

CITY OF UNION, MISSOURI



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

CITY OF UNION, MISSOURI

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FINANCIAL REPORT***

FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

PREPARED BY THE FINANCE OFFICER

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

October 29, 2013

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, 2013.

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, 2013, 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 auditor concluded, based upon its audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

Incorporated in 1888, the City is the county seat and the second largest City in Franklin County. The City covers approximately 8 square miles. The City's population grew 31.6% over the last decade, increasing from 7,757 in 2000 to 10,204 in 2010. The City 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 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, the City 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, the City has hosted the seat of Franklin County Government and for many years the 20th Judicial Court Circuit. During office hours, the downtown is bustling with government and court activity. Commercial growth has also occurred due to Franklin County Government investing over \$12 million in the downtown area within the past 5 years with the construction of a Government Center and Judicial Center.

As our country slowly recovers from a recession, The City's local economy continues to grow stronger. Housing starts have continued to increase over the past few years. Construction of single family and apartment housing is occurring throughout the City. Oakview Village, a 55 and older villa community, will begin construction in 2013. The first phase of the Oakview Village will contain 47 units with another 43 proposed in phase 2. Inquiries for commercial buildings and property have increased. Several regional and national chains have expressed an interest in locating in the City in the near future. The City's industrial employment continues to grow through employment expansion: American Plastics, Pharma Tech, Corro-Tech, Immaculate Baking Co., and ADB continues to hire additional employees. Several industries located or opened facilities in the City in 2012: Climate Express, Prestige Technical Services, and US Integrity Machine. Industrial prospect inquiries have increased a great deal from 2012 to 2013.

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, 2013, the sales tax decreased approximately 0.45%. 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 2012 - 2013, the City continued to improve its facilities and infrastructure to serve its citizens. This includes the following projects:

The Main Street project consists of improvements from Highway 47 North to Springfield Road (Old Highway 50). The project includes sidewalks, enhancements to the central business district, and resurfacing of the roadway. Also, the intersection improvement with a roundabout at Main Street and Independence Drive was the first one for the City. This project was completed in May 2013.

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

A new well is being constructed in the east part of town; this project is expected to be completed in May 2014.

The Independence Drive project consists of improvements from Highway 50 to Church Street. It includes constructing a roundabout at the Washington and Independence Drive intersection, sidewalks, and resurfacing of the roadway. This project is expected to be completed in October 2013.

Long-term Financial Planning

The City's new comprehensive plan, water study, and the trailnet study are completed. These plans will be helpful with long-range planning purposes to accomplish goals and objectives for the City. Although the Board of Aldermen has not formally adopted a long-term financial plan, administration does establish strategic goals and objectives for long-range planning purposes. The City is starting to work on a five-year capital improvement plan in 2014. This plan will help project costs and estimate revenues for the next five years enabling 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, 2013, 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 CAFR for the fiscal year ended June 30, 2012. 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 CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

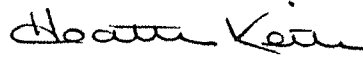
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the various departments' of the City. We would like to express our appreciation to all members of the various departments who assisted and contributed to the preparation.

We would also like to thank our auditor, 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,

A handwritten signature in black ink, appearing to read "Russell Rost". The signature is fluid and cursive, with a large initial "R".

Russell Rost
City Administrator

A handwritten signature in black ink, appearing to read "Heather Keith". The signature is cursive and somewhat stylized.

Heather Keith
Finance Officer

PRINCIPAL OFFICIALS

MAYOR

Mike Livengood

WARD 1

Robert Schmuke
Jim Albrecht

WARD 2

Dale Schmuke
Vicki Jo Hooper

WARD 3

Paul Arand
Dustin Bailey

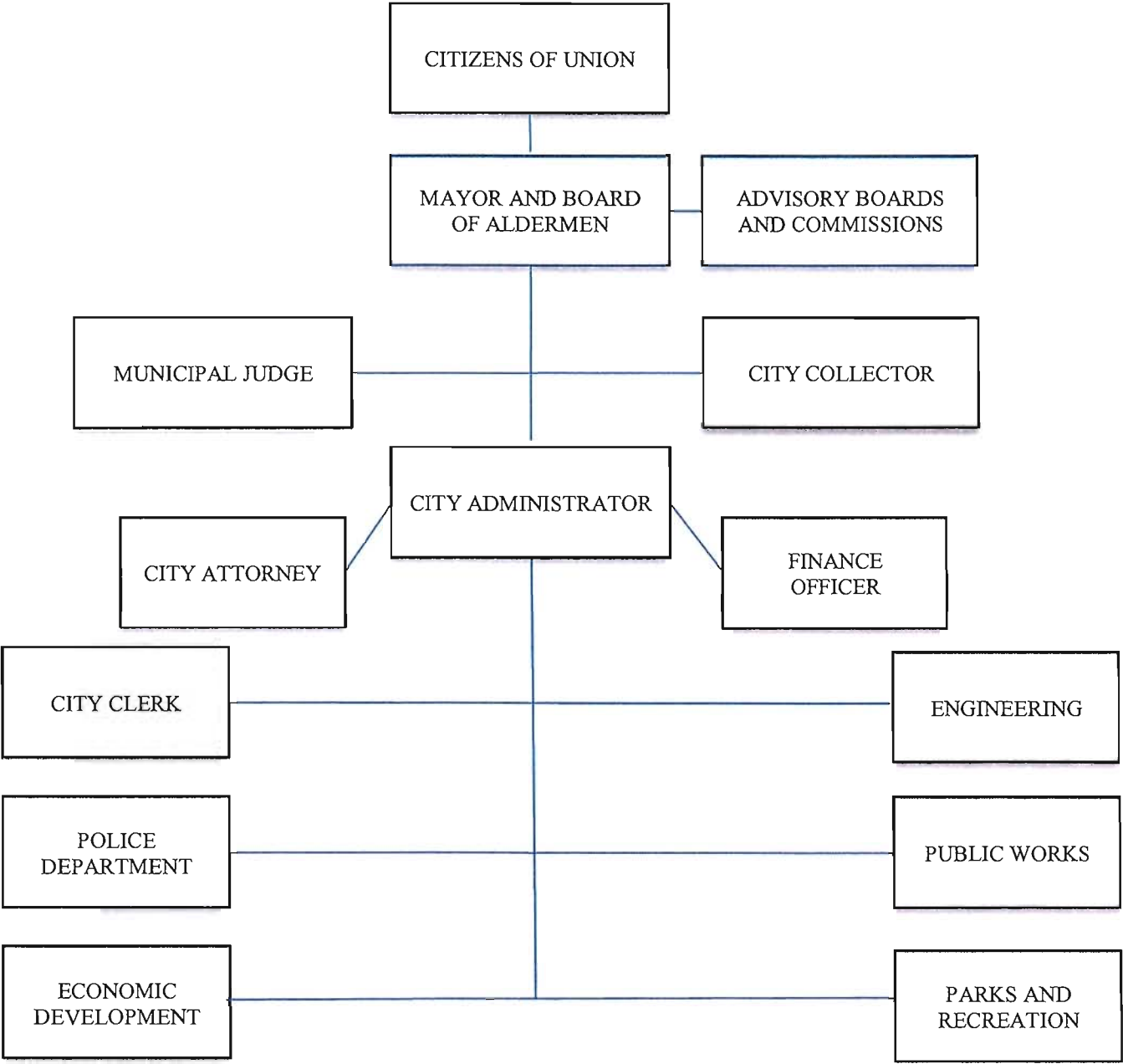
WARD 4

David Pope
Karen Erwin

OTHER CITY OFFICIALS

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

ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Union
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

SECTION II
FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

October 29, 2013

Honorable Mayor and Board of Aldermen
CITY OF UNION, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF UNION, MISSOURI** (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively are comprised of 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.

□ 16100 Chesterfield Parkway W., Suite 125, Chesterfield, Missouri 63017-4829, 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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Independent Accounting Firms

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

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

Other Information

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

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013. 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 \$50,364,807. The City has unrestricted net position totaling \$11,439,797.
- General revenues for governmental activities were \$5,873,082 which included \$5,656,870 (96.3%) in sales, property, franchise, and other taxes. Property taxes accounted for \$1,100,576 (18.7%) of general revenues.
- Expenses from the various functions of governmental activities was \$6,670,853. General government was \$1,728,837 (25.9%), public safety was \$1,506,263 (22.6%), street was \$1,432,954 (21.5%), refuse collection and other was \$685,319 (10.3%), culture and recreation was \$783,062 (11.7%), planning and development was \$443,223 (6.6%), and building maintenance was \$91,195 (1.4%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,436,191. Of this amount \$973,570 is unassigned, \$127,264 is nonspendable, \$1,078,727 is restricted, \$2,218,000 is committed, and \$5,038,630 is assigned.
- At the end of the current fiscal year, fund balance for the General Fund was \$7,985,912 or 114% of total General Fund expenditures. Of this amount \$978,148 is unassigned, \$89,764 is nonspendable, \$2,218,000 is committed, and \$4,700,000 is assigned.
- The City's total debt increased \$1,118 during the current fiscal year. The major factor was the refunding of the 2006 certificates of participation.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, street, refuse collection and other, culture and recreation, planning and development, and building maintenance.

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

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into 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.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

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

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

The proprietary fund financial statements can be found on pages 21 through 23 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 44 of this report.

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

Other supplemental information. The combining and individual fund statements provide fund level detail for all nonmajor governmental funds and Agency Funds. Combining and individual fund statements and schedules can be found on pages 54 through 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Therefore, a comparative analysis of government-wide data is also included in this report.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, the net position of \$50,364,807 increased in 2013 by approximately 5% as compared to the previous year.

The largest portion of the City's net position, \$36,253,081 in 2013 (an increase of approximately 3.1% from 2012) 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, 2013

	June 30					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current and other assets	\$10,132,039	9,689,335	5,827,137	5,459,558	15,959,176	15,148,893
Capital assets, net	<u>19,463,972</u>	<u>18,304,918</u>	<u>23,482,958</u>	<u>23,746,117</u>	<u>42,946,930</u>	<u>42,051,035</u>
Total Assets	<u>29,596,011</u>	<u>27,994,253</u>	<u>29,310,095</u>	<u>29,205,675</u>	<u>58,906,106</u>	<u>57,199,928</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>253,529</u>	<u>-</u>	<u>253,529</u>	<u>-</u>
LIABILITIES						
Long-term liabilities	264,543	227,882	7,759,144	7,733,341	8,023,687	7,961,223
Other liabilities	<u>530,077</u>	<u>903,936</u>	<u>241,064</u>	<u>370,561</u>	<u>771,141</u>	<u>1,274,497</u>
Total Liabilities	<u>794,620</u>	<u>1,131,818</u>	<u>8,000,208</u>	<u>8,103,902</u>	<u>8,794,828</u>	<u>9,235,720</u>
NET POSITION						
Net investment in capital assets	19,463,972	18,304,918	16,789,109	16,858,850	36,253,081	35,163,768
Restricted	1,479,671	1,359,364	1,192,258	1,566,063	2,671,929	2,925,427
Unrestricted	<u>7,857,748</u>	<u>7,198,153</u>	<u>3,582,049</u>	<u>2,676,860</u>	<u>11,439,797</u>	<u>9,875,013</u>
Total Net Position	<u>\$28,801,391</u>	<u>26,862,435</u>	<u>21,563,416</u>	<u>21,101,773</u>	<u>50,364,807</u>	<u>47,964,208</u>

An additional portion of the City's net position, \$2,671,929 in 2013, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

The remaining category of the City's net position represents an unrestricted net position balance of \$11,439,797 in 2013 which may be used to meet the City's ongoing obligations to citizens and creditors.

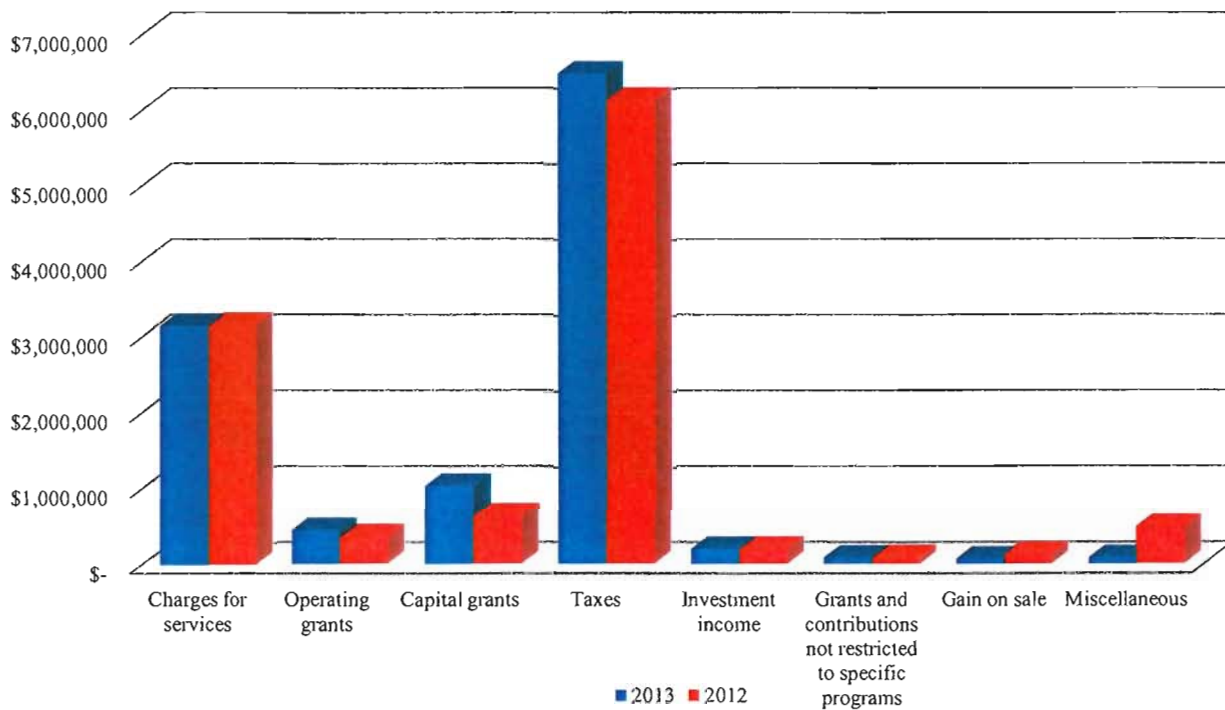
A condensed version of the statement of activities follows:

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

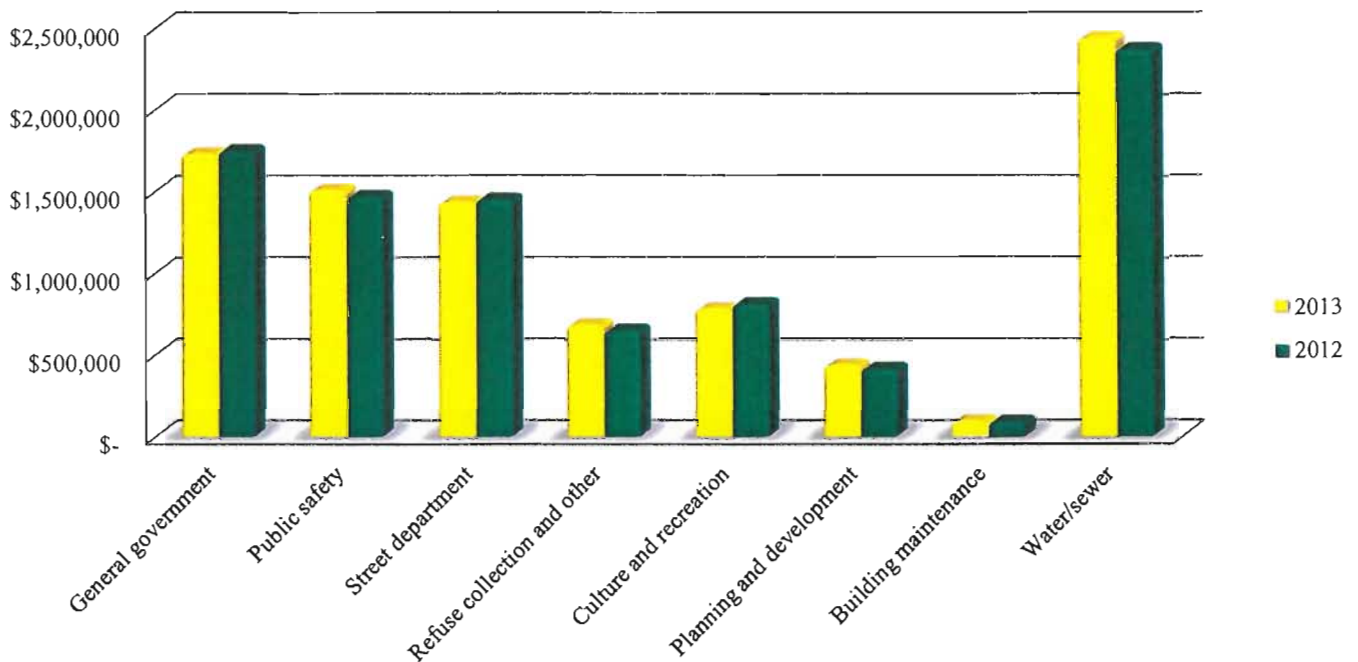
	For The Years Ended June 30					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program revenues:						
Charges for services	\$ 1,262,668	1,267,921	1,874,208	1,878,594	3,136,876	3,146,515
Operating grants and contributions	446,878	360,839	-	-	446,878	360,839
Capital grants and contributions	1,027,181	540,529	-	97,081	1,027,181	637,610
General revenues						
Taxes	5,656,870	5,307,507	826,940	830,707	6,483,810	6,138,214
Investment income	127,053	122,852	69,261	71,625	196,314	194,477
Grants and contributions not restricted to specific programs	-	-	79,655	81,308	79,655	81,308
Gain on sale	64,840	127,433	-	-	64,840	127,433
Miscellaneous	24,319	424,954	55,006	60,423	79,325	485,377
Total Revenues	<u>8,609,809</u>	<u>8,152,035</u>	<u>2,905,070</u>	<u>3,019,738</u>	<u>11,514,879</u>	<u>11,171,773</u>
EXPENSES						
General government	1,728,837	1,750,622	-	-	1,728,837	1,750,622
Public safety	1,506,263	1,472,750	-	-	1,506,263	1,472,750
Street department	1,432,954	1,454,059	-	-	1,432,954	1,454,059
Refuse collection and other	685,319	654,684	-	-	685,319	654,684
Culture and recreation	783,062	815,708	-	-	783,062	815,708
Planning and development	443,223	424,311	-	-	443,223	424,311
Building maintenance	91,195	88,191	-	-	91,195	88,191
Water/sewer	-	-	2,443,427	2,367,735	2,443,427	2,367,735
Total Expenses	<u>6,670,853</u>	<u>6,660,325</u>	<u>2,443,427</u>	<u>2,367,735</u>	<u>9,114,280</u>	<u>9,028,060</u>
CHANGES IN NET POSITION	1,938,956	1,491,710	461,643	652,003	2,400,599	2,143,713
NET POSITION, JULY 1	<u>26,862,435</u>	<u>25,370,725</u>	<u>21,101,773</u>	<u>20,449,770</u>	<u>47,964,208</u>	<u>45,820,495</u>
NET POSITION, JUNE 30	<u>\$28,801,391</u>	<u>26,862,435</u>	<u>21,563,416</u>	<u>21,101,773</u>	<u>50,364,807</u>	<u>47,964,208</u>

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Revenues by Source Comparison

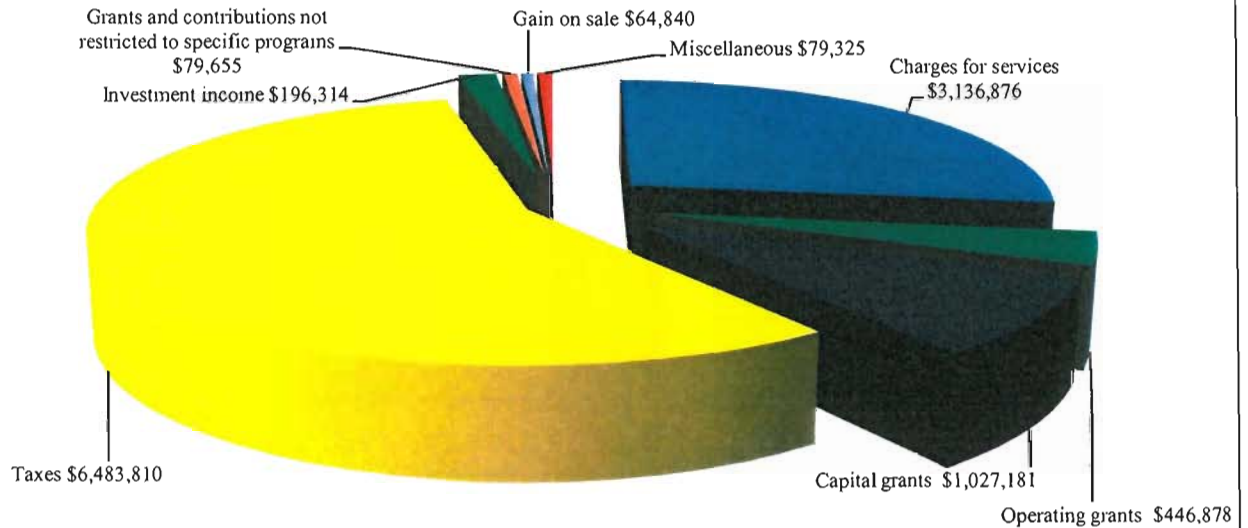


Expenses by Function Comparison

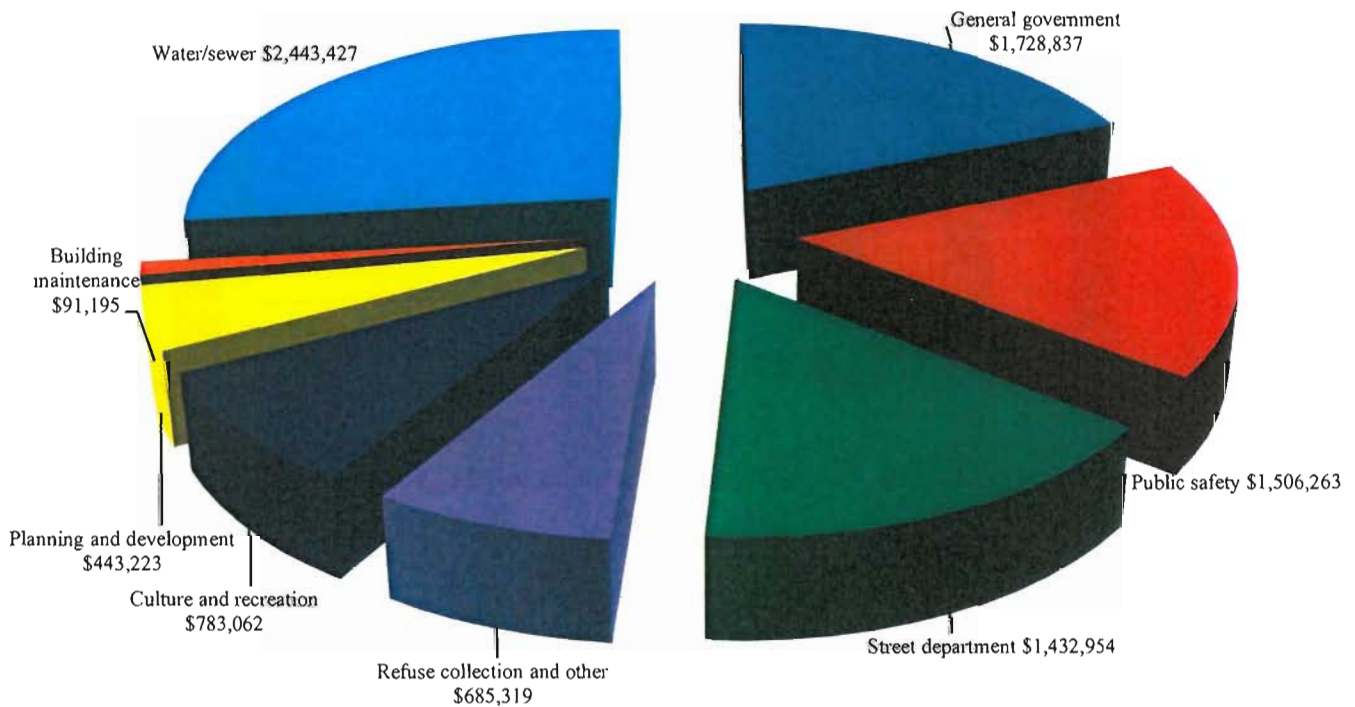


CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Revenues by Sources for Fiscal Year 2013



Expenses by Function for Fiscal Year 2013



CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Changes in net position. In 2013 the City's total revenues on the government-wide basis was \$11,514,879, an increase of \$343,106 as compared to 2012.

While the total revenues increased \$343,106 (3.1%) from last year, total expenses increased by \$86,220 (0.96%) from last year. The increase in revenues was due to the increase of grant monies from road projects. The increase in expenses was due to more expenses in the Sewer Fund. As a result, the change in net position had an increase of \$256,886 (12%).

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 2013, the unassigned fund balance of the General Fund was \$978,148 while the total fund balance was \$7,985,912. 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 (13.4%) of total General Fund expenditures and transfers out of \$318,000, while total fund balance represents (109.4%) of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund increased by \$728,909 (10%) 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 \$825. This increase was a result of increased sales tax. At the end of June 30, 2013, the nonspendable fund balance was \$37,500, the assigned fund balance was \$263,916, and total fund balance was \$301,416.
- Transportation Tax Fund increased by \$91,667. This increase was a result of increased sales tax. At the end of June 30, 2013, the restricted fund balance and total fund balance was \$1,078,727.

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

- Water and Sewer Fund increased \$461,643. This increase was a result of increasing revenues. At the end of June 30, 2013, total net position is \$21,563,416.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

Final results for any given year will generally differ from that year's adopted budget. The final revised budget of the City's General Fund for 2013 was \$7,097,761, which differs from the original adopted budget of \$7,827,565 by \$729,804. These supplemental appropriations are summarized as follows:

- Areas of decrease in the General Fund includes road projects not being completed in the 2012-2013 budget year.
- Increase in pay raises, employee benefits, fuel, and insurance.

CAPITAL ASSETS

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

	June 30					
	Governmental		Business-type		Total	
	Activities		Activities		2013 2012	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,288,776	2,271,850	574,708	574,708	2,863,484	2,846,558
Construction in progress	370,135	883,545	258,940	81,650	629,075	965,195
Buildings	775,741	862,189	125,329	130,802	901,070	992,991
Infrastructure	15,320,483	13,535,617	20,536,094	20,990,089	35,856,577	34,525,706
Machinery and equipment	<u>708,837</u>	<u>751,717</u>	<u>1,987,887</u>	<u>1,968,868</u>	<u>2,696,724</u>	<u>2,720,585</u>
Total	<u>\$19,463,972</u>	<u>18,304,918</u>	<u>23,482,958</u>	<u>23,746,117</u>	<u>42,946,930</u>	<u>42,051,035</u>

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

LONG-TERM DEBT

At the end of the fiscal year 2013, the City had outstanding long-term debt obligations for governmental and business-type activities in the amount of \$7,736,694 compared to \$7,735,576 in fiscal year 2012. Of this amount, \$3,670,000 is certificates of participation, \$3,410,000 is revenue bonds, and \$656,694 is capital leases. The \$1,118 increase in the City's long-term debt obligations is primarily due to the City refunding. The City did a refund of the 2006 certificates of participation during 2013.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

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

	<u>June 30</u>	
	<u>Business-type</u>	
	<u>Activities</u>	
	<u>2013</u>	<u>2012</u>
2006A certificates of participation	\$ -	3,465,000
2013A & B certificates of participation	3,670,000	-
2010A & B revenue bonds	3,410,000	3,560,000
Capital lease obligation	<u>656,694</u>	<u>710,576</u>
Total	<u>\$7,736,694</u>	<u>7,735,576</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 ensuing 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 2013-2014 fiscal year:

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

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

A construction of a new well east part of town, this project is expected to be completed in May 2014.

The Independence Drive project consists of improvements from Highway 50 to Church Street and construct improvements to Washington and Independence Drive intersection, sidewalks, and resurfacing of the roadway. This project is expected to be completed in October 2013.

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

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 9,050,368	3,115,282	12,165,650
Accounts receivable	651,102	376,145	1,027,247
Property taxes receivable, net of allowance	125,226	-	125,226
Court fines receivable	41,701	-	41,701
Grants receivable	124,176	-	124,176
Accrued interest receivable	1,531	-	1,531
Inventory	-	169,955	169,955
Prepaid items	127,264	86,000	213,264
Restricted assets:			
Cash	10,671	2,079,755	2,090,426
Capital assets:			
Land and construction in progress	2,658,911	833,648	3,492,559
Other capital assets, net of accumulated depreciation	16,805,061	22,649,310	39,454,371
Total Assets	<u>29,596,011</u>	<u>29,310,095</u>	<u>58,906,106</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>253,529</u>	<u>253,529</u>
LIABILITIES			
Accounts payable	454,870	50,992	505,862
Accrued wages	52,771	7,783	60,554
Accrued expenses	11,765	32,329	44,094
Accrued interest payable	-	51,779	51,779
Customer deposits payable	-	98,181	98,181
Court bonds payable	10,671	-	10,671
Noncurrent liabilities:			
Due within one year	98,298	423,593	521,891
Due in more than one year	32,766	7,335,551	7,368,317
Due in more than one year - net pension obligation	133,479	-	133,479
Total Liabilities	<u>794,620</u>	<u>8,000,208</u>	<u>8,794,828</u>
NET POSITION			
Net investment in capital assets	19,463,972	16,789,109	36,253,081
Restricted for:			
Park improvements	326,230	-	326,230
Street improvements	1,078,727	-	1,078,727
Cemetery maintenance	74,714	-	74,714
Water and sewer improvements	-	1,131,264	1,131,264
Debt service	-	60,994	60,994
Unrestricted net position	<u>7,857,748</u>	<u>3,582,049</u>	<u>11,439,797</u>
Total Net Position	<u>\$ 28,801,391</u>	<u>21,563,416</u>	<u>50,364,807</u>

CITY OF UNION, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

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
Primary Government							
Governmental Activities							
General government	\$ 1,728,837	130,513	-	-	(1,598,324)	-	(1,598,324)
Public safety	1,506,263	220,525	71,785	-	(1,213,953)	-	(1,213,953)
Street department	1,432,954	11,500	364,105	1,027,181	(30,168)	-	(30,168)
Refuse collection and other	685,319	702,390	-	-	17,071	-	17,071
Culture and recreation	783,062	190,601	10,988	-	(581,473)	-	(581,473)
Planning and development	443,223	7,139	-	-	(436,084)	-	(436,084)
Building maintenance	91,195	-	-	-	(91,195)	-	(91,195)
Total Governmental Activities	6,670,853	1,262,668	446,878	1,027,181	(3,934,126)	-	(3,934,126)
Business-type Activities							
Water/sewer	2,443,427	1,874,208	-	-	-	(569,219)	(569,219)
Total Primary Government	<u>\$ 9,114,280</u>	<u>3,136,876</u>	<u>446,878</u>	<u>1,027,181</u>	<u>(3,934,126)</u>	<u>(569,219)</u>	<u>(4,503,345)</u>
General Revenues							
Taxes:							
Sales					2,480,898	826,940	3,307,838
Property					1,100,576	-	1,100,576
Franchise					1,579,086	-	1,579,086
Other					496,310	-	496,310
Investment income					127,053	69,261	196,314
Grants and contributions not restricted to specific programs					-	79,655	79,655
Gain on sale of assets					64,840	-	64,840
Miscellaneous					24,319	55,006	79,325
Total General Revenues					<u>5,873,082</u>	<u>1,030,862</u>	<u>6,903,944</u>
CHANGES IN NET POSITION					1,938,956	461,643	2,400,599
NET POSITION, JULY 1					<u>26,862,435</u>	<u>21,101,773</u>	<u>47,964,208</u>
NET POSITION, JUNE 30					<u>\$ 28,801,391</u>	<u>21,563,416</u>	<u>50,364,807</u>

See notes to financial statements

CITY OF UNION, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Park Fund	Transportation Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 7,710,345	310,499	954,810	74,714	9,050,368
Accounts receivable	527,185	-	123,917	-	651,102
Property taxes receivable, net of allowance	100,076	25,150	-	-	125,226
Court fines receivable	41,701	-	-	-	41,701
Grants receivable	124,176	-	-	-	124,176
Accrued interest receivable	1,531	-	-	-	1,531
Due from other funds	4,578	-	-	-	4,578
Prepaid items	89,764	37,500	-	-	127,264
Restricted assets:					
Cash	10,671	-	-	-	10,671
Total Assets	\$ 8,610,027	373,149	1,078,727	74,714	10,136,617
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 422,995	31,875	-	-	454,870
Wages payable	39,725	13,046	-	-	52,771
Court bonds payable	10,671	-	-	-	10,671
Accrued liabilities	9,767	1,998	-	-	11,765
Due from other funds	-	-	-	4,578	4,578
Total Liabilities	483,158	46,919	-	4,578	534,655
Deferred Inflows of Resources					
Unavailable revenue:					
Property taxes	99,256	24,814	-	-	124,070
Court fines	41,701	-	-	-	41,701
Total Deferred Inflows of Resources	140,957	24,814	-	-	165,771
Fund Balances					
Nonspendable	89,764	37,500	-	-	127,264
Restricted	-	-	1,078,727	-	1,078,727
Committed	2,218,000	-	-	-	2,218,000
Assigned	4,700,000	263,916	-	74,714	5,038,630
Unassigned	978,148	-	-	(4,578)	973,570
Total Fund Balances	7,985,912	301,416	1,078,727	70,136	9,436,191
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	\$ 8,610,027	373,149	1,078,727	74,714	10,136,617

CITY OF UNION, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total Fund Balances - Governmental Funds	\$ 9,436,191
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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 \$27,341,708 and the accumulated depreciation is \$7,877,736.	19,463,972
--	------------

Certain obligations are not financial resources and, therefore, are not reported in the governmental funds. These items consist of: Net pension obligation	(133,479)
---	-----------

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	165,771
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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: Compensated absences	<u>(131,064)</u>
--	------------------

Total Net Position Of Governmental Activities	<u><u>\$ 28,801,391</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, 2013

	General Fund	Park Fund	Transportation Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 4,945,861	261,094	826,966	-	6,033,921
Fines and forfeitures	139,622	-	-	-	139,622
Licenses and permits	106,492	-	-	-	106,492
Charges for services	757,752	182,097	-	-	939,849
Intergovernmental	1,079,341	-	-	-	1,079,341
Investment income	108,509	2,652	14,701	1,191	127,053
Rental income	23,905	-	-	-	23,905
Miscellaneous	55,371	21,319	-	-	76,690
Total Revenues	<u>7,216,853</u>	<u>467,162</u>	<u>841,667</u>	<u>1,191</u>	<u>8,526,873</u>
EXPENDITURES					
Current:					
General government	1,685,363	-	-	-	1,685,363
Public safety	1,432,260	-	-	-	1,432,260
Street department	595,350	-	-	-	595,350
Refuse collection and other	685,319	-	-	-	685,319
Culture and recreation	-	654,695	-	-	654,695
Planning and development	295,725	-	-	-	295,725
Building maintenance	70,629	-	-	-	70,629
Capital outlay	2,220,138	129,642	-	-	2,349,780
Total Expenditures	<u>6,984,784</u>	<u>784,337</u>	<u>-</u>	<u>-</u>	<u>7,769,121</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>232,069</u>	<u>(317,175)</u>	<u>841,667</u>	<u>1,191</u>	<u>757,752</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	64,840	-	-	1,810	66,650
Transfers in	750,000	318,000	-	-	1,068,000
Transfers out	(318,000)	-	(750,000)	-	(1,068,000)
Total Other Financing Sources (Uses)	<u>496,840</u>	<u>318,000</u>	<u>(750,000)</u>	<u>1,810</u>	<u>66,650</u>
NET CHANGES IN FUND BALANCES	<u>728,909</u>	<u>825</u>	<u>91,667</u>	<u>3,001</u>	<u>824,402</u>
FUND BALANCES, JULY 1	<u>7,257,003</u>	<u>300,591</u>	<u>987,060</u>	<u>67,135</u>	<u>8,611,789</u>
FUND BALANCES, JUNE 30	<u>\$ 7,985,912</u>	<u>301,416</u>	<u>1,078,727</u>	<u>70,136</u>	<u>9,436,191</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, 2013

Net Change In Fund Balances - Governmental Funds \$ 824,402

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 (\$2,253,715) exceeded depreciation (\$1,113,786) in the current period. 1,139,929

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (7,839)

The net effect of various transactions involving capital assets:

Contributed capital assets	24,125
Disposal of capital assets	(5,000)

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	(4,178)
Net pension obligation	<u>(32,483)</u>

Change In Net Position Of Governmental Activities \$ 1,938,956

CITY OF UNION, MISSOURI
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2013

	<u>Business-type Activities - Enterprise Fund Water/Sewer</u>
ASSETS	
Current Assets	
Cash and cash investments	\$ 3,115,282
Accounts receivable	376,145
Inventory	169,955
Prepaid items	86,000
Total Current Assets	<u>3,747,382</u>
Noncurrent Assets	
Cash and cash investments - restricted	2,079,755
Land and construction in progress	833,648
Other capital assets, net of accumulated depreciation	22,649,310
Total Noncurrent Assets	<u>25,562,713</u>
Total Assets	<u>29,310,095</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	<u>253,529</u>
LIABILITIES	
Current Liabilities	
Accounts payable	50,992
Accrued wages	7,783
Accrued expenses	32,329
Accrued interest payable	51,779
Accrued compensated absences - current	16,837
Capital lease - current	56,756
Debt payable - current	350,000
Total Current Liabilities	<u>566,476</u>
Noncurrent Liabilities	
Customer deposits payable	98,181
Accrued compensated absences	5,613
Capital leases payable	599,938
Debt payable, net	6,730,000
Total Noncurrent Liabilities	<u>7,433,732</u>
Total Liabilities	<u>8,000,208</u>
NET POSITION	
Net investment in capital assets	16,789,109
Restricted for debt service	60,994
Restricted for water and sewer improvements	1,131,264
Unrestricted	<u>3,582,049</u>
Total Net Position	<u>\$ 21,563,416</u>

See notes to financial statements

CITY OF UNION, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Fund Water/Sewer
OPERATING REVENUES	
Charges for services:	
Water	\$ 1,080,886
Sewer	793,322
Total Operating Revenues	<u>1,874,208</u>
OPERATING EXPENSES	
Depreciation	668,373
Amortization	6,232
Water	653,549
Sewer	672,288
Total Operating Expenses	<u>2,000,442</u>
OPERATING LOSS	<u>(126,234)</u>
NONOPERATING REVENUES (EXPENSES)	
Taxes	826,940
Investment income	69,261
Intergovernmental	79,655
Miscellaneous	55,006
Bond issuance costs	(123,854)
Interest expense and fiscal charges	(319,131)
Total Nonoperating Revenues (Expenses)	<u>587,877</u>
CHANGE IN NET POSITION	461,643
NET POSITION, JULY 1	<u>21,101,773</u>
NET POSITION, JUNE 30	<u><u>\$ 21,563,416</u></u>

CITY OF UNION, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Fund Water/Sewer
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities:	
Receipts from customers and users	\$ 1,945,984
Payments to suppliers	(798,040)
Payments to employees	(601,549)
Other receipts	55,006
Net Cash Provided By Operating Activities	<u>601,401</u>
Cash flows provided by noncapital financing activities:	
Taxes	<u>826,940</u>
Cash flows from capital and related financing activities:	
Intergovernmental	79,655
Interest paid on bonds	(390,811)
Payments on capital lease payable	(53,882)
Proceeds from debt issuance	73,084
Costs of debt issuance	(69,905)
Payments on bonds payable	(310,000)
Acquisition and construction of capital assets	(405,214)
Net Cash Used In Capital And Related Financing Activities	<u>(1,077,073)</u>
Cash flows provided by investing activities:	
Investment income	<u>69,261</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	420,529
CASH AND CASH EQUIVALENTS, JULY 1	<u>4,774,508</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 5,195,037</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (126,234)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	668,373
Amortization	6,232
Miscellaneous receipts	55,006
(Increase) decrease in:	
Accounts receivable	42,169
Grants receivable	21,107
Prepaid items	2,707
Inventory	(13,033)
Increase (decrease) in:	
Accounts payable	(60,132)
Accrued wages	404
Accrued compensated absences	2,891
Accrued expenses	(6,589)
Customer deposits payable	8,500
Total Adjustments	<u>727,635</u>
Net Cash Provided By Operating Activities	<u><u>\$ 601,401</u></u>
Supplemental disclosure of cash flow information:	
Noncash investing, capital, and financing activities:	
Debt financing:	
Par value of debt issued	\$ 3,670,000
Costs of issuance	(53,949)
Defeased debt	<u>(3,542,967)</u>
Net Cash Provided	<u><u>\$ 73,084</u></u>

See notes to financial statements

CITY OF UNION, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND
JUNE 30, 2013

ASSETS

Cash	<u>\$ 7,664</u>
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LIABILITIES

Due to others	<u>\$ 7,664</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 County 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 \$44,697 and \$11,174 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:

Assets	Years
Buildings	20 - 50
Infrastructure	10 - 50
Machinery and equipment	3 - 25

11. Compensated Absences

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Long-term Liabilities

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

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

13. Deferred Outflows/Inflows of Resources

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

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

14. Fund Balance Policies

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

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

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

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance Policies (Continued)

Committed -- The portion of a governmental fund's fund balances with self-imposed constraints or limitations by formal action (ordinance) of the Board of Aldermen, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose, as determined by the applicable designated officials to which the Board of Aldermen has designated authority. Intent can be expressed by the Board of Aldermen in the form of a motion. Action by the Board of Aldermen must occur prior to year-end.

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

When both restricted and unrestricted resources are available, the City will spend the most restricted dollars before the least restricted.

The fund balance details by classification are listed below:

	June 30, 2013			
	General Fund	Park Fund	Transportation Tax Fund	Nonmajor Governmental Funds
Fund Balances				
Nonspendable:				
Prepays	\$ 89,764	37,500	-	-
Restricted for:				
Street department	-	-	1,078,727	-
Committed to:				
Parks and recreation	318,000	-	-	-
Capital projects	1,900,000	-	-	-
Assigned to:				
General government	1,600,000	-	-	-
Public safety	1,470,000	-	-	-
Street department	600,000	-	-	-
Refuse collection and other	670,000	-	-	-
Planning and development	290,000	-	-	-
Building maintenance	70,000	-	-	-
Cemetery	-	-	-	74,714
Parks and recreation	-	263,916	-	-
Unassigned	978,148	-	-	(4,578)
	<u>\$ 7,985,912</u>	<u>301,416</u>	<u>1,078,727</u>	<u>70,136</u>
Total Fund Balances				

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance Policies (Continued)

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain a rolling beginning fund balance of not less than 25% of annual operating expenditures for the current fiscal year. Should the balance fall below the 25%, the City will identify a plan to restore the fund balance to its targeted amount as part of the budget proposal.

15. Equity in Pooled Cash and Investments

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

16. Grant Revenue

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

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

17. Interfund Transactions

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

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

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

18. Property Taxes

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. Property Taxes (Continued)

The Franklin County Assessor establishes assessed values and the City tax collector makes collections. The assessed value at January 1, 2012 upon which the 2012 levy was based for \$170,287,511.

The City's tax rate was levied at \$0.6707 per \$100 of assessed valuation of which \$0.5405 is used for general governmental services and \$0.1302 is used for park services.

19. Use of Estimates

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

As of June 30, 2013, 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, 2013, the City had the following investments:

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Investments	Fair Value	Maturities			Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	
Governmental Funds					
Certificates of deposit	\$ 4,027,594	-	2,025,101	2,002,493	N/A
Cash deposits	5,033,445				
Total Governmental Funds Cash And Investments	\$ 9,061,039				
Proprietary Funds					
Money market funds	\$ 779,983	779,983	-	-	Not rated
Cash deposits	4,415,054				
Total Proprietary Funds Cash And Investments	\$ 5,195,037				

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.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. In accordance with its investment policy, the City minimizes concentration of credit risk by diversifying the investment portfolio.

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

For The Year Ended June 30, 2013			
	Balance June 30 2012	Transfers And Additions	Transfers And Deletions
			Balance June 30 2013
Governmental Activities			
Capital assets not being depreciated:			
Land	\$ 2,271,850	16,926	2,288,776
Construction in progress	883,545	1,930,637	370,135
Total Capital Assets Not Being Depreciated	3,155,395	1,947,563	2,658,911
Capital assets being depreciated:			
Buildings	2,347,459	5,685	2,353,144
Infrastructure	16,817,912	2,552,554	19,370,466
Machinery and equipment	2,861,657	211,085	2,959,187
Total Capital Assets Being Depreciated	22,027,028	2,769,324	24,682,797
Less - Accumulated depreciation for:			
Buildings	1,485,270	92,133	1,577,403
Infrastructure	3,282,295	767,688	4,049,983
Machinery and equipment	2,109,940	253,965	2,250,350
Total Accumulated Depreciation	6,877,505	1,113,786	7,877,736
Total Capital Assets Being Depreciated, Net	15,149,523	1,655,538	16,805,061
 Governmental Activities Capital Assets, Net	 \$ 18,304,918	 3,603,101	 19,463,972

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended June 30, 2013

	Balance June 30 2012	Transfers And Additions	Transfers And Deletions	Balance June 30 2013
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 574,708	-	-	574,708
Construction in progress	81,650	290,235	112,945	258,940
Total Capital Assets Not Being Depreciated	656,358	290,235	112,945	833,648
Capital assets being depreciated:				
Buildings	251,400	-	-	251,400
Infrastructure	25,621,439	69,205	-	25,690,644
Machinery and equipment	3,501,063	158,719	37,580	3,622,202
Total Capital Assets Being Depreciated	29,373,902	227,924	37,580	29,564,246
Less - Accumulated depreciation for:				
Buildings	120,598	5,473	-	126,071
Infrastructure	4,631,350	523,200	-	5,154,550
Machinery and equipment	1,532,195	139,700	37,580	1,634,315
Total Accumulated Depreciation	6,284,143	668,373	37,580	6,914,936
Total Capital Assets Being Depreciated, Net	23,089,759	(440,449)	-	22,649,310
Business-type Activities Capital Assets, Net	<u>\$ 23,746,117</u>	<u>(150,214)</u>	<u>112,945</u>	<u>23,482,958</u>

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

**For The
Year Ended
June 30, 2013**

Governmental Activities

General government	\$ 5,289
Public safety	77,016
Street department	885,303
Culture and recreation	121,623
Planning and development	5,061
Building maintenance	<u>19,494</u>
Total	<u>\$1,113,786</u>

Business-type Activities

Water/Sewer Facility	<u>\$668,373</u>
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CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Individual interfund assets and liabilities are as follows:

Due from/to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>June 30 2013</u>
General Fund	Nonmajor Fund - Stormwater Management	<u>\$4,578</u>

Interfund balances are due to negative cash balances and are expected to be repaid during the fiscal year ending June 30, 2014.

Individual interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>June 30 2013</u>
General Fund	Transportation Tax Fund	\$ 750,000
Park Fund	General Fund	<u>318,000</u>
Total		<u>\$1,068,000</u>

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

NOTE E - RESTRICTED NET POSITION

The government-wide statement of net position reports \$2,671,929 of restricted net position, of which \$2,610,935 is restricted by enabling legislation.

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT

Long-term debt consisted of the following:

	<u>June 30</u> <u>2013</u>
Business-type Activities	
2010A & B taxable combined waterworks and sewerage system revenue bonds of \$3,705,000 used for constructing waterworks and sewerage system improvements. Interest rates range from 2.0% to 5.95%, maturity October 1, 2030.	\$3,410,000
\$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 2.10%.	<u>1,300,000</u>
Total	<u>\$7,080,000</u>

In March 2013, the City issued \$3,670,000 of Certificates of Participation (Series 2013A and 2013B) to refund the Series 2006A Certificates of Participation. The Series 2013 bonds bear interest ranging from 0.45% to 3.05% and are due October 1, 2026. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. As of June 30, 2013, \$3,305,000 is the remaining amount of the old debt which is in an irrevocable trust which is considered defeased. The City decreased its aggregated debt service payments by \$286,500 over 13 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$276,871.

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

For The Years Ended June 30	Certificates Of Participation		Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 200,000	78,902	150,000	172,510
2015	240,000	75,408	155,000	167,935
2016	240,000	73,188	155,000	163,285
2017	245,000	70,030	160,000	157,160
2018	250,000	65,880	165,000	149,441
2019 - 2023	1,320,000	249,993	895,000	620,731
2024 - 2028	1,175,000	70,931	1,030,000	360,848
2029 - 2031	-	-	700,000	63,368
Total	<u>\$3,670,000</u>	<u>684,332</u>	<u>3,410,000</u>	<u>1,855,278</u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

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

	For The Year Ended June 30, 2013			Amounts Due Within One Year
	Balance June 30 2012	Additions	Reductions	Balance June 30 2013
Governmental Activities				
Compensated absences	\$ 126,886	140,014	135,836	131,064
Business-type Activities				
Certificates of participation	\$ 3,465,000	3,670,000	3,465,000	3,670,000
Revenue bonds	3,560,000	-	150,000	3,410,000
Capital lease obligation	710,576	-	53,882	656,694
Less - Discounts	(21,794)	-	(21,794)	-
Total Bonds And Capital				
Leases	7,713,782	3,670,000	3,647,088	7,736,694
Compensated absences	19,559	24,288	21,397	22,450
Total Business-type Activities	\$ 7,733,341	3,694,288	3,668,485	7,759,144

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

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

The asset acquired through the capital lease is as follows:

	<u>June 30, 2013</u> <u>Business-type</u> <u>Activities</u>
Asset:	
Infrastructure	\$914,863
Less - Accumulated depreciation	<u>292,756</u>
Total	<u>\$622,107</u>

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

NOTE F - LONG-TERM DEBT (Continued)

<u>For The Years</u> <u>Ended June 30</u>	<u>Business-type</u> <u>Activities</u>
2014	\$ 90,000
2015	90,000
2016	90,000
2017	90,000
2018	90,000
2019 - 2023	<u>382,500</u>
Total Minimum Lease Payments	832,500
Less - Imputed interest	<u>175,806</u>
Present Value Of Minimum Lease Payments	<u>\$656,694</u>

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN

1. Plan Description and Provisions

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

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

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

2. Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rates are 13.1% (general) and 14.5% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

3. Annual Pension Cost (APC)

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

Annual required contribution	\$374,805
Interest on NPO	7,322
Adjustment to annual required contribution	<u>(6,697)</u>
APC	375,430
Actual contributions	<u>342,947</u>
Increase in NPO	32,483
NPO, beginning of year	<u>100,996</u>
 NPO, End Of Year	 <u>\$133,479</u>

The required contribution was determined as part of the February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit; d) pre-retirement mortality based on 75% of the RP-2000 combined Healthy table set back zero years for men and zero years for women; and e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2011 was 30 years for the General division and 30 years for the Police division.

Three-Year Trend Information

<u>For The Years Ended June 30</u>	<u>APC</u>	<u>Percentage Of APC Contributed</u>	<u>NPO</u>
2013	\$375,430	91.3%	\$133,479
2012	353,697	89.4	100,996
2011	355,186	82.1	63,578

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

3. Annual Pension Cost (APC) (Continued)

Schedule of Funding Progress

For The Valuation Years Ended February 28/29	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)
2013	\$7,598,163	\$8,665,290	\$1,067,127
2012	7,190,182	8,429,425	1,239,243
2011	6,507,189	8,054,828	1,547,639
For The Valuation Years Ended February 28/29	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage Of Covered Payroll
2013	88%	\$2,533,426	42%
2012	85	2,489,166	50
2011	81	2,483,999	62

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

NOTE H - RISK MANAGEMENT

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a statewide governmental self-insurance pool which provides property, liability, and workers' compensation coverages to its participating members in a single comprehensive multiline package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30, 2013.

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

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - RISK MANAGEMENT (Continued)

could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$215,707 for MIRMA's fiscal year ended June 30, 2013. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

NOTE I - COMMITMENTS

The City had commitments for engineering services totaling \$100,111 at June 30, 2013.

NOTE J - SEGMENT INFORMATION

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

Condensed Statement of Net Position			
June 30, 2013			
	Water	Sewer	Totals
ASSETS			
Current and other assets	\$ 993,125	2,754,257	3,747,382
Restricted assets	98,181	1,981,574	2,079,755
Capital assets	6,516,258	16,966,700	23,482,958
Total Assets	<u>7,607,564</u>	<u>21,702,531</u>	<u>29,310,095</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>253,529</u>	<u>253,529</u>
LIABILITIES			
Current liabilities	137,457	429,019	566,476
Noncurrent liabilities	703,732	6,730,000	7,433,732
Total Liabilities	<u>841,189</u>	<u>7,159,019</u>	<u>8,000,208</u>
NET POSITION			
Investment in capital assets	5,859,564	10,929,545	16,789,109
Restricted	-	1,192,258	1,192,258
Unrestricted	906,811	2,675,238	3,582,049
Total Net Position	<u>\$ 6,766,375</u>	<u>14,797,041</u>	<u>21,563,416</u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE J - SEGMENT INFORMATION (Continued)

Condensed Statement of Revenues, Expenses, And Changes In Net Position For The Year Ended June 30, 2013			
	Water	Sewer	Totals
OPERATING REVENUES	\$ 1,080,886	793,322	1,874,208
DEPRECIATION	210,573	457,800	668,373
OTHER OPERATING EXPENSES	653,549	678,520	1,332,069
OPERATING INCOME (LOSS)	216,764	(342,998)	(126,234)
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	826,940	826,940
Investment income	12,434	56,827	69,261
Intergovernmental	-	79,655	79,655
Miscellaneous	54,649	357	55,006
Bond issuance costs	-	(123,854)	(123,854)
Interest expense	(35,648)	(283,483)	(319,131)
CHANGES IN NET POSITION	193,550	213,444	461,643
NET POSITION, JULY 1	6,518,176	14,583,597	21,101,773
NET POSITION, JUNE 30	\$ 6,711,726	14,797,041	21,563,416
Condensed Statement of Cash Flows For the Year Ended June 30, 2013			
	Water	Sewer	Totals
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash provided by (used in):			
Operating activities	\$ 504,022	97,379	601,401
Noncapital financing activities	-	826,940	826,940
Capital and related financing activities	(432,802)	(644,271)	(1,077,073)
Investing activities	12,434	56,827	69,261
NET INCREASE IN CASH AND CASH EQUIVALENTS	83,654	336,875	420,529
CASH AND CASH EQUIVALENTS, JULY 1	693,691	4,080,817	4,774,508
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 777,345	4,417,692	5,195,037

NOTE K - RELATED PARTY TRANSACTIONS

The City has entered into transactions with a company, owned by an Alderman. The expenses totaled \$2,550 for the year ended June 30, 2013.

NOTE L - DEFICIT BALANCE

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

NOTE M - RETROACTIVE RESTATEMENT OF NET POSITION

The previously stated net position has been retroactively restated to implement GASB Statement No. 65 as follows:

	<u>Business-type Activities</u>
Net position, June 30, 2012, as previously reported	\$21,301,711
Restatement for:	
Bond issue costs	(252,084)
Accumulated amortization	<u>52,146</u>
Net Position, June 30, 2012, As Restated	<u>\$21,101,773</u>

NOTE N - SUBSEQUENT EVENT

On August 5, 2013 the City purchased real estate for \$175,000.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 4,641,650	4,881,135	4,945,861	64,726
Fines and forfeitures	157,500	139,600	139,622	22
Licenses and permits	72,850	100,250	106,492	6,242
Charges for services	700,000	750,500	757,752	7,252
Intergovernmental	1,709,351	1,079,221	1,079,341	120
Investment income	90,000	108,500	108,509	9
Rental income	17,000	17,000	23,905	6,905
Miscellaneous	23,800	32,600	55,371	22,771
Total Revenues	<u>7,412,151</u>	<u>7,108,806</u>	<u>7,216,853</u>	<u>108,047</u>
EXPENDITURES				
Current:				
General government:				
Mayor and board:				
Personnel services	24,084	25,351	25,327	(24)
General services	<u>22,250</u>	<u>22,250</u>	<u>15,336</u>	<u>(6,914)</u>
Total Mayor And Board	<u>46,334</u>	<u>47,601</u>	<u>40,663</u>	<u>(6,938)</u>
City clerk:				
Personnel services	100,549	100,549	100,342	(207)
Supplies and materials	4,800	4,800	4,720	(80)
General services	33,400	8,975	7,841	(1,134)
Maintenance and repairs	<u>22,200</u>	<u>22,200</u>	<u>20,181</u>	<u>(2,019)</u>
Total City Clerk	<u>160,949</u>	<u>136,524</u>	<u>133,084</u>	<u>(3,440)</u>
City administrator:				
Personnel services	177,505	175,505	174,807	(698)
Supplies and materials	3,850	3,850	2,483	(1,367)
General services	10,750	10,750	9,173	(1,577)
Maintenance and repairs	<u>150</u>	<u>150</u>	<u>78</u>	<u>(72)</u>
Total City Administrator	<u>192,255</u>	<u>190,255</u>	<u>186,541</u>	<u>(3,714)</u>
City attorney:				
General services	<u>32,500</u>	<u>32,500</u>	<u>28,945</u>	<u>(3,555)</u>

(Continued)

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Current (Continued):				
General government (Continued):				
Municipal court:				
Personnel services	40,952	40,952	40,604	(348)
Supplies and materials	2,450	2,450	2,293	(157)
General services	17,750	17,750	14,702	(3,048)
Maintenance and repairs	100	100	39	(61)
Total Municipal Court	<u>61,252</u>	<u>61,252</u>	<u>57,638</u>	<u>(3,614)</u>
Incidental:				
Personnel services	851,000	864,385	864,372	(13)
Supplies and materials	11,200	11,200	8,958	(2,242)
General services	352,750	354,680	346,379	(8,301)
Maintenance and repairs	7,500	7,500	2,841	(4,659)
Total Incidental	<u>1,222,450</u>	<u>1,237,765</u>	<u>1,222,550</u>	<u>(15,215)</u>
Legals and elections:				
General service	<u>16,500</u>	<u>16,500</u>	<u>15,942</u>	<u>(558)</u>
Total General Government	<u>1,732,240</u>	<u>1,722,397</u>	<u>1,685,363</u>	<u>(37,034)</u>
Public safety:				
Personnel services	1,219,105	1,250,910	1,243,263	(7,647)
Supplies and materials	26,735	20,735	16,392	(4,343)
General services	70,165	70,165	66,548	(3,617)
Maintenance and repairs	104,700	110,203	106,057	(4,146)
Capital outlay	<u>76,850</u>	<u>76,850</u>	<u>73,394</u>	<u>(3,456)</u>
Total Public Safety	<u>1,497,555</u>	<u>1,528,863</u>	<u>1,505,654</u>	<u>(23,209)</u>
Street department:				
Personnel services	388,212	330,753	321,497	(9,256)
Supplies and materials	104,600	87,950	79,604	(8,346)
General services	15,300	21,300	18,978	(2,322)
Maintenance and repairs	256,900	183,930	175,271	(8,659)
Capital outlay	<u>2,639,288</u>	<u>1,983,808</u>	<u>1,982,949</u>	<u>(859)</u>
Total Street Department	<u>3,404,300</u>	<u>2,607,741</u>	<u>2,578,299</u>	<u>(29,442)</u>

(Continued)

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Current (Continued):				
Refuse collection and other:				
Cemetery:				
General services	150	150	-	(150)
Maintenance and repairs	11,500	11,500	7,785	(3,715)
Total Cemetery	<u>11,650</u>	<u>11,650</u>	<u>7,785</u>	<u>(3,865)</u>
Sanitation:				
General services	630,400	677,545	677,534	(11)
Total Refuse Collection And Other	<u>642,050</u>	<u>689,195</u>	<u>685,319</u>	<u>(3,876)</u>
Planning and development:				
Engineering services:				
Personnel services	161,144	161,144	160,890	(254)
Supplies and materials	4,200	4,200	2,708	(1,492)
General services	2,800	2,800	2,006	(794)
Maintenance and repairs	4,500	5,715	4,915	(800)
Total Engineering Services	<u>172,644</u>	<u>173,859</u>	<u>170,519</u>	<u>(3,340)</u>
Economic development:				
Personnel services	100,447	100,447	100,144	(303)
Supplies and materials	2,900	2,900	411	(2,489)
General services	27,250	27,250	22,841	(4,409)
Maintenance and repairs	1,550	1,800	1,810	10
Capital outlay	160,157	162,837	162,795	(42)
Total Economic Develop- ment	<u>292,304</u>	<u>295,234</u>	<u>288,001</u>	<u>(7,233)</u>
Total Planning And De- velopment	<u>464,948</u>	<u>469,093</u>	<u>458,520</u>	<u>(10,573)</u>

(Continued)

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Current (Continued):				
Building maintenance:				
Personnel services	41,022	41,022	39,659	(1,363)
Supplies and materials	5,100	5,100	5,070	(30)
General services	18,150	18,150	13,617	(4,533)
Maintenance and repairs	15,200	15,200	12,283	(2,917)
Capital outlay	7,000	1,000	1,000	-
Total Building Maintenance	<u>86,472</u>	<u>80,472</u>	<u>71,629</u>	<u>(8,843)</u>
Total Expenditures	<u>7,827,565</u>	<u>7,097,761</u>	<u>6,984,784</u>	<u>(112,977)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(415,414)</u>	<u>11,045</u>	<u>232,069</u>	<u>221,024</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,500	64,810	64,840	30
Transfers in	775,000	750,000	750,000	-
Transfers out	<u>(318,000)</u>	<u>(318,000)</u>	<u>(318,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>458,500</u>	<u>496,810</u>	<u>496,840</u>	<u>30</u>
NET CHANGE IN FUND BALANCE	<u>\$ 43,086</u>	<u>507,855</u>	<u>728,909</u>	<u>221,054</u>
FUND BALANCE, JULY 1			<u>7,257,003</u>	
FUND BALANCE, JUNE 30			<u>\$ 7,985,912</u>	

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PARK FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes	\$ 254,000	254,000	261,094	7,094
Charges for services	187,000	179,750	182,097	2,347
Intergovernmental	500	500	-	(500)
Investment income	2,200	1,770	2,652	882
Miscellaneous	42,000	20,480	21,319	839
Total Revenues	<u>485,700</u>	<u>456,500</u>	<u>467,162</u>	<u>10,662</u>
EXPENDITURES				
Current:				
Culture and recreation	683,926	683,926	654,695	(29,231)
Capital outlay	<u>85,565</u>	<u>134,935</u>	<u>129,642</u>	<u>(5,293)</u>
Total Expenditures	<u>769,491</u>	<u>818,861</u>	<u>784,337</u>	<u>(34,524)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	(283,791)	(362,361)	(317,175)	45,186
OTHER FINANCING SOURCES				
Transfers in	<u>318,000</u>	<u>318,000</u>	<u>318,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 34,209</u>	<u>(44,361)</u>	825	<u>45,186</u>
FUND BALANCE, JULY 1			<u>300,591</u>	
FUND BALANCE, JUNE 30			<u>\$ 301,416</u>	

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
TRANSPORTATION TAX FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes	\$ 792,050	826,965	826,966	1
Investment income	<u>12,000</u>	<u>12,000</u>	<u>14,701</u>	<u>2,701</u>
Total Revenues	804,050	838,965	841,667	2,702
 OTHER FINANCING USES				
Transfers out	<u>(775,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	<u>\$ 29,050</u>	<u>88,965</u>	91,667	<u>2,702</u>
 FUND BALANCE, JULY 1			<u>987,060</u>	
 FUND BALANCE, JUNE 30			<u>\$ 1,078,727</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, 2013

Budgetary Data

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

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

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>Special Revenue</u>		
	<u>Cemetery</u>	<u>Stormwater</u>	
	<u>Fund</u>	<u>Management</u>	<u>Total</u>
		<u>Fund</u>	
ASSETS			
Cash and investments	<u>\$ 74,714</u>	<u>-</u>	<u>74,714</u>
 LIABILITIES AND FUND BALANCES			
Due to other funds	<u>\$ -</u>	<u>4,578</u>	<u>4,578</u>
 Fund Balances			
Assigned	74,714	-	74,714
Unassigned	<u>-</u>	<u>(4,578)</u>	<u>(4,578)</u>
Total Fund Balances	<u>74,714</u>	<u>(4,578)</u>	<u>70,136</u>
 Total Liabilities And Fund Balances	<u>\$ 74,714</u>	<u>-</u>	<u>74,714</u>

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Special Revenue</u>		
	<u>Cemetery</u>	<u>Stormwater</u>	
	<u>Fund</u>	<u>Management</u>	<u>Total</u>
		<u>Fund</u>	
REVENUES			
Investment income	\$ 1,191	-	1,191
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER EXPENDITURES	1,191	-	1,191
OTHER FINANCING SOURCES			
Sale of capital assets	<u>1,810</u>	<u>-</u>	<u>1,810</u>
NET CHANGES IN FUND BALANCE	3,001	-	3,001
FUND BALANCE, JULY 1	<u>71,713</u>	<u>(4,578)</u>	<u>67,135</u>
FUND BALANCE, JUNE 30	<u>\$ 74,714</u>	<u>(4,578)</u>	<u>70,136</u>

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CEMETERY FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 1,000	1,000	1,191	191
OTHER FINANCING SOURCES				
Sale of capital assets	<u>500</u>	<u>1,810</u>	<u>1,810</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,500</u>	<u>2,810</u>	3,001	<u>191</u>
FUND BALANCE, JULY 1			<u>71,713</u>	
FUND BALANCE, JUNE 30			<u>\$ 74,714</u>	

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
STORMWATER MANAGEMENT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 1,000	-	-	-
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	2,000	-	-	-
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 2,000</u></u>	<u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
FUND BALANCE, JULY 1			<u>(4,578)</u>	
FUND BALANCE, JUNE 30			<u><u>\$ (4,578)</u></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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
OPERATING REVENUES				
Charges for services:				
Water	\$ 1,028,000	1,069,425	1,080,886	11,461
Sewer	787,000	787,000	793,322	6,322
Total Operating Revenues	<u>1,815,000</u>	<u>1,856,425</u>	<u>1,874,208</u>	<u>17,783</u>
OPERATING EXPENSES				
Depreciation	-	668,373	668,373	-
Amortization	-	12,304	6,232	(6,072)
Water	1,032,065	705,425	653,549	(51,876)
Sewer	1,100,465	695,210	672,288	(22,922)
Total Operating Expenses	<u>2,132,530</u>	<u>2,081,312</u>	<u>2,000,442</u>	<u>(80,870)</u>
OPERATING INCOME (LOSS)	<u>(317,530)</u>	<u>(224,887)</u>	<u>(126,234)</u>	<u>98,653</u>
NONOPERATING REVENUES (EXPENSES)				
Taxes	776,720	826,930	826,940	10
Investment income	48,000	64,821	69,261	4,440
Intergovernmental	79,655	79,655	79,655	-
Miscellaneous	61,000	61,000	55,006	(5,994)
Bond issuance costs	-	(123,854)	(123,854)	-
Interest expense and fiscal charges	<u>(345,683)</u>	<u>(319,131)</u>	<u>(319,131)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>619,692</u>	<u>589,421</u>	<u>587,877</u>	<u>(1,544)</u>
CHANGE IN NET POSITION	<u>\$ 302,162</u>	<u>364,534</u>	461,643	<u>97,109</u>
NET POSITION, JULY 1			<u>21,101,773</u>	
NET POSITION, JUNE 30			<u>\$ 21,563,416</u>	

CITY OF UNION, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance June 30 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30 2013</u>
POLICE EVIDENCE ACCOUNT				
ASSETS				
Cash	<u>\$ 18,595</u>	<u>3,811</u>	<u>14,742</u>	<u>7,664</u>
LIABILITIES				
Due to others	<u>\$ 18,595</u>	<u>3,811</u>	<u>14,742</u>	<u>7,664</u>

SECTION III
STATISTICAL INFORMATION SECTION

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.

Contents	Pages
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	61 - 65
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	66 - 71
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	72 - 74
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	75 - 78
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	79 - 80
Bond Annual Report	
These schedules contain information regarding City finances, the water and sewer system, and the debt of the City.	81 - 85

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

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

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

Source: Basic financial statements.

GASB 34 was implemented in 2005.

For fiscal year 2011 GASB 54 was implemented.

GASB 63 and 65 were implemented in 2013.

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

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

(Continued)

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

	For The Years Ended June 30								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
NET REVENUES (EXPENSES)									
Governmental activities	(3,934,126)	(4,491,036)	(3,515,530)	(3,438,132)	(4,849,987)	2,416,321	(1,272,342)	(3,168,751)	(3,289,617)
Business-type activities	(569,219)	(402,039)	427,519	101,390	(126,218)	764,752	1,352,788	387,262	259,878
Total Primary Government Net Revenues (Expenses)	(4,503,345)	(4,893,075)	(3,088,011)	(3,336,742)	(4,976,205)	3,181,073	80,446	(2,781,489)	(3,029,739)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION									
Governmental Activities									
Taxes:									
Sales	2,480,898	2,480,898	2,402,085	2,327,690	2,378,862	2,523,912	2,391,467	2,284,329	2,194,395
Property	1,100,576	1,100,576	1,073,319	1,056,084	1,007,328	974,171	907,026	843,656	756,917
Franchise	1,579,086	1,579,086	1,472,202	1,338,241	1,215,314	1,385,504	998,653	921,519	853,945
Other	496,310	496,310	222,428	275,591	384,789	338,589	260,541	519,366	637,131
Investment income	127,053	127,053	125,950	139,420	196,484	234,887	223,812	132,041	72,374
Gain on sale of assets	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	24,319	24,319	31,153	624,010	454,700	18,174	326,989	20,652	149,219
Transfers	-	-	-	-	(338,600)	257,718	(1,009,448)	(11,806)	(7,243)
Total Governmental Activities General Revenues And Other Changes In Net Position	5,873,082	5,873,082	5,435,220	5,762,661	5,465,534	7,737,134	4,189,121	5,420,643	4,656,738
Business-type Activities									
Sales taxes	826,940	826,940	800,671	775,930	792,580	840,905	796,675	637,320	365,725
Investment income	69,261	69,261	92,604	46,675	45,092	47,548	56,841	49,342	24,538
Grants and contributions not restricted to specific programs	79,655	81,308	41,430	-	-	-	-	-	-
Miscellaneous	55,006	60,423	56,656	64,517	29,317	30,568	17,414	178,674	154,805
Transfers	-	-	-	-	338,600	(257,718)	1,009,448	11,806	7,243
Total Business-type Activities General Revenues And Other Changes In Net Position	1,030,862	1,037,932	991,361	887,122	1,205,589	661,303	1,880,378	877,142	552,311
Total Primary Government General Revenues And Other Changes In Net Position	6,903,944	6,911,014	6,426,581	6,649,783	6,671,123	8,398,437	6,069,499	6,297,785	5,209,049
CHANGES IN NET POSITION									
Governmental activities	1,938,956	1,382,046	1,919,690	2,324,529	615,547	10,153,455	2,916,779	2,251,892	1,367,121
Business-type activities	461,643	635,893	1,418,880	988,512	1,079,371	1,426,055	3,233,166	1,264,404	812,189
Total Primary Government	\$ 2,400,599	2,017,939	3,338,570	3,313,041	1,694,918	11,579,510	6,149,945	3,516,296	2,179,310

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

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

	June 30								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund									
Reserved	\$ -	-	-	131,912	144,600	73,124	113,447	70,114	75,523
Unreserved	-	-	-	6,000,991	5,529,031	4,409,421	3,791,645	3,672,232	2,983,652
Nonspendable	89,764	89,500	100,000	-	-	-	-	-	-
Committed	2,218,000	3,211,500	2,615,000	-	-	-	-	-	-
Assigned	4,700,000	3,350,000	3,250,000	-	-	-	-	-	-
Unassigned	978,148	606,003	602,675	-	-	-	-	-	-
Total General Fund	<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>	<u>3,059,175</u>
Park Fund									
Reserved	\$ -	-	-	33,662	28,355	13,500	14,000	22,188	21,290
Unreserved	-	-	-	23,986	491,344	453,865	404,518	257,738	187,967
Nonspendable	37,500	37,500	35,000	-	-	-	-	-	-
Assigned	263,916	263,091	178,446	-	-	-	-	-	-
Total Park Fund	<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>	<u>209,257</u>
Transportation Tax Fund									
Unreserved	\$ -	-	-	725,344	684,254	1,377,085	503,800	404,077	325,993
Restricted	1,078,727	987,060	842,110	-	-	-	-	-	-
Total Transportation Tax Fund	<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>	<u>325,993</u>
2000 Certificates Of Participation Fund									
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>678,469</u>	<u>-</u>
2006B Certificates Of Participation Fund									
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>522,636</u>	<u>525,484</u>	<u>2,572,409</u>	<u>732,497</u>	<u>-</u>	<u>-</u>
All Other Governmental Funds									
Reserved	\$ -	-	-	-	-	-	208,647	208,507	563,807
Unreserved, reported in:									
Special Revenue Funds	-	-	-	145,703	140,352	135,085	122,682	81,405	45,878
Capital Projects Funds	-	-	-	-	-	-	-	299,186	291,627
Debt Service Funds	-	-	-	79,896	77,835	85,775	90,696	93,620	233,038
Assigned	74,714	71,713	136,149	-	-	-	-	-	-
Unassigned	(4,578)	(4,578)	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>1,134,350</u>

Source: Basic financial statements.

GASB 34 was implemented in 2005.

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

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

	For The Years Ended June 30								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
REVENUES									
Taxes	\$6,033,921	5,628,461	5,429,442	5,324,980	5,265,651	5,501,547	4,892,028	4,568,870	4,442,387
Fines and forfeitures	139,622	167,352	145,259	112,758	111,930	128,722	134,838	145,883	111,622
Licenses and permits	106,492	96,899	80,384	90,640	102,739	144,464	132,872	200,545	146,068
Charges for services	939,849	944,377	918,383	865,901	759,292	680,594	631,525	586,172	557,244
Intergovernmental	1,079,341	561,638	583,357	1,124,971	461,186	696,473	100,090	41,553	39,833
Investment income	127,053	122,852	125,950	139,420	196,484	234,887	223,812	132,041	72,376
Rental income	23,905	21,360	20,421	36,701	71,911	56,183	51,761	43,492	39,327
Miscellaneous	76,690	465,267	63,106	659,360	514,586	97,135	154,957	82,816	62,299
Total Revenues	8,526,873	8,008,206	7,366,302	8,354,731	7,483,779	7,540,005	6,321,883	5,801,372	5,471,156
EXPENDITURES									
General government	1,685,363	1,850,752	1,652,222	1,570,176	1,506,064	1,395,844	1,306,823	1,197,458	1,103,574
Public safety	1,432,260	1,360,128	1,336,848	1,363,023	1,429,339	1,239,194	1,048,852	1,034,736	947,302
Street department	595,350	1,115,223	923,210	720,193	600,529	523,690	439,864	437,740	429,985
Refuse collection and other	685,319	654,684	629,811	592,645	512,651	489,344	455,528	435,822	433,317
Culture and recreation	654,695	706,866	690,242	682,274	1,803,051	587,083	528,041	503,763	463,890
Planning and development	295,725	277,659	309,874	285,952	253,080	278,800	332,099	282,536	217,576
Building maintenance	70,629	72,213	75,025	72,569	80,988	67,445	54,394	54,450	49,248
Stormwater management	-	71,602	14,777	-	-	-	-	-	-
Capital outlay	2,349,780	1,175,516	1,226,190	1,905,086	1,788,263	1,713,852	873,900	678,903	744,214
Debt service:									
Principal	-	-	-	1,095,250	1,795,000	270,000	210,000	614,947	145,000
Interest and fiscal charges	-	-	-	27,938	66,319	112,124	79,000	215,311	218,156
Bond issue costs	-	-	-	-	-	-	68,651	-	-
Total Expenditures	7,769,121	7,284,643	6,858,199	8,315,106	9,835,284	6,677,376	5,397,152	5,455,666	4,752,262
REVENUES OVER (UNDER) EXPENDITURES									
	757,752	723,563	508,103	39,625	(2,351,505)	862,629	924,731	345,706	718,894
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	66,650	128,846	109,783	3,250	95,846	1,974,898	316,579	724,861	2,850
Capital lease	-	-	-	-	-	43,087	21,518	-	-
Note payable	-	-	-	-	1,095,250	-	-	-	-
Issuance of certificates of participation	-	-	-	-	-	-	2,275,000	-	-
Payment to escrow agent	-	-	-	-	-	-	(2,626,507)	-	-
Bond discount	-	-	-	-	-	-	(15,100)	-	-
Transfers in	1,068,000	1,016,500	1,015,000	1,069,500	2,734,829	995,555	2,232,235	2,352,682	1,178,753
Transfers out	(1,068,000)	(1,016,500)	(1,015,000)	(1,069,500)	(3,073,429)	(737,837)	(3,241,683)	(2,364,488)	(1,185,996)
Total Other Financing Sources (Uses)	66,650	128,846	109,783	3,250	852,496	2,275,703	(1,037,958)	713,055	(4,393)
NET CHANGES IN FUND BALANCES									
	\$ 824,402	852,409	617,886	42,875	(1,499,009)	3,138,332	(113,227)	1,058,761	714,501
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	17.6 %	25.1	7.4	7.6	17.4	9.1

Source: Basic financial statements.

GASB 34 was implemented in 2005.

For fiscal year 2011 GASB 54 was implemented.

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

FUNCTIONS/PROGRAMS	June 30								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Primary Government									
Governmental Activities									
General government	\$ 130,513	118,259	101,071	129,462	104,800	145,709	134,165	517,074	186,800
Public safety	292,310	273,857	286,204	295,769	369,044	340,771	332,037	187,436	151,455
Street department	1,402,786	880,533	1,778,114	1,482,449	722,870	6,778,374	2,520,718	-	-
Refuse collection and other	702,390	667,132	643,247	603,578	499,050	473,582	444,972	418,900	393,426
Culture and recreation	201,589	228,111	230,939	219,371	237,549	251,232	210,759	211,525	202,111
Planning and development	7,139	1,397	70	711	16,272	-	941	-	-
Total Governmental Activities	2,736,727	2,169,289	3,039,645	2,731,340	1,949,585	7,989,668	3,643,592	1,334,935	933,792
Business-type Activities									
Water/sewer	1,874,208	1,975,675	2,502,174	2,012,768	1,868,521	2,601,989	3,024,030	1,801,907	1,638,626
Total Primary Government	<u>\$ 4,610,935</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>	<u>2,572,418</u>

Source: Basic financial statements.

GASB 34 was implemented in 2005.

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

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

Source: Required supplemental information and basic financial statements.

GASB 34 was implemented in 2005.

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

Fiscal Year	Calendar Year	Real Estate			Personal Property	
		Residential Property	Commercial Property	Agricultural Property	Assessed Value	Estimated Actual Value
2013	2012	\$ 80,476,030	\$ 53,340,027	\$ 1,489,762	\$ 135,305,819	\$ 602,660,320
2012	2011	79,389,683	52,131,019	1,516,901	133,037,603	593,390,713
2011	2010	79,960,246	53,557,035	1,559,335	135,076,616	601,203,593
2010	2009	78,452,987	50,862,259	1,546,562	130,861,808	584,742,034
2009	2008	77,384,338	49,068,689	1,435,266	127,888,293	572,586,193
2008	2007	74,756,189	47,180,068	1,647,990	123,584,247	554,624,589
2007	2006	62,528,100	43,971,403	1,241,911	107,741,414	476,855,156
2006	2005	58,141,116	42,080,582	967,100	101,188,798	445,566,859
2005	2004	46,894,294	35,837,738	1,129,441	83,861,473	368,217,013
2004	2003	43,848,344	34,293,794	1,251,130	79,393,268	348,374,947

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		
2013	2012	\$ 5,745,131	\$ 17,802,475	\$ 170,287,511	\$ 717,917,998	\$ 0.6707	23.7 %
2012	2011	5,332,187	16,527,233	167,291,604	696,683,388	0.6683	24.0
2011	2010	4,668,891	14,458,562	166,145,690	694,862,704	0.6559	23.9
2010	2009	5,370,843	16,644,781	164,402,083	685,895,111	0.6500	24.0
2009	2008	4,382,683	13,562,416	160,820,001	671,795,684	0.6390	23.9
2008	2007	4,453,221	13,775,317	156,024,858	652,362,076	0.6360	23.9
2007	2006	4,161,403	12,875,367	140,910,603	576,753,881	0.6560	24.4
2006	2005	3,989,071	12,353,230	130,564,088	534,078,746	0.6550	24.4
2005	2004	3,870,789	11,966,055	111,244,514	450,719,824	0.6940	24.7
2004	2003	3,384,651	10,477,379	106,101,009	428,821,596	0.6940	24.7

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

Source: Franklin County Assessor.

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

	June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
City of Union										
General Fund	\$0.541	0.538	0.529	0.524	0.515	0.513	0.529	0.528	0.559	0.559
Union Park Fund	0.130	0.130	0.127	0.126	0.124	0.123	0.127	0.127	0.135	0.135
Total City Of Union	0.671	0.668	0.656	0.650	0.639	0.636	0.656	0.655	0.694	0.694
Overlapping governments:										
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Franklin County	0.903	0.910	0.090	0.881	0.884	0.884	0.894	0.936	0.946	0.951
Union Fire Protection District	0.130	0.273	0.269	0.269	0.269	0.268	0.279	0.279	0.293	0.293
Union Ambulance District	0.168	0.168	0.165	0.165	0.166	0.165	0.172	0.172	0.180	0.180
Union School District	3.750	3.750	3.700	3.700	3.700	3.510	3.470	3.470	3.470	3.470
East Central College	0.440	0.439	0.433	0.433	0.435	0.431	0.447	0.447	0.437	0.469
The Franklin County Library District	0.078	0.078	0.076	0.076	0.092	0.091	0.096	0.096	0.100	0.100

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

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

Taxpayer	2013			2008		
	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.	\$ 3,624,642	1	2.13 %	\$ 3,812,169	1	2.44 %
Wal-Mart Supercenter	1,759,821	2	1.03	1,904,742	2	1.22
D R G Plastics	1,138,214	3	0.67	1,102,224	5	0.71
MHB LLC	1,113,712	4	0.65	1,113,712	4	0.71
Union Housing Association LP	1,097,679	5	0.64	1,835,151	3	1.18
Bequette Properties LLC	997,912	6	0.59	691,708	10	0.44
United Bank of Union	967,994	7	0.57	762,834	7	0.49
Black Creek Corporation	848,572	8	0.50	-		-
MO Natural Gas	697,258	9	0.41	-		-
Franklin Co. Medical Outreach	692,016	10	0.41	730,448	8	0.47
Jelco Realty	-		-	710,717	9	0.46
Pharma Tech Industries Inc	-		-	864,783	6	0.55
Total	<u>\$ 12,937,820</u>		<u>7.60 %</u>	<u>\$ 13,528,488</u>		<u>8.67 %</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

Fiscal Year	Tax Levy Year	Net Tax Levy	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections (1)	Total Tax Collections	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent Of Levy
2013	2012	\$ 1,101,864	\$ 1,015,714	92.2 %	\$ 57,210	\$ 1,072,924	97.4 %	\$ 86,150	7.82 %
2012	2011	1,085,033	976,278	90.0	59,212	1,035,490	95.4	108,755	10.02
2011	2010	1,061,052	939,777	88.6	138,001	1,077,778	101.6	121,275	11.43
2010	2009	1,037,528	926,243	89.3	86,171	1,012,414	97.6	111,285	10.73
2009	2008	1,005,337	895,015	89.0	104,438	999,453	99.4	110,322	10.97
2008	2007	965,544	842,659	87.3	92,112	934,771	96.8	122,885	12.73
2007	2006	897,501	797,497	88.9	187,721	985,218	109.8	100,004	11.14
2006	2005	830,814	655,009	78.8	83,840	738,849	88.9	175,805	21.16
2005	2004	747,925	663,536	88.7	78,060	741,596	99.2	84,389	11.28
2004	2003	713,666	636,528	89.2	121,445	757,973	106.2	77,138	10.81

Source: The City's tax database.

(1) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year.

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			
2013	\$ -	\$ -	\$ -	\$ 656,694	\$ 3,670,000	\$ 3,410,000	\$ 7,736,694	- %	\$ 740
2012	-	-	-	710,576	3,465,000	3,560,000	7,735,576	-	758
2011	-	-	-	761,730	3,620,000	3,705,000	8,086,730	-	793
2010	-	-	-	810,294	3,770,000	-	4,580,294	-	472
2009	14,020	-	1,095,250	856,399	3,910,000	-	5,875,669	-	N/A
2008	34,407	1,795,000	-	900,169	4,045,000	-	6,774,576	1.98	700
2007	43,376	2,065,000	-	941,723	4,615,000	-	7,665,099	2.50	810
2006	71,030	2,345,000	-	981,173	790,000	-	4,187,203	1.45	450
2005	29,236	2,860,000	-	1,018,625	1,305,000	-	5,212,861	2.02	600
2004	-	2,890,000	-	1,054,182	1,800,000	-	5,744,182	2.39	682

(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, 2013

<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	\$ 16,330,436	11.00 %	\$ 1,796,348
Union School District	26,625,935	45.00	11,981,671
	42,956,371		13,778,019
City direct debt	-	100.00 %	-
Total Direct And Overlapping Debt	<u>\$ 42,956,371</u>		<u>\$ 13,778,019</u>

Source: Information was obtained by contacting the taxing jurisdiction.

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

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

	Fiscal Years Ended June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assessed Value	<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>	<u>111,244,514</u>	<u>106,101,009</u>
Debt limit - 10% of total assessed valuation	<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>	<u>11,124,451</u>	<u>10,610,101</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>\$ 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>	<u>11,124,451</u>	<u>10,610,101</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

Fiscal Year	Population (1)	Median Household Income (2)	Personal Income	Per Capita Income (3)	Public School Enrollment (4)	Unemployment Rate (5)
2013	10,456	\$ 45,871	N/A	\$ 35,811	3,150	7.5 %
2012	10,258	52,267	N/A	34,762	3,161	8.6
2011	10,204	49,034	N/A	N/A	3,018	10.2
2010	9,714	N/A	N/A	N/A	3,054	10.5
2009	N/A	N/A	N/A	N/A	3,025	9.3
2008	9,684	49,064	\$341,302,896	35,244	3,001	6.1
2007	9,468	45,998	306,829,476	32,407	2,935	4.9
2006	9,309	N/A	289,696,080	31,120	2,912	5.2
2005	8,693	N/A	257,512,739	29,623	2,885	5.6
2004	8,424	N/A	239,949,216	28,484	2,858	5.8

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>2013</u>			<u>2004</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>
Esselte	391	1	10.37 %	380	1	10.07 %
Union RXI School District	384	2	10.18	375	2	9.94
Franklin County Government	344	3	9.12	299	3	7.93
American Plastics	233	4	6.18	-	-	-
Rexam Containers	231	5	6.12	264	4	7.00
Wal-Mart Supercenter	230	6	6.10	150	6	3.98
East Central College	211	7	5.59	260	5	6.89
Climate Express	150	8	3.98	-	-	-
Spartan Showcase	119	9	3.15	123	7	3.26
Sunset Health Care	100	10	2.65	96	10	2.55
The Children's Factory	-	-	-	100	9	2.65
Coin Acceptors/Transaction Technology	-	-	-	110	8	2.92
Total	<u>2,393</u>		<u>63.44 %</u>	<u>2,157</u>		<u>57.19 %</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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
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	-	-	-	-
Custodian	1	1	1	1	1	1	1	1	1	1
City attorney	1	1	1	1	1	1	1	1	1	1
City collector	1	1	1	1	1	1	1	1	1	1
Engineering Department:										
City engineer	1	1	1	1	1	1	1	1	1	1
Engineering assistant	1	1	1	1	1	1	1	1	1	1
Building inspector	1	1	1	1	1	1	1	1	1	1
Economic Development Department:										
Economic director	1	1	1	1	1	1	1	1	1	1
Assistant	1	1	1	1	1	1	1	1	1	1
Parks and Recreation Department:										
Parks and recreation director	1	1	1	1	1	1	1	1	1	1
Recreation coordinator	1	1	1	1	1	1	1	1	1	1
Assistant	-	-	-	-	-	-	-	-	1	1
Maintenance - foreman	1	1	1	1	1	1	1	1	1	1
Maintenance	2	2	2	2	2	2	2	2	2	2
Public works department:										
Public works director	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	-	-	-	-	-
Street laborer II	4	3	3	3	4	4	4	4	4	5
Street equipment operator IV	2	2	2	2	1	2	2	2	2	2
Street equipment operator III	-	1	1	1	1	1	1	1	1	1
Street mechanic	2	2	2	2	1	1	1	1	1	1

(Continued)

CITY OF UNION, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS (Continued)

LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS (Continued)	Full-Time Equivalent Employees As Of June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Water/Wastewater Department:										
Water/Wastewater foreman	1	1	1	1	1	1	1	1	1	-
Field foreman	1	1	1	1	1	-	-	-	-	-
Class C operator II	1	1	1	1	1	-	-	-	-	-
Water/Distribution operator	2	2	2	1	1	1	1	1	1	1
Water/Wastewater apprentice	3	3	3	4	4	6	6	6	6	7
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	-	-	-	-	-	-
Detective	1	1	1	1	2	2	1	1	1	1
Corporal	1	1	1	1	-	-	-	-	-	-
School Resource Officer	2	2	2	2	2	1	1	1	1	1
Parking control officer	1	1	1	1	1	1	1	1	1	1
Patrol officer	9	9	9	9	10	9	9	9	9	9
Police clerks	2	2	2	2	2	2	2	2	2	2
Municipal Court Department:										
Municipal court clerk	1	1	1	1	1	1	1	1	1	1
Municipal judge	1	1	1	1	1	1	1	1	1	1

Source: City payroll department records

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

FUNCTIONS/PROGRAMS	June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police - patrol:										
Arrests	1,063	746	787	705	665	475	610	550	600	699
Traffic citations	1,972	2,141	2,857	1,733	1,573	1,416	1,810	1,715	1,843	1,789
Crime reports	3,418	3,291	3,633	4,034	3,991	3,846	4,187	3,723	3,541	3,729
Accident reports	509	447	493	521	520	548	458	349	382	405
Public works:										
Road repair - tons of mix	1,485	1,858	1,543	1,686	1,453	955	1,868	2,452	3,078	2,579
Traffic control signs serviced	245	293	202	294	97	88	253	128	103	115
Storm sewer grates and lids inspected	1,160	1,134	1,130	1,069	921	1,082	967	795	725	591
Parks:										
Acres mowed and maintained	187	187	187	187	187	187	187	187	187	187
Trees and shrubs planted	-	10	-	8	4	3	25	100	N/A	N/A
Engineering/building inspection:										
Rezoning applications	-	1	-	1	3	2	-	4	4	5
Building permits issued	230	197	190	194	147	253	280	275	302	310
Water permits issued	89	74	58	50	42	80	94	123	166	163
Sewer permits issued	82	73	55	48	36	74	83	104	159	155
Finance and administration:										
Business licenses issued	658	667	694	655	583	684	639	607	578	555
Payroll checks issued	1,877	4,245	4,002	4,102	4,015	3,769	3,424	3,601	3,583	3,644
Accounts payable processed	2,087	2,209	2,459	2,216	2,598	2,494	2,302	2,308	2,376	2,536
Requests for public records	3	2	2	4	3	2	3	3	2	2
Liquor licenses issued	87	57	62	50	46	45	36	33	30	31

Source: City records - various departments listed.

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

FUNCTIONS/PROGRAMS	June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	11	10	10	13	13	12	10	10	9	7
Public works:										
Miles of streets	88.10	87.96	87.96	87.59	87.10	87.10	86.67	84.96	83.53	82.76
Traffic lights and signals	-	1	2	2	2	2	2	2	2	2
Miles of sanitary sewer line	76.80	76.60	76.28	75.55	74.68	74.68	74.07	71.36	69.13	67.97
Number of meters	4,238	4,161	4,017	3,905	3,975	3,975	4,054	3,794	3,631	3,584
Miles of water line	83.92	83.76	83.74	83.14	82.60	82.60	82.37	80.49	78.45	78.37
Number of pumping stations	16	16	15	16	16	14	13	12	12	12
Parks and recreation:										
Number of parks	5	5	5	5	5	5	5	5	5	5
Acres of parks	178	178	178	178	178	178	178	178	178	178
Tennis courts	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Volleyball courts	2	2	2	2	2	2	2	-	-	-
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	4	4	4
Soccer fields	5	5	5	5	5	5	5	5	5	5

Source: City finance department records.

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

CITY OF UNION, MISSOURI
STATISTICAL INFORMATION

BOND ANNUAL REPORT

Name of Issuer: City of Union, Missouri

Name of Issue(s)/Date of Issuance:

\$3,655,000

Taxable Combined Waterworks and Sewerage System Revenue Bonds

(Recovery Zone Economic Development Bonds - Direct Pay)

Series 2010A

Date of Issuance: September 29, 2010

\$50,000

Taxable Combined Waterworks and Sewerage System Revenue Bonds

Series 2010B

Date of Issuance: September 29, 2010

\$2,370,000

Refunding Certificates of Participation (City of Union, Missouri, Lessee)

Series 2013A

Date of Issuance: March 21, 2013

\$1,300,000

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

Series 2013B

Date of Issuance: March 21, 2013

Date of Report: October 29, 2013

Relating to CUSIP Nos.:

<u>Series 2010A Bonds</u>	<u>Series 2010B Bonds</u>	<u>Series 2013A Certificates</u>	<u>Series 2013B Certificates</u>
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, 2013 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.

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 2013 fiscal year:

<u>Source</u>	<u>2013</u>	<u>Percent Of Total</u>
Taxes	\$4,934,361	61.5%
Fines and forfeitures	139,622	1.7
Licenses and permits	106,492	1.3
Charges for services	757,752	9.5
Intergovernmental	1,079,341	13.5
Investment income	108,509	1.4
Rental income	23,905	0.3
Miscellaneous	51,106	0.6
Sale of capital assets	64,840	0.8
Transfers in	<u>750,000</u>	9.4
Total Revenues	<u>\$8,015,928</u>	

Source: City's Budget for the fiscal year ending June 30, 2013.

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>
2008	\$840,905	N/A
2009	792,580	(5.7%)
2010	775,930	(2.1)
2011	800,672	3.2
2012	830,707	3.8
2013	826,940	(0.045)

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>
2009	4,029	N/A
2010	4,049	0.50%
2011	4,090	1.01
2012	4,160	1.71
2013	4,198	0.91

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>
2008	298,911,230
2009	280,075,040
2010	286,628,935
2011	287,218,470
2012	292,626,330
2013	296,434,290

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, 2013:

<u>Customer</u>	<u>Type Business</u>	<u>Gallons Used</u>	<u>Dollar Billing</u>
1. Sunset Nursing Home	Nursing home	5,826,000	\$26,027
2. East Central College	College	5,350,000	24,862
3. Rexam Containers	Mfg - food containers	5,018,500	18,061
4. Union R-XI School District	School district	3,878,760	20,143
5. One Independence Drive, LLC	Restaurant	3,812,000	18,877
6. Esselte Pendaflex Corp.	Mfg/Distributor - filing supplies	2,480,000	11,909
7. Superior Composites and Coating	Mfg - Gaskets and shoe/boot material	2,076,350	8,875
8. #1 Laundromat	Laundry mat	2,068,500	9,452
9. Crystal Extrusion Systems, LTD	Mfg - Aluminum extrusion services	2,051,000	10,133
10. Fas Trip	Car wash	1,800,500	9,327

CITY OF UNION, MISSOURI
STATISTICAL INFORMATION

Water and Sewer Rates

The following table shows the current monthly water rates:

<u>Consumption</u>	<u>Current Rates</u> <u>Rate Per 1,000 Gallons</u>
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:

Water System

<u>Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percentage Collected</u>
2008	\$980,559	\$977,974	99.7%
2009	925,800	925,983	100.0
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

Sewer System

<u>Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percentage Collected</u>
2008	\$785,629	\$784,397	99.8%
2009	759,739	760,178	100.0
2010	770,370	780,182	100.0
2011	771,356	769,855	100.0
2012	791,880	790,339	99.8
2013	699,657	783,675	100.0

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>
Operating Revenues	\$1,783,723	1,808,937	1,878,594	1,874,208
Non-Operating Revenues	111,192	552,179	229,129	124,267
Capital Improvement Sales Tax Revenue	775,930	800,671	830,707	826,940
Operating Expenses ⁽¹⁾	(1,147,630)	(1,180,618)	(1,342,969)	(1,325,837)
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>
Debt Service Requirements ⁽²⁾	\$423,048	\$484,461	\$619,135	\$585,451
Debt Service Coverage	3.60x	4.09x	2.58x	2.56x

⁽¹⁾ Excludes depreciation and amortization expenses.

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

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

Revenue Obligations

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

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