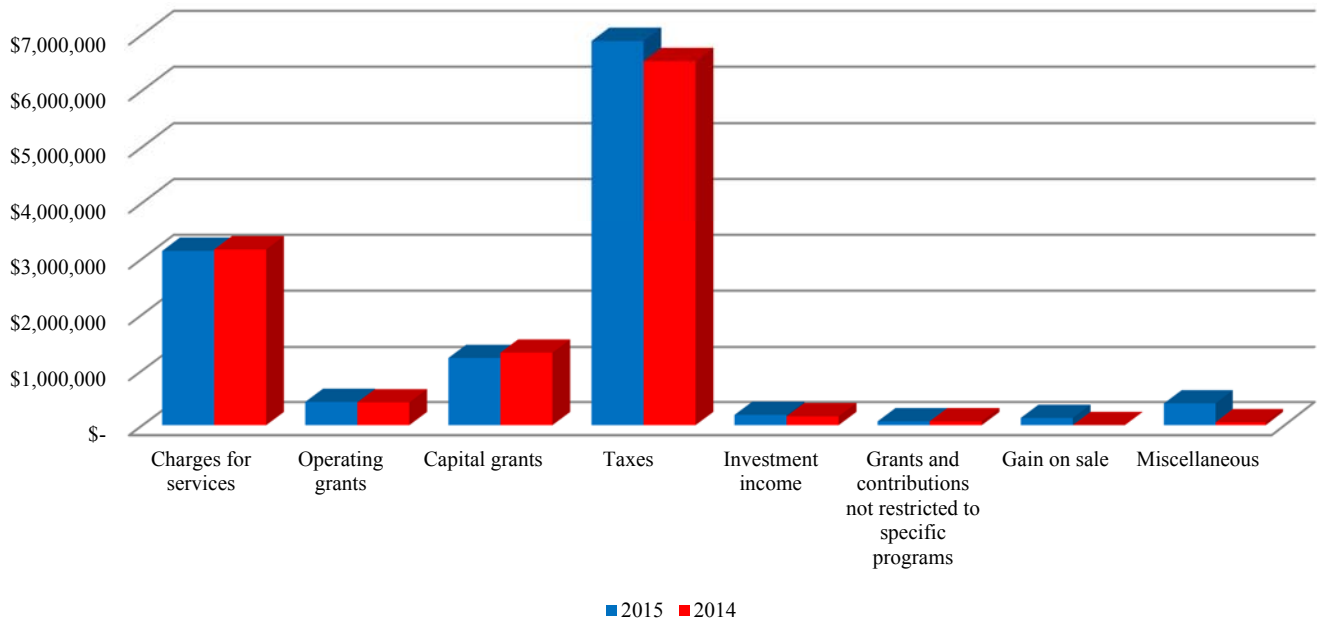
	<b>For The Years Ended June 30</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 1,275,160	1,304,025	1,857,564	1,856,495	3,132,724	3,160,520
Operating grants and contributions	422,298	415,010	-	-	422,298	415,010
Capital grants and contributions	1,093,648	1,318,271	127,036	-	1,220,684	1,318,271
General revenues						
Taxes	5,962,027	5,650,357	918,393	869,029	6,880,420	6,519,386
Investment income	133,627	103,809	53,942	58,322	187,569	162,131
Grants and contributions not restricted to specific programs	-	-	70,092	71,450	70,092	71,450
Gain on sale	131,975	1,225	-	-	131,975	1,225
Miscellaneous	<u>352,098</u>	<u>16,259</u>	<u>43,252</u>	<u>36,754</u>	<u>395,350</u>	<u>53,013</u>
Total Revenues	<u>9,370,833</u>	<u>8,808,956</u>	<u>3,070,279</u>	<u>2,892,050</u>	<u>12,441,112</u>	<u>11,701,006</u>
<b>EXPENSES</b>						
General government	1,716,889	1,850,323	-	-	1,716,889	1,850,323
Public safety	1,504,173	1,537,825	-	-	1,504,173	1,537,825
Street department	1,715,515	1,780,407	-	-	1,715,515	1,780,407
Refuse collection and other	692,069	719,926	-	-	692,069	719,926
Culture and recreation	860,273	770,646	-	-	860,273	770,646
Planning and development	307,401	327,350	-	-	307,401	327,350
Building maintenance	128,228	93,606	-	-	128,228	93,606
Water/sewer	-	-	2,378,160	2,336,858	2,378,160	2,336,858
Interest and fiscal charges	<u>148,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,166</u>	<u>-</u>
Total Expenses	<u>7,072,714</u>	<u>7,080,083</u>	<u>2,378,160</u>	<u>2,336,858</u>	<u>9,450,874</u>	<u>9,416,941</u>
<b>EXCESS BEFORE TRANSFERS</b>	2,298,119	1,728,873	692,119	555,192	2,990,238	2,400,599
TRANSFERS	<u>-</u>	<u>525,644</u>	<u>-</u>	<u>(525,644)</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>2,298,119</u>	<u>2,254,517</u>	<u>692,119</u>	<u>29,548</u>	<u>2,990,238</u>	<u>2,284,065</u>
NET POSITION, JULY 1	31,055,908	28,801,391	21,592,964	21,563,416	52,648,872	50,364,807
RESTATEMENT - PENSION	<u>1,497,516</u>	<u>-</u>	<u>161,157</u>	<u>-</u>	<u>1,658,673</u>	<u>-</u>
NET POSITION, JULY 1, AS RESTATED	<u>32,553,424</u>	<u>28,801,391</u>	<u>21,754,121</u>	<u>21,563,416</u>	<u>54,307,545</u>	<u>50,364,807</u>
<b>NET POSITION, JUNE 30</b>	<u>\$34,851,543</u>	<u>31,055,908</u>	<u>22,446,240</u>	<u>21,592,964</u>	<u>57,297,783</u>	<u>52,648,872</u>

# CITY OF UNION, MISSOURI

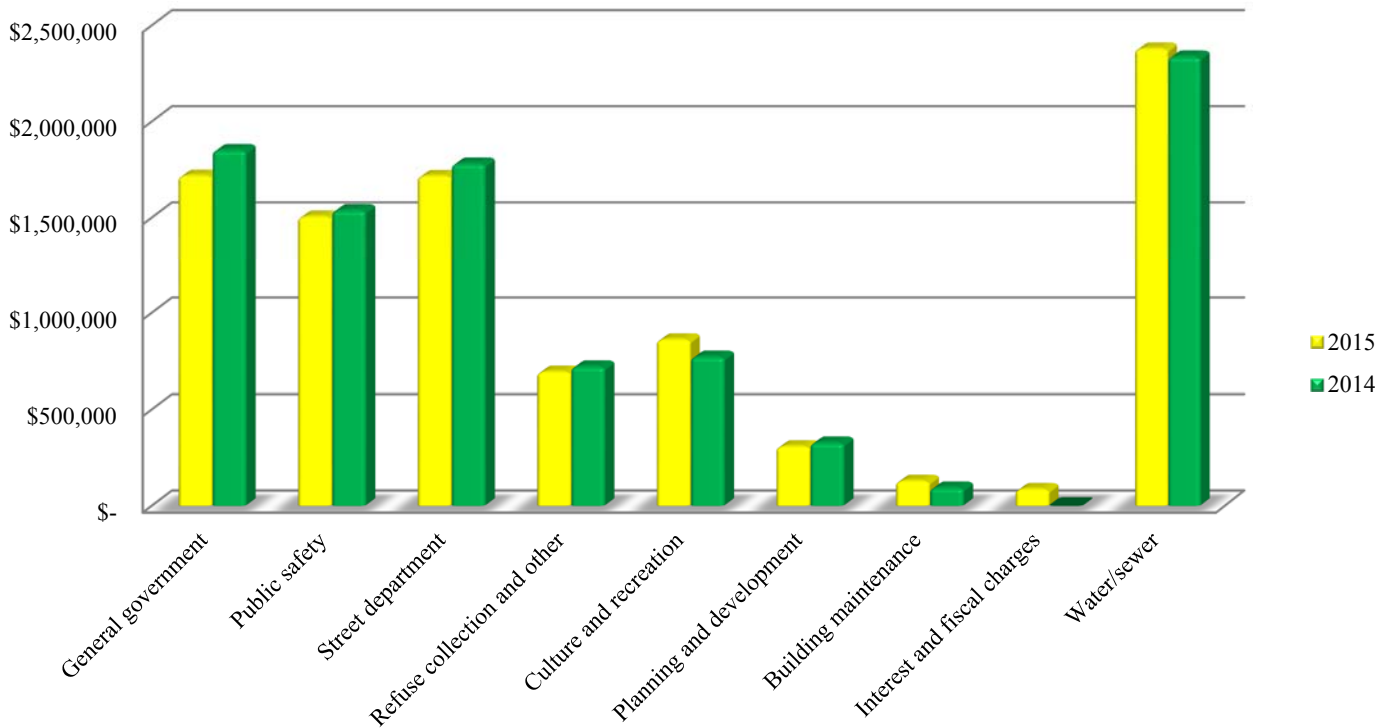
## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED JUNE 30, 2015

**Revenues by Source Comparison**

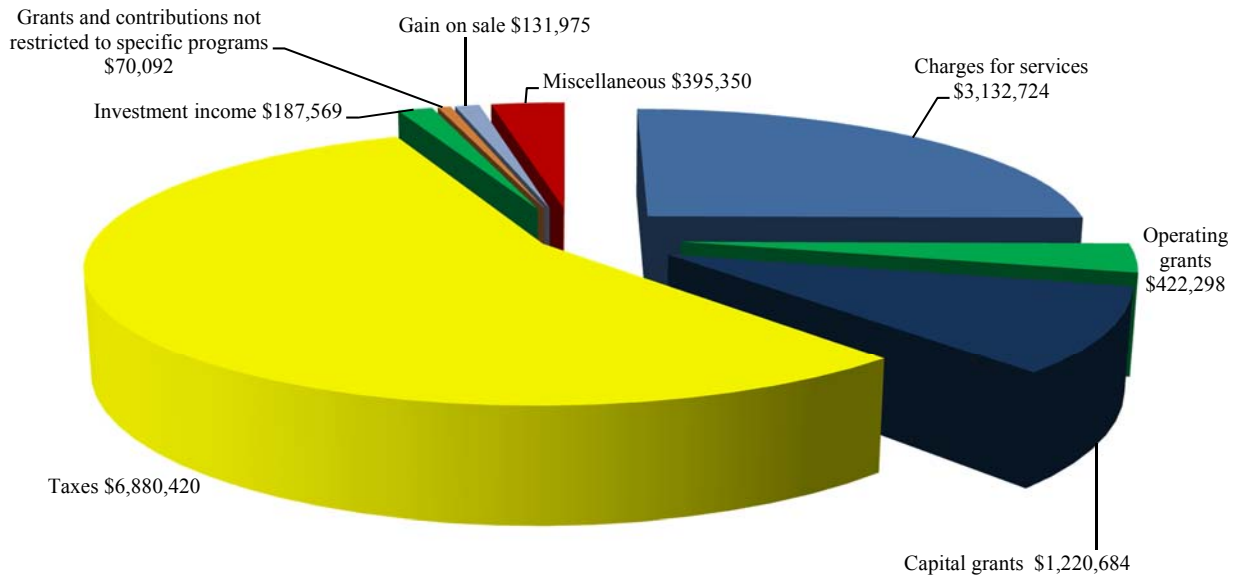


**Expenses by Function Comparison**

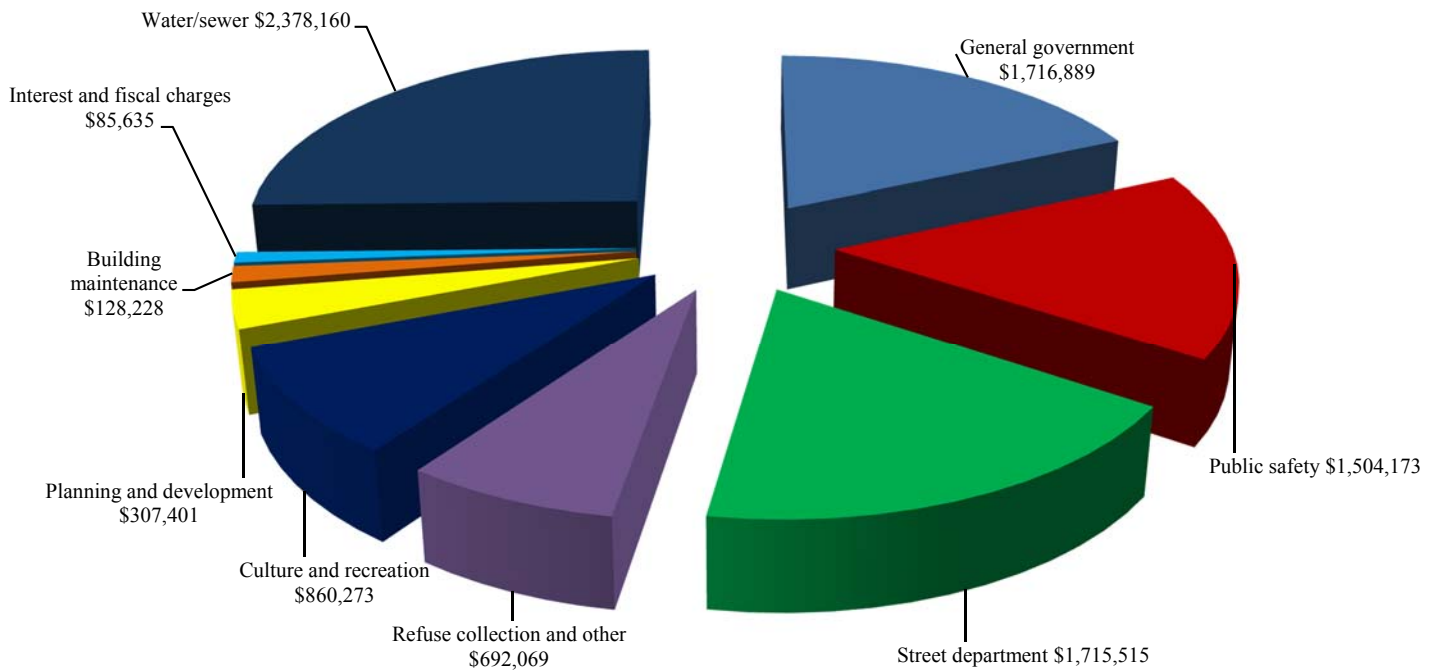


**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Revenues by Sources for Fiscal Year 2015**



**Expenses by Function for Fiscal Year 2015**





**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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**Changes in net assets.** In 2015 the City's total revenues on the government-wide basis was \$12,441,112, an increase of \$740,106 as compared to 2014.

While the total revenues increased \$740,106 (6.3%) from last year, total expenses increased by \$33,933 (0.4%) from last year. The increase in revenues was due to the increase of interest income. The increase in expenses was due to an increase in interest expense due to new bond issue. As a result, the change in net position had an increase of \$768,704 (33.7%).

## **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 2015, the unassigned fund balance of the General Fund was \$359,739 while the total fund balance was \$8,259,755. 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 (4.4%) of total General Fund expenditures and transfers out of \$916,826, while total fund balance represents (101.7%) of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund increased by \$58,823 (0.7%) 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 increased by \$3,627,996. This increase was a result of debt proceeds for the Veterans Memorial Park. At the end of June 30, 2015, the nonspendable fund balance was \$30,000, the restricted fund balance was \$3,527,955, the assigned fund balance was \$193,419 and total fund balance was \$3,751,374.
- Transportation Tax Fund increased by \$111,175. This increase was a result of increased sales tax. At the end of June 30, 2015, the restricted fund balance and total fund balance was \$1,272,245.

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

- Water and Sewer Fund increased \$692,119. This increase was a result of increasing revenues. At the end of June 30, 2015, total net assets are \$22,446,240.

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Difference between the original and the final amended budget of the City's General Fund can be summarized as follows:

- Total original revenue was budgeted \$6,998,783 which was increased to \$7,185,131. The budget was amended for an increase in expected sales tax revenue of \$156,541 and increase for licenses and permits resulting in \$37,446 additional revenue.

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 expenditures for 2015 was \$7,348,394, which differs from the original adopted budget of \$7,362,003 by \$13,609. These supplemental appropriations are summarized as follows:

- Increase in pay raises, employee benefits, fuel, and insurance.
- Areas of decrease in the General Fund include road projects being completed in the 2014 - 2015 budget year.

**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</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Land	\$ 3,006,908	2,824,945	705,650	574,708	3,712,558	3,399,653
Construction in progress	1,943,147	1,148,149	-	885,033	1,943,147	2,033,182
Buildings	876,112	683,654	122,564	119,856	998,676	803,510
Infrastructure	16,593,616	15,919,535	20,560,457	19,987,205	37,154,073	35,906,740
Machinery and equipment	<u>1,100,010</u>	<u>1,058,948</u>	<u>1,838,152</u>	<u>1,872,269</u>	<u>2,938,162</u>	<u>2,931,217</u>
Total	<u>\$23,519,793</u>	<u>21,635,231</u>	<u>23,226,823</u>	<u>23,439,071</u>	<u>46,746,616</u>	<u>45,074,302</u>

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

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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**LONG-TERM DEBT**

At the end of the fiscal year 2015, the City had outstanding long-term debt obligations for governmental and business-type activities in the amount of \$10,465,156 compared to \$7,329,938 in fiscal year 2014. Of this amount, \$6,820,000 is certificates of participation, \$3,105,000 is revenue bonds, and \$540,156 is capital leases. The City's total debt increased \$3,135,218 during the current fiscal year.

In December 2014, the City issued \$3,590,000 in Certificates of Participation. The issue is to fund the Veterans Memorial Park.

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

	<b>June 30</b>	
	<b>Business-type</b>	
	<b>Activities</b>	
	<b>2015</b>	<b>2014</b>
2015 certificates of participation	\$ 3,590,000	-
2013A and B certificates of participation	3,230,000	3,470,000
2010A and B revenue bonds	3,105,000	3,260,000
Capital lease obligation	<u>540,156</u>	<u>599,938</u>
Total	<u>\$10,465,156</u>	<u>7,329,938</u>

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 2015 - 2016 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 Phase 2 project consists of improvements from Denmark Road from St. Andrews Drive to Grandview Farms and provides shoulders, sidewalks and resurfacing of the roadway, roundabout and bridge replacement. This project is expected to be completed in the fall 2017.

The construction of the Veterans Memorial Park began in 2015. This project will be completed in 2017. The Judith Spring Road Bridge project includes replacement of the bridge.

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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The Prairie Dell Phase 2 project consists of improvements along Prairie Dell Road from Prairie Dell Plaza Drive to College Road and provides sidewalks, curb, gutter plan, and provide a widening and resurfacing of the roadway.

The City's new comprehensive plan, water study and the five-year capital improvement plan are completed. These plans will be helpful with long range planning purposes to accomplish goals and objectives for the City. The plans 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, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 9,121,899	3,822,565	12,944,464
Accounts receivable	702,182	387,481	1,089,663
Property taxes receivable, net of allowance	72,477	-	72,477
Court fines receivable	54,967	-	54,967
Grants receivable	372,163	-	372,163
Accrued interest receivable	1,632	-	1,632
Inventory	-	173,237	173,237
Prepaid items	135,016	92,000	227,016
Restricted assets:			
Cash	3,536,685	1,598,836	5,135,521
Net pension asset	1,547,091	136,915	1,684,006
Capital assets:			
Land and construction in progress	4,950,055	705,650	5,655,705
Other capital assets, net of accumulated depreciation	18,569,738	22,521,173	41,090,911
Total Assets	<u>39,063,905</u>	<u>29,437,857</u>	<u>68,501,762</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	229,609	229,609
Deferred outflows - pension related	552,628	83,963	636,591
Total Deferred Outflows Of Resources	<u>552,628</u>	<u>313,572</u>	<u>866,200</u>
<b>LIABILITIES</b>			
Accounts payable	387,188	142,317	529,505
Retainage payable	18,595	-	18,595
Accrued wages	73,129	10,342	83,471
Accrued expenses	17,437	42,581	60,018
Accrued interest payable	62,531	47,757	110,288
Customer deposits payable	-	109,450	109,450
Court bonds payable	8,730	-	8,730
Noncurrent liabilities:			
Due within one year	288,278	473,791	762,069
Due in more than one year	3,439,425	6,422,457	9,861,882
Total Liabilities	<u>4,295,313</u>	<u>7,248,695</u>	<u>11,544,008</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pension related	469,677	56,494	526,171
<b>NET POSITION</b>			
Net investment in capital assets	23,457,748	16,730,302	40,188,050
Restricted for:			
Park improvements	238,019	-	238,019
Street improvements	1,272,245	-	1,272,245
Cemetery maintenance	80,599	-	80,599
Water and sewer improvements	-	1,282,541	1,282,541
Debt service	-	57,819	57,819
Unrestricted net position	9,802,932	4,375,578	14,178,510
Total Net Position	<u>\$ 34,851,543</u>	<u>22,446,240</u>	<u>57,297,783</u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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	\$ 1,716,889	166,000	-	-	(1,550,889)	-	(1,550,889)
Public safety	1,504,173	209,644	26,511	-	(1,268,018)	-	(1,268,018)
Street department	1,715,515	11,379	395,787	1,068,193	(240,156)	-	(240,156)
Refuse collection and other	692,069	709,069	-	-	17,000	-	17,000
Culture and recreation	860,273	178,943	-	25,455	(655,875)	-	(655,875)
Planning and development	307,401	125	-	-	(307,276)	-	(307,276)
Building maintenance	128,228	-	-	-	(128,228)	-	(128,228)
Interest and fiscal charges	148,166	-	-	-	(148,166)	-	(148,166)
Total Governmental Activities	7,072,714	1,275,160	422,298	1,093,648	(4,281,608)	-	(4,281,608)
<b>Business-type Activities</b>							
Water/sewer	2,378,160	1,857,564	-	127,036	-	(393,560)	(393,560)
Total Primary Government	<u>\$ 9,450,874</u>	<u>3,132,724</u>	<u>422,298</u>	<u>1,220,684</u>	<u>(4,281,608)</u>	<u>(393,560)</u>	<u>(4,675,168)</u>
<b>General Revenues</b>							
Taxes:							
Sales					2,755,362	918,393	3,673,755
Property					1,147,858	-	1,147,858
Franchise					1,596,160	-	1,596,160
Other					462,647	-	462,647
Investment income					133,627	53,942	187,569
Grants and contributions not restricted to specific programs					-	70,092	70,092
Gain on sale of capital assets					131,975	-	131,975
Miscellaneous					352,098	43,252	395,350
Total General Revenues					<u>6,579,727</u>	<u>1,085,679</u>	<u>7,665,406</u>
<b>CHANGE IN NET POSITION</b>					2,298,119	692,119	2,990,238
<b>NET POSITION, JULY 1</b>					<u>32,553,424</u>	<u>21,754,121</u>	<u>54,307,545</u>
<b>NET POSITION, JUNE 30</b>					<u>\$ 34,851,543</u>	<u>22,446,240</u>	<u>57,297,783</u>

See notes to financial statements

**CITY OF UNION, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<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	\$ 7,665,409	243,715	1,132,174	80,601	9,121,899
Accounts receivable	562,111	-	140,071	-	702,182
Property taxes receivable, net of allowance	57,877	14,600	-	-	72,477
Court fines receivable	54,967	-	-	-	54,967
Grants receivable	372,163	-	-	-	372,163
Accrued interest receivable	1,632	-	-	-	1,632
Prepaid items	105,016	30,000	-	-	135,016
Restricted assets:					
Cash	8,730	3,527,955	-	-	3,536,685
<b>Total Assets</b>	<b>\$ 8,827,905</b>	<b>3,816,270</b>	<b>1,272,245</b>	<b>80,601</b>	<b>13,997,021</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 358,537	28,651	-	-	387,188
Retainage payable	18,595	-	-	-	18,595
Wages payable	54,654	18,475	-	-	73,129
Court bonds payable	8,730	-	-	-	8,730
Accrued liabilities	14,267	3,170	-	-	17,437
<b>Total Liabilities</b>	<b>454,783</b>	<b>50,296</b>	<b>-</b>	<b>-</b>	<b>505,079</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue:					
Property taxes	58,400	14,600	-	-	73,000
Court fines	54,967	-	-	-	54,967
<b>Total Deferred Inflows Of Resources</b>	<b>113,367</b>	<b>14,600</b>	<b>-</b>	<b>-</b>	<b>127,967</b>
<b>FUND BALANCES</b>					
Nonspendable	105,016	30,000	-	-	135,016
Restricted	-	3,527,955	1,272,245	-	4,800,200
Committed	3,002,000	-	-	-	3,002,000
Assigned	4,793,000	193,419	-	80,601	5,067,020
Unassigned	359,739	-	-	-	359,739
<b>Total Fund Balances</b>	<b>8,259,755</b>	<b>3,751,374</b>	<b>1,272,245</b>	<b>80,601</b>	<b>13,363,975</b>
<b>Total Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>	<b>\$ 8,827,905</b>	<b>3,816,270</b>	<b>1,272,245</b>	<b>80,601</b>	<b>13,997,021</b>

**CITY OF UNION, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

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Total Fund Balances - Governmental Funds	\$ 13,363,975
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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 \$33,997,647 and the accumulated depreciation is \$10,477,854.	23,519,793
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Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:

Net pension asset	1,547,091
Deferred outflows - pension related	552,628
Deferred inflows - pension related	(469,677)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	127,967
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Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Accrued interest payable	(62,531)
Certificates of participation	(3,590,000)
Compensated absences	(137,703)

Total Net Position Of Governmental Activities	<u><u>\$ 34,851,543</u></u>
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**CITY OF UNION, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>General Fund</b>	<b>Park Fund</b>	<b>Transportation Tax Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes	\$ 5,187,663	272,656	918,453	-	6,378,772
Fines and forfeitures	103,705	-	-	-	103,705
Licenses and permits	135,898	-	-	-	135,898
Charges for services	800,577	168,944	-	-	969,521
Intergovernmental	751,876	-	-	-	751,876
Investment income	88,011	31,379	13,262	975	133,627
Rental income	29,860	-	-	-	29,860
Miscellaneous	129,598	252,433	-	4,580	386,611
Total Revenues	<u>7,227,188</u>	<u>725,412</u>	<u>931,715</u>	<u>5,555</u>	<u>8,889,870</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,979,958	-	-	-	1,979,958
Public safety	1,454,805	-	-	-	1,454,805
Street department	1,031,489	-	-	-	1,031,489
Refuse collection and other	692,069	-	-	-	692,069
Culture and recreation	-	841,190	-	-	841,190
Planning and development	283,981	-	-	-	283,981
Building maintenance	72,254	-	-	-	72,254
Capital outlay	1,688,958	677,417	-	-	2,366,375
Debt service:					
Bond issuance costs	-	85,635	-	-	85,635
Total Expenditures	<u>7,203,514</u>	<u>1,604,242</u>	<u>-</u>	<u>-</u>	<u>8,807,756</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>23,674</u>	<u>(878,830)</u>	<u>931,715</u>	<u>5,555</u>	<u>82,114</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Certificates of participation issued	-	3,590,000	-	-	3,590,000
Sale of capital assets	131,975	-	-	2,725	134,700
Transfers in	820,000	916,826	-	-	1,736,826
Transfers out	(916,826)	-	(820,000)	-	(1,736,826)
Total Other Financing Sources (Uses)	<u>35,149</u>	<u>4,506,826</u>	<u>(820,000)</u>	<u>2,725</u>	<u>3,724,700</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>58,823</u>	<u>3,627,996</u>	<u>111,715</u>	<u>8,280</u>	<u>3,806,814</u>
FUND BALANCES, JULY 1	<u>8,200,932</u>	<u>123,378</u>	<u>1,160,530</u>	<u>72,321</u>	<u>9,557,161</u>
FUND BALANCES, JUNE 30	<u>\$ 8,259,755</u>	<u>3,751,374</u>	<u>1,272,245</u>	<u>80,601</u>	<u>13,363,975</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, 2015**

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Net Change In Fund Balances - Governmental Funds	\$ 3,806,814
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 (\$2,914,569) exceeded depreciation (\$1,393,710) in the current period.	1,520,859
The net effect of various transactions involving capital assets:	
Contributed capital assets	363,703
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(17,440)
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.	
Issuance of certificates of participation	(3,590,000)
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	8,174
Accrued interest on debt	(62,531)
Net pension asset	185,589
Deferred outflows - pension related	552,628
Deferred inflows - pension related	(469,677)
Change In Net Position Of Governmental Activities	<u>\$ 2,298,119</u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**JUNE 30, 2015**

	<u>Business-type Activities - Enterprise Fund Water/Sewer</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash investments	\$ 3,822,565
Accounts receivable	387,481
Inventory	173,237
Prepaid items	92,000
Total Current Assets	<u>4,475,283</u>
<b>Noncurrent Assets</b>	
Cash and cash investments - restricted	1,598,836
Net pension asset	136,915
Land and construction in progress	705,650
Other capital assets, net of accumulated depreciation	22,521,173
Total Noncurrent Assets	<u>24,962,574</u>
Total Assets	<u>29,437,857</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	229,609
Deferred outflows - Pension related	83,963
Total Deferred Outflows of Resources	<u>313,572</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	142,317
Accrued wages	10,342
Accrued expenses	42,581
Accrued interest payable	47,757
Accrued compensated absences - current	15,819
Capital lease - current	62,972
Debt payable - current	395,000
Total Current Liabilities	<u>716,788</u>
<b>Noncurrent Liabilities</b>	
Customer deposits payable	109,450
Accrued compensated absences	5,273
Capital leases payable	477,184
Debt payable, net	5,940,000
Total Noncurrent Liabilities	<u>6,531,907</u>
Total Liabilities	<u>7,248,695</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows - pension related	<u>56,494</u>
<b>NET POSITION</b>	
Net investment in capital assets	16,730,302
Restricted for debt service	57,819
Restricted for water and sewer improvements	1,282,541
Unrestricted	<u>4,375,578</u>
Total Net Position	<u>\$ 22,446,240</u>

See notes to financial statements

**CITY OF UNION, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET POSITION - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Business-type Activities - Enterprise Fund Water/Sewer</b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water	\$ 1,061,349
Sewer	796,215
Total Operating Revenues	<u>1,857,564</u>
<b>OPERATING EXPENSES</b>	
Depreciation	694,748
Water	657,071
Sewer	731,891
Total Operating Expenses	<u>2,083,710</u>
<b>OPERATING LOSS</b>	<u>(226,146)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Taxes	918,393
Investment income	53,942
Intergovernmental	70,092
Miscellaneous	43,252
Interest expense and fiscal charges	(294,450)
Total Nonoperating Revenues (Expenses)	<u>791,229</u>
<b>NET INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	565,083
<b>CAPITAL CONTRIBUTIONS</b>	<u>127,036</u>
<b>CHANGE IN NET POSITION</b>	692,119
<b>NET POSITION, JULY 1</b>	<u>21,754,121</u>
<b>NET POSITION, JUNE 30</b>	<u><u>\$ 22,446,240</u></u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Business-type Activities - Enterprise Fund Water/Sewer</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	
<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$ 1,878,642
Payments to suppliers	(723,089)
Payments to employees	(639,766)
Other receipts	43,252
Net Cash Provided By Operating Activities	<u>559,039</u>
<b>Cash flows from noncapital financing activities:</b>	
Taxes	918,393
Intergovernmental	70,092
Net Cash Provided By Noncapital Financing Activities	<u>988,485</u>
<b>Cash flows from capital and related financing activities:</b>	
Interest paid on bonds	(276,897)
Payments on capital lease payable	(59,782)
Payments on bonds payable	(395,000)
Acquisition and construction of capital assets	(355,464)
Net Cash Used In Capital And Related Financing Activities	<u>(1,087,143)</u>
<b>Cash flows provided by investing activities:</b>	
Investment income	<u>53,942</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	514,323
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<u>4,910,305</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u><u>\$ 5,424,628</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating loss	<u>\$ (226,146)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	694,748
Miscellaneous receipts	43,252
(Increase) decrease in:	
Accounts receivable	14,028
Inventory	(4,503)
Prepaid items	(6,000)
Net pension asset	24,242
Deferred outflows - pension related	(83,963)
Deferred inflows - pension related	56,494
Increase (decrease) in:	
Accounts payable	40,603
Retainage payable	(7,028)
Accrued wages	1,279
Accrued compensated absences	(3,286)
Accrued expenses	5,042
Customer deposits payable	7,050
Total Adjustments	<u>781,958</u>
Net Cash Provided By Operating Activities	<u><u>\$ 555,812</u></u>
<b>Supplemental disclosure of cash flow information:</b>	
Noncash investing, capital, and financing activities:	
Contributions of capital assets from developers	<u><u>\$ 127,036</u></u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND**  
**JUNE 30, 2015**

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**ASSETS**

Cash	<u>\$ 10,571</u>
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**LIABILITIES**

Due to others	<u>\$ 10,571</u>
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**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 \$57,877 and \$14,600 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. The City has two items that qualify for reporting in this category in the government-wide statement of net position. The first item is the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is deferred outflows related to the pension.

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 City has two items that qualifies for reporting in this category. The first item arises under a modified accrual basis of accounting. 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 become available. The second item is deferred outflows related to the pension on the government-wide financial statements.

**14. Fund Balance Policies**

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

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

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

**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.

**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-City Administrator. 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:

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

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

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

<b>Fund Balances</b>	<b>June 30, 2015</b>			
	<b>General Fund</b>	<b>Park Fund</b>	<b>Transportation Tax Fund</b>	<b>Nonmajor Governmental Funds</b>
Nonspendable:				
Prepays	\$ 105,016	30,000	-	-
Restricted for:				
Street department	-	-	1,272,245	-
Veteran's Memorial Park	-	3,527,955	-	-
Committed to:				
Parks and recreation	365,000	-	-	-
Capital projects	2,637,000	-	-	-
Assigned to:				
General government	1,700,000	-	-	-
Public safety	1,438,000	-	-	-
Street department	680,000	-	-	-
Refuse collection and other	700,000	-	-	-
Planning and development	200,000	-	-	-
Building maintenance	75,000	-	-	-
Cemetery	-	-	-	80,599
Parks and recreation	-	193,419	-	-
Stormwater management	-	-	-	2
Unassigned	359,739	-	-	-
Total Fund Balances	<u>\$ 8,259,755</u>	<u>3,751,374</u>	<u>1,272,245</u>	<u>80,601</u>

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.

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

**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.

The Franklin County Assessor establishes assessed values and the City tax collector makes collections. The assessed value at January 1, 2014 upon which the 2014 levy was based for \$167,918,578.

The City's tax rate was levied at \$0.7022 per \$100 of assessed valuation of which \$0.5659 is used for general governmental services and \$0.1363 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.

**20. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. LAGERS' investments are reported at fair value.

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

**2. Investments**

As of June 30, 2015, the City had the following investments:

Investments	Fair Value	Maturities			Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	
<b>Governmental Funds</b>					
Certificates of deposit	\$ 4,046,587	-	-	4,046,587	N/A
Cash deposits	8,611,997				
Total Governmental Funds Cash And Investments	\$ 12,658,584				
<b>Proprietary Funds</b>					
Cash deposits	\$ 5,421,401	-	-	-	

**Investments Policies**

**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.

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

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

**2. Investments (Continue)**

**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.

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

<b>For The Year Ended June 30, 2015</b>			
	<b>Balance June 30 2014</b>	<b>Increases</b>	<b>Decreases</b>
			<b>Balance June 30 2015</b>
<b>Governmental Activities</b>			
Capital assets not being depreciated:			
Land	\$ 2,824,945	181,963	-
Construction in progress	1,148,149	1,479,258	684,260
Total Capital Assets Not Being Depreciated	3,973,094	1,661,221	684,260
Capital assets being depreciated:			
Buildings	2,353,144	286,815	-
Infrastructure	20,878,459	1,691,888	-
Machinery and equipment	3,514,678	322,608	-
Total Capital Assets Being Depreciated	26,746,281	2,301,311	-
Less - Accumulated depreciation for:			
Buildings	1,669,490	94,357	-
Infrastructure	4,958,924	1,017,807	-
Machinery and equipment	2,455,730	281,546	-
Total Accumulated Depreciation	9,084,144	1,393,710	-
Total Capital Assets Being Depreciated, Net	17,662,137	907,601	-
Governmental Activities Capital Assets, Net	\$ 21,635,231	2,568,822	684,260



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

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

**For The Year Ended June 30, 2015**

	<b>Balance June 30 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30 2015</b>
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 574,708	130,942	-	705,650
Construction in progress	885,033	111,478	996,511	-
Total Capital Assets Not Being Depreciated	1,459,741	242,420	996,511	705,650
Capital assets being depreciated:				
Buildings	251,400	8,195	-	259,595
Infrastructure	25,640,696	1,107,493	-	26,748,189
Machinery and equipment	3,588,930	120,903	25,455	3,684,378
Total Capital Assets Being Depreciated	29,481,026	1,236,591	25,455	30,692,162
Less - Accumulated depreciation for:				
Buildings	131,544	5,487	-	137,031
Infrastructure	5,653,491	534,241	-	6,187,732
Machinery and equipment	1,716,661	155,020	25,455	1,846,226
Total Accumulated Depreciation	7,501,696	694,748	25,455	8,170,989
Total Capital Assets Being Depreciated, Net	21,979,330	541,843	-	22,521,173
Business-type Activities Capital Assets, Net	<u>\$ 23,439,071</u>	<u>784,263</u>	<u>996,511</u>	<u>23,226,823</u>

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

**For The  
Year Ended  
June 30, 2015**

**Governmental Activities**

General government	\$ 4,851
Public safety	60,613
Street department	1,128,495
Culture and recreation	137,526
Planning and development	6,045
Building maintenance	<u>56,180</u>
Total	<u>\$1,393,710</u>

**Business-type Activities**

Water/Sewer Facility	<u>\$694,748</u>
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**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

Individual interfund transfers are as follows:

<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>	<b><u>June 30 2015</u></b>
General Fund	Transportation Tax Fund	\$ 820,000
Park Fund	General Fund	<u>916,826</u>
Total		<u>\$1,736,826</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 and Park Fund to finance other funds in accordance with budgetary authorization.

**NOTE E - RESTRICTED NET POSITION**

The government-wide statement of net position reports \$2,931,223 of restricted net position, of which \$2,873,404 is restricted by enabling legislation.

**NOTE F - LONG-TERM DEBT**

Long-term debt consisted of the following:

	<b><u>June 30 2015</u></b>
<b>Governmental Activities</b>	
\$3,590,000 certificates of participation (Series 2014), used for construction of the Veteran's Memorial Park. Due in annual installments through August 1, 2029; interest payable at 3.23%.	<u>\$3,590,000</u>
<b>Business-type Activities</b>	
2010A and 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.	\$3,105,000
\$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>860,000</u>
Total	<u>\$6,335,000</u>

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

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

Annual principal and interest for governmental activities are as follows:

<b>For The Years Ending June 30</b>	<b>Certificates Of Participation</b>	
	<b>Principal</b>	<b>Interest</b>
2016	\$ 185,000	128,757
2017	205,000	108,367
2018	210,000	101,664
2019	220,000	94,801
2020	225,000	87,695
2021 - 2025	1,245,000	323,080
2026 - 2030	1,300,000	107,155
Total	<u>\$ 3,590,000</u>	<u>951,519</u>

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

<b>For The Years Ending June 30</b>	<b>Certificates Of Participation</b>		<b>Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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	260,000	56,068	175,000	133,291
2021 - 2025	1,375,000	185,360	945,000	524,838
2026 - 2030	605,000	18,379	1,095,000	238,193
2031	-	-	240,000	7,140
Total	<u>\$ 3,230,000</u>	<u>530,023</u>	<u>3,105,000</u>	<u>1,514,833</u>

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

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

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

	For The Year Ended June 30, 2015			Amounts Due Within One Year
	Balance June 30 2014	Additions	Reductions	Balance June 30 2015
<b>Governmental Activities</b>				
Certificates of participation	\$ -	3,590,000	-	3,590,000
Compensated absences	145,877	95,104	103,278	137,703
Total Governmental Activities	<u>\$ 145,877</u>	<u>3,685,104</u>	<u>103,278</u>	<u>3,727,703</u>
<b>Business-type Activities</b>				
Certificates of participation	\$ 3,470,000	-	240,000	3,230,000
Revenue bonds	3,260,000	-	155,000	3,105,000
Capital lease obligation	599,938	-	59,782	540,156
Total Bonds And Capital Leases	<u>7,329,938</u>	<u>-</u>	<u>454,782</u>	<u>6,875,156</u>
Compensated absences	24,378	14,997	18,283	21,092
Total Business-type Activities	<u>\$ 7,354,316</u>	<u>14,997</u>	<u>473,065</u>	<u>6,896,248</u>

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 assets acquired through the capital lease is as follows:

	<u><b>June 30, 2015</b></u>
	<u><b>Business-type</b></u>
	<u><b>Activities</b></u>
Assets:	
Infrastructure	\$914,863
Less - Accumulated depreciation	<u>329,350</u>
Total	<u><b>\$585,513</b></u>

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

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

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

<b>For The Years Ending June 30</b>	<b>Business-type Activities</b>
2016	\$ 90,000
2017	90,000
2018	90,000
2019	90,000
2020	90,000
2021 - 2023	202,500
Total Minimum Lease Payments	652,500
Less - Imputed interest	112,344
Present Value Of Minimum Lease Payments	<u>\$ 540,156</u>

**NOTE G - PENSION PLAN**

***Plan Description***

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

***Benefits Provided***

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

**NOTE G - PENSION PLAN (Continued)**

**2015**  
**Valuation**

Benefit multiplier	2%
Final average salary	3 Years
Member contributions	- %

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

***Employees Covered by Benefit Terms***

At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	23
Active employees	<u>68</u>
Total	<u>127</u>

***Contributions***

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. The City contribution rates are 12.4% (General) and 10% (Police) of annual covered payroll.

***Net Pension Liability***

The City's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

***Actuarial Assumptions***

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3% price inflation
Salary Increase	3.5% to 6.8% including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses

**NOTE G - PENSION PLAN (Continued)**

Mortality rates were based on 105% of the 1994 Group Annuity Mortality Table set back zero years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Equity	48.50%	5.50%
Fixed income	25.00	2.25
Real assets	20.00	4.50
Strategic Assets	6.50	7.50

***Discount Rate***

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

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

**NOTE G - PENSION PLAN (Continued)**

**Changes in the Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
<b>Balances at June 30, 2014</b>	\$ 13,353,345	14,876,004	(1,522,659)
<b>Changes for the year:</b>			
Service cost	305,969	-	305,969
Interest	965,923	-	965,923
Difference between expected and actual experience	(634,560)	-	(634,560)
Contributions - employer	-	378,656	(378,656)
Net investment income	-	287,873	(287,873)
Benefit payments, including refunds	(367,586)	(367,586)	-
Administrative expense	-	(10,719)	10,719
Other changes	-	142,869	(142,869)
Net Changes	<u>269,746</u>	<u>431,093</u>	<u>(161,347)</u>
<b>Balances at June 30, 2015</b>	<u>\$ 13,623,091</u>	<u>15,307,097</u>	<u>(1,684,006)</u>

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

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

	<b><u>1% Decrease</u></b>	<b><u>Current Single Discount Rate Assumption</u></b>	<b><u>1% Increase</u></b>
Net pension liability (asset)	\$209,570	(\$1,684,006)	(\$3,273,688)

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

For the year ended June 30, 2015 the employer recognized pension expense of \$85,451. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:



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

**NOTE G - PENSION PLAN (Continued)**

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Differences in experience	\$ -	(526,171)	(526,171)
Excess (deficit) investment returns	<u>636,591</u>	<u>-</u>	<u>636,591</u>
Total	<u><u>\$ 636,591</u></u>	<u><u>(526,171)</u></u>	<u><u>110,420</u></u>

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

<u>For The Years Ending June 30</u>	
2016	\$ 50,758
2017	50,758
2018	50,758
2019	51,510
2020	(45,033)
Thereafter	<u>(48,331)</u>
Total	<u>\$110,420</u>

**Payable to the Pension Plan**

At June 30, 2015, the City reported a payable of \$29,556 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

**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, 2015.

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 could be required to contribute additional funds. Management believes the risk of additional loss is minimal

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

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

and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$221,613 for MIRMA's fiscal year ended June 30, 2015. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

**NOTE I - COMMITMENTS**

At June 30, 2015, the City had commitments for the following projects:

	<b><u>Approximate Amounts Still Outstanding</u></b>
Road and bridge construction	\$ 1,111,125
Veteran's Memorial Park	88,550
City Hall steps	31,751
Storm sewer replacement	62,680
Sanitary sewer pretreatment program	<u>21,060</u>
Total	<u><u>\$ 1,315,166</u></u>

**NOTE J - CONDUIT DEBT**

The City issued industrial revenue bonds to provide funds for the purpose of carrying out industrial development projects by the City providing loans to private corporations pursuant to loan agreements between the City and the private corporation. The loan agreements call for the private corporations to repay the loans in the principal amount of the bonds plus related interest thereon. The related transactions are accounted for in various Agency Funds of the City. The City's conduit debt amounts are as follows:

	<b><u>June 30 2015</u></b>
\$4,500,000 Taxable Industrial Revenue Bonds (Pharma Tech Industrial Project Series 2014), due December 1, 2019.	\$ 889,054
\$4,000,000 Taxable Industrial Revenue Bonds (Black Creek Management LLC Series 2014), due December 1, 2019.	<u>2,875,728</u>
Total	<u><u>\$3,764,782</u></u>

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

**NOTE K - 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, 2015</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>ASSETS</b>			
Current and other assets	\$ 1,515,321	3,096,877	4,612,198
Restricted assets	109,450	1,489,386	1,598,836
Capital assets	7,054,525	16,172,298	23,226,823
Total Assets	<u>8,679,296</u>	<u>20,758,561</u>	<u>29,437,857</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>41,974</u>	<u>271,598</u>	<u>313,572</u>
<b>LIABILITIES</b>			
Current liabilities	227,484	489,304	716,788
Noncurrent liabilities	591,907	5,940,000	6,531,907
Total Liabilities	<u>819,391</u>	<u>6,429,304</u>	<u>7,248,695</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>28,242</u>	<u>28,252</u>	<u>56,494</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,514,369	10,215,933	16,730,302
Restricted	-	1,340,360	1,340,360
Unrestricted	<u>1,359,268</u>	<u>3,016,310</u>	<u>4,375,578</u>
Total Net Position	<u>\$ 7,873,637</u>	<u>14,572,603</u>	<u>22,446,240</u>

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

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

	<b>Condensed Statement Of Revenues, Expenses, And Changes In Net Position For The Year Ended June 30, 2015</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>	\$ 1,061,349	796,215	1,857,564
DEPRECIATION	221,709	473,039	694,748
<b>OTHER OPERATING EXPENSES</b>	657,071	731,891	1,388,962
OPERATING INCOME (LOSS)	182,569	(408,715)	(226,146)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes	-	918,393	918,393
Investment income	14,675	39,267	53,942
Intergovernmental	-	70,092	70,092
Miscellaneous	41,261	1,991	43,252
Interest expense and fiscal charges	(29,696)	(264,754)	(294,450)
Total Nonoperating Revenues (Expenses)	26,240	764,989	791,229
<b>CAPITAL CONTRIBUTIONS</b>	64,286	62,750	127,036
<b>TRANSFERS</b>	92,379	(92,379)	-
CHANGE IN NET POSITION	365,474	326,645	692,119
NET POSITION, JULY 1	7,508,163	14,245,958	21,754,121
<b>NET POSITION, JUNE 30</b>	<b>\$ 7,873,637</b>	<b>14,572,603</b>	<b>22,446,240</b>

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

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

	<b>Condensed Statement Of Cash Flows</b>		
	<b>For The Year Ended June 30, 2015</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	\$ 530,156	28,883	559,039
Noncapital financing activities	92,379	896,106	988,485
Capital and related financing activities	(390,014)	(697,129)	(1,087,143)
Investing activities	14,675	39,267	53,942
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	247,196	267,127	514,323
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	989,691	3,920,614	4,910,305
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 1,236,887</u>	<u>4,187,741</u>	<u>5,424,628</u>

**NOTE L - RELATED PARTY TRANSACTIONS**

The City has entered into transactions with a company owned by an Alderman. The expenses totaled \$2,450 for the year ended June 30, 2015.

**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 \$103,705, \$6,079,525, and 1.71%, respectively, which is below the threshold of 30% identified in RSMo 302.341.2.

**NOTE N - RESTATEMENT OF NET POSITION**

The previously stated net position has been restated as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Net position, June 30, 2014, as previously reported	\$31,055,908	21,592,964
Restatement for GASB 68 implementation	<u>1,497,516</u>	<u>161,157</u>
Net Position, June 30, 2014, As Restated	<u>\$32,553,424</u>	<u>21,754,121</u>

**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

**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, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Taxes	\$ 5,017,000	5,173,541	5,187,663	14,122
Fines and forfeitures	146,100	96,100	103,705	7,605
Licenses and permits	97,900	135,346	135,898	552
Charges for services	780,000	780,000	800,577	20,577
Intergovernmental	812,383	755,797	751,876	(3,921)
Investment income	100,000	88,010	88,011	1
Rental income	20,000	20,000	29,860	9,860
Miscellaneous	25,400	136,337	129,598	(6,739)
Total Revenues	<u>6,998,783</u>	<u>7,185,131</u>	<u>7,227,188</u>	<u>42,057</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Mayor and board:				
Personnel services	41,164	41,499	41,374	(125)
General services	22,200	22,200	14,938	(7,262)
Total Mayor And Board	<u>63,364</u>	<u>63,699</u>	<u>56,312</u>	<u>(7,387)</u>
City clerk:				
Personnel services	105,595	106,082	105,955	(127)
Supplies and materials	2,800	2,800	2,380	(420)
General services	15,600	15,600	12,091	(3,509)
Maintenance and repairs	22,200	22,200	21,929	(271)
Total City Clerk	<u>146,195</u>	<u>146,682</u>	<u>142,355</u>	<u>(4,327)</u>
City collector:				
Personnel services	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
City administrator:				
Personnel services	184,054	189,715	185,275	(4,440)
Supplies and materials	1,000	1,000	961	(39)
General services	10,750	10,750	9,331	(1,419)
Maintenance and repairs	1,250	750	803	53
Total City Administrator	<u>197,054</u>	<u>202,215</u>	<u>196,370</u>	<u>(5,845)</u>
City attorney:				
General services	<u>38,500</u>	<u>38,000</u>	<u>31,401</u>	<u>(6,599)</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, 2015**

	<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	42,701	42,701	42,340	(361)
Supplies and materials	3,450	3,450	3,327	(123)
General services	18,750	17,950	13,216	(4,734)
Maintenance and repairs	100	100	-	(100)
Total Municipal Court	<u>65,001</u>	<u>64,201</u>	<u>58,883</u>	<u>(5,318)</u>
Incidental:				
Personnel services	1,040,000	1,087,870	1,087,856	(14)
Supplies and materials	11,700	11,700	6,946	(4,754)
General services	400,300	379,375	377,121	(2,254)
Maintenance and repairs	7,500	7,400	4,936	(2,464)
Total Incidental	<u>1,459,500</u>	<u>1,486,345</u>	<u>1,476,859</u>	<u>(9,486)</u>
Legals and elections:				
General service	<u>17,700</u>	<u>18,480</u>	<u>17,777</u>	<u>(703)</u>
Total General Government	<u>1,987,314</u>	<u>2,019,622</u>	<u>1,979,958</u>	<u>(39,664)</u>
Public safety:				
Personnel services	1,303,088	1,286,988	1,284,063	(2,925)
Supplies and materials	15,510	12,535	9,564	(2,971)
General services	72,560	71,260	56,652	(14,608)
Maintenance and repairs	107,100	111,270	104,526	(6,744)
Capital outlay	<u>52,350</u>	<u>52,350</u>	<u>49,476</u>	<u>(2,874)</u>
Total Public Safety	<u>1,550,608</u>	<u>1,534,403</u>	<u>1,504,281</u>	<u>(30,122)</u>
Street department:				
Personnel services	388,835	388,835	364,873	(23,962)
Supplies and materials	127,200	127,200	116,339	(10,861)
General services	25,500	25,300	16,676	(8,624)
Maintenance and repairs	542,900	536,400	533,601	(2,799)
Capital outlay	<u>1,432,302</u>	<u>1,421,307</u>	<u>1,419,978</u>	<u>(1,329)</u>
Total Street Department	<u>2,516,737</u>	<u>2,499,042</u>	<u>2,451,467</u>	<u>(47,575)</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, 2015**

	<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	-	-	-
Maintenance and repairs	12,000	12,000	8,501	(3,499)
Total Cemetery	<u>12,150</u>	<u>12,000</u>	<u>8,501</u>	<u>(3,499)</u>
Sanitation:				
General services	<u>680,400</u>	<u>683,555</u>	<u>683,568</u>	<u>13</u>
Total Refuse Collection And Other	<u>692,550</u>	<u>695,555</u>	<u>692,069</u>	<u>(3,486)</u>
Planning and development:				
Engineering services:				
Personnel services	169,422	170,282	170,011	(271)
Supplies and materials	8,350	8,350	6,589	(1,761)
General services	2,800	2,800	1,624	(1,176)
Maintenance and repairs	<u>4,700</u>	<u>5,953</u>	<u>5,602</u>	<u>(351)</u>
Total Engineering Services	<u>185,272</u>	<u>187,385</u>	<u>183,826</u>	<u>(3,559)</u>
Economic development:				
Personnel services	105,491	78,690	76,175	(2,515)
Supplies and materials	3,000	3,000	2,765	(235)
General services	23,375	23,375	19,369	(4,006)
Maintenance and repairs	3,250	1,750	1,846	96
Capital outlay	<u>25,140</u>	<u>25,140</u>	<u>25,140</u>	<u>-</u>
Total Economic Develop- ment	<u>160,256</u>	<u>131,955</u>	<u>125,295</u>	<u>(6,660)</u>
Total Planning And De- velopment	<u>345,528</u>	<u>319,340</u>	<u>309,121</u>	<u>(10,219)</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Building maintenance:				
Personnel services	44,091	44,091	40,833	(3,258)
Supplies and materials	6,775	6,775	4,610	(2,165)
General services	15,200	15,413	11,273	(4,140)
Maintenance and repairs	18,000	18,000	15,538	(2,462)
Capital outlay	185,200	196,153	194,364	(1,789)
Total Building Maintenance	<u>269,266</u>	<u>280,432</u>	<u>266,618</u>	<u>(13,814)</u>
Total Expenditures	<u>7,362,003</u>	<u>7,348,394</u>	<u>7,203,514</u>	<u>(144,880)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(363,220)</u>	<u>(163,263)</u>	<u>23,674</u>	<u>186,937</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	1,500	130,750	131,975	1,225
Transfers in	820,000	820,000	820,000	-
Transfers out	<u>(916,826)</u>	<u>(916,826)</u>	<u>(916,826)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(95,326)</u>	<u>33,924</u>	<u>35,149</u>	<u>1,225</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (458,546)</u>	<u>(129,339)</u>	58,823	<u>188,162</u>
<b>FUND BALANCE, JULY 1</b>			<u>8,200,932</u>	
<b>FUND BALANCE, JUNE 30</b>			<u>\$ 8,259,755</u>	

**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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
Taxes	\$ 264,000	264,000	272,656	8,656
Charges for services	197,000	197,000	168,944	(28,056)
Intergovernmental	500	-	-	-
Investment income	2,600	31,950	31,379	(571)
Miscellaneous	12,000	253,430	252,433	(997)
Total Revenues	<u>476,100</u>	<u>746,380</u>	<u>725,412</u>	<u>(20,968)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	824,310	907,130	841,190	(65,940)
Capital outlay	567,196	677,636	677,417	(219)
Debt service:				
Bond issuance cost	-	85,635	85,635	-
Total Expenditures	<u>1,391,506</u>	<u>1,670,401</u>	<u>1,604,242</u>	<u>(66,159)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(915,406)</u>	<u>(924,021)</u>	<u>(878,830)</u>	<u>45,191</u>
<b>OTHER FINANCING SOURCES</b>				
Certificates of participation issued	-	3,590,000	3,590,000	-
Transfers in	916,826	916,826	916,826	-
Total Other Financing Sources	<u>916,826</u>	<u>4,506,826</u>	<u>4,506,826</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,420</u>	<u>3,582,805</u>	3,627,996	<u>45,191</u>
<b>FUND BALANCE, JULY 1</b>			<u>123,378</u>	
<b>FUND BALANCE, JUNE 30</b>			<u>\$ 3,751,374</u>	

**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, 2015**

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	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Taxes	\$ 840,000	918,453	78,453
Investment income	12,000	13,262	1,262
Total Revenues	<u>852,000</u>	<u>931,715</u>	<u>79,715</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(820,000)</u>	<u>(820,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 32,000</u>	111,715	<u>79,715</u>
FUND BALANCE, JULY 1		<u>1,160,530</u>	
<b>FUND BALANCE, JUNE 30</b>		<u><u>\$ 1,272,245</u></u>	

**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, 2015**

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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.

**CITY OF UNION, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES**  
**IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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**Total Pension Liability**

Service cost	\$ 305,969
Interest on the total pension liability	965,923
Difference between expected and actual experience	(634,560)
Benefit payments	(367,586)
Net Change In Total Pension Liability	<u>269,746</u>

<b>Pension Liability beginning</b>	<u>13,353,345</u>
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Total Pension Liability Ending (a)	<u><u>\$ 13,623,091</u></u>
------------------------------------	-----------------------------

**Plan Fiduciary Net Position**

Contributions - employer	\$ 378,656
Pension plan net investment income	287,873
Benefit payments	(367,586)
Pension plan administrative expense	(10,719)
Other	142,869
Net Change In Plan Fiduciary Net Position	<u>431,093</u>

<b>Plan Fiduciary Net Position Beginning</b>	<u>14,876,004</u>
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Plan Fiduciary Net Position Ending (b)	<u><u>\$ 15,307,097</u></u>
--	-----------------------------

Net Pension Liability (Asset) Ending (a-b)	<u><u>\$ (1,684,006)</u></u>
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Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	(112.36) %
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Covered Employee Payroll (for February 28/29 Actuarial Valuation)	\$ 2,607,956
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Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	(64.57) %
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Note: Required supplemental information is not available for fiscal years prior to 2015.

**CITY OF UNION, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

	<b>For The Years Ended June 30</b>									
	<b>2015</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>
Actuarially determined contribution	\$ 384,790	403,502	416,029	389,084	387,348	269,351	252,932	221,585	224,920	232,306
Contributions in relation to the actuarially determined contribution	378,579	381,806	342,729	320,182	291,608	266,429	252,932	221,585	224,920	232,306
Contribution Deficiency (Excess)	\$ 6,211	21,696	73,300	68,902	95,740	2,922	-	-	-	-
Covered Employee Payroll	\$ 2,589,507	2,610,079	2,509,187	2,530,307	2,504,645	2,502,921	2,314,770	2,057,126	1,958,236	1,953,114
Covered Employee Payroll Contributions as a Percentage of Covered Employee Payroll	14.62 %	14.63	13.66	12.65	11.64	10.64	10.93	10.77	11.49	11.89

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Multiple bases from 14 to 16 years
Asset valuation method	5 years smoothed market; 25% corridor
Inflation	3.5% wage inflation; 3% price inflation
Salary increases	3.5% to 6.8%; including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	105% of the 1994 Group Annuity Mortality Table set back zero years for men and zero years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

Other information:

Notes: There were no benefit changes during the year.

**OTHER SUPPLEMENTAL INFORMATION SECTION**



**CITY OF UNION, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

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	<u>Special Revenue</u>		
	<u>Cemetery</u>	<u>Stormwater</u>	
	<u>Fund</u>	<u>Management</u>	<u>Total</u>
		<u>Fund</u>	
<b>ASSETS</b>			
Cash and investments	<u>\$ 80,599</u>	<u>2</u>	<u>80,601</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
 <b>Liabilities</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
 <b>Fund Balances</b>			
Assigned	<u>80,599</u>	<u>2</u>	<u>80,601</u>
 Total Liabilities And Fund Balances	<u>\$ 80,599</u>	<u>2</u>	<u>80,601</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, 2015**

	<u>Special Revenue</u>		
	<u>Cemetery</u>	<u>Stormwater</u>	
	<u>Fund</u>	<u>Management</u>	<u>Total</u>
		<u>Fund</u>	
<b>REVENUES</b>			
Investment income	\$ 975	-	975
Miscellaneous	-	4,580	4,580
Total Revenues	975	4,580	5,555
<b>EXPENDITURES</b>	-	-	-
<b>REVENUES OVER EXPENDITURES</b>	975	4,580	5,555
<b>OTHER FINANCING SOURCES</b>			
Sale of capital assets	2,725	-	2,725
<b>NET CHANGES IN FUND BALANCES</b>	3,700	4,580	8,280
<b>FUND BALANCES (DEFICIT), JULY 1</b>	76,899	(4,578)	72,321
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 80,599</u>	<u>2</u>	<u>80,601</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, 2015**

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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	975	25
<b>OTHER FINANCING SOURCES</b>			
Sale of capital assets	<u>1,000</u>	<u>2,725</u>	<u>(1,725)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 2,000</u></u>	3,700	<u><u>(1,700)</u></u>
<b>FUND BALANCE, JULY 1</b>		<u>76,899</u>	
<b>FUND BALANCE, JUNE 30</b>		<u><u>\$ 80,599</u></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, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
Investment income	\$ -	-	-	-
Miscellaneous	-	4,580	4,580	-
Total Revenues	-	4,580	4,580	-
<b>EXPENDITURES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>4,580</u>	4,580	<u>-</u>
FUND BALANCE, JULY 1			<u>(4,578)</u>	
<b>FUND BALANCE, JUNE 30</b>			<u>\$ 2</u>	

**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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>OPERATING REVENUES</b>				
Charges for services:				
Water	\$ 1,077,000	1,055,285	1,061,349	6,064
Sewer	777,000	794,340	796,215	1,875
Total Operating Revenues	<u>1,854,000</u>	<u>1,849,625</u>	<u>1,857,564</u>	<u>7,939</u>
<b>OPERATING EXPENSES</b>				
Depreciation	-	694,750	694,748	(2)
Water	1,047,043	827,613	657,071	(170,542)
Sewer	1,305,793	937,323	731,891	(205,432)
Total Operating Expenses	<u>2,352,836</u>	<u>2,459,686</u>	<u>2,083,710</u>	<u>(375,976)</u>
<b>OPERATING LOSS</b>	<u>(498,836)</u>	<u>(610,061)</u>	<u>(226,146)</u>	<u>383,915</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Taxes	840,000	840,000	918,393	78,393
Investment income	62,000	51,265	53,942	2,677
Intergovernmental	75,571	70,091	70,092	1
Miscellaneous	61,000	42,260	43,252	992
Interest expense and fiscal charges	<u>(248,343)</u>	<u>(297,203)</u>	<u>(294,450)</u>	<u>(2,753)</u>
Total Nonoperating Revenues (Expenses)	<u>790,228</u>	<u>706,413</u>	<u>791,229</u>	<u>84,816</u>
<b>NET INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	291,392	96,352	565,083	468,731
<b>CAPITAL CONTRIBUTIONS</b>	<u>-</u>	<u>127,036</u>	<u>127,036</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 291,392</u>	<u>223,388</u>	692,119	<u>468,731</u>
<b>NET POSITION, JULY 1</b>			<u>21,754,121</u>	
<b>NET POSITION, JUNE 30</b>			<u>\$ 22,446,240</u>	

**CITY OF UNION, MISSOURI**  
**STATEMENT OF CHANGES IN ASSETS AND**  
**LIABILITIES - AGENCY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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	<b>Balance June 30 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30 2015</b>
<b>POLICE EVIDENCE ACCOUNT</b>				
<b>ASSETS</b>				
Cash	\$ 7,763	-	116	7,647
<b>LIABILITIES</b>				
Due to others	\$ 7,763	-	116	7,647
 <b>DONATIONS - VETERANS MEMORIAL</b>				
<b>ASSETS</b>				
Cash	\$ -	2,924	-	2,924
<b>LIABILITIES</b>				
Due to others	\$ -	2,924	-	2,924

**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.	66 - 72
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	73 - 76
<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.	77 - 79
<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.	80 - 81
<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.	82 - 85
<b>Bond Annual Report</b>	
These schedules contain information regarding City finances, the water and sewer system, and the debt of the City.	86 - 90

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**

	<b>June 30</b>									
	<b>2015</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>Governmental Activities</b>										
Net investment in capital assets	\$23,457,748	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
Restricted	1,590,863	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
Unrestricted	<u>9,802,932</u>	<u>8,041,078</u>	<u>7,857,748</u>	<u>7,198,153</u>	<u>6,525,788</u>	<u>6,121,098</u>	<u>5,699,764</u>	<u>4,533,001</u>	<u>3,892,677</u>	<u>5,006,153</u>
Total Governmental Activities Net Position	<u>\$ 34,851,543</u>	<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>
<b>Business-type Activities</b>										
Net investment in capital assets	\$16,730,302	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
Restricted	1,340,360	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
Unrestricted	<u>4,375,578</u>	<u>3,668,023</u>	<u>3,582,049</u>	<u>2,876,798</u>	<u>1,707,939</u>	<u>1,406,527</u>	<u>881,091</u>	<u>717,635</u>	<u>1,127,733</u>	<u>554,647</u>
Total Business-type Activities Net Position	<u>\$ 22,446,240</u>	<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>
<b>Primary Government</b>										
Net investment in capital assets	\$40,188,050	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
Restricted	2,931,223	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
Unrestricted	<u>14,178,510</u>	<u>11,709,101</u>	<u>11,439,797</u>	<u>10,074,951</u>	<u>8,233,727</u>	<u>7,527,625</u>	<u>6,580,855</u>	<u>5,250,636</u>	<u>5,020,410</u>	<u>5,560,800</u>
Total Primary Government Net Position	<u>\$ 57,297,783</u>	<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>

Source: Basic financial statements.

For fiscal year 2011 GASB 54 was implemented.

GASB 63 and 65 were implemented in 2013.

GASB 68 implemented in 2015.

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

	For The Years Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>EXPENSES</b>										
<b>Governmental Activities</b>										
General government	\$ 1,716,889	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
Public safety	1,504,173	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
Street department	1,715,515	1,780,407	1,432,954	1,454,059	1,408,636	1,229,372	1,696,109	916,981	733,879	602,777
Refuse collection and other	692,069	719,926	685,319	654,684	629,811	592,645	512,651	489,344	455,528	435,822
Culture and recreation	860,273	770,646	783,062	815,708	806,043	769,928	748,890	716,764	646,279	590,671
Planning and development	307,401	327,350	443,223	424,311	467,831	438,776	405,875	468,972	377,899	286,525
Building maintenance	128,228	93,606	91,195	88,191	98,971	89,991	100,942	84,915	78,277	70,398
Interest and fiscal charges	148,166	-	-	-	-	27,938	327,304	134,636	147,184	215,311
Total Governmental Activities Expenses	7,072,714	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
<b>Business-type Activities</b>										
Water/sewer	2,378,160	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
Total Primary Government Expenses	9,450,874	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
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities</b>										
Charges for services:										
General government	166,000	122,774	130,513	118,259	101,071	129,462	104,800	145,709	134,165	245,323
Public safety	209,644	254,751	220,525	252,748	233,018	192,358	179,989	163,715	177,447	145,883
Street department	11,379	12,574	11,500	274	-	5,105	642	1,651	5,895	-
Refuse collection and other	709,069	736,780	702,390	667,132	643,247	603,578	499,050	473,582	444,972	418,900
Culture and recreation	178,943	175,487	190,601	228,111	226,439	217,506	213,116	237,257	203,906	211,525
Planning and development	125	1,659	7,139	1,397	70	711	16,272	-	941	-
Operating grants and contributions	422,298	415,010	446,878	360,839	354,900	383,815	426,906	458,802	374,997	-
Capital grants and contributions	1,093,648	1,318,271	1,027,181	540,529	1,480,900	1,198,805	508,810	6,508,952	2,301,269	313,304
Total Governmental Activities Program Revenues	2,791,106	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
<b>Business-type Activities</b>										
Charges for services:										
Water/sewer	1,857,564	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
Operating grants and contributions	-	-	-	-	-	-	-	22,351	-	-
Capital grants and contributions	127,036	-	-	97,081	693,237	229,045	58,120	680,401	1,197,277	-
Total Business-type Activities Program Revenues	1,984,600	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
Total Primary Government Program Revenues	4,775,706	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

(Continued)

**CITY OF UNION, MISSOURI**  
**CHANGE IN NET POSITION (Continued)**  
**LAST TEN FISCAL YEARS**

	For The Years Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>NET REVENUES (EXPENSES)</b>										
Governmental activities	(4,281,608)	(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)
Business-type activities	(393,560)	(480,363)	(569,219)	(402,039)	427,519	101,390	(126,218)	764,752	1,352,788	387,262
Total Primary Government Net Revenues (Expenses)	(4,675,168)	(4,523,140)	(4,503,345)	(4,893,075)	(3,088,011)	(3,336,742)	(4,976,205)	3,181,073	80,446	(2,781,489)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
<b>Governmental Activities</b>										
Taxes:										
Sales	2,755,362	2,608,141	2,480,898	2,480,898	2,402,085	2,327,690	2,378,862	2,523,912	2,391,467	2,284,329
Property	1,147,858	1,115,757	1,100,576	1,100,576	1,073,319	1,056,084	1,007,328	974,171	907,026	843,656
Franchise	1,596,160	1,632,039	1,579,086	1,579,086	1,472,202	1,338,241	1,215,314	1,385,504	998,653	921,519
Other	462,647	294,420	496,310	496,310	222,428	275,591	384,789	338,589	260,541	519,366
Investment income	133,627	103,809	127,053	127,053	125,950	139,420	196,484	234,887	223,812	132,041
Gain on sale of capital assets	131,975	1,225	64,840	64,840	108,083	1,625	94,746	1,947,996	38,320	710,886
Rental income	-	-	-	-	-	-	71,911	56,183	51,761	-
Miscellaneous	352,098	16,259	24,319	24,319	31,153	624,010	454,700	18,174	326,989	20,652
Transfers	-	525,644	-	-	-	-	(338,600)	257,718	(1,009,448)	(11,806)
Total Governmental Activities General Revenues And Other Change In Net Position	6,579,727	6,297,294	5,873,082	5,873,082	5,435,220	5,762,661	5,465,534	7,737,134	4,189,121	5,420,643
<b>Business-type Activities</b>										
Sales taxes	918,393	869,029	826,940	826,940	800,671	775,930	792,580	840,905	796,675	637,320
Investment income	53,942	58,322	69,261	69,261	92,604	46,675	45,092	47,548	56,841	49,342
Grants and contributions not restricted to specific programs	70,092	71,450	79,655	81,308	41,430	-	-	-	-	-
Miscellaneous	43,252	36,754	55,006	60,423	56,656	64,517	29,317	30,568	17,414	178,674
Transfers	-	(525,644)	-	-	-	-	338,600	(257,718)	1,009,448	11,806
Total Business-type Activities General Revenues And Other Change In Net Position	1,085,679	509,911	1,030,862	1,037,932	991,361	887,122	1,205,589	661,303	1,880,378	877,142
Total Primary Government General Revenues And Other Change In Net Position	7,665,406	6,807,205	6,903,944	6,911,014	6,426,581	6,649,783	6,671,123	8,398,437	6,069,499	6,297,785
<b>CHANGE IN NET POSITION</b>										
Governmental activities	2,298,119	2,254,517	1,938,956	1,382,046	1,919,690	2,324,529	615,547	10,153,455	2,916,779	2,251,892
Business-type activities	692,119	29,548	461,643	635,893	1,418,880	988,512	1,079,371	1,426,055	3,233,166	1,264,404
Total Primary Government	\$ 2,990,238	2,284,065	2,400,599	2,017,939	3,338,570	3,313,041	1,694,918	11,579,510	6,149,945	3,516,296

Source: Basic financial statements.

For fiscal year 2011 GASB 54 was implemented.

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

	June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Fund</b>										
Reserved	\$ -	-	-	-	-	131,912	144,600	73,124	113,447	70,114
Unreserved	-	-	-	-	-	6,000,991	5,529,031	4,409,421	3,791,645	3,672,232
Nonspendable	105,016	100,613	89,764	89,500	100,000	-	-	-	-	-
Committed	3,002,000	2,511,326	2,218,000	3,211,500	2,615,000	-	-	-	-	-
Assigned	4,793,000	4,720,000	4,700,000	3,350,000	3,250,000	-	-	-	-	-
Unassigned	359,739	868,993	978,148	606,003	602,675	-	-	-	-	-
Total General Fund	<u>\$ 8,259,755</u>	<u>8,200,932</u>	<u>7,985,912</u>	<u>7,257,003</u>	<u>6,567,675</u>	<u>6,132,903</u>	<u>5,673,631</u>	<u>4,482,545</u>	<u>3,905,092</u>	<u>3,742,346</u>
<b>Park Fund</b>										
Reserved	\$ -	-	-	-	-	33,662	28,355	13,500	14,000	22,188
Unreserved	-	-	-	-	-	23,986	491,344	453,865	404,518	257,738
Nonspendable	30,000	35,000	37,500	37,500	35,000	-	-	-	-	-
Restricted	3,527,955	-	-	-	-	-	-	-	-	-
Assigned	193,419	88,378	263,916	263,091	178,446	-	-	-	-	-
Total Park Fund	<u>\$ 3,751,374</u>	<u>123,378</u>	<u>301,416</u>	<u>300,591</u>	<u>213,446</u>	<u>57,648</u>	<u>519,699</u>	<u>467,365</u>	<u>418,518</u>	<u>279,926</u>
<b>Transportation Tax Fund</b>										
Unreserved	\$ -	-	-	-	-	725,344	684,254	1,377,085	503,800	404,077
Restricted	1,272,245	1,160,530	1,078,727	987,060	842,110	-	-	-	-	-
Total Transportation Tax Fund	<u>\$ 1,272,245</u>	<u>1,160,530</u>	<u>1,078,727</u>	<u>987,060</u>	<u>842,110</u>	<u>725,344</u>	<u>684,254</u>	<u>1,377,085</u>	<u>503,800</u>	<u>404,077</u>
<b>2000 Certificates Of Participation Fund</b>										
Reserved	\$ -	-	-	-	-	-	-	-	-	410,481
Unreserved	-	-	-	-	-	-	-	-	-	267,988
Total 2000 Certificates Of Participation Fund	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>678,469</u>
<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	-
Total 2006B Certificates Of Participation Fund	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>522,636</u>	<u>525,484</u>	<u>2,572,409</u>	<u>732,497</u>	<u>-</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	-	-	-	-	-	-	-	208,647	208,507
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	145,703	140,352	135,085	122,682	81,405
Capital Projects Funds	-	-	-	-	-	-	-	-	-	299,186
Debt Service Funds	-	-	-	-	-	79,896	77,835	85,775	90,696	93,620
Assigned	80,601	76,899	74,714	71,713	136,149	-	-	-	-	-
Unassigned	-	(4,578)	(4,578)	(4,578)	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 80,601</u>	<u>72,321</u>	<u>70,136</u>	<u>67,135</u>	<u>136,149</u>	<u>225,599</u>	<u>218,187</u>	<u>220,860</u>	<u>422,025</u>	<u>682,718</u>

Source: Basic financial statements.

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUES</b>										
Taxes	\$ 6,378,772	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
Fines and forfeitures	103,705	128,137	139,622	167,352	145,259	112,758	111,930	128,722	134,838	145,883
Licenses and permits	135,898	99,252	106,492	96,899	80,384	90,640	102,739	144,464	132,872	200,545
Charges for services	969,521	1,006,397	939,849	944,377	918,383	865,901	759,292	680,594	631,525	586,172
Intergovernmental	751,876	1,111,810	1,079,341	561,638	583,357	1,124,971	461,186	696,473	100,090	41,553
Investment income	133,627	103,809	127,053	122,852	125,950	139,420	196,484	234,887	223,812	132,041
Rental income	29,860	22,970	23,905	21,360	20,421	36,701	71,911	56,183	51,761	43,492
Miscellaneous	386,611	52,555	76,690	465,267	63,106	659,360	514,586	97,135	154,957	82,816
Total Revenues	8,889,870	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
<b>EXPENDITURES</b>										
General government	1,979,958	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
Public safety	1,454,805	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
Street department	1,031,489	1,025,890	595,350	1,115,223	923,210	720,193	600,529	523,690	439,864	437,740
Refuse collection and other	692,069	719,926	685,319	654,684	629,811	592,645	512,651	489,344	455,528	435,822
Culture and recreation	841,190	673,652	654,695	706,866	690,242	682,274	1,803,051	587,083	528,041	503,763
Planning and development	283,981	303,949	295,725	277,659	309,874	285,952	253,080	278,800	332,099	282,536
Building maintenance	72,254	65,589	70,629	72,213	75,025	72,569	80,988	67,445	54,394	54,450
Stormwater management	-	-	-	71,602	14,777	-	-	-	-	-
Capital outlay	2,366,375	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
Debt service:										
Principal	-	-	-	-	-	1,095,250	1,795,000	270,000	210,000	614,947
Interest and fiscal charges	-	-	-	-	-	27,938	66,319	112,124	79,000	215,311
Bond issuance costs	85,635	-	-	-	-	-	-	-	68,651	-
Total Expenditures	8,807,756	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
<b>REVENUES OVER (UNDER)</b>										
<b>EXPENDITURES</b>	82,114	(407,124)	757,752	723,563	508,103	39,625	(2,351,505)	862,629	924,731	345,706
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of capital assets	134,700	2,450	66,650	128,846	109,783	3,250	95,846	1,974,898	316,579	724,861
Capital lease	-	-	-	-	-	-	-	43,087	21,518	-
Note payable	-	-	-	-	-	-	1,095,250	-	-	-
Issuance of certificates of participation	3,590,000	-	-	-	-	-	-	-	2,275,000	-
Payment to escrow agent	-	-	-	-	-	-	-	-	(2,626,507)	-
Bond discount	-	-	-	-	-	-	-	-	(15,100)	-
Transfers in	1,736,826	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
Transfers out	(1,736,826)	(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)
Total Other Financing Sources (Uses)	3,724,700	528,094	66,650	128,846	109,783	3,250	852,496	2,275,703	(1,037,958)	713,055
<b>NET CHANGES IN FUND BALANCES</b>										
	\$ 3,806,814	120,970	824,402	852,409	617,886	42,875	(1,499,009)	3,138,332	(113,227)	1,058,761
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	N/A	13.5	25.1	7.4	7.6	17.4

Source: Basic financial statements.

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Primary Government</b>										
<b>Governmental Activities</b>										
General government	\$ 166,000	122,774	130,513	118,259	101,071	129,462	104,800	145,709	134,165	517,074
Public safety	236,155	290,362	295,310	273,857	286,204	295,769	369,044	340,771	332,037	187,436
Street department	1,475,359	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	709,069	736,780	702,390	667,132	643,247	603,578	499,050	473,582	444,972	418,900
Culture and recreation	204,398	175,487	201,589	228,111	230,939	219,371	237,549	251,232	210,759	211,525
Planning and development	125	1,659	7,139	1,397	70	711	16,272	-	941	-
Total Governmen- tal Activities	2,791,106	3,037,306	2,739,727	2,169,289	3,039,645	2,731,340	1,949,585	7,989,668	3,643,592	1,334,935
<b>Business-type Activities</b>										
Water/sewer	1,984,600	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
Total Primary Government	<u>\$ 4,775,706</u>	<u>4,893,801</u>	<u>4,613,935</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>

Source: Basic financial statements.

**CITY OF UNION, MISSOURI**  
**TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS**  
**LAST TEN 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>
2015	\$ 2,755,362	\$ 1,168,816	\$ 1,596,160	\$ 858,434	\$ 6,378,772
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

Source: Required supplemental information and basic financial statements.

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

Fiscal Year	Calendar Year	Real Estate			Assessed Value	Estimated Actual Value	Personal Property	
		Residential Property	Commercial Property	Agricultural Property			Assessed Value	Estimated Actual Value
2015	2014	\$ 76,966,596	\$ 51,658,063	\$ 1,685,829	\$ 130,310,488	\$ 580,567,369	\$ 31,789,145	\$ 105,963,817
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

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		
2015	2014	\$ 5,818,945	\$ 20,082,985	\$ 167,918,578	\$ 706,614,171	\$ 0.7020	23.8 %
2014	2013	6,521,584	22,345,194	166,528,520	699,826,367	-	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

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>2015</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>
City of Union:										
General Fund	\$0.566	0.564	0.541	0.538	0.529	0.524	0.515	0.513	0.529	0.528
Union Park Fund	0.136	0.136	0.130	0.130	0.127	0.126	0.124	0.123	0.127	0.127
Total City Of Union	0.702	0.700	0.671	0.668	0.656	0.650	0.639	0.636	0.656	0.655
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	0.939	0.941	0.903	0.910	0.090	0.881	0.884	0.884	0.894	0.936
Union Fire Protection District	0.130	0.138	0.130	0.273	0.269	0.269	0.269	0.268	0.279	0.279
Union Ambulance District	0.177	0.177	0.168	0.168	0.165	0.165	0.166	0.165	0.172	0.172
Union School District	3.750	3.750	3.750	3.750	3.700	3.700	3.700	3.510	3.470	3.470
East Central College	0.454	0.454	0.440	0.439	0.433	0.433	0.435	0.431	0.447	0.447
The Franklin County Library District	0.201	0.083	0.078	0.078	0.076	0.076	0.092	0.091	0.096	0.096

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

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

Taxpayer	2015			2010		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
Esselte Pendaflex Corp.	\$ 3,601,387	1	2.14 %	\$ 3,812,169	1	2.32 %
Wal-Mart Supercenter	1,751,005	2	1.04	1,904,742	2	1.16
MO Natural Gas	1,150,410	3	0.69	734,410	9	0.45
Union Housing Association LP	1,143,800	4	0.68	1,140,336	4	0.69
D R G Plastics	1,136,381	5	0.68	1,161,894	3	0.71
MHB LLC	1,103,891	6	0.66	1,113,712	5	0.68
Bequette Properties LLC	1,078,800	7	0.64	796,176	8	0.48
United Bank of Union	931,639	8	0.55	919,566	6	0.56
Franklin Co. Medical Outreach	841,273	9	0.50	696,304	10	0.42
Black Creek Corporation	800,275	10	0.48	864,783	7	0.53
Total	<u>\$ 13,538,861</u>		<u>8.06 %</u>	<u>\$ 13,144,092</u>		<u>8.00 %</u>

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>
2015	2014	\$ 1,149,427	\$ 1,053,733	91.7 %	\$ 40,718	\$ 1,094,451	95.2 %	\$ 95,694	8.33 %
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

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			
2015	\$ -	\$ 3,590,000	\$ -	\$ 540,156	\$ 3,230,000	\$ 3,105,000	\$ 10,465,156	- %	\$ 989
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

(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, 2015**

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<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	\$ 14,166,726	11.00 %	\$ 1,558,340
Union School District	30,725,962	45.00	13,826,683
	44,892,688		15,385,023
City direct debt	3,590,000	100.00 %	3,590,000
Total Direct And Overlapping Debt	<u>\$ 48,482,688</u>		<u>\$ 18,975,023</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**

	<b>Fiscal Years Ended June 30</b>									
	<b>2015</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>
Assessed Value	<u>\$ 167,918,578</u>	<u>166,528,520</u>	<u>170,287,511</u>	<u>167,291,604</u>	<u>166,145,690</u>	<u>164,402,083</u>	<u>160,820,001</u>	<u>156,024,858</u>	<u>140,910,603</u>	<u>130,564,088</u>
Debt limit - 10% of total assessed valuation	<u>\$ 16,791,858</u>	<u>16,652,852</u>	<u>17,028,751</u>	<u>16,729,160</u>	<u>16,614,569</u>	<u>16,440,208</u>	<u>16,082,000</u>	<u>15,602,486</u>	<u>14,091,060</u>	<u>13,056,409</u>
Amount of debt subject to limit:										
Total bonded debt	-	-	-	-	-	-	-	-	-	-
Less - Amounts available in Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Amount Of Debt Subject To Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 16,791,858</u>	<u>16,652,852</u>	<u>17,028,751</u>	<u>16,729,160</u>	<u>16,614,569</u>	<u>16,440,208</u>	<u>16,082,000</u>	<u>15,602,486</u>	<u>14,091,060</u>	<u>13,056,409</u>

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>
2015	10,859	\$ 43,532	N/A	N/A	3,118	5.8 %
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

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>2015</u>			<u>2006</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 %	395	1	10.47 %
Union RXI School District	396	2	10.18	381	2	10.10
Franklin County Government	353	3	9.12	331	3	8.78
Buddeez (American Plastics)	250	4	6.18	-	-	-
Wal-Mart Supercenter	230	5	6.12	278	4	7.37
East Central College	203	6	6.10	200	5	5.30
Silgan Plastic Containers	194	7	5.59	168	6	4.45
Climate Express	150	8	3.98	-	-	-
Pharma Tech Industries	107	9	3.15	75	10	1.99
Sunset Health Care	100	10	2.65	96	8	2.55
The Children's Factory	-	-	-	96	9	2.55
Spartan Showcase	-	-	-	112	7	2.97
Total	<u>2,521</u>		<u>63.44 %</u>	<u>2,132</u>		<u>56.53 %</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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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	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	-	-	-	-	-	-	-	-	-	-
Maintenance - foreman	1	1	1	1	1	1	1	1	1	1
Maintenance	3	3	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	1	-	-	-
Street laborer II	2	2	4	3	3	3	4	4	4	4
Street laborer III	-	1	-	-	-	-	-	-	-	-
Street equipment operator II	1	1	-	-	-	-	-	-	-	-
Street equipment operator IV	-	-	2	2	2	2	1	2	2	2
Street equipment operator III	4	2	-	1	1	1	1	1	1	1
Street mechanic	2	2	2	2	2	2	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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water/Wastewater Department:										
Water/Wastewater foreman	1	1	1	1	1	1	1	1	1	1
Field foreman	1	1	1	1	1	1	1	-	-	-
Class C operator II	1	1	1	1	1	1	1	-	-	-
Water/Distribution operator	2	3	2	2	2	1	1	1	1	1
Water/Wastewater apprentice	2	2	3	3	3	4	4	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	1	-	-	-	-
Detective	1	1	1	1	1	1	2	2	1	1
Corporal	1	1	1	1	1	1	-	-	-	-
School resource officer	3	3	2	2	2	2	2	1	1	1
Parking control officer	1	1	1	1	1	1	1	1	1	1
Patrol officer	9	8	9	9	9	9	10	9	9	9
Police clerks	1	2	2	2	2	2	2	2	2	2
Police Service Technician	1	1	1	1	1	1	1	1	1	1
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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police - patrol:										
Arrests	765	816	1,063	746	787	705	665	475	610	550
Traffic citations	1,354	1,720	1,972	2,141	2,857	1,733	1,573	1,416	1,810	1,715
Crime reports	2,932	3,342	3,418	3,291	3,633	4,034	3,991	3,846	4,187	3,723
Accident reports	466	505	509	447	493	521	520	548	458	349
Public works:										
Road repair - tons of mix	2,004	2,310	1,485	1,858	1,543	1,686	1,453	955	1,868	2,452
Traffic control signs serviced	215	232	245	293	202	294	97	88	253	128
Storm sewer grates and lids inspected	1,107	1,080	1,160	1,134	1,130	1,069	921	1,082	967	795
Parks:										
Acres mowed and maintained	231	187	187	187	187	187	187	187	187	187
Trees and shrubs planted	-	6	-	10	-	8	4	3	25	100
Engineering/building inspection:										
Rezoning applications	1	-	-	1	-	1	3	2	-	4
Building permits issued	289	238	230	197	190	194	147	253	280	275
Water permits issued	108	50	89	74	58	50	42	80	94	123
Sewer permits issued	104	43	82	73	55	48	36	74	83	104
Finance and administration:										
Business licenses issued	648	653	658	667	694	655	583	684	639	607
Payroll checks issued	4,111	3,952	4,034	4,245	4,002	4,102	4,015	3,769	3,424	3,601
Accounts payable processed	1,996	2,064	2,087	2,209	2,459	2,216	2,598	2,494	2,302	2,308
Requests for public records	9	9	3	2	2	4	3	2	3	3
Liquor licenses issued	17	36	87	57	62	50	46	45	36	33

Source: City records - various departments listed

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

FUNCTIONS/PROGRAMS	June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	11	11	11	10	10	13	13	12	10	10
Public works:										
Miles of streets	88.88	88.10	88.10	87.96	87.96	87.59	87.10	87.10	86.67	84.96
Traffic lights and signals	-	-	-	1	2	2	2	2	2	2
Miles of sanitary sewer line	78.95	76.80	76.80	76.60	76.28	75.55	74.68	74.68	74.07	71.36
Number of meters	4,402	4,742	4,238	4,161	4,017	3,905	3,975	3,975	4,054	3,794
Miles of water line	86.76	83.92	83.92	83.76	83.74	83.14	82.60	82.60	82.37	80.49
Number of pumping stations	16	16	16	16	15	16	16	14	13	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	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	5	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**

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**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: December 17, 2015

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, 2015 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>2015</u>	<u>Percent Of Total</u>
Taxes	\$5,187,663	63.4%
Fines and forfeitures	103,705	1.3
Licenses and permits	135,898	1.7
Charges for services	800,577	9.8
Intergovernmental	751,878	9.2
Investment income	88,011	1.1
Rental income	29,860	0.4
Miscellaneous	129,598	1.5
Sale of capital assets	131,975	1.6
Transfers in	820,000	10.0
Total Revenues	<u>\$8,179,163</u>	

Source: City's budget for the fiscal year ended June 30, 2015

**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
2015	918,453	5.7

**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	0.5000%
2011	4,090	1.0100
2012	4,160	1.7100
2013	4,198	0.9100
2014	4,381	4.3600
2015	4,402	0.0048

**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
2015	287,462,760

**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, 2015:

<u>Customer</u>	<u>Type Business</u>	<u>Gallons Used</u>	<u>Dollar Billing</u>
1. East Central College	College	5,682,600	\$30,862
2. Sunset Nursing Home	Nursing home	4,994,000	27,539
3. Silgan Plastics	Mfg. - Food containers	4,797,000	18,109
4. Union R-XI School District	Public school	3,231,200	19,541
5. Gateway Extrusions Ltd	Mfg. - Aluminum extrusion services	2,724,000	15,719
6. TOPS STL	Mfg./Distributor - Filing supplies	2,315,500	13,564
7. Fast Trip	Car wash	2,286,500	12,854
8. #1 Laundromat	Laundry mat	2,192,000	12,146
9. One Independence Drive LLC	Restaurant	1,793,500	9,966
10. Havin Material Service	Construction material	1,516,850	4,739

# 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
2015	971,298	956,792	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
2015	798,350	793,122	99.3



# 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>	<u>2015</u>
Operating Revenues	\$1,783,723	1,808,937	1,878,594	1,874,208	1,856,495	1,857,564
Nonoperating Revenues	111,192	552,179	229,129	124,267	95,076	167,286
Capital Improvement Sales Tax Revenue	775,930	800,671	830,707	826,940	869,029	918,393
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>	<u>(2,083,710)</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>	<u>859,533</u>
Debt Service Requirements <sup>(2)</sup>	<u>\$423,048</u>	<u>484,461</u>	<u>619,135</u>	<u>585,451</u>	<u>619,962</u>	<u>658,251</u>
Debt Service Coverage	3.60x	4.09x	2.58x	2.56x	2.29x	1.31x

<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 \$3,105,000.

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 \$860,000.